



Schoeller Allibert

Investor Presentation Q4 2019

16th April 2020

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1. Introduction





Ludo Gielen
CEO



Hans Kerkhoven
CFO

Schoeller Allibert at a Glance

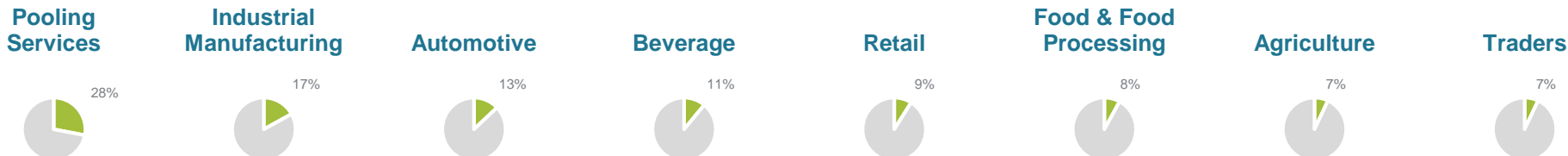
Business Overview

- ~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



Revenue Diversification By End-Market²



Source: company information
² based on 2019 revenue information, excludes rental business and activities by Schoeller Allibert International GmbH



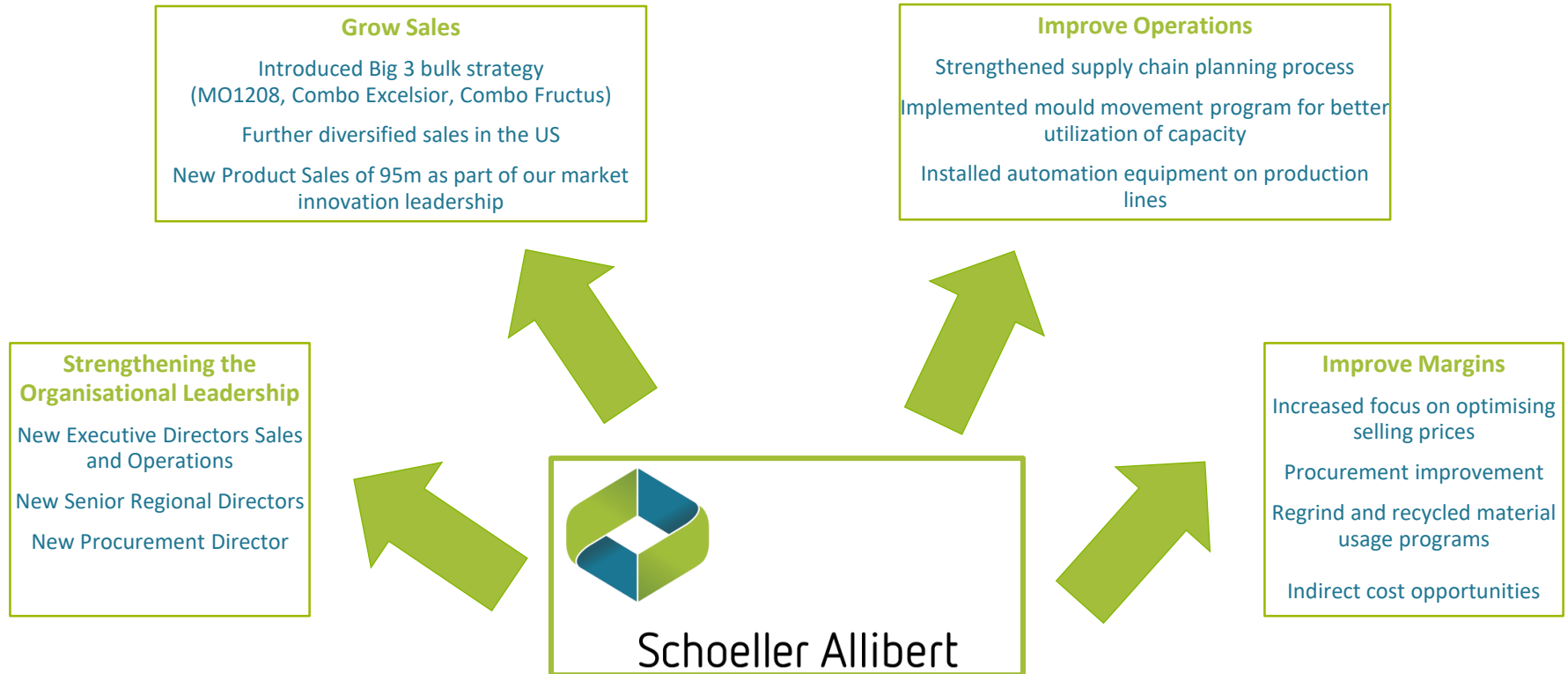


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2. 2019 Achievements

2019 STRATEGIC ACHIEVEMENTS



2019 FINANCIAL ACHIEVEMENTS

Revenue growth driven by Big 3 innovation and improved IFCO sales

- Q4 2019 Highlights
 - Revenue of EUR 155.2m, +7.4% vs LY
 - EBITDA of EUR 19.8m, -2% vs LY
 - Operating Cash Flow of EUR 22.6m
- FY 2019 Highlights
 - Revenue of EUR 536.6m, +3.4% vs LY
 - EBITDA of EUR 66.2m, +4.9% vs LY*
 - EBITDA margin remained stable at 12.3%
 - Operating Cash Flow of EUR 56,7m
 - Capital Expenditure of EUR 45,3m
 - Leverage ratio at 4.4x

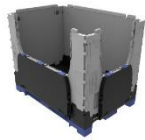
* After adjusting 2018 EBITDA for the effect of IFRS 16: EUR 10.9m (FY 2018) / EUR 2.7m (Q4 2018)



New Product Development – The Big 3 – Continued Growth Of Big 3

Big 3 Product Range

Magnum
optimum
1208



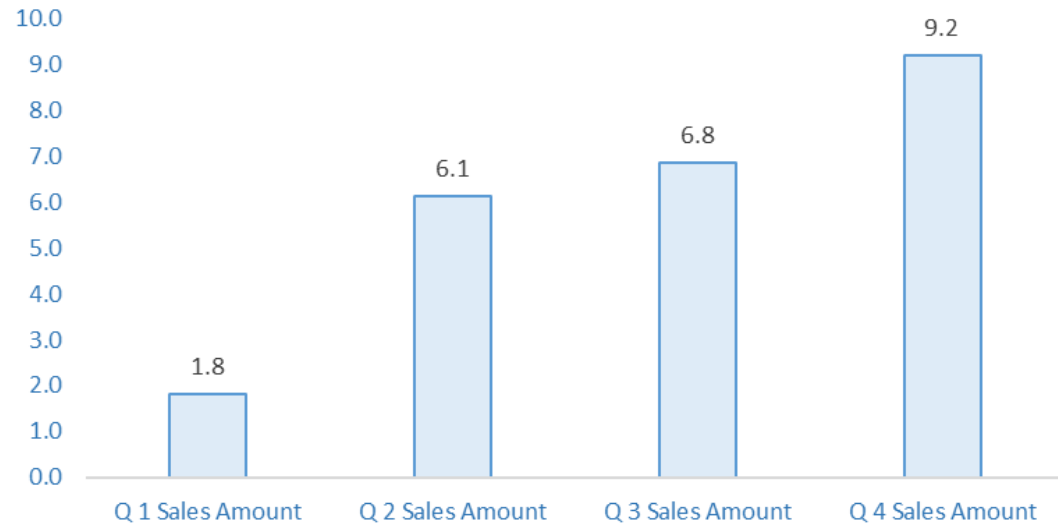
Combo
Fructus

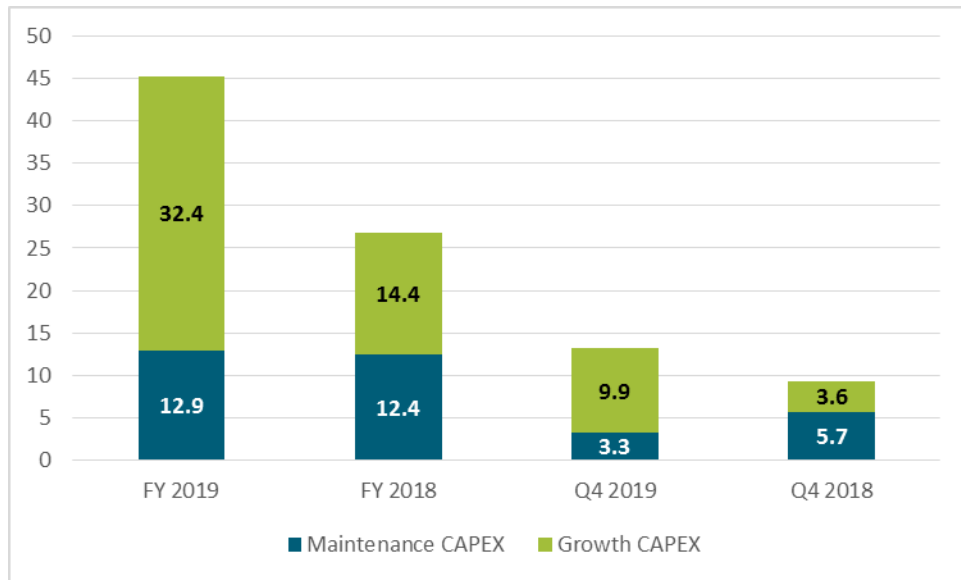


Combo
Excelsior



Actual big3 sales amounts (in € millions)





- Substantial investment in Growth CAPEX (Innovations) to support future growth, amongst others investments in:
 - Big 3 product range (moulds and production equipment)
 - Other bulk range products (pallets / nestable big box)
 - Several new beverage projects
- Maintenance capital expenditure in line with 2018





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3. Financial Results



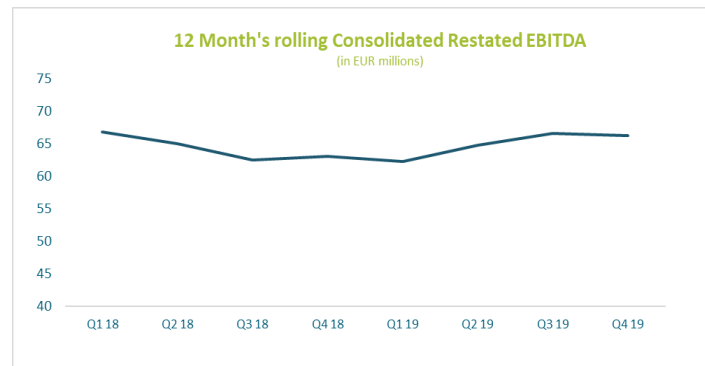
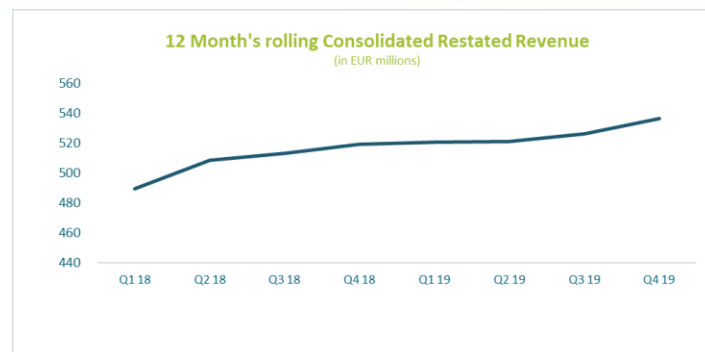
Sales Performance Q4

- Revenue growth of 7.4%
- Both European and US pooling revenues were stronger in Q4 compared to the same period last year, which is a continuation of the growth in pooling revenues
- Continued strong non-pooling revenues in the US
- Beverage sales were down in Q4 compared to the same period last year as the large beverage project with Warsteiner last year was not fully compensated with new beverage projects in the current year
- We see a continued weak European automotive market resulting in lower automotive sales versus prior year



Financial Performance

in EUR million	Q4 2019	Q4 2018 Restated ⁽¹⁾	Q4 2018 Reported	Q4 2019 YTD	Q4 2018 YTD Restated ⁽¹⁾	Q4 2018 YTD Reported
Revenue	155.2	144.5	144.5	536.6	519.1	519.1
% growth y-o-y	7.4%		3.9%	3.4%		5.3%
EBITDA	19.8	20.2	17.5	66.2	63.0	52.2
% sales	12.8%	14.0%	12.1%	12.3%	12.1%	10.1%



- Q4 EBITDA slightly under last year due to:
 - Mix effect from:
 - lower margin products with volume increase of beverage, pooling and stack nest containers
 - higher margin contributions from New Products
 - Some higher operating expenses during process automation of Innovations
- LTM revenue continued to grow to €537m (3.4% growth).
- LTM EBITDA at €66.2m (-€0.4m versus Q3 2019)

(1) Q4 2018 EBITDA was restated by € 2.7m (YTD € 10.8m) in line with IFRS 16 adjustments



Cash Flow

in EUR million	Q4 2019	Q4 2018 Restated	Q4 2018	Q4 2019 YTD	Q4 2018 YTD Restated	Q4 2018 YTD
Adjusted EBITDA	19.8	20.2	17.5	66.2	63.1	52.2
Change in Working Capital	2.8	9.1	9.1	(9.5)	(3.9)	(3.9)
Operating Cash Flow	22.6	29.3	26.6	56.7	59.2	48.3
Taxes	(0.6)	(0.6)	(0.6)	(0.4)	(3.1)	(3.1)
Net capital expenditures	(11.2)	(7.7)	(7.7)	(34.4)	(18.9)	(18.9)
Other	0.2	-	-	0.7	0.2	0.2
Free Cash Flow	11.0	21.0	18.3	22.6	37.4	26.5
% of EBITDA	55.5%	104.0%	104.6%	34.1%	59.3%	50.8%
Investment in Moulds for Future Growth	(2.3)	(0.6)	(0.6)	(9.1)	(5.5)	(5.5)
Adjusted Free Cash Flow	8.7	20.4	17.7	13.5	31.9	21.0
% of EBITDA	44.2%	101.0%	101.1%	20.5%	50.6%	40.2%
Interest	(9.4)	(9.8)	(9.8)	(22.0)	(21.6)	(21.6)
Breakthrough projects	(0.2)	(1.0)	(1.0)	(1.9)	(2.2)	(2.2)
New finance leases	0.9	2.1	2.1	6.6	5.6	5.6
Lease repayments	(5.1)	(3.6)	(0.9)	(16.0)	(14.9)	(4.0)
Debt repayment and proceeds	10.9	(0.2)	(0.2)	10.4	(2.7)	(2.7)
Other	(2.1)	(0.5)	(0.5)	(4.3)	(1.4)	(1.4)
Recurring Net Cash Flow	3.7	7.4	7.4	(13.7)	(5.3)	(5.3)
Swedish tax payment	-	(1.5)	(1.5)	(4.5)	(5.9)	(5.9)
Adjusting items	(1.5)	(1.5)	(1.5)	(4.9)	(3.6)	(3.6)
Refinancing	28.2	-	-	28.2	-	-
JPM Exit Costs	-	-	-	-	(10.2)	(10.2)
Other/Related parties	(0.6)	(0.2)	(0.2)	6.1	(0.8)	(0.8)
Net Cash Flow	29.9	4.2	4.2	11.3	(25.8)	(25.8)

- Operating Cash Flow of EUR 56.7m driven by EBITDA and working capital investment in Big 3 Innovation inventory of EUR 6m
- Growth CAPEX of EUR 32.4m driving future growth (EUR 7.5m funded by shareholders).
- Historic Swedish tax payments were completed in Q3 2019
- Interest costs are expected to decrease by EUR 3m in 2020 following refinancing



Debt and liquidity overview

in EUR million	Q4 2019	Q3 2019	FY 2018 Restated	FY 2018 Reported
6.375% Senior Secured Indebtedness due 1 Nov. 2024	250.0	209.8	209.8	209.8
Finance Leases	23.7	22.2	19.9	19.9
IFRS 16 impact	28.3	28.9	34.5	0.0
Total lease obligation	52.1	51.1	54.4	19.9
Bank Loans	13.2	7.2	5.8	5.8
Total Debt	315.3	268.1	270.0	235.5
RCF Drawings (limit EUR 30m)	5.1	17.9	8.3	8.3
Cash at bank and in hand	-26.8	-8.1	-16.9	-16.9
Net cash	(21.7)	9.8	(8.6)	(8.6)
Total Net Debt	293.6	278.0	261.4	226.9
Leverage ratio	4.4x	4.2x	4.1x	4.3x
Total Liquidity Headroom	109.0	75.5	30.4	30.4

- Long term stable senior debt structure now in place
- Leverage ratio at the end of 2019 is 4.4x
- Headroom improved versus 2018 to €109m comprising of EUR 52m company liquidity and EUR 57m under the Brookfield facility
- The RCF has been drawn in March 2020 and the cash has been kept on the Balance Sheet and has currently not been used



Protecting our people and customers:

- 1 person has been infected; several people had to stay home due to symptoms
- People working from home where feasible and work with our customers on the phone
- Protection measures in place for all people

Current situation:

- All our factories are operating, with some operational issues due to absent people, some changed shifts
- Order-book stable although some requests for delays of orders; we expect a decline in Order Intake
- Business is positively positioned in certain essential sectors (i.e. food & beverage, retail, logistics)

Mitigating Actions:

- Certain Covid-19 scenario's 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, reduce CAPEX, Government support and loan programs, Tax deferrals, Inventory reductions



- 2019 has shown growth of 3.4% and an EBITDA improvement of 4,9%
- Substantial CAPEX investments in Innovation during 2019
- Q1 2020 will show improved underlying revenue growth and EBITDA performance versus Q1 2019.
- Covid-19 Scenario analysis has been performed and mitigating actions are being implemented





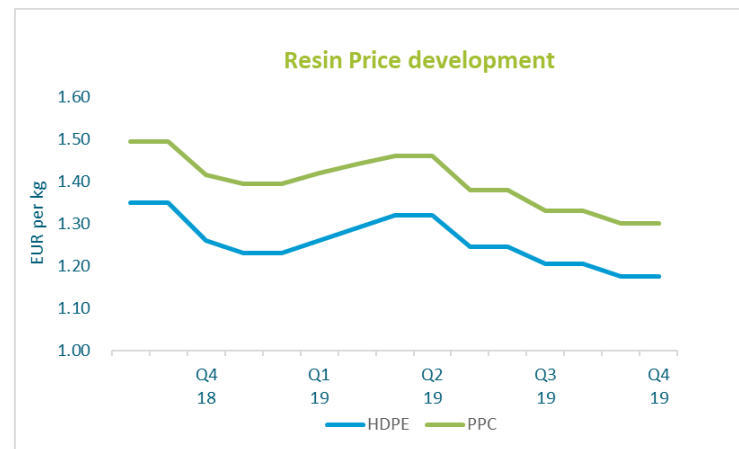
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Q&A

Appendix: Financial Performance – FX And Resin

At constant FX rates:

in EUR million	Q4 2019	Q4 2018 Restated (1)	Q4 2018 Reported	Q4 2019 YTD	Q4 2018 YTD Restated (1)	Q4 2018 YTD Reported
Revenue	154.0	144.5	144.5	533.6	519.1	519.1
% growth y-o-y	6.6%		6.8%	2.8%		5.3%
EBITDA	19.7	20.2	17.5	66.1	63.0	52.2
% sales	12.8%	14.0%	12.1%	12.4%	12.1%	10.1%



- No significant FX impact in the quarter
- Resin prices decreased in Q4 and are also lower than Q4 2019. We see no significant impact in the results.



Appendix: Capex Summary

in EUR million	Q4 2019	Q4 2018	Q4 2019 YTD	Q4 2018 YTD
Maintenance Capex	3.3	5.7	12.9	12.4
Operations Maintenance	3.3	2.3	8.6	6.3
IMM Replacement	-	3.4	4.3	6.1
Growth Capex	9.9	3.6	32.4	14.4
Operations Expansion	4.1	0.3	11.7	1.3
Breakthrough projects	0.2	1.1	1.8	2.3
Moulds for Sales Initiatives	2.2	0.6	9.0	5.6
Pooling Expenditures	0.3	-	0.4	0.4
Other	3.0	1.6	9.4	4.8
Total Capital Expenditures	13.2	9.3	45.3	26.8



Appendix: Operating Result To Adjusted EBITDA Bridge

in EUR million	Q4 2019	Q4 2018 Restated	Q4 2018 Reported	Q4 2019 YTD	Q4 2018 YTD Restated	Q4 2018 YTD Reported
Operating result	9.3	6.7	6.7	24.9	19.4	19.4
Depreciation	8.1	8.1	5.4	33.0	30.6	19.8
Amortisation	0.5	0.5	0.5	1.9	1.6	1.6
Management Fees	0.4	0.5	0.5	1.5	1.2	1.2
Other	-	(0.1)	(0.1)	-	-	-
Adjusting Items						
Restructuring	1.3	2.5	2.5	4.3	6.7	6.7
JP Morgan exit	-	-	-	-	1.1	1.1
Commercial settlements	-	2.1	2.1	-	2.1	2.1
Refinancing	-	-	-	0.4	-	-
Litigation & claims	0.2	-	-	0.2	0.2	0.2
Adjusted EBITDA	19.8	20.2	17.5	66.2	63.0	52.2



- After a successful Roadshow with closing on October 25, 2019 we completed an early refinancing of the company
- **Transaction:**
 - Renewal of €30 million Super Senior Secured Revolving Credit Facilities due 2024
 - Issuance of €250 million 6.375% Senior Secured Notes due 2024
- **As a result:**
 - Increased headroom available to the Group by €29.2m
 - Extended repayment date of debt from 2021 to 2024
 - Reduced interest rate from 8.0% to 6.375%
 - Credit ratings confirmed by S&P (B), Fitch (B), Moody's (B2)

