# Q1 2023

# Quarterly presentation

MAY 4, 2023

# 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 aluminum and aluminum 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.

ELOPAK

# Elopak at a glance

The world's largest player in fresh liquid carton packaging

14 billion cartons produced in 2022

Sales to 70+ markets

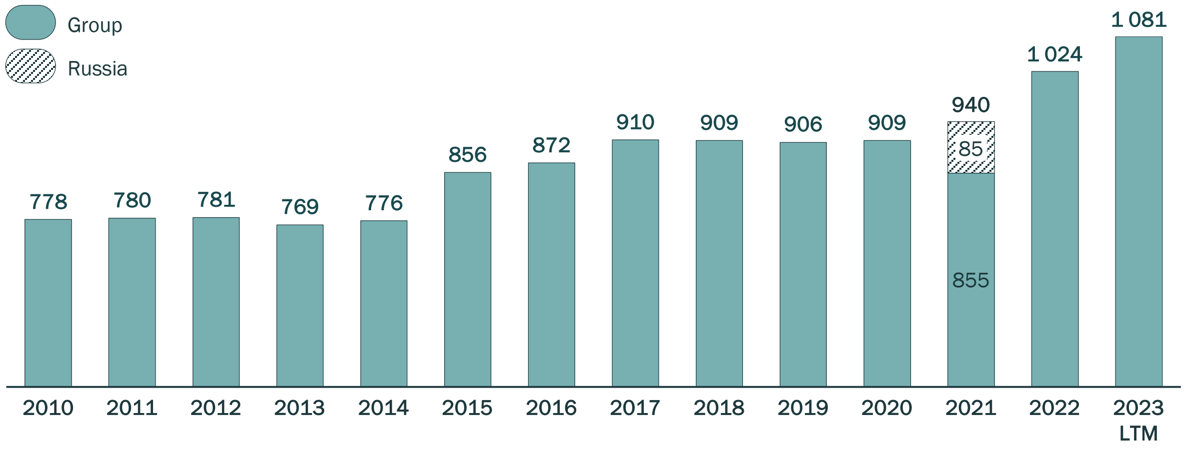
2,600 employees

11 manufacturing sites

Product suite with more than 400 SKUs

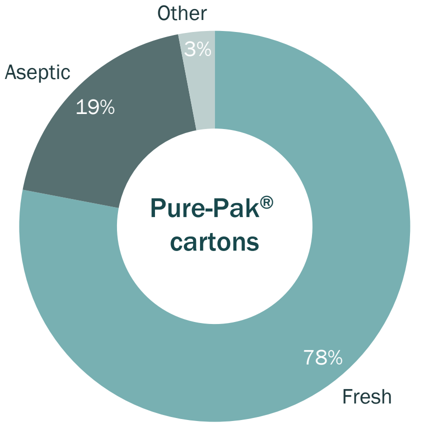
Preferred choice among customers since 1957

## Historical revenue development[1]

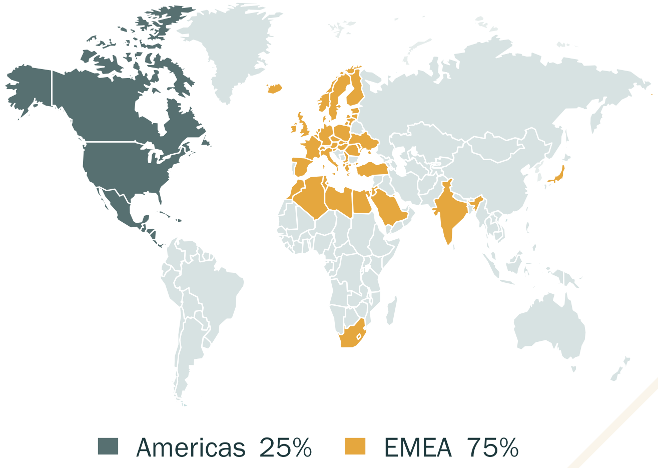


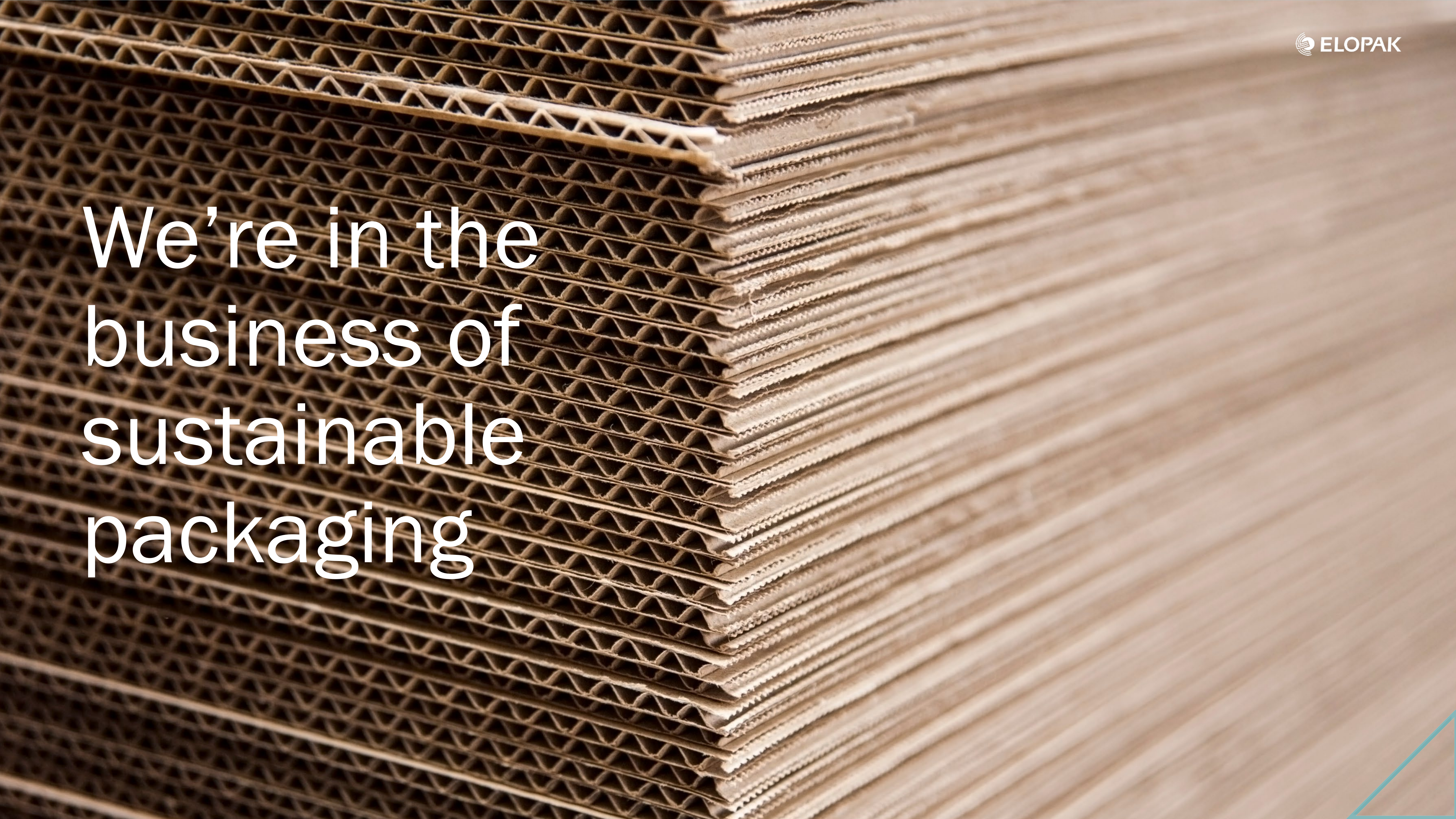

Source: Company information, management accounts
1) Different accounting standards make figures not comparable between years. 2021 reworked for discontinued operations in Russia.

## Revenue end markets FY22




## Revenue by region FY22




ELOPAK
We're in the business of sustainable packaging

ELOPAK

# We’re in the business of protecting essential commodities

# We’re in the business of enabling world nutrition

# Q1 2023

# Business performance

CEO Thomas Körmendi

# Q1 2023 Business highlights

ELOPAK

## Strong start to the year, driven by continued profitable growth in Americas and acquired business

Revenue at
**283 EURm**
26% YoY growth
16% organic

Strong and profitable growth in **EMEA** – delivering innovative solutions on both fresh and aseptic

Adjusted EBITDA of
**41 EURm**
16 EURm YoY growth
14.5% margin

**Inflationary pressures** on input costs will impact EBITDA margin in 2023

Excellent performance in **India**, with strengthened customer relationships and profitable growth - supporting EBITDA

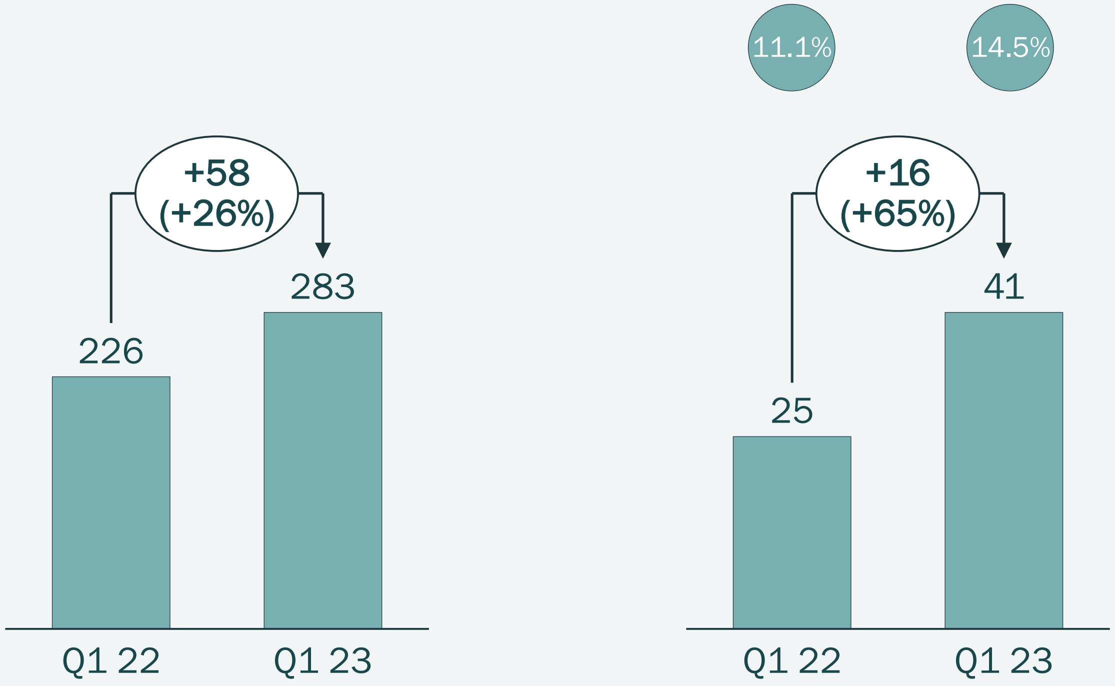
**Volatile** environment continues in 2023, but we are optimistic on the longer-term market fundamentals

**Americas** with strong and profitable growth – positive momentum continues with portfolio strengthening and new filling machines signed in Q1

# Financial highlights

Q1 2023 strong revenue and Adj. EBITDA growth driven by price increases in EMEA, volume in Americas, and acquired business

**Group Revenues, Adjusted EBITDA (EURm), CAGR (%)**



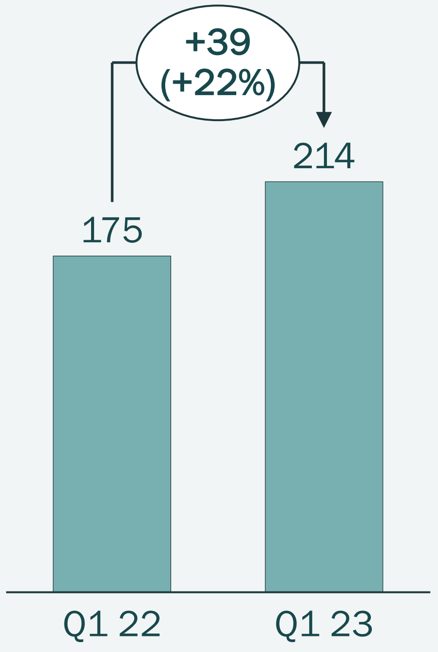

**Key Commentary**

- Strong recovery after a slow start to the quarter, as volumes came back in the end of Q1
- Input costs remain at historically high levels for raw materials, energy and indirect costs
- Tailwind in Q1 from effects of pricing and board inventory turn. We increased prices in the quarter on the back of increased board cost and combined with price increases from 2022 – revenue was strong.
- Q1 2023 Organic revenue growth of 36 EURm, 16% YoY
- Profitability at satisfactory level

# Business update: EMEA

Solid Q1 23 performance – growth mainly driven by pricing and inventory turn and acquired business

**Revenues (EURm) - EMEA**



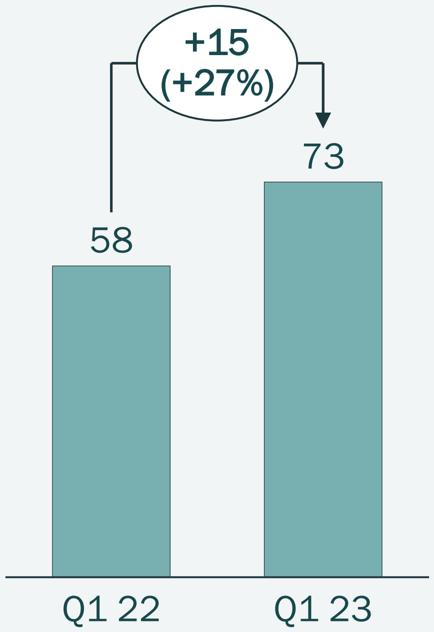

**Key Commentary**

- Growth in aseptic Pure-Pak® volumes in the quarter, driven by placement of filling machines in the UHT segment
- Growth in Roll-Fed Aseptic volumes in the quarter driven by increased sales in Eastern Europe
- Fresh dairy and juice volumes decreased slightly, mainly due to underlying consumption decline
- MENA production and milk consumption affected negatively by present economic climate
- Q1 2023 organic revenue growth of 21 EURm, 12% YoY
- Q1 2023 profitability was satisfactory

# Business update: Americas

Quarterly revenue is up by 27% YoY, driven by volume growth from existing and new customers

## Revenues (EURm) - Americas




## Key Commentary

- Volumes continued to grow supported by onboarding of new customers and strengthening of our product portfolio
  - Growth in dairy, juice and plant-based segments
  - Stable school milk volumes
- Average pricing compared to last year is at a higher level, driven by price mix and passthrough contracts
- High demand and momentum for our filling machines. New filling machines signed in Q1
- Q1 2023 organic growth of 12 EURm, 21% YoY
- Q1 2023 profitability was strong

# Five profitable growth drivers steer Elopak’s future direction

**TODAY**

Global fresh liquid carton packaging Company

**FRESH OPPORTUNITY IN NORTH AMERICA**

Execute Americas growth plans

Leverage Pure-Pak® fresh portfolio

**ASEPTIC GROWTH ROADMAP**

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

Launch of Pure-Fill machine (EMP)

Innovative product pipeline

**BROADEN GEOGRAPHIC FOOTPRINT**

MENA: profitable growth strategy

Sub-Sahara Africa

APAC expansion

**PLASTIC TO CARTON CONVERSION**

Non-food growth

Plastic-to-carton conversion

**COMMERCIAL EXCELLENCE**

Margin optimization

Purchasing and value engineering

Operational Improvement

**MID TO LONG TERM GOAL**

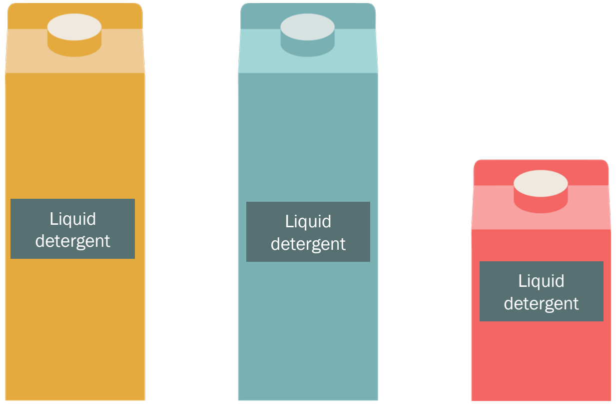
Global liquid carton packaging company with a diverse product portfolio and footprint

**Sustainability-driven growth strategy**

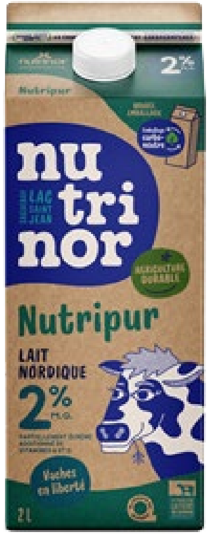
# Examples of our growth strategy in the market


**Paperdent from Luoro, Germany**
The first mouthwash in D-PAK™ cartons. Opening a completely new segment for our cartons.


**Grahams, UK**
Launched milk in Pure-Pak® cartons with tethered caps. A closure that remains attached to the carton throughout its lifetime. Preventing littering.




**Two major product launches in household products in Europe**
Switches laundry detergent from plastic to
D-PAK™ cartons and reduces carbon emission.




**Nutrinor, Quebec - North America**
Launched fresh milk in carbon-neutral Pure-Pak® cartons with natural brown board.

# Q1 2023

# Financial performance

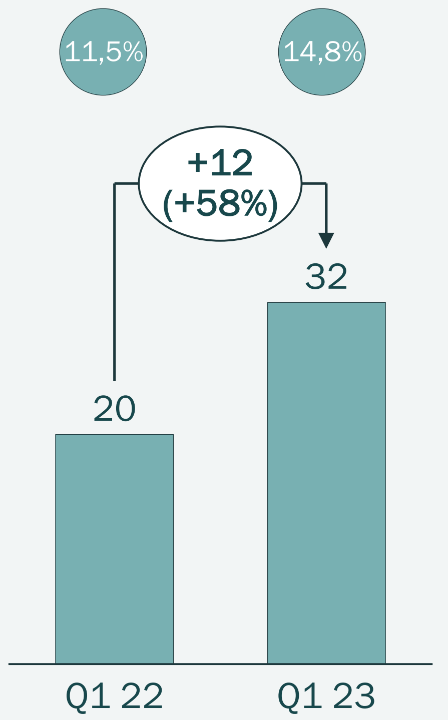
CFO Bent Kilsund Axelsen

# Adjusted EBITDA, Q4 2022

EBITDA growth YoY in Q1, primarily driven by price increases in Europe, growth in Americas, and new business in MENA & India

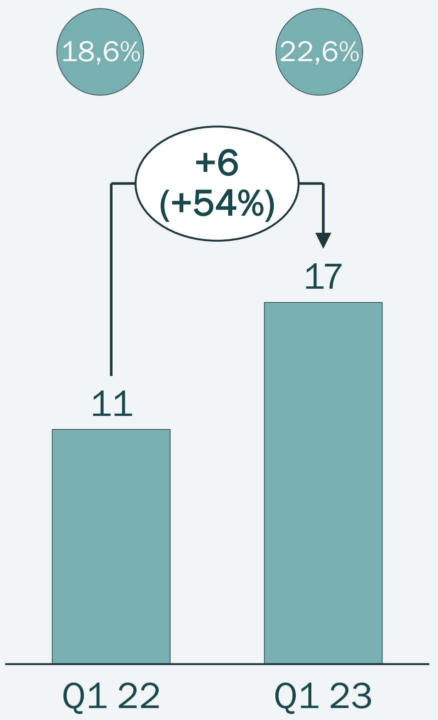
## Adj. EBITDA (EURm), CAGR % and Adj. EBITDA margin (%)

### EMEA




EBITDA Margin %

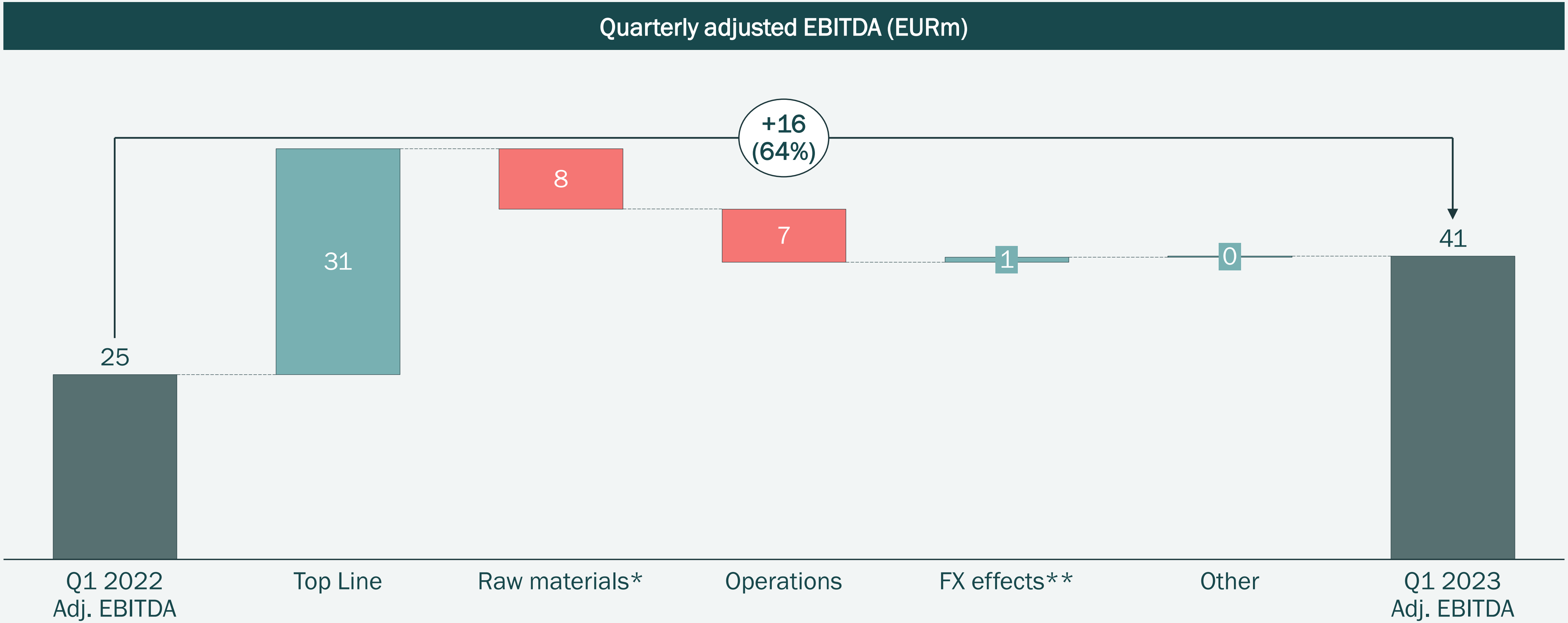
### Americas




## Key commentary

- **EMEA**
  - Q1 strong revenue growth supported growth in adj. EBITDA and improved margins
  - Tailwind in Q1 from effects of pricing and board inventory turn – will not continue from Q2
  - Cumulative price increases from 2022 onwards
  - Continued high raw material prices, general inflationary pressure in all markets, and supply chain issues
  - Acquisitions in MENA and India (+4 EURm)
- **Americas**
  - Q1 strong revenue growth supported growth in adj. EBITDA and improved margins
  - Volume growth driven by strengthening of the portfolio, as well as onboarding of new customers
  - Improvements in waste reductions and manning efficiency
  - Positive FX effects

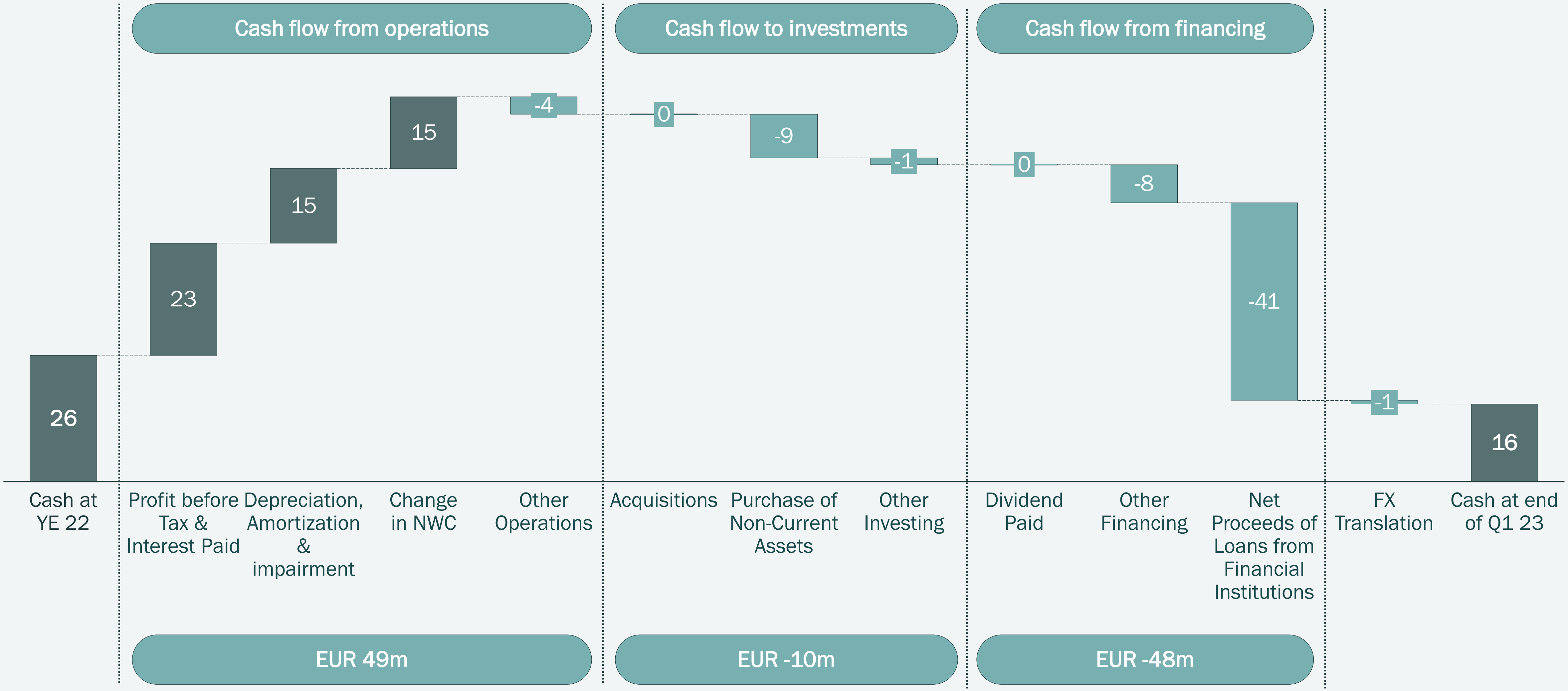
# Adjusted EBITDA, Q1 2023




*Raw materials are only related to carton production and caps sourcing in Europe
** FX related to EURUSD translation impact

# Cash flow Q1 2023

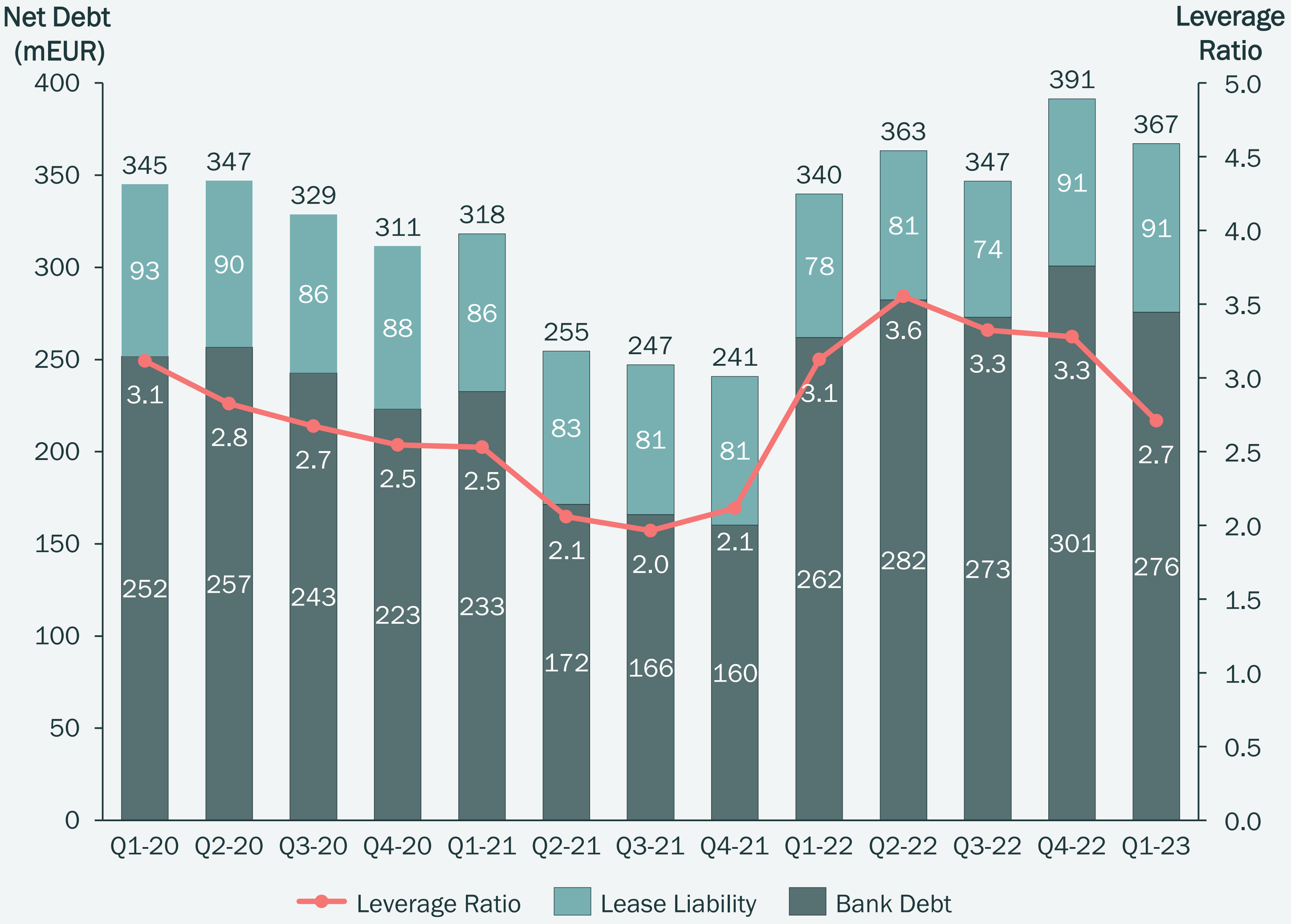
Strong cash generation from operations in Q1, offset by down payment of long-term debt



# Financial position

Leverage ratio in the quarter decreased to 2.7x from improved EBITDA and down payment of long-term debt

## Leverage ratio[1]




## Key commentary

- Net debt of EUR 367 million
  - Bank debt EUR 276 million
  - Lease liabilities EUR 91 million
- Leverage ratio main drivers in Q1:
  - LTM EBITDA increased 16 EURm to 136 EURm
  - Leased liability unchanged QoQ
  - Net bank debt decreased by 25 EURm due to improved cash from operations
- Solid financial position, moving in the right direction

1) *2020 and 2021 LTM EBITDA not reworked for discontinued operations in Russia.*
2) *Ref. stock market announcement of June 23, 2023*

# Outlook 2023

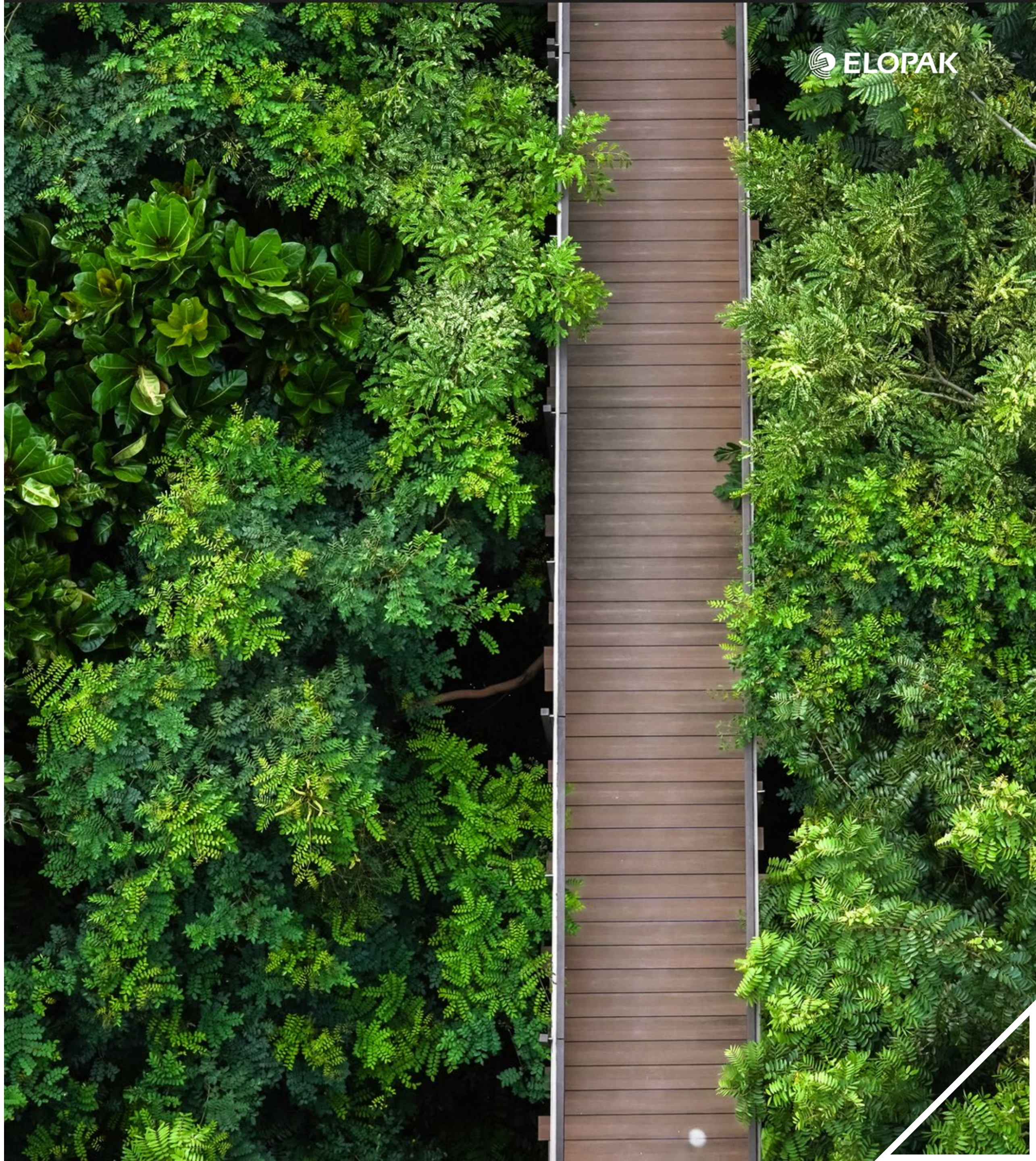
- Strong start to the year, somewhat better than anticipated
- Increased liquid board cost for Elopak will take effect from Q2
- Significant inflationary pressures on costs, expected to impact our full year EBITDA margin in 2023 compared to current level

# Summary

- Elopak started the year on a strong note, delivering strong profitable organic growth
- In Q1 we experienced some tailwind from fluctuation and timing effects in pricing of raw materials and our own products
- We continue to deliver on our strategic initiatives and expect to grow our top-line and strengthen our results
- We remain optimistic on the longer-term market fundamentals

# Financial calendar

| Event | Date |
|---|---|
| Annual General Meeting | May 11, 2023 |
| Q2 2023 Financials | August 17, 2023 |
| Q3 2023 Financials | November 2, 2023 |



# Thank you!