



Schoeller Allibert

INVESTOR PRESENTATION Q2 2022

11 August 2022

OUR TURN TO TRANSFORM

The world of smart logistics



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TODAY'S PRESENTERS



Henrik Akerson
CEO



Hans Kerkhoven
CFO

DIVERSIFIED AND **RESILIENT** BUSINESS

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



HANDHELD



FOLDABLE SMALL



STACK



STACK/NEST



DOLLIES



BEVERAGE



PAIS

BULK



FOLDABLE LARGE



RIDGED PALLET CONTAINER



PLASTIC PALLET



INTERMEDIATE BULK



ROTOMOULDING

HIGHLIGHTS 2022

REVENUE INCREASE AS RESULT OF PRICE INCREASES EBITDA INCREASE FROM PRICE, MIX AND RENTAL

SALES PERFORMANCE

- Q2 2022 Revenue of €166.3m, + €23.6m (+16.5%) above Q2 2021 Revenue, driven by net impact of raw material and energy price increases and lower volume
- Rental business continues to perform well
- Price increases effectuated and contractual clauses in place to pass on raw material and energy prices

EBITDA DEVELOPMENT

- Q2 2022 EBITDA €17.6m, +€1.6m (+9.7%) above Q2 2021 EBITDA of €16.1m
- Q2 2022 EBITDA margin was 10.6% of Revenue (Q2 2021: 11.3%), as EBITDA increased, but revenue increased more to compensate for the resin and energy cost developments. EBITDA margin increased 1.3%-point compared to Q1 2022

CASH FLOW

- Q2 2022 Adjusted free cash flow of -€12.8m, €13.6m below Q2 2021 and Net Cash Flow of -€20.7m for Q2 2022
- Adjusted free cash flow declined due to higher investments in working capital caused by price increases and supply chain distortions

BUSINESS ENVIRONMENT

- Resin prices increased 11-20% further in Q2 2022; decreases started in May with further declines in June and July
- Inflation of other input costs and lower production volumes had negative impact on our production result
- Limited direct exposure to Russia and Ukraine; substantial indirect effect of higher inflation reducing demand of our products
- Direct consequences of Covid-19 are under control



COMMERCIAL AND OPERATIONAL FOCUS WILL LET US SUCCESSFULLY NAVIGATE THROUGH CURRENT ECONOMIC ENVIRONMENT

CONTINUE TO FOSTER COMMERCIAL & OPERATIONAL EXCELLENCE CULTURE

- Offer **sales and rental possibilities** to customers, depending on their needs, improving the ROI for both parties
- **Increase sales prices** when and where possible, protecting our competitive positions, optimizing pass-through of input cost price increases
- Improve leverage on our **procurement** skills and network
- Further implementation of **automation** to replace manual work, especially on Big X assembly
- Leverage on existing **Lean** programs to improve business processes and implement new initiatives identified over the course of the last 12 months
- Improve **LOTIF** for all production sites

OPTIMIZE RETURNS ON WORKING CAPITAL

- **Raw Material reduction** by DOI reduction for virgin material, delivered through planning guidelines and continuous management
- **Other inventory reduction** by MTO / MTS management and manage customer orders
- Implementation of **creditor days harmonization** for majority of suppliers
- Ensure immediate **invoicing** during the month, reviewing existing agreements with customers
- Further optimize **factoring usage** on receivables

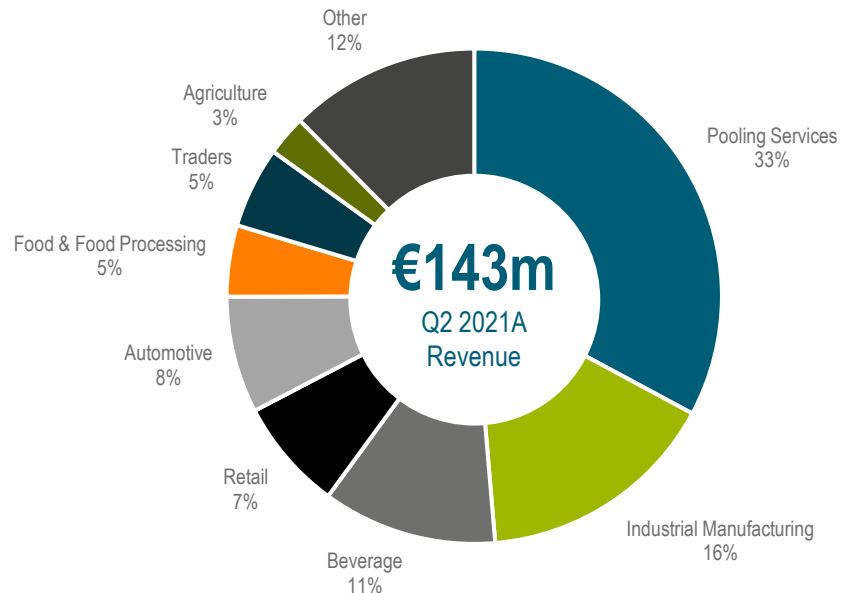
MARKETS AND SEGMENTS

DEVELOPMENTS

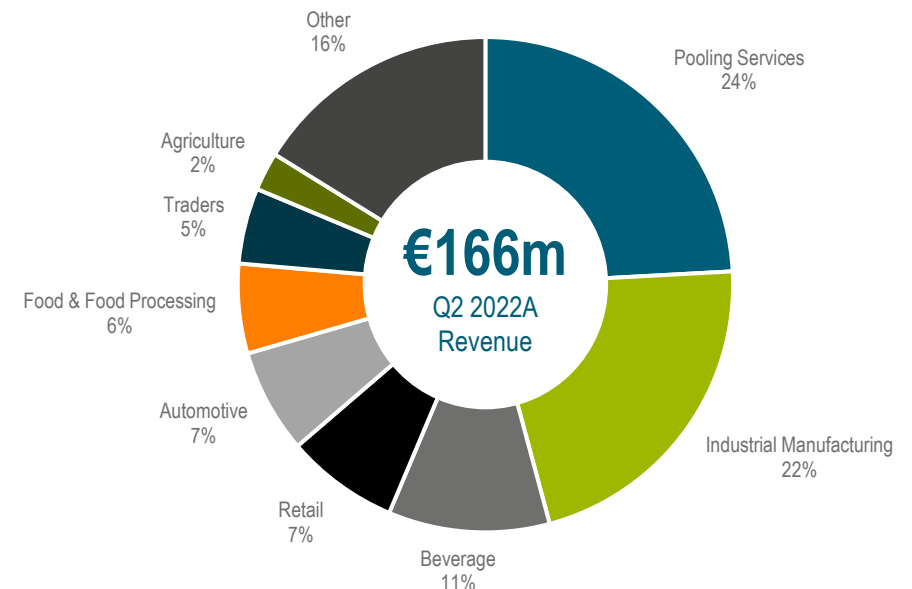
- In general, revenues increased as a result of higher price levels to compensate for input cost increases
- Strong performance in revenues from System Integrators (automated warehouse constructors) as a result of increased demand, reported in Industrial Manufacturing market
- Revenue excluding pooling increased by 32%; pooling revenue decreased related to lower demand in the market

MARKET REVENUE SHARES

% Sales per Market



% Sales per Market



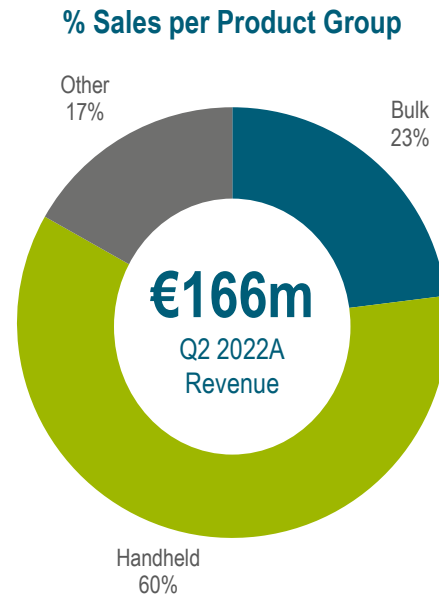
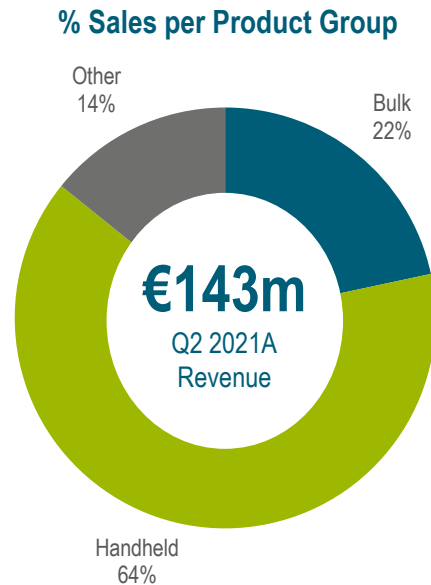


PRODUCTS

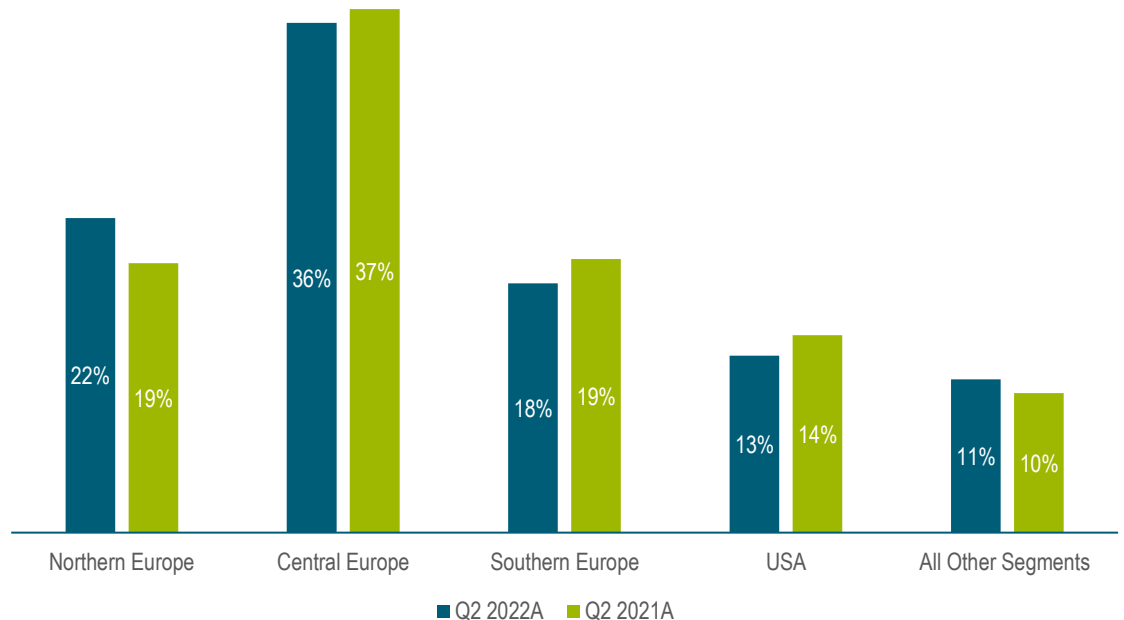
DEVELOPMENTS

- Handheld share decreased due to lower Pooling and Beverage volumes partly offset by higher System Integrator sales and other handheld sales, mainly in UK, as a result of restored availability of PPC compared to Q2 2021
- Bulk revenues in line with last year with good performance in FLC and Pallet sales, despite growth in rental
- Other revenue share increased in our International segment, increased freight charges to customers and rental

PRODUCT GROUP REVENUE SHARES



OPERATING SEGMENT REVENUE



FINANCIAL RESULTS

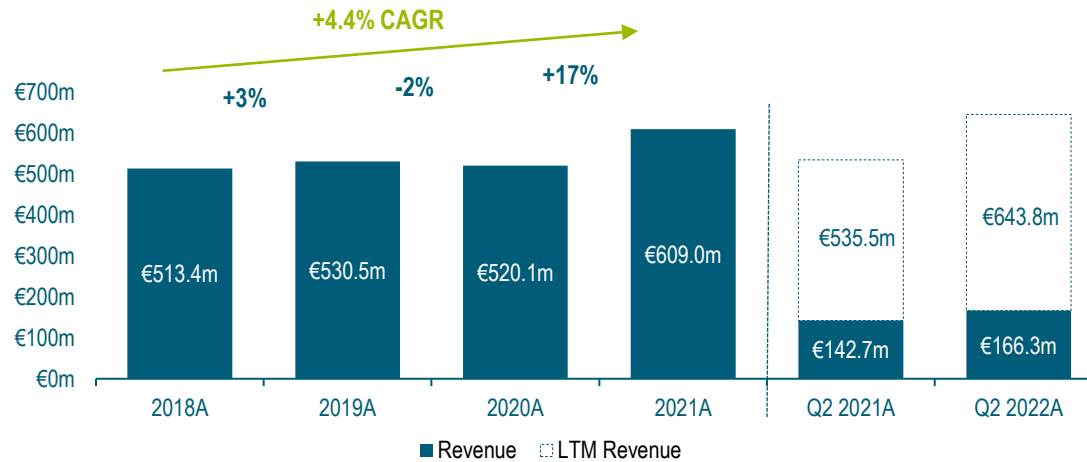




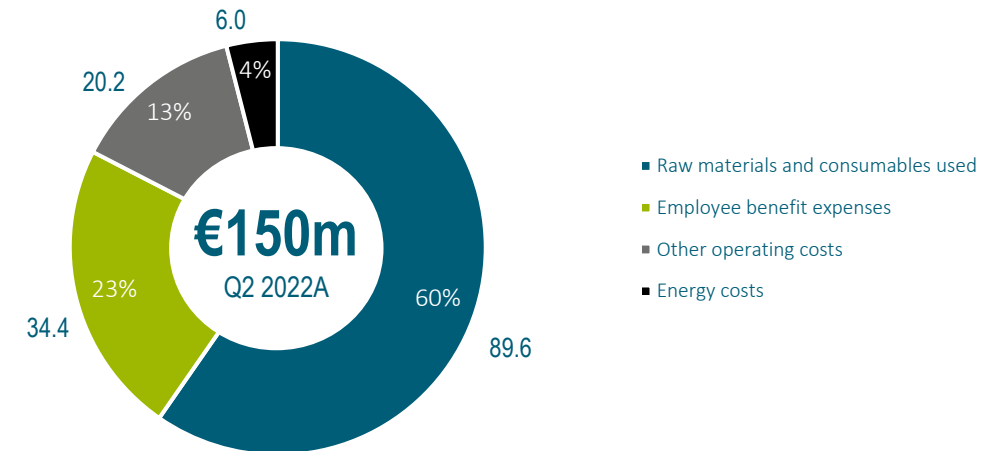
REVENUE AND ADJUSTED EBITDA DEVELOPMENT

PRICE INCREASES COMPENSATED RAW MATERIAL AND ENERGY PRICE INFLATION, EBITDA INCREASE FROM PRICE, MIX AND RENTAL, OFFSET BY LOWER VOLUMES

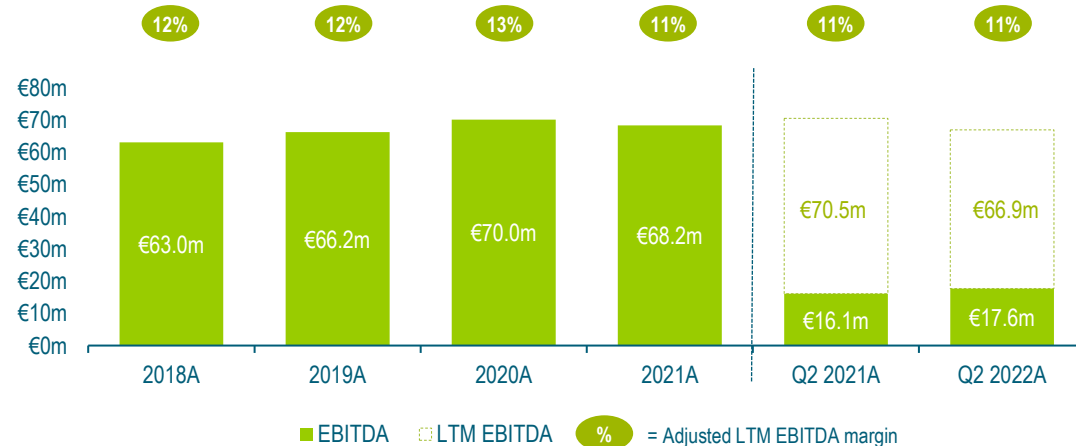
REVENUE



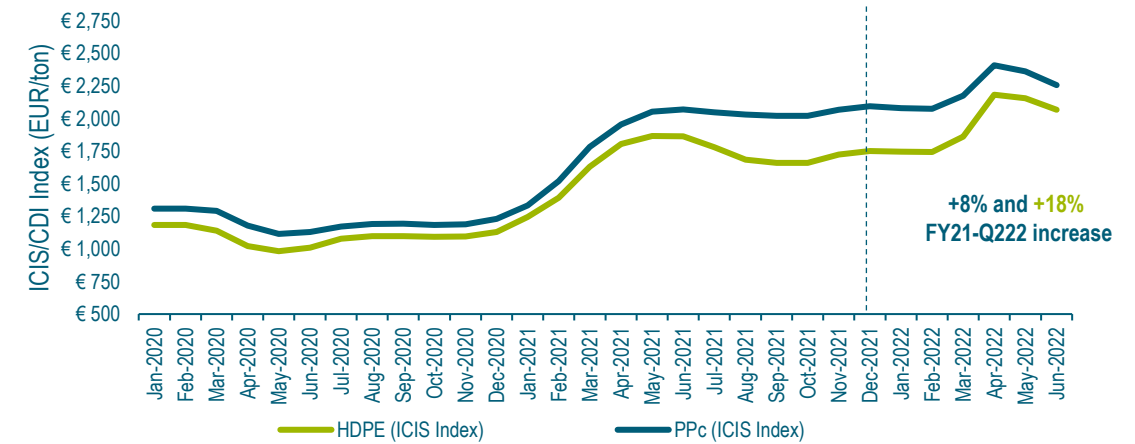
TOTAL COST BREAKDOWN



EBITDA



RAW MATERIAL MARKET PRICE DEVELOPMENT



PROFIT & LOSS

COMMENTARY

- **Revenue** for Q2 2022 increased to €166.3m (+16.5%) compared to Q2 2021 as a result of price increases to our customers and lower volume
- **Raw materials and consumables used** increased to €89.6m (+21.4%) for Q2 2022 as a result of price increases for raw material costs variances
- **Costs of subcontracting** increased to €1.2m (+50.0%) for Q2 2022
- **Employee benefit expense** increased to €34.4m (+5.8%) for Q2 2022 related to inflation of labor costs, manual assembly activities and a different product mix
- **Other operating costs** increased to €25.0m (+22.0%) for Q2 2022 due to higher energy and freight costs
- **Depreciation increased** to €10.4m (+13.0%) as a result of higher capex in 2021, mainly for growth purposes
- **Amortization increased** to €1.1m (+95.3%) for Q2 2022 as a result of investments in IT software last year
- **Adjusting items** increased to €1.6m (+33.3%) for Q2 2022
- **Adjusted EBITDA** increased to €17.6m (+9.7%) for Q2 2022 as a result of price increases and increased share of rental deliveries

€m	Q2 2022	Q2 2021	Q2 2022 YTD	Q2 2021 YTD	% Change
Revenue	166.3	142.7	305.8	271.0	12.8%
Other Income	-0.1	-0.2	0.1	-0.2	
Total Revenue	166.2	142.5	305.9	270.9	12.9%
Raw materials and consumables used	-89.6	-73.8	-151.7	-131.4	15.5%
Costs for subcontracting	-1.2	-0.8	-3.5	-2.0	71.9%
Employee benefit expense	-34.4	-32.5	-70.3	-66.3	5.9%
Other operating costs	-25.0	-20.5	-52.0	-41.8	24.6%
Depreciation expense	-10.4	-9.2	-20.6	-18.3	13.0%
Amortization expense	-1.1	-0.5	-1.9	-1.0	95.3%
Operating result	4.6	5.2	5.9	10.2	-41.8%
<i>% margin</i>	<i>2.7%</i>	<i>3.6%</i>	<i>1.9%</i>	<i>3.7%</i>	
Depreciation expense	10.4	9.2	20.6	18.3	13.0%
Amortization expense	1.1	0.5	1.9	1.0	95.3%
Adjusting items	1.6	1.2	2.2	2.6	-17.8%
Adjusted EBITDA	17.6	16.1	30.6	32.1	-4.4%

CASH FLOW

COMMENTARY

- Q2 2022 Operating Cash Flow decreased to -€5.8m due to an increase in working capital, mainly due to higher value of receivables and lower payables
- Q2 2022 Adjusted Free Cash Flow decreased to -€12.8m, -€13.6m below Q2 2021 as working capital increased
- Brookfield contributed €10m to support further rental growth and mitigate substantial working capital swing

€m	Q2 2022	Q2 2021	Q2 2022 YTD	Q2 2021 YTD
Adjusted EBITDA	17.6	16.1	30.7	32.1
Change in Net Working Capital	-23.4	-4.9	-38.2	-9.8
Operating Cash Flow	-5.8	11.1	-7.5	22.3
Operating CF as % of EBITDA	-33%	69%	-24%	70%
Capital expenditures - Maintenance	-2.1	-4.9	-4.4	-11.0
Free Cash Flow	-7.9	6.2	-11.9	11.3
Capital expenditures - Growth	-5.0	-5.4	-18.3	-9.7
Adjusted Free Cash Flow	-12.8	0.8	-30.2	1.6
Adj. FCF as % of EBITDA	-73%	5%	-99%	5%
Interest	-8.9	-9.1	-9.8	-10.2
Taxes	-0.4	-0.7	-1.0	-1.1
New finance leases	0.0	0.1	4.0	0.2
Finance Lease repayments	-1.6	-1.4	-4.1	-2.8
Operating Lease repayments	-3.1	-2.9	-6.1	-5.8
Debt repayment and proceeds	-0.7	-0.4	-1.0	-0.8
Recurring Net Cash Flow	-27.5	-13.6	-48.2	-18.9
Adjusting items	-1.6	-1.2	-2.2	-2.6
Shareholder funding	10.0	0.0	10.0	0.0
Other/Related parties	-1.6	-0.9	-3.4	-1.7
Net Cash Flow	-20.7	-15.7	-43.8	-23.2

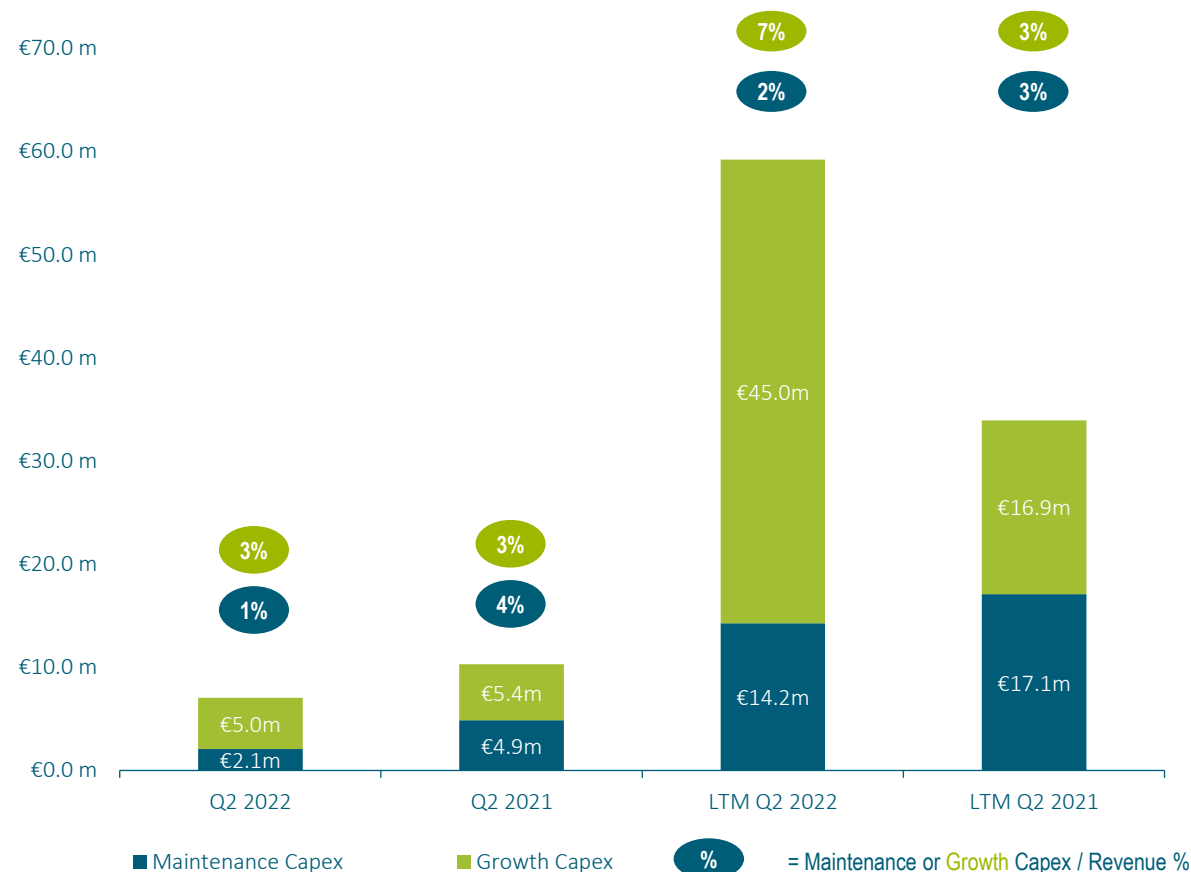
CAPEX DEEP DIVE

GROWTH CAPEX REMAINED STABLE AT 3% OF REVENUE, WITH LTM GROWTH CAPEX FUNDED BY SHAREHOLDERS IN Q4 21

COMMENTARY

- Q2 2022 Growth capex was €5.0m, -€0.4m compared to Q2 2021 and contains manufacturing and rental growth capex
- Q2 2022 Maintenance capex was €2.1m, -€2.8m compared to Q2 2021 mainly driven by lower expenses on operational maintenance execution. Maintenance capex as % of revenue decreased to 1%
- LTM Q2 2022 Capex increased to 9% of revenue, mainly as we continued investing in growth capex in 2022, of which €25.0m was funded by the shareholders in Q4 2021

CAPEX EVOLUTION



DEBT AND LIQUIDITY

TOTAL DEBT DECREASED TO ~€314M

COMMENTARY

- **Stable senior debt structure** in place, matures in 2024
- **Total Debt** decreased to €313.9m as our lease obligations decreases €3.5m
- **Headroom** stood at €66.3m with €14.2m of cash at bank, €7.7m in available RCF and €44.4m under the Brookfield facility
- **Leverage ratio** increased to 4.8x as cash at bank decreased to €14.2m
- **Non-recourse factoring** was at €62.3m for Q2 2022 versus €54.9m for Q2 2021

€m	Q2 2022	Q1 2022	2021 FY
6.375% Senior Secured Indebtedness	250.0	250.0	250.0
Finance Leases	17.4	18.9	17.3
IFRS 16 impact	26.1	28.1	29.2
Total lease obligation	43.6	47.1	46.5
Bank Loans	20.3	20.9	21.2
Total Debt	313.9	317.9	317.7
RCF Drawings (limit € 30m) ¹	19.1	-	-
Cash at bank and in hand	-14.2	-15.2	-38.7
Net Cash	4.9	-15.2	-38.7
Total Net Debt	318.8	302.8	279.1
Leverage ratio	4.8x	4.6x	4.1x
Total Liquidity Headroom	66.3	96.7	120.4

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

CONCLUSION & OUTLOOK





CONCLUSION & CURRENT TRADING

- Q2 2022 **Revenue** increased to €166.3m (+16.5%) and Q2 2022 **EBITDA** increased to €17.6m (+9.7%) compared to Q2 2021
- Q2 2022 **Adjusted free cash flow** decreased to -€12.8m, -€13.6m below Q2 2021
- **Resin and energy prices** have increased further until May 2022 because of Ukrainian crisis and the spike in oil prices. We have seen further declines in resin prices in June and July
- **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
 - Order book is affected by some customers delaying orders as they anticipate resin prices and other input costs to revert to lower levels
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 new and commenced deals
- We expect to recover part of the increased **working capital** over the course of the coming months

Q&A

Globally present

#1 Producer & Supplier of
returnable plastic packaging

20% EU market share

