



Schoeller Allibert

Investor Presentation Q3 2020

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Introduction



Today's Presenters



Ludo Gielen
CEO



Hans Kerkhoven
CFO





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Q3 Highlights

Highlights Q3 2020

Sales Performance

- Revenue of € 126.0m, - € 10.5m below Q3 LY within a challenging economic environment

EBITDA Development

- EBITDA of € 16.4m, - € 1.3m versus Q3 LY
- EBITDA margin stable over Q2 and Q3
- LTM EBITDA € 67.9m still ahead of Q4 2019 LTM EBITDA at € 66.2m

Cash flow

- Adjusted free cash flow € 7.3m, - € 7.9m below Q3 LY and positive Net Cash Flow for Q3 2020

Covid-19 Impact

- Within the global economic downturn caused by the Covid-19 outbreak, our results showed resilience
- Our factories are currently operating well, with a limited number of Covid cases
- Order book end of Q3 2020 was behind end Q4 2019 and end Q2 2020



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

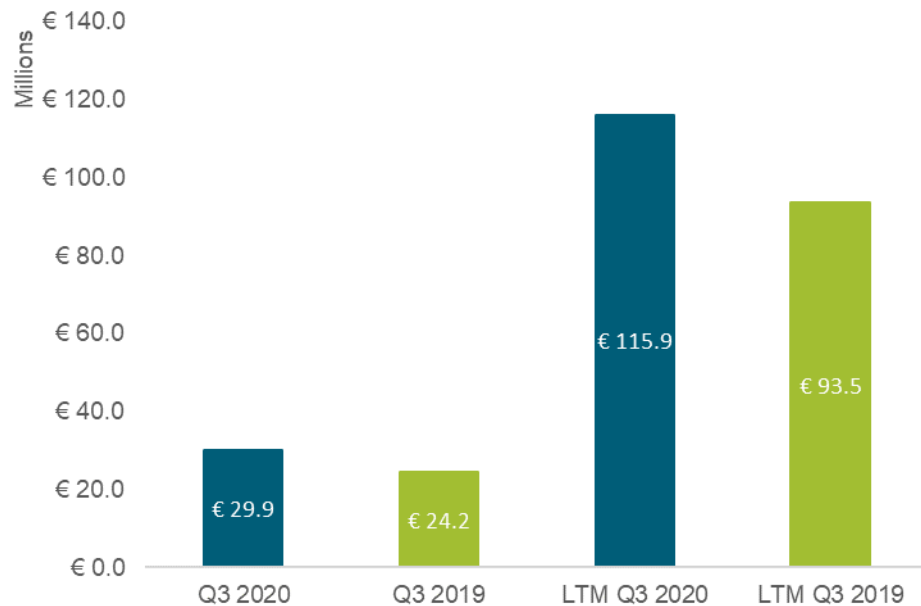
- Focus on SG&A and scalability
- Reduce material costs
- Optimise selling prices



Our Mission: Set the Industry Standard in Sustainable Packaging Solutions



New Product Sales



- New product sales increased € 5.7m (+24%) in Q3 driven by a variety of products, including Beverage and Big 3
- LTM new product sales increased € 22.4m (+25%), largely due to Big 3
- New product introduced in Q3:

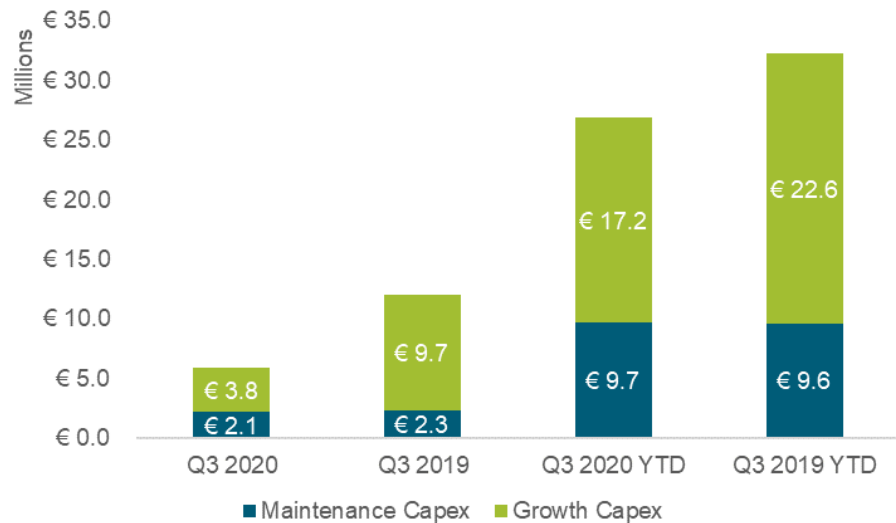


SASI Tote

- Automatic Warehouse Container
- Versatile product leveraging rise of consumer web purchases
- Wider, noise reduction base
- Used in variety of industries
- Available in different sizes and heights
- Customizable



Capital Expenditure



- Growth capex of € 3.8m in Q3 2020 as we prioritized projects with the best returns
- Main growth investments were made in:
 - Expansion production facility € 1.6m
 - Rental fleet € 1.2m
 - Automation projects € 0.5m
 - New Product Development € 0.2m
- Maintenance capital expenditure in line with 2019





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Financial Results

Sales Performance Q3

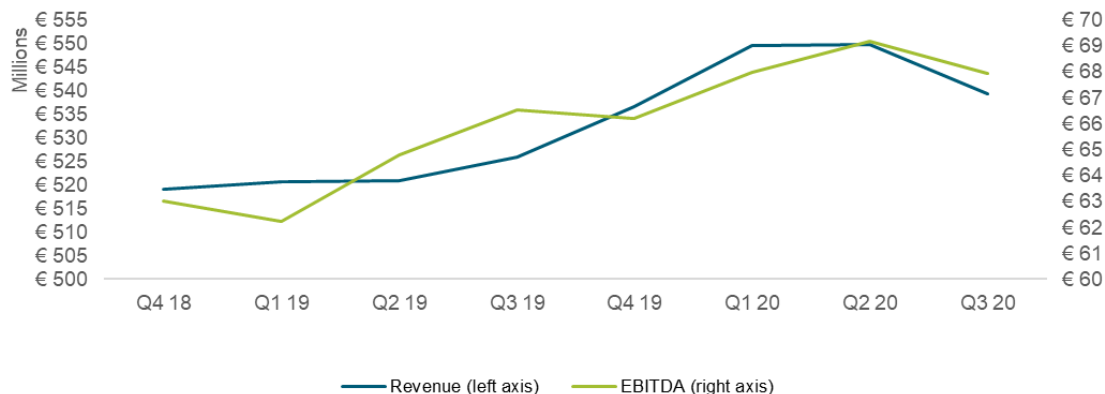
- Revenue decreased by € 10.5m versus Q3 2019 to € 126m in a Covid-19 economic climate
 - Growth in the beverage (Europe) and pooling market (US) continued
 - Our European automotive sales were still heavily impacted by Covid-19, where automotive factories are back in operation but with reduced output
 - Our other segments showed smaller declines; overall business quite resilient
 - Declines in Europe and growth in USA



Q3 2020 Financial Performance

in € million	Q3 2020	Q3 2019	Q3 2020 YTD	Q3 2019 YTD
Revenue	126.0	136.5	384.0	381.4
% growth y-o-y	-7.7%	3.9%	0.7%	1.9%
EBITDA	16.4	17.7	48.1	46.4
% sales	13.0%	13.0%	12.5%	12.2%

12 Month's rolling Consolidated Revenue and EBITDA



- LTM Revenue decreased to € 539.2m, however still above LTM Q4 2019 level (€ 536.6m)
- EBITDA decreased by € 1.3m (- 6.8%) mainly driven by:
 - lower revenue
 - negative mix from lower margin products in Pooling and Beverage
 - benefits of pricing and cost savings
- LTM EBITDA decreased to € 67.9m (- € 1.3m) or -1.8% versus Q2 2020, but still ahead of Q4 at € 66.2m



Cash Flow

in € million	Q3 2020	Q3 2019	Q3 2020 YTD	Q3 2019 YTD
Adjusted EBITDA	16.4	17.7	48.1	46.4
Change in Working Capital	-3.2	9.5	-5.2	-12.3
Operating Cash Flow	13.2	27.2	42.9	34.1
Capital expenditures - Maintenance	-2.1	-2.3	-9.7	-9.6
Free Cash Flow	11.1	24.9	33.2	24.5
Capital expenditures - Growth	-3.8	-9.7	-17.2	-22.6
Adjusted Free Cash Flow	7.3	15.2	16.0	1.9
Interest	-1.1	-1.5	-11.8	-12.6
Taxes	0.1	0.2	0.3	0.2
New finance leases	1.7	2.6	3.9	5.7
Finance Lease repayments	-2.0	-1.2	-4.6	-3.1
Operating Lease repayments	-2.9	-2.6	-8.1	-7.8
Debt repayment and proceeds	9.3	-0.6	11.4	-0.5
Recurring Net Cash Flow	12.4	12.1	7.1	-16.2
Swedish tax payment	0.0	-3.0	0.0	-4.5
Adjusting items	-0.8	-1.2	-2.3	-3.4
Shareholder funding	0.0	0.0	0.0	7.6
Other/Related parties	0.6	-0.5	-0.8	-2.1
Net Cash Flow	12.2	7.4	4.0	-18.6

- Adjusted free cash flow of € 7.3m in the quarter, - € 7.9m below LY driven by a working capital improvement in Q3 LY, partly compensated by lower capex this year
- Net Cash Flow was positive in Q3 2020
- YTD most cash indicators were improved over last year
- Strong focus to improve cash further



Debt and liquidity overview

in € million	Q3 2020	Q2 2020	Q1 2020	FY 2019
6.375% Senior Secured Indebtedness	250.0	250.0	250.0	250.0
Finance Leases	22.9	23.0	22.2	23.7
IFRS 16 impact	28.2	23.7	26.1	28.3
Total lease obligation	51.2	46.7	48.3	52.1
Bank Loans	24.3	14.9	12.9	13.3
Total Debt	325.5	311.6	311.2	315.4
RCF Drawings (limit € 30m) ¹	17.0	17.0	17.0	5.1
Cash at bank and in hand	-42.0	-30.1	-27.1	-26.8
Net Cash	-25.0	-13.1	-10.1	-21.7
Total Net Debt	300.5	298.5	301.1	293.7
Leverage ratio	4.4x	4.3x	4.4x	4.4x
Total Liquidity Headroom	107.8	98.8	95.9	107.0

- Long term stable senior debt structure in place
- Headroom of € 107.8m comprising of € 51.9m of cash at bank and RCF and € 55.9m under the Brookfield facility
- Leverage ratio at 4.4x
- Non-recourse factoring was at € 37.0m for Q3 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

- Number of infections slightly increased as expected, but under control
- Employees continued mainly working from home where possible
- Physical distancing and hygiene measures have been kept in place

Current situation

- All our factories are operating, some are affected by lower volumes, operating less shifts
- The order book for Q4 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 continues on cash preservation



Conclusion And Current Trading Update

- Q3 Revenue (7.7%) and EBITDA (6.8%) decreased versus Q3 2019 in a challenging economic environment
- LTM EBITDA (€ 67.9m) and LTM revenue (€ 539.2m) still exceed Q4 LTM EBITDA and revenue
- Positive Operating Cash Flow of € 13.2m in Q3 2020
- Order book for Q4 2020 currently below Q4 2019, but showing some signs of recovery after Q3
- 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	Q3 2020	Q3 2019	Q3 2020 YTD	Q3 2019 YTD
Operating result	6.4	7.0	17.7	15.6
Depreciation	9.0	8.6	25.9	24.9
Amortisation	0.5	0.5	1.4	1.4
Management Fees	-0.3	0.4	0.9	1.1
Adjusting Items	0.8	1.2	2.3	3.3
Adjusted EBITDA	16.4	17.7	48.1	46.3

