Schoeller Allibert

INVESTOR PRESENTATION FY 2021

20 April 2022

OUR TURN TO TRANSFORM

The world of smart logistics

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TODAY'S PRESENTERS

Ludo Gielen
CEO

Hans Kerkhoven
CFO

DIVERSIFIED AND RESILIENT BUSINESS

We service the market in which clients operate. And listen to their requirements and needs.

SUSTAINABILITY STRATEGY

- Our Sustainability publication 2022 was made available in February 2022 and can be downloaded from schoellerallibert.com/sustainability
- Returnable transport packaging can and will play a key part in the transition to a circular and low-carbon economy
- The Group's Sustainability Strategy is built on three pillars:

HIGHLIGHTS 2021

RESILIENT PERFORMANCE AGAINST A VOLATILE MARCO-ECONOMIC BACKDROP

SALES PERFORMANCE

- FY21A Revenue of €609.0m, +€88.9m (+17.1%) above FY20A Revenue, driven by net impact of raw material prices
- Sales, adjusted for resin price increases and availability, could have been ~€29m higher than realized sales

CASH FLOW

- FY21A Adjusted Free Cash Flow of €30.2m, -€11.6m below FY20A and positive Net Cash Flow of €4.0m for FY21A
- Brookfield injected €25m in Q4 2021 to kickstart the rental business development

EBITDA DEVELOPMENT

- FY21A EBITDA €68.2m, -€1.8m (-2.6%) below FY20A EBITDA of €70.0m, against a challenging operating environment
- EBITDA, normalized for resin price increases and availability, would have been ~€7.0m higher than realized EBITDA
- FY21A EBITDA margin was 11.2% of Revenue, driven by a decrease in the EBITDA amount and a simultaneous revenue increase, compensating for the resin cost developments.
- Absent resin price and availability effects, FY21A EBITDA margin would have stood at 14.0%

BUSINESS ENVIRONMENT

- Limited exposure to Russia and Ukraine of less than 0.5% of 2021 revenue; no procurement from both countries
- Resin prices are expected to remain ~50% higher than usual, with price increases to follow; PP availability normalized further
- Inflation of input costs had negative impact on our production result
- Direct consequences of Covid-19 are under control

SUSTAINABILITY TARGETS

To implement our strategy, we have set ourselves the following sustainability targets:

RENEWABLE ENERGY		100% in 2023
SCOPE 1 AND 2	CO_2 emissions compared to 2020 baseline	Reduced by 90% 2025
RECYCLED POLYMER	Compared to 2020 baseline: 21%	Use increased to 35% 2026
SCOPE 1, 2 AND 3	CO_2 emissions compared to 2020 baseline	Reduced by 30% 2035
CLOSING THE LOOP	Buy-back and take-back	Fully circular in 2050
INTEGRITY AT HEART	Continous work on the material topics	

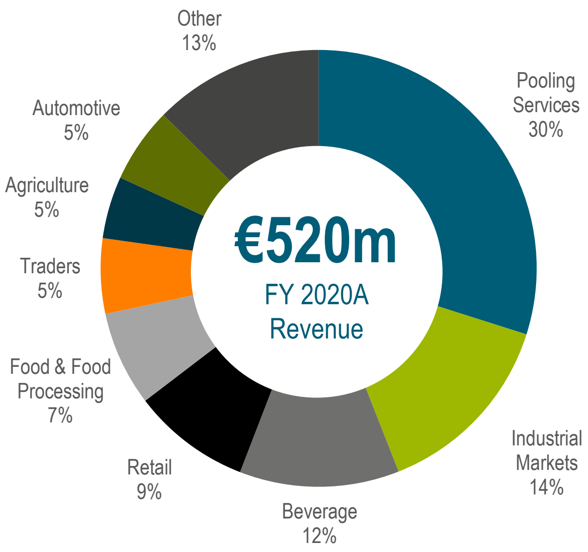
MARKETS AND SEGMENTS

DEVELOPMENTS

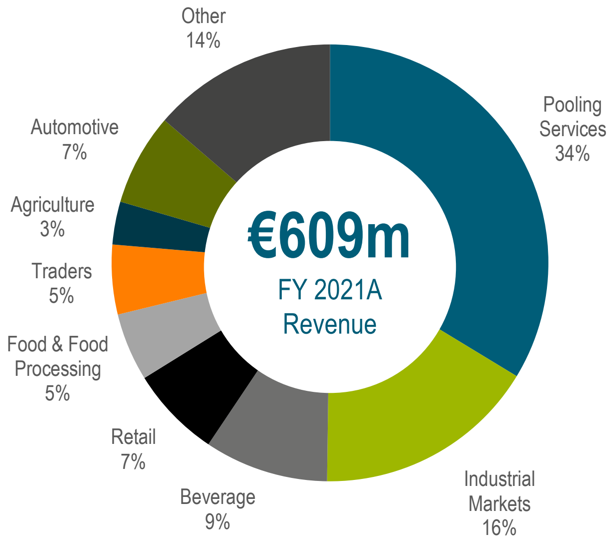
- Strong performance in both US and EU pooling revenues as a result of increased demand and price increases due to pass-through of higher raw material costs
- Industrial manufacturing sales were higher vs LY following growth in System Integrators and Big 3 products
- Beverage sales decreased as large orders from 2020 didn't repeat themselves in 2021, with FY20A beverage sales higher than usual as a result of Covid
- Retail and Food & Food Processing revenue shares decreased in accordance with our expectations as higher 2020 revenue was partly a result of Covid-circumstances
- Agriculture sales decreased as a large deal from 2020 was not in the market in 2021
- Automotive revenue share recovered in 2021 compared to 2020

MARKET REVENUE SHARES

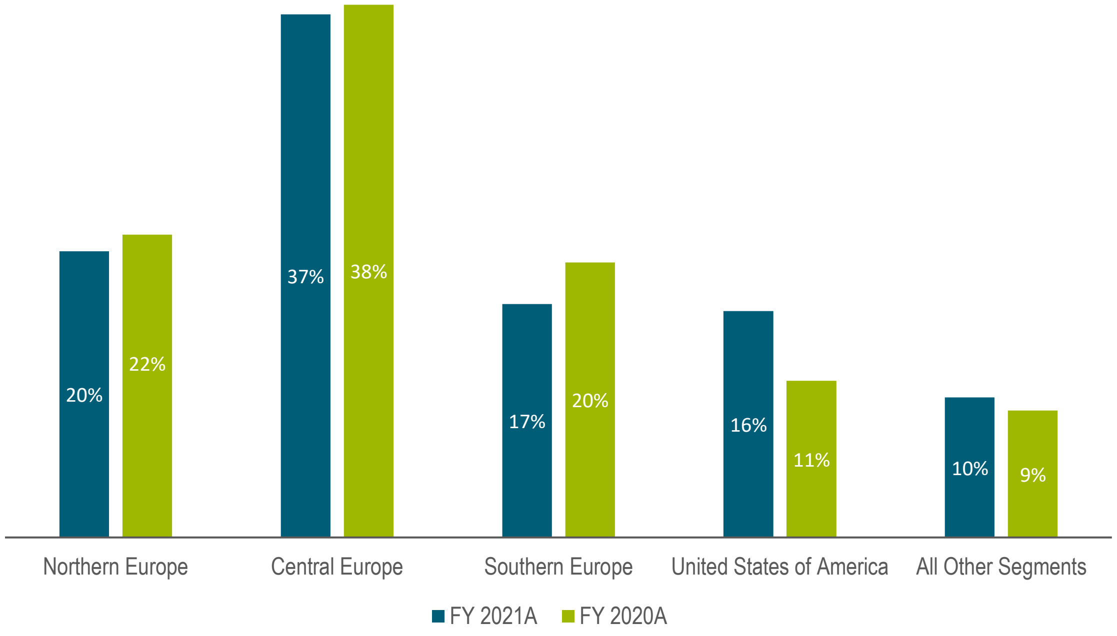
% Sales per Market



% Sales per Market



OPERATING SEGMENT REVENUE

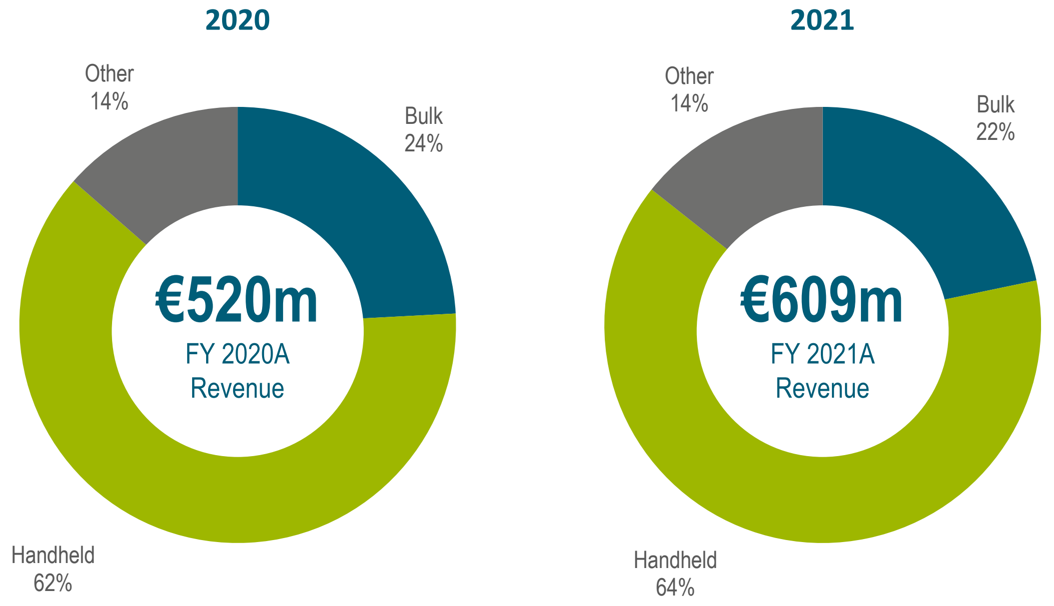


PRODUCTS

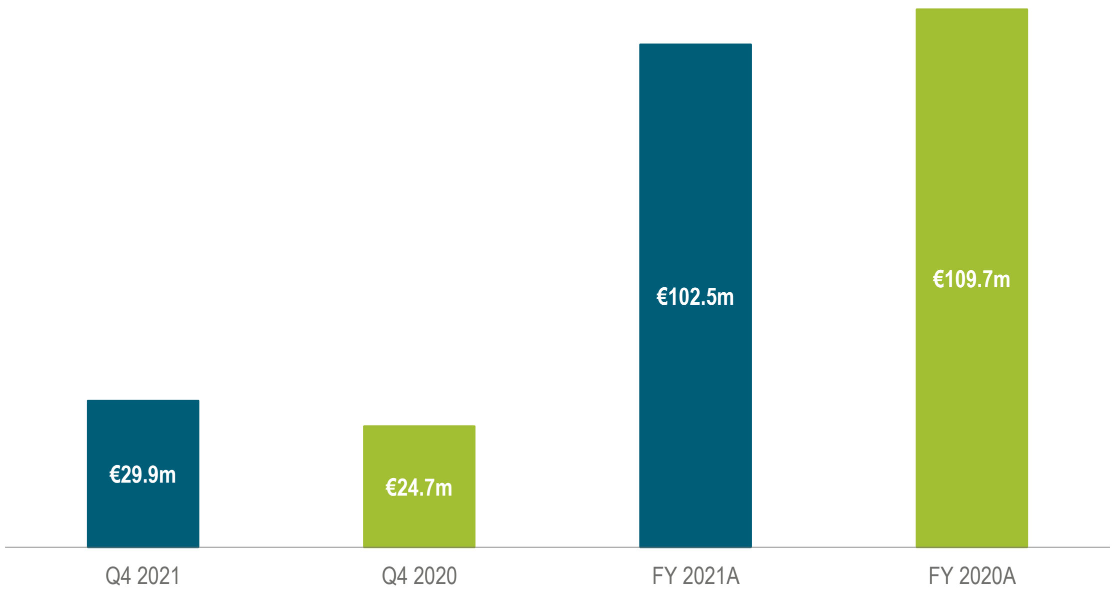
DEVELOPMENTS

- Increase in handheld containers as a result of strong pooling revenues and System Integrators
- Good performance in bulk on Big X products
- Sales from new products in Q4 increased to €29.9m on the back of good System Integrator and Big 3 sales
- Lower NPD sales from new beverage projects (-€2.8m) in Q4, that performed exceptionally well in Q4 2020, and agriculture (-€5.2m)
- Stable order book, order increases for System Integrators and Big 3 products

PRODUCT GROUP REVENUE SHARES



NEW PRODUCT SALES (€M)

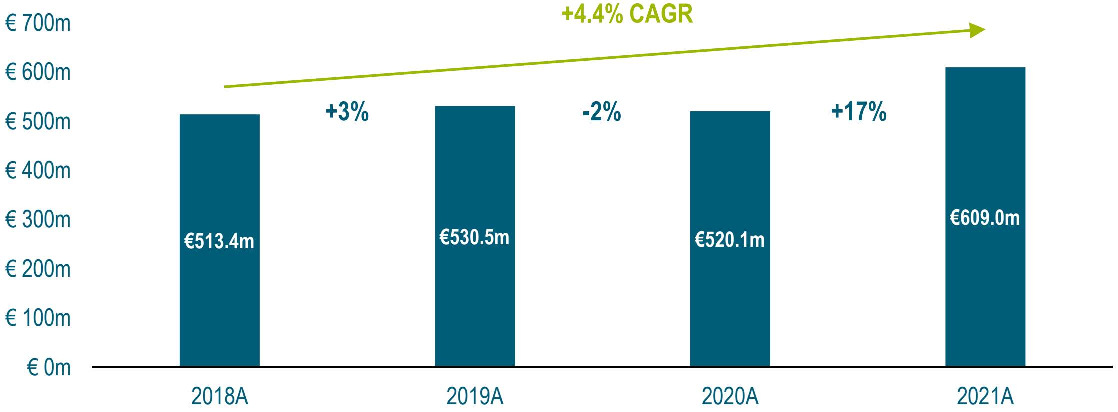


FINANCIAL
RESULTS

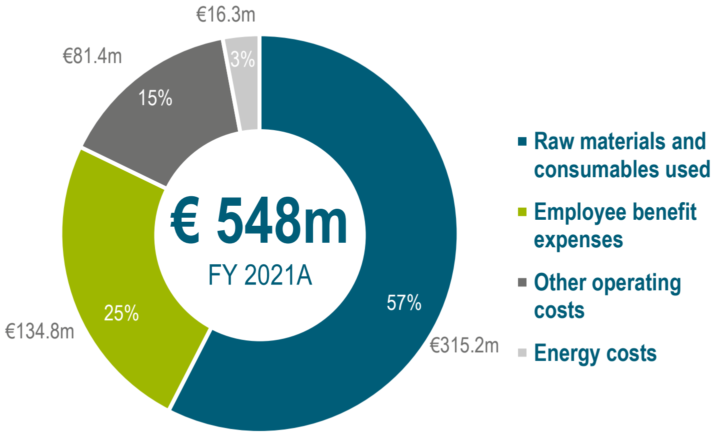
REVENUE AND ADJUSTED EBITDA DEVELOPMENT

PRICE INCREASES AND CONSIDERED OVERHEAD MANAGEMENT HAVE RESULTED IN EARNINGS RESILIENCE DESPITE SIGNIFICANT RAW MATERIAL INFLATION

REVENUE

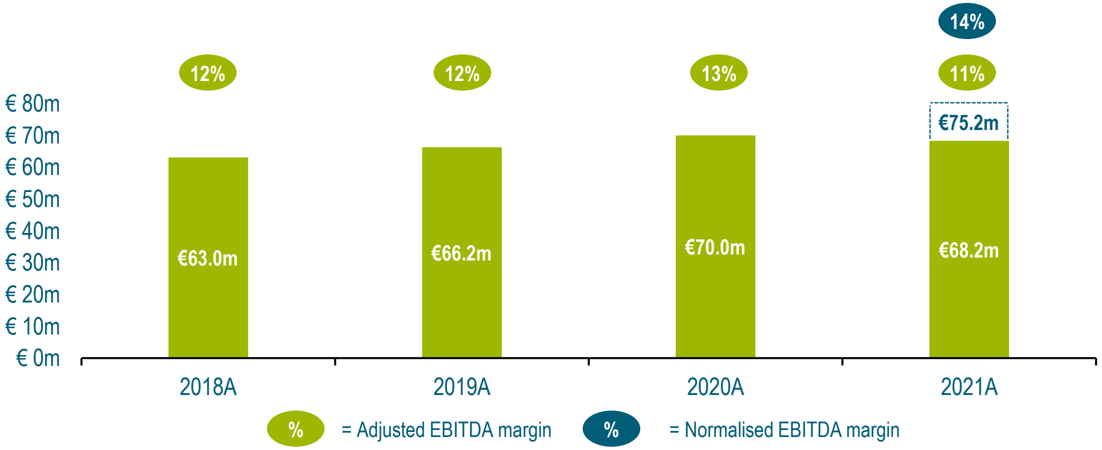


TOTAL COST BREAKDOWN

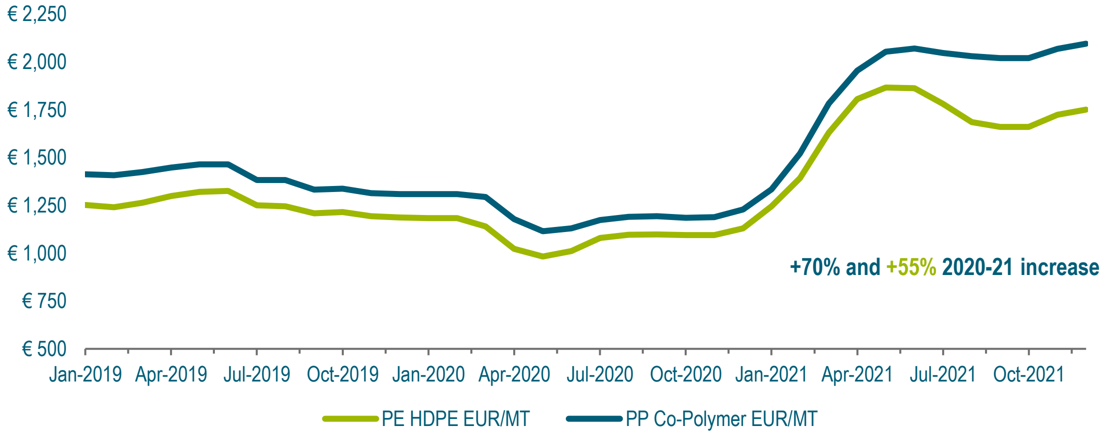


~70% of the 2022 energy costs were already hedged at the end of 2021

EBITDA



RAW MATERIAL MARKET PRICE DEVELOPMENT



PROFIT & LOSS

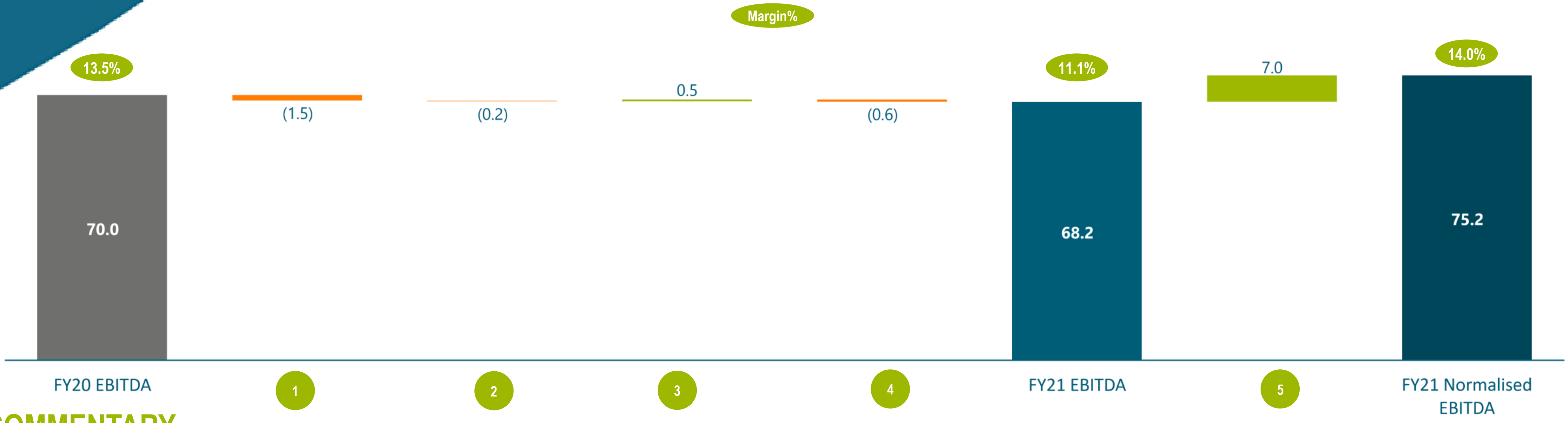
COMMENTARY

- Revenue for 2021 FY increased to €609.0m (+17.1%) compared to 2020 FY as demand remained stable and we successfully passed through cost increases to our customers throughout the year
- Raw materials and consumables used increased to €315.2m (+32.7%) for 2021 FY as a result of price increases for raw material and other material cost variances
- Costs of subcontracting increased to €8.1m (+268.2%) for 2021 FY as we engaged more subcontractors to timely deliver on orders in the US
- Employee benefit expense increased to €134.8m (+6.1%) for 2021 FY as labor costs increased, absentees due to Covid-19 quarantines increased and we spent more on manual assembly of Big 3 products.
- Other operating costs remained in line with 2020 FY figures
- Depreciation increased to €37.8m (+9.2%) as a result of higher capex, mainly for growth purposes
- Amortization increased to €2.4m (+26.3%) for 2021 FY as a result of investments in IT software
- Management fees reduced to nil in 2021
- Adjusting items increased to €4.1m (+7.9%) for 2021 FY
- Adjusted EBITDA decreased to €68.2m (-2.6%) for 2021 FY as presented by the EBITDA deep dive on slide 13

€m	2021 FY	2020 FY	% Change
Revenue	609.0	520.1	17%
Other Income	2.7	0.1	
Total Revenue	611.7	520.1	18%
Raw materials and consumables used	(315.2)	(237.6)	33%
Costs for subcontracting	(8.1)	(2.2)	
Employee benefit expense	(134.8)	(127.1)	6%
Other operating costs	(89.6)	(87.8)	2%
Depreciation expense	(37.8)	(34.6)	
Amortization expense	(2.4)	(1.9)	
Operating result	23.9	28.8	-17%
% margin	*3.90%*	*5.50%*	
Depreciation expense	37.8	34.6	
Amortization expense	2.4	1.9	
Management fees	0	1.0	
Adjusting items	4.1	3.8	
Adjusted EBITDA	68.2	70	-3%
% margin	*11.1%*	*13.5%*	

EBITDA DEEP DIVE

PRICE INCREASES AND COST MANAGEMENT BROADLY OFFSET RAW MATERIAL AND OTHER OPERATING COST INCREASES. ADJUSTING FOR RESIN SHORTAGES, EBITDA WOULD HAVE STOOD AT €75.2M IN FY21A



COMMENTARY

1. **Volume / Mix:** overall volumes were stable vs. FY20, albeit with a small negative market mix effect of €1.5m (up on Pooling and Retail, down on Automotive)
2. **Price / Cost:** price increases were used to pass-through resin price increases to customers, benefiting EBITDA by net €1.1m, offset by the unavailability of some raw materials and higher labor costs
3. **Rental:** new Rental Services earnings were added at the end of Q3 with a positive EBITDA contribution of €0.5m
4. **SG&A:** effect of -€0.6m as a result of upward pressure on wages and salaries
5. **Normalization Adjustments:** resin shortage has led to an estimated -€29m sales and -€7m EBITDA decrease for FY 2021; normalized 2021 EBITDA% (excl. resin price and availability effects) would have been 14% (+0.5%-points vs FY20 EBITDA)

* 2021 Normalized EBITDA margin of 14.0% is calculated based on normalized revenue of €638.2m, absent resin price increases and resin availability limitations

CASH FLOW

DESPITE HEADWINDS, CASH CONVERSION REMAINS ROBUST WITH UNDERLYING FCF CONVERSION (PRE-GROWTH CAPEX) OF ~98% IN FY21A

COMMENTARY

- 2021 FY Operating Cash Flow increased to €87.3m (+14.9%) despite a slightly lower EBITDA, supported by improvements in working capital management
- 2021 FY Adjusted Free Cash Flow decreased to €30.2m, -€11.6m below 2020 FY as we reduced working capital by €19.1m, but spent €15.7m more on capex for future growth in amongst others our Rental Services, the Pooling and System Integrators markets
- In Q4, Brookfield provided €25m shareholder funding for Rental Services deals that were already in production and further deals expected for 2022
- With the capex outlay for rental funded by Brookfield, we delivered positive Net Cash Flow in the year

€m	2021 FY	2020 FY
Adjusted EBITDA	68.2	70.0
Change in Working Capital	19.1	6.0
Operating Cash Flow	87.3	76.0
Operating CF as % of EBITDA	*128%*	*109%*
Capital expenditures - Maintenance	-20.8	-13.7
Free Cash Flow	66.5	62.3
FCF as a % of EBITDA	*98%*	*89%*
Capital expenditures – Growth	-36.3	-20.6
Adjusted Free Cash Flow	30.2	41.8
Adj. FCF as % of EBITDA	*44%*	*60%*
Interest	-20.3	-21.3
Taxes	-1.5	0.1
New finance leases	0.9	4.5
New finance leases granted	-2.2	0.0
Finance Lease repayments	-5.7	-5.7
Operating Lease repayments	-11.8	-11.3
Debt repayment and proceeds	-2.4	10.4
Recurring Net Cash Flow	-12.8	18.5
Adjusting items	-4.0	-3.8
Shareholder funding	25.0	0.0
Other/Related parties	-4.2	-2.6
Net Cash Flow	4.0	12.1

CAPEX DEEP DIVE

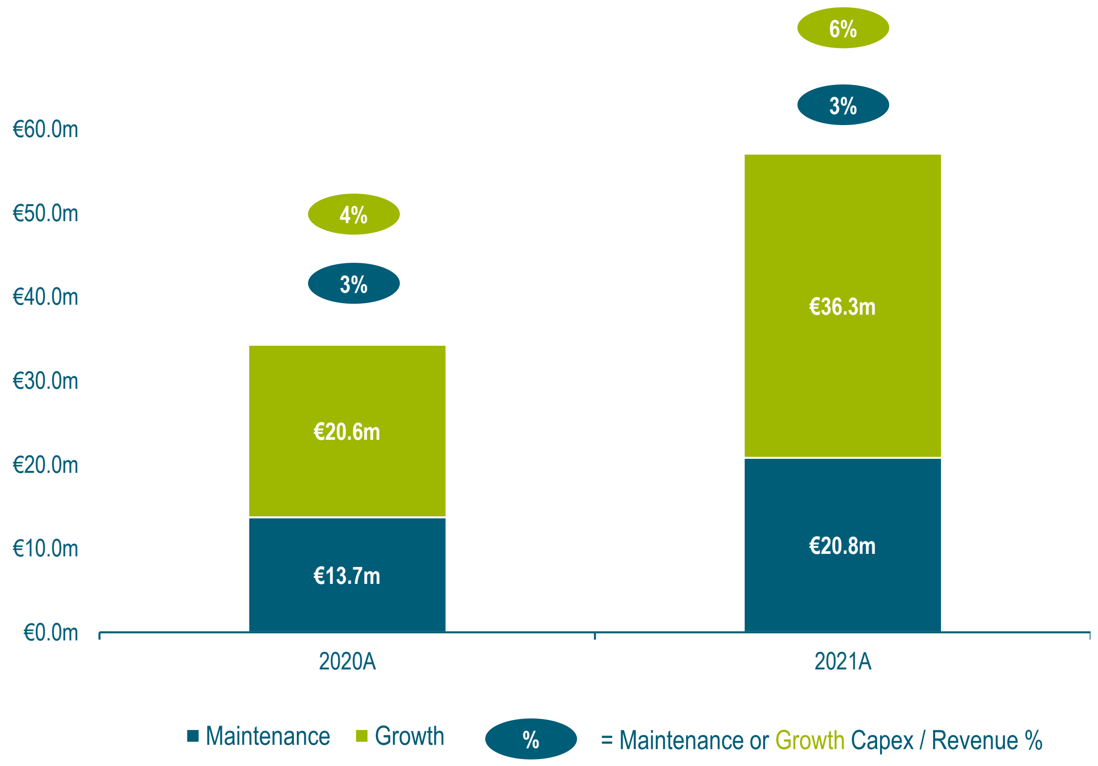
MAINTENANCE CAPEX REMAINED STABLE AT ~3% OF REVENUE, WITH ADDITIONAL GROWTH CAPEX FOR RENTAL FUNDED BY THE SHAREHOLDERS

COMMENTARY

- 2021 FY Growth capex was €36.3m, +€15.7m compared to FY 2020 and contains the first investments in our new Rental Services business, investments for pooling customers, new product development and Big 3 capacity expansion

- 2021 FY Maintenance capex was €20.8m, +€7.1m compared to FY 2020 mainly driven by modernization costs for one of our factories in France

CAPEX EVOLUTION



DEBT AND LIQUIDITY

LEVERAGE PROFILE REMAINS CONTROLLED AT ~4x WITH SIGNIFICANT LIQUIDITY AVAILABLE AT THE END OF FY21

COMMENTARY

- Stable senior debt structure in place, matures in 2024
- Headroom increased to €120.4m as a result of the Brookfield loan, comprising of €38.7m of cash at bank, fully repaid and available RCF and €54.8m under the Brookfield facility
- Leverage ratio stable at 4.1x
- Non-recourse factoring was at €58.0m for Q4 2021 versus €52.3m for Q4 2020

€m	Q4 2021	Q3 2021	Q2 2021	Q1 2021	2020 FY
6.375% SSN Indebtedness	250.0	250.0	250.0	250.0	250.0
Finance Leases	17.3	18.0	19.3	20.7	21.8
Operating Leases	29.2	29.9	28.0	30.3	28.6
Total lease obligation	46.5	47.8	47.3	51.0	50.4
Bank Loans	21.2	22.1	22.5	22.9	23.6
Total Debt	317.7	319.9	319.8	323.9	324.0
RCF Drawings (limit € 30m)[1]	-	-	13.6	-	-
Cash at bank and in hand	-38.7	-21.6	-24.3	-26.5	-33.5
Net Cash	-38.7	-21.6	-10.7	-26.5	-33.5
Total Net Debt	279.1	298.3	309.1	297.4	290.5
Leverage ratio	4.1x	4.1x	4.4x	4.0x	4.1x
Total Liquidity Headroom	120.4	103.4	92.9	108.8	116.1

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

CONCLUSION & OUTLOOK

CONCLUSION & CURRENT TRADING

- 2021 FY Revenue increased to €609.0m (+17.1%) and 2021 FY EBITDA decreased to €68.2m (-2.6%) compared to FY 2020

- 2021 FY Operating Cash Flow increased to €87.3m (+14.9%)

- Resin prices have increased somewhat further because of the spike in oil price in Q1, despite our expectations that prices would remain stable before the Ukraine-war commenced on 24 February

- PP Copolymer availability was restored in Q4 2021, no further restrictions

- Sales and EBITDA in 2022 are expected to be affected by the following:
    - Increase in our sales prices to compensate for inflationary pressure on resin prices, electricity prices and other input costs. Our effort is to continue to pass on most of the input cost increases to customers
    - Our order book in terms of volume is good, but we expect some of our clients to have temporarily postponed their purchase decision as a result of the higher sales prices. Our rental model offers a viable alternative for buying bulk containers in case customers are looking to continue their sustainability efforts
    - FY Revenue and EBITDA will benefit from the first rental deals that were signed in 2021

- Uncertainty around Covid-19 has reduced but developments are monitored closely by management

Q&A

Globally present

#1 Producer & Supplier of returnable plastic packaging

20% EU market share