



Schoeller Allibert

Investor Presentation Q4 2020

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Introduction



Today's Presenters



Ludo Gielen
CEO



Hans Kerkhoven
CFO





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Q4 Highlights



Highlights Q4 2020

Sales Performance

- Revenue of € 144.1m, - € 7.9m (- 5.2%) below Q4 LY
- 2020 FY Revenue of € 520.1m, - € 10.3m (- 1.9%) below 2019 FY Revenue

EBITDA Development

- EBITDA of € 22.0m, + € 2.2m (+ 11.1%) versus Q4 LY
- EBITDA margin improved to 15.3% in Q4 2020
- 2020 FY EBITDA € 70.0m, + € 3.8m (+ 5.7%) above 2019 FY EBITDA of € 66.2m

Cash flow

- Adjusted free cash flow € 25.9m, +€ 16.5m above Q4 LY and positive Net Cash Flow of € 8.2m for Q4 2020
- 2020 FY Adjusted free cash flow of € 41.8m, + € 30.4m above 2019 FY and positive Net Cash Flow of € 12.1m for 2020 FY

Covid-19 Impact

- Under challenging conditions caused by the Covid-19 outbreak, our results demonstrated resilience with a lower revenue but improved EBITDA and cash flow
- All our factories were operating well, with a limited number of Covid cases



2021 Strategic Priorities

Grow Sales

- Continue innovation leadership to drive sales growth of new products
- Diversify sales in the US
- Continue to leverage our sustainable products to improve the green footprint of our clients

Improve Cash Generation

- Select capital expenditure with best returns
- Improve expense effectiveness
- Reduce working capital including inventory

Improve Operational Performance

- Improve delivery and lead times
- Improve productivity and reduce costs
- Drive process improvements through lean processes

Improve Margins

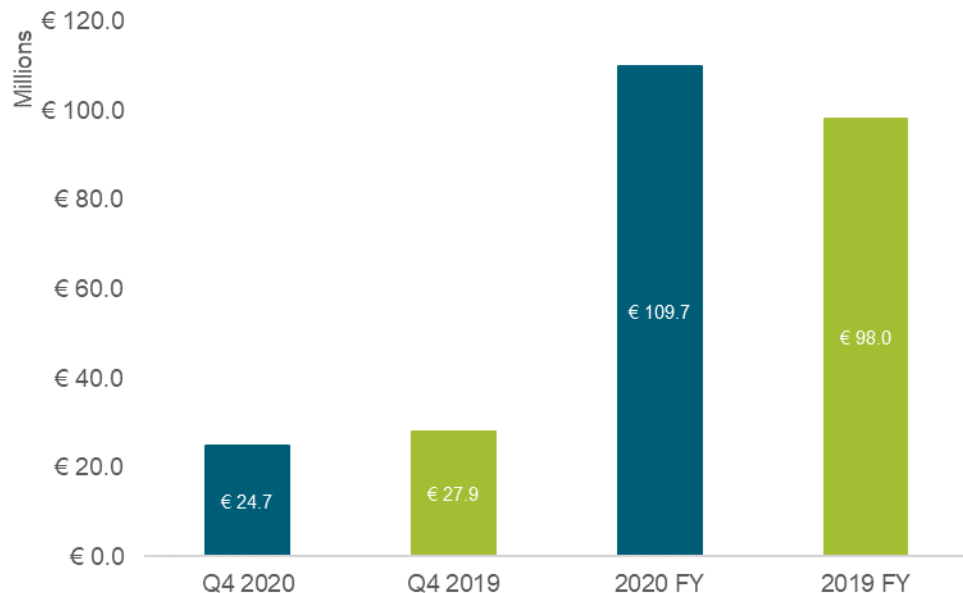
- Optimize selling prices
- Sell innovative, higher margin products
- Focus on SG&A and scalability
- Focus on material usage, including regrind, and costs



Our Mission: Set the Industry Standard in Sustainable Packaging Solutions



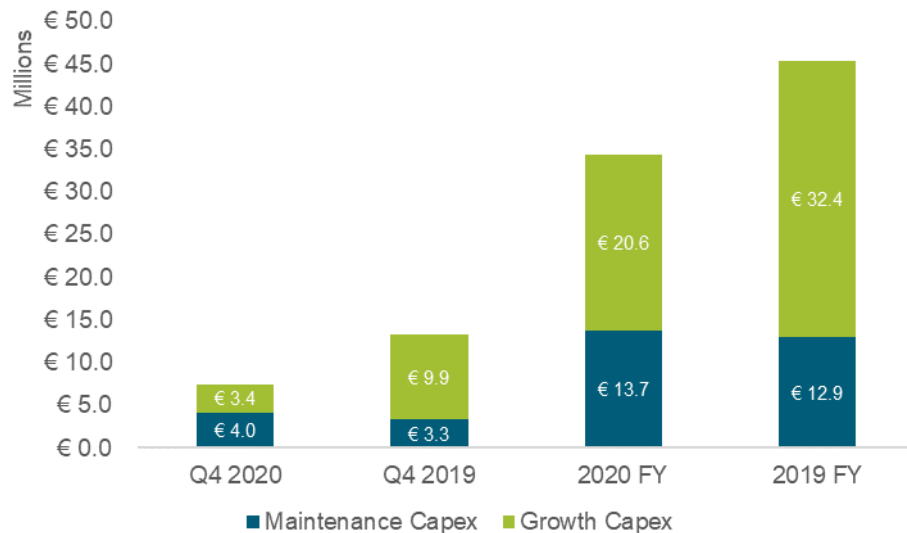
New Product Sales



- New product sales in Q4 were € 24.7m, - € 3.2m (- 11.5%) below Q4 LY, driven by lower Big 3 automotive sales offset by higher Beverage NPD sales
- 2020 FY new product sales were € 109.7m, + € 11.7m (+ 11.9%) increase from 2019 FY, largely from higher beverage and system integrator sales



Capital Expenditure



- Growth capex was € 20.6m in 2020 FY, - € 11.8m (- 36.4%) compared to 2019 FY as we prioritized projects with the best returns
- Main growth investments in 2020 were made in:
 - Expansion IMMs and automation € 7.8m
 - New product development € 6.4m
 - New ERP system € 3.2m
 - Factory modernization € 1.1m
- Maintenance capital expenditure in line with 2019





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Financial Results

Sales Performance Q4

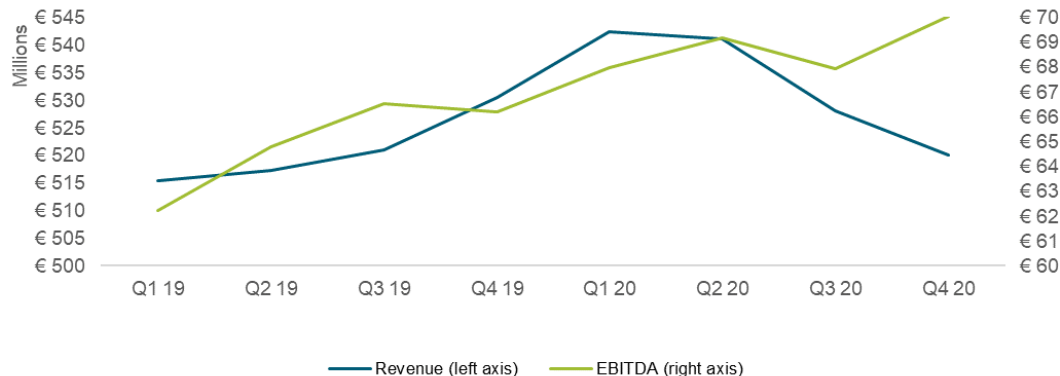
- Revenue decreased by € 7.9m (- 5.2%) versus Q4 LY to € 144.1m in a Covid-19 economic climate
 - Growth in the beverage market (Europe) continued, combined with a revenue growth in the retail and agriculture sectors
 - Our European automotive sales were still negatively impacted by Covid-19, where automotive factories are back in operation but with reduced output
 - Pooling revenue decreased compared to Q4 LY
 - Revenue from other segments was stable; overall business quite resilient
 - Declines in Europe and growth in USA



Q4 2020 Financial Performance

in € million	Q4 2020	Q4 2019*	2020 FY	2019 FY
Revenue	144.1	152.0	520.1	530.4
% growth y-o-y	-5.2%	6.7%	-1.9%	3.3%
EBITDA	22.0	19.8	70.0	66.2
% sales	15.3%	13.1%	13.5%	12.5%

12 Month's rolling Consolidated Revenue and EBITDA



- 2020 FY Revenue decreased to € 520.1m, - €10.3m (- 1.9%) below 2019 FY
- Q4 EBITDA increased to € 22.0m, + € 2.2m (+ 11.1%) mainly driven by:
 - margin improvements
 - offset by mix effects and slightly higher indirect costs
- 2020 FY EBITDA increased to € 70.0m, + € 3.8m (+ 5.7%) versus 2019 FY

* Figures are restated following a re-measurement of principal versus agent accounting for a customer contract. In 2020, a customer contract has been re-assessed and contrary to prior year when it was treated under the assumption that the Group is a principal, it has been deemed that the Group acts as an agent under IFRS 15 guidance. The impact in 2019 revenue and raw materials and consumables used is EUR 6.2 million with no profit impact.



Cash Flow

in € million	Q4 2020	Q4 2019	2020 FY	2019 FY
Adjusted EBITDA	22.0	19.8	70.0	66.2
Change in Working Capital	11.2	2.8	6.0	-9.5
Operating Cash Flow	33.3	22.6	76.0	56.7
Capital expenditures - Maintenance	-4.0	-3.3	-13.7	-12.9
Free Cash Flow	29.3	19.3	62.3	43.8
Capital expenditures - Growth	-3.4	-9.9	-20.6	-32.4
Adjusted Free Cash Flow	25.9	9.4	41.8	11.4
Interest	-9.5	-9.4	-21.3	-22.0
Taxes	-0.2	-0.6	0.1	-0.4
New finance leases	0.6	0.9	4.5	6.6
Finance Lease repayments	-1.1	-2.2	-5.7	-4.6
Operating Lease repayments	-3.2	-2.9	-11.3	-11.4
Debt repayment and proceeds	-1.0	10.9	10.4	10.4
Recurring Net Cash Flow	11.5	6.1	18.5	-10.0
Swedish tax payment	0.0	0.0	0.0	-4.5
Adjusting items	-1.5	-1.5	-3.8	-4.9
Shareholder funding	0.0	0.0	0.0	7.6
Other/Related parties	-1.8	25.3	-2.6	23.1
Net Cash Flow	8.2	29.9	12.1	11.3

- Q4 2020 Adjusted free cash flow € 25.9m, + € 16.5m above Q4 2019 driven by an improvement in EBITDA and working capital and lower capex
- Net Cash Flow was positive at € 8.2m in Q4 2020
- 2020 FY cash indicators improved compared to last year
- Strong focus to improve cash further



Debt and liquidity overview

in € million	Q4 2020	Q3 2020	FY 2019
6.375% Senior Secured Indebtedness	250.0	250.0	250.0
Finance Leases	21.8	22.9	23.7
IFRS 16 impact	28.6	28.2	28.3
Total lease obligation	50.4	51.2	52.1
Bank Loans	23.6	24.3	13.3
Total Debt	324.0	325.5	315.4
RCF Drawings (limit € 30m) ¹	-	17.0	5.1
Cash at bank and in hand	-33.5	-42.0	-26.8
Net Cash	-33.5	-25.0	-21.7
Total Net Debt	290.5	300.5	293.7
Leverage ratio	4.1x	4.4x	4.4x
Total Liquidity Headroom	116.1	107.8	107.0

- Long term stable senior debt structure in place
- Headroom of € 116.1m comprising of € 60.3m of cash at bank and RCF and € 55.8m under the Brookfield facility
- Leverage ratio improved to 4.1x
- Non-recourse factoring was at € 52.3m for Q4 2020

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

- Employees mainly continued working from home where possible
- Physical distancing and hygiene measures have been kept in place
- Number of infections limited, not affecting our output

Current situation

- All our factories are operating as normal

Mitigating Actions

- Contingency plans for all locations remain in place
- Covid-19 impact and mitigating actions are continuously being assessed and updated



Conclusion And Current Trading Update

- Q4 2020 Revenue decreased (- 5.2%) and EBITDA increased (+ 11.1%) versus Q4 2019 in a challenging economic environment
- 2020 FY EBITDA exceeded 2019 FY EBITDA (+ 5.7%) despite lower revenue (- 1.9%)
- 2020 FY Operating Cash Flow improved (+ 34.0%) compared to 2019 FY
- Order book started to recover in Q3 2020; Q1 2021 shows performance improvement compared to Q1 2020
- Resin supply limitations and price increases started in December 2020, causing a more volatile market. Material price increases are passed on to customers as much as possible.
- Covid-19 developments are monitored closely by management





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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



28%



Pooling Services



17%



Industrial
Manufacturing



13%



Automotive



11%



Beverage



9%



Retail



8%



Food & Food
Processing



7%



Agriculture



7%



Traders



Appendix: Operating Result To Adjusted EBITDA Bridge

in € million	Q4 2020	Q4 2019	2020 FY	2019 FY
Operating result	11.2	9.3	28.8	24.9
Depreciation	8.7	8.1	34.6	33.0
Amortisation	0.5	0.5	1.9	1.9
Management Fees	0.3	0.4	1.0	1.5
Adjusting Items	1.4	1.5	3.8	4.9
Adjusted EBITDA	22.0	19.8	70.0	66.2



Appendix: 2019 – 2020 Revenue Restatement

Revenue restated 2019 in € million

	Q1	Q2	Q3	Q4	2019 FY
Revenue previously reported	109.0	135.9	136.5	155.2	536.6
Adjustment - Agent vs Principle	-	-	-3.0	-3.2	-6.2
Adjusted Revenue	109.0	135.9	133.5	152.0	530.4

Revenue restated 2020 in € million

	Q1	Q2	Q3	Q4	2020 FY
Revenue previously reported	122.0	136.0	126.0		
Adjustment - Agent vs Principle	-1.0	-1.3	-5.6	-	-8.0
Adjusted Revenue	121.0	134.7	120.4	144.1	520.1

- Revenue figures are restated following a re-measurement of principal versus agent accounting for a customer contract. In 2020, a customer contract has been re-assessed and contrary to prior year when it was treated under the assumption that the Group is a principal, it has been deemed that the Group acts as an agent under IFRS 15 guidance. The impact on 2019 revenue and raw materials and consumables used is EUR 6.2 million with no profit impact.
- The tables above provide a reconciliation between quarterly and FY 2019 and 2020 revenues

