360°

IN RETURNABLE PLASTIC PACKAGING SOLUTIONS

Schoeller Allibert

INVESTOR PRESENTATION Q4 2018

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Management

Ludo Gielen
Chief Executive Officer

Ian Degnan
Chief Financial Officer

Key Messages

- 2018 was a good year for strategic progress:
  - Strong revenue growth in Europe
  - Successfully diversifying our US business outside of pooling sales

- Key operational improvement initiatives are underway:
  - Strengthening the senior leadership team
  - New product sales gaining momentum
  - Several margin improvement programmes
  - Optimise and make operations flexible

- Capital investment set to deliver future growth:
  - Investment in Big 3 new products to deliver significant incremental sales
  - Shareholder funding (€ 7.6m in Q1 2019) for profit improvement capex with attractive pay-backs

- Strong overall liquidity position:
  - € 30.4m of headroom available at end of 2018
  - Demonstrated support from new shareholder

Q4 Summary

- Q4 Revenue grew by 4.1% driven by strong sales in new products and in the retail, industrial manufacturing and beverage markets in Europe, as well as new projects in the US. Pooling revenue showed signs of improvement in Q4 2018, but was still lower than in Q4 2017.

- Q4 Ebitda improved from Q3 and is € 0.5m higher than in Q4 2017.

- Q4 2018 saw good progress on the sales of New Products with sales of € 23.6m (Q4 2017 € 13.1m).

- Net Cash Flow for Q4 2018 was an inflow of € 4.2m.

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Sales Performance Q4 and Full Year 2018

- Growth in Europe in Q4 was 5% with strong growth in Beverage, Industrial Manufacturing and Retail - Automotive was weaker.
    - 2018 was a strong year for our business in Europe with growth of 11%.
- In Q4 the UK returned to stability after several quarters of decline, but margin pressure continued.
- France had a weak finish to 2018 and activity remains low in Q1.

- 2018 was a breakthrough year in sales performance for our non pooling business in the US with $ 15m of sales and a good pipeline of activity for 2019.

- Pooling revenues improved in Q4 but were still significantly lower than 2017. Overall 2018 pooling revenues were unusually low.
    - We note the recently announced sale of IFCO by Brambles.

Looking ahead – Actions to Increase Profitability

Strengthen the Organisation with New Hires	**Grow Sales**
• Executive Director Sales • Executive Director Operations • New Senior Regional Directors • Group Procurement Director	• Deliver sales of our Big 3 new products • Continue innovation leadership to drive sales growth of new products • Deliver new beverage projects • Diversify sales in the US
Improve margins	**Improve Operations**
• Optimise selling prices with process discipline • Increase the use of regrind and recycled material • Reduce direct costs through automation • Improve procurement	• Strengthen supply chain planning • Move moulds between factories for better utilisation • Optimise production planning where we have spare capacity

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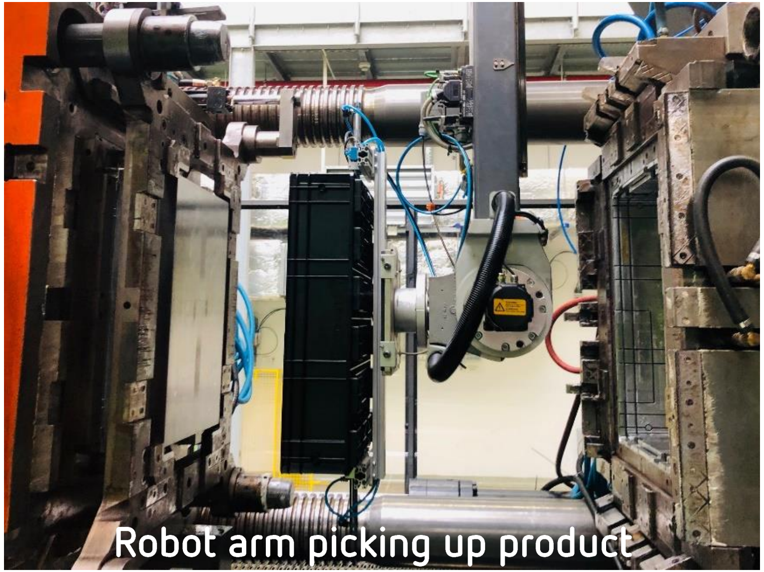
Cost Savings through Automations

- Invest a further €2m in Automations
- 1 Year pay back

Automated assembly on manufacturing line



Robot arm picking up product

- Automated assembly
- Automated printing
- End line carousel for better flow of goods
- Automated palletising

New product development – The Big 3

- Big 3 sales expected to be an incremental € 35 m in 2019 targeting higher growth end markets

Big 3 product range		End-use / markets
Magnum optimum 1208		Automotive OEM, Tier 1 and Tier 2 suppliers for electrification Automotive Pooling via CHEP, Gefco Replacement of metal "gitterboxes" in European services industry
Combo Fructus		Reduce supply chain costs for tomato paste transportation with launching customers Heinz Europe. Fiber and dust free factories solutions, example supply of Pioneer
Combo Excelsior		FMCG Pooling with key players like Nestlé, P&G, Unilever Intercontinental fruit juice flows to ban cardboard and wood Cosmetics applications with launching customer L'Oreal.

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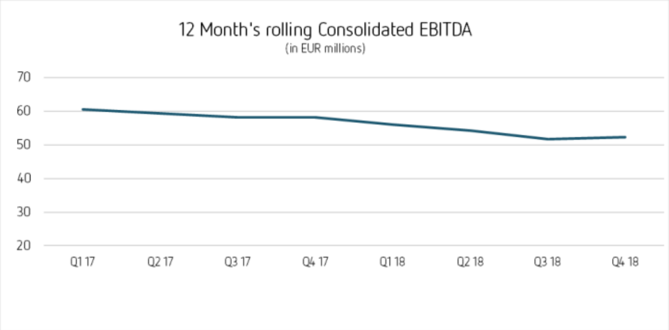
Financial performance

in EUR million	Q4 2018	Q4 2017	FY 2018	FY 2017
Revenue	144.5	138.9	519.1	492.8
% growth y-o-y	4.1%	1.0%	5.3%	-2.3%
EBITDA	17.5	17.0	52.2	58.2
% sales	12.1%	12.2%	10.1%	11.8%

- Q4 Revenue grew 4.1% driven by strong sales growth in new products and in the retail, industrial manufacturing and beverage markets in Europe, as well as new projects in the US. Pooling revenue showed signs of recovery in Q4 2018, but was lower than in Q4 2017.
- Q4 Ebitda is € 0.5m higher than in Q4 2017.

- Note: We have adjusted revenues in 2018 and 2017 for the IFRS 15 impact (netting sales and costs instead of showing gross). This is adjustment is presented below.

in EUR million	Q4 2018	Q4 2017	FY 2018	FY 2017
Revenue as reported in line with 2017 FS	148.3	142.8	535.6	508.5
IFRS 15 Adjustment	(3.8)	(3.9)	(16.5)	(15.6)
Revenue after IFRS 15	144.5	138.9	519.1	492.8



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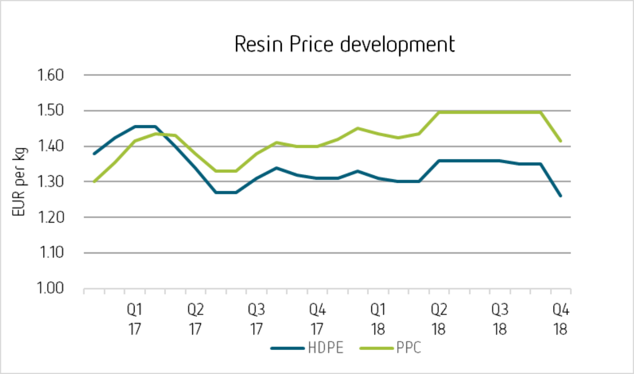
Financial performance

At constant FX rates:

in EUR million	Q4 2018*	Q4 2017	Q4 2018 YTD*	Q4 2017 YTD
Revenue	144.4	138.9	523.4	492.8
% growth y-o-y	4.0%		6.2%	
EBITDA	17.5	17.0	52.6	58.2
% sales	12.1%	12.2%	10.0%	11.8%

*Reported at constant currency



- At constant currency, the revenue increase would have been 4.0%.
- The average prices of resin in Europe were 2.5% higher than in Q4 2017. We estimate that the full pass through of this increase to customers has resulted in an increase in revenue of ca. 1%.

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Cash flow

in EUR million	Q4 2018	Q4 2017	FY 2018	FY 2017
EBITDA	**17.5**	**17.0**	**52.2**	**58.2**
Change in the working capital	9.1	8.6	(3.8)	7.1
Operating Cash Flow	**26.6**	**25.6**	**48.4**	**65.3**
Interest	(9.8)	(10.1)	(21.5)	(20.7)
Taxes	(0.6)	(0.5)	(3.1)	(3.8)
Capex	(7.7)	(9.2)	(18.9)	(21.9)
Proceeds from disposals	0.0	0.1	0.3	1.0
Free Cash Flow	**8.5**	**5.9**	**5.1**	**19.8**
Investment in Moulds for Future Growth	(0.6)	(5.0)	(5.6)	(9.5)
Adjusted Free Cash Flow	**8.0**	**0.8**	**(0.5)**	**10.3**
Breakthrough projects	(1.1)	(3.4)	(2.3)	(12.4)
New finance leases	2.1	3.4	5.5	11.8
Finance lease repayments	(0.9)	(1.8)	(4.0)	(5.2)
Debt repayment and proceeds	(0.2)	1.4	(2.7)	0.3
Other	(0.5)	-	(1.2)	-
Recurring Net Cash Flow	**7.4**	**0.4**	**(5.3)**	**4.8**
Swedish tax payment	(1.5)	-	(5.9)	(1.7)
Adjusting items	(1.5)	(12.7)	(9.9)	(17.9)
Other/Related parties	(0.2)	(0.6)	(4.8)	(2.6)
Net Cash Flow	**4.2**	**(12.9)**	**(25.8)**	**(17.4)**

- Adjusted Free Cash Flow for Q4 2018 of € 8.0m inflow, with bond interest payment of € 8.4m and capital expenditure of € 8.3m.
- We have delayed some capex investment during Q4 2018 and will continue to do this into 2019.
- Working capital for Q4 2018 is a seasonally expected inflow of € 9.1m.
- In October, we paid another installment of € 1.5m to the Swedish tax authorities.
- Of the net cash outflow of € 25.8m in 2018, € 14.7m relates to non-recurring items, mostly the JPM Exit process and € 5.9m relates to the historic Swedish Tax dispute.

Debt and liquidity overview

in EUR million	FY 2018	FY 2017
8% Senior Secured Indebtedness due 1 Oct. 2021	209.8	210.0
Finance Leases	21.8	22.4
Bank Loans	3.9	4.2
Cash pool Overdraft	6.3	-
Total Debt	**241.7**	**236.6**
Cash at bank and in hand	**(14.9)**	**(34.8)**
Total Net Debt	**226.8**	**201.8**
Total Headroom (Cash at bank and in hand + unused facilities)	**30.4**	**53.5**

Additionally Brookfield have made available a € 65m facility.

- Net debt reduced by € 3.0m from Q3 to Q4 with the positive cash inflow in the quarter.
- Year on year, cash balances reduced with the cash outflow in the year, which was to a large extent negative due to the JPM Exit process and the historic Swedish Tax payments. The cash position is helped by drawing down € 6.3m of the € 30m RCF.
- Finance leases have reduced by € 0.6m as we have slowed the purchase of some new machines to 2019.
- Total headroom remains strong at € 30.4m. Although headroom has reduced, it remains at a comfortable level to meet the liquidity needs of the Group.

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Other updates

- **Swedish Tax:** The other company with the main precedent case to our Swedish Tax dispute has won their claim at the Swedish Supreme Court. We are now expecting our Supreme Court hearing to conclude positively on our case with a resulting cash refund of ca. € 10m in Q2 or Q3 2019.

- **Shareholder Support:** Brookfield have made available a € 65m facility to support Schoeller Allibert, and of this provided a subordinated loan drawn in cash of € 7.6m at the end of Q1 to support future profit improving capital investment.

- The IFCO Supplier Financing programme will be withdrawn as a result of the sale of IFCO. We have put in place alternative factoring facilities and do not foresee any liquidity impact.

- **The above points should improve liquidity by over € 15m in H2 2019.**

Conclusion and current trading update

- Q4 saw some improvement compared to Q3 with 4.1% revenue growth and improved Ebitda

- With support from Brookfield we are commencing a number of new initiatives aimed at improving our Ebitda margins and cash flow

- Cash flow in Q4 was a positive inflow of € 4.2m

- Trading so far in Q1 has been satisfactory – for 2019 we expect more significant progress from Q2 as deliveries of our Big 3 new products ramp up

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TAKE

Appendix: IFRS 16 impact - Operating Leases

in EUR million	Net debt	EBITDA	Net leverage ratio
As reported in 2018 FS	226.8	52.2	4.3
Estimated IFRS 16 impact	34.5	9.0	n/a
Estimated for future periods	261.3	61.2	4.3

- EBITDA is expected to increase by approximately € 9 million as lease expenses shift from operating expenses to depreciation and interest expenses.
- IFRS 16 will increase the comparability of companies with operating leases and rental type arrangements accounted for on the balance sheet in the same way as finance leases from 2019 onwards.

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Appendix: Capex summary

in EUR million	Q4 2018	Q4 2017	FY 2018	FY 2017
Operations Maintenance	2.3	3.2	6.3	6.7
IMM Replacement	3.4	3.5	6.1	7.1
Operations Expansion	0.3	0.4	1.3	1.1
Breakthrough projects	1.1	3.4	2.3	12.4
Moulds for Sales Initiatives	0.6	5.0	5.6	9.5
Pooling expenditures	-	-	0.4	0.2
Other	1.6	2.1	4.8	6.8
Total Capital Expenditures	**9.4**	**17.6**	**26.8**	**43.8**

- IMM replacement relates to new injection moulding machines in the UK, France Spain, Switzerland and the US.
- Breakthrough projects relate to the Big 3 products and the Belgium Big Box.

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Appendix: Operating result to adjusted EBITDA Bridge

in EUR million	Q4 2018	Q4 2017	FY 2018	FY 2017
Operating result	**6.7**	**1.9**	**19.4**	**5.6**
Depreciation	5.4	6.4	19.8	24.2
Amortisation	0.5	1.2	1.6	4.6
Accrued Management Fees	0.5	-	1.2	-
Other	(0.1)	-	(0.0)	0.1
Adjusting Items				
Commercial settlements	2.1	-	2.1	10.9
Restructuring	2.5	0.3	6.7	3.9
JP Morgan exit	-	6.2	1.1	7.8
Refinancing	-	-	-	-
Litigation & claims	-	1.0	0.2	1.1
Adjusted EBITDA	**17.5**	**17.0**	**52.2**	**58.2**

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Appendix: IFRS 15 impact of 2018

in EUR million	Q1	Q2	Q3	Q4	FY 2018
Revenue as reported before IFRS 15	111.2	139.8	136.0	148.3	535.6
IFRS 15 Adjustment	(3.6)	(4.3)	(4.6)	(3.8)	(16.5)
Revenue after IFRS 15	107.6	135.6	131.4	144.5	519.1

- Note: We have adjusted revenues in 2018 and 2017 for the IFRS 15 impact (netting sales and costs instead of showing gross).

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