MEDIA RELEASE

27 July 2021
SIG Combibloc Group AG ("SIG")

Sustained revenue growth and increased profitability

First half year 2021 highlights

- Core revenue at constant currency up 15.3%; up 8.8% on a like-for-like basis
- Middle East and Africa (MEA) business fully consolidated from end of February 2021
- Robust second quarter performance following exceptional first quarter growth
- Adjusted EBITDA margin 27.3% (H1 2020: 25.1%)
- Adjusted net income up 38% to €109.6 million

Revenue performance: H1 2021

(In € million or %)	Six months ended 30 June 2021	Six months ended 30 June 2020	Change		Like-for-like change(1)
			Reported currency	Constant currency	Constant currency
Core revenue	950.9	849.7	11.9%	15.3%	8.8%
Total revenue	965.8	860.0	12.3%	15.7%	9.2%

(1) Including MEA.

Key performance indicators: H1 2021

(In € million or %)	Six months ended 30 June 2021	Six months ended 30 June 2020
Adjusted EBITDA	264.1	215.7
Adjusted EBITDA margin	27.3%	25.1%
EBITDA	283.5	213.9
Adjusted net income	109.6	79.6
Net income	92.0	10.0
Free cash flow	25.0	28.1

Revenue performance: Q2 2021

(In € million or %)	Three months ended 30 June 2021	Three months ended 30 June 2020	Change		Like-for-like change[1]
			Reported currency	Constant currency	Constant currency
Core revenue	508.9	460.1	10.6%	13.2%	5.0%
Total revenue	514.5	467.1	10.2%	12.7%	4.7%

[1] Including MEA

Key performance indicators: Q2 2021

(In € million or %)	Three months ended 30 June 2021	Three months ended 30 June 2020
Adjusted EBITDA	146.2	132.0
Adjusted EBITDA margin	28.4%	28.3%
EBITDA	190.4	146.7
Adjusted net income	57.6	66.7
Net income	89.1	35.5

Samuel Sigrist, CEO of SIG Combibloc, said: "In the first half of 2021, we sustained strong revenue growth against a tough base of comparison and in a context of ongoing uncertainty around COVID-19. Profitability increased and the business is proving resilient in an inflationary environment.

2021 has brought a number of milestones in the expansion of our global presence. We acquired full control of our Middle East and Africa business at the end of February and the integration has proceeded very smoothly. Our new plant in Asia Pacific has been up and running since the beginning of the year and in April we announced the construction of a new plant in Mexico to serve North America.

Sustainability continues to be top of mind for us and for our customers. It is at the heart of our carton packs, which are made largely of renewable materials and are fully recyclable. We continue to see customer launches involving a switch to carton from PET and the adoption of our formats with enhanced sustainability. Our focus on innovation goes hand-in-hand with our vision of a net positive food packaging system. It means that we will continue to enhance the value of our offering to customers while striving to deliver positive outcomes for both people and the planet."

Consolidation of Middle East and Africa business

With effect from the end of February, revenues of the former Middle East and Africa joint ventures are fully consolidated and presented in a new segment, Middle East and Africa (MEA). The segment Europe, Middle East and Africa (EMEA) relates to the Group's reporting structure which was in place for the first two months of the year, prior to acquisition of the MEA business.

The acquisition of the former joint ventures in the Middle East generated incremental revenue of €68 million in the first half of 2021. This takes account of sales to external customers in the Middle East and Africa less the elimination of inter-company sales to the Middle East, which prior to the acquisition were treated as external sales. The acquisition contributed €14 million incremental adjusted EBITDA in the first half of 2021, representing adjusted EBITDA from the MEA region over four months less dividends received in the first half of 2020.

Sale of Whakatane paper mill in New Zealand

Following the announcement in March 2021 of the closure of its paper mill in New Zealand (Whakatane), SIG was able to identify potential buyers. This resulted in the sale of the paper mill on 3 June 2021 for NZD 1 to a consortium of investors who will enable the paper mill to continue to operate.

Revenue by region: H1 2021

(In € million or %)	Six months ended 30 June 2021	Six months ended 30 June 2020	Change Reported currency	Change Constant currency
EMEA[1]	119.3	386.6	na	na
Europe[1]	237.7	na		
MEA[1]	100.6	na		
APAC	315.8	305.4	3.4%	6.5%
Americas	174.2	151.3	15.1%	28.4%
Group Functions	3.3	6.4		
Core revenue from transactions with external customers	**950.9**	**849.7**	**11.9%**	**15.3%**
Revenue from sale of folding box board	14.9	10.3		
Total revenue	**965.8**	**860.0**	**12.3%**	**15.7%**

[1] Two months' revenue for EMEA in 2021; four months' revenue for Europe and MEA in 2021

Revenue by region: Q2 2021

(In € million or %)	Three months ended 30 June 2021	Three months ended 30 June 2020	Change Reported currency	Change Constant currency
EMEA[1]	na	205.7		
Europe[1]	177.3	na		
MEA[1]	71.3	na		
APAC	168.1	168.6	(0.3%)	2.5%
Americas	92.1	83.2	10.6%	18.5%
Group Functions	0.1	2.6		
Core revenue from transactions with external customers	**508.9**	**460.1**	**10.6%**	**13.2%**
Revenue from sale of folding box board	5.6	7.0		
Total revenue	**514.5**	**467.1**	**10.2%**	**12.7%**

[1] Three months' revenue for EMEA in 2020, three months' revenue for Europe and MEA in 2021.

In Europe, revenue in the first half of 2021 was 1% higher at constant exchange rates on a like-for-like basis. Starting in March, performance was measured against the period in 2020 marked by the onset of the COVID-19 pandemic, when consumer stock-piling was followed by customer and retailer re-stocking. These effects did not recur in 2021. However, the liquid dairy business continued to benefit from high at-home consumption due to ongoing restrictions on office working.

In the Middle East and Africa, like-for-like constant currency growth for the four months to June 2021 was 2.1%. Exceptionally high sales in March were followed by a more muted second quarter, also measured against a very strong Q2 2020. The non-carbonated soft drinks market has been negatively affected by COVID-19, with lower out-of-home consumption. At the same time, drought in South Africa temporarily affected the liquid dairy business.

Asia Pacific saw a significant boost to sales from re-stocking in the first quarter, which was followed by slower growth in the second quarter. Market conditions in China have returned to more normal levels although some COVID-19 effects remain. Demand for white milk in China is robust due to its acknowledged health benefits. The situation in South-East Asia continues to be affected by COVID-19 and on-the-go consumption, which plays a key role in these countries, remains constrained.

The Americas saw exceptional growth reflecting the contribution of fillers deployed in Brazil in the course of 2020. At-home consumption continued to drive demand in both Brazil and Mexico. Revenue in the USA benefited from the re-opening of restaurants and a re-stocking of foodservice products packed in SIG cartons.

EBITDA and adjusted EBITDA

(In € million or %)	Six months ended 30 June 2021 Adjusted EBITDA margin[1]	Six months ended 30 June 2021 Adjusted EBITDA	Six months ended 30 June 2020 Adjusted EBITDA margin[1]	Six months ended 30 June 2020 Adjusted EBITDA	Reported currency change
EMEA[2]	32.2%	38.4	31.6%	122.1	
Europe[2]	33.2%	78.8			
MEA[2]	32.2%	32.4			
APAC	27.4%	90.6	29.0%	91.4	(0.8%)
Americas	28.6%	49.8	23.0%	34.8	43.0%
Group Functions [3]		(25.9)		(32.6)	
Total	**27.3%**	**264.1**	**25.1%**	**215.7**	**22.4%**

[1] Adjusted EBITDA divided by revenue from transactions with external customers.
[2] Two months' adjusted EBITDA for EMEA in 2021, four months' adjusted EBITDA for Europe and MEA in 2021.
[3] Group Functions include activities that are supportive to the Group business.

Adjusted EBITDA increased to €264.1 million in the first half of 2021, including the consolidation of earnings from the Middle East and Africa business since March. The adjusted EBITDA margin compared with the first half of 2020 was significantly higher at 27.3%. The margin benefited from operating leverage and from lower raw material costs due to hedge contracts entered into during 2020. These more than offset the impact of higher spot prices for aluminium and polymers. SG&A costs were also lower compared with the first half of 2020.

Reported EBITDA increased to €283.5 million from €213.9 million in the first half of 2020.

Net income and adjusted net income

Adjusted net income increased to €109.6 million from €79.6 million in H1 2020. The increase primarily reflects the improvement in adjusted EBITDA, which was partly offset by additional depreciation and amortisation as a result of the Middle East and Africa acquisition.

Net income was €92.0 million compared with €10.0 million in H1 2020. The increase in net income in 2021 reflected impacts of the acquisition accounting, which are non-cash, the non-recurrence of foreign exchange losses in 2020 and a positive contribution from the revaluation of commodity derivatives. These were partly offset by non-cash expenses of €22.4 million related to the sale of the mill in New Zealand and the closure of a production plant in Australia.

Capital expenditure

Gross capital expenditure was €113.0 million in the first half of 2021 (H1 2020: €100.2 million). The increase was due to higher investment in filling machines. Net capital expenditure, after deduction of upfront cash received from customers, was €68.0 million (7.0% of revenue) compared with €80.2 million (9.3% of revenue) in H1 2020.

Free cash flow

(In € million)	Six months ended 30 June 2021	Six months ended 30 June 2020
Net cash from operating activities	**150.5**	**127.9**
Dividends received from joint ventures	-	7.1
Acquisition of PP&E and intangible assets	(113.0)	(100.2)
Payment of lease liabilities	(12.5)	(6.7)
Free cash flow	**25.0**	**28.1**

Net cash from operating activities increased versus H1 2020 and includes operating cash flow from the consolidation of the Middle East business. This was partly offset by the absence of dividends from the Middle East joint ventures. Free cash flow also reflected higher capex and lease payments. The Group's cash generation is weighted towards the second half of the year due to the seasonality of the business.

Leverage

At the end of February, SIG paid €167.0 million to the Obeikan Investment Group (OIG), representing the cash component of the consideration for OIG's 50% share in the Middle East joint ventures. The Company also assumed €36.1 million of net indebtedness (excluding lease liabilities) from the Middle East joint ventures.

A dividend of CHF 0.42 per share was paid out of capital contribution reserves on 28 April 2021, equating to a total distribution of approximately €128.1 million. Net leverage at end-June 2021 was unchanged compared with end-June 2020 and reflects the seasonality of cash flow.

(In € million)	As of 30 June 2021	As of 30 June 2020	As of 31 Dec. 2020
Gross total debt	1,828.4	1,609.8	1,697.0
Cash and cash equivalents(1)	152.0	159.9	355.1
Net total debt	1,676.4	1,449.9	1,341.9
Total net leverage ratio (last twelve months) (2)	**2.9x**	**2.9x**	**2.7x**

(1) Includes restricted cash.
(2) Net total debt divided by LTM adjusted EBITDA. LTM adjusted EBITDA for 2021 includes the LTM adjusted EBITDA of the acquired joint ventures and deducts the dividend SIG received from the joint ventures in the LTM period.

Full year outlook

For the full year, the Company expects core revenue growth on a like-for-like basis of 4-6% at constant currency. Whereas earlier in the year growth was expected to be in the lower half of this range, the strong first half performance opens up the possibility of growth in the upper half of the range. The outturn will, however, depend on the evolution of COVID-19 related uncertainties in the second half.

Assuming no major deterioration in exchange rates, the adjusted EBITDA margin is expected to be within the 27-28% range. Net capital expenditure is forecast to be within the targeted 8-10% of revenue range in 2021 and mid-term.

Interim financial statements for the first half of 2021 are available for download at https://www.sig.biz/investors/en/performance/historical-financial-statements.

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About SIG

SIG is a leading systems and solutions provider for aseptic carton packaging. We work in partnership with our customers to bring food and beverage products to consumers around the world in a safe, sustainable and affordable way. Our unique technology and outstanding innovation capacity enable us to provide our customers with end-to-end solutions for differentiated products, smarter factories and connected packs, all to address the ever-changing needs of consumers. Sustainability is integral to our business and we are going Way Beyond Good to create a net positive food packaging system.

Founded in 1853, SIG is headquartered in Neuhausen, Switzerland. The skills and experience of our approximately 5,900 employees worldwide enable us to respond quickly and effectively to the needs of our customers in over 60 countries. In 2020, SIG produced 38 billion carton packs and generated €1.8 billion in revenue. SIG has an AA ESG rating by MSCI, an 18.8 (low risk) score by Sustainalytics and a Platinum CSR rating by EcoVadis. For more information, visit www.sig.biz.

Disclaimer & cautionary statement

The information contained in this media release and in any link to our website indicated herein is not for use within any country or jurisdiction or by any persons where such use would constitute a violation of law. If this applies to you, you are not authorised to access or use any such information.

This media release contains "forward-looking statements" that are based on our current expectations, assumptions, estimates and projections about us and our industry. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words "may", "will", "should", "continue", "believe", "anticipate", "expect", "estimate", "intend", "project", "plan", "will likely continue", "will likely result", or words or phrases with similar meaning. Undue reliance should not be placed on such statements because, by their nature, forward-looking statements involve risks and uncertainties, including, without limitation, economic, competitive, governmental and technological factors outside of the control of SIG Combibloc Group AG ("SIG", the "Company" or the "Group"), that may cause SIG's business, strategy or actual results to differ materially from the forward-looking statements (or from past results). For any factors that could cause actual results to differ materially from the forward-looking statements contained in this media release, please see our offering circular for the issue of notes in June 2020. SIG undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise. It should further be noted that past performance is not a guide to future performance. Please also note that quarterly results are not necessarily indicative of the full-year results. Persons requiring advice should consult an independent adviser

The declaration and payment by the Company of any future dividends and the amounts of any such dividends will depend upon SIG's ability to maintain its credit rating, its investments, results, financial condition, future prospects, profits being available for distribution, consideration of certain covenants under the terms of outstanding indebtedness and any other factors deemed by the Directors to be relevant at the time, subject always to the requirements of applicable laws.

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

In this media release, we utilise certain alternative performance measures, including but not limited to core revenue, EBITDA, adjusted EBITDA, adjusted EBITDA margin, net capex, adjusted net income, free cash flow and net leverage ratio that in each case are not defined in International Financial Reporting Standards ("IFRS"). These measures are presented as we believe that they and similar measures are widely used in the markets in which we operate as a means of evaluating a company's operating performance and financing structure. Our definition of and method of calculating the alternative performance measures stated above may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles, are not measures of financial condition, liquidity or profitability and should not be considered as an alternative to profit from operations for the period or operating cash flows determined in accordance with IFRS, nor should they be considered as substitutes for the information contained in our consolidated financial statements. You are cautioned not to place undue reliance on any alternative performance measures and ratios not defined in IFRS included in this media release.

Alternative performance measures

For additional information about alternative performance measures used by management that are not defined in IFRS, including definitions and reconciliations to measures defined in IFRS, the change in our calculation methodology for constant currency and a definition of like-for-like growth rates, please refer to the link below:

https://reports.sig.biz/annual-report-2020/services/glossary.html

The following table reconciles profit for the period to EBITDA and adjusted EBITDA.

(In € million)	Six months ended 30 June 2021	Six months ended 30 June 2020
Profit for the period	**92.0**	**10.0**
Net finance expense	15.2	55.2
Income tax expense	28.8	9.2
Depreciation and amortisation	147.5	139.5
EBITDA	**283.5**	**213.9**
Adjustments to EBITDA:		
Unrealised gain on derivatives	(21.4)	(1.0)
Replacement of share of profit or loss of joint ventures with cash dividends received from joint ventures	1.6	-
Restructuring costs, net of reversals	22.1	0.6
Loss on sale of subsidiary	12.6	-
Transaction- and acquisition-related costs	6.8	1.3
Fair value adjustment on inventories	10.4	-
Gain on pre-existing interest in joint ventures	(48.8)	-
Out of period indirect tax recoveries	(5.9)	-
Other	3.2	0.9
Adjusted EBITDA	**264.1**	**215.7**

The table below is a summary of the reconciliation of profit for the period to adjusted net income.

(In € million)	Six months ended 30 June 2021	Six months ended 30 June 2020
Profit for the period	**92.0**	**10.0**
Non-cash foreign exchange impact of non-functional currency loans and realised foreign exchange impact due to refinancing	(10.6)	6.3
Amortisation of transaction costs	1.8	1.3
Net change in fair value of derivatives	-	(0.5)
Onex acquisition PPA depreciation and amortisation	53.4	64.4
Net effect of early repayment of former joint venture loans	3.7	-
Net effect of early repayment of secured term loans	-	19.7
Interest on out of period indirect tax recoveries	(2.2)	-
Adjustments to EBITDA (1)	(19.4)	1.8
Tax effect on above items	(9.1)	(23.4)
Adjusted net income	**109.6**	**79.6**

[1] The adjustments made to EBITDA are detailed in the “EBITDA and adjusted EBITDA” table above.