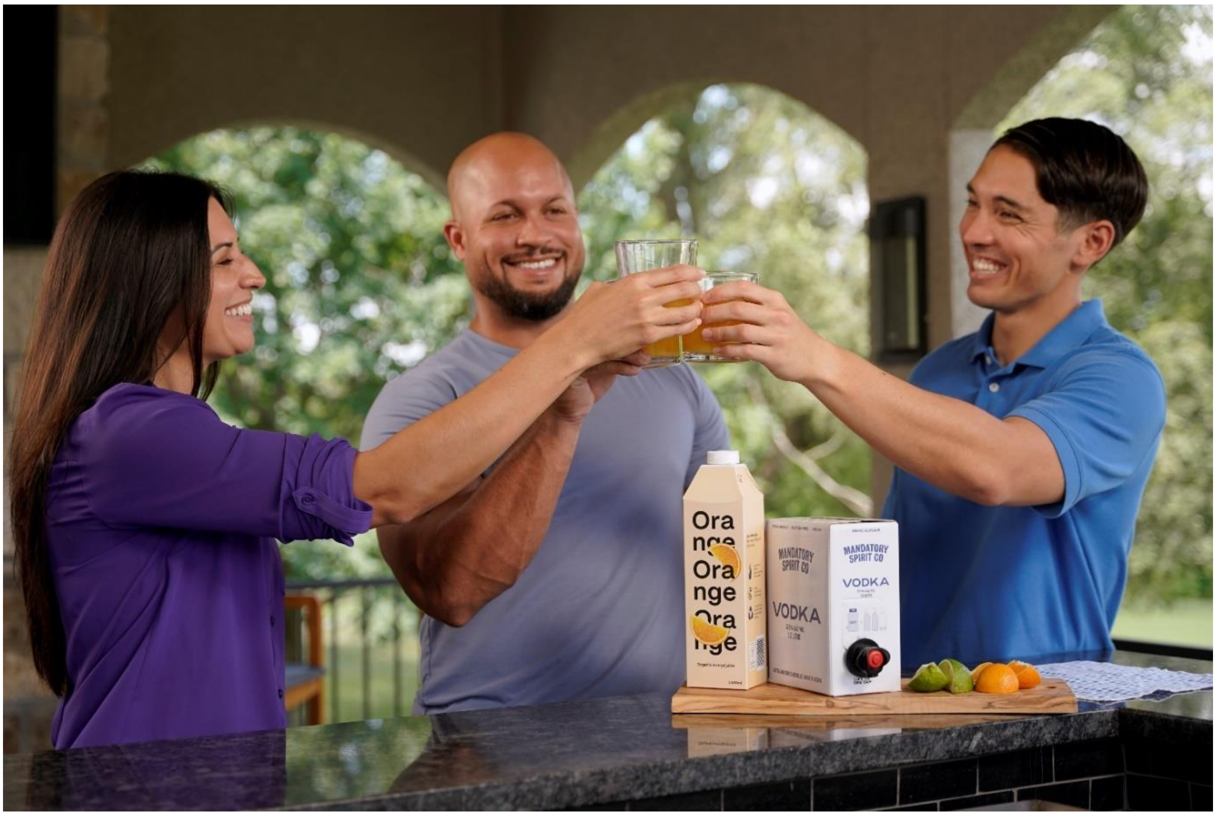
INTERIM REPORT 2024



Packaging systems and solutions for better

SIG

for better

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.

Content

OVERVIEW

Samuel Sigrist, CEO of SIG Group:

> "Year to date, carton has experienced strong growth while performance of bag-in-box has been clearly below our expectations. Bag-in-box in North America has suffered from temporary soft consumer demand, especially in foodservice, while production was constrained due to a plant relocation from Canada to the USA that took longer to ramp up than expected. Remedial action to resolve the production challenges are underway. Going forward we expect performance in bag-in-box to improve on a quarter-by-quarter basis. We have updated our 2024 guidance for revenue growth and adjusted EBITDA margin accordingly.
>
> We are encouraged by our pipeline of cross-selling wins, which continues to gain momentum, as we develop our innovative offerings and expand geographically. This will support sustainable growth for bag-in-box and spouted pouch. Carton continues to perform strongly and gain share, and we expect to place 75 fillers or more by the end of the year."

The tables below present an overview of our performance in the six months ended June 30, 2024.

Revenue performance

	Six months ended June 30, 2024	Six months ended June 30, 2023	Change	
(In € million)			Reported currency	Constant currency
Total revenue	1,573.2	1,540.0	2.2%	3.0%

Composition of revenue

(In € million)	Six months ended June 30, 2024	Six months ended June 30, 2023
Revenue from the carton business	1,302.0	1,230.0
Revenue from the bag-in-box and spouted pouch businesses	271.2	310.0
Total revenue	**1,573.2**	**1,540.0**

Key performance indicators

(In € million)	Six months ended June 30, 2024	Six months ended June 30, 2023
Adjusted EBITDA	369.5	383.7
Adjusted EBITDA margin	23.5%	24.9%
EBITDA	393.6	350.1
Adjusted EBIT	236.1	256.2
EBIT	185.0	147.4
Adjusted net income	120.2	144.4
Net income	84.9	52.6
Free cash flow	(76.6)	(213.2)
Diluted EPS (in €)	0.22	0.14
Adjusted diluted EPS (in €)	0.31	0.38

Key events in 2024 impacting the financial position of the Group

The following key events and transactions took place in the six months ended June 30, 2024.

Refinancing transactions

On May 13, 2024, the Group issued unsecured *Schuldscheindarlehen* ("SSD", a private German debt placement) totaling €450 million. On June 28, 2024, the Group accessed new senior unsecured credit facilities consisting of a five-year €50 million term loan and two committed Euro revolving credit facilities in the total amount of €500 million.

The proceeds from the SSD and the new term loan, together with available cash, were used on June 28, 2024 to prepay the Group's €550 million term loan that was due in June 2025. In connection with this, the related €300 million committed multi-currency revolving credit facility was terminated.

Chilled carton production changes in China

The Group has moved its production of chilled carton from Shanghai to the same location as its aseptic carton facilities in Suzhou. The production in the Group's new, leased, chilled carton production plant started in the second quarter of 2024. The Group is in the process of selling the production plant in Shanghai. The move of the chilled carton production has resulted in the recognition of impairment losses and restructuring expenses in the total amount of €19.0 million (pre-tax) in the six months ended June 30, 2024.

OUR OPERATING PERFORMANCE

This section covers our operating performance at Group as well as at segment level. It includes alternative performance measures that management believes are relevant in evaluating the Group's performance and liquidity.

When discussing our performance, and when relevant for comparative purposes, we state the percentage change between two periods on a constant currency basis. For this purpose, the prior period amount is translated at the foreign currency exchange rate of the current period.

Revenue

The table below provides an overview of revenue by segment as well as at Group level.

(In € million)	Six months ended June 30, 2023	Six months ended June 30, 2022	Change Reported currency	Change Constant currency
Europe	516.6	486.5	6.2%	6.4%
IMEA	220.7	199.8	10.4%	11.0%
APAC	416.4	418.1	(0.4%)	2.7%
Americas	419.4	435.3	(3.7%)	(4.1%)
Group Functions	0.1	0.3		
Total revenue	**1,573.2**	**1,540.0**	**2.2%**	**3.0%**

The **Group** reported a revenue growth of 3.0% at constant currency (including constant resin 2.9%) for the six months ended June 30, 2024. The carton business showed a very strong performance with 6.7% constant currency growth. The strong performance was driven by volume growth, reflecting a pickup in market demand, as well as a contribution from accelerated deployment of filling lines.

The bag-in-box, spouted pouch businesses contributed €271.2 million to our topline in the first half of 2024 compared to €310.0 million in the first half of 2023, declining 11.8 % at constant currency (including constant resin 12.2%). The revenue in 2024 was impacted by non-repeating, significant equipment sales in the prior period and lower market demand in the food service business driven by higher menu prices.

Europe

In the first six months off 2024, revenue growth for Europe on a constant currency basis was 6.4%, or 6.6% on a constant currency and constant resin[1] basis.

Performance was driven by the growth in aseptic carton volumes in the dairy sector, as previous filler placements ramped up, together with an increase in milk supply for aseptic processing. The segment continues to win new filling line contracts and expects to place more filling lines in 2024 compared with 2023.

Revenue from bag-in-box and spouted pouch declined against a strong prior year comparison which included equipment sales that were not repeated in the first six months of this year.

India, Middle East and Africa ("IMEA")

Revenue for IMEA on a constant currency basis increased in the first half of 2024 by 11.0%, (including constant resin 11.2%).

Aseptic carton demand remained strong in India and the construction of the Group's first sleeves plant is on schedule to commence production by the end of 2024. Improvements in outbound logistics in the Middle East and African region led to a recovery of sales volumes in quarter two.

The region secured a high number of new filler contracts during the period including six new wins for bag-in-box and spouted pouch.

Asia Pacific ("APAC")

In the first six months of 2024, revenue growth for APAC on a constant currency basis increased by 2.7% (including constant resin 2.8%).

Both aseptic and chilled carton continued to gain market share despite some end market consumer softness. In aseptic carton, the Group is working with customers to reduce pack sizes to offer consumers more affordable products. In chilled carton, growth is being driven by product innovation and enhanced customer service under SIG's ownership.

Indonesia and Vietnam saw market recovery over the period while growth in Malaysia was driven by newly installed fillers. These markets saw strong demand for new filling lines during the period.

Americas

In the Americas, revenue for the first half of 2024 declined by 4.1% on a constant currency basis, (including constant resin 4.9%).

Aseptic carton growth gained momentum after a slow start to the year while the decline in volume in bag-in-box slowed in second quarter of 2024 compared with the first quarter of 2024. Consumer demand in the USA remains soft, especially in foodservice.

In the first half of the year, bag-in-box experienced operational challenges due to the relocation of operations from Canada to the USA, which led to capacity constraints. Remedial action is underway to resolve these challenges and quarterly improvement is expected.

Adjusted EBITDA

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

(In € million)	Six months ended June 30, 2024	Six months ended June 30, 2023
Profit for the period	**84.9**	**52.6**
Net finance expense	71.5	58.5
Income tax expense	28.6	36.3
Depreciation and amortization	208.6	202.7
EBITDA	**393.6**	**350.1**
Adjustments to EBITDA:		
Unrealized (gain)/loss on operating derivatives	(10.9)	10.9
Restructuring costs, net of reversals	6.9	2.1
Transaction- and acquisition-related costs	0.8	-
Integration costs	0.6	7.4
Change in fair value of contingent consideration	(37.5)	12.3
Impairment losses	15.9	0.9
Other	0.1	-
Adjusted EBITDA	**369.5**	**383.7**

Adjusted EBITDA for the six months ended June 30, 2024 decreased by €14.2 million, from €383.7 million for the six months ended June 30, 2023 to €369.5 million for the six months ended June 30, 2024.

Higher revenue contribution from the carton business and raw material benefits were offset by higher production costs, selling, general and administrative ("SG&A") costs and foreign currency headwinds. Production costs were negatively impacted by operational challenges in the in the bag-in-box and spouted pouch businesses. The SG&A increase reflected wage inflation but also continued investments to support growth, including investments in IT, R&D and regional expansion. SG&A as a percentage of revenue as of June 30, 2024 was 13.0% compared to 12.7% as of June 30, 2023. Foreign currency headwinds negatively impacted margin by 60 basis points, with the weakening of the Mexican peso against the US dollar and the strengthening of the Euro against the Swiss franc. The **adjusted EBITDA margin** was 23.5% compared with 24.9% in the prior period, with the items described above negatively impacting the margin.

EBITDA for the six months ended June 30, 2024 increased by €43.5 million to €393.6 million (€350.1 million in the prior period), impacted by the factors described above and a positive fair value change of €37.5 million of the contingent consideration for Scholle IPN in the current period, versus a negative fair value change of €12.3 million in the comparative period (see further note 23 of the consolidated interim financial statements) and positive net changes in unrealized hedging positions. EBITDA in the current period was negatively impacted by costs incurred in connection with the move of the chilled carton production in China to a new plant. The Group recognized impairment losses and restructuring expenses in the total amount of €19.0 million (pre-tax) in the current period relating to the move. Production in the new plant started in the second quarter.

The following table provides details about adjusted EBITDA at Group as well as at segment level.

	Six months ended June 30, 2024		Six months ended June 30, 2023	
(In € million)	Adjusted EBITDA margin	Adjusted EBITDA	Adjusted EBITDA margin	Adjusted EBITDA
Europe	27.4%	141.6	27.9%	135.7
IMEA	27.3%	60.1	27.8%	55.6
APAC	27.8%	115.9	29.6%	123.7
Americas	22.1%	92.8	23.8%	103.4
Group Functions		(40.9)		(34.7)
Total	23.5%	369.5	24.9%	383.7

The **Europe** adjusted EBITDA margin decreased slightly compared to the prior period. Positive top-line contribution and lower raw material costs were offset by foreign currency headwinds in our procurement entity. The **IMEA** adjusted EBITDA margin also decreased slightly compared to the prior period. IMEA had a positive top-line contribution, mainly from ramp-up of filling line deployments and lower raw material costs. Lower raw material costs in **APAC** contributed positively to the adjusted EBITDA margin but could not fully offset the negative foreign currency headwinds in the period. The **Americas** adjusted EBITDA margin was positively impacted by topline aseptic carton contribution and lower material costs, but more than offset by foreign currency headwinds and operational challenges in our bag-in-box and spouted pouch businesses, which have a large presence in the Americas.

Net income and adjusted net income

The table below reconciles profit for the period to adjusted net income.

(In € million)	Six months ended June 30, 2024	Six months ended June 30, 2023
Profit for the period	**84.9**	**52.6**
Non-cash foreign currency exchange impact of non-functional currency loans and realized foreign currency exchange impact due to refinancing	0.7	1.4
Amortization of transaction costs	1.5	2.1
Net change in fair value of financing-related derivatives	0.2	(1.5)
PPA depreciation and amortization – Onex acquisition	51.5	51.7
PPA amortization – other acquisitions	23.7	23.5
Net effect of early repayment of loan	1.6	-
Adjustments to EBITDA[1]	(24.1)	33.6
Tax effect on above items	(19.8)	(19.0)
Adjusted net income	**120.2**	**144.4**

1 For the different adjustments to EBITDA, refer to the adjusted EBITDA table at the beginning of this section.

Adjusted net income decreased by €24.2 million, from €144.4 million for the six months ended June 30, 2023 to €120.2million for the six months ended June 30, 2024. The decrease was primarily driven by lower adjusted EBITDA but also higher interest expenses in the current period due to a higher interest environment, partly offset by lower tax expenses.

Net income (profit for the period) increased by €32.3 million, from €52.6 million for the six months ended June 30, 2023 to €84.9 million for the six months ended June 30, 2024. In addition to the movements in adjusted net income, net income in in the six months ended June 30, 2024 was positively impacted by the change in the fair value of the Scholle IPN contingent consideration (€37.5 million) and unrealized operational hedging positions (€10.9 million). These positive impacts were offset by the recognition of impairment losses and restructuring expenses in the total amount of €19.0 million (pre-tax) in the six months ended June 30, 2024 related to the move of the chilled carton facility in China.

The **effective tax rate** changed from 41% for the six months ended June 30, 2023 to 25% for the six months ended June 30, 2024. The **adjusted effective tax** rate changed from 28% to 29%. The change in the adjusted effective tax rate was negatively impacted by the mix of profits and losses taxed at varying tax rates in the jurisdictions in which we operate and the first-time implementation of the global minimum 15% top-up tax under the OECD Pillar Two Model Rules.

Net capital expenditure ("net capex")

The following table reconciles capital expenditure to net capital expenditure.

(In € million)	Six months ended June 30, 2024	Six months ended June 30, 2023
PP&E and intangible assets (net of sales and excluding filling lines and other related equipment)	61.0	93.4
Filling lines and other related equipment	105.7	129.0
Capital expenditure	**166.7**	**222.4**
Upfront cash	(63.8)	(51.0)
Net capital expenditure	**102.9**	**171.4**

Net capital expenditure decreased by €68.5 million in the six months ended June 30, 2024, from €171.4 million in the six months ended June 30, 2023 to €102.9 million in the six months ended June 30, 2024.

The decrease reflected higher investment activities in the prior period, involving further expansion into growth markets, footprint rationalization and capacity expansion for the bag-in-box and spouted pouch businesses. The current period primarily reflects the continued investments in the Group's first plant in India for the production of aseptic carton sleeves and investments concerning the chilled carton relocation in China.

The level of activity at filling machine assembly plants decreased compared to the prior period, but still reflects strong customer demand for SIG systems. Upfront cash received for filling line placements, presented in net cash from operating activities, was higher than in the prior period. Net capital expenditure as a percentage of revenue was 6.5% as of June 30, 2023 compared to 11.1% in the prior period.

Cash flows

The Group's cash generation is weighted towards the second half of the year. The cash flow generation in the first half of the year is impacted by customer incentive payments.

The table below provides an overview of cash flows.

(In € million)	Six months ended June 30, 2024	Six months ended June 30, 2023
Net cash from operating activities	115.9	30.7
Net cash used in investing activities	(164.7)	(220.9)
Net cash from/(used in) financing activities	55.1	(96.2)
Net increase/(decrease)/ in cash and cash equivalents	**6.3**	**(286.4)**

The following table reconciles net cash from operating activities to free cash flow.

(In € million)	Six months ended June 30, 2024	Six months ended June 30, 2023
Net cash from operating activities	**115.9**	**30.7**
Acquisition of property, plant and equipment and intangible assets (net of sales)	(166.7)	(222.4)
Payment of lease liabilities	(25.8)	(21.5)
Free cash flow	**(76.6)**	**(213.2)**

Net cash from operating activities increased by €85.2 million in the six months ended June 30, 2024 compared with the prior period, from €30.7 million to €115.9 million, as further described below.

Free cash flow at negative €76.6 million in the six months ended June 30, 2024 improved by €136.6 million compared with the prior period. Other net working capital movements positively impacted net cash from operating activities, including lower inventory build-ups, lower trade payable outflows and payments of customer incentives. The Group also had lower capital expenditure in the period as explained above. Net cash from operating activities also includes upfront cash payments for our filling machines which, in the current period, were higher than in the prior period. These positive impacts were partly offset by higher interest and tax payments in the current period.

Net cash used in investing activities decreased by €56.2 million in the six months ended June 30, 2024 compared with prior period, from €220.9 million to €164.7 million. The Group's capital expenditure was lower in the current period as described above.

Net cash from financing activities was €55.1 million in the six months ended June 30, 2024 compared with a financing cash outflow of €96.2 million in the prior period, an increase of €151.3 million. The increase is due to a greater positive net cash flow from the Group's financing transactions in the current period compared to the prior period. In the current year, the proceeds from the new issue of SSD and the new Euro term loan and draw-downs of the new revolving credit facilities and local credit lines exceeded the amounts used to repay the Group's Euro term loan that was due in June 2025 and prior draw-downs under local credit lines (see further "Refinancing in the second quarter" under "Our capital structure"). In the prior period, the net cash used in financing activities was primarily driven by the financing required for the repayment of unsecured notes in June 2023.

OUR CAPITAL STRUCTURE

The Group's loans and borrowings consist of senior unsecured Euro-denominated notes, senior unsecured credit facilities, an unsecured US Dollar term loan, two unsecured Euro *Schuldscheindarlehen* ("SSD", a private German debt placement) and an unsecured credit facility. The senior unsecured credit facilities consist of a Euro-denominated term loan and two committed Euro revolving credit facilities. In addition, the Group has access to local credit facilities in various locations. Liabilities under lease contracts where the Group is the lessee are also included in loans and borrowings.

The following section includes an overview of changes to the Group's loans and borrowings compared to December 31, 2023. Note 16 of the consolidated interim financial statements for the six months ended June 30, 2024 includes additional details.

Refinancing in the second quarter of 2024

On May 13, 2024, the Group issued six tranches of a total of €450 million unsecured SSD with maturities of four, five and seven years at both fixed and variable interest rates. The two largest tranches are due in 2028 and 2029.

On June 28, 2024, the Group accessed new senior unsecured credit facilities consisting of a five-year €50 million term loan and two committed Euro revolving credit facilities in the total amount of €500 million. The interest rates are variable.

The proceeds from the SSD and the new term loan, together with available cash, were used on June 28, 2024 to prepay, without premium or penalty, the Group's €550 million term loan from 2020 that was due in June 2025. In connection with this, the related €300 million committed multi-currency revolving credit facility was terminated.

As of June 30, 2024, the Group had used €263.4 million of its new committed Euro revolving credit facilities to cover cash requirements in the first half of 2024 and €174.9 million of unsecured unguaranteed local credit lines to cover local working capital needs (€112.1 million as of December 31, 2023). The committed multi-currency revolving credit facility that was terminated in June 2024 was not drawn as of December 31, 2023.

Debt rating

	Company rating		As of
Moody's	Ba1	Positive (before: stable)	March 2024
S&P	BBB-	Stable	April 2023

Net debt and leverage

The table below presents the components of net debt and the net leverage ratio.

(In € million)	As of June 30, 2024	As of Dec. 31, 2023	As of June 30 2023[1]
Gross debt	2,771.9	2,457.5	2,794.4
Cash and cash equivalents	(286.2)	(280.9)	(211.6)
Net debt	**2,485.7**	**2,176.6**	**2,582.8**
Net leverage ratio (last twelve months)	**3.2x**	**2.7x**	**3.4x**

[1] In the calculation of the net leverage ratio as of June 30, 2023, adjusted EBITDA (last twelve months) includes the adjusted EBITDA of Evergreen Asia from July 1, 2022.

The **net debt** as of June 30, 2024 was higher compared with December 31, 2023 as a result of the increase in loans and borrowings, the cash seasonality of the business and the dividend payment in April 2024.

The Group's target is to reduce the net leverage ratio to be around 2.5x by the end of 2024.

Net finance expense

(In € million)	Six months ended June 30, 2024	Six months ended June 30, 2023
Interest income	2.4	1.9
Net change in fair value of financing-related derivatives	(0.2)	1.5
Net interest income on interest rate swap	3.4	2.4
Interest expense on:		
- Loan and borrowings (excluding lease liabilities)	(52.4)	(44.6)
- Lease liabilities	(9.1)	(6.9)
Amortization of original issue discount	(0.2)	(0.2)
Amortization of transaction costs	(1.5)	(2.1)
Net foreign currency exchange loss	(1.9)	(3.9)
Net effect of early repayment of loan	(1.6)	-
Securitization expense	(6.3)	(3.6)
Other	(4.1)	(3.0)
Net finance expense	**(71.5)**	**(58.5)**

The **net finance expense** for the period was €71.5 million compared to a net finance expense of €58.5 million for the six months ended June 30, 2023, an increase of €13.0 million. The increase in net finance expense compared to the prior period is mainly due to a higher interest rate environment.

A 100 basis point increase in the variable component of our borrowings (excluding lease liabilities) at variable interest rates would increase the annual interest expense by €14.6 million as of June 30, 2024. The US Dollar term loan is not considered as the interest rate of this loan has been fixed for with an interest rate swap.

OUTLOOK

The Group has updated its 2024 guidance. Revenue growth will be around 4%[1], plus or minus 50 bps. This compares to previous guidance of at the low end of 4-6%[1]. It has revised its guidance for adjusted EBITDA margin from the lower half of 25-26% to the lower end of 24-25%. Net capital expenditure is expected to be within the lower half of 7-9% of revenue for the full year. The rest of the Group's 2024 guidance remains unchanged. The dividend pay-out ratio within a range of 50-60% of adjusted net income and the adjusted effective tax rate is forecast to be between 26 and 28%. The Group confirms its mid-term guidance. This includes revenue growth[1] in the upper half of its 4-6% range and adjusted EBITDA margin above 27%. 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 50-60% of adjusted net income.

OTHER DISCLOSURES

Seasonality

The Group's aseptic carton business experiences moderate seasonal fluctuations, primarily due to seasonal consumption patterns and performance incentive programs relating to carton sleeves that generally end in the fourth quarter. Customers tend to purchase additional carton sleeves prior to the end of the year to meet seasonal demand and to avail themselves of annual volume rebates, typically resulting in higher sales during the fourth quarter. Historically, this has resulted in relatively low sales in the first quarter. The bag-in-box, spouted pouch and chilled carton businesses are not significantly exposed to seasonality.

Dividends

A dividend of CHF 0.48 per share, totaling CHF 183.5 million (€187.8 million) was paid out of the capital contribution reserve in April 2024. In the prior period, CHF 0.47 per share, totaling CHF 179.6 million (€180.2 million) was paid.

Foreign currencies

We operate internationally and transact business in a range of currencies. While our reporting currency is Euro, we generate a significant portion of our revenue and costs in currencies other than Euro. We therefore translate results, as well as assets and liabilities, into Euro at exchange rates in effect during or at the end of each reporting period, as applicable. Increases or decreases in the value of the Euro against other currencies in countries where we operate can affect our results of operations and the value of balance sheet items denominated in foreign currencies.

Alternative performance measures

Additional information about alternative performance measures used by management is included in the consolidated financial statements for the year ended December 31, 2023. Definitions and reconciliations to measures defined in IFRS accounting standards can also be found via the following link:
https://www.sig.biz/en/investors/financial-definitions

[1] Constant currency and constant resin

Consolidated interim financial statements for the six months ended June 30, 2024

SIG Group AG

See note 3 for further details on the consolidated interim financial statements.

Consolidated interim statement of profit or loss and other comprehensive income

(In € million)	Note	Six months ended June 30, 2024	Six months ended June 30, 2023
Revenue	6, 7	1,573.2	1,540.0
Cost of sales		(1,228.5)	(1,175.4)
Gross profit		**344.7**	**364.6**
Other income	8	54.9	11.7
Selling, marketing and distribution expenses		(65.7)	(68.1)
General and administrative expenses		(139.2)	(127.8)
Other expenses	8	(9.9)	(33.0)
Share of profit of joint venture		0.2	-
Profit from operating activities		**185.0**	**147.4**
Finance income		5.8	5.8
Finance expenses		(77.3)	(64.3)
Net finance expense	17	**(71.5)**	**(58.5)**
Profit before income tax		**113.5**	**88.9**
Income tax expense		(28.6)	(36.3)
Profit for the period	9	**84.9**	**52.6**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translations of foreign operations:			
- recognized in translation reserve		(27.7)	(65.1)
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	18	19.8	31.5
Total other comprehensive income, net of income tax		**(7.9)**	**(33.6)**
Total comprehensive income		**77.0**	**19.0**
Basic earnings per share (in €)	10	0.22	0.14
Diluted earnings per share (in €)	10	0.22	0.14

Consolidated interim statement of financial position

(In € million)	Note	As of June 30, 2024	As of Dec. 31, 2023
Cash and cash equivalents	19	286.2	280.9
Trade and other receivables	15	455.3	422.7
Inventories		396.5	384.4
Current tax assets		12.6	6.0
Other current assets		33.8	23.4
Total current assets		**1,184.4**	**1,117.4**
Non-current receivables		12.2	13.2
Investment in joint venture		0.5	0.4
Deferred tax assets		58.6	60.6
Property, plant and equipment	12	1,835.2	1,795.4
Right-of-use assets	13	288.6	267.3
Intangible assets	14	3,975.7	4,054.4
Employee benefits	18	201.7	191.8
Other non-current assets		34.0	32.0
Total non-current assets		**6,406.5**	**6,415.1**
Total assets		**7,590.9**	**7,532.5**
Trade and other payables		902.2	1,006.4
Loans and borrowings	16	961.2	264.4
Current tax liabilities		39.9	49.3
Employee benefits		62.9	61.0
Provisions		18.4	15.7
Deferred revenue		104.5	102.9
Other current liabilities		8.9	14.2
Total current liabilities		**2,098.0**	**1,513.9**
Non-current payables		13.3	14.9
Loans and borrowings	16	1,805.9	2,187.4
Deferred tax liabilities		225.4	244.2
Employee benefits		102.8	110.4
Provisions		25.7	25.1
Deferred revenue		319.0	284.4
Other non-current liabilities		15.3	55.1
Total non-current liabilities		**2,507.4**	**2,921.5**
Total liabilities		**4,605.4**	**4,435.4**
Share capital	18	3.4	3.4
Additional paid-in capital	18	2,498.7	2,684.9
Translation reserve		(176.7)	(149.0)
Treasury shares	18	(1.6)	(1.5)
Retained earnings		661.7	559.3
Total equity		**2,985.5**	**3,097.1**
Total liabilities and equity		**7,590.9**	**7,532.5**

Consolidated interim statement of changes in equity

(In € million)	Note	Share capital	Additional paid-in capital	Translation reserve	Treasury shares	Retained earnings	Total equity
Equity as of January 1, 2024		**3.4**	**2,684.9**	**(149.0)**	**(1.5)**	**559.3**	**3,097.1**
Profit for the period						**84.9**	**84.9**
Other comprehensive income							
Items that may be reclassified to profit or loss							
Currency translations of foreign operations:							
- recognized in translation reserve				(27.7)			**(27.7)**
Items that will not be reclassified to profit or loss							
Remeasurement of defined benefit plans	18					19.8	**19.8**
Total other comprehensive income, net of income tax		**-**	**-**	**(27.7)**	**-**	**19.8**	**(7.9)**
Total comprehensive income for the period		**-**	**-**	**(27.7)**	**-**	**104.7**	**77.0**
Share-based payments	22					2.1	**2.1**
Purchase of treasury shares	18				(4.5)		**(4.5)**
Settlement of share-based payment plans and arrangements	18, 22		1.6		4.4	(4.4)	**1.6**
Dividends	18		(187.8)				**(187.8)**
Total transactions with owners		**-**	**(186.2)**	**-**	**(0.1)**	**(2.3)**	**(188.6)**
Equity as of June 30, 2024		**3.4**	**2,498.7**	**(176.7)**	**(1.6)**	**661.7**	**2,985.5**
Equity as of January 1, 2023		**3.4**	**2,868.6**	**(79.2)**	**(1.3)**	**263.7**	**3,055.2**
Profit for the period						**52.6**	**52.6**
Other comprehensive income							
Items that may be reclassified to profit or loss							
Currency translations of foreign operations:							
- recognized in translation reserve				(65.1)			**(65.1)**
Items that will not be reclassified to profit or loss							
Remeasurement of defined benefit plans	18					31.5	**31.5**
Total other comprehensive income, net of income tax		**-**	**-**	**(65.1)**	**-**	**31.5**	**(33.6)**
Total comprehensive income for the period		**-**	**-**	**(65.1)**	**-**	**84.1**	**19.0**
Acquisition of non-controlling interest	18					(3.3)	**(3.3)**
Share-based payments	22					3.9	**3.9**
Purchase of treasury shares	18				(8.1)		**(8.1)**
Settlement of share-based payment plans and arrangements	18, 22		(3.3)		8.0	(3.8)	**0.9**
Dividends	18		(180.2)				**(180.2)**
Total transactions with owners		**-**	**(183.5)**	**-**	**(0.1)**	**(3.2)**	**(186.8)**
Equity as of June 30, 2023		**3.4**	**2,685.1**	**(144.3)**	**(1.4)**	**344.6**	**2,887.4**

Consolidated interim statement of cash flows

(In € million)	Note	Six months ended June 30, 2024	Six months ended June 30, 2023
Cash flows from operating activities			
Profit for the period		84.9	52.6
Adjustments for:			
Depreciation and amortization		208.6	202.7
Impairment losses	9	16.7	0.9
Net change in fair value of operating derivatives		(11.1)	10.1
Share-based payment expense	22	2.1	3.9
Gain on sale of property, plant and equipment and non-current assets		(0.5)	(0.4)
Share of profit of joint venture		(0.2)	-
Net finance expense	17	71.5	58.5
Interest paid		(67.2)	(55.8)
Payment of transaction and other costs relating to financing		(1.7)	-
Income tax expense		28.6	36.3
Income taxes paid, net of refunds received		(63.0)	(43.4)
		268.7	**265.4**
Change in trade and other receivables		(48.3)	(31.2)
Change in inventories		(15.2)	(68.5)
Change in trade and other payables, including advance payments		(96.9)	(183.3)
Change in provisions and employee benefits		3.4	3.3
Change in other assets and liabilities, including deferred revenue		4.2	45.0
Net cash from operating activities	11	**115.9**	**30.7**
Cash flows from investing activities			
Acquisition of business, net of cash acquired		-	(0.5)
Acquisition of property, plant and equipment and intangible assets		(168.0)	(223.6)
Proceeds from sale of property, plant and equipment and other assets		1.3	1.2
Interest received		2.0	2.0
Net cash used in investing activities	11	**(164.7)**	**(220.9)**
Cash flows from financing activities			
Acquisition of non-controlling interest	18	-	(3.3)
Proceeds from loans and borrowings	16	1,121.4	567.6
Repayment of loans and borrowings	16	(846.4)	(450.0)
Payment of lease liabilities	16	(25.8)	(21.5)
Purchase of treasury shares	18	(4.5)	(8.1)
Sale of treasury shares	18, 22	1.6	0.9
Payment of dividends	18	(187.8)	(180.2)
Other		(3.4)	(1.6)
Net cash from/(used) in financing activities	11	**55.1**	**(96.2)**
Net increase/(decrease) in cash and cash equivalents		**6.3**	**(286.4)**
Cash and cash equivalents as of the beginning of the period		280.9	503.8
Effect of exchange rate fluctuations on cash and cash equivalents		(1.0)	(5.8)
Cash and cash equivalents as of the end of the period	19	**286.2**	**211.6**

BASIS OF PREPARATION

This section includes information on the parent company and the Group. It further contains certain details about the preparation of the consolidated interim financial statements, including general accounting policies and topics. An overview of the structure of the consolidated interim financial statements is also provided. In addition, the key events and transactions in the period are highlighted.

1 Reporting entity and overview of the Group

SIG Group AG ("SIG" or the "Company") is domiciled in Switzerland and has since September 28, 2018 been listed on SIX Swiss Exchange.

The consolidated interim financial statements for the six months ended June 30, 2024 comprise the Company and its subsidiaries (together referred to as the "Group" or the "SIG Group"). The subsidiaries and joint venture reflected in the consolidated interim financial statements are listed in note 27 of the consolidated financial statements for the year ended December 31, 2023.

SIG is a leading packaging solutions provider, offering carton, bag-in-box and spouted pouch packaging solutions. The packaging solution offerings consist of filling lines and other related equipment, packaging material and after-market services.

2 Preparation of the consolidated interim financial statements

The consolidated interim financial statements for the six months ended June 30, 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They were approved by the Company's Board of Directors on July 25, 2024. They also comply with the Listing Rules of SIX Swiss Exchange and with Swiss company law.

The consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023. They do not include all the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, they include information required to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

3 Structure of the consolidated interim financial statements

The consolidated interim financial statements are structured into different sections that should facilitate an overview and understanding of the Group's operations, financial position and performance. The notes are included in these sections based on their relevance and provide information that is material and relevant to the consolidated financial statements.

BASIS OF PREPARATION	OUR OPERATING PERFORMANCE	OUR OPERATING ASSETS AND LIABILITIES	OUR FINANCING AND FINANCIAL RISK MANAGEMENT	OUR GROUP STRUCTURE AND RELATED PARTIES	OUR PEOPLE	OTHER
1 Reporting entity and overview of the Group 2 Preparation of the consolidated interim financial statements 3 Structure of the consolidated interim financial statements 4 Key events and transactions 5 General accounting policies and topics	6 Revenue 7 Segment information 8 Other income and expenses 9 Alternative performance measures 10 Earnings per share 11 Cash flow information	12 Property, plant and equipment 13 Right-of-use assets 14 Intangible assets 15 Trade and other receivables	16 Loans and borrowings 17 Finance income and expenses 18 Equity 19 Financial risk management	20 Group entities 21 Related parties	22 Share-based payment plans and arrangements	23 Financial instruments and fair value information 24 Contingent liabilities 25 Subsequent events

4 Key events and transactions

The following key events and transactions took place in the six months ended June 30, 2024.

Refinancing transactions

On May 13, 2024, the Group issued unsecured *Schuldscheindarlehen* ("SSD", a private German debt placement) totaling €450 million. On June 28, 2024, the Group accessed new senior unsecured credit facilities consisting of a five-year €50 million term loan and two committed Euro revolving credit facilities in the total amount of €500 million.

The proceeds from the SSD and the new term loan, together with available cash, were used on June 28, 2024 to prepay the Group's €550 million term loan that was due in June 2025. In connection with this, the related €300 million committed multi-currency revolving credit facility was terminated.

See note 16 for additional details about the refinancing transactions.

Chilled carton production changes in China

The Group has moved its production of chilled carton from Shanghai to the same location as its aseptic carton facilities in Suzhou. The production in the Group's new, leased, chilled carton production plant started in the second quarter of 2024. The Group is in the process of selling the production plant in Shanghai. The move of the chilled carton production has resulted in the recognition of impairment losses and restructuring expenses in the total amount of €19.0 million (pre-tax) in the six months ended June 30, 2024. See further notes 9 and 13.

Changes in the Board of Directors

Thomas Dittrich was elected to the Board of Directors at the Annual General Meeting on April 23, 2024. Andreas Umbach was re-elected as the chair of the Board of Directors for another one-year term. He has announced that he will not stand for re-election at the 2025 Annual General Meeting.

5 General accounting policies and topics

5.1 Application of accounting policies

The accounting policies applied by the Group in the consolidated interim financial statements for the six months ended June 30, 2024 are consistent with those applied in the consolidated financial statements for the year ended December 31, 2023.

The Group became subject to the global minimum 15% top-up tax under the OECD Pillar Two Model Rules from January 1, 2024. It recognized a current tax expense of €0.5 million in the six months ended June 30, 2024 relating to top-up tax in UAE (statutory tax rate of 9%). The top-up tax for 2024 is levied on one of the Group's subsidiaries in Luxembourg. For further details, see note 32 of the consolidated financial statements for the year ended December 31, 2023. The income tax expense for the interim period is determined by applying the expected annual tax rate to the profit before income tax for the interim period.

5.2 Impact of new or amended standards and interpretations

A number of amended standards and interpretations became effective for annual periods beginning on January 1, 2024.

The Group has applied *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants* (Amendments to IAS 1 *Presentation of Financial Statements*) since January 1, 2024. The clarified guidance on current/non-current classification and compliance with covenants has not resulted in a change to the classification of the Group's loans and borrowings that were in place as of January 1, 2024. The amounts used as of June 30, 2024 under the Group's new committed Euro revolving credit facilities are classified as non-current in line with the revised guidance (see further notes 16 and 27). The committed multi-currency revolving credit facility that was terminated in June 2024 was not drawn as of December 31, 2023. Some additional disclosures are now also required regarding compliance with covenants after the reporting date. Other clarifications in amended IAS 1 are not applicable to the Group.

The other applicable standards and interpretations also had no, or no material, impact on the consolidated interim financial statements or are expected to have no, or no material, impact on the consolidated financial statements for the year ending December 31, 2024.

5.3 Adoption of standards and interpretations in 2025 and beyond

A number of new or amended standards and interpretations are effective for annual periods beginning on January 1, 2025 or later and have not been applied in preparing these consolidated interim financial statements. The Group does not plan to adopt these standards and interpretations before their effective dates. Many of them are not applicable to the Group or are expected to have no, or no material, impact on the consolidated financial statements.

IFRS 18 *Presentation and Disclosure in the Financial Statements* is effective from January 1, 2027 on a retrospective basis. The adoption of this standard introduces some changes to notably the presentation of items in the statement of profit and loss and other comprehensive income but also to the presentation of items in statement of financial position and the statement of cash flows. There is also additional guidance on aggregation/disaggregation of information and requirements on disclosure and audit of certain management-defined performance measures. The Group has started its impact assessment of adopting IFRS 18. It does not expect to be materially impacted by the changes introduced by IFRS 18.

5.4 Critical accounting judgements, estimates and assumptions

The significant judgements made by management and the key estimates and assumptions used in the preparation of the consolidated interim financial statements for the six months ended June 30, 2024 are consistent with those disclosed in note 5.4 of the consolidated financial statements for the year ended December 31, 2023, with the exception of estimates required in determining taxes on income in interim periods (see note 5.1). The impact of global economic uncertainty on the Group remains unchanged (see note 5.4 of the consolidated financial statements for the year ended December 31, 2023).

OUR OPERATING PERFORMANCE

This section covers our operating performance at Group as well as at segment level. It includes alternative performance measures that management believes are relevant in evaluating the Group's performance and liquidity.

6 Revenue

Revenue derives from the sale of goods such as carton sleeves, closures, bag-in-box and spouted pouches with associated materials (barrier film and fitments), filling lines and other related equipment as well as the provision of after-market services. Revenue is presented net of returns, trade discounts, volume rebates and other customer incentives. In addition, the Group presents income from the deployment of filling lines and other related equipment under contracts that qualify to be accounted for as operating leases as part of revenue.

Composition of revenue

(In € million)	**Six months ended June 30, 2024**	**Six months ended June 30, 2023**
Revenue from sale and service contracts	1,492.4	1,461.3
Revenue from filling line and other related equipment contracts accounted for as operating leases	80.8	78.7
Total revenue	**1,573.2**	**1,540.0**

The Group's total revenue is disaggregated by major product/service line in the table below.

(In € million)	**Six months ended June 30, 2024**	**Six months ended June 30, 2023**
Revenue from the sale of carton, bag-in-box and spouted pouch	1,362.3	1,340.9
Filling line and other related equipment revenue	111.8	111.0
Service revenue	99.0	87.9
Other revenue	0.1	0.2
Total revenue	**1,573.2**	**1,540.0**

Revenue from the sale of carton, bag-in-box and spouted pouch is mainly composed of revenue from the sale of aseptic carton sleeves and closures.

Filling line and other related equipment revenue is composed of revenue from the deployment of equipment under contracts that qualify to be accounted for as operating leases and from the sale of equipment.

Service revenue relates to after-market services in relation to the Group's equipment.

The Group's revenue is disaggregated by type of business in the table below.

(In € million)	Six months ended June 30, 2024	Six months ended June 30, 2023
Revenue from the carton business	1,302.0	1,230.0
Revenue from the bag-in-box and spouted pouch businesses	271.2	310.0
Total revenue	**1,573.2**	**1,540.0**

Revenue from the carton business mainly relates to the provision of aseptic carton packaging solutions but also to the provision of chilled carton packaging solutions in Asia.

Seasonality

The Group's aseptic carton business experiences moderate seasonal fluctuations, primarily due to seasonal consumption patterns and performance incentive programs relating to carton sleeves that generally end in the fourth quarter. Customers tend to purchase additional carton sleeves prior to the end of the year to meet seasonal demand and to avail themselves of annual volume rebates, typically resulting in higher sales during the fourth quarter. Historically, this has resulted in relatively low sales in the first quarter. The bag-in-box, spouted pouch and chilled carton businesses are not significantly exposed to seasonality.

7 Segment information

The Group has four operating segments, which are also the reportable segments: Europe, India, Middle East and Africa ("IMEA"), Asia Pacific ("APAC") and Americas. The packaging solution offered by the segments consists of filling lines and other related equipment, packaging material and after-market services.

Changes in the Group's internal reporting structure, including changes to the reporting of information to the Group's Chief Operating Decision Maker ("CODM") for resource allocation and assessment of segment performance, were made as of November 1, 2023 and resulted in changes to two of the Group's segments. To better leverage similarities in consumer needs and consumption patterns, the Indian operations are since the changes in the internal reporting structure managed with the Middle East and African operations. The former segment MEA thereby became IMEA. The Indian operations were previously part of APAC. To reflect these changes in the composition of the Group's segments, the previously reported comparative segment information has been restated. The segment information is reported as if the changes had taken place as of January 1, 2023.

Overview of the segments and Group Functions

Refer to note 7 of the consolidated financial statements for the year ended December 31, 2023 for an overview of the different segments and Group Functions.

Segment financial information

The following tables present financial information about the Group's segments and Group Functions. The same measurement basis is used when presenting the segment information as is used in the Group's consolidated financial statements.

(In € million)	Six months ended June 30, 2024 Europe	IMEA	APAC	Americas	Total segments	Group Functions	Recon-ciling items	Total
Revenue from transactions with external customers	516.6	220.7	416.4	419.4	**1,573.1**	0.1	-	**1,573.2**
Revenue from inter-segment transactions	179.3	12.0	25.9	2.9	**220.1**	42.7	(262.8)	**-**
Segment revenue	695.9	232.7	442.3	422.3	**1,793.2**	42.8	(262.8)	**1,573.2**
Adjusted EBITDA[1]	141.6	60.1	115.9	92.8	**410.4**	(40.9)	-	**369.5**

(In € million)	Six months ended June 30, 2023 Europe	IMEA[2]	APAC[2]	Americas	Total segments	Group Functions	Recon-ciling items	Total
Revenue from transactions with external customers	486.5	199.8	418.1	435.3	**1,539.7**	0.3	-	**1,540.0**
Revenue from inter-segment transactions	220.8	7.0	2.6	3.8	**234.2**	32.0	(266.2)	**-**
Segment revenue	707.3	206.8	420.7	439.1	**1,773.9**	32.3	(266.2)	**1,540.0**
Adjusted EBITDA[1]	135.7	55.6	123.7	103.4	**418.4**	(34.7)	-	**383.7**

1 The performance of the segments is presented with reference to adjusted EBITDA, excluding intra-group trademark and royalty payments. Refer to note 9 for additional details about adjusted EBITDA.

2 The Group's Indian operations are reported as if they had been included in IMEA (previously MEA) throughout the comparative period. See further the introduction to this note.

Disaggregation of segment revenue

The following tables present revenue from transactions with external customers for the segments, split by major product/service line.

(In € million)	Six months ended June 30, 2024 Europe	IMEA	APAC	Americas	Total segments	Group Functions	Total
Revenue from the sale of carton, bag-in-box and spouted pouch	450.4	188.4	350.3	373.2	**1,362.3**	-	**1,362.3**
Filling line and other related equipment revenue	39.5	14.7	35.9	21.7	**111.8**	-	**111.8**
Service revenue	26.7	17.6	30.2	24.5	**99.0**	-	**99.0**
Other revenue	-	-	-	-	**-**	0.1	**0.1**
Total revenue	**516.6**	**220.7**	**416.4**	**419.4**	**1,573.1**	**0.1**	**1,573.2**

(In € million)	Six months ended June 30, 2023 Europe	IMEA[1]	APAC[1]	Americas	Total segments	Group Functions	Total
Revenue from the sale of cartons, bag-in-boxes and spouted pouch	421.7	175.6	357.2	386.4	**1,340.9**	-	**1,340.9**
Filling line and other related equipment revenue	40.2	10.5	32.6	27.7	**111.0**	-	**111.0**
Service revenue	24.6	13.7	28.3	21.2	**87.8**	0.1	**87.9**
Other revenue	-	-	-	-	**-**	0.2	**0.2**
Total revenue	**486.5**	**199.8**	**418.1**	**435.3**	**1,539.7**	**0.3**	**1,540.0**

1 The Group's Indian operations are reported as if they had been included in IMEA (previously MEA) throughout the comparative period. See further the introduction to this note.

8 Other income and expenses

Other income and expenses relate to activities and transactions that are outside the Group's principal revenue-generating activities. Foreign currency exchange gains and losses as well as fair value changes on commodity and foreign currency derivatives entered into as part of the operating business are also presented as other income and expenses. Activities and transactions of a significant or unusual nature are generally excluded in the calculation of the performance measures adjusted EBITDA and adjusted net income used by management (see note 9).

Composition of other income and expenses

(In € million)	Six months ended June 30, 2024	Six months ended June 30, 2023
Net foreign currency exchange gain	-	5.2
Net change in fair value of operating derivatives	10.9	-
Change in fair value of contingent consideration	38.7	-
Income from miscellaneous services	1.2	2.0
Rental income	0.4	0.4
Other	3.7	4.1
Total other income	**54.9**	**11.7**
Net foreign currency exchange loss	(7.7)	-
Net change in fair value of operating derivatives	-	(10.9)
Transaction- and acquisition-related costs	(0.8)	-
Integration costs	(0.6)	(7.4)
Change in fair value of contingent consideration	-	(14.7)
Other	(0.8)	-
Total other expenses	**(9.9)**	**(33.0)**

For the six months ended June 30, 2024, the Group recognized an unrealized net gain on commodity and foreign currency derivatives of €10.9 million (an unrealized net loss of €10.9 million for the six months ended June 30, 2023). This arose primarily because the Group entered into commodity derivative contracts fixing prices for polymers at levels below the current forward prices (above the current forward prices for polymers and foreign currencies in the six months ended June 30, 2023).

See note 9 for information about the change in the fair value of the contingent consideration and integration costs.

9 Alternative performance measures

Management uses a number of measures to assess the performance of the Group that are not defined in IFRS Accounting Standards, including adjusted EBITDA, adjusted net income, adjusted earnings per share, net capital expenditure, free cash flow and net leverage ratio. The Group's definitions of the non-IFRS performance measures are the same as those applied in the consolidated financial statements for the year ended December 31, 2023. See notes 9, 10, 11 and 21 of the consolidated financial statements for the year ended December 31, 2023 for definitions and information on why management believes that these alternative non-IFRS performance measures are important measures of the Group's performance.

Adjusted EBITDA and adjusted net income are presented in this note. See note 10 for adjusted earnings per share, note 11 for net capital expenditure and free cash flow and note 16 for the Group's net leverage ratio.

Adjusted EBITDA

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

(In € million)	Six months ended June 30, 2024	Six months ended June 30, 2023
Profit for the period	**84.9**	**52.6**
Net finance expense	71.5	58.5
Income tax expense	28.6	36.3
Depreciation and amortization	208.6	202.7
EBITDA	**393.6**	**350.1**
Adjustments to EBITDA:		
Unrealized (gain)/loss on operating derivatives	(10.9)	10.9
Restructuring costs, net of reversals	6.9	2.1
Transaction- and acquisition-related costs	0.8	-
Integration costs	0.6	7.4
Change in fair value of contingent consideration	(37.5)	12.3
Impairment losses	15.9	0.9
Other	0.1	-
Adjusted EBITDA	**369.5**	**383.7**

The restructuring costs and the impairment losses for the six months ended June 30, 2024 mainly relate to the transfer of the Group's chilled carton production in Shanghai to the same location as its aseptic carton facilities in the Suzhou Industrial Park in China (all in the APAC segment) that started in the same period. The chilled carton production plant in Shanghai was acquired as part of the acquisition of Evergreen Asia in 2022. The Group is in the process of selling the Shanghai production plant, which has resulted in the recognition of a total impairment loss of €15.9 million (pre-tax), split between an impairment of the production building and production equipment (€7.1 million) and a related pre-paid land right-of-use (€8.8 million). The impairment is mainly an effect of the decline in real estate values in China.

As the Group is in the process of selling the Shanghai plant, the production building with a carrying amount of €4.8 million and the land right-of-use with a carrying amount of €8.1 million are held for sale as of June 30, 2024. Due to materiality reasons, these assets are included in the "Property, plant and equipment" and "Right-of-use assets" line items on the face of the statement of financial position. They are no longer depreciated. These assets are categorized as level 3 fair value measurements in the fair value hierarchy. The production equipment continues to be used by the Group.

The change in the fair value of the contingent consideration (including unrealized foreign exchange impacts) in the six months ended June 30, 2024 and June 30, 2023 relates to the remeasurement of the US Dollar contingent consideration for Scholle IPN at fair value as of June 30, 2024 and June 30, 2023 (see further note 23).

The integration costs mainly relate to the acquisitions of Scholle IPN and Evergreen Asia in 2022.

Adjusted net income

The following table reconciles profit for the period to adjusted net income.

(In € million)	Six months ended June 30, 2024	Six months ended June 30, 2023
Profit for the period	**84.9**	**52.6**
Non-cash foreign currency exchange impact of non-functional currency loans and realized foreign currency exchange impact due to refinancing	0.7	1.4
Amortization of transaction costs	1.5	2.1
Net change in fair value of financing-related derivatives	0.2	(1.5)
PPA depreciation and amortization – Onex acquisition	51.5	51.7
PPA amortization – other acquisitions	23.7	23.5
Net effect of early repayment of loan	1.6	-
Adjustments to EBITDA[1]	(24.1)	33.6
Tax effect on above items	(19.8)	(19.0)
Adjusted net income	**120.2**	**144.4**

1 For the different adjustments to EBITDA, refer to the adjusted EBITDA table at the beginning of this note.

10 Earnings per share

Basic and diluted earnings per share

The following table shows basic and diluted earnings per share.

(In € million unless indicated)	Six months ended June 30, 2024	Six months ended June 30, 2023
Profit for the period	84.9	52.6
Weighted average number of shares for the period – basic (in numbers)	382,214,175	382,197,866
Basic earnings per share (in €)	**0.22**	**0.14**
Profit for the period	84.9	52.6
Weighted average number of shares for the period – diluted (in numbers)	382,214,175	382,517,310
Diluted earnings per share (in €)	**0.22**	**0.14**

Diluted earnings per share reflects the effect of dilutive potential (registered) shares under the Group's equity-settled share-based payment plans and arrangements.

Adjusted earnings per share

The following table shows basic and diluted adjusted earnings per share (see also note 9).

(In € million unless indicated)	Six months ended June 30, 2024	Six months ended June 30, 2023
Adjusted net income	120.2	144.4
Weighted average number of shares for the period – basic (in numbers)	382,214,175	382,197,866
Adjusted earnings per share – basic (in €)	**0.31**	**0.38**
Adjusted net income	120.2	144.4
Weighted average number of shares for the period – diluted (in numbers)	382,214,175	382,517,310
Adjusted earnings per share – diluted (in €)	**0.31**	**0.38**

11 Cash flow information

This note includes certain information about the Group's cash flows (see also note 9) as well as non-cash transactions.

Net capital expenditure

The Group's capital expenditure primarily relates to investments in own production, plant and equipment (PP&E capital expenditure, excluding filling lines and other related equipment) and to the assembly and deployment of filling lines and other related equipment with customers under contracts accounted for as operating leases (filling lines and other related equipment capital expenditure). The Group's investments in intangible assets are less significant.

The following table reconciles capital expenditure to net capital expenditure.

(In € million)	Six months ended June 30, 2024	Six months ended June 30, 2023
PP&E and intangible assets (net of sales and excluding filling lines and other related equipment)	61.0	93.4
Filling lines and other related equipment	105.7	129.0
Capital expenditure	**166.7**	**222.4**
Upfront cash	(63.8)	(51.0)
Net capital expenditure	**102.9**	**171.4**

Free cash flow

The following table reconciles net cash from operating activities to free cash flow.

(In € million)	Six months ended June 30, 2024	Six months ended June 30, 2023
Net cash from operating activities	**115.9**	**30.7**
Acquisition of property, plant and equipment and intangible assets (net of sales)	(166.7)	(222.4)
Payment of lease liabilities	(25.8)	(21.5)
Free cash flow	**(76.6)**	**(213.2)**

The improved free cash flow is mainly due to lower inventory levels, lower customer incentive payments and lower capital expenditure in the six months ended June 30, 2024.

Non-cash transactions

Non-cash transactions include the initial recognition of leases on the statement of financial position (see notes 13 and 16) and the granting of instruments under the Group's 2024 and 2023 share-based plans and arrangements (see note 22). Notably for the six months ended June 30, 2024, the 20-year lease of the Group's new chilled carton production plant in China commenced in the second quarter (with an initial lease liability and related right-of-use asset recognized of approximately €39 million each). In addition, non-cash transactions include the derecognition of capitalized transaction costs and an original issue discount resulting from the prepayment in June 2024 of the term loan that was due in June 2025 (see notes 16 and 17).

OUR OPERATING ASSETS AND LIABILITIES

This section includes certain information about the Group's operating assets and liabilities. The main operating assets relate to the Group's production equipment and its deployed filling lines and other related equipment accounted for as operating leases. The Group also has right-of-use assets resulting from lease contracts entered into as a lessee. The Group's trade receivables balance is reduced by selling trade receivables under securitization and factoring programs. A substantial part of the Group's assets relates to goodwill and other intangible assets. The main operating liabilities relate to trade payables and accruals for various incentive programs. Other liabilities mainly comprise deferred revenue relating to advance payments received for filling lines deployed under contracts accounted for as operating leases, but also the contingent consideration for Scholle IPN.

12 Property, plant and equipment

Property, plant and equipment ("PP&E") is mainly composed of filling lines that are deployed at customers' sites under contracts that qualify to be accounted for as operating leases and the Group's plant and production equipment. PP&E also includes work in progress, which relates to construction of filling machines and to filling lines and other related equipment under installation at customers' sites as well as to construction of various types of production equipment used by the Group in its production and assembly plants. The Group is a lessor in respect of its filling lines and other related equipment deployed with its customers.

Capital expenditure commitments

As of June 30, 2024, the Group had entered into contracts to incur capital expenditure of €130.7 million for the acquisition of PP&E (€140.7 million as of December 31, 2023). The commitments relate to filling machine and other related equipment assembly, certain downstream equipment and various equipment for the Group's production plants and similar facilities.

13 Right-of-use assets

The Group generally purchases its production-related buildings and equipment. However, it also enters into lease contracts. Right-of-use assets relate to lease contracts that the Group has entered into as lessee. The contracts mainly cover leases of assets such as office buildings, production-related buildings and equipment, warehouses and cars.

The increase in right-of-use assets since December 31, 2023 is mainly due to the start of the 20-year lease of the Group's new chilled carton production plant in China in the second quarter of 2024 (see also note 9) but also to new leases of production equipment for closures. The production equipment for the new chilled carton production plant has been invested in directly by the Group.

Lease commitments

The Group has entered into lease contracts that have not yet commenced. The present value of estimated future lease payments under these lease contracts is approximately €86 million as of June 30, 2024 (€100 million as of December 31, 2023).

These contracts relate to leases of production equipment for closures that are expected to commence within the next twelve months. As of June 30, 2024, the committed lease payments moreover concern the lease of the Group's first aseptic carton production plant in India that is expected to commence in late 2024. As of June 30, 2023, the committed lease payments also concerned the lease of the new chilled carton production plant in China that commenced in the second quarter of 2024 (see above) and the aseptic carton production plant in India.

14 Intangible assets

The largest portion of the Group's intangible assets is goodwill. Around half of the goodwill arose as a result of the acquisition of the SIG Group by Onex in 2015. The remaining half of the goodwill mainly arose as a result of the acquisitions of the bag-in-box and spouted pouch businesses (Scholle IPN) on June 1, 2022, Evergreen's chilled carton business in Asia Pacific ("Evergreen Asia") on August 2, 2022 and the remaining shares of the joint ventures in the Middle East in 2021. The other intangible assets mainly consist of trademarks, customer relationships and technology-related assets. The SIG trademarks have indefinite useful lives.

15 Trade and other receivables

Trade and other receivables mainly comprise trade receivables.

The Group has a securitization program under which it sells a portion of its packaging material-related trade receivables without recourse. The Group also has a small number of minor factoring programs. The trade receivables sold by the Group qualify for derecognition.

The off-balance sheet trade receivables sold under the securitization program, net of the retained reserve, amounted to €180.8 million as of June 30, 2024 (€194.8 million as of December 31, 2023).

The factored amounts totaled €32.3 million as of June 30, 2024 (€24.6 million as of December 31, 2023).

OUR FINANCING AND FINANCIAL RISK MANAGEMENT

This section includes certain information about the Group's financing in the form of loans and borrowings and equity. The expenses for financing are also presented in this section. Lastly, the Group's financial risk management policy and exposure to liquidity, market and credit risks are summarized.

16 Loans and borrowings

Overview

The Group's loans and borrowings consist of senior unsecured Euro-denominated notes, senior unsecured credit facilities, an unsecured US Dollar term loan, two unsecured Euro *Schuldscheindarlehen* ("SSD", a private German debt placement) and an unsecured credit facility. The senior unsecured credit facilities consist of a Euro-denominated term loan and two committed Euro revolving credit facilities. In addition, the Group has access to local credit facilities in various locations. Liabilities under lease contracts where the Group is the lessee are also included in loans and borrowings.

Composition of loans and borrowings

The table below shows the carrying amount of the Group's loans and borrowings.

(In € million)	As of June 30, 2024	As of Dec. 31, 2023
Senior unsecured notes	549.0	-
Unsecured SSD	85.5	-
Unsecured credit facility	100.0	100.0
Local credit lines	174.9	112.1
Lease liabilities	51.8	52.3
Current loans and borrowings	**961.2**	**264.4**
Senior unsecured notes	-	548.5
Senior unsecured Euro term loan	49.8	548.1
Unsecured US Dollar term loan	251.7	243.8
Unsecured SSDs	1,011.4	648.2
Unsecured committed revolving credit facilities	263.4	-
Lease liabilities	229.6	198.8
Non-current loans and borrowings	**1,805.9**	**2,187.4**
Total loans and borrowings	**2,767.1**	**2,451.8**

Overview of recent financing transactions

On May 13, 2024, the Group issued six tranches of a total of €450 million unsecured *Schuldscheindarlehen* ("SSD", a private German debt placement) with maturities of four, five and seven years at both fixed and variable interest rates. The two largest tranches are due in 2028 and 2029.

On June 28, 2024, the Group accessed new senior unsecured credit facilities consisting of a five-year €50 million term loan and two committed Euro revolving credit facilities in the total amount of €500 million. The interest rates are variable.

The proceeds from the SSD and the new term loan, together with available cash, were used on June 28, 2024 to prepay, without premium or penalty, the Group's €550 million term loan from 2020 that was due in June 2025. In connection with this, the related €300 million committed multi-currency revolving credit facility was terminated. The difference between the carrying amount of the term loan as of the repayment date and the amount paid is presented as part of the net finance expense.

On June 20, 2023, the Group repaid €450 million of senior unsecured notes that were due in June 2023. To finance the repayment, the Group used available cash and €350 million from an unsecured bridge loan facility that was accessed on June 16, 2023. The bridge loan facility was repaid in the last quarter of 2023, using available cash and €100.0 million from an unsecured credit facility.

Additional loans and borrowings details

The table below provides an overview of the main terms of the Group's long-term financing (excluding lease liabilities) as of June 30, 2024. Additional details about the loans and borrowings are included in note 22 of the consolidated financial statements for the year ended December 31, 2023.

	Principal amount	Maturity date	Interest rate
Notes	€550 million	June 2025	Fixed 2.125%
US Dollar term loan	$270 million	July 2027	Variable
Euro term loan	€50 million	June 2029	Variable
Euro revolving credit facilities	€500 million	June 2029	Variable
SSD tranches 1-3 (from 2022)	€557.5 million	June 2025–June 2029	Variable
SSD tranches 4-6 (from 2022)	€92.5 million	June 2025–June 2029	Fixed 2.79%–3.66%
SSD tranches 7-8 (from 2024)	€38.0 million	May 2028-May 2029	Fixed 4.24%–4.31%
SSD tranches 9-12 (from 2024)	€412.0 million	May 2028-May 2031	Variable

The total amount available under the Group's new committed Euro revolving credit facilities was €236.1 million as of June 30, 2024 (€299.5 million as of December 31, 2023 under the committed multi-currency revolving credit facility that was terminated in June 2024) due to €0.5 million in letters of credits that were outstanding under an ancillary facility (€0.5 million as of December 31, 2023) and the use of €263.4 million to cover cash requirements in the first half of 2024 (nil as of December 31, 2023). The drawings as of June 30, 2024 are expected to be repaid within one year. See also note 19.

In December 2023, the Group accessed an existing €100.0 million unsecured credit facility. Repayment was initially due in June 2024. The repayment date has now been extended to September 2024.

The Group also has access to local credit facilities in various locations. As of June 30, 2024, €174.9 million of unsecured unguaranteed local credit lines had been used to cover local working capital needs (€112.1 million as of December 31, 2023).

The margins on the Group's variable interest rate loans are generally subject to adjustments based on the Group's net leverage (as defined in the respective credit agreements). Interest is generally paid on a semi-annual basis.

The obligations under the notes, the senior unsecured credit facilities, the US Dollar term loan and the two SSDs are guaranteed by the Company on a stand-alone basis.

Under the credit agreements for the Group's new senior unsecured credit facilities and the US Dollar term loan, the Group is required not to exceed a net leverage ratio of 4.0x and 4.4x, respectively (4.0x in respect of the senior unsecured revolving credit facilities that were terminated in June 2024). If the Group would not comply with these covenants, the borrowings would become repayable on demand. The Group was in compliance with all covenants and there were no events of default as of June 30, 2024 and December 31, 2023. Accordingly, these borrowings are classified as non-current liabilities. The Group expects to comply with the covenants for at least 12 months after the reporting date. The covenants are tested on an annual and semi-annual basis. See further the section "Net debt and net leverage" below.

Lease liabilities

The Group's lease liabilities mainly relate to leases of office buildings, production-related buildings and equipment, warehouses and cars.

Net debt and net leverage

The table below presents the components of net debt and the net leverage ratio (see also note 9).

(In € million)	As of June 30, 2024	As of Dec. 31, 2023
Gross debt	2,771.9	2,457.5
Cash and cash equivalents	(286.2)	(280.9)
Net debt	**2,485.7**	**2,176.6**
Net leverage ratio (last twelve months)	**3.2x**	**2.7x**

The net debt as of June 30, 2024 was higher compared with December 31, 2023 as a result of the increase in loans and borrowings, the cash seasonality of the business, and the dividend payment in April 2024.

17 Finance income and expenses

The Group's finance income and expenses are mainly related to finance expenses for its loans and borrowings, fair value changes on associated derivative instruments and foreign currency exchange gains and losses relating to the loans and borrowings.

Composition of net finance expense

(In € million)	Six months ended June 30, 2024	Six months ended June 30, 2023
Interest income	2.4	1.9
Net change in fair value of financing-related derivatives	-	1.5
Net interest income on interest rate swap	3.4	2.4
Finance income	**5.8**	**5.8**
Interest expense on:		
- Loan and borrowings (excluding lease liabilities)	(52.4)	(44.6)
- Lease liabilities	(9.1)	(6.9)
Amortization of original issue discount	(0.2)	(0.2)
Amortization of transaction costs	(1.5)	(2.1)
Net foreign currency exchange loss	(1.9)	(3.9)
Net change in fair value of financing-related derivatives	(0.2)	-
Net effect of early repayment of loan	(1.6)	-
Securitization expense	(6.3)	(3.6)
Other	(4.1)	(3.0)
Finance expenses	**(77.3)**	**(64.3)**
Net finance expense	**(71.5)**	**(58.5)**

The increase of the securitization expense in the six months ended June 30, 2024 is due to higher interest rates and the expansion of the Group's securitization program in 2023 to include trade receivables of the bag-in-box and spouted pouch businesses.

Other finance expenses primarily consist of revolver commitment fees, factoring expenses and interest expense on current tax liabilities.

18 Equity

This note includes certain information about the Company's treasury shares, dividend payments and remeasurement of the Group's employee benefits with an impact on equity.

Treasury shares

The Company purchases its own shares on the market to settle its obligations under the Group's equity-settled share-based payment plans and arrangements (see note 22). The Company held 67,993 shares for this purpose as of June 30, 2024 (39,985 shares as of December 31, 2023), representing an amount of €1.4 million, or €1.6 million including foreign currency exchange movements (€1.0 million as of December 31, 2023, or €1.5 million including foreign currency exchange movements). All treasury shares are carried at acquisition cost.

In the six months ended June 30, 2024, the Company transferred 196,290 treasury shares (329,275 treasury shares in the six months ended June 30, 2023), representing €4.4 million (€8.0 million for the six months ended June 30, 2023) to participants in the Group's equity-settled share-based payment plans and arrangements.

Dividends

The Annual General Meeting held on April 23, 2024 approved a dividend payment of CHF 0.48 per share, for the year ended December 31, 2023, payable out of the capital contribution reserve (additional paid-in capital). The dividend payment was made on April 30, 2024 and totaled CHF 183.5 million (€187.8 million). For the year ended December 31, 2022, the shareholders were paid a dividend of CHF 0.47 per share (CHF 179.6 million or €180.2 million).

Remeasurement of employee benefits

The remeasurement of the Group's defined benefit pension plans as of June 30, 2024 resulted in a €19.8 million increase in other comprehensive income (net of tax), of which €16.5 million relates to the Group's Swiss pension plan. The increase is due to positive asset performance.

19 Financial risk management

There have been no changes to the Group's objectives, polices and processes for managing its exposure to the financial risks summarized below since December 31, 2023. For additional details, see note 25 of the consolidated financial statements for the year ended December 31, 2023.

Liquidity risk

The Group generates sufficient cash flows from its operating activities to meet obligations arising from its financial liabilities. The Group has unrestricted cash and cash equivalents of €279.9 million as of June 30, 2024 (€275.7 million as of December 31, 2023). It has two Euro revolving credit facilities in place to cover potential shortfalls and access to local credit facilities in various locations, which are available if needed to support the cash management of local operations. In the second quarter of 2024, the Group refinanced a part of its loans and borrowings. See further note 16.

The following table includes information about the remaining contractual maturities for the Group's non-derivative financial liabilities as of June 30, 2024. The table includes both interest and principal cash flows. Balances due within one year are equal to their carrying amounts as the impact of discounting is not significant.

		Contractual cash flows				
(In € million)	Carrying amount	Total	Up to 1 year	1-2 years	2-5 years	More than 5 years
As of June 30, 2024						
Trade and other payables	(904.2)	**(904.2)**	(890.9)	(2.7)	(9.5)	(1.1)
Loans and borrowings:						
- Senior unsecured notes	(549.0)	**(561.3)**	(561.3)	-	-	-
- Senior unsecured Euro term loan	(49.8)	**(62.6)**	(2.6)	(2.5)	(57.5)	-
- Unsecured US Dollar term loan	(251.7)	**(303.9)**	(15.9)	(16.0)	(272.0)	-
- Unsecured SSDs	(1,096.9)	**(1,309.1)**	(140.1)	(50.5)	(1,067.5)	(51.0)
- Unsecured committed revolving credit facilities	(263.4)	**(273.6)**	(266.6)	(1.7)	(5.3)	-
- Unsecured credit facility	(100.0)	**(101.3)**	(101.3)			
- Local credit lines	(174.9)	**(180.5)**	(180.5)	-	-	-
- Lease liabilities	(281.4)	**(338.6)**	(59.6)	(46.1)	(81.4)	(151.5)
Contingent consideration	(17.5)	**-**	-	-	-	-
Total non-derivative financial liabilities	**(3,688.8)**	**(4,035.1)**	**(2,218.8)**	**(119.5)**	**(1,493.2)**	**(203.6)**

Amounts used under the Group's unsecured committed revolving credit facilities are classified as non-current as the Group has the right to roll-over the used amount for more than twelve months. However, the related cash outflows are presented in the table above as occurring within one year as the Group uses the facilities for short-term net working capital needs. The cash outflows after one year relate to commitment fees.

Significant judgement is involved in assessing the future cash flows relating to the contingent consideration for Scholle IPN (see note 23), and the final payments may be different from the amounts in the table above.

Market risk

Currency risk

As a result of the Group's international operations, it is exposed to foreign currency risk on sales, purchases, borrowings and dividend payments that are denominated in currencies that are not the functional currency of the entity involved in the transaction. The Group is also exposed to translation currency risk arising from the translation of the assets, liabilities and results of its foreign entities from their respective functional currencies into Euro, the Group's presentation currency.

The Group seeks to minimize transaction currency risk via natural offsets wherever possible. In addition, the Group systematically hedges its major transactional currency exposures. It does not hedge its exposure to translation gains or losses related to the results of its entities with a functional currency other than the Euro.

Commodity price risk

The Group's exposure to commodity price risk arises principally from the purchase of polymers and aluminum. The Group generally purchases commodities at spot market prices and uses derivatives to hedge the exposure in relation to the cost of polymers (and their feedstocks) and aluminum.

Commodity price changes cannot always be passed on to the customers on a timely basis why there is generally a time lag between increased commodity prices and the implementation of higher customer prices in the carton business.

Interest rate risk

The Group's interest rate risk arises primarily from variable interest rates on its Euro and US Dollar term loans, seven of the tranches of its two SSDs and draw-downs of its revolving credit facilities and local credit lines, but also from cash and cash equivalents. The Group pays a fixed interest rate on its notes, five of the tranches of its two SSDs and the draw-down of its unsecured credit facility.

A 100 basis point increase in the variable component of the interest rate on the Euro term loan, the seven SSD tranches at variable interest rates and the draw-downs of the revolving credit facilities and the local credit lines would increase the annual interest expense by €14.6 million as of June 30, 2024. The US Dollar term loan is not included in this analysis as the interest rate of this loan has been fixed for three years with an interest rate swap.

Credit risk

Credit risk arises principally from the Group's receivables from its customers. Historically, there has been a low level of losses resulting from default by customers. The Group limits its exposure to credit risk by executing a credit limit policy, requiring advance payments in certain instances, taking out insurance for specific debtors as well as utilizing securitization and non-recourse factoring programs.

OUR GROUP STRUCTURE AND RELATED PARTIES

This section provides information about changes to the Group structure and related parties.

20 Group entities

There have been no significant changes in relation to the Group entities since December 31, 2023.

The Group acquired the remaining 10% of the shares of Scholle IPN India Packaging Private Ltd. for €3.3 million in the six months ended June 30, 2023. The non-controlling interests of the Group are not significant. The purchase of the Indian non-controlling interest is presented as a reduction of retained earnings in the statement of changes in equity.

21 Related parties

The Company has related party relationships with its shareholders, subsidiaries, a joint venture in Japan and key management.

Certain information and updates about the Company's related parties is provided in this note.

Shareholders

The members of the Group Executive Board directly held 0.06% and indirectly held 0.06% of the Company's shares as of June 30, 2024 (directly 0.09% and indirectly 0.06% as of December 31, 2023). The members of the Board of Directors directly held 0.09% and indirectly held 10.5% of the Company's shares as of June 30, 2024 (directly 0.08% and indirectly 9.9% as of December 31, 2023).

Laurens Last (via CLIL Holding B.V., "CLIL", subsequently renamed Clean Holding B.V) received 33.75 million shares in the Company as part of the consideration for Scholle IPN on June 1, 2022 and, with additional shares he has purchased in the open market indirectly held 10.0% of the Company's shares as of June 30, 2024 (9.4% as of December 31, 2023) according to the disclosure notifications reported to the Company by Laurens Last and published by the Company via the electronic publishing platform of SIX Swiss Exchange on July 4, 2024. He also directly held blocked shares received as compensation for being a member of the Company's Board of Directors (0.002% as of June 30, 2024 and 0.001% as of December 31, 2023).

Key management

The Company's key management includes the members of the Group Executive Board and the Board of Directors.

See note 4 for a change in the Board of Directors that took place in the six months ended June 30, 2024.

Information about the participation of the members of the Group Executive Board and the Board of Directors in share-based payment plans and arrangements is included in note 22.

Related party transactions

The nature of the Company's related party relationships, balances and transactions for the six months ended June 30, 2024 has not changed compared with information disclosed in the consolidated financial statements for the year ended December 31, 2023, except that the outstanding tax-related payable as of December 31, 2023 to Laurens Last has been settled in the six months ended June 30, 2024.

On June 1, 2022, the Group acquired Scholle IPN from CLIL. CLIL is controlled by Laurens Last. Notes 19 and 23 include information about the contingent portion of the consideration for Scholle IPN.

OUR PEOPLE

This section includes certain information about the Group's share-based payment plans and arrangements, of which the majority are equity-settled. These plans and arrangements have an insignificant impact on the Group's result.

22 Share-based payment plans and arrangements

Share-based long-term incentive plans for SIG employees

Performance share unit plan

Since 2019, the Group has granted performance share units ("PSUs") to the members of the Group Executive Board and certain other members of management on an annual basis. The PSU plans have equivalent terms and vesting conditions, including a three-year service vesting condition. One PSU represents the contingent right to receive one SIG share. The number of PSUs that vest depends on the Group's long-term performance over the three-year vesting period in respect of a cumulative diluted adjusted earnings per share target, a cumulative free cash flow target and a relative total shareholder return target. For further details, refer to note 31 of the consolidated financial statements for the year ended December 31, 2023.

A total of 154,642 PSUs under the 2021 PSU plan vested on March 31, 2024, of which 109,818 PSUs relate to members of the Group Executive Board at the vesting date. Based on the achievement of the targets described above, the participants were entitled to 71,139 shares, of which 50,518 shares relate to members of the Group Executive Board at the vesting date. Under the 2020 PSU plan, 158,088 PSUs vested on March 31, 2023, of which 142,860 PSUs related to members of the Group Executive Board at the vesting date. The participants were entitled to 265,591 shares, of which 240,007 shares related to the Group Executive Board at the vesting date.

The Group settled its obligation under the 2021 and 2020 PSU plans by delivering treasury shares (see note 18). The total amount of €3.5 million recognized as a share-based payment expense for the 2021 PSU plan has been recognized as a decrease in equity (€3.0 million for the 2020 PSU plan). The difference between this amount and the sum of the cost of the delivered treasury shares is presented as an adjustment of additional paid-in capital.

The grant date for the 2024 PSU plan was April 4, 2024, when 14 employees were granted a total of 236,299 PSUs, of which 212,615 PSUs relate to members of the Group Executive Board. The fair value of one PSU was CHF 19.99 as of the grant date. Under the 2023 PSU plan, 16 employees were granted a total of 231,648 PSUs, of which 217,846 PSUs related to members of the Group Executive Board.

Restricted share unit plan

Since 2019, the Group has granted a small number of restricted share units ("RSUs") to a limited number of employees on an annual basis. One RSU represents the contingent right to receive one SIG share, subject to the fulfilment of a three-year service vesting condition.

RSUs under the 2021 and 2020 RSU plans vested on March 31, 2024 and March 31, 2023, respectively. The Group settled its obligation by delivering treasury shares.

Equity investment plan

In 2020, the Group introduced an annual equity investment plan ("EIP") for a wider group of management in leadership positions and other key employees and talents, under which the participants may choose to invest in SIG shares at market value. The shares are blocked for three years. For each purchased share, the Group grants the participants two matching options to purchase another two shares at a pre-defined exercise price at the end of a three-year vesting period.

A total of 97,112 options under the 2021 EIP plan vested on June 1, 2024. The options can be exercised during a ten-month period after the vesting date. No options had been exercised as of June 30, 2024. The Group's obligation under the 2021 EIP plan will be settled by delivering treasury shares. A total of 190,380 options under the 2020 EIP plan vested on June 1, 2023. A total of 187,500 options had been exercised within the ten-month exercise period after the vesting date and settled by delivering treasury shares.

The grant date for the 2024 EIP plan was May 31, 2024, when 51 employees were granted a total of 123,536 options. The fair value of one option was CHF 3.06 as of the grant date. Under the 2023 EIP plan, 60 employees were granted a total of 130,212 options.

Integration plans

As part of the integration of Scholle IPN and Evergreen Asia into the Group, 41 employees who are key to the integration were granted a total of 302,792 PSUs under two smaller PSU integration plans in August 2022. One of the plans is cash-settled. The number of PSUs that will vest on December 31, 2025 depends on the achievement of certain targets, including targets linked to the performance and integration of the two acquired businesses.

Share-based payment arrangements for members of the Board of Directors

The members of the Board of Directors receive 40% of their total compensation in SIG shares that are blocked for three years. The blocked shares have been delivered by using treasury shares.

Share-based payment expense

The share-based payment expense recognized as a personnel expense for the six months ended June 30, 2024 relating to the PSU, RSU, equity investment and integration plans for SIG employees amounts to €1.3 million, of which €0.7 million relates to members of the Group Executive Board (€3.9 million for the six months ended June 30, 2023, of which €2.5 million related to members of the Group Executive Board).

The share-based payment expense recognized as part of general and administrative expenses for the six months ended June 30, 2024 relating to the arrangement for the Board of Directors amounts to €0.5 million (€0.4 million for the six months ended June 30, 2023).

OTHER

This section provides certain details about the Group's different categories of financial instruments. It further covers fair value information, off-balance sheet items and subsequent events.

23 Financial instruments and fair value information

Categories of financial instruments and fair value information

The following table presents the carrying amounts of the Group's different categories of financial assets and liabilities as of June 30, 2024. It also presents the respective levels in the fair value hierarchy for financial assets and liabilities measured at fair value.

	Carrying amount as of June 30, 2024			**Fair value hierarchy Level**		
(In € million)	**At amortized cost**	**At fair value through profit or loss (mandatorily)**	**Total**	**1**	**2**	**3**
Cash and cash equivalents	286.2		**286.2**			
Trade and other receivables	398.6	24.7	**423.3**		x	
Derivatives	-	14.0	**14.0**		x	
Other financial assets		2.5	**2.5**			x
Total financial assets	**684.8**	**41.2**	**726.0**			
Trade and other payables	(904.2)		**(904.2)**			
Loans and borrowings:						
- Senior unsecured notes	(549.0)		**(549.0)**			
- Senior unsecured Euro term loan	(49.8)		**(49.8)**			
- Unsecured US Dollar term loan	(251.7)		**(251.7)**			
- Unsecured SSDs	(1,096.9)		**(1,096.9)**			
- Unsecured committed revolving credit facilities	(263.4)		**(263.4)**			
- Unsecured credit facility	(100.0)		**(100.0)**			
- Local credit lines	(174.9)		**(174.9)**			
- Lease liabilities	(281.4)		**(281.4)**			
Derivatives		(6.7)	**(6.7)**		x	
Contingent consideration		(17.5)	**(17.5)**			x
Total financial liabilities	**(3,671.3)**	**(24.2)**	**(3,695.5)**			

There have been no transfers between the fair value hierarchy levels or changes in how the Group estimates the fair value since December 31, 2023. However, the sections below include certain updates in relation to the Group's financing and contingent consideration. Additional details are included in note 33 of the consolidated financial statements for the year ended December 31, 2023.

Fair value of financial assets and liabilities at amortized cost

The carrying amount of the financial assets and liabilities that are not measured at fair value is a reasonable approximation of fair value. Excluding transaction costs, this is also the case for the Euro and US Dollar term loans, the two SSDs and draw-downs of the Group's revolving credit facilities, the unsecured credit facility and local credit lines. The fair value of the Group's notes due in 2025 was €537 million as of June 30, 2024 (€538 million as of December 31, 2023).

Fair value of contingent consideration

The Group's liability for contingent consideration relates to the acquisition of Scholle IPN (the bag-in-box and spouted pouch businesses) in 2022 and depends on Scholle IPN outperforming the top end of the Group's mid-term revenue growth guidance of 4-6% per year the year ended December 31, 2023 and for the years ending December 31, 2024 and 2025. For additional details, refer to note 33 of the consolidated financial statements for the year ended December 31, 2024.

The fair value of the contingent consideration was €17.5 million as of June 30, 2024 (€55.0 million as of December 31, 2023), representing a zero cash outflow (€39.2 million as of December 31, 2023, see note 19). The unrealized gain of €37.5 million for the six months ended June 30, 2024 (an unrealized loss of €12.3 million for the six months ended June 30, 2023) is presented as part of other income and expenses (see notes 8 and 9). The decrease in fair value since December 31, 2023 is due to down-ward adjustments of the revenue growth rates of the acquired businesses for the remaining two contingent consideration periods. The contingent consideration is presented as part of other current and non-current liabilities.

The fair value of the contingent consideration of €17.5 million as of June 30, 2024 would increase by approximately €4.3 million if the revenue growth rates increased by 1.0 percentage point (decrease by approximately €4.0 million if the revenue growth rates decreased by 1.0 percentage point), and increase by approximately €1.6 million if the discount rates decreased by 1.0 percentage point (decrease by approximately €1.7 million if the discount rates increased by 1.0 percentage point).

24 Contingent liabilities

The Group has contingent liabilities relating to legal, tax and other matters arising in the ordinary course of business. Based on legal and other advice, management is of the view that the outcome of any such proceedings will have no significant effect on the financial position of the Group beyond the recognized provision.

25 Subsequent events

There have been no events between June 30, 2024 and July 25, 2024 (the date these consolidated interim financial statements were approved) that would require an adjustment to or disclosure in these consolidated interim financial statements.

Disclaimer and cautionary statement

The information contained in this interim report 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 interim report 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 interim report, 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 interim report has been rounded and, as a result, the figures shown as totals in this interim report may vary slightly from the exact arithmetic aggregation of the figures that precede them.

In this interim report, 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 IFRS accounting standards. 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 accounting standards 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 accounting standards included in this interim report.

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 accounting standards, please refer to the link below:

https://www.sig.biz/en/investors/financial-definitions

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