



PRESS RELEASE

2020 Annual Results

**The Group has shown significant resilience to the pandemic:
Slight decrease in revenue of -1.9%
Growth in adjusted EBITDA to €626 million (+1.7%) and
in the adjusted EBITDA margin to 24.7% (+88 bps)**

Paris, 24 February 2021

Highlights

- **Slight decrease in revenue of -1.9% to €2,536 million in 2020** (+2.1% at constant exchange rates and scope)⁽¹⁾ compared to 2019
- **Adjusted EBITDA of €626 million** (+1.7% compared to 2019 and +7.6% at constant exchange rates and scope)
- **Adjusted EBITDA margin at 24.7%** compared to 23.8% in 2019
- **Net income at €210 million** compared to €125 million in 2019 and **earnings per share⁽²⁾ of €1.67**
- **Reduction in net debt to €1,279 million** at the end of 2020, i.e. **2.0x** adjusted EBITDA vs. 2.6x at the end of 2019
- **Proposal to pay a dividend per share of €0.95⁽³⁾**
- **Reasonable confidence in achieving as of 2021** the 2022 (mid-term) objectives, which were reaffirmed in July 2020, together with the deployment of the ESG roadmap

(1) Growth in revenue at constant exchange rates and scope excluding Argentina of +0.8% in 2020 compared to 2019.

(2) 2020 EPS comprises the amortisation expense of the customer relationships, booked at the time of the acquisition of the glass packaging division of Saint-Gobain in 2015, for €0.37 (amount net of tax). This charge amounted to €0.36 in 2019.

(3) Subject to the approval of the Annual General Shareholders' Meeting which will take place on 15 June 2021.

"Verallia has demonstrated a remarkable resilience to this unprecedented global crisis. Our priority has been to protect the health and safety of our teams, who have shown exceptional commitment. The Group's agility has enabled it to report positive organic growth this year, by quickly adapting to the ever-changing demands of its customers, who play an essential role throughout the food industry supply chain. Adjusted EBITDA increased both in value and percentage, thanks to a high discipline in managing costs, industrial efficiency and a positive inflation spread. In a context that remains uncertain, Verallia is in an excellent position to implement its ESG strategy and meet as of 2021 its mid-term objectives, as confirmed in July 2020.", commented Michel Giannuzzi, Chairman and CEO of Verallia.

Revenue

Revenue breakdown by region

In € million	2020	2019	% Change	Of which is organic growth (i)
Southern and Western Europe	1,744.5	1,753.7	-0.5%	-0.5%
Northern and Eastern Europe	554.4	567.6	-2.3%	+0.4%
Latin America	237.0	264.6	-10.4%	+23.4%
Group Total	2,535.9	2,585.9	-1.9%	+2.1%

(i) 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. The growth in revenue at constant exchange rates and scope excluding Argentina was up 0.8% in 2020 compared to 2019.

In 2020, Verallia posted a **revenue of €2,536 million**, limiting its decrease in revenue to **-1.9% on a reported basis** in comparison to 2019, despite the unprecedented global health and economic crisis. The impact of **exchange rates** was -4.1% in 2020 (-€105 million), mostly linked to the depreciation of Latin American currencies, and to a lesser extent, the depreciation of the Ukrainian hryvnia and the Russian rouble.

At **constant exchange rates and scope**, revenue increased by **+2.1%** (and by +0.8% excluding Argentina) in 2020, in spite of the global crisis which struck from March onwards. Verallia was able to limit the decrease in sales volumes to -1.8% over the year. After a dynamic start to the year, the COVID-19 crisis led to a downturn in the market, resulting in a -7.9% reduction in volumes in the second quarter. However, thanks to its agility and flexibility, the Group was able to take advantage of the recovery in the third quarter. In the fourth quarter, the re-introduction of lockdowns in some countries where the Group operates again led to a slight decrease in sales volumes.

Increases in selling prices at the beginning of year contributed to the growth in revenue seen across all regions in 2020. After experiencing a reduction in the first semester, the product mix improved over the rest of the year thanks to a recovery in sales of high-end products across all product categories and is therefore slightly positive for the financial year.

At Group level, the marked decrease in sales volumes of sparkling wine and spirits in the first half of the year was substantially reduced in the second part of the year. Meanwhile, beer and still wine, which saw a decrease in the first half of the year, picked up in the second half. Finally, the strong performance of food jars in the first half of the year continued in the second half, albeit at a slower pace.

Revenue breakdown by region:

- Southern and Western Europe (comprising France, Spain, Portugal and Italy) posted an almost stable revenue (-0.5%) on both a reported basis and at constant exchange rates and scope. While the first half of the year was affected by lockdowns and the closure of hotels, restaurants and cafés, the second half of the year showed signs of growth, thanks to a very strong recovery in the third quarter and resilience in Italy. The sparkling wine and spirits categories suffered the most, while food jars experienced strong growth throughout the region. Still wine volumes recovered mainly in Italy and in Iberia. After a stable first half of the year, the beer category showed strong performance in the second half. France was the country that was the most affected, with a downturn in the champagne, spirits and still wine markets.

- In Northern and Eastern Europe (comprising Germany, Russia, Ukraine and Poland), reported revenue decreased by -2.3%, but increased by +0.4% at constant exchange rates and scope. Changes in exchange rates had a negative impact of -2.7%, due to the depreciation of the Ukrainian hryvnia and the Russian rouble. Volumes were down in all countries but were offset by selling price increases (mainly Eastern Europe). The good performance of food jars was not enough to compensate for the reduced sales volumes in other categories.
- In Latin America (comprising Brazil, Argentina and Chile), reported revenue decreased by 10.4% as a result of local currency depreciation. Excluding the effects of exchange rates, revenue did significantly increase (+23.4% and +14.7% excluding Argentina). Volumes have been growing in all countries in a dynamic market. Over the year, sales volumes of still wine and spirits made good progress in the region. In addition, increases in selling prices continued throughout the year, particularly in Argentina where the highly dynamic selling price policy was able to cover local hyperinflation.

Adjusted EBITDA

Breakdown of adjusted EBITDA by region

<i>In € million</i>	2020	2019
Southern and Western Europe		
Adjusted EBITDA (i)	419.1	411.5
<i>Adjusted EBITDA margin</i>	24.0%	23.5%
Northern and Eastern Europe		
Adjusted EBITDA (i)	126.5	124.9
<i>Adjusted EBITDA margin</i>	22.8%	22.0%
Latin America		
Adjusted EBITDA (i)	80.1	78.8
<i>Adjusted EBITDA margin</i>	33.8%	29.8%
Group Total		
Adjusted EBITDA (i)	625.7	615.2
<i>Adjusted EBITDA margin</i>	24.7%	23.8%

(i) 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 items.

Adjusted EBITDA increased by +1.7% in 2020 (and +7.6% at constant exchange rates and scope) to **€626 million**. The unfavourable effect of the **exchange rates** amounted to a loss of -€37 million, mainly owing to the depreciation of Latin American currencies as well as the depreciation of the Ukrainian hryvnia and the Russian rouble.

The slight improvement in the product mix, combined with increases in selling prices at the beginning of the year, allowed the Group to generate a positive spread¹, which was a major contributor to the

¹ Spread represents the difference between (i) the increase in sales prices and the mix applied by the Group after passing the increase in its production costs on to these prices, if required, and (ii) the increase in its production costs. The spread is positive when the increase in sales prices applied by the Group is greater than the increase in its production costs. The increase in production costs is recorded by the Group at constant production volumes and before industrial deviation and taking into account the impact of the industrial performance improvement plan (Performance Action Plan – PAP).

improvement in adjusted EBITDA. This more than compensated for the decrease in activity (decrease in sales volumes combined with significant destocking). In addition, the continued implementation of the Performance Action Plan (PAP) led to a net reduction in cash production costs of €36 million (i.e. 2.2% of cash production costs) in 2020.

The **adjusted EBITDA margin** increased to **24.7%** from 23.8% in 2019.

Adjusted EBITDA breakdown by region:

- Southern and Western Europe reported an adjusted EBITDA of €419 million (vs. €412 million in 2019) and a margin of 24.0% compared to 23.5%. The negative impact of the decrease in sales volumes and the degradation in product mix has been offset by a positive spread on sales and good industrial performance. However, the difficulties faced in France with lower levels of industrial performance and social disturbances linked to the transformation plan, lessened these positive effects. In addition, France saw reduced sales in all products except jars as well as product mix degradation due to lower sales in premium.
- In Northern and Eastern Europe, adjusted EBITDA rose to €127 million (vs. €125 million in 2019) increasing its margin to 22.8%, compared to 22.0%. This increase in margin is mainly the result of a positive spread as well as productivity improvement. Eastern Europe generated a good industrial performance thanks to the delivery of the Performance Action Plan (PAP).
- In Latin America, adjusted EBITDA amounted to €80 million (vs. €79 million in 2019), achieving a margin of 33.8% compared to 29.8%. This significant improvement in the margin can be attributed to the good performance of the three pillars: increase in sales volumes, positive spread and industrial performance.

The increase in **net income** to **€210 million** is mainly the result of the improvement of adjusted EBITDA and of the finance costs, in spite of the restructuring costs incurred during the first half of 2020. The earnings per share reached €1.67 in 2020, compared to €1.00 in 2019. It comprises the amortisation expense of the customer relationships, booked at the time of the acquisition of the glass packaging division of Saint-Gobain in 2015, for €0.37 (amount net of tax). This charge amounted to €0.36 in 2019.

The **booked capital expenditure** fell to **€251 million**, compared to €253 million in 2019. These investments consist of €203 million of recurring investments (i.e. 8.0% of the consolidated revenue, in line with guidance) compared to €207 million in 2019, and €47 million of strategic investments (vs. €46 million in 2019) corresponding mainly to the new furnaces in Italy (Villa Poma) and Spain (Azuqueca), whose start-up was voluntary delayed to the first quarter of 2021.

The **operating cash flow**² came in higher at **€442 million**, compared to €408 million in 2019, thanks to the growth in adjusted EBITDA as well as a significant improvement in the working capital requirement. In terms of number of days of sales compared to the end of 2019, stocks fell to an extremely low level at the end of 2020 and overdues were well-managed, remaining stable at a very low level.

Capacity to deleverage

Verallia continued its deleveraging process throughout 2020. As a result, the **net debt** was reduced to **€1,279 million** at the end of December 2020, i.e. **2.0x the 2020 adjusted EBITDA**, down from 2.6x on 31 December 2019. The reduction in the net debt ratio to below 2.5x the adjusted EBITDA at the end of June 2020 enabled Verallia to reduce the margins of Term Loan A and Revolving Credit Facility 1 (RCF1) by 25 basis points (reduction effective since 3 August 2020).

² Operating cash flow represents adjusted EBITDA minus capital expenditure (capex). The change in the operating working capital requirement is then added to this, which includes changes in trade payables of fixed assets.

The **cash conversion** percentage remained at a high level of **60%**. In addition, Verallia continues to benefit from a **high level of liquidity**³ of **€1,080 million**, as of 31 December 2020.

Composition of the Board of Directors and changes to share ownership

Following the sale by Horizon Investment Holdings of approximately 10% of its stake in Verallia to Brasil Warrant Administração de Bens e Empresas S.A. (BWSA), the Verallia Board of Directors acknowledged the resignation of Claudia Scarico as member of the Verallia Board of Directors and member of the Audit Committee on 17 December 2020.

The Board of Directors then decided the co-option of BW Gestão de Investimentos Ltda. (BWGI), represented by João Salles, in order to replace Claudia Scarico. This co-option shall be subject to the ratification of the Verallia Annual General Meeting on 15 June 2021.

The Board of Directors also acknowledged João Salles' replacement by Marcia Freitas as permanent representative of BWSA, already a member of the Board of Directors.

BWGI, represented by João Salles, will replace BWSA as member of the Nomination and Compensation Committee while BWSA, represented by Marcia Freitas, will replace Claudia Scarico as a member of the Audit Committee.

Lastly, the Board of Directors acknowledged the resignation of Fabrice Nottin from the role of Observer on the Board of Directors. This position will be filled by Claudia Scarico, for a four-year mandate.

On February 3rd 2021, Sylvain Artigau resigned from his role as employee representative of the Board of Directors.

In accordance with the recommendations of AFEP-MEDEF Code, the Board of Directors, at its meeting of February 23rd 2021, reviewed and assessed the independence of the members of the Board of Directors and concluded, on the one hand, that given its level of ownership of Verallia's capital, BWSA could no longer be qualified as independent and, on the other hand, the criteria were now met for Pierre Vareille to be qualified as an independent director. To date, five directors (Cécile Tandeau de Marsac, Marie-José Donsion, Virginie Hélias, José Arozamena and Pierre Vareille) are therefore qualified as independent, i.e. half of the directors.

Therefore, the composition of each committee of the Board of Directors is as follows:

- **Audit Committee:** Marie-José Donsion (Chairwoman), José Arozamena and BWSA (represented by Marcia Freitas);
- **Nomination and Compensation Committee:** Cécile Tandeau de Marsac (Chairwoman), José Arozamena, Pierre Vareille and BWGI (represented by João Salles);
- **Sustainable Development Committee:** Virginie Hélias (Chairwoman), Michel Giannuzzi, Bpifrance Investissement (represented by Sébastien Moynot) and Dieter Müller, director representing the employees on the Board of Directors.

³ Calculated as the Cash + Undrawn Revolving Credit Facilities – Outstanding Commercial Papers.

2020 dividend

During their meeting on 23 February 2021, the Verallia Board of Directors decided to propose the payment of a dividend of €0.95 per share in cash for the 2020 financial year. This amount will be subject to approval of the Annual General Shareholders' meeting which will take place on 15 June 2021.

2021 Outlook

In a climate that remains uncertain, Verallia is well prepared to match the volumes reached in 2019 again in 2021, leading to positive organic growth. 2021 adjusted EBITDA is also expected to increase from the previous year to around €650 million and the adjusted EBITDA margin is expected to exceed the medium term target of 25%.

Confident in the growth of the Brazilian market, Verallia has decided to build an additional furnace at the plant in Jacutinga. This new strategic investment, totalling approximately €60 million, will be spread across 2021 and 2022.

Finally, in January 2021, Verallia presented its ESG roadmap and its ambitious objectives, notably in reducing CO₂ emissions by 27.5% by 2030, in line with the Science-Based Targets initiative to support worldwide action to limit global warming to below 2°C above pre-industrial levels (detailed [presentation](#) available on the Verallia website).

About Verallia - At Verallia, our purpose is to re-imagine glass for a sustainable future. We want to redefine how glass is produced, reused and recycled, to make it the world's most sustainable packaging material. We work in common cause with our customers, suppliers and other partners across the value chain to develop new healthy and sustainable solutions for all.

With around 10,000 people and 32 glass production facilities in 11 countries, we are the leading European and the third largest producer globally of glass containers for food and beverages, providing innovative, customized and environmentally-friendly solutions to more than 10,000 businesses around the world.

Verallia produced more than 16 billion bottles and jars and achieved revenues of €2.5 billion in 2020. Verallia is listed on compartment A of the Euronext Paris stock exchange (Ticker: VRLA – ISIN: FR0013447729) and belongs to the SBF 120, CAC Mid 60, CAC Mid & Small et CAC All-Tradable indexes. For more information, visit www.verallia.com.

The Verallia Group's consolidated financial statements for the financial year ended 31 December 2020 were approved by the Board of Directors on 23 February 2021. The consolidated financial statements have been audited by the Group's Statutory Auditors.

An analysts' conference call will be held on Wednesday, 24 February 2021 at 9.00 a.m. (CET) via an audio webcast service (live and replay) and the results will be available at www.verallia.com.

Financial calendar

- **29 April 2021:** financial results for Q1 2021 – *Press release **before the market opening** and conference call/presentation at 9.00 a.m. (CET) of that day.*
- **15 June 2021:** Annual General Shareholders' Meeting.
- **29 July 2021:** H1 results for 2021 – *Press release **before market opening** and conference call/presentation at 9.00 a.m. (CET) of that day.*
- **28 October 2021:** financial results for Q3 2021 – *Press release **before the market opening** and conference call/presentation at 9.00 a.m. (CET) of that day.*

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APPENDICES

Key figures

<i>In € million</i>	2020	2019
Revenue	2,535.9	2,585.9
<i>Reported growth</i>	-1.9%	
<i>Organic growth</i>	+2.1%	
of which Southern and Western Europe	1,744.5	1,753.7
of which Northern and Eastern Europe	554.4	567.6
of which Latin America	237.0	264.6
Cost of sales	(1,968.2)	(2,043.6)
Selling, general and administrative expenses	(160.8)	(170.8)
Acquisition-related items	(60.4)	(59.4)
Other operating revenue and expenses	(30.1)	(17.0)
Operating income	316.4	295.1
Finance costs – net	(45.8)	(115.9)
Profit (loss) before tax	270.6	179.2
Income tax	(62.4)	(53.8)
Share of net profit (loss) of associates	1.4	(0.7)
Net profit (loss) for the year	209.6	124.6
Earnings per share (i)	€1.67	€1.00
Adjusted EBITDA (ii)	625.7	615.2
Group Margin	24.7%	23.8%
of which Southern and Western Europe	419.1	411.5
<i>Southern and Western Europe margin</i>	24.0%	23.5%
of which Northern and Eastern Europe	126.5	124.9
<i>Northern and Eastern Europe margin</i>	22.8%	22.0%
of which Latin America	80.1	78.8
<i>Latin America margin</i>	33.8%	29.8%
Net debt at the end of December	1,279	1,591
Last 12 months adjusted EBITDA	625.7	615.2
<i>Net debt/last 12 months adjusted EBITDA</i>	2.0x	2.6x
Total capex (iii)	250.5	252.5
Cash conversion (iv)	60.0%	59.0%
Change in operating working capital	67.0	45.7
Operating cash flow (v)	442.1	408.4
Strategic investments (vi)	47.1	45.8
Recurring investments (vii)	203.4	206.7

(i) 2020 EPS comprises the amortisation expense of the customer relationships, booked at the time of the acquisition of the glass packaging division of Saint-Gobain in 2015, for €0.37 (amount net of tax). This charge amounted to €0.36 in 2019.

(ii) 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 items.

(iii) This Capex (capital expenditure) represents purchases of property, plant and equipment as well as intangible assets that are necessary to maintain the value of an asset and/or to adapt to market demands or environmental, health and safety standards, or to increase the Group's industrial capacity. M&A transactions are excluded.

(iv) Cash conversion represents adjusted EBITDA less Capex, divided by adjusted EBITDA.

(v) Operating cash flow represents adjusted EBITDA minus capex. The change in the operating working capital requirement is then added to this, which includes changes in trade payables of fixed assets.

(vi) Strategic investments represent the 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. They will also include as of 2021, investments related to the implementation of the CO₂ emissions reduction plan.

(vii) Recurring investments represent acquisitions of property, plant and equipment and the intangible assets necessary to maintain the value of an asset and/or to adapt to market demands, as well as environmental, health and safety requirements. It mainly includes furnace renovation and maintenance of IS machines.

Change in revenue by type in € million during 2020

<i>In € million</i>	
Revenue 2019	2,585.9
Volumes	(35.6)
Price/Mix	90.9
Exchange rates	(105.2)
Revenue 2020	2,535.9

Change in adjusted EBITDA by type in € million during 2020

<i>In € million</i>	
2019 Adjusted EBITDA (i)	615.2
Activity contribution	(51.3)
Spread Price-mix/Costs	65.2
Net productivity (ii)	35.5
Exchange rates	(36.5)
Other	(2.3)
2020 Adjusted EBITDA (i)	625.7

(i) 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 items.

(ii) Impact of the Performance Action Plan ("PAP") amounting to €47 million.

Key figures for the fourth quarter

<i>In € million</i>	Q4 2020	Q4 2019
Revenue	580.1	609.5
Reported growth	-4.8%	
Organic growth	+1.7%	
Adjusted EBITDA	151.3	137.4
Adjusted EBITDA margin	26.1%	22.5%

Reconciliation of Operating profit to adjusted EBITDA

<i>In € million</i>	2020	2019
Operating profit	316.4	295.1
Depreciation, amortisation and impairment (i)	276.4	283.5
Restructuring costs (ii)	19.8	2.9
Acquisition, M&A	0.1	(2.1)
IAS 29 Hyperinflation (Argentina) (iii)	2.9	1.6
Management share ownership plan and associated costs	5.8	11.5
Sao Paulo (Brazil) site closure	0.0	2.4
Other	4.3	20.3
Adjusted EBITDA	625.7	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, including those linked to the transformation plan implemented in France.

(ii) Corresponds mainly to the transformation plan in France.

(iii) The Group has applied IAS 29 (Hyperinflation) since the second half of 2018.

Reconciliation of adjusted EBITDA to Cash conversion

<i>In € million</i>	2020	2019
Adjusted EBITDA	625.7	615.2
Capex	(250.5)	(252.5)
Cash flows (Adj. EBITDA – Capex)	375.2	362.7
Cash conversion	60.0%	59.0%

Adjusted EBITDA and Cash conversion are alternative performance indicators within the meaning of AMF position no. 2015-12.

Adjusted EBITDA and cash conversion are not standardised accounting measures that meet a single, generally accepted definition as per IFRS standards. They must not be considered as a substitute for operating 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.

IAS 29: Hyperinflation in Argentina

Since the second half of 2018, the Group has applied IAS 29 in Argentina. The adoption of this standard 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.

In addition, the financial information of the Argentine subsidiary is converted into euros at the closing exchange rate for the relevant period.

In 2020, the net impact on revenue was **-€8.6 million**. The hyperinflation impact has been excluded from the consolidated adjusted EBITDA as shown in the table "Reconciliation of operating profit to adjusted EBITDA".

Reminder of the mid-term objectives reaffirmed in July 2020

As regards the **Group's mid-term financial objectives (2020-2022)** announced at the time of the IPO, Verallia believes they all remain relevant except the objective for a compound annual growth rate (CAGR) of consolidated revenue of between 3% and 5% for the period 2020-2022 given (i) the negative impact of COVID-19 on sales volumes in 2020 and (ii) a lower expected sales price increase against a backdrop of more moderate inflation in production costs than initially anticipated over the period.

Verallia therefore confirms the other financial objectives, namely:

- **An adjusted EBITDA margin exceeding 25% in 2022**, mainly due to (i) the growth in sales volumes and the improvement in the 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 investments at around 8% of its 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 at Verallia's General Shareholders' meeting."

Consolidated income statement

<i>In € million</i>	2020	2019
Revenue	2,535.9	2,585.9
Cost of sales	(1,968.2)	(2,043.6)
Selling, general and administrative expenses	(160.8)	(170.8)
Acquisition-related items	(60.4)	(59.4)
Other operating revenue and expenses	(30.1)	(17.0)
Operating profit	316.4	295.1
Net financial income (expense)	(45.8)	(115.9)
Profit (loss) before tax	270.6	179.2
Income tax	(62.4)	(53.8)
Share of net profit (loss) of associates	1.4	(0.7)
Net profit (loss) for the year	209.6	124.6
Attributable to shareholders of the Company	202.1	115.6
Attributable to non-controlling interests	7.5	9.0
Basic earnings per share (in €) (i)	1.67	1.00
Diluted earnings per share (in €) (i)	1.67	1.00

(i) 2020 EPS comprises the amortisation expense of the customer relationships, booked at the time of the acquisition of the glass packaging division of Saint-Gobain in 2015, for €0.37 (amount net of tax). This charge amounted to €0.36 in 2019.

Consolidated balance sheet

<i>In € million</i>	31 Dec. 2020	31 Dec. 2019
ASSETS		
Goodwill	529.7	550.9
Other intangible assets	430.9	499.2
Property, plant and equipment	1,288.5	1,299.3
Investments in associates	2.0	0.6
Deferred tax	27.1	42.3
Other non-current assets	30.8	37.5
Non-current assets	2,309.0	2,429.8
Inventories	386.9	455.2
Trade receivables and other current assets	158.7	178.9
Current tax receivables	5.0	21.0
Cash and cash equivalents	476.2	219.2
Current assets	1,026.8	874.3
Total Assets	3,335.8	3,304.1
EQUITY & LIABILITIES		
Share capital	416.7	400.2
Consolidated reserves	121.6	(14.0)
Equity attributable to shareholders	538.3	386.2
Non-controlling interests	39.5	33.4
Equity	577.8	419.6
Non-current financial liabilities and derivatives	1,569.1	1,584.0
Provisions for pensions and other employee benefits	134.0	133.0
Deferred tax	146.0	166.6
Provisions and other non-current financial liabilities	24.1	43.1
Non-current liabilities	1,873.2	1,926.7
Current financial liabilities and derivatives	185.7	225.9
Current portion of provisions and other non-current financial liabilities	59.8	51.9
Trade payables	367.5	383.6
Current tax liabilities	21.8	19.3
Other current liabilities	250.0	277.1
Current liabilities	884.8	957.8
Total Equity and Liabilities	3,335.8	3,304.1

Consolidated cash flow statement

<i>In € million</i>	2020	2019
Net profit (loss) for the year	209.6	124.6
Depreciation, amortisation and impairment of assets	276.4	283.5
Interest expense on financial liabilities	35.4	68.8
Change in inventories	55.3	19.7
Change in trade receivables, trade payables and other receivables and payables	15.8	(13.9)
Current tax expense	73.0	71.0
Taxes paid	(60.2)	(59.1)
Changes in deferred taxes and provisions	(4.5)	1.6
Other	8.8	0.6
Net cash flows from operating activities	609.6	496.8
Acquisition of property, plant and equipment and intangible assets	(250.5)	(252.5)
Increase (decrease) in debt on fixed assets	2.8	19.3
Other	1.3	11.2
Net cash flows from (used in) investing activities	(246.4)	(222.0)
Capital increase (reduction)	20.1	-
Dividends paid	(13.1)	-
Transactions with shareholders of the parent company	7.0	-
Transactions with non-controlling interests	(2.2)	0.3
Increase (reduction) in bank overdrafts and other short-term borrowings	(40.9)	106.4
Increase in long-term debt	207.0	1,538.5
Reduction in long-term debt	(228.5)	(1,891.0)
Financial interest paid	(31.6)	(70.4)
Change in gross debt	(94.0)	(316.5)
Net cash flows from (used in) financing activities	(89.2)	(316.2)
Increase (reduction) in cash and cash equivalents	274.0	(41.4)
Impact of changes in foreign exchange rates on cash and cash equivalents	(17.1)	(1.5)
Opening cash and cash equivalents	219.2	262.1
Closing cash and cash equivalents	476.2	219.2

GLOSSARY

Activity category: corresponds to the sum of the volumes variations plus or minus changes in inventories variation.

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: Adjusted EBITDA is a non-IFRS financial indicator. 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. 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 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. M&A transactions are excluded.

Recurring investments: Purchases of property, plant and equipment as well as intangible assets necessary to maintain the value of an asset and/or to adapt to market demands or environmental, health and safety standards. It mainly includes furnace renovation and maintenance of IS machines.

Strategic investments: Strategic investments represent the 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. They will also include as of 2021, investments related to the implementation of the CO₂ emissions reduction plan.

Cash conversion: refers to the ratio between cash flow and adjusted EBITDA. Cash flow refers to adjusted EBITDA less Capex.

The Southern and Western Europe segment comprises production plants located in France, Spain, Portugal and Italy. It is also denominated as "SWE".

The Northern and Eastern Europe segment comprises production plants located in Germany, Russia, Ukraine and Poland. It is also denominated as "NEE".

The Latin America segment comprises production plants located in Brazil, Argentina and Chile.

Liquidity: Calculated as the Cash + Undrawn Revolving Credit Facilities - Outstanding Commercial Papers.

Amortisation of intangible assets acquired through business combinations: Corresponds to the amortisation expense of the customer relationships, booked at the time of the acquisition of the glass packaging division of Saint-Gobain in 2015 (gross value of €740 million over a useful life of 12 years).