Ad hoc announcement pursuant to Art. 53 LR

Press release

February 27, 2024

Full year 2023 financial results highlight strong business profile

- 2023 Group revenue growth at constant currency of 18.5%
- 2023 organic aseptic carton revenue growth[1] at constant currency of 7.4%
- 2023 proforma bag-in-box and spouted pouch constant currency revenue growth, excluding resin escalator, of 5.6%[2]
- 2023 adjusted EBITDA margin of 24.9% (2022: 23.5%)
- Reduction in net leverage to 2.7x (31 December 2022: 3.1x)
- 2024 outlook: 4-6% constant currency revenue growth (low end of range) and adjusted EBITDA margin of 25-26% (lower half of range)
- Mid-term guidance confirmed
- Proposed dividend of CHF 0.48 per share (2022: CHF 0.47), paid from the foreign capital contribution reserves

Samuel Sigrist, CEO of SIG, said: "We are pleased with SIG's strong revenue performance amid some softness in our end markets due to food price inflation impacting demand.

Total revenue growth at constant currency was up 18.5% driven by the contribution from the prior year acquisitions. Organic revenue growth for our aseptic carton business was 7.4%, which is testimony to our strong business model and our ability to secure price increases to

[1] Organic growth represents aseptic carton and excludes the acquisitions of the bag-in-box, spouted pouch and chilled carton businesses.

[2] 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 was 2.9%, unaudited.

offset higher input costs. On a proforma basis, bag-in-box and spouted pouch revenue increased by 5.6%[3] for the year.

We continue to identify and to realize cross-selling wins between our different substrates underpinning our strategy to offer a broader product portfolio to our food and beverage customers.

The Group's adjusted EBITDA margin increased to 24.9% compared with 23.5% in 2022. The 140-basis point increase was at the top end of our guidance range for an increase of 50 to 150 basis points.

We are pleased to have placed another 91 aseptic carton filling lines in 2023, the same level as 2022. This performance for two successive years is a new record for the Group and demonstrates that our distinctive systems-based offering remains highly attractive to our customers when making long term investment decisions.

We believe the strong cash generative nature of our business model combined with our excellent ESG credentials of our packaging substrates will ensure our success for many years to come."

Key performance indicators: 2023

(In € million or %)	**Year ended Dec. 31, 2023**	**Year ended Dec. 31, 2022**
Total revenue	3,230.3	2,779.9
Adjusted EBITDA	803.0	652.2
Adjusted EBITDA margin	24.9%	23.5%
EBITDA	861.3	481.5
Adjusted EBIT	541.9	423.1
EBIT	449.1	114.8
Adjusted net income	318.2	286.8
Net income	243.2	37.8
Adjusted diluted EPS	0.83	0.79
Diluted EPS	0.64	0.10
Free cash flow	219.5	263.1

[3] 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 was 2.9%, unaudited.

Revenue by region: 2023

(In € million or %)	Year ended Dec. 31, 2023	Year ended Dec. 31, 2022	Change Reported currency	Change Constant currency	Organic growth[4] constant currency
Europe	984.1	841.8	16.9%	17.1%	9.9%
IMEA	404.0	371.4	8.8%	11.3%	9.9%
APAC	936.1	867.7	7.9%	13.9%	1.5%
Americas	905.1	697.4	29.8%	29.4%	10.8%
Group Functions	1.0	1.6			
Total revenue	**3,230.3**	**2,779.9**	**16.2%**	**18.5%**	**7.4%**

Key performance indicators: Q4 2023

(In € million or %)	Three months ended Dec. 31, 2023	Three months ended Dec. 31, 2022
Total revenue	891.0	866.5
Adjusted EBITDA	221.3	192.9
Adjusted EBITDA margin	24.8%	22.3%
EBITDA	274.7	118.9
Adjusted net income	94.8	84.1
Net income	106.3	(38.1)
Free cash flow	299.7	171.0

Revenue by region: Q4 2023

(In € million or %)	Three months ended Dec. 31, 2023	Three months ended Dec. 31, 2022	Change Reported currency	Change Constant currency	Organic growth[4] constant currency
Europe	253.2	242.3	4.5%	4.9%	7.8%
IMEA	111.8	110.0	1.6%	5.2%	5.9%
APAC	289.4	291.9	(0.8%)	5.1%	5.6%
Americas	236.3	221.5	6.6%	7.4%	14.3%
Group Functions	0.3	0.8			
Total revenue	**891.0**	**866.5**	**2.8%**	**5.6%**	**8.0%**

[4] Organic growth represents aseptic carton and excludes the acquisitions of the bag-in-box, spouted pouch and chilled carton businesses.

Change in segment reporting

The Group changed its internal reporting structure as of November 1, 2023. India and the Middle East and Africa ("MEA") are now reported together as India, Middle East and Africa ("IMEA"). The Group's Indian operations were previously reported as part of the Asia Pacific ("APAC") segment. The change was made to better leverage similarities in consumer needs and consumption patterns.

The segment information in this media release and in our annual report is presented as if the above changes had taken place as of January 1, 2022.

Full year regional revenue highlights

Europe

In Europe, revenue growth at constant currency, including aseptic carton, bag-in-box and spouted pouch, was 17.1% in 2023. Aseptic carton organic revenue growth at constant currency was 9.9% compared with the prior year.

In aseptic carton, the region continued its trajectory of share gains, winning new filling line contracts in food, dairy and plant-based milk alternatives. Geographic expansion also contributed to growth, with new business in Finland, Hungary, the Czech Republic and Romania.

Price increases, that were necessary to offset cost inflation, were successfully implemented in 2023. Out of all SIG's regions, Europe experienced the highest raw material and energy cost increases in 2022.

The revenue contribution from bag-in-box and spouted pouch was €147.3 million for 2023 (€80.1 million in 2022).

India, Middle East and Africa ("IMEA")

In IMEA, revenue growth at constant currency, including aseptic carton, bag-in-box and spouted pouch was 11.3% in 2023. Aseptic carton organic revenue growth on a constant currency basis was 9.9% compared with the prior year.

Organic revenue growth in IMEA benefited from price increases to offset cost inflation and from the ramp-up of new filling lines in South Africa and Saudi Arabia. Liquid dairy remained a key growth driver, while we also saw customers in Algeria and South Africa use our cartons to expand into the food and culinary categories.

India recorded significant revenue growth compared with the prior year as well as demand for new filling lines. As of December 31, 2023, it had placed around 40 filling lines in field.

Construction of our first aseptic carton plant in India is on track and is expected to commence production at the end of 2024.

The revenue contribution from bag-in-box and spouted pouch was €22.8 million (€16.9 million in 2022).

Asia Pacific ("APAC")

In Asia Pacific, revenue growth at constant currency, including aseptic and chilled carton, bag-in-box, spouted and spouted pouch, was 13.9% in 2023. Aseptic carton organic revenue growth at constant currency was 1.5% compared to the prior year.

Aseptic carton volumes were affected by a COVID-19 outbreak in China in the first quarter of the year and by the timing of Chinese New Year. Volumes subsequently recovered over the course of the year.

SIG DomeMini, the single serve carton that is shaped like a bottle, was commercially launched with a customer in China and the Group's alu-free packaging was rolled out with the two largest customers in the country.

The region saw good volume growth in Southeast Asia, notably in Vietnam, as the Group's flexible filling solutions for a range of carton sizes helped customers tackle inflation.

Chilled carton showed strong volume growth in APAC, especially in China. The business is achieving growth ahead of the market due to product improvements and enhanced customer service in line with SIG's quality standards.

The revenue contribution from chilled carton, spouted pouch and bag-in-box was €193.3 million for 2023 (€95.9 million in 2022).

Americas

Revenue growth at constant currency in the Americas was 29.4% in 2023 including the contribution from bag-in-box and spouted pouch. Organic revenue growth of aseptic carton, on a constant currency basis, was 10.8%.

In aseptic carton, the Americas delivered robust growth across the region. Price increases and the deployment of new filling lines for portion packs contributed to growth, especially in Brazil. SIG continues to win new business due to its unique ability to offer flexible packaging sizes to help customers manage the impact of higher input costs for the food and beverages they package.

In the USA, both aseptic carton and bag-in-box expanded in food service while private label and school milk performed well in aseptic carton.

The Group was pleased to ramp-up production of its new aseptic carton plant in Mexico. The facility has been well received by local customers and has helped unlock new market opportunities in the region and reduce delivery times.

Revenue contribution from bag-in-box and spouted pouch was €378.4 million for 2023 (€229.9 million in 2022).

EBITDA and adjusted EBITDA

	Year ended Dec. 31, 2023		Year ended Dec. 31, 2022	
(In € million or %)	Adjusted EBITDA margin[5]	Adjusted EBITDA	Adjusted EBITDA Margin[5]	Adjusted EBITDA
Europe	28.3%	278.7	23.8%	200.5
IMEA	26.4%	106.7	25.2%	93.4
APAC	29.5%	276.0	31.4%	272.5
Americas	23.2%	210.2	20.2%	141.1
Group Functions		(68.6)		(55.3)
Total	24.9%	803.0	23.5%	652.2

In 2023, adjusted EBITDA increased by 23.1% to €803.0 million (2022: €652.2 million). This included the full year consolidation of the bag-in-box, spouted pouch and chilled carton businesses. Adjusted EBITDA growth was driven by a higher revenue contribution of €168.1 million, which was primarily due to price increases to recover prior year cost inflation, offsetting wage inflation and higher input costs.

The adjusted EBITDA margin was 24.9% compared with 23.5% for 2022 despite dilution from acquisitions and the mathematical dilution from price increases.

[5] Adjusted EBITDA divided by revenue from transactions with external customers.

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

(In € million)	Year ended Dec. 31, 2023	Year ended Dec. 31, 2022
Profit for the period	**243.2**	**37.8**
Net finance expense	125.1	26.0
Income tax expense	80.8	51.0
Depreciation and amortization	412.2	366.7
EBITDA	**861.3**	**481.5**
Adjustments to EBITDA:		
Unrealized (gain)/loss on operating derivatives	(9.2)	39.5
Restructuring costs, net of reversals	6.0	4.9
Transaction- and acquisition-related costs	1.4	24.1
Integration costs	12.9	17.1
Realized gain on settlement of deal contingent derivatives	-	(16.6)
Fair value adjustment on inventories	-	20.6
Change in fair value of contingent consideration	(58.2)	74.6
Impairment losses	4.8	6.3
Other	(16.0)	0.2
Adjusted EBITDA	**803.0**	**652.2**

In addition to the increase in adjusted EBITDA described above reported EBITDA includes the following key items:

- A benefit from the decrease in the fair value of the contingent consideration from the Scholle IPN acquisition (of €58.2 million). The current fair value of the contingent consideration is derived from the 2023 performance of the bag-in-box and spouted pouch business and a 2024/2025 growth rate that is slightly above the Company's mid-term guidance.
- Net movement in non-cash unrealized commodity and foreign currency hedging positions. The movement in 2023 was a positive €9.2 million, compared to a loss of €39.5 million in 2022.
- Integration costs and a reversal of an acquisition related provision.

Tax

The effective tax rate decreased from 57.5% in 2022 to 24.9% in 2023. The decrease was primarily related to a reduction in the Scholle IPN contingent consideration in the fourth quarter of 2023 compared with 2022. The adjusted effective tax rate increased from 23.7% in 2022 to 24.7% in 2023.

Net income and adjusted net income

Adjusted net income increased by €31.4 million to €318.2 million for the year ended December 31, 2023. The growth was driven by higher adjusted EBITDA, partially offset by higher interest, depreciation and tax expense.

Profit for the period (net income) increased by €205.4 million to €243.2 million in 2023.

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

(In € million)	Year ended Dec. 31, 2023	Year ended Dec. 31, 2022
Profit for the period	**243.2**	**37.8**
Non-cash foreign exchange impact of non-functional currency loans and realized foreign exchange impact due to refinancing	(1.3)	(4.6)
Amortization of transaction costs	4.8	7.0
Net change in fair value of financing-related derivative	2.0	(9.0)
Realized gain on settlement of deal-contingent derivative (relating to repayment of loan)	-	(15.5)
PPA depreciation and amortization – Onex acquisition	103.4	103.5
PPA amortization – other acquisitions	47.7	34.1
Net effect of early repayment of loan	-	1.0
Adjustments to EBITDA[6]	(58.3)	170.7
Tax effect on above items	(23.3)	(38.2)
Adjusted net income	**318.2**	**286.8**

The largest adjustment to net income was for PPA depreciation and amortization - Onex acquisition. This arose from the acquisition accounting when the Group was acquired by Onex in 2015 and the PPA amortization will cease after the first quarter of 2025. PPA amortization – other acquisitions, relates to all other acquisitions by the Group.

Net capital expenditure

(In € million)	Year ended Dec. 31, 2023	Year ended Dec. 31, 2022
PP&E and intangible assets (net of sales)	163.7	107.7
Filling lines and other related equipment	232.9	172.9
Capital expenditure	**396.6**	**280.6**
Upfront cash	(146.0)	(136.6)
Net capital expenditure	**250.6**	**144.0**

[6] For the different adjustments to EBITDA, refer to the adjusted EBITDA table above.

Net capital expenditure increased by €106.6 million to €250.6 million in 2023 (2022: €144.0 million), representing 7.8% of revenue (5.2% in 2022).

The increase reflected further expansion into growth markets, including the ramp-up of the new aseptic sleeves plant in Mexico, start of construction of our first aseptic sleeves plant in India, capacity expansion of bag-in-box in North America, chilled carton expansion in China as well digital printing in Germany for aseptic carton.

Innovation-related development costs reduced in 2023 compared to 2022, where a portion of costs were capitalized for the development of the next-generation SIG Neo Vita aseptic carton filling line incurred.

A high level of activity at filling machine assembly plants reflected a continued strong customer demand for SIG systems. Upfront cash received for filling line placements, presented in net cash from operating activities, was the same absolute level as in the prior period but decreased to 63% as a percentage of filling line and other related equipment expenditure (79% in 2022).

SIG placed 91 aseptic carton filling machines in the field in 2023. Taking account of withdrawals, the number of SIG aseptic carton filling machines globally reached 1,388, a net increase of 29. Some of the fillers retired during the year will be reconfigured and redeployed elsewhere in the Group's operations. New fillers placed in field have significantly higher capacity than retired fillers.

Free cash flow

(In € million)	Year ended Dec. 31, 2023	Year ended Dec. 31, 2022
Net cash from operating activities	**663.3**	**578.2**
Acquisition of PP&E and intangible assets (net of sales)	(396.6)	(280.6)
Payment of lease liabilities	(47.2)	(34.5)
Free cash flow	**219.5**	**263.1**

Free cash flow was €219.5 million in 2023, a €43.6 million decrease compared with 2022. Positive adjusted EBITDA contribution was offset by an increase in net capital expenditure of €106.6 million and €72.7 million higher interest payments.

Dividend

At the Annual General Meeting to be held on April 23, 2024, the Board of Directors will propose a dividend of CHF 0.48 per share (2022: CHF 0.47 per share). At the exchange rate of December 31, 2023 this represents a dividend pay-out ratio of 62% of adjusted net income. If approved by the shareholders, the dividend will be paid from the foreign capital contribution reserves.

Leverage

(In € million)	As of Dec. 31, 2023	As of Dec. 31, 2022[7]
Gross debt	2,457.5	2,684.1
Cash and cash equivalents	280.9	503.8
Net debt	**2,176.6**	**2,180.3**
Net leverage ratio	**2.7x**	**3.1x**

Net debt as of December 31, 2023 was broadly in line with December 31, 2022 despite the increase in net capital expenditure. A strong adjusted EBITDA performance over the last twelve months positively contributed to the net leverage ratio, which was 2.7x as of December 31, 2023, compared to 3.1x as of December 31, 2022.

Return on capital employed

The Group has amended its definition of ROCE to include right of use assets, capitalized development and IT costs and non-current deferred revenue.

The definition was amended to reflect the increased use of leases to finance production-related plants and equipment, investments in innovation, and cash received from customers for filling lines accounted for as leases and reported as deferred revenue.

Post tax ROCE, computed at an unchanged reference tax rate of 30%, was 27.3% in 2023 compared with 25.1% in 2022. The increase is primarily attributable to higher ROCE EBITA. Applying the 2022 definition of ROCE, 2023 ROCE, post 30% tax, would have been 29.8%.

2024 guidance

The Company expects total revenue growth at constant currency at the low end of its 4-6% mid-term guidance range. This reflects the Group's expectation that volume growth will be geared towards the second half of 2024, as we expect end market demand to recover.

The resin escalator for the bag-in-box and spouted pouch businesses, which passes on movements in resin costs directly to customers, is not included in the guidance.

The adjusted EBITDA margin is expected to be within the lower half of 25-26%. This is subject to input costs and foreign currency volatility. The Company believes operating leverage and acquisition synergies will positively contribute to adjusted EBITDA margin which will be partly

[7] In the calculation of the net leverage ratio as of December 31, 2022, adjusted EBITDA includes the adjusted EBITDA of Scholle IPN and Evergreen Asia from January 1, 2022.

offset by higher SG&A, reflecting investments in innovation and regional expansion, and wage inflation.

Net capital expenditure is projected to be within the Group's target range of 7-9% of revenue and the dividend pay-out ratio within a range of 50-60% of adjusted net income.

The adjusted effective tax rate is forecast to be between 26 and 28%.

Mid-term guidance

The Company confirms its mid-term revenue growth guidance of 4-6% at constant currency, with the contribution from the chilled carton, bag-in-box and spouted pouch businesses expected to enable resilient growth in the upper half of this range. Adjusted EBITDA margin is expected to be above 27% in the mid-term, driven by continued margin expansion in the aseptic carton business and the acquired businesses of chilled carton, bag-in-box and spouted pouch.

Net capital expenditure is forecast to be within a range of 7-9% of revenue and the dividend pay-out ratio is expected to be within a range of 50-60% of adjusted net income.

SIG's business is expected to continue to be strongly cash generative, and the Company maintains its mid-term leverage guidance of towards 2x with milestone of around 2.5x at the end of 2024.

SIG today published its 2023 Annual Report. The Annual Report contains the Company's extensive corporate responsibility actions and achievements, the Group's operating and financial results accompanied by SIG's audited consolidated and statutory financial statements, the Compensation Report outlining the compensation policies of the Group and the Corporate Governance Report.

The above publication is available from 07:00 CET today at https://www.sig.biz/en/investors/results-reports-presentations/2023. Hard copies can be ordered free of charge from SIG Group AG, Laufengasse 18, 8212 Neuhausen am Rheinfall, Switzerland.

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About SIG

SIG is a leading solutions provider of packaging for better – better for our customers, for consumers, and for the world. With our unique portfolio of aseptic carton, bag-in-box, and spouted pouch, 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 technology and outstanding innovation capabilities 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 strive to create a net positive food packaging system.

Founded in 1853, SIG is headquartered in Neuhausen, Switzerland, and listed at the SIX Swiss Exchange. The skills and experience of our approximately 9,000 employees worldwide enable us to respond quickly and effectively to the needs of our customers in over 100 countries. In 2023, SIG produced 53 billion packs and generated €3.2 billion in revenue. SIG also has an AA ESG rating by MSCI, a 13.9 (low risk) score by Sustainalytics, Platinum CSR rating by EcoVadis, and is included in the FTSE4Good Index. For more information, visit our website.

For insights into trends that drive the food and beverage industry, visit the SIG blog.

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 authorized 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 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.

The information contained in this media release is not an offer to sell or a solicitation of offers to purchase or subscribe for securities. This media release is not a prospectus within the meaning of the Swiss Financial Services Act nor a prospectus under any other 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 utilize 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 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

Definitions of the alternative performance measures used by SIG management and their related reconciliations are posted under the following link: https://www.sig.biz/investors/en/performance/definitions

Additional information about alternative performance measures used by SIG management is included in the consolidated financial statements for the year ended December 31, 2023.