2019 Annual Results

February 21, 2020

verallia

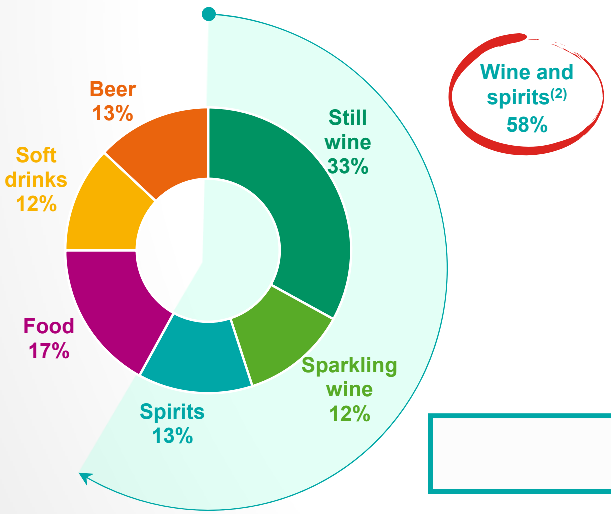
2019 Annual Results

A GLOBAL LEADER IN GLASS PACKAGING…

Leading positions

- **#1** **in Europe**[1] — *90% of 2019 sales*
- **#2** **in Latin America**[2] — *10% of 2019 sales*
- **#3** **Globally**

2019 Glass packaging[3] sales split by end market



11 countries

10,000 employees

16 billion bottles / jars p.a.

veralia

32 plants

57 furnaces

8 cullet recycling centers

2019 Financial Highlights

Sales	**€2,586m**
Organic growth vs. 2018	***+9.1%***
Adjusted EBITDA	**€615m**
Adjusted EBITDA Margin	***23.8%*** *22.5% in 2018*
Net Income *more than doubled vs. 2018*	**€125m**
Cash Conversion	**59%**
Leverage	**2.6x** *3.1x end of 2018*
DVD per share[4]	**€0.85**

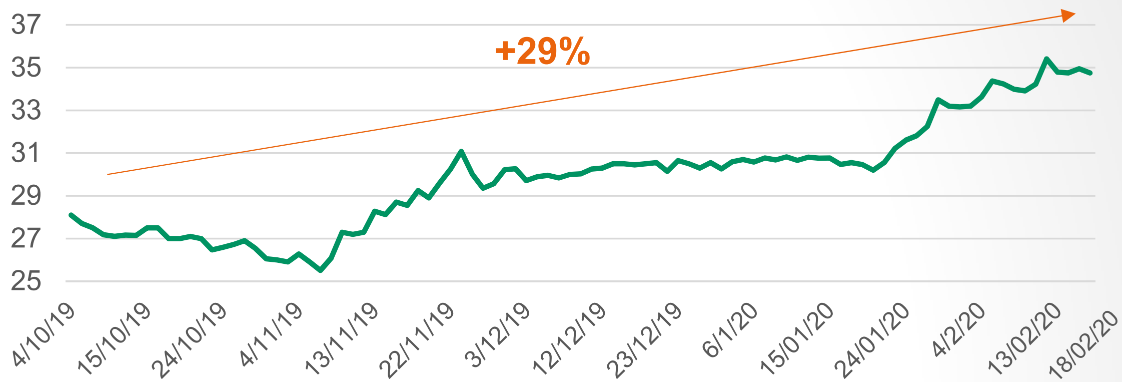
Confidence for 2020 and confirmation of mid-term guidance

Sources: Companies public information, management estimates and Advancy (IPO related study). Please see definitions in the Glossary (Appendices).
Notes: (1) Based on 2019 sales; "Europe" using each company's definition and management estimates. (2) Based on 2019 volumes in Argentina, Brazil and Chile. (3) For bottles and jars only (97% of total Verallia sales). (4) Subject to the June 10, 2020 AGM's approval.

… NOW LISTED ON COMPARTMENT "A" OF EURONEXT PARIS

2 months after the Group's successful IPO, Verallia entered the **SBF 120 Index => enhanced visibility**

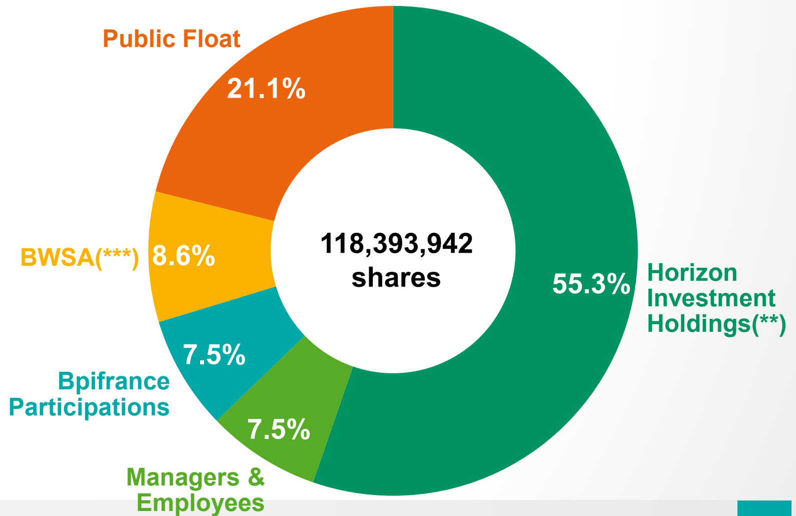
Share Price Evolution since the IPO



Board of Directors Composition

Michel Giannuzzi	Chairman
Robert Seminara	Apollo
Claudia Scarico	Apollo
Pierre Vareille	Apollo
Sébastien Moynot	Bpifrance Participations
Cécile Tandeau de Marsac	Independent
Marie-José Donsion	Independent
Virginie Hélias	Independent
José Arozamena	Independent
João Salles / BWSA(***)	Independent
Dieter Müller	Employee representative
Sylvain Artigau	Employee representative

Capital Structure as of end of December 2019(*)



Committees of the Board of Directors

Audit Committee
- Marie-José Donsion (Chairwoman)
- Claudia Scarico
- José Arozamena

Appointments and Compensation Committee
- Cécile Tandeau de Marsac (Chairwoman)
- Pierre Vareille
- João Salles
- José Arozamena

Sustainable Development Committee
- Virginie Hélias (Chairwoman)
- Michel Giannuzzi
- Sébastien Moynot
- Dieter Müller
- Sylvain Artigau

(*) Co-investors have been considered as public float.
(**) Company 100%-owned by Horizon Parent Holdings S.a.r.l, itself indirectly controlled by AIF VIII Euro Leverage, L.P., an investment fund managed by an affiliate of Apollo Global Management, Inc.
(***) Acting through Lepton Fund Ltd., a fund managed by BW Gestão de Investimentos Ltda., a wholly-owned subsidiary of Brasil Warrant Administração de Bens e Empresas S.A.

BURGOS: INAUGURATION OF THE NEW INSTALLATIONS IN Q4 2019

- **€33 million** investment: reconstruction of one of the site's two furnaces and modernization of its production lines
- **Increase of capacity by 7%** from 560 to 600 million bottles per year mainly for the **wine and spirits** markets
- Following its reconstruction, **the furnace has become one of the largest in Europe industry-wide**
- **Site's proximity to one of the largest Spanish wine producing regions** (Castile and Leon, La Rioja and Castilla-La Mancha)
- Strategic country for Verallia (**export capacity** + growing **sensitivity** of consumers to glass)

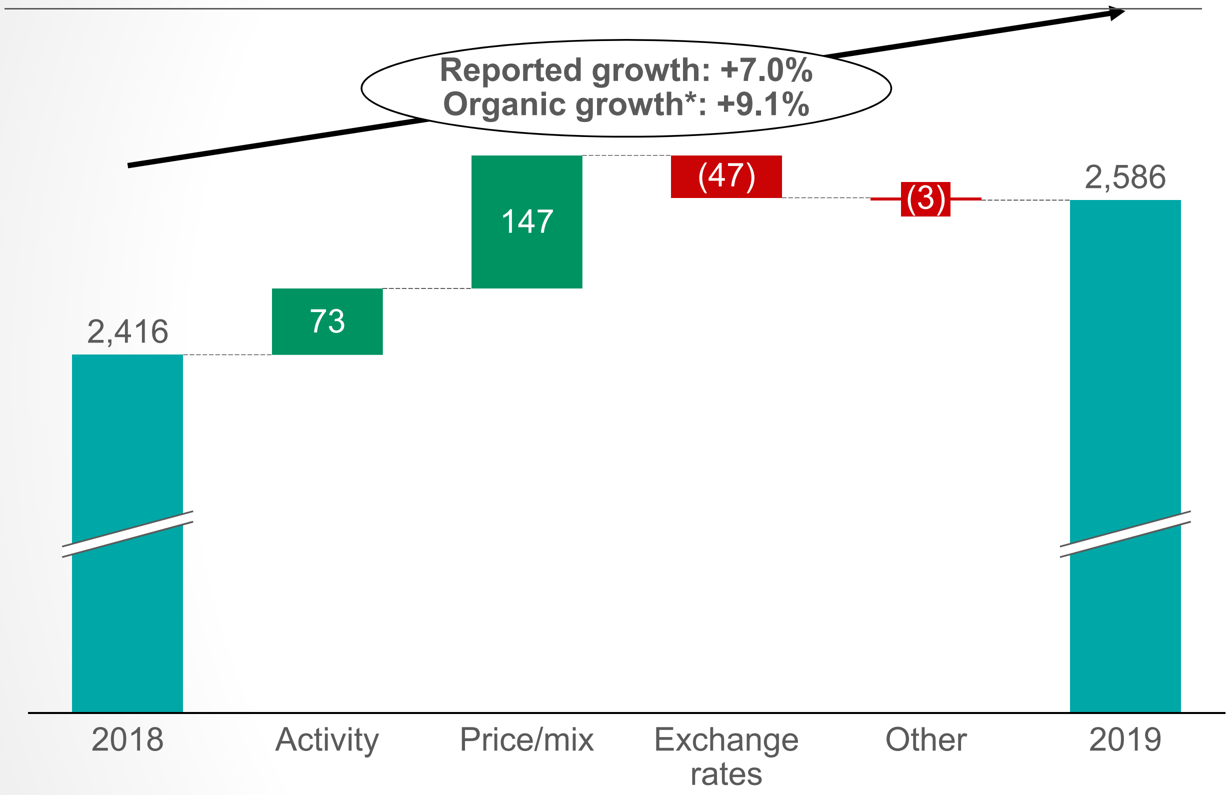
In **2020**, Verallia will invest an additional **€10 million** to renovate Burgos' second furnace

CALCIN IBERICO: NEW CULLET TREATMENT PLANT

- **JV** between Verallia Spain S.A. (49%) and its partner TM Alcudia Reciclatges, S.L., (51%)
- **TM Alcudia** is a strategic cullet supplier for Verallia's Montblanc plant (Spain)
- **Plant capacity 90 kt**
- The recycled glass comes from Madrid and is mainly used by the Azuqueca & Burgos plants. Part of it is also sold to external customers
- The plant started its operations in September 2019

Strong organic revenue growth supported by volumes, mix and prices in all segments, across all geographies

Reported revenue (in €m)

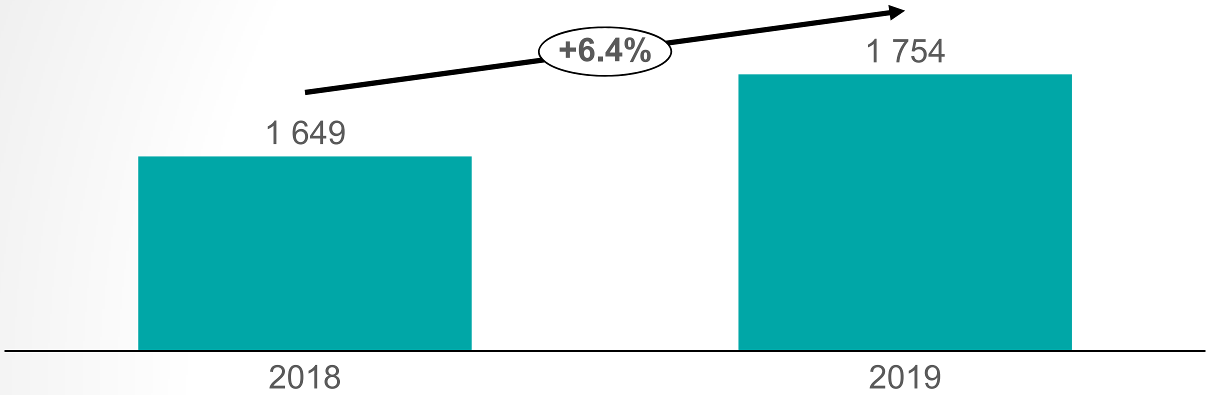


- **Significant volume improvement**
- **Full impact of selling price increases** mainly to pass on the rise in energy and raw material costs
- **Mix improvement**: continued implementation of the value-based pricing policy
- **-1.9% from exchange rates:** continued **depreciation of the Argentine peso** against the euro
- **Organic growth** is **above 6.5% in all segments** and **would be 7.2% excl. Argentina**

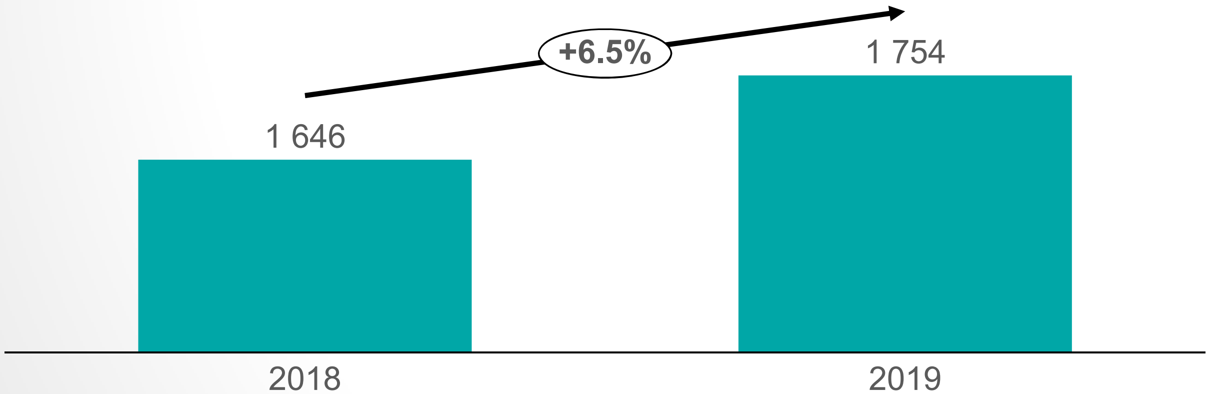
(*) Growth at constant exchange rates and scope.

SWE*: solid growth country wide

Reported revenue (in €m)



Revenue at constant exchange rates and scope (in €m)

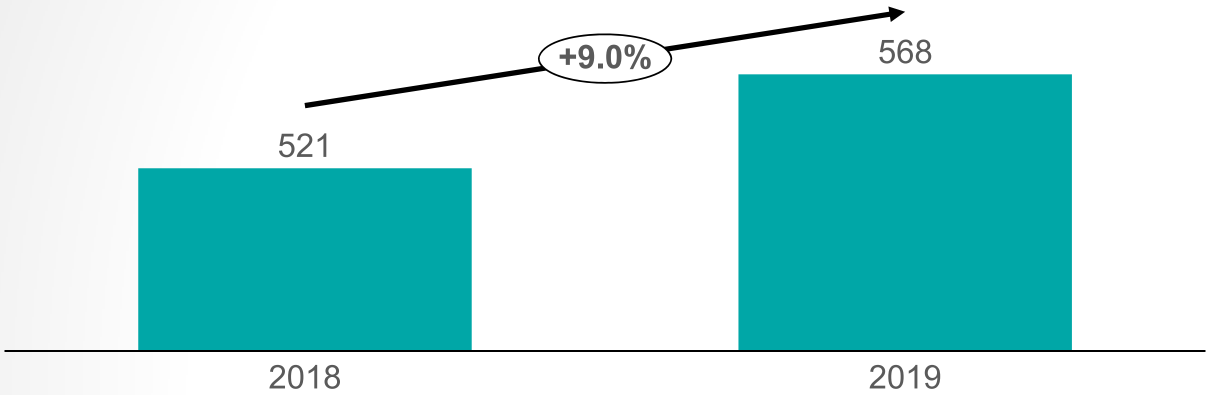


- **Volume growth by country:**
  - **France:** Growth in still & sparkling wine (momentum of "vintage" Champagne) and in jars
  - **Italy:** Steady growth in all segments
  - **Spain:** Dynamic beer, spirits & jars
- General **rise in prices** to compensate cost inflation

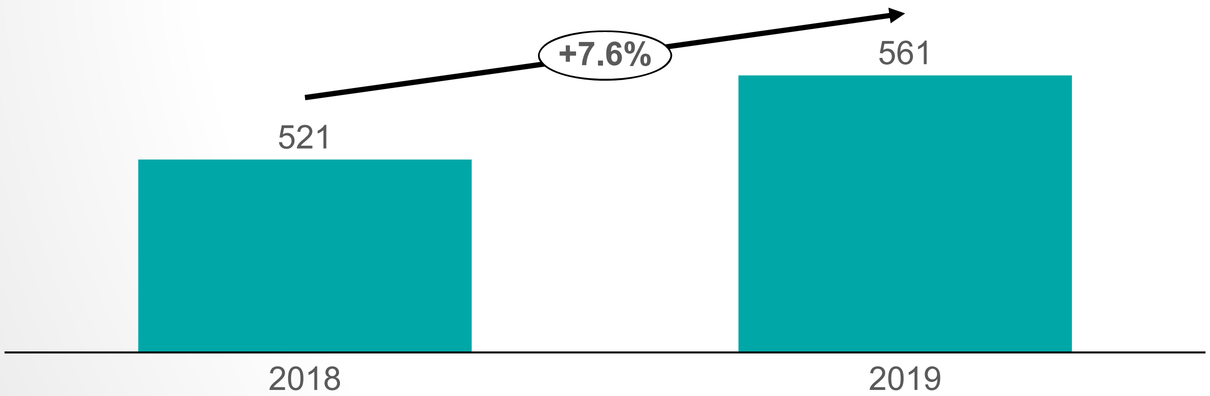
(*) Southern and Western Europe comprising production plants located in France, Spain, Portugal and Italy.

NEE*: strong growth in volumes and prices

Reported revenue (in €m)



Revenue at constant exchange rates and scope (in €m)

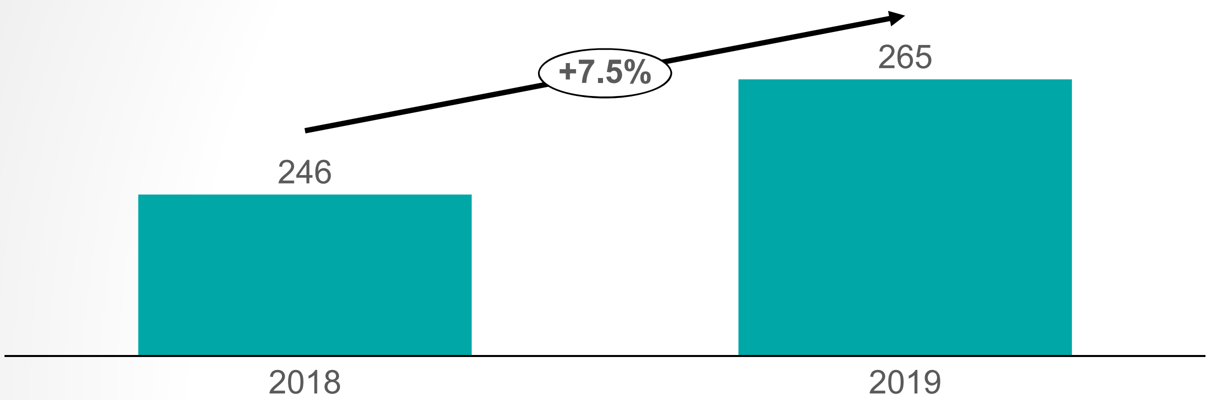


- **Well-oriented volumes driven by:**
  - **Russia:** Solid recovery
  - **Germany:** Dynamism in beer and still wine markets
- **Selling price increases** implemented as expected to compensate cost inflation
- **Slight positive FX impact**

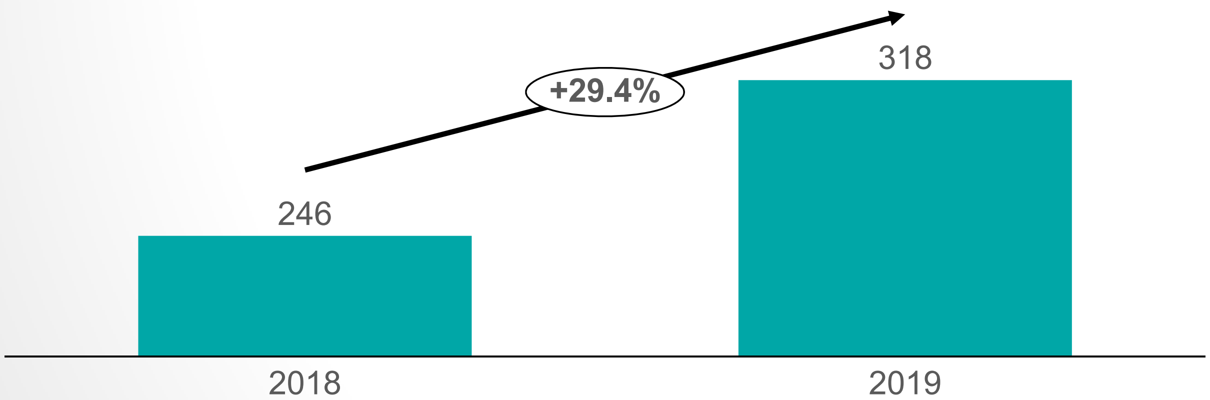
(*) Northern and Eastern Europe comprising production plants located in Germany, Russia, Ukraine and Poland.

Latin America*: strong organic growth dampened by negative exchange rates impact

Reported revenue (in €m)



Revenue(**) at constant exchange rates and scope (in €m)

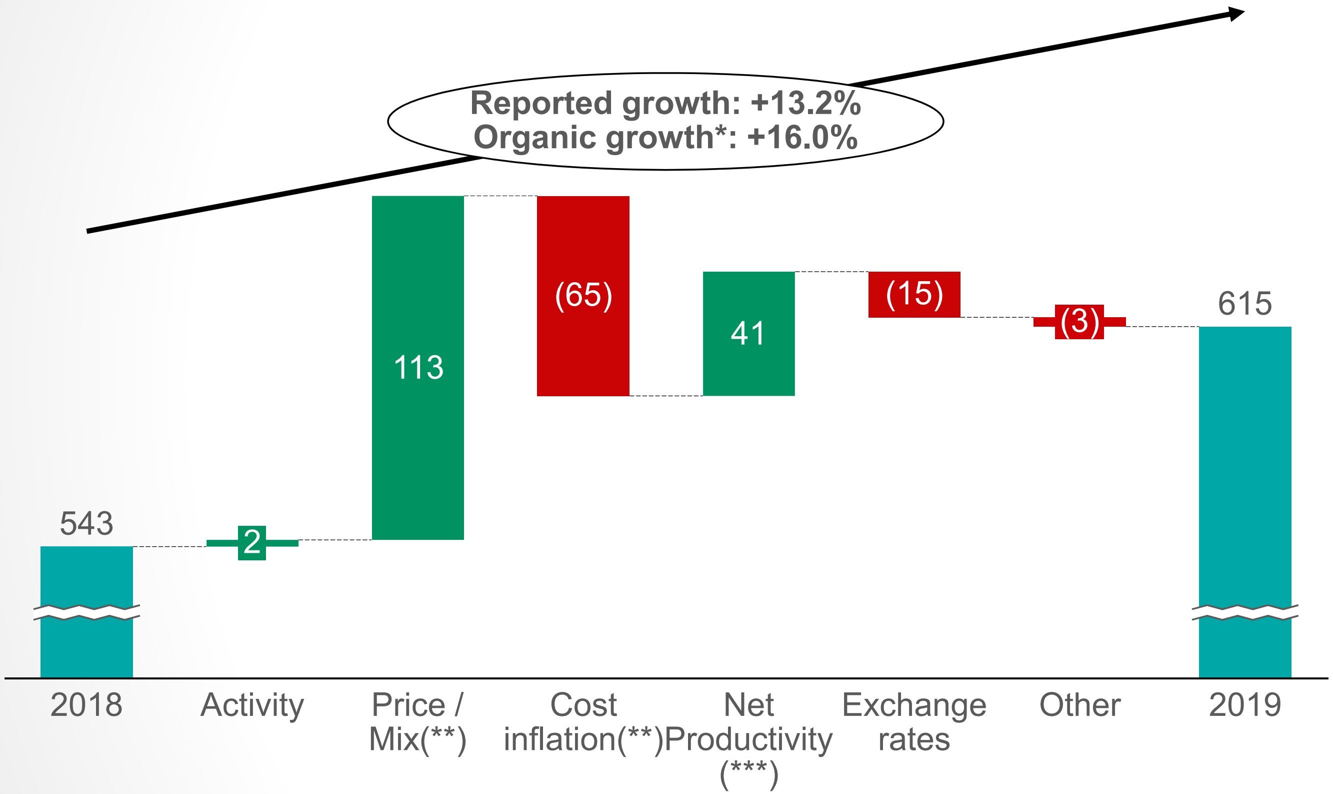


- **€54m negative FX impact,** mostly coming from Argentina
- **Solid local market** in **Brazil,** esp. for still wine, beer and soft drinks
- **Good performance** in **Argentina**
- **Successful opening** of the **new plant in Jacutinga** (State of Minas Gerais, Brazil)
- **Increase in selling prices:** a consequence of a high inflationary environment in Argentina

(*) Latin America comprising production plants located in Brazil, Argentina and Chile.
(**) At constant exchange rates and scope. The organic growth in Latam excluding Argentina would be **12.4%**.

Sharp adjusted EBITDA growth and margin expansion

Adjusted EBITDA (in €m)



Adjusted EBITDA margin

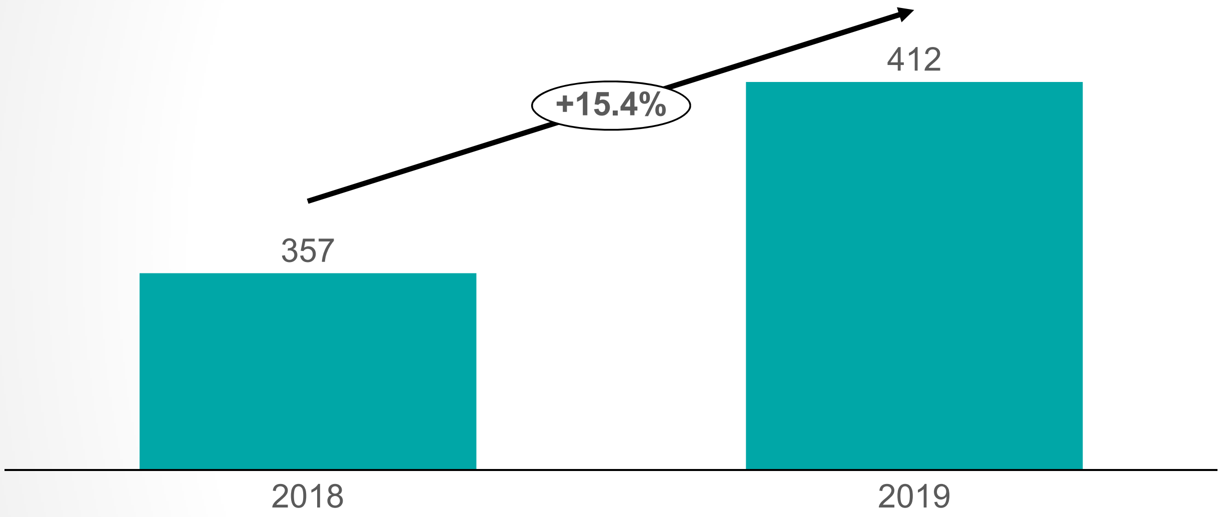
2018		2019
22.5%	+130 bps	23.8%

- **At constant exchange rates & scope, adjusted EBITDA increased by 16.0%,** driven by Verallia's 3 pillars:
  1. Sustained revenue growth
  2. Very positive price/cost spread
  3. PAP above guidance (€44m)
- **"Activity": operating leverage offset by significant destocking**
- **"Other"** includes IFRS 16 impact of +€20m (78 bps of margin)
- **Significant adjusted EBITDA margin expansion** reaching **23.8%, up 130 bps** YoY

(*) Growth at constant exchange rates and scope.
(**) For presentation purposes, the impact of inflation in Argentina has been reallocated from "Cost inflation" to "Price" (negative) bucket.
(***) Performance Action Plan ("PAP") impact amounting to €44m partly offset by (€3m) of industrial variances.

SWE*: Strong improvement adjusted EBITDA value and margin

Adjusted EBITDA (no exchange rates impact - in €m)



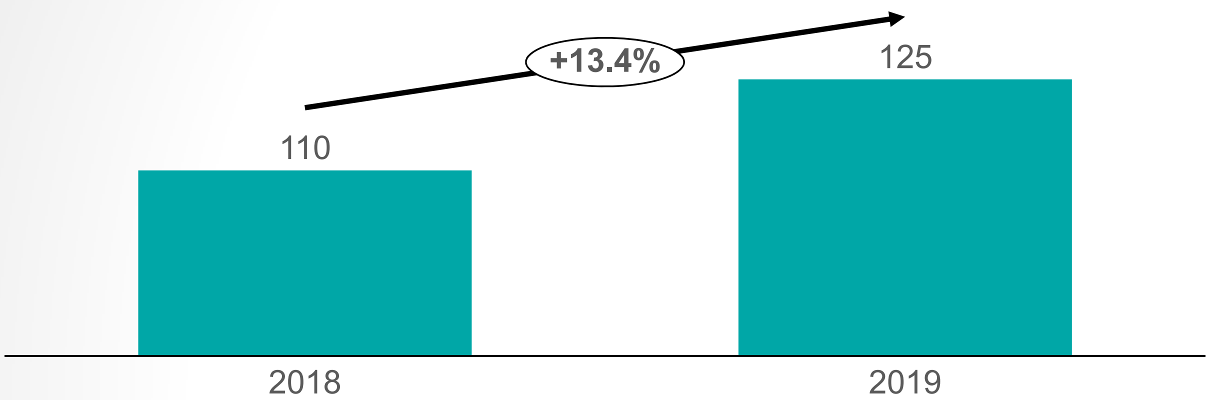
Adjusted EBITDA margin		
2018		2019
21.6%	+184 bps	23.5%

- Deployment of Verallia's **3 main improvement drivers**
  1. Volume growth
  2. Positive inflation spread
  3. Performance Action Plan
- **+€17m** of IFRS 16 impact

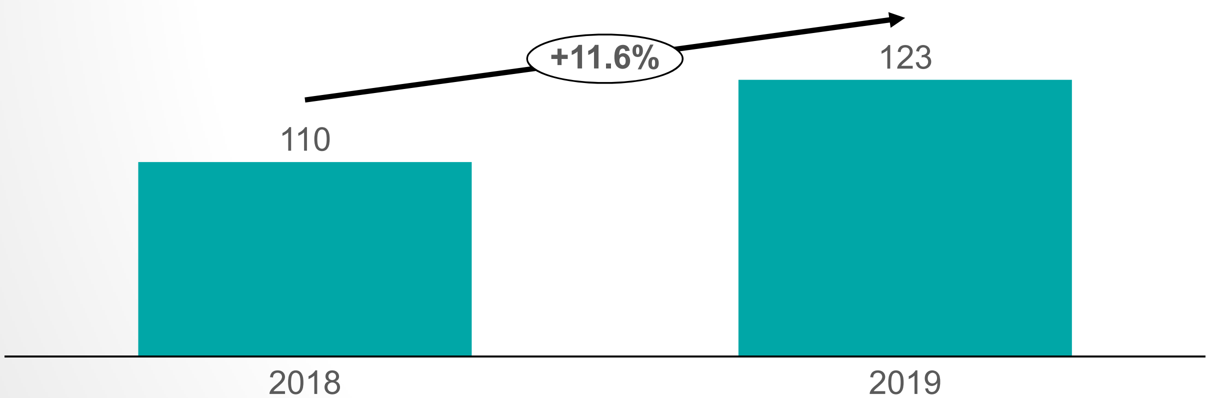
(*) Southern and Western Europe comprising production plants located in France, Spain, Portugal and Italy.

NEE*: Strong Adjusted EBITDA value and margin expansion

Adjusted EBITDA (in €m)



Adjusted EBITDA at constant exchange rates (in €m)



Adjusted EBITDA margin

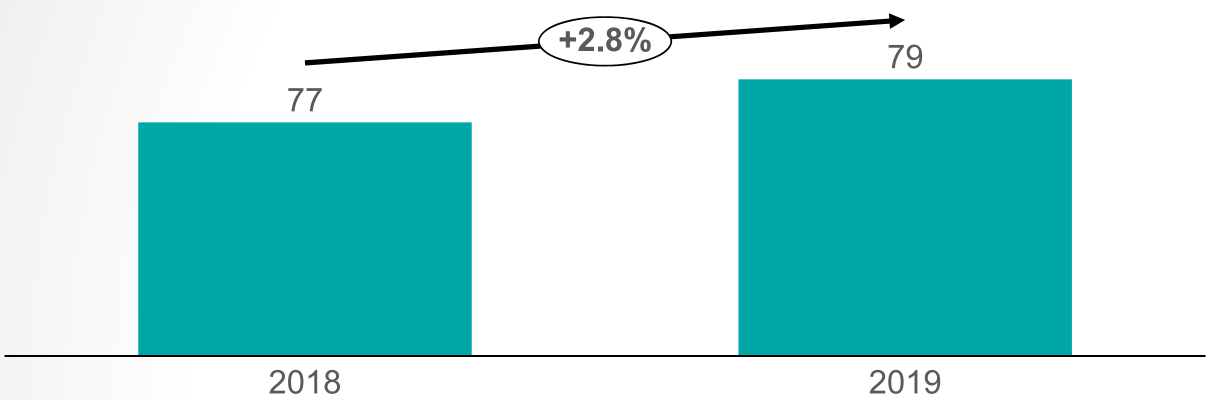
2018		2019
21.1%	+87 bps	22.0%

- Deployment of Verallia's **3 main improvement drivers**
  1. Volume growth
  2. Positive inflation spread
  3. Performance Action Plan
- **Very limited impact** of IFRS 16 (+€2m)

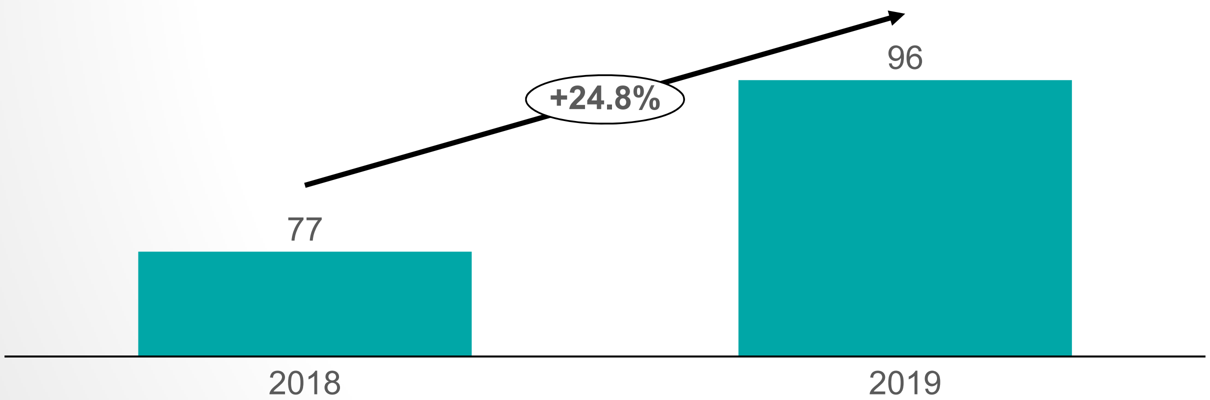
(*) Northern and Eastern Europe comprising production plants located in Germany, Russia, Ukraine and Poland.

Latin America(*): Adjusted EBITDA margin & value dampened by currency depreciation

Adjusted EBITDA (in €m)



Adjusted EBITDA at constant exchange rates (in €m)



Adjusted EBITDA margin

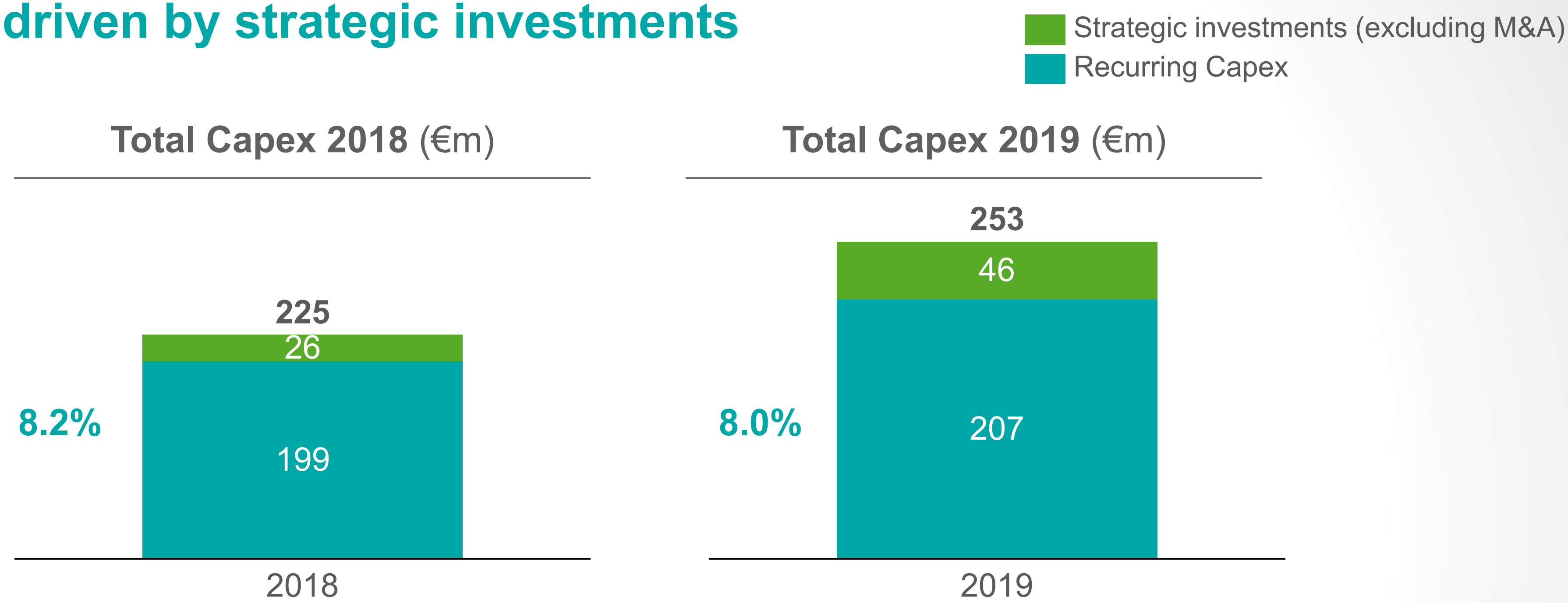
2018		2019
31.2%	(138) bps	29.8%

- **Decline in margin** due to
  - Dilutive effect of sharp price increases
  - Significant currency depreciation
- Deployment of Verallia's **3 main improvement drivers**
  1. Volume growth
  2. Positive inflation spread
  3. Performance Action Plan
- **Insignificant impact** of IFRS 16 (+€1m)

(*) Latin America comprising production plants located in Brazil, Argentina and Chile.

1. Financial highlights and key initiatives
2. Financial results
3. **Cash performance**
4. Conclusion

Higher Capex driven by strategic investments



Recurring Capex in % of revenue: 8.2% (2018) | 8.0% (2019)

- **Recurring Capex of 8% of 2019 consolidated sales, in line with guidance, mostly include scheduled furnace repairs**
- **Strategic Capex include:**
  - **Successful startup of the new plant in Brazil** (Jacutinga, Minas Gerais) in H1 2019
  - New furnaces in **Italy** (Villa Poma) and **Spain** (Azuqueca) with **almost all of the cash out payment to take place in H1 2020**, with a startup planned at the same time
- **Discipline to maintain yearly recurring Capex at ca. 8% of consolidated annual sales**(*)

(*) Excluding rights of use capitalization as per IFRS 16 accounting.

Improved operating cash flow and stable cash conversion

In €m	2018	2019
Adjusted EBITDA	543.3	615.2
Total Capex	225.0	252.5
Cash conversion	58.6%	59.0%
Change in operating working capital(*)	(17.9)	45.7
Operating Cash Flow	**300.5**	**408.4**

- **High operating cash flow** due to
  - **Sharp EBITDA growth**
  - **Significant improvement in operating WC requirement** despite strong sales growth
- **High level of cash conversion**

(*) Including changes in payables of fixed assets.

Continuous strong deleveraging capabilities(*)

In € million	31/12/2018(*)	31/12/2019
Net Debt	1,708.8	1,590.6
LTM Adjusted EBITDA	543.3	615.2
Net Debt / LTM Adjusted EBITDA	**3.1x**	**2.6x**

- **2.6x ratio of net debt over LTM adjusted EBITDA at December 31, 2019**:
  - Net debt at €1,591 million including rights-of-use for €53 million
  - 2019 Adjusted EBITDA at €615 million including €20 million of IFRS16 impact

- **Continuous deleveraging** since 2017 driven by:
  - **Increase of LTM adjusted EBITDA**
  - **Decrease of net debt**

(*) Excluding the shareholder loan between Verallia SA and Horizon Intermediate Holdings, its former parent company.

Verallia's debt structure

In € million	Nominal amount or maximum amount drawable	Nominal rate	Final maturity	December 31, 2019
Term Loan A	1,500	Euribor +1.75%	07/10/2024	1,490.7
Revolving Credit Facility	500	Euribor +1.35%	07/10/2024	-
Commercial Papers Neu CP	400			188.2
Other debt				130.9
Total borrowings				**1,809.8**
Cash				(219.2)
Net Debt				**1,590.6**

- **A significant part of the Group's floating rate exposure is hedged through interest rate swaps**
- **Total available liquidity(*) reaches €531 million at December 31, 2019**

(*) Calculated as the Cash + Undrawn Revolving Credit Facility - Outstanding Commercial Papers.

Conclusion

- **Very strong annual results in line with guidance**
  - Illustrating the success of the Group's **strategy** based on **4 pillars:**
    - **Disciplined growth (profitable and sustainable);**
    - **Operational excellence deployment;**
    - **Wise investments;**
    - **Strong entrepreneurial culture.**
  - And leveraging on Verallia's **profitability drivers** over the year:
    - **Sustained volume growth;**
    - **Positive inflation spread** (price increases versus cost inflation);
    - **Performance Action Plan (PAP).**

Positive outlook for 2020

- **The Group is expecting for 2020**
  - **Consolidated revenue organic growth(*) from 3% to 5%** in line with the 2020-2022 outlook. Selling price increases will be more moderate, in line with lower inflation in costs;
  - **Adjusted EBITDA(**) *above* €650m**, compared to €615m in 2019;
  - **Recurring investments amounting to 8% of its annual consolidated revenue** (excluding capitalization of the right of use associated with the application of IFRS 16);
  - **Total Capex at ~€270m**, compared to €253m in 2019;
  - **Net financial debt/adjusted EBITDA(**) ratio of around 2.2x** as of December 31, 2020; namely a reduction in leverage of around 0.4x compared to end of 2019 post dividend.

(*) At constant exchange rates and constant scope.
(**) Excluding the impact of the management share ownership plan set up as part of the IPO.

Appendices

Glossary

- **Organic growth:** corresponds to revenue growth at constant exchange rates and scope. Revenue growth at constant exchange rates is calculated by applying the average exchange rates of the comparative period to revenue for the current period of each Group entity, expressed in its reporting currency.
- **Adjusted EBITDA:** This is a non-IFRS financial measure. It is an indicator for monitoring the underlying performance of businesses adjusted for certain expenses and/or non-recurring items liable to distort the company's performance. The Adjusted EBITDA is calculated based on operating profit adjusted for depreciation, amortisation and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, management share ownership plans, subsidiary disposal-related effects and contingencies, plant closure costs and other non-current items.
- **Capex:** Short for "capital expenditure", this represents purchases of property, plant and equipment and intangible assets necessary to maintain the value of an asset and/or adapt to market demand or to environmental and health and safety constraints, or to increase the Group's capacity. It excludes the purchase of securities.
- **Recurring capex:** represent acquisitions of property, plant and equipment and intangible assets necessary to maintain the value of an asset and/or adapt to market demands and to environmental, health and safety requirements. It mainly includes furnace renovation and maintenance of IS machines.
- **Strategic investments:** Capex corresponds to acquisitions of strategic assets that significantly enhance the Group's capacity or its scope (for example, the acquisition of plants or similar facilities, greenfield or brownfield investments), including the building of additional new furnaces.
- **Cash conversion:** refers to the ratio between cash flows and adjusted EBITDA. Cash flows refers to adjusted EBITDA less Capex.
- **The segment Southern and Western Europe** comprises production plants located in France, Spain, Portugal and Italy. It is also denominated as "SWE".
- **The segment Northern and Eastern Europe** comprises production plants located in Germany, Russia, Ukraine and Poland. It is also denominated as "NEE".
- **The segment Latin America** comprises production plants located in Brazil, Argentina and Chile.
- **Liquidity:** Calculated as the Cash + Undrawn Revolving Credit Facility – Outstanding Commercial Papers.

Consolidated Profit and Loss

(in € million)	Year ended 31 December	
	2018	2019
Revenue	2,415.8	2,585.9
Cost of sales	(1,973.2)	(2,043.6)
Selling, general and administrative expenses	(144.7)	(170.8)
Acquisition-related items	(61.8)	(59.4)
Other operating income and expenses	(14.9)	(17.0)
Operating profit	221.2	295.1
Net financial income (expense)	(146.8)	(115.9)
Profit (loss) before tax	74.4	179.2
Income tax	(24.2)	(53.8)
Share of net profit (loss) of associates	(1.7)	(0.7)
Net profit (loss) for the year	48.5	124.6
Attributable to shareholders of the Company	***41.1***	***115.6***
Attributable to non-controlling interests	*7.4*	*9.0*
Basic earnings per share *(in €)*	0.18	1.00
Diluted earnings per share *(in €)*	0.18	1.00

Consolidated Balance Sheet

(in € million)	31 December 2018	31 December 2019
ASSETS		
Goodwill	552.0	550.9
Other intangible assets	559.3	499.2
Property, plant and equipment	1,199.5	1,299.3
Investments in associates	0.6	0.6
Deferred tax	43.6	42.3
Other non-current assets	46.4	37.5
Non-current assets	**2,401.4**	**2,429.8**
Short-term portion of non-current assets	0.5	-
Inventories	477.9	455.2
Trade receivables and other current assets	190.9	178.9
Current tax receivables	14.9	21.0
Cash and cash equivalents	262.1	219.2
Current assets	**946.3**	**874.3**
Total Assets	**3,347.7**	**3,304.1**

(in € million)	31 December 2018	31 December 2019
EQUITY & LIABILITIES		
Share capital	137.5	400.2
Consolidated reserves	(114.4)	(14.0)
Equity attributable to shareholders	**23.1**	**386.2**
Non controlling interests	27.5	33.4
Equity	**50.6**	**419.6**
Non-current financial liabilities and derivatives	2,139.2	1,584.0
Provisions for pensions and other employee benefits	117.4	133.0
Deferred tax	192.6	166.6
Provisions and other non-current financial liabilities	52.8	43.1
Non-current liabilities	**2,502.0**	**1,926.7**
Current financial liabilities and derivatives	105.4	225.9
Current portion of provisions and other current financial liabilities	41.1	51.9
Trade payables	408.4	383.6
Current tax liabilities	8.6	19.3
Other current liabilities	231.6	277.1
Current liabilities	**795.1**	**957.8**
Total Equity and Liabilities	**3,347.7**	**3,304.1**

Consolidated Cash Flow Statement

(in € million)	Year ended 31 December 2018	2019
Net profit (loss) for the year	48.5	124.6
Share of net profit of associates, net of dividends received	1.7	0.7
Depreciation, amortisation and impairment of assets	301.8	283.5
Gains and losses on disposals of assets	6.6	(1.4)
Interest expense on financial liabilities	92.3	68.8
Unrealised gains and losses on changes	-	(1.6)
Gain/loss on net monetary position (IAS 29, *Hyperinflation*)	0.7	5.8
Unrealised gains and losses on changes in the fair value of derivatives	(0.5)	(2.9)
Change in inventories	(27.7)	19.7
Change in trade receivables, trade payables and other receivables and payables	8.1	(13.9)
Current tax expense	57.8	71.0
Taxes paid	(38.9)	(59.1)
Changes in deferred taxes and provisions	(21.1)	1.6
Net cash flows from operating activities	429.3	496.8
Acquisition of property, plant and equipment and intangible assets	(225.0)	(252.5)
Increase (decrease) in debt on fixed assets	(5.6)	19.3
Acquisitions of subsidiaries, net of cash acquired	-	(0.5)
Deferred payment related to the acquisition of a subsidiary	-	-
Capital expenditure	**(230.6)**	**(233.7)**
Disposals of property, plant and equipment and intangible assets	-	3.7
Sale of equity-accounted securities	14.0	-
Disposals	**14.0**	**3.7**
Increase in loans, deposits and short-term borrowings	(3.8)	(5.7)
Reduction in loans, deposits and short-term borrowings	0.4	13.7
Changes in loans and deposits	**(3.4)**	**8.0**
Net cash flows from (used in) investing activities	(220.0)	(222.0)
Capital increase (reduction)	-	-
Transactions with shareholders	**-**	**-**
Capital increases of subsidiaries subscribed by third parties	5.8	7.2
Dividends paid to non-controlling interests by consolidated companies	(2.5)	(6.9)
Transactions with non-controlling interests	**3.3**	**0.3**
Increase (reduction) in bank overdrafts and other short-term borrowings	67.5	106.4
Increase in long-term debt	607.9	1,538.5
Reduction in long-term debt	(741.4)	(1,891.0)
Financial interest paid	(99.8)	(70.4)
Change in gross debt	**(165.8)**	**(316.5)**
Net cash flows from (used in) financing activities	(162.5)	(316.2)
Increase (reduction) in cash and cash equivalents	46.8	(41.4)
Impact of changes in foreign exchange rates on cash and cash equivalents	(4.7)	(1.5)
Impact of changes in fair value on cash and cash equivalents	-	-
Opening cash and cash equivalents	220.1	262.1
Closing cash and cash equivalents	262.1	219.2

Reconciliation of Operating income to adjusted EBITDA

In € million	2018	2019
Operating income	**221.2**	**295.1**
Depreciation and amortization (i)	298.2	283.5
Restructuring costs	7.2	2.9
Acquisition and M&A costs	0.2	(2.1)
IAS 29 Hyperinflation (Argentina) (ii)	2.5	1.6
Management share ownership plan and associated costs	5.7	11.5
Disposal and subsidiary risks (iii)	(8.8)	0.0
Sao Paulo (Brazil) site closure (iv)	11.4	2.4
Other (v)	5.8	20.3
Adjusted EBITDA	**543.3**	**615.2**

(i) Includes depreciation and amortisation of intangible assets and property, plant and equipment, amortisation of intangible assets acquired through business combinations and impairment of property, plant and equipment.
(ii) The Group applies IAS 29 (Hyperinflation) to its Argentina operations for the years ended December 31, 2018 and 2019.
(iii) Corresponds mainly to the effects related to the disposals of IVN and Alver.
(iv) Corresponds to the closure of Sao Paulo plant.
(v) In 2019, mainly corresponds to the one time €7m past service costs following the amendment of the French national mechanical glass manufacturing industries collective agreement and the €10m costs incurred as part of the IPO project.

Reconciliation of Cash conversion to adjusted EBITDA

In € million	2018	2019
Adjusted EBITDA	**543.3**	**615.2**
Capex	(225.0)	(252.5)
Cash flows	**318.3**	**362.7**
Cash conversion	**58.6%**	**59.0%**

Adjusted EBITDA and Cash conversion are alternative performance indicators within the meaning of AMF position n ° 2015-12.

Adjusted EBITDA and Cash conversion are not standardized accounting measures that meets a single generally accepted definition by IFRS standards. They must not be considered as a substitute for operating income, net income and cash flow from operating activities which are measures defined by IFRS, or as a measure of liquidity. Other issuers may calculate adjusted EBITDA and Cash conversion differently from the definition used by the Group.

Confirmation of the 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:

- Consolidated revenue **organic growth**(*) 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;
- An **adjusted EBITDA(**) 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 capex(***) at around 8%** of the consolidated annual revenue;
- A **net financial debt/adjusted EBITDA(**) ratio of between 2x and 3x**;
- An annual **dividend payout ratio exceeding 40% of consolidated net income**, with an annual amount of **at least €100m**, subject to approval by Verallia's General Shareholders' meeting.

(*) At constant exchange rates and constant scope.
(**) Excluding the impact of the management share ownership plan set up as part of the IPO.
(***) Excluding capitalization of the right of use associated with the application of IFRS 16.

Impact of IFRS 16 “Leases”

Verallia has applied IFRS 16 since January 1, 2019 using the simplified retrospective transition method. IFRS 16 (Leases) eliminates the distinction between operating and finance leases and requires the lessee to recognize an asset (the right to use the leased asset) and a financial liability to pay lease payments, subject to minor exceptions.

As a result of the adoption of IFRS 16, as of December 31, 2019, right of use assets were recognized for €52 million and an additional financial liability was recorded for €53 million.

In the income statement, IFRS 16 leads to a reduction in lease expenses recorded under adjusted EBITDA of €20 million, and an increase in depreciation & amortization of non-current assets and finance costs.

The impact on net income attributable to owners of the Company is not material.

IAS 29: Hyperinflation in Argentina

Since the second half of 2018, the Group has applied IAS 29 in Argentina. The adoption of IAS 29 requires the restatement of non-monetary assets and liabilities and of the income statement to reflect changes in purchasing power in the local currency, leading to a gain or loss on the net monetary position included in the finance costs.

Financial information of the Argentinian subsidiary is converted into euros using the closing exchange rate for the relevant period.

In 2019, the net impact on revenue amounted to €(3.1)m. The hyperinflation impact has been excluded from Group adjusted EBITDA as shown in the table “Reconciliation of operating profit to adjusted EBITDA”.

Disclaimer

Verallia's consolidated financial statements for the financial year ended December 31, 2019 have been approved by the Board of Directors on February 20, 2020. Audit procedures are being finalized.

Certain information included in this presentation are not historical facts but are forward-looking statements. These forward-looking statements are based on current beliefs, expectations and assumptions, including, without limitation, assumptions regarding present and future business strategies and the environment in which Verallia operates, and involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements, or industry results or other events, to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include those discussed or identified under Chapter 3 "Facteurs de Risques" in the Registration Document dated 4 September 2019, approved by the AMF under number I. 19-031 and available on the Company's website (www.verallia.com) and the AMF's website (www.amf-france.org). These forward-looking information and statements are not guarantees of future performances.

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