Full year results 2022

SIG Group

Samuel Sigrist, CEO

28 February 2023

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Alternative performance measures

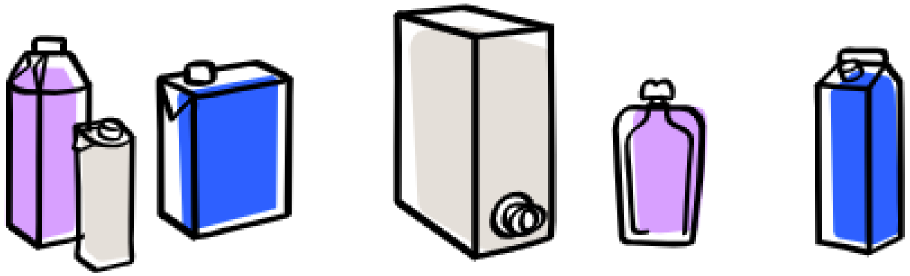
For additional information about the alternative performance measures used by management (including reconciliations to measures defined in IFRS and the refined definitions of adjusted net income, free cash flow and net capital expenditure please refer to this link: https://www.sig.biz/investors/en/performance/definitions

Some financial information in this presentation has been rounded and, as a result, the figures shown as totals in this presentation may vary slightly from the exact arithmetic aggregation of the figures that precede them.

Overview 2022

Business Highlights

Implementing our strategy and driving growth



Acquisitions of Scholle IPN and Evergreen Asia

Broadening leadership in sustainable packaging systems and solutions

Strong revenue performance from bag-in-box and spouted pouch

Integration progressing well with initial revenue synergies coming through

Growth in all regions

Strong volume growth supplemented by price increases

Pricing momentum increasingly offsetting cost inflation

2023 price increases underway

High demand for aseptic fillers

Strong level of filler placements – 91 fillers placed in 2022.

Continued strong demand into 2023

Positive leading indicator for future growth

Investing in our global manufacturing presence

Commencement of commercial production of Mexican aseptic carton plant

Construction of Indian aseptic carton plant 2023 – 2024

Management appointments

CTO: Gavin Steiner – former vice president global R&D packaging and technology at Nestlé

CSCO: Ian Wood – now responsible for global supply chain and production of SIG's entire expanded product offering

SIG continues to be an industry leader in sustainability

ESG ratings – SIG consistently rated highly

FTSE4Good – SIG Group AG is now a constituent of the FTSE4Good Index Series(1), which is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

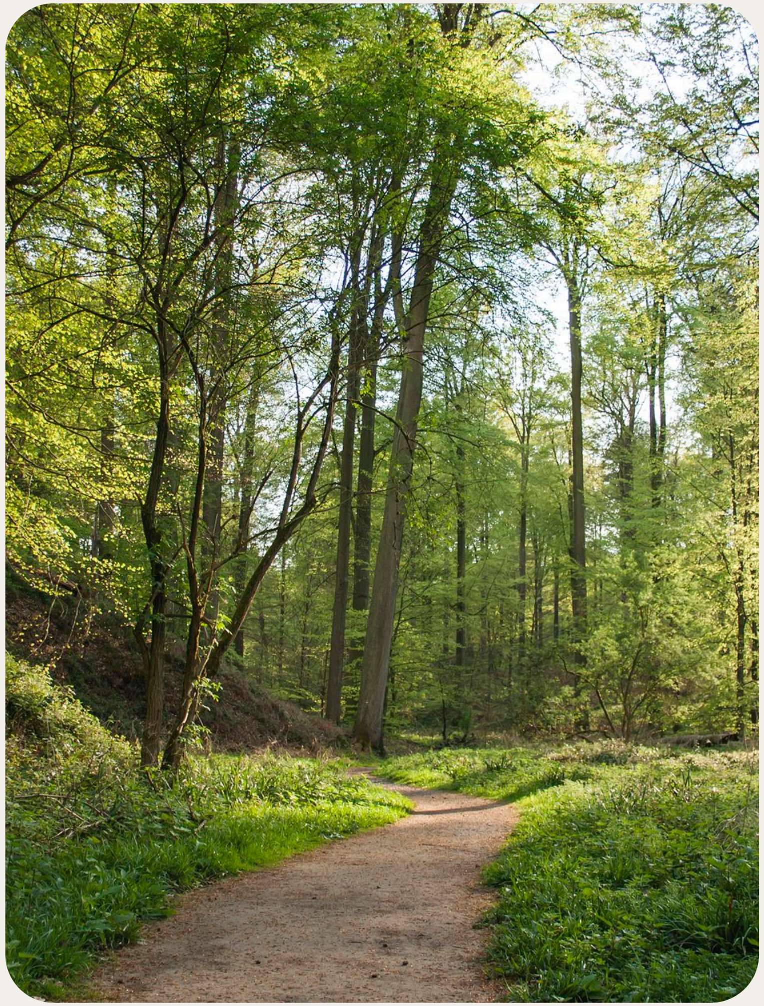
EcoVadis Platinum – Our 2022 Platinum rating from EcoVadis again puts SIG in the top 1% of businesses participating in its latest sustainability assessment.

Delivering on our sustainability commitments

100% of aseptic carton business deemed eligible under EU taxonomy as helping customers to reduce their carbon emissions, following self-assessment; alignment underway with independent 3rd party.

New GHG emission targets – ambitious targets to reduce Scope 1, 2 and 3 emissions by 52% per litre packed by 2030 from a 2020 baseline for SIG Group

- includes bag-in-box, spouted pouch and chilled carton segments
- in approval process with Science Based Targets initiative.



(1) Following the FTSE4Good Index Series December 2022 review, FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SIG Group AG has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

2022 financial highlights

Strong revenue growth driven by volume and price

Revenue € 2.78 billion	Adjusted EBITDA	Free cash flow(2)	Adjusted net income(2)	Proposed dividend per share(3)
+27.4% constant currency	**€ 652** million (2021: € 571 m)	**€ 263** million (2021: € 258 m)	**€ 287** million (2021: € 266 m)	**CHF 0.47** (2021: CHF 0.45) paid from foreign capital contribution reserves
Up **+8.0%** constant currency organic(1)				
Up **+34.8%** reported	Adjusted EBITDA margin **23.5%** (2021: 27.7%)	Leverage **3.1x** (2021: 2.5x)	Adjusted earnings per share **€ 0.79** (2021: € 0.79)	ROCE(4) **27.3%** (2021: 31.0%)

(1) Organic growth represents SIG revenue growth at constant currency, excluding the impacts of the Scholle IPN and Evergreen Asia acquisitions.
(2) Refined free cash flow and adjusted net income definitions.
(3) Equivalent to a total pay-out of ~€182.5 million at 31 December 2022 exchange rate. Subject to shareholder approval.
(4) In the calculation of the ROCE EBITA as of 31 December 2022, adjusted EBITDA and depreciation of PP&E includes the adjusted EBITDA and depreciation of PP&E of Scholle IPN and Evergreen Asia from 1 January 2022.

Europe summary

€ million	Q4 2022	2022
Revenue	**244**	**849**
Revenue growth[1]	21.9%	15.9%
Organic revenue growth[1],[2]	3.9%	4.4%
Adjusted EBITDA		201
Adjusted EBITDA margin		23.7%

Strong organic revenue growth reflects resilient volumes and price increases

- Volume performance driven by:
  - Hochwald mega-project ramp up from Q3
  - NCSD[3] on-the-go consumption with combismile rollout
  - Market share gains in liquid dairy in Spain as customers grow
  - Customer market share gains in Poland with new product launches
  - Good mix between private label and premium brands – ensuring regional resilience

2023:

- Deployment of 1st SIG NEO lines, including for plant-based milk alternative
- Strong pipeline of filler placements as a function of our sustainability offering

(1) At constant currency.
(2) Excluding the impact of Scholle IPN acquisition and adjusting for MEA JV consolidation.
(3) Noncarbonated soft drinks

Middle East and Africa summary

€ million	Q4 2022	2022
Revenue	98	332
Revenue growth[1]	1.7%	22.6%
Organic revenue growth[1],[2]	1.7%	12.1%
Adjusted EBITDA		86
Adjusted EBITDA margin		26.0%

Excellent sales growth in 2022

- Rebound of portion pack volumes in NCSD post COVID-19
- Liquid dairy growth in South Africa following drought in 2021
- Market growth and share gains in liquid dairy especially in Saudi Arabia, Egypt and South Africa
- Recycle for Good launched in Egypt: recycling initiative using mobile app to arrange collection

2023:

- First filler placement in Pakistan with focus on selected customers and categories

(1) At constant currency.
(2) Adjusting for MEA JV consolidation.

APAC summary

€ million	Q4 2022	2022
Revenue	303	900
Revenue growth(1)	44.1%	19.1%
Organic revenue growth(1),(2)	17.1%	7.8%
Adjusted EBITDA		279
Adjusted EBITDA margin		31.0%

(1) At constant currency.
(2) Excluding the impact of paper mill divestment and Scholle IPN and Evergreen Asia acquisitions.

CHINA – Resilient performance despite COVID-19 restrictions

- Record 10.6 BN aseptic sleeves produced in China
- Delivered growth in market affected by COVID-19 restrictions
- Customers restocked in Q4 as COVID-19 measures lifted and ahead of Chinese New Year in January 2023
- Good growth in soy milk and further expansion into plant-based milk alternatives in chilled and ambient
- 2023: Product launch with Yili for aluminium -layer-free (SIG's next generation project green)

SOUTHEAST ASIA – Record filler wins in SE Asia and India

- Now supplying all leading dairies and NCSD customers in India
- Further regional growth in liquid dairy with key global customers

2023:

- Strong project pipeline to be delivered
- Construction of aseptic carton plant in India

New plant in India

Expansion of global production network

- Construction of phase 1 to commence in 2023 and completion expected by Q4 2024 in city of Ahmedabad, state of Gujarat
- Printing and finishing of aseptic carton packs
- Provides capacity for local supply for our rapidly expanding base of fillers in India
- Initial capacity up to 4 billion packs; ~€60 million investment in production related equipment
- Lease of land and buildings ~€30 million NPV estimate

Americas summary

€ million	Q4 2022	2022
Revenue	**222**	**697**
Revenue growth[1]	**96.0%**	**66.4%**
Organic revenue growth[1],[2]	13.1%	11.5%
Adjusted EBITDA		**141**
Adjusted EBITDA margin		**20.2%**

(1) At constant currency.
(2) Excluding the impact Scholle IPN acquisition.

Exceptional revenue growth

- Continued market share gains in dairy in Mexico and Brazil with regional and global champions
- Strong US foodservice demand with market share gains for bag-in-box
- High demand for broths in aseptic cartons in USA and Canada

2023:

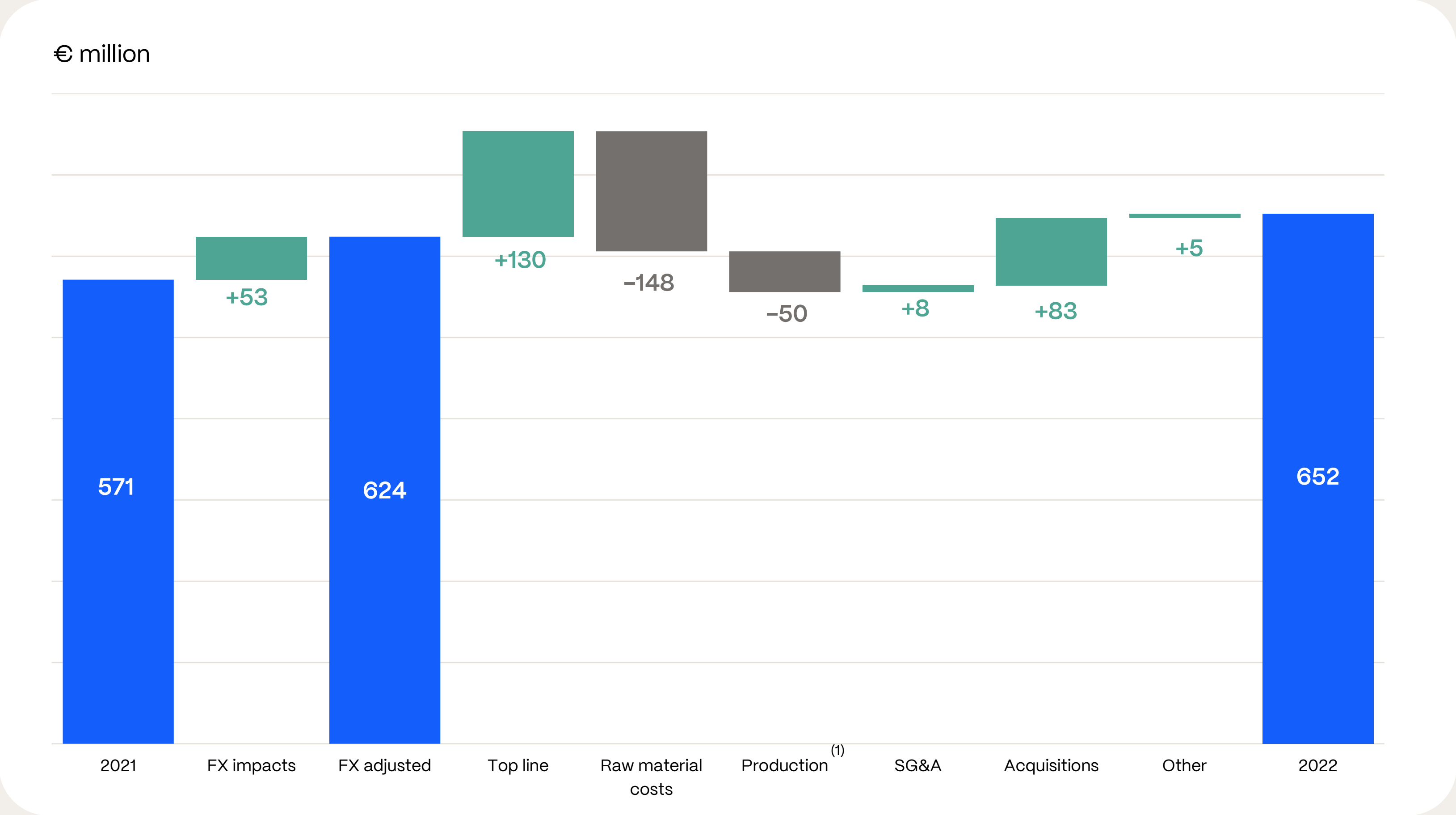
- Our first aseptic carton plant in Mexico to simplify supply chain for North America and increase customer proximity. Commercial production commenced mid-February 2023
- Category diversification into school milk with single-serve aseptic cartons (3 contracts won in 2022) in USA
- Launching spouted pouch fruit puree in Costa Rica (in-line aseptic) and bag-in-box growth in Brazil

SIG

Financials

Full year adjusted EBITDA bridge

Successful implementation of price increases



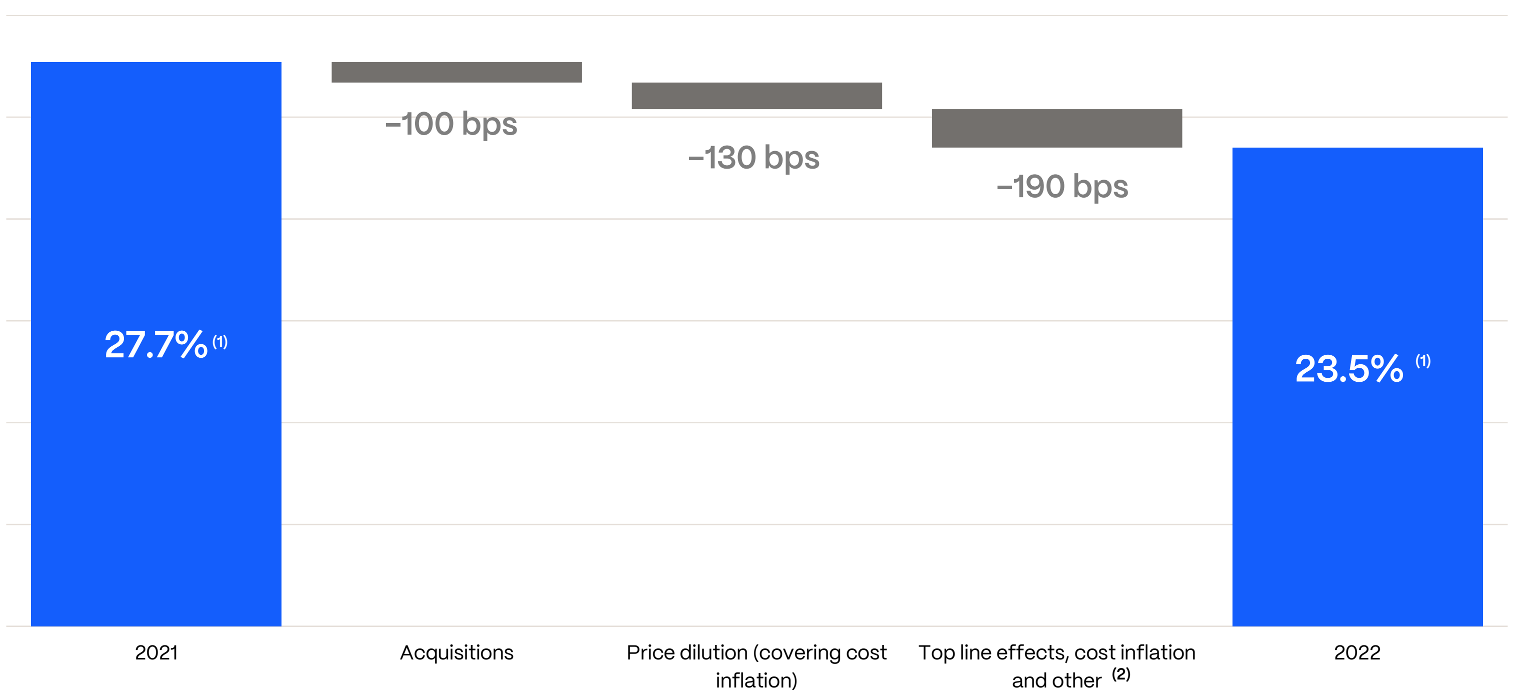
2022 summary:

- Strong revenue growth across all product substrates
- Consolidation of bag-in-box, spouted pouch and chilled carton with margin dilution effect
- Price increases cover cost inflation with time lag and margin dilution effect
- Executed price increase of around 4.5% – better than initially guided for
- Stringent cost control measures

(1) Production includes energy and freight costs

Resilient adjusted EBITDA margin in 2022

Amidst intense global inflation



2022 margin impacted by:

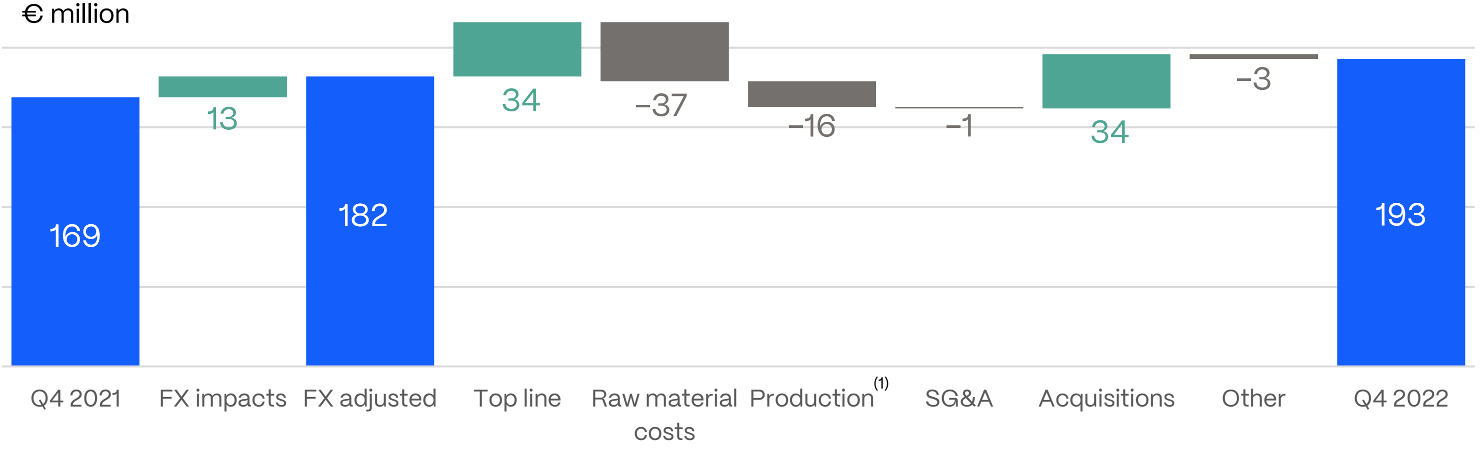
- Consolidation of acquisitions
- Dilutive impact of price increases
- Not all cost inflation offset in 2022

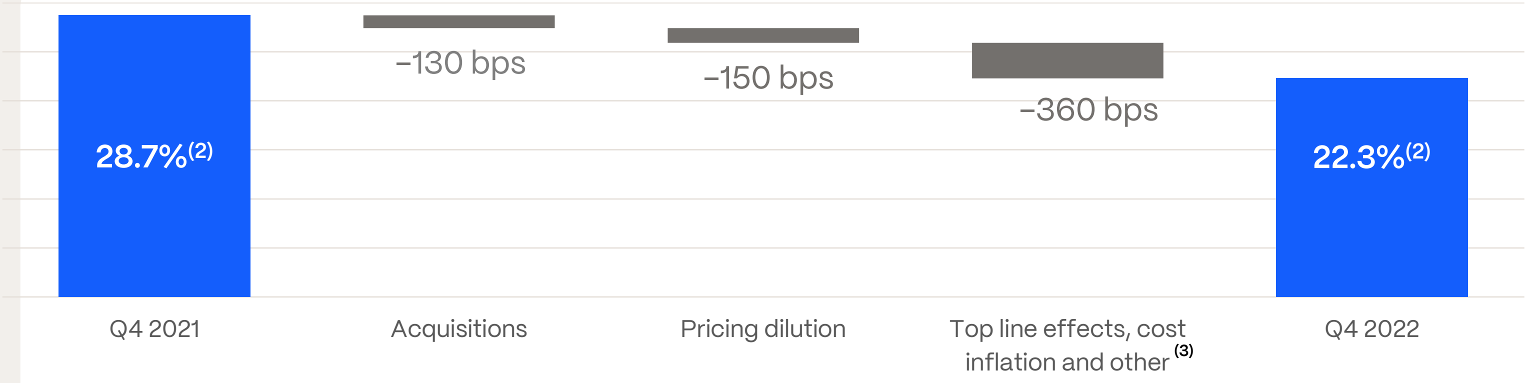
Price increases in 2023 to continue to offset the impact of cost inflation

(1) Adjusted EBITDA as % of revenue
(2) Cost inflation not yet covered by price increase

Resilient adjusted EBITDA margin in Q4 2022

Amidst intense global inflation





Q4 margin impacted by:

- Strong revenue performance of bag-in-box and spouted pouch in Q4
- Organic constant currency revenue growth of 9.8%
- Carton pricing in Q4 over 6%
- Q4 performance – revenue mix driven by growth in regions impacted by highest cost inflation
- Raw material, energy and freight prices remained high throughout most of Q4

(1) Production includes energy and freight costs
(2) Adjusted EBITDA as % of revenue
(3) Cost inflation not yet covered by price increases

Free cash flow

Strong cash generation

€ million	2022	2021
Net cash from operating activities	**578**	**531**
Acquisition of property, plant and equipment and intangible assets (net of sales)[(1)]	(281)	(246)
Payment of lease liabilities	(35)	(27)
Free cash flow	**263**	**258**
Net working capital	**324**	**173**
% of revenue	10.5%[(2)]	8.4%
Operating net working capital[(3)]	(236)	(253)
% of revenue	(7.6%)[(2)]	(12.3%)

NWC impacted by higher net working capital intensity in bag-in-box, spouted pouch and chilled carton

(1) For the year ended 31 December 2022, the Group also considers proceeds from sales of PP&E, other than filling lines and other related equipment, and intangible assets in its calculation of free cash flow. See note 11 of the consolidated financial statements.
(2) Includes the revenue of Scholle IPN and Evergreen Asia from 1 January 2022
(3) Including liabilities for volume bonuses and other incentives to customers settled in following year

Capital expenditure

Historic level of gross filler orders

€ million	2022	2021
Capital expenditure		
PP&E and intangible assets (net of sales and excl. filling lines and other related equipment)(1)	108	93
Filling lines and other related equipment	173	153
Upfront cash	(137)	(103)
Net capital expenditure	**144**	**143**
% of revenue	**5.2%**	**6.9%**
No. of aseptic fillers in the field	**1,359**	**1,295**
Gross additions	91	76
Retired	27	47
Net additions	64	29

- Net capex 5.2% of revenue: higher proportion of contracts with upfront cash
- 91 gross filler additions reflect strong demand
- PPE includes growth investments and consolidation of bag-in-box, spouted pouch and chilled carton segments

(1) For the year ended 31 December 2022, the Group also considers proceeds from sales in its calculation of capital expenditure for PP&E (excluding filling lines and other related equipment) and intangible assets. See note 11 of the consolidated financial statements.

Leverage and financing

High cash balance at year end; target 2.5x leverage by end of 2024 (2x mid-term)

€ million	2022[(1)]	2021[(2)]
Gross debt	**2,684**	**1,732**
Cash	504	305
Net debt	**2,180**	**1,428**
Net leverage ratio	3.1x	2.5x

Net debt reflects acquisition financing

€450M Eurobond maturing June 2023

- €400M bridge facility secured in January to provide flexibility to optimise timing of partial refinancing
- Looking to reduce overall gross debt during the course of the year

(1) In the calculation of the net leverage ratio as of 31 December 2022, adjusted EBITDA includes the adjusted EBITDA of Scholle IPN and Evergreen Asia from 1 January 2022
(2) In the calculation of the net leverage ratio as of 31 December 2021, adjusted EBITDA includes the adjusted EBITDA of the former joint ventures in the Middle East from 1 January 2021.

Maintaining strong ROCE

Post-tax ROCE 27%

€ million	2022[1]	2021[2]
Income statement items		
Adjusted EBITDA	709	579
Depreciation of PP&E	(206)	(172)
ROCE EBITA	**502**	**407**
Balance sheet items		
Current assets (excluding cash and cash equivalents)	908	519
Current liabilities (excluding interest-bearing liabilities)	(1,287)	(872)
PP&E	1,668	1,271
Capital employed	**1,289**	**918**
Pre-tax ROCE[3]	**39.0%**	**44.3%**
ROCE tax rate	30%	30%
Estimated post-tax ROCE[4]	**27.3%**	**31.0%**

- ROCE remains high
- Impact from acquisition offset by higher returns from organic business of 33% ROCE (post 30% tax)
- Group ROCE at adjusted effective tax rate: 29.7%
- Continue to expect ROCE to increase over mid-term as function of margin improvement and asset efficiency

(1) In the calculation of the ROCE EBITA as of 31 December 2022, adjusted EBITDA and depreciation of PP&E includes the adjusted EBITDA and depreciation of PP&E of Scholle IPN and Evergreen Asia from 1 January 2022
(2) Including two months' MEA JV.
(3) Pre-tax return on capital employed ("ROCE") represents ROCE EBITA divided by capital employed
(4) Post-tax ROCE is calculated by adjusting pre-tax ROCE by applying a reference tax rate of 30%

Guidance and concluding remarks

2023 financial guidance

Revenue growth (constant currency)	20–22%	Includes organic growth of **7–9%**
Adjusted EBITDA margin	+50–150 bps	Range of **24–25%**
Adjusted effective tax rate	26–28%	
Net CAPEX (% revenue)	7–9%	
Dividend payout ratio (of adjusted net income)	50–60%	

- Organic[1] price increases expected to be of similar magnitude to 2022
- Resin escalator for bag-in-box and spouted pouch not included in guidance
- Annualisation of M&A consolidations
- Guidance subject to input cost and forex volatility

(1) Organic growth represents SIG revenue growth at constant currency, excluding the impacts of the Scholle IPN and Evergreen Asia acquisitions.

Mid-term financial guidance

Unchanged

Revenue growth (constant currency)	4–6%	Upper half of range
Adjusted EBITDA margin	Above 27%	
Net CAPEX (% revenue)	7–9%	
Dividend payout ratio (of adjusted net income)	50–60%	
Net leverage	Towards 2x	

- Best-in-class margins
- Strong cash generation
- Attractive pay-out policy with progressive dividend growth
- Clear path to deleveraging – around 2.5x by year end 2024

Thank you!