

Full year results 2023

SIG Group

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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 please refer to this link:
<https://www.sig.biz/investors/en/performance/definitions>

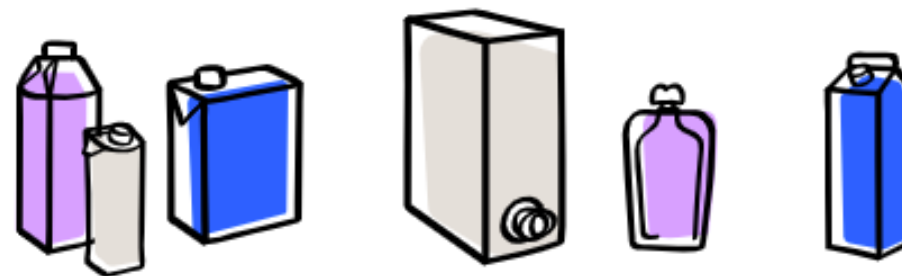
Some financial information in this presentation has been rounded and, as a result, the figures shown as totals in this presentation may vary slightly from the exact arithmetic aggregation of the figures that precede them.

Overview 2023

Samuel Sigrist, CEO

Business Highlights

Implementing our strategy and driving growth



Strong 2023 revenue growth

Aseptic carton organic growth of 7.4% primarily driven by price

Strong volume growth in chilled carton in APAC

Bag-in-box & spouted pouch growth of 5.6%⁽¹⁾ driven by volume and value-based pricing initiatives.

Acquisition synergies

Initial revenue synergies across all geographies, utilising SIG's commercial capabilities

Launch of 2nd generation spouted pouch filler leveraging carton sterilisation technique

High demand for aseptic fillers

Record aseptic carton filling line placements of 91 fillers for two years in a row

Positive leading indicator for future growth

High level of filler capex given strong demand

Well invested asset base

Expanding global manufacturing capabilities of aseptic carton, chilled carton and bag-in-box

- Mexico aseptic carton
- India aseptic carton
- USA bag-in-box
- China chilled carton
- Europe digital printing for aseptic carton

Continuous innovation

Developments in carton structure to increase fiber content

Format and category development such as SIG DomeMini new single serve carton bottle

⁽¹⁾ Proforma bag-in-box & spouted pouch constant currency growth excluding resin escalator impact, unaudited. Proforma constant currency revenue growth for bag-in-box and spouted pouch 2.9%, unaudited.

SIG continues to be an industry leader in sustainability

ESG ratings 2023 – SIG consistently rated highly



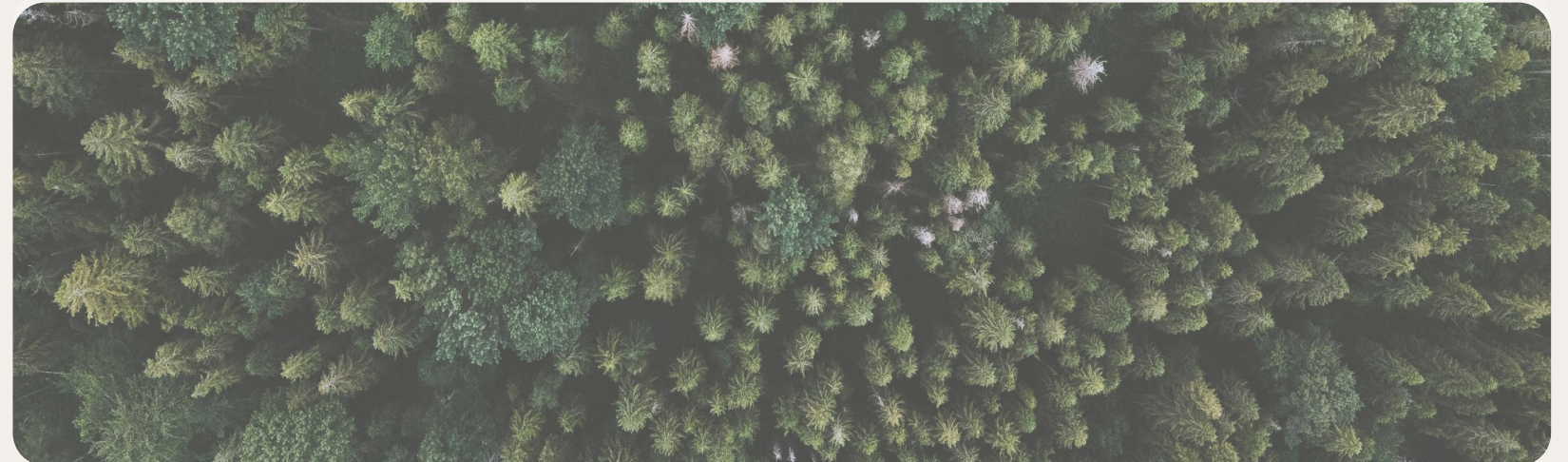
Science-based targets:

- 2050 Net Zero target approved by Science Based Target initiative
- SIG among first 325 companies to have its targets validated and approved



New design for recycling targets:

- Recycle-ready bag-in-box and spouted pouch solution by 2025
- Full barrier aseptic carton with at least 85% paper content by 2025
- Full barrier aseptic carton with at least 90% paper content by 2030



2023 financial highlights

Strong financial performance

Revenue
€ 3.23 billion

+18.5%

constant currency

Adjusted EBITDA

€ 803M

(2022: € 652 million)

Adjusted earnings
per share

€ 0.83

(2022: € 0.79 per share)

Free cash flow

€ 219M

(2022: € 263 million)

Aseptic carton organic
revenue growth⁽¹⁾

+7.4%

constant currency

Adj. EBITDA margin

24.9%

(2022: 23.5%)

Net capital expenditure

€ 251M

(2022: € 144 million)

Proposed dividend
per share⁽²⁾

CHF 0.48

(2022: CHF 0.47)

Reported revenue
growth

+16.2%

Adjusted net income

€ 318M

(2022: € 287 million)

ROCE post tax⁽³⁾

27%

(2022: 25%)

Leverage

2.7x

(2022⁽⁴⁾: 3.1x)

(1) Organic growth represents SIG revenue growth at constant currency, excluding the impacts of the acquisitions of the bag-in-box, spouted pouch and chilled businesses

(2) Equivalent to a total pay-out of ~€198.2 million as of 31. December 2023 exchange rate. Subject to shareholder approval and paid from foreign capital contribution reserves

(3) Based on amended definition as explained on slide 19

(4) Proforma, unaudited

Q4 2023 financial highlights

Strong organic revenue growth and margin improvement

Revenue

€ 891.0 million

+5.6%

constant currency

+8.0%

Organic aseptic carton⁽¹⁾
constant currency

+2.8%

reported

Adjusted EBITDA

€ 221M

(Q4 2022: €193 million)

Adjusted net income

€ 95M

(Q4 2022: €84 million)

Net capital investment

€ 20M

(Q4 2022: €75 million)

Adjusted EBITDA margin

24.8%

(Q4 2022: 22.3%)

Free cashflow

€ 300M

(Q4 2022: €171 million)



(1) Organic growth represents SIG aseptic carton revenue growth, excluding the impacts from the acquisitions of the bag-in-box, spouted pouch and chilled carton businesses

Regional summary

Europe

Strong revenue and adj. EBITDA margin recovery

€ million	2023 ⁽¹⁾	Q4 2023 ⁽¹⁾
Revenue	984	253
Revenue growth ⁽²⁾	17.1%	4.9%
Organic aseptic carton revenue growth ^{(2),(3)}	9.9%	7.8%
Adjusted EBITDA	279	
Adjusted EBITDA margin	28.3%	

Regional Summary

- ❖ Significant aseptic carton price increases implemented to offset cost inflation
- ❖ Strong volume performance in bag-in-box/spouted pouch
- ❖ Margin improvement despite dilution from acquisitions reflect cost recovery through price increases (2022 margin: 23.8%)
- ❖ Continued to win new business in food, dairy and plant-based milk alternatives. Geographic expansion in Finland, Hungary, Romania and Czech Republic



(1) Restated to reflect new segment structure

(2) At constant currency

(3) Excluding the impact of the bag-in-box & spouted pouch businesses

Regional summary

India, Middle East and Africa

Strong full year growth

€ million	2023 ⁽¹⁾	Q4 2023 ⁽¹⁾
Revenue	404	112
Revenue growth ⁽²⁾	11.3%	5.2%
Organic aseptic carton revenue growth ⁽²⁾⁽³⁾	9.9%	5.9%
Adjusted EBITDA	107	
Adjusted EBITDA margin	26.4%	

Regional Summary

- ❖ Strong growth for the year supported by filler placements
- ❖ India saw significant growth versus prior year with around 40 filling lines now placed with customers
- ❖ Product, format and volume flexibility winning new lines in several countries in the Arabian Peninsula and Africa
- ❖ Margin improvement driven by price increases to recover cost inflation and normalization of freight rates partially offset by ramp-up costs in India (2022 margin: 25.2%)



(1) Includes India and MEA bag-in-box & spouted pouch from Europe
(2) At constant currency
(3) Excluding the impact of the bag-in-box & spouted pouch businesses

Regional summary

Asia Pacific

Growth recovery following muted Q1

€ million	2023 ⁽¹⁾	Q4 2023 ⁽¹⁾
Revenue	936	289
Revenue growth ⁽²⁾	13.9%	5.1%
Organic aseptic carton revenue growth ^{(2),(3)}	1.5%	5.6%
Adjusted EBITDA	276	
Adjusted EBITDA margin	29.5%	

Regional Summary

- ❖ Strong growth recovery over 2023 following a soft Q1 in China driven by COVID-19 effects
- ❖ Good growth in Southeast Asia throughout the year, especially Vietnam
- ❖ Commercial launch of SIG Terra Alu-free + full barrier solution with Yili Group and Mengniu
- ❖ Strong volume growth in chilled carton
- ❖ 2023 margin reflects annualization of acquired businesses, partly offset by price increases (2022 margin: 31.4%)



(1) Excluding India as relocated to IMEA

(2) At constant currency

(3) Excluding the impact of bag-in-box, spouted pouch and chilled carton businesses

Regional summary

Americas

Strong revenue growth and margin improvement

€ million	2023	Q4 2023
Revenue	905	236
Revenue growth ⁽¹⁾	29.4%	7.4%
Organic aseptic carton revenue growth ^{(1),(2)}	10.8%	14.3%
Adjusted EBITDA	210	
Adjusted EBITDA margin	23.2%	

Regional Summary

- ❖ Aseptic carton price increases offset cost inflation
- ❖ Ramp-up of filler installations supported volume
- ❖ Favorable aseptic carton format mix in Brazil - offering flexible packaging sizes to customers
- ❖ Strong mid-single digit growth for bag-in-box & spouted pouch due to volume growth and implementation of value-based pricing
- ❖ Full year margin improvement driven by pricing and mix partly offset by dilution from acquisitions (2022 margin: 20.2%)



(1) At constant currency

(2) Excluding the impact of bag-in-box & spouted pouch businesses

Financials

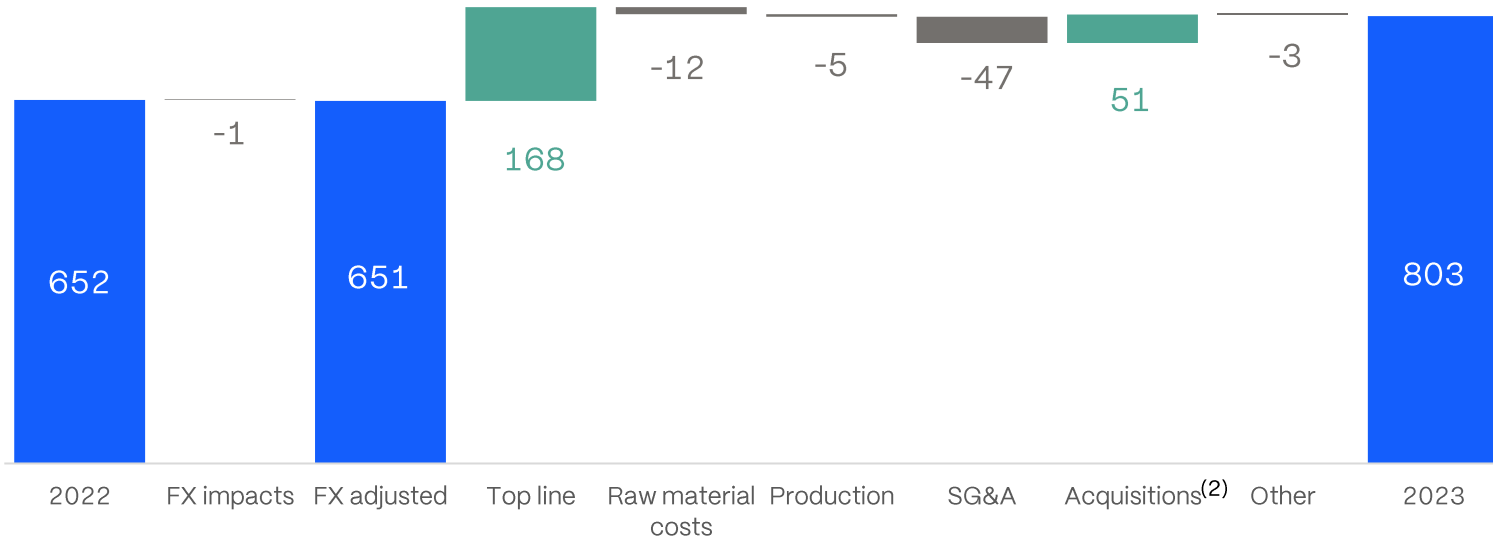
Anne Erkens, CFO

Full year adjusted EBITDA bridge

Strong margin recovery + €151 million year on year

€ million

23.5%⁽¹⁾



(1) Adjusted EBITDA as % of revenue

(2) Includes adjusted EBITDA movement for bag in box & spouted pouch businesses until May 31, and adjusted EBITDA for the chilled carton business up until June 30

- ⊕ Strong top line growth
- ⊕ Price increases recovered cost inflation
- ⊕ Raw materials hedged 53% in 2023
- ⊕ Production primarily reflected lower freight rates offset by wage inflation
- ⊕ SG&A reflects lower capitalization of R&D, regional expansion and wage inflation

EBITDA reconciliation

€ million	2023	2022
EBITDA	861	482
Adjustments to Ebitda:		
Unrealized (gain)/loss on operating derivatives	(9)	39
Restructuring costs, net of reversals	6	5
Transaction- and acquisition-related costs	1	24
Integration costs	13	17
Realized gain on settlement of deal contingent derivative	-	(17)
Fair value adjustment on inventories	-	21
Change in fair value of contingent consideration	(58)	75
Impairment losses	5	6
Other	(16)	-
Adjusted EBITDA	803	652



Net income reconciliation

€ million	2023	2022
Profit for the period	243	38
Non-cash foreign exchange impact of non-functional currency loans and realized foreign exchange impact due to refinancing	(1)	(5)
Amortization of transaction costs	5	7
Net change in fair value of financing-related derivatives	2	(9)
Realized gain on settlement of deal-contingent derivative (relating to repayment of loan)	-	(16)
PPA depreciation and amortization – Onex acquisition	103	103
PPA amortization – Other acquisitions	48	34
Net effect of early repayment of loan	-	1
Adjustments to EBITDA	(58)	171
Tax effect on above items	(23)	(38)
Adjusted net income	318	287



Capital expenditure

Investment in growth markets
and high level of filler additions

€ million	2023	2022
PP&E and intangible assets (net of sales)	164	108
Filling lines and other related equipment	233	173
Capital expenditure	397	281
Upfront cash	(146)	(137)
Net capital expenditure	251	144
% of revenue	7.8%	5.2%
<hr/>		
No. of aseptic fillers in the field	1,388	1,359
<hr/>		
Gross additions	91	91
Retired	62	27
Net additions	29	64

- ❖ €116 million increase in gross capex includes investment in manufacturing facilities and filler construction given high levels of demand
- ❖ Strong gross filler additions of 91 in line with high level in 2022
- ❖ New fillers have significantly higher capacity and utilization

Free cash flow

Resilient cash generation despite increases in capex and interest payments

€ million or %	2023	2022
Net cash from operating activities	663	578
Acquisition of property, plant and equipment and intangible assets (net of sales)	(397)	(281)
Payment of lease liabilities	(47)	(35)
Free cash flow	219	263
Net working capital	341	324
% of revenue	10.6%	10.5% ⁽¹⁾
Operating net working capital⁽²⁾	(274)	(236)
% of revenue	(8.5%)	(7.6%) ⁽¹⁾

(1) In the calculation of the % of revenue as of December 31, 2022 revenue includes the revenue of bag-in-box/spouted pouch and chilled carton from January 1, 2022

(2) Including liabilities for volume bonuses and other incentives to customers settled in following year

(3) Benefit includes retained reserves



- ❖ 2023 free cash flow in primarily reflects:
 - ❖ €73 million increase in interest payments
 - ❖ €107 million increase in net capex
 - ❖ Partially offset by €151 million increase in adj. EBITDA
- ❖ Increase in lease liabilities for land and buildings is related to the Group's manufacturing expansion
- ❖ Securitization and factoring: benefit of €16 million⁽³⁾ from inclusion of USA bag-in-box & spouted pouch business

Leverage and financing

Strong leverage reduction

€ million	2023	2022 ⁽¹⁾
Gross debt	2,458	2,684
Cash	281	504
Net debt	2,177	2,180
Net leverage ratio	2.7x	3.1x

(1) In the calculation of the net leverage ratio as of December 31, 2022 adjusted EBITDA includes the adjusted EBITDA of bag-in-box, spouted pouch and chilled carton from January 1, 2022

- ❖ Gross debt repayment of €227 million
- ❖ Net leverage 2.7x as of 31 December 2023
- ❖ Remain on track to reduce net leverage to around 2.5x by end of 2024



ROCE update

Adjusted to better reflect filling line co-investments and right-of-use assets (leases)

ROCE EBITA

- Adjusted EBITDA
- Depreciation of PP&E
- Depreciation of right-of-use assets**
- Amortization of capitalized development and IT costs**

Capital employed

- Current assets (excl. cash and cash equivalents) } Net working capital
- Current liabilities (excl. interest-bearing liabilities) }
- + Property plant and equipment (PP&E)
- + Right-of-use assets**
- + Capitalised development and IT costs**
- Non-current deferred revenue**

Why a revised definition?

- Increased use of leases to finance production-related plants and equipment
- Capitalized development costs to reflect investments in innovation
- Cash received from customers for filling lines - accounted for as leases and reported as deferred revenue

	2018	2019	2020	2021 ⁽¹⁾	2022 ⁽¹⁾	2023
ROCE (post 30% tax)	23%	25%	29%	32%	25%	27%
Previous ROCE (post 30% tax)	21%	23%	30%	31%	27%	30%



(1) Pro-forma

2024 financial guidance

Revenue growth
(constant currency)

4-6%

Low end of range

Adjusted EBITDA margin

25-26%

Within lower half of 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

Mid-term financial guidance

Confirmed

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

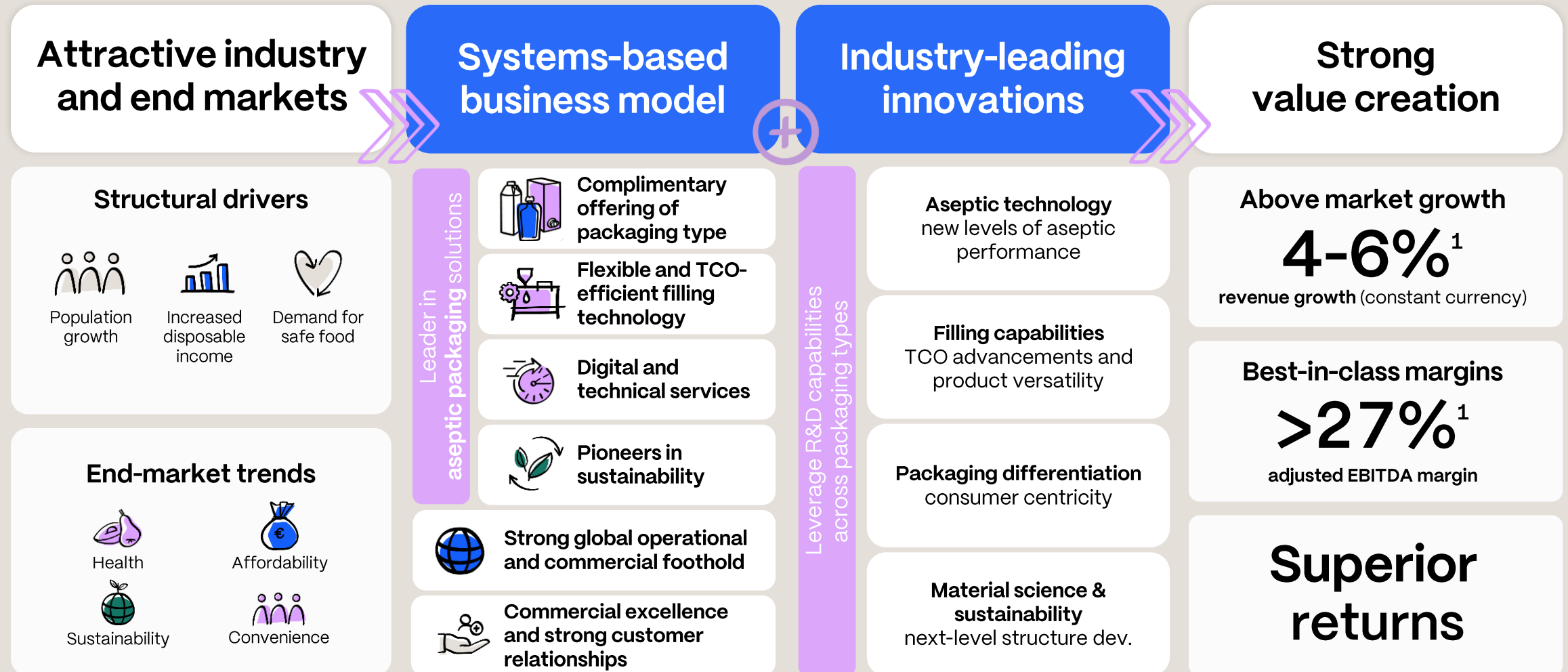
Towards **2x**

- Best-in-class margins
- Strong cash generation
- Attractive pay-out policy with progressive dividend growth

Concluding remarks

SIG's distinctive model for superior value creation

Culture of innovation and sustainability. For better.



¹Represents SIG mid-term guidance.



Thank
you!

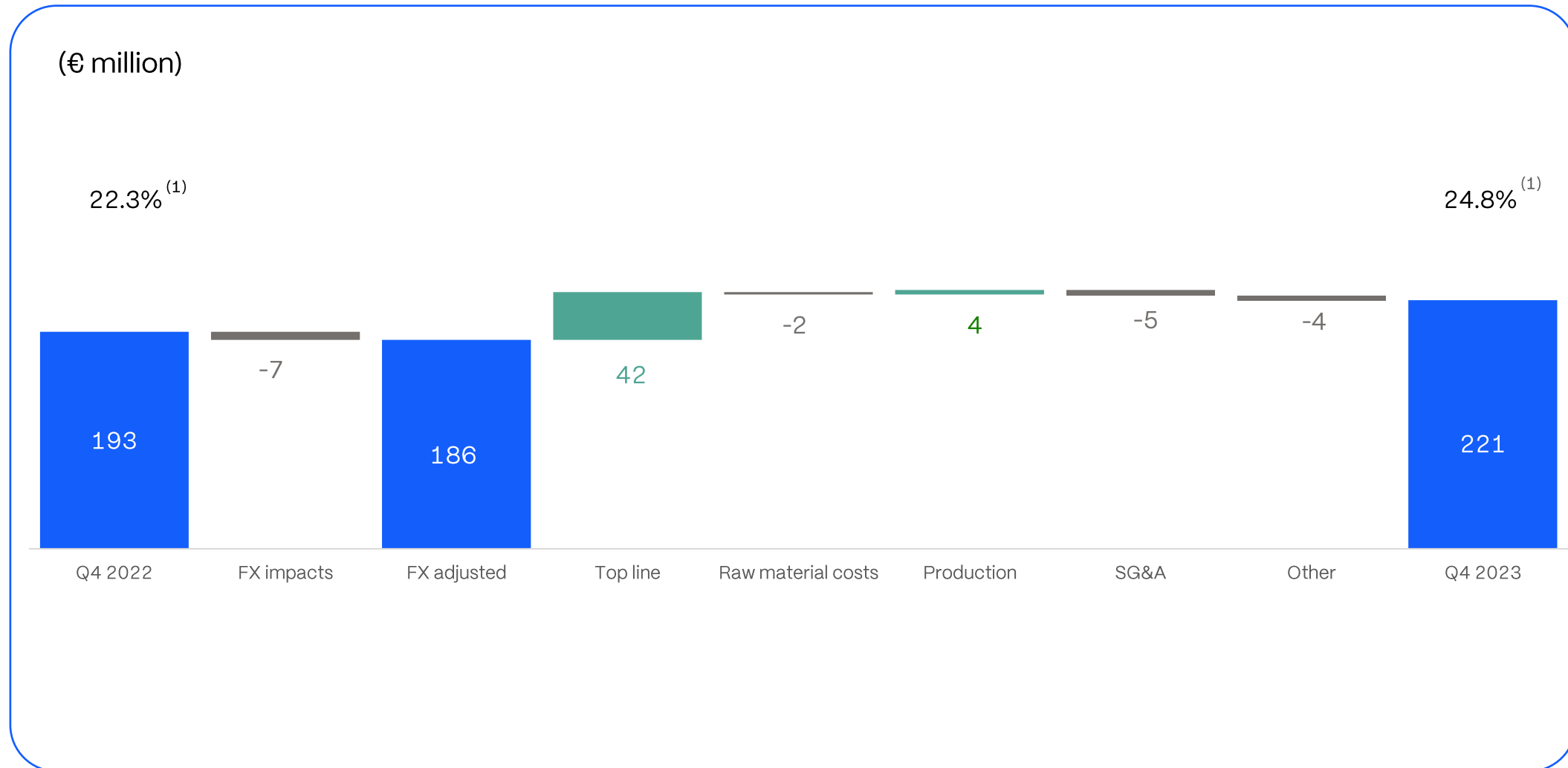


Appendix



Q4 2023 adjusted EBITDA bridge

Positive contributions from topline and production efficiencies



(1) Adjusted EBITDA as % of revenue