



Schoeller Allibert

Investor Presentation Q2 2020

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Introduction



Today's Presenters



Ludo Gielen
CEO



Hans Kerkhoven
CFO





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Q2 Highlights

Highlights Q2 2020

Sales Performance

- Revenue of € 136.0m in line with last year despite challenging economic environment

EBITDA Growth

- EBITDA of € 19.6m, +8.9% vs LY

Cash flow

- Adjusted free cash flow improved €14.6m from € -2.7m in Q2 LY to € + 11.9m in Q2 2020 and positive net cash flow for Q2 2020

Covid-19 Impact

- Despite the global economic downturn caused by the Covid-19 outbreak, our profitability in Q2 2020 improved versus last year
- Our factories are currently operating well, some affected by lower volumes
- Order book Q3 2020 is behind Q3 2019



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 Operational Performance

- Improve delivery and lead times
- Improve productivity and reduce costs

Improve Cash Generation

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

Improve Margins

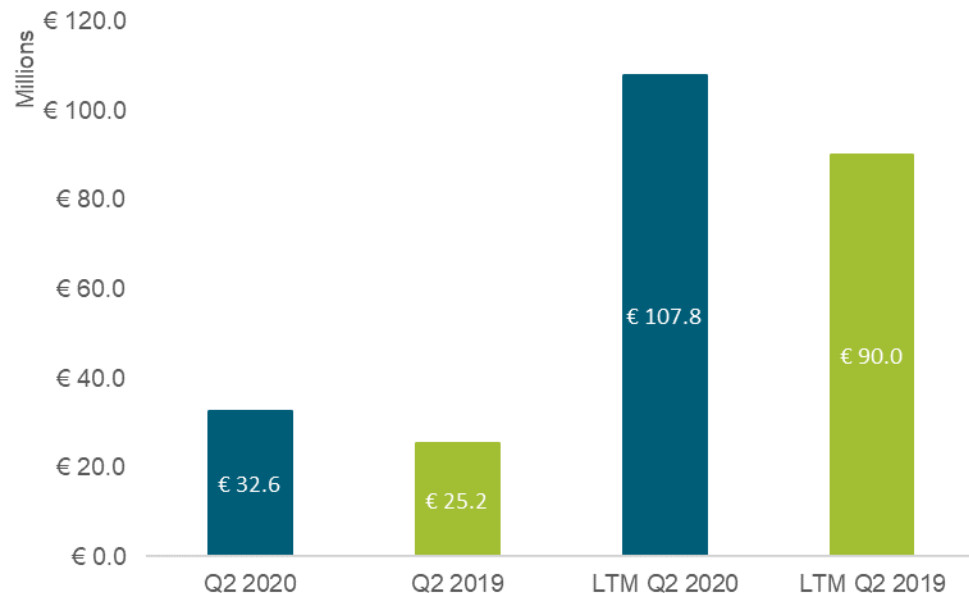
- Focus on SG&A and scalability
- Reduce material costs
- Optimise selling prices



Our Mission: Set the Industry Standard in Sustainable Packaging Solutions



New Product Sales



- New product sales increased 29% (€ 7.4m) in Q2 driven by a variety of products, including Beverage and Big 3
- LTM new product sales increased 20% (€ 17.8m), largely due to Big 3
- New products introduced in Q2:



MO Optishute



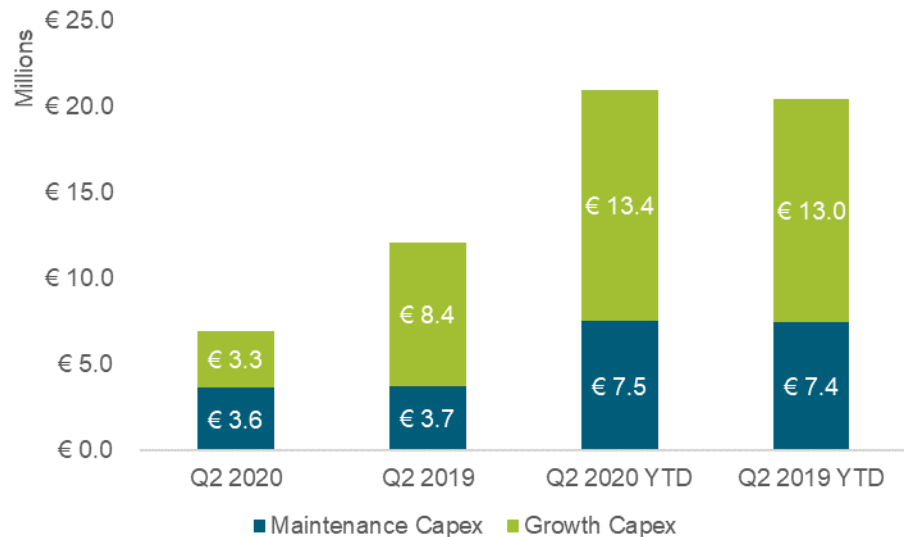
ChemiFlow



MaxiNest Evo



Capital Expenditure



- Growth capex of € 3.3m in Q2 2020 as projects initiated in 2019 are moving into final stages of execution
- Main growth investments were made in:
 - Expansion production facility € 1.5m
 - Rental fleet € 0.8m
 - New product development € 0.7m
 - Big 3 € 0.3m
- Maintenance capital expenditure in line with 2019





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Financial Results



Sales Performance Q2

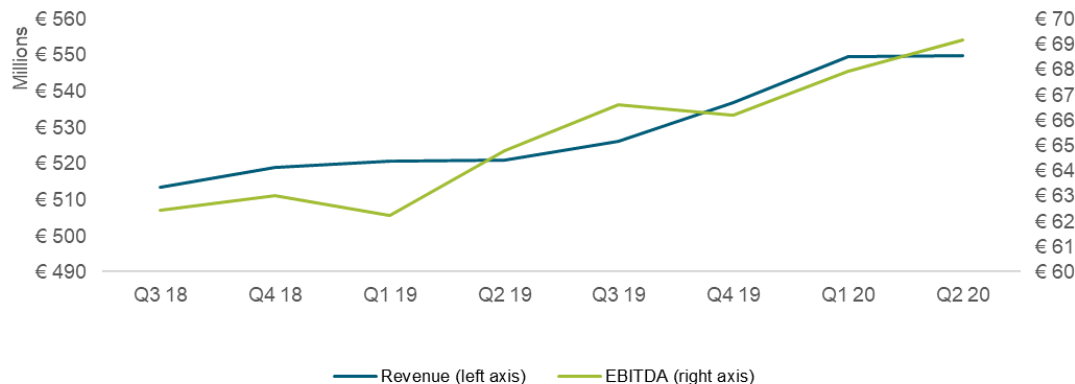
- Revenue stable versus Q2 2019 on a level of € 136m in a Covid-19 economic climate
- Sales growth in the pooling market continued in both Europe and US
- Retail and beverage markets were also showing growth versus last year
- European automotive market was heavily impacted by Covid-19 resulting in automotive plant closures for several weeks in Q2 that have further depressed this already weak sector, resulting in lower sales versus the same period last year
- Sales in agriculture market were down by 55% where last year's number was positively impacted by a large Combo Fructus order



Q2 2020 Financial Performance

in € million	Q2 2020	Q2 2019	Q2 2020 YTD	Q2 2019 YTD
Revenue	136.0	135.9	258.0	244.9
% growth y-o-y	0.1%	0.2%	5.3%	0.8%
EBITDA	19.6	18.0	31.7	28.7
% sales	14.4%	13.2%	12.3%	11.7%

12 Month's rolling Consolidated Revenue and EBITDA



- LTM Revenue stable at € 549.6m
- EBITDA improved 9% (€ 1.6m) driven by:
 - higher margins on new products
 - negative mix effect from lower margin products in pooling, beverage and retail
 - benefits of cost savings
- LTM EBITDA increased to € 69.2m (+ € 1.6m) or 2.4% versus Q1 2020



Cash Flow

in € million	Q2 2020	Q2 2019	Q2 2020 YTD	Q2 2019 YTD
Adjusted EBITDA	19.6	18.0	31.7	28.7
Change in Working Capital	-0.8	-8.6	-3.4	-21.8
Operating Cash Flow	18.8	9.4	28.3	6.9
Capital expenditures - Maintenance	-3.6	-3.7	-5.4	-7.4
Free Cash Flow	15.2	5.7	22.9	-0.5
Capital expenditures - Growth	-3.3	-8.4	-15.5	-13.0
Adjusted Free Cash Flow	11.9	-2.7	7.4	-13.5
Interest	-9.8	-10.0	-10.7	-11.1
Taxes	0.5	-0.2	0.2	0.0
New finance leases	2.2	0.0	2.2	3.1
Finance Lease repayments	-1.3	-1.0	-2.6	-2.0
Operating Lease repayments	-2.7	-2.4	-5.2	-5.1
Debt repayment and proceeds	2.1	-0.4	2.1	0.1
Recurring Net Cash Flow	3.0	-16.7	-6.6	-28.5
Swedish tax payment	0.0	0.0	0.0	-1.5
Adjusting items	-0.6	-1.5	-1.5	-2.2
Shareholder funding	0.0	0.0	0.0	7.6
Other/Related parties	0.6	-0.7	-0.2	-1.4
Net Cash Flow	3.0	-18.9	-8.2	-26.0

- Adjusted free cash flow improved €14.6m versus last year due to better working capital and capex discipline
- Net cash flow was positive in Q2 2020 and €21.9m better than last year



Debt and liquidity overview

in € million	Q2 2020	Q1 2020	FY 2019
6.375% Senior Secured Indebtedness	250.0	250.0	250.0
Finance Leases	23.0	22.2	23.7
IFRS 16 impact	23.7	26.1	28.3
Total lease obligation	46.7	48.3	52.1
Bank Loans	14.9	12.9	13.2
Total Debt	311.6	311.2	315.3
RCF Drawings (limit € 30m) ¹	17.0	17.0	5.1
Cash at bank and in hand	-30.1	-27.1	-26.8
Net Cash	-13.1	-10.1	-21.7
Total Net Debt	298.5	301.1	293.6
Leverage ratio	4.3x	4.4x	4.4x
Total Liquidity Headroom	98.8	95.9	107.0

- Long term stable senior debt structure in place
- Headroom of € 98.8m comprising of € 41.4m of cash at bank and RCF and € 57.4m under the Brookfield facility
- Leverage ratio improved to 4.3x
- Non-recourse factoring was at € 51.3m for Q2 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

- Limited number of infections
- Employees mainly working from home, partly returning to offices where safe and sensible
- Physical distancing and hygiene measures in place for all locations

Current situation

- All of our factories are operating, some are affected by lower volumes, operating less shifts
- The order book for Q3 is below last year partly due to the challenging sales environment

Mitigating Actions

- Contingency plans for all locations remain in place
- Covid-19 impact and mitigating actions are continuously being assessed and updated
- Focus is on cash preservation - cost avoidance, delay / reduce capex, lower working capital



Conclusion And Current Trading Update

- Stable revenue and 8.9% EBITDA improvement versus Q2 2019
- Positive Operating Cash Flow of € 18.8m in Q2 2020
- Order book for Q3 2020 currently below Q3 2019
- 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

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	Q2 2020	Q2 2019	Q2 2020 YTD	Q2 2019 YTD
Operating result	9.1	8.8	11.3	8.6
Depreciation	8.7	6.9	16.9	16.3
Amortisation	0.4	0.5	0.9	0.9
Management Fees	0.8	0.4	1.1	0.8
Adjusting Items	0.6	1.4	1.5	2.1
Adjusted EBITDA	19.6	18.0	31.7	28.7

