



Schoeller Allibert

Investor Presentation Q1 2020

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Introduction





Ludo Gielen
CEO



Hans Kerkhoven
CFO



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2020 Goals & Achievements



Key Messages: Q1 2020

Sales Growth

- Revenue of € 122m, +11.8% vs LY

EBITDA Growth

- EBITDA of € 12.1m, +12.9% vs LY

Cash flow

- Operating cash flow improved to € 9.5m vs - € 2.6 m in Q1 2019

Covid-19 Impact

- Despite the global economic downturn caused by the Covid-19 outbreak, our performance in Q1 2020 was above prior year and budget
- Our factories are currently operating well, some affected by lower volumes, some operating less shifts
- Orderbook has been stable in March and April, although we received some requests for delay and a limited number of cancellations



2020 Strategic Priorities

Grow Sales

- Continue innovation leadership to drive sales growth of new products once economy picks up again
- Diversify sales in the US

Improve Operations

- Strengthen supply chain planning
- Move moulds between factories for better utilisation
- Improve central sales operations planning
- Continue automation of production lines

Generate cash

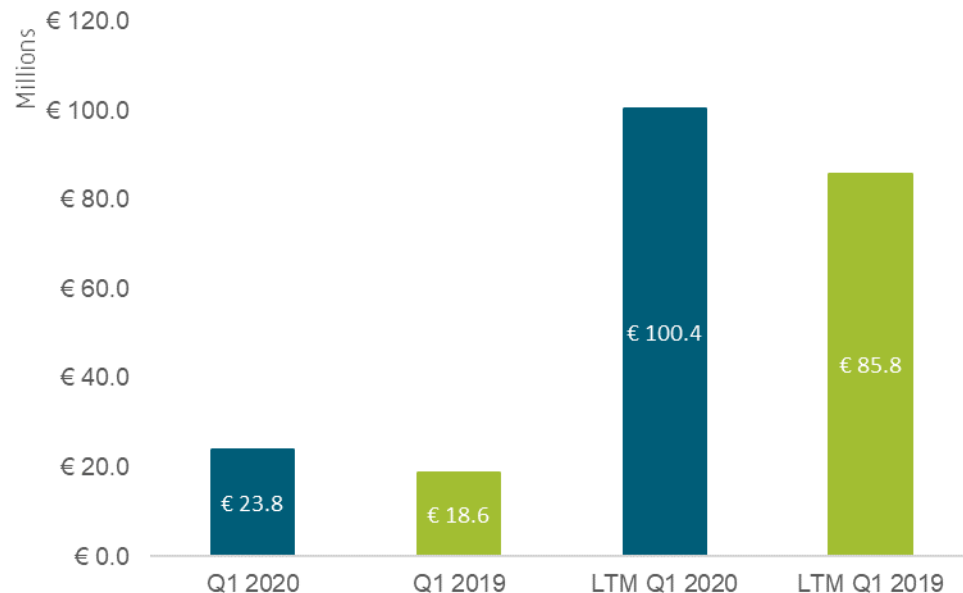
- Select capital expenditure with best returns
- Freeze unnecessary spend
- Reduce inventory
- Use government support where eligible

Improve margins

- Optimise selling prices with process discipline
- Increase the use of regrind material
- Reduce indirect costs
- Improve procurement



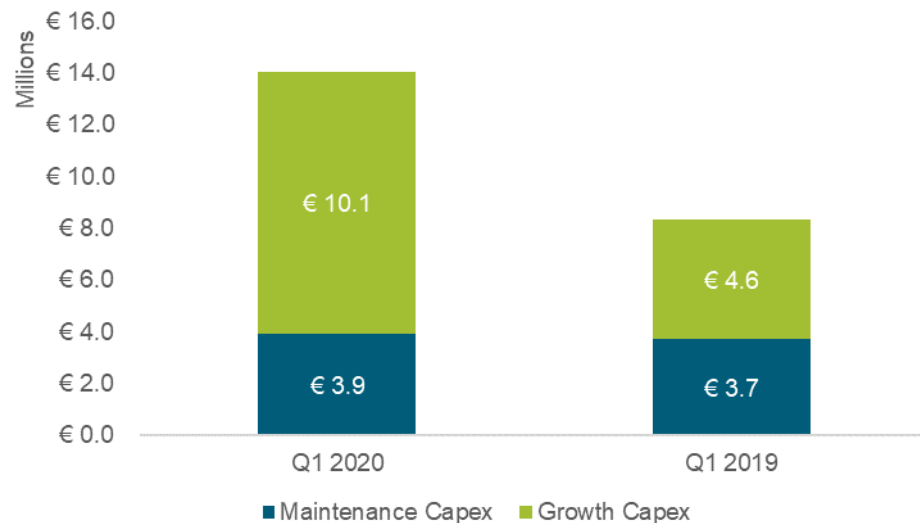
New Product Sales



- Q1 2020 new product sales increased by € 5.2m of which € 2.0m is attributable to Big 3
- LTM increase of € 14.6m is largely due to Big 3 and new beverage projects



Capital Expenditure



- Growth capex of € 10.1m in Q1 2020 as projects initiated in 2019 are moving into final stages of execution.
- Main growth investments were made in:
 - New product development € 5.4m
 - New production line in US € 3.0m
 - Big 3 € 0.5m
 - Pooling € 0.6m
- Maintenance capital expenditure in line with 2019
- Capex will be less in the coming quarters





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Financial Results



Sales Performance Q1

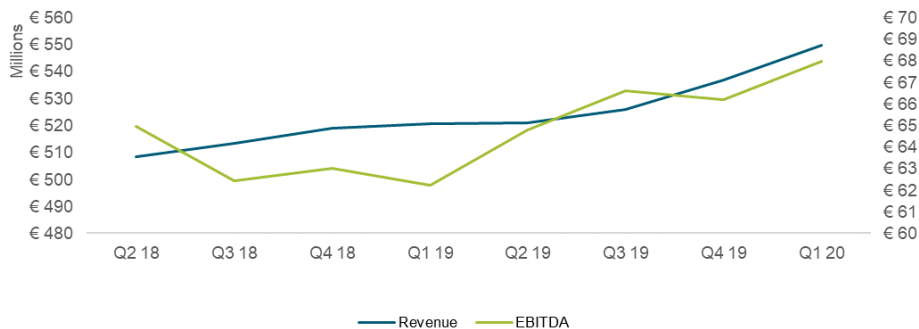
- Revenue growth of 11.8% versus Q1 2019
- Revenue growth supported by continued strong sales in the pooling sector in both Europe and US
- Other drivers of revenue growth are the Big 3 sales and strong beverage sales versus last year
- The European automotive sector is especially impacted by COVID-19 resulting in automotive plant closures that have further depressed this already weak sector. This has resulted in lower sales versus the same period last year



Q1 2020 Financial Performance

in € million	Q1 2020	Q1 2019
Revenue	122.0	109.0
% growth y-o-y	11.8%	1.5%
EBITDA	12.1	10.7
% sales	9.9%	9.8%

12 Month's rolling Consolidated Revenue and EBITDA



- EBITDA improved € 1.4m (+12.9%) driven by higher volume (+11.8%), higher margins on New Products and a negative mix effect from lower margin products in pooling
- LTM Revenue of € 550m continued the upward trend
- LTM EBITDA increased to € 67.6m (+ € 1.4m versus Q4 2019)



Cash Flow

in € million	Q1 2020	Q1 2019	YoY change
Adjusted EBITDA	12.1	10.7	13%
Change in Working Capital	-2.6	-13.3	81%
Operating Cash Flow	9.5	-2.6	463%
Capital expenditures	-14.0	-8.2	-71%
Adjusted Free Cash Flow	-4.5	-10.8	59%
Interest	-0.9	-1.1	18%
New finance leases	0.0	3.1	-100%
Finance Lease repayments	-1.3	-1.0	-30%
Operating Lease repayments	-2.5	-2.7	6%
Debt repayment and proceeds	0.0	0.5	-96%
Taxes	-0.3	0.3	-194%
Recurring Net Cash Flow	-9.5	-11.7	19%
Swedish tax payment	0.0	-1.5	100%
Adjusting items	-0.9	-0.7	-34%
Shareholder funding	0.0	7.6	-100%
Other/Related parties	-0.8	-0.8	3%
Net Cash Flow	-11.2	-7.1	-57%

- Operating cash flow was positive due to smaller working capital change
- Capital expenditures € 5.8m above LY as a result of new product development and a new production line in the US.
Lower quarterly capex expected for the remainder of 2020
- Net cash flow improved YoY excluding shareholder funding in Q1 2019



Debt and liquidity overview

in € million	Q1 2020	FY 2019
6.375% Senior Secured Indebtedness due 1 Nov. 2024	250.0	250.0
Finance Leases	22.2	23.7
IFRS 16 impact	28.1	28.3
Total lease obligation	50.3	52.1
Bank Loans	12.9	13.2
Total Debt	313.2	315.3
RCF Drawings (limit € 30m) ¹	17.0	5.1
Cash at bank and in hand	-27.1	-26.8
Net Cash	-10.1	-21.7
Total Net Debt	303.1	293.6
Leverage ratio	4.5x	4.4x
Total Liquidity Headroom	95.9	109.0

- Long term stable senior debt structure in place
- Headroom of € 95.9m comprising of € 38.5m of cash at bank and RCF and € 57.4m under the Brookfield facility
- Leverage ratio at 4.5x
- Non-recourse factoring totalled € 45.3m for Q1

¹ Out of the € 30m, € 3m is to be used for contingent liabilities only





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**Covid-19 &
Outlook**



Covid 19 – Priorities and Consequences

Protecting our people and customers

- 3 people have been infected of which 2 recovered and returned to work, 1 recovering
- People are working from home where feasible
- Physical distancing measures in place for all locations and is working well

Current situation

- All of our factories are operating, some are affected by lower volumes, operating less shifts
- The order-book has been stable although some requests for delays of orders and limited cancellations
- Business is positively positioned in certain essential sectors (i.e. food & beverage, retail, logistics)



Covid 19 – Mitigating Actions

- Plans agreed with each location to rapidly respond IF volumes would decline by reducing temporary workforce, adjusting shift patterns, applying short work and preparing for possible redundancies
- Certain Covid-19 scenarios have been run to analyze how our liquidity is impacted and we have defined necessary mitigating actions. We will continue to assess the impact and redefine these mitigating actions going forward
- Mitigating actions focusing on Cash Preservation - Cost avoidance, delay / reduce capex, tax deferrals, inventory reductions
- Continue to explore eligibility for government support and loan programs



Conclusion And Current Trading Update

- Growth of 11.8% in Q1 2020 and 12.9% EBITDA improvement
- Positive Operating Cash Flow in Q1 2020
- April 2020 revenue in line with and EBITDA above LY April
- Covid-19 Scenario analysis continues to be performed and mitigating actions implemented





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Q&A

Schoeller Allibert At A Glance

Business Overview

- ~20% market share in Europe
- >1,000 products, the broadest portfolio in the industry
- >10,000 customers
- >15 years of long-term client relationships (top 10) driving recurring revenue
- Sustainability** focus and substitution of one-way packaging
- New Markets** opened by waste reduction, growing logistics & warehouse automation
- 100% Regrind** of returned containers for new products
- 13 production plants able to serve many geographies
- ~32 R&D staff supporting project pipeline and revenues

Product Range

Bulk Containers	Handheld Boxes	Logistics
 <p>Rigid Pallet Containers</p>  <p>Foldable Large Containers</p>  <p>Intermediate Bulk Containers</p>	 <p>Folding Small Containers</p>  <p>Beverage Crates</p>  <p>Stackable/Nest Containers</p>	 <p>Dollies</p>  <p>Pallets</p>  <p>UN Pails</p>



28%



Pooling Services



17%



Industrial
Manufacturing



13%



Automotive



11%



Beverage



9%



Retail



8%



Food & Food
Processing



7%



Agriculture



7%



Traders

Revenue Diversification By End-Market²



Appendix: Operating Result To Adjusted EBITDA Bridge

in € million	Q1 2020	Q1 2019
Operating result	2.2	-0.2
Depreciation	8.2	9.3
Amortisation	0.5	0.4
Management Fees	0.3	0.4
Other	0.0	0.0
Adjusting Items	0.9	0.7
Adjusted EBITDA	12.1	10.7

