

# BNP Future of Packaging Conference

SIG Group AG

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Gavin Steiner, CTO

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In this presentation, we utilise certain alternative performance measures, including but not limited to 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 alternative non-IFRS 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 measures stated above may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS, as issued by the IASB 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 presentation.

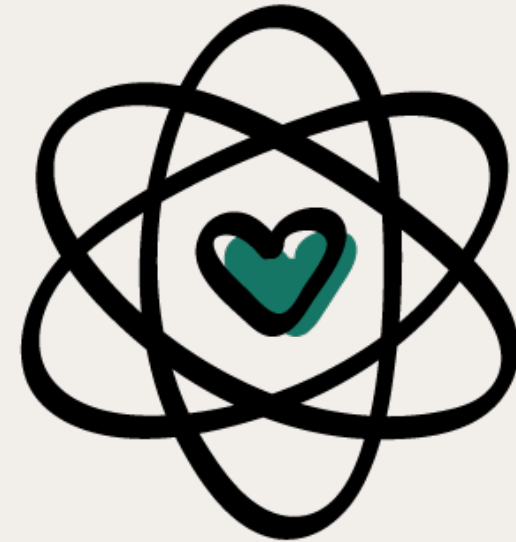
## Alternative performance measures

For additional information about the alternative performance measures used by management, including reconciliations to measures defined in IFRS, 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.

# Industry-leading innovation

Gavin Steiner, Chief Technology Officer



Striving  
for better.

# R&D ensures attractiveness of SIG's core and creates breakthrough innovations across substrates

**Continuous improvement**

Continuously strengthening SIG's platform and market position



**Step-change development**

Growing our business through step-change innovation



**Value creation**

Customers

Consumers

Environment

# Structured and integrated R&D approach delivers superior value creation



# Our global R&D network spans across three continents



# Key areas of R&D

# Aseptic

## Industry-leading innovations

Leverage our differentiating R&D capabilities

**Aseptic technology**  
new levels of aseptic performance

**Filling capabilities**  
TCO advancements and product versatility

**Packaging differentiation**  
consumer centricity

**Material science & sustainability**  
next-level structure dev.

# Filling

# Packaging

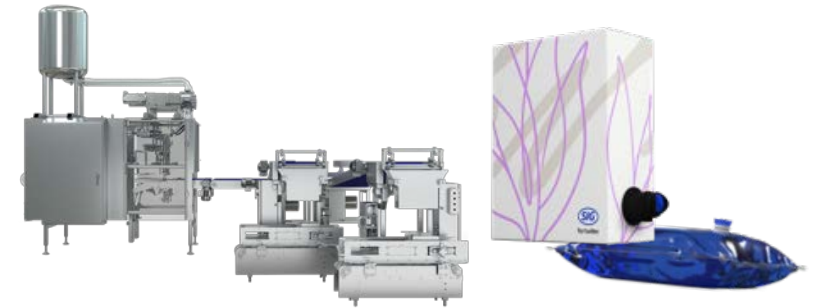
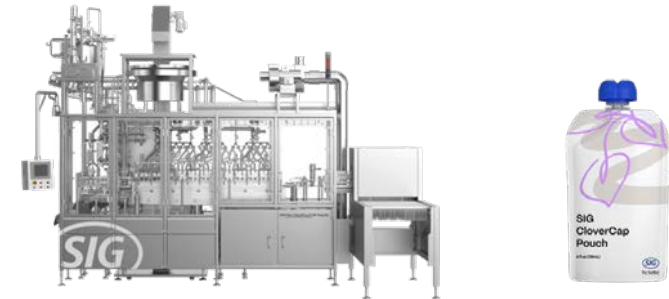
# Material science

# Aseptic filling expertise shared across all SIG packaging platforms, improving TCO

## Aseptic carton



## Spouted pouch



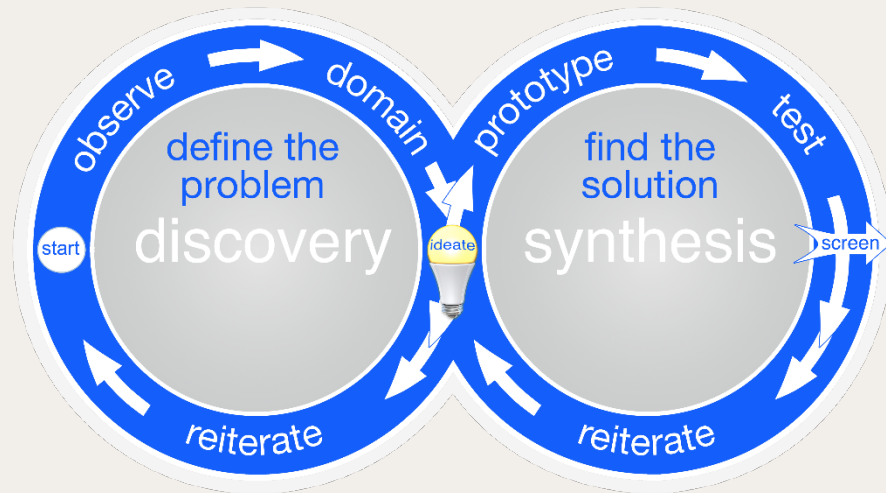
Cross-substrate  
technology expertise

## Bag-in-box



# SIG's consumer-centric development approach is a key lever for packaging differentiation

## Consumer centricity



**Ethnographic  
Consumer Research**

**Functional  
Consumer Testing**



SIG LinkCap



SIG Vita



**Differentiation**

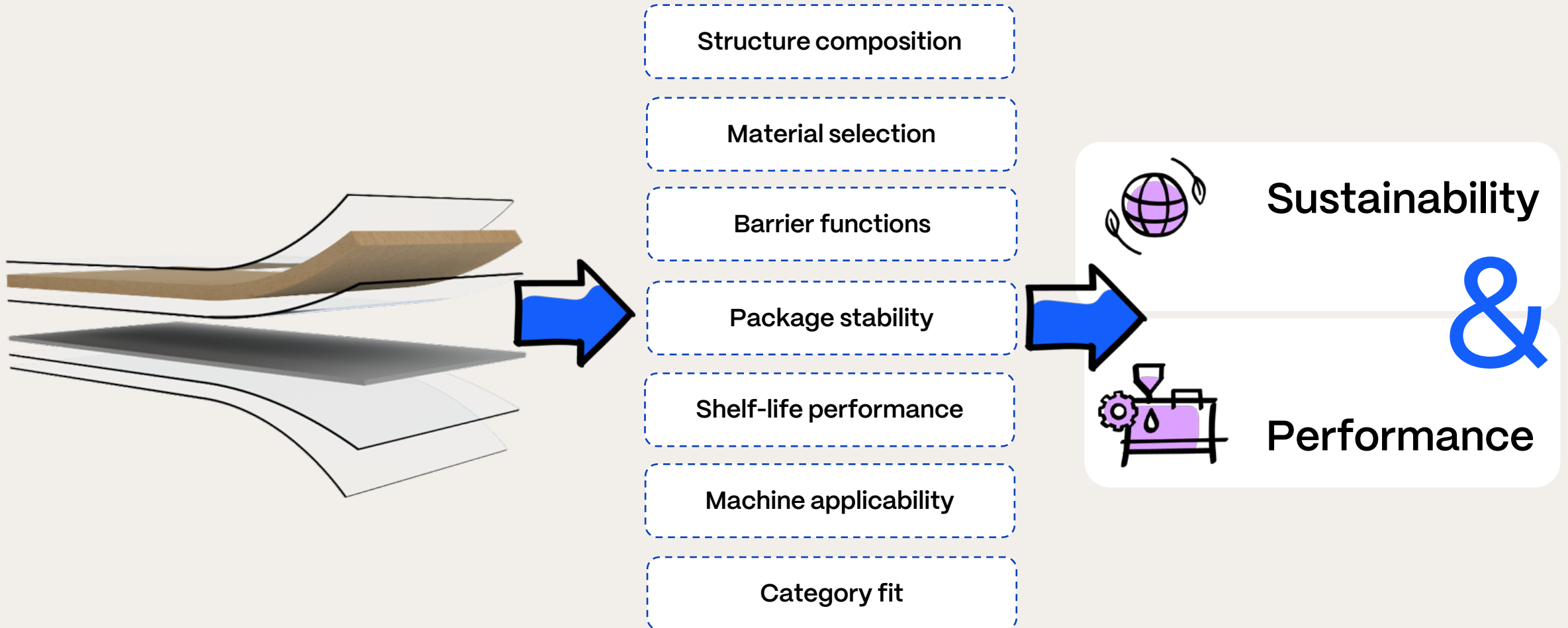


SIG Smile



SIG DomeMini

# SIG's deep knowledge of material science is pushing the boundaries for new packaging development



**Forward.**

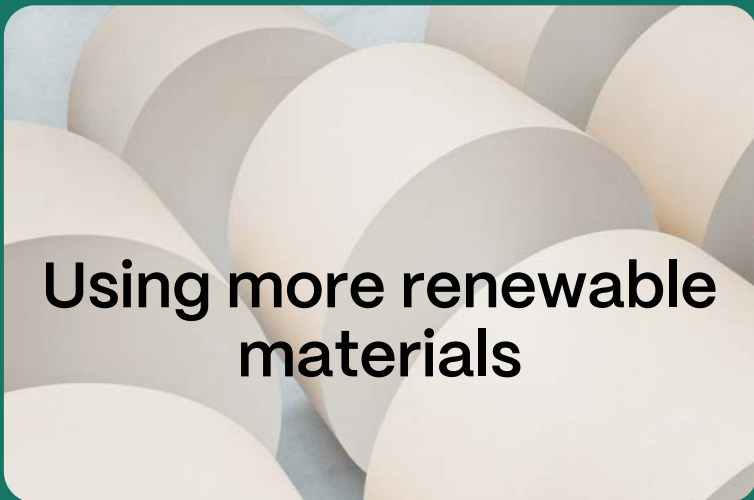


**Sustainability.**

**We're on a journey to create  
packaging for better!**

Packaging that gives more to  
the people and the planet than it  
takes out.

# When it comes to meeting tomorrow's needs, SIG is working closely with customers



# SIG Terra, moving towards a more sustainable future together



## Simplified

Simplified packaging materials that are even easier to recycle.



## Renewed

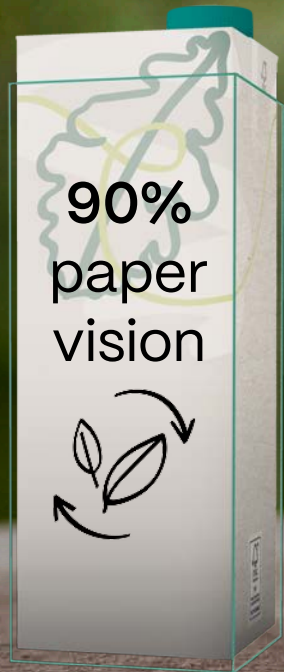
Packaging materials linked to forest-based polymers and other renewable materials.



## Circular

Packaging materials linked to recycled materials.

# Rethink what you know about real impact in aseptic carton



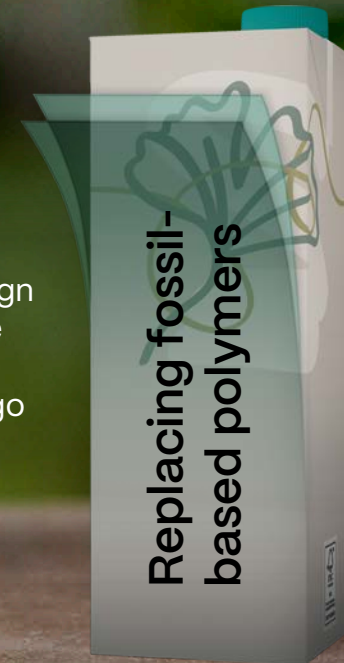
**We believe in:**  
Increasing the share of paper in our packs to at least 85% (excl. closure) by 2025 and 90% (incl. closure) by 2030.



**We believe in:**  
Taking up to 25% CO<sub>2</sub>\* out of the equation and offering all our flagship formats with no aluminum layer by 2030.



**We believe in:**  
Simplifying our packaging design by reducing the number of materials that go into our packs from 3 to 2.



**We believe in:**  
Replacing virgin fossil-based polymers with renewable or recycled alternatives.

Upholding the full protective properties and nutritional content without compromise!



\*CO<sub>2</sub> reduction for SIG Terra MiniBloc Alu-free + Full barrier vs. standard SIG packaging material with an aluminum layer. Results based on ISO-compliant life-cycle assessment for China. For more info and the full study visit [sig.biz](http://sig.biz)

# Rethink what you know about real impact in bag-in-box



**We believe in:**  
Simplifying the materials used in our packaging applying cutting-edge material science.



**We believe in:**  
Our 100% recycle-ready commitment: By 2025, we aim to offer 100% recycle-ready bag-in-box packaging solutions for the retail and foodservice channels.



**We believe in:**  
Optimizing the polymer usage in our packaging as much as possible without losing functional properties, offering lightest alternatives vs. competing substrates.

Upholding the full protective properties and nutritional content without compromise!

# Rethink what you know about real impact in spouted pouches

## We believe in:

Striving for simple material compositions by applying cutting-edge material science.



## We believe in:

Our 100% recycle-ready commitment. By 2025, we aim to offer 100% recycle-ready products in our spouted pouch portfolio.



## We believe in:

Further optimizing the product weight of our fitments by up to 60% vs. standard SIG materials.



**We believe in:** Linking the cap to the pouch striving for zero waste.

Upholding the full protective properties and nutritional content without compromise!



# Q1 2024 financials



Anne Erkens, Chief Financial Officer



# Q1 2024 business summary

Stable volume, initial signs of recovery, progress on future production footprint and continued innovation

## Revenue performance

Volume growth in aseptic and chilled carton

Bag-in-box & spouted pouch sales growth impacted by high Q1 2023 comparison

No Group impact from resin escalator in Q1

## Strategic investments to support future growth

Transfer of Shanghai chilled plant to new state-of-the-art production facility at Suzhou Industrial Park.

Construction of Indian sleeves plant well under way and completion expected by year-end

## Aseptic filling technology innovation

Speed up kits launched in India:

- 10% increase in output on installed single serve fillers
- increasing output with minimal associated capex for SIG or customer

## Financing

Moody's upgrade to Ba positive

S&P rating remains investment grade at BBB-/stable

Refinancing of 2025 maturities underway



# Q1 2024 financial summary

Performance reflects expected phasing throughout the year

Revenue  
€722 million

**(1.0)%**

reported

**0.0%**

constant currency

**0.0%**

constant currency &  
constant resin<sup>(1)</sup>

Adjusted EBITDA

**€155**

million  
(Q1 2023: €175 m)

Adjusted net  
income

**€40**

million  
(Q1 2023: €65 m)

Free cashflow

**€(101)**

million  
(Q1 2023: €(95) m)

Adjusted EBITDA  
margin

**21.5%**

(Q1 2023: 24.0%)

Net capital  
investment

**€(63)**

million  
(Q1 2023: €(87) m)

Leverage

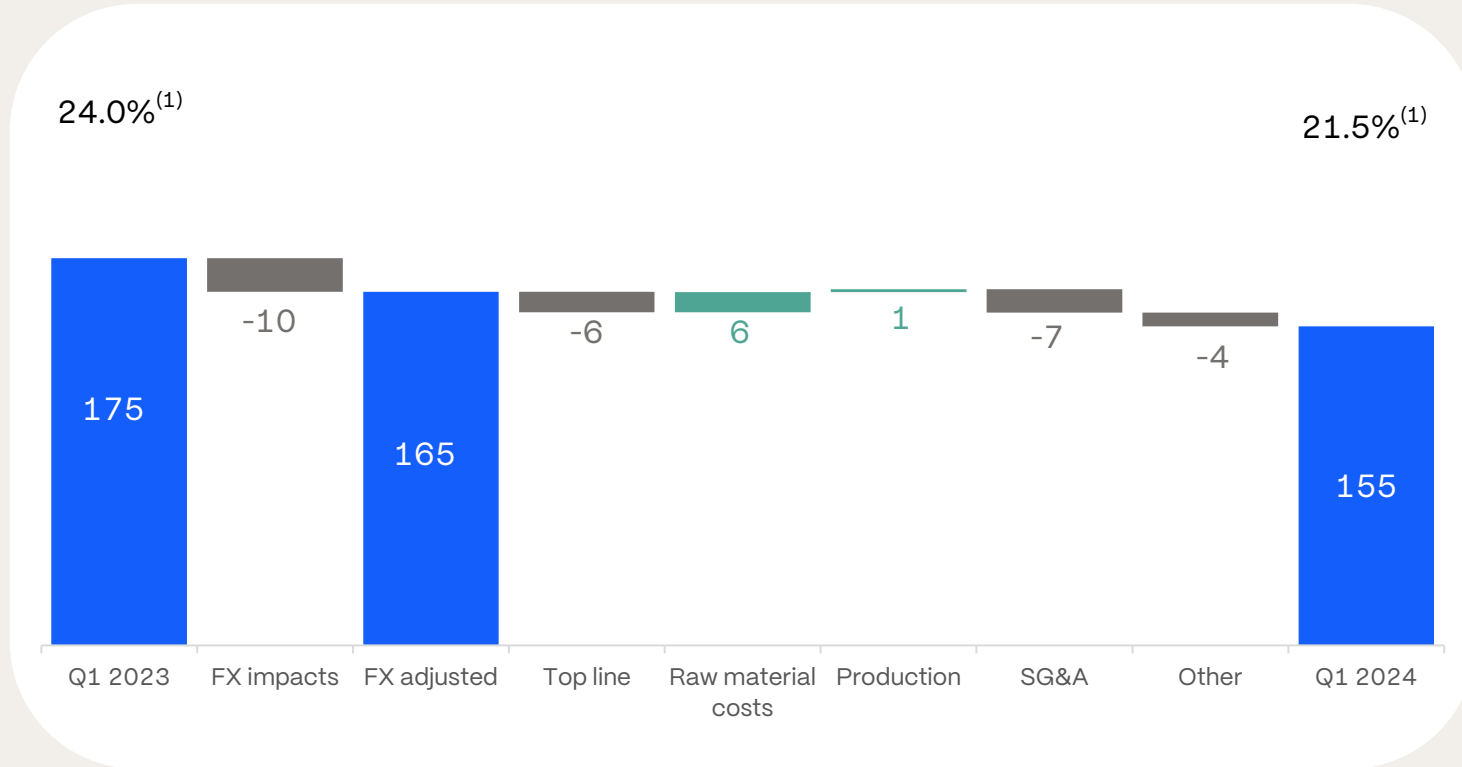
**2.9x**

(Q4 2023: 2.7x)

(1) The resin escalator for the bag-in-box and spouted pouch businesses, which passes on movements in resin costs directly to customers, is excluded for year-on-year comparison purposes.

# Q1 2024 adjusted EBITDA bridge

Margin recovery expected from Q2 2024



- ❖ FX headwinds compared to prior year
- ❖ Top line impacted by unfavorable mix
- ❖ Raw material benefit from lower hedged prices for polymers and aluminum
- ❖ Production includes lower freight rates and non-repeat of ramp-up costs in Mexico offset by wage inflation
- ❖ SG&A reflects growth investment, R&D and wage inflation



(1) Adjusted EBITDA as % of revenue

# Free cash flow

Reflects Q1 seasonality

€ million	Three months ended March 31, 2024	Three months ended March 31, 2023
<b>Net cash from operating activities</b>	<b>8</b>	<b>30</b>
Acquisition of property, plant and equipment and intangible assets (net of sales)	(93)	(114)
Payment of lease liabilities	(15)	(11)
<b>Free cash flow</b>	<b>(101)</b>	<b>(95)</b>
PP&E and intangible assets	37	51
Filling lines and other related equipment	57	63
<b>Capital expenditure</b>	<b>93</b>	<b>114</b>
Upfront cash	(31)	(27)
<b>Net capital expenditure</b>	<b>63</b>	<b>87</b>
Net capex as % of revenue	8.7%	11.9%

- ❖ Free cash flow broadly inline with prior year period
- ❖ Lease liability payment reflects increase in right of use assets for new production sites
- ❖ Net capex reduced by €25 million
- ❖ Lower PP&E capex given near completion of several projects
  - PP&E capex weighted towards H1 in 2024
- ❖ Net capex for filling line construction reduced by €10 million due to
  - €4 million higher upfront cash payments
  - €6 million lower filling line expenditure

# Leverage and financing

Net leverage reflects seasonality but remains below 3x

€ million	Mar 31, 2024	Dec 31, 2023
<b>Gross debt</b>	<b>2,548</b>	<b>2,458</b>
Cash	266	281
<b>Net debt</b>	<b>2,282</b>	<b>2,177</b>
<b>Net leverage ratio</b> (last 12 months)	<b>2.9x</b>	<b>2.7x</b>

- ❖ Year-on-year improvement in net leverage (March 31, 2023: 3.1x)
- ❖ Group expects to reduce net leverage to around 2.5x by year-end 2024
- ❖ Refinancing of 2025 maturities commenced

# 2024 guidance confirmed

H1 reflects seasonality volume recovery accelerating in H2

**Revenue growth**  
(constant currency)

**4-6%**

Low end of the range

**Adjusted EBITDA margin**

**25-26%**

Within lower half of the range

**Adjusted effective tax rate**

**26-28%**

**Net CAPEX**  
(% revenue)

**7-9%**

**Dividend payout ratio**  
(of adjusted net income)

**50-60%**

- ❖ Resin escalator for bag-in-box & spouted pouch not included in guidance
- ❖ Guidance subject to end-market recovery in H2, input cost and forex volatility
- ❖ On track to reduce leverage to around 2.5x by year end





**Forward.**



**for better.**

