



PRESS RELEASE

Verallia's outlook for 2019 and 2020-2022

Paris, 29 July 2019

As part of its contemplated initial public offering (IPO) on the regulated market of Euronext Paris, Verallia¹ announces its financial outlook for the year ending 31 December 2019 and for the 2020-2022 period.

Group outlook for the year ending 31 December 2019²

For the year ending 31 December 2019, the Group expects:

- organic growth³ of its consolidated revenue of between 6% and 8%;
- adjusted EBITDA⁴ of approximately €610 million;
- recurring capex⁵ of around 8% of consolidated revenue;
- a net financial debt/adjusted EBITDA⁴ ratio of approximately 2.7x;
- the payment in 2020 of an annual dividend of €100 million for the financial year ending 31 December 2019, subject to approval by Verallia's Annual General Shareholders' Meeting.

The Group also intends to refinance its debt concurrently with the initial public offering⁶, which is expected to reduce its average cost of financing to around 2%.

2020-2022 outlook

Over the 2020-2022 period, assuming moderate inflation in raw material and energy costs and an effective tax rate going down from 30% to 26%, the Group aims to achieve the following:

- organic growth³ in consolidated revenue at a compound annual growth rate (CAGR) of between 3% and 5%, based on (i) growth in demand in the markets in which the Group operates, (ii) ongoing improvement to the mix due to premiumisation trends in its product range and (iii) an increase in the Group's selling prices to reflect inflation in production costs. The Group also expects to benefit from past and future investments to increase its production capacity;

¹ In the context of its initial public offering, the Group intends to simplify its legal structure, following which Verallia (formerly Horizon Holdings), which will be listed on the regulated market of Euronext Paris, will become the Group's top-level holding company. The Group's consolidated financial statements to be released as part of the initial public offering will be prepared at the reporting level of Verallia,

² Prepared in accordance with the accounting policies applied in the Group's consolidated financial statements for the year ended 31 December 2018 and for the six-month interim period ended 30 June 2019 (including IFRS 16, which the Group applies as from 1 January 2019),

³ At constant exchange rates and constant scope,

⁴ Excluding the impact of the management incentive plan that will be put in place as part of the IPO,

⁵ Excluding rights of use capitalization as per IFRS 16 accounting.

⁶ The refinancing would also include capitalization of the loan granted to the Company by its sole shareholder, Horizon Intermediate Holdings S.C.A.

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- an adjusted EBITDA⁴ margin exceeding 25% in 2022, mainly due to (i) the growth in sales volumes and the improvement in associated operating leverage, (ii) the continuation of its dynamic pricing policy aimed at offsetting cost increases and (iii) the ongoing implementation of the performance action plan and the reduction of production costs;
- the continuation of its disciplined investment policy aimed at maintaining recurring capex⁵ at around 8% of consolidated annual revenue;
- a net financial debt/adjusted EBITDA⁴ ratio of between 2x and 3x;
- an annual dividend payout ratio exceeding 40% of consolidated net income, with an annual amount of at least €100 million, subject to approval by Verallia's general shareholders' meeting.

About Verallia – An independent Group, Verallia is the world's third-largest manufacturer of glass containers for food and beverages, and proposes innovative, customized and environmentally-friendly solutions.

€2.4 billion in revenue, with 16 billion bottles and jars produced in 2018. Around 10,000 employees and 32 glass production facilities in 11 countries.

For more information: www.verallia.com

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