

# Q2-22 QUARTERLY PRESENTATION

18 AUGUST 2022



# Disclaimer

Certain statements included in this announcement contain forward -looking information, including, without limitation, information relating to (a) forecasts, projections and estimates, (b) statements of Elopak management concerning plans, objectives and strategies, such as planned expansions, investments, divestments, curtailments or other projects, (c) targeted production volumes and costs, capacities or rates, start -up costs, cost reductions and profit objectives, (d) various expectations about future developments in Elopak's markets, particularly prices, supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, and (i) qualified statements such as "expected", "scheduled", "targeted", "planned", "proposed", "intended" or similar.

Although we believe that the expectations reflected in such forward -looking statements are reasonable, these forward -looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially from those projected in a forward -looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include, but are not limited to: our continued ability to reposition and restructure our upstream and downstream businesses; changes in availability and cost of energy and raw materials; global supply and demand for aluminium and aluminium products; world economic growth, including rates of inflation and industrial production; changes in the relative value of currencies and the value of commodity contracts; trends in Elopak's key markets and competition; and legislative, regulatory and political factors. No assurance can be given that such expectations will prove to have been correct. Elopak disclaims any obligation to update or revise any forward -looking statements, whether as a result of new information, future events or otherwise.

# Today's presenters



**Thomas Körmendi**  
*Chief Executive Officer - CEO*



**Bent Kilsund Axelsen**  
Chief Financial Officer - CFO

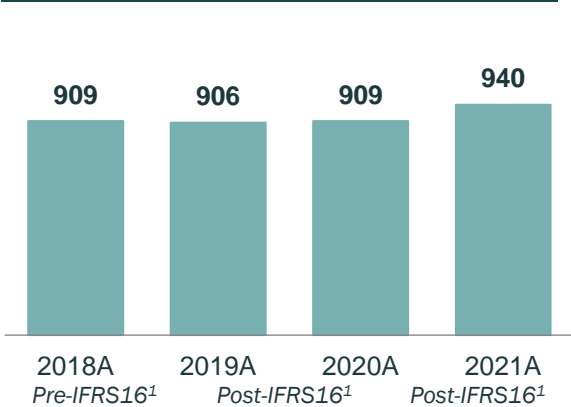
# Elopak at a Glance



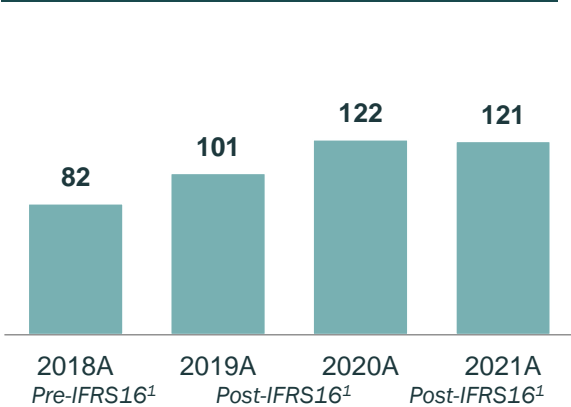
- 1 A Leading Global Player in Fresh Liquid Carton Packaging
- 2 14 Billion Cartons Produced in 2021 Across 11 Manufacturing Sites
- 3 Product Suite with More Than 400 SKUs
- 4 Sales to 70+ Markets with ~2,600 Employees
- 5 Established and Owned by Ferd Since 1957



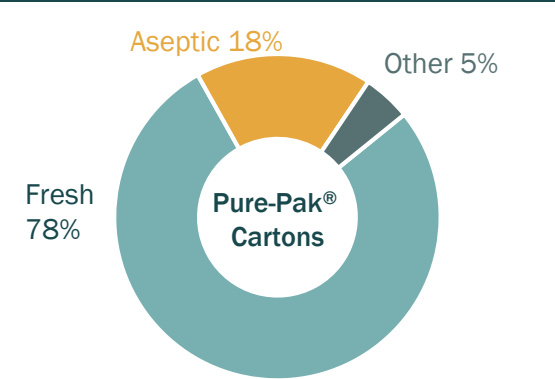
Revenue (€m)



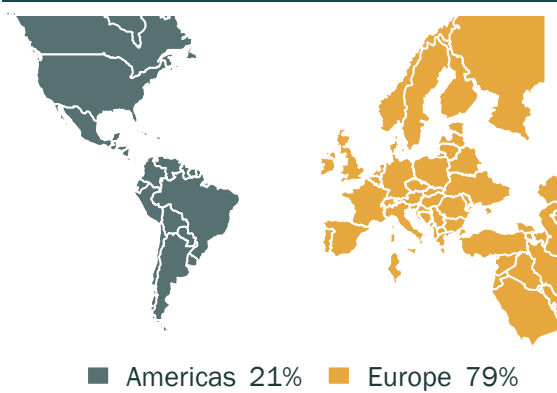
Adj. EBITDA (€m)



Revenue by End Markets



Revenue by Region



Source: Company information, management accounts.



A woman with long blonde hair, wearing a dark blue long-sleeved shirt and black pants, is walking away from the camera on a wooden boardwalk. She is holding a small white box in her right hand. The boardwalk has a metal railing. In the background, there are mountains and a body of water under a warm, golden sunset sky. The text 'OUR VISION' is overlaid on the left side of the image.

OUR

# VISION

Chosen  
by **people**,  
packaged  
by **nature**



A woman with blonde hair, wearing a dark green t-shirt and blue jeans, is balancing on a rocky outcrop. She is holding a small white carton in her right hand. The background features a calm blue lake, steep green mountains, and a clear blue sky. The word 'OUR' is written in white capital letters in the top left corner.

OUR

# MIS SION



As worldwide makers of carton-based packaging, we are committed to remaining our customers' partner and the consumers' favorite, through relentlessly developing new solutions for an expanding range of content.

Applying market-leading technology, skills and natural material sourcing, we always aim to provide the highest quality products that leave the world unharmed.

Q2-22

# BUSINESS PERFORMANCE

CEO Thomas Körmendi

# Q2 2022 Business Highlights



Revenue growth and strong performance in Americas, offset by high input costs impacting margins

Revenue at EUR 259 million, 7% y-o-y growth

Price initiatives, supported revenue growth by 12 mEUR

Adj. EBITDA of 25 mEUR, 9.8% margin  
- higher input costs reduced margins y-o-y

Americas with strong performance  
- delivering in line with strategy

Entered the huge and fast-growing Indian packaging market, GLS Elopak transaction closed in May

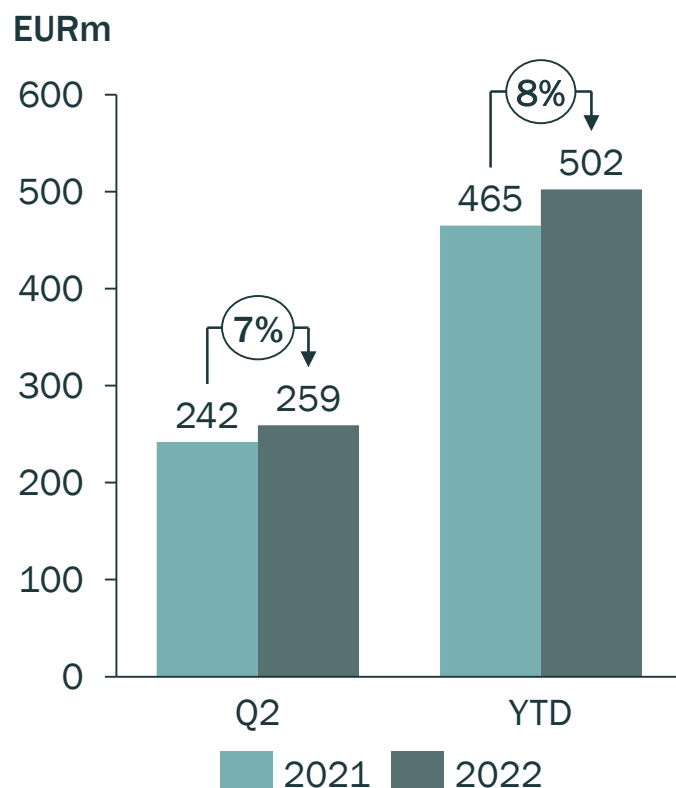
Exiting Russia – full divestiture to local management, completion expected in H2-22



# Revenues – Elopak Group

Revenue growth of 7% y-o-y - mainly driven by price increases and strong Americas performance

## Revenues (EURm), CAGR (%)



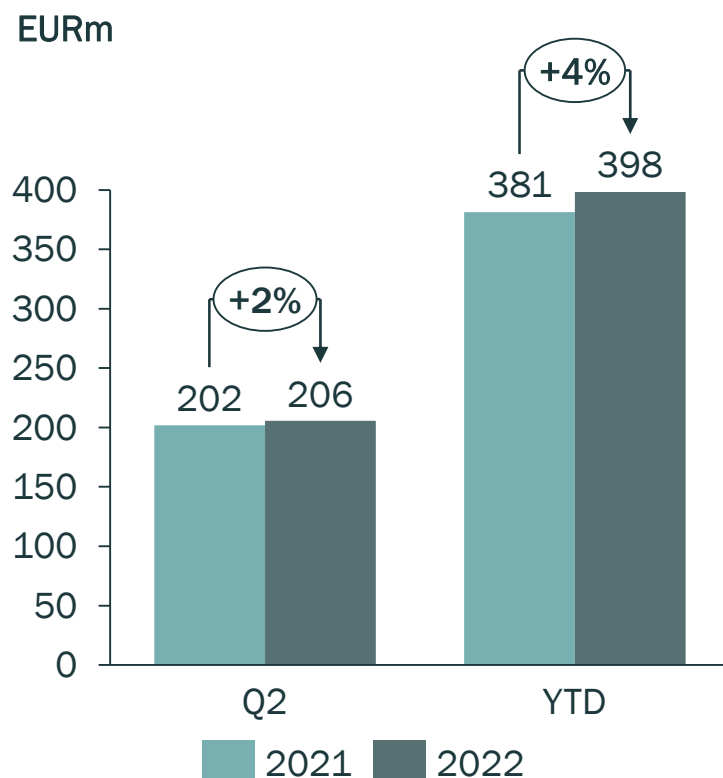
## Key commentary

- ▶ Revenue growth of EUR 17m, 7% y-o-y
- ▶ EUR 12m of revenue growth in the quarter from the newly acquired Naturepak business in MENA
- ▶ EUR 16m loss of revenue from Russian business
- ▶ Main drivers for the organic quarterly revenue growth are:
  - Positive currency translation effects of EUR 7m
  - Price increases in both Europe and Americas, EUR 12m
  - Mix effect and volume growth in Americas, especially school milk
- ▶ Organic revenue growth of EUR 14m, 6% y-o-y

# Business update: EMEA

Solid Q2-22 performance – growth despite loss of Russia business, mainly driven by Naturepak and price increases

## Revenues Q2-22 (EURm) – EMEA



## Key commentary

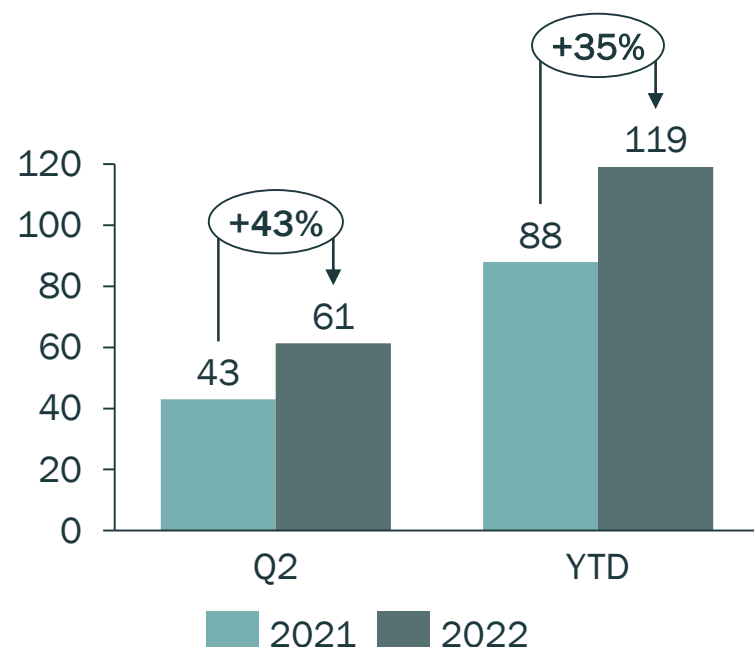
- ▶ Revenue growth of EUR 4m, 2% y-o-y
  - EUR 12m positive impact from acquired business (6 % y-o-y)
  - EUR 16m negative impact as Russia business was suspended as of 4th March 2022
  - Delay in sale of filling equipment (EUR -9m lower than last year)
  - Volume growth of 14% on Roll Fed Aseptic products, when adjusting for loss of Russian business
- ▶ Organic revenue growth of EUR 8m, 4% y-o-y
- ▶ Profitability was satisfactory given the unprecedented high input costs

# Business update: Americas

Quarterly revenue is up by 43% y-o-y, and continued strong profitability performance

## Revenues Q2-22 (EURm) – Americas

EURm



## Key commentary

- ▶ Significant revenue growth of EUR 18m, 43 % y-o-y
  - Positive currency translation effects of EUR 7m
  - Attractive mix effects in carton business
  - Growth in school milk segment
  - Good performance in our caps and closures business
- ▶ Organic growth of EUR 11m, 26% y-o-y
- ▶ Strong profitability, commercial passthrough contracts protect margins from raw material price increases
- ▶ Signed new contracts for 6 filling machine placements in the quarter, 12 contracts year to date – well ahead of ambitions in Americas strategy



# Full exit from Russian operations through sale of JSC Elopak

On 15<sup>th</sup> July 2022, Elopak announced the signing of an SPA to sell our Russian operations to local management

## Main transaction terms

- ▶ Local management to acquire 100% of shares
- ▶ From 15 July 2022, operational activities in Russia are under the control of local management
- ▶ Elopak has a buy-back option for 6 years
- ▶ Purchase price to be paid in 5 annual installments
- ▶ Closing is expected in H2-22 and is subject to approval by Russian Sub-committee on the Control of Foreign Investments



# Profitable Growth Drivers



## Today

Global Fresh  
Liquid Carton  
Packaging  
Company

Execute Americas  
growth plans

Leverage  
Pure-Pak® fresh  
portfolio

Growth on the back  
of the Pure-Pak®  
Aseptic machine

Launch of Pure-Fill  
machine (EMP)

Innovative  
product pipeline

MENA: Profitable  
growth strategy

Sub-Sahara Africa

APAC expansion

Imagine carton  
launch

Non-Food growth

Plastic-to-carton  
conversion

Margin  
optimization  
Purchasing and  
value engineering  
Operational  
Improvement

**Mid to Long  
Term Goal**

Global Liquid  
Food Packaging  
Company with a  
Diverse Product  
Portfolio and  
Footprint

**Sustainability Driven Growth Strategy**

# Pure-Pak® eSense carton roll-out

A more environmentally friendly aseptic carton made without an aluminum layer

Aluminum-free and instead made with a polyolefin blend barrier

Up to 50% lower carbon footprint than a standard Pure-Pak® aseptic carton

Unlocks the potential to be fully renewable

A milestone in helping brands to deliver on consumers' environmental expectations



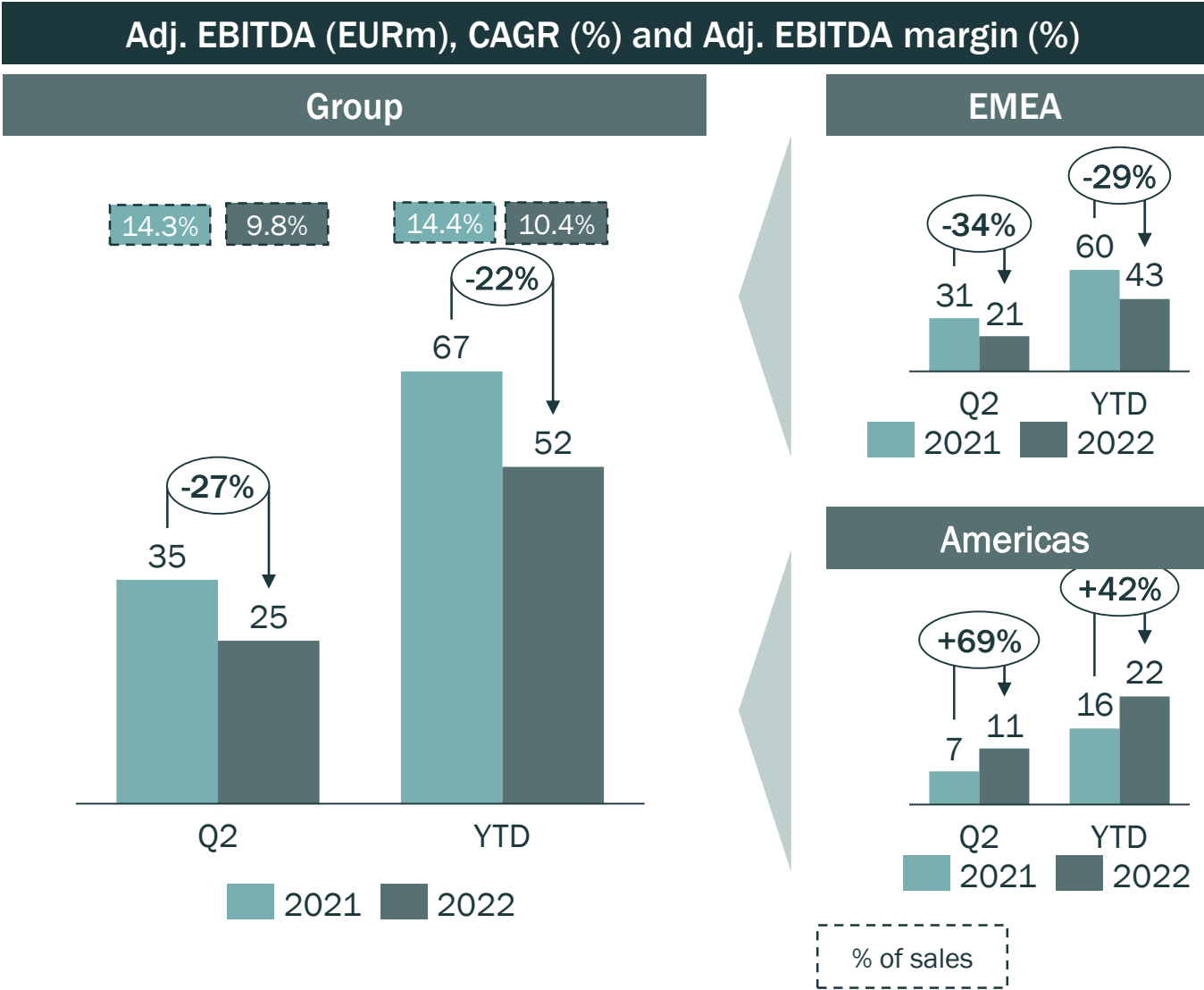


Q2-22

# FINANCIAL PERFORMANCE

CFO Bent Kilsund Axelsen

# Satisfactory margins despite input cost headwind



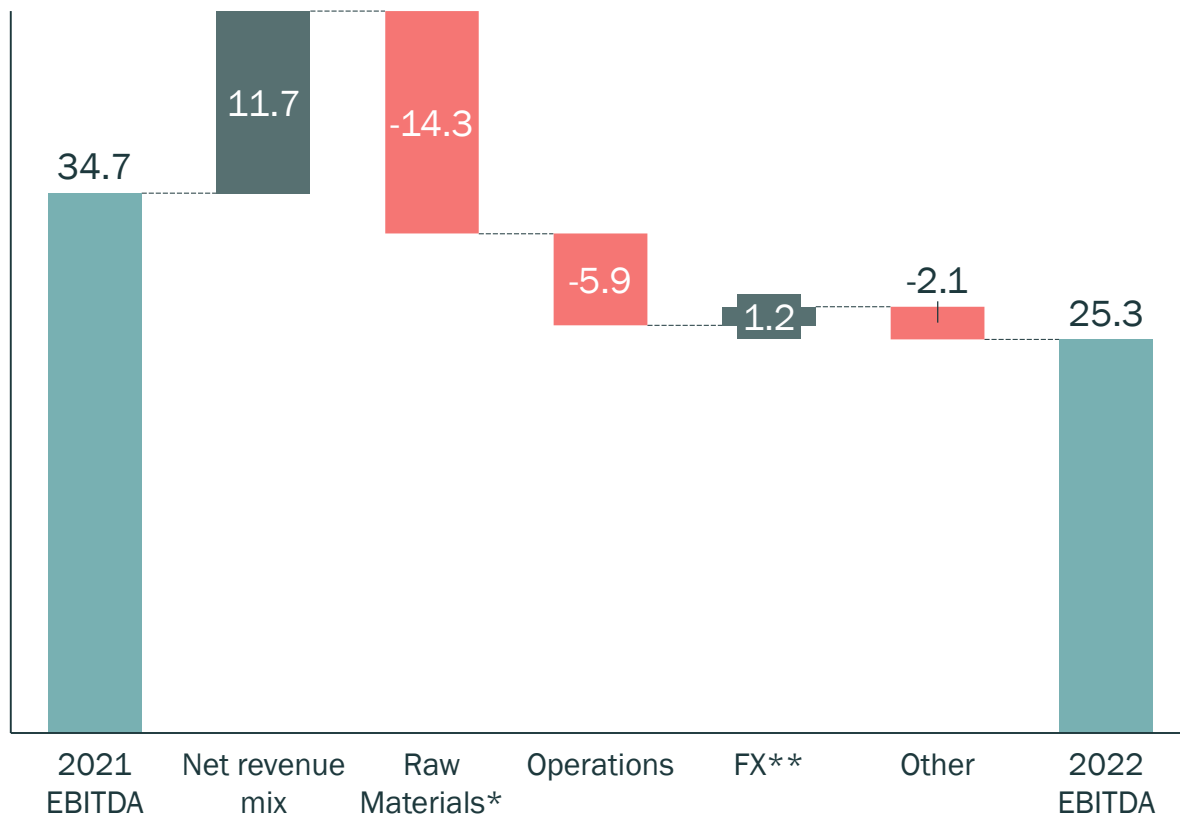
**Key commentary**

- ▶ Margin pressure in the second quarter, resulted in EBITDA margin 4.5 pp lower than a very strong second quarter in 2021
- ▶ Input costs remain exceptionally high for both raw materials and indirect costs
- ▶ European margins are negatively impacted by the high input costs and exit from Russia (4-5 MEUR)
- ▶ Commercial passthrough contracts protect margins from raw material price increases in Americas

# Adjusted EBITDA, second quarter 2022

EBITDA decline in second quarter 2022 compared to 2021, primarily due to higher input costs

## Quarterly Adjusted EBITDA (EURm)



## Key commentary

- ▶ Positive margin impact from revenue growth
- ▶ Raw material prices remained high throughout the second quarter:
  - Raw material prices increased driven by Russia/Ukraine conflict
  - Polymer prices peaked all-time high in April
  - Aluminium price all-time high and supply issues
- ▶ Energy prices increased to unprecedented levels, impacting costs both directly and indirectly
- ▶ Operational costs increased due to normalisation of activity level and operational challenges

\*Raw materials are only related to carton production and caps sourcing in Europe

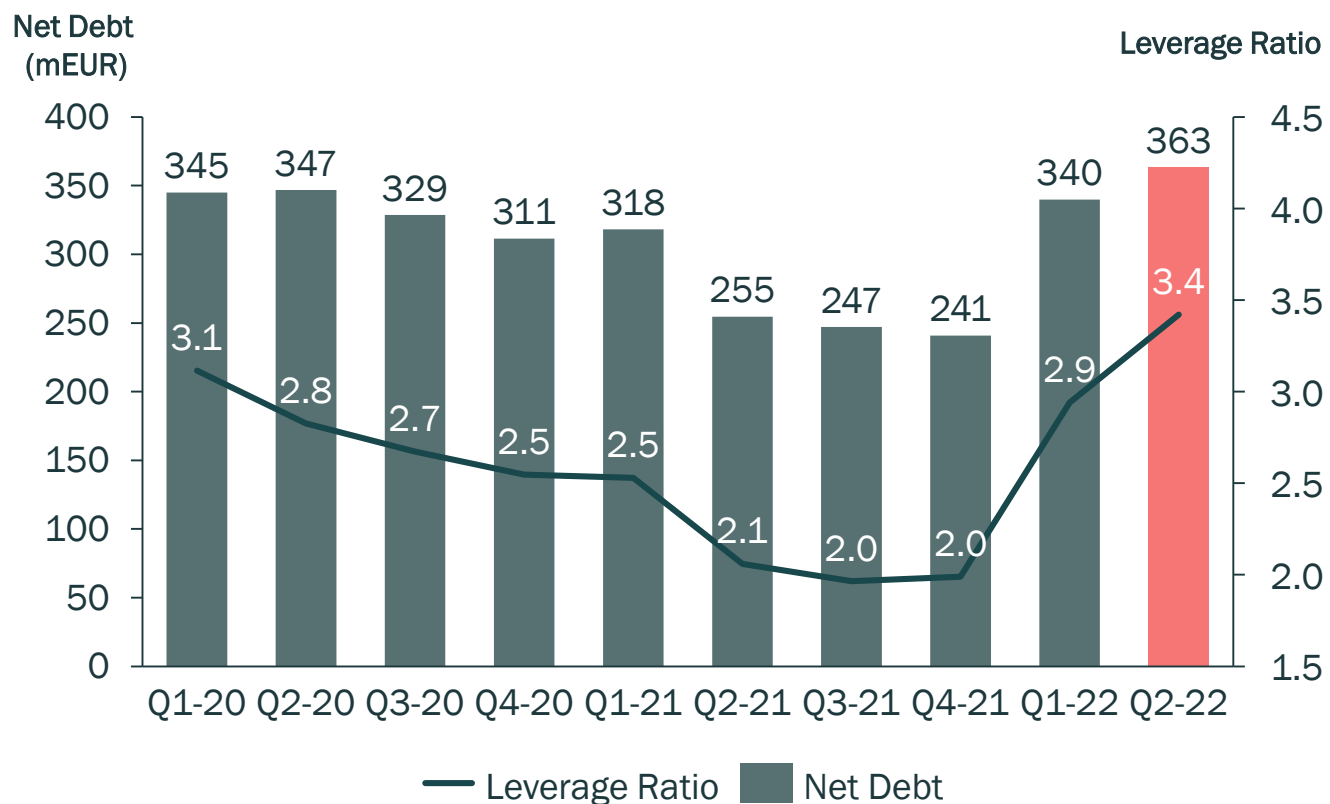
\*\*FX impact related to EURUSD



# Financial position

Leverage Ratio for second quarter 2022 at 3.4x

## Leverage Ratio



## Key commentary

- ▶ Leverage Ratio of 3.4x as of second quarter 2022, primarily driven by dividend payment in May and lower LTM EBITDA compared to last year
- ▶ Cash flow from operations negatively impacted by increased working capital
- ▶ Existing Revolving Credit Facility extended by 1 year to May-24

# Outlook

FY 2022

- ▶ Revenues around EUR 1 billion
- ▶ Price increases implemented on our products will largely compensate for increased input costs – margins expected to improve towards the end of the year
- ▶ Supply chain challenges remain a concern going forward

# Summary

- ▶ Despite challenging environment, Elopak continues to deliver growth and profitability, as we further develop the company
- ▶ We are in extraordinary times – Elopak is resilient and well positioned
- ▶ Strategy implementation on track;
  - Americas business delivering profitable growth
  - Integration of MENA acquisition on track
  - India agreement signed
  - Price increases implemented



Q&A



# APPENDIX



Event	Date
Q3 2022 Financials	26 October 2022
Q4 2022 Financials	21 February 2023
Q1 2023 Financials	4 May 2023
Q2 2023 Financials	17 August 2023
Q3 2023 Financials	2 November 2023