verallia

28 October

2021

9M 2021 RESULTS

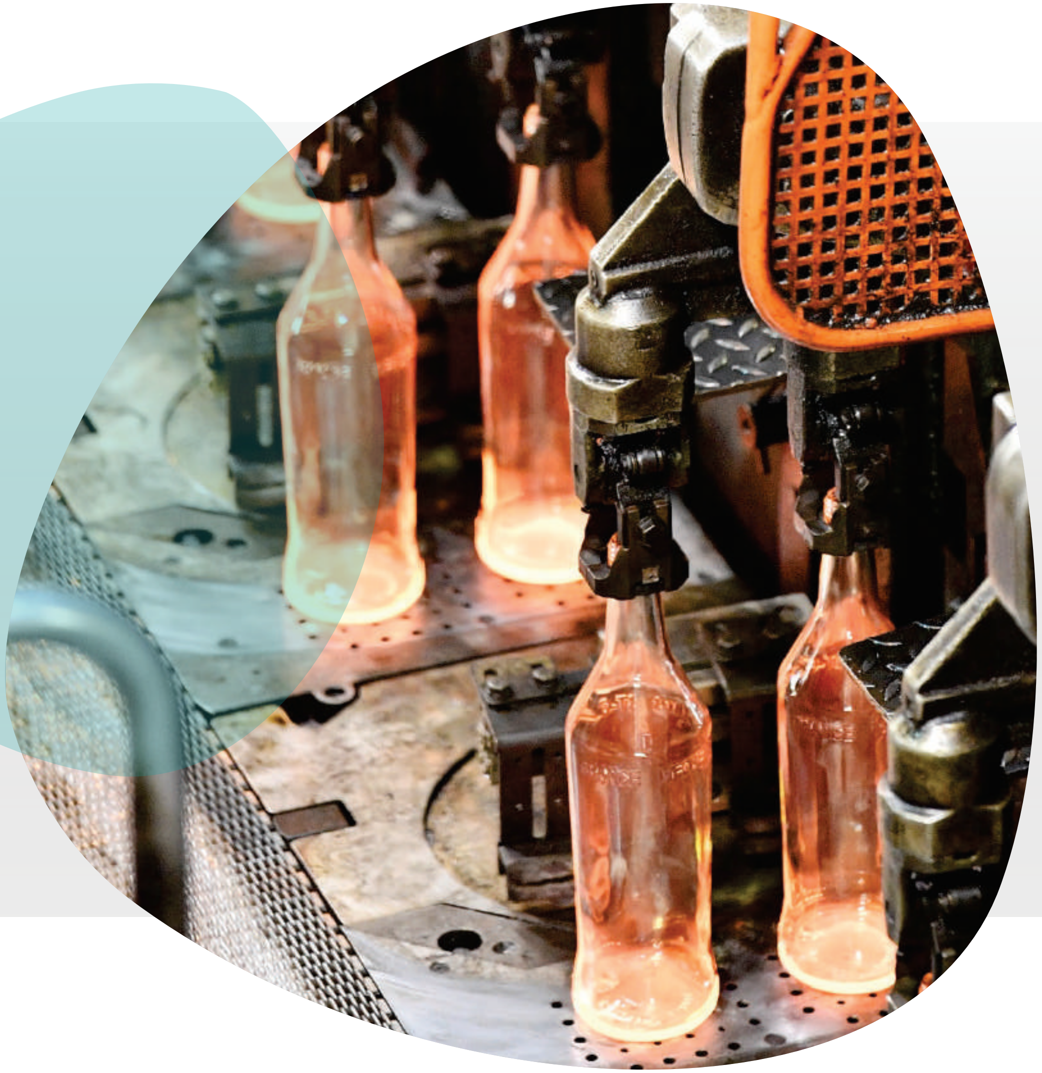
TODAY'S AGENDA

1 INTRODUCTION

2 KEY HIGHLIGHTS

3 9M 2021 FINANCIAL RESULTS

4 CONCLUSION



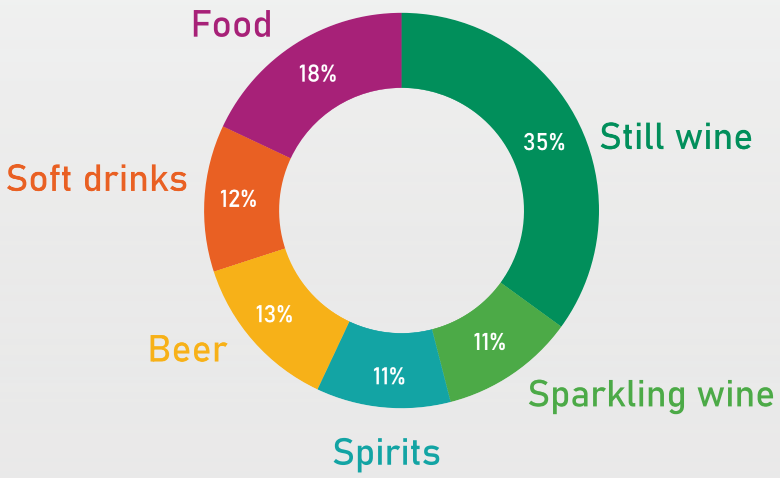
1 INTRODUCTION

Michel
GIANNUZZI
Chairman and CEO

A GLOBAL LEADER IN GLASS PACKAGING

DIVERSIFIED AND BALANCED END-MARKETS

2020 Glass packaging(1) sales split by end-market



11 countries

10,000 employees

16 billion bottles/jars p.a.

32 glass plants

9 cullet recycling centers

3 decoration plants

58 furnaces

2021 OUTLOOK

Net Sales: ca €2.6bn

Volumes back to 2019 levels

Adjusted EBITDA: ca €675m

N° 1 in Europe(2)
90% of 2020 sales

N° 2 in Latin America(3)
10% of 2020 sales

N° 3 Globally

Sources: Companies public information, management estimates and Advancy (IPO related study)
Notes: (1) For bottles and jars only (98% of total Verallia sales).
(2) Based on 2020 sales; "Europe" using each company's definition/management estimates.
(3) Based on 2020 volumes in Argentina, Brazil and Chile.

2 KEY HIGHLIGHTS

Michel
GIANNUZZI
Chairman and CEO

OUR BELIEFS DRIVE THE WAY WE DO BUSINESS

Our **Corporate purpose** drives our strategy and the way we do business as we take our **social and environmental responsibilities** very seriously	We deliver **sustainable and profitable growth** that **benefits all** our customers, employees and shareholders	We are **lean, agile and decentralized, close to our customers** and we **empower our teams** to best serve them	**Operational excellence and value creation** are more important than size, and this shapes our **straight-forward and focused strategy**	**Alignment and coherence of all stakeholders** around our strategy and action plans is our key success factor	We invest in this company as a **long-term owner,** and **excess cash is returned to shareholders** via dividend increase and share buy-backs

See detailed CMD presentation made on October 7th, 2021 (http://www.verallia.com/)

CO_2 EMISSIONS REDUCTION

Jan 21

PLAN VALIDATED TO LIMIT GLOBAL WARMING WELL BELOW 2°C

✔ VALIDATED STATUS

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Oct 21

OUR NEW AMBITION TO LIMIT GLOBAL WARMING ONLY TO 1.5°C

Our commitment: -27.5% in 2030
of scope 1 & 2 emissions(1)
in absolute value from base year 2019

LEVER 1 Shift raw material mix

LEVER 2 Reduce energy consumption

LEVER 3 Increase use of green energy

New objectives

46% reduction in 2030
for scope 1 & 2 emissions(1)
in absolute value from base year 2019
Target to be validated by SBT initiative

<40% Scope 3 emissions maintained below 40% of total emissions in 2030

Net Zero in 2050
for scope 1 & 2 emissions

(1) Commitment on Scopes 1 & 2, as our Scope 3 emissions represent less than 40% of our total Group emissions (Scopes 1, 2 and 3).

OUR 4 STRATEGIC PRIORITIES

1

Pursue disciplined growth
(incl. strategic investments)

2

VERALLIA INDUSTRIAL MANAGEMENT 2.0

Increase operational excellence

verallia

3

Invest wisely for a sustainable future

4

Anchor a strong entrepreneurial culture

For a profitable, inclusive and durable growth

MID TERM FINANCIAL GUIDANCE (2022-2023-2024)

	2022-2023-2024	ASSUMPTIONS
ORGANIC SALES GROWTH(1)	+4-6% CAGR	From ca half volume and half price/mix Moderate inflation in raw material and energy costs after 2022
ADJ. EBITDA MARGIN	28%-30% in 2024	Positive price/cost spread Net PAP > 2% of production cash cost (i.e. > €35m per annum)
CUM. FREE CASH FLOW(2)	ca €900m over 3 years	Recurring and strategic capex @ ca 10% of sales, including CO_2-related capex and 3 new furnaces by 2024
EARNINGS PER SHARE (excl. PPA(3))	ca €3 in 2024	Average cost of financing (pre-tax) @ ca 2% Effective tax rate @ ca 27%
SHAREHOLDER RETURN POLICY	Dividend / share growth > 10% per annum + Accretive share buy-backs	Net income growth > 10% per annum Investment grade trajectory (leverage < 2x)

Notes: (1) At constant FX and excluding changes in perimeter.
(2) Defined as the Operating Cash Flow – Other operating impact – Interest paid & other financing costs – Cash Tax.
(3) Earnings excl. amortization expense for customer relations (PPA) recognized upon the acquisition from Saint-Gobain, of ca €0.38 / share (net of taxes).

KEY FINANCIAL HIGHLIGHTS FOR THE FIRST 9 MONTHS 2021

1

Revenue

- 9M 2021: +3.4% to €2,022 million and +5.8% organic growth(1)
- Q3 2021: +2.0% to €695 million and +2.1% organic growth(1)

2

Adjusted EBITDA

- €528 million over 9M 2021 (+11.2% compared to 9M 2020)
- Margin at 26.1% compared to 24.3% in 9M 2020 (+183 bps)

3

Net Debt

Reduction in net debt ratio to 1.8x adjusted EBITDA for the last 12 months, against 2.2x end of September 2020

9M 2021 volumes and revenue back to pre-Covid levels (9M 2019)

(1) Growth at constant exchange rates and scope.
The organic revenue growth excluding Argentina was +3.6% over nine months 2021 compared with nine months 2020, and -0.2% in Q3 2021 compared with Q3 2020.

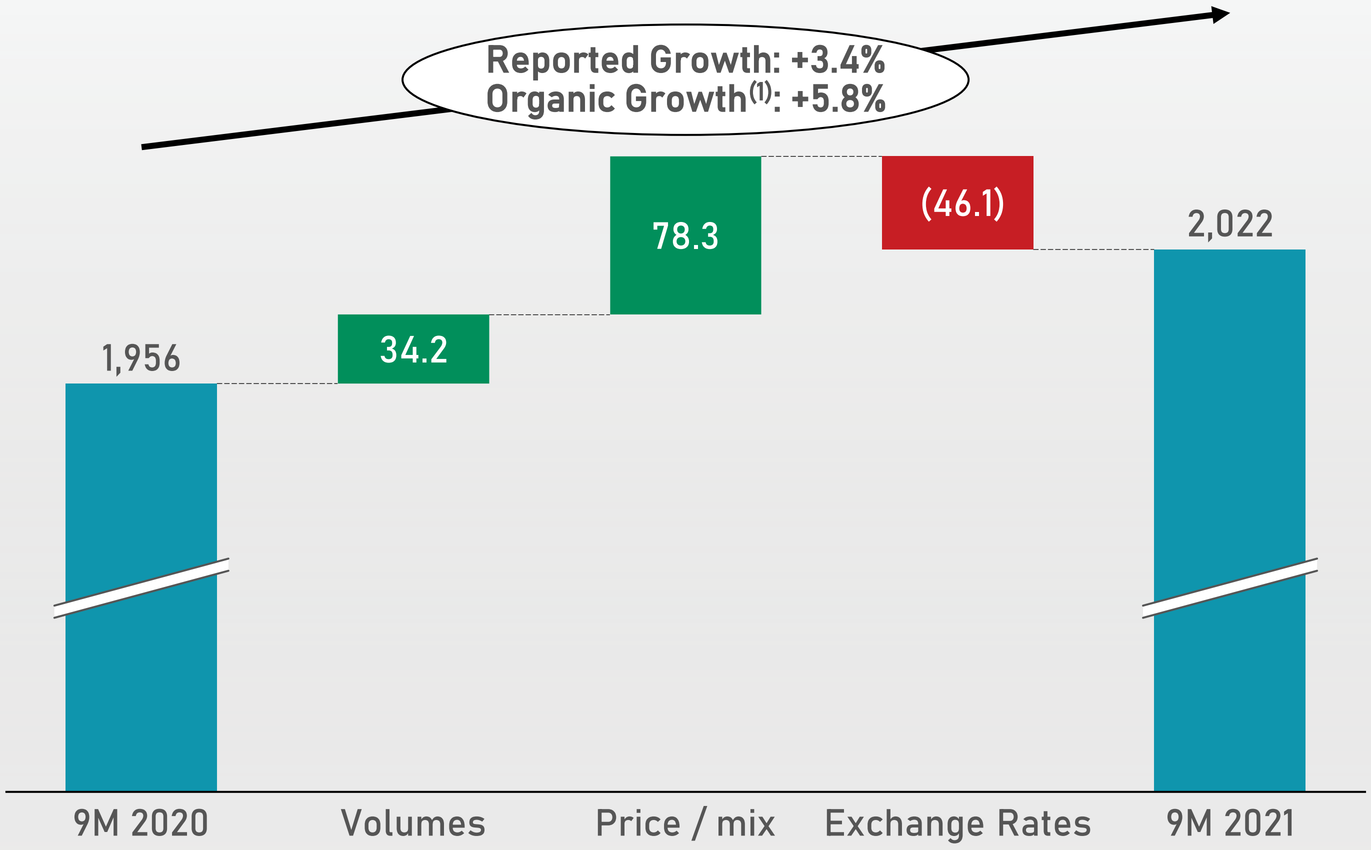
3

9M 2021 FINANCIAL RESULTS

Nathalie DELBREUVE
CFO

ORGANIC GROWTH IN Q3 DESPITE HIGH COMPARISON BASIS

REPORTED REVENUE (IN €M)

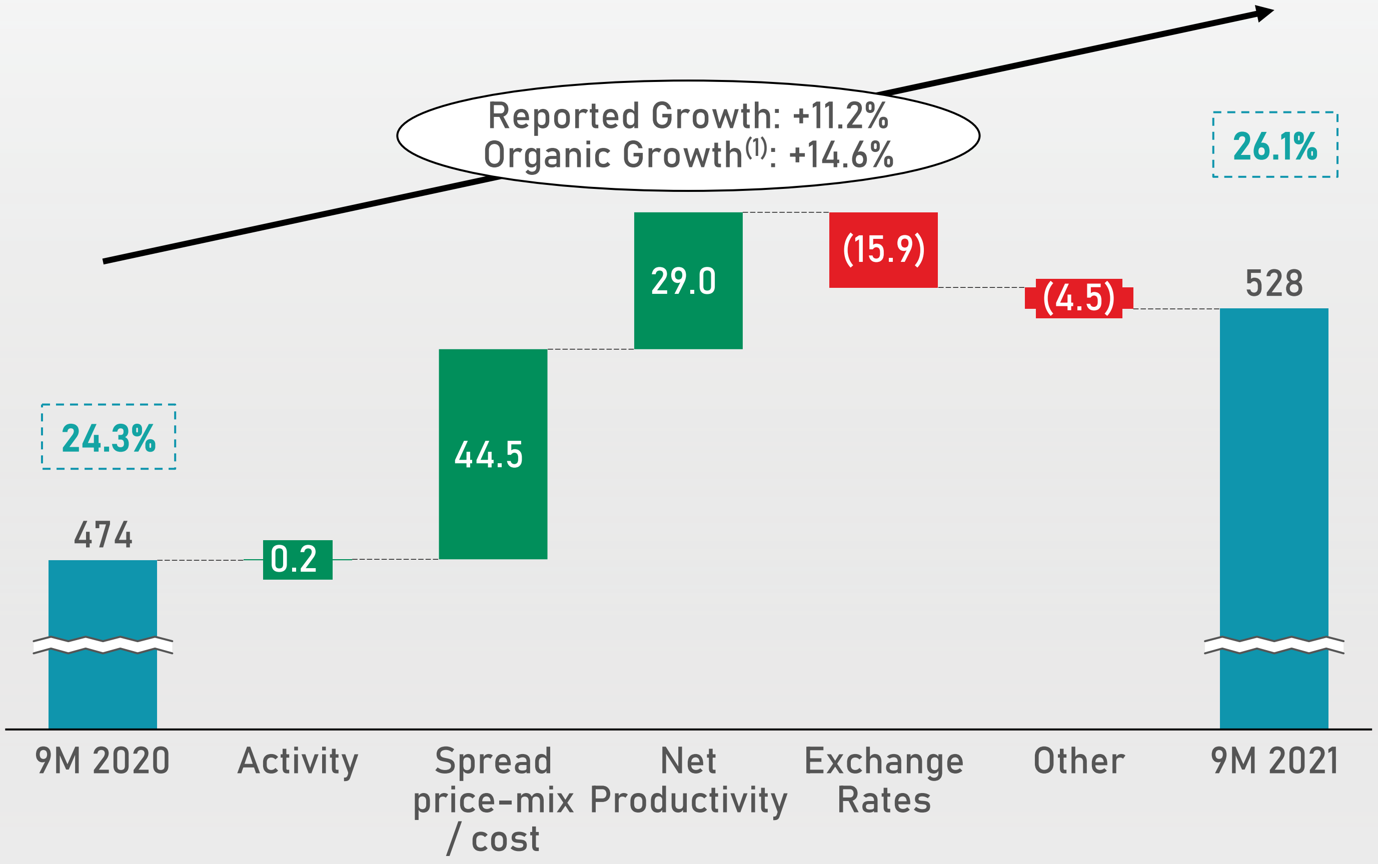


- **Volumes**
  - Growing volumes over 9M despite very strong comparative basis of Q3 2020
  - Back to 2019 levels (pre-Covid)
- **Price / mix**
  - Sales prices: flat in Europe / up in LatAm
  - Strong contribution from mix at Group level
- **FX**
  - Negative impact mostly stemming from H1
- **By region**
  - SWE: Sales up over 9M with slight slowdown in Q3 due to high comps
  - NEE: Downturn in H1 reduced over 9M thanks to revenue growth in Q3
  - LatAm: Continued strong momentum in all countries

(1) Growth at constant exchange rates and scope.
The organic revenue growth excluding Argentina was +3.6% over nine months 2021 compared with nine months 2020, and -0.2% in Q3 2021 compared with Q3 2020.

LEADING TO SUSTAINED ADJ. EBITDA GROWTH & MARGIN IMPROVEMENT

ADJUSTED EBITDA (IN €M AND % OF SALES)



- Activity / Operating leverage
  - Positive volume impact over 9M
  - Lower than last year destocking impact thanks to inventory stabilization in Q3 2021
- Positive price-mix / cost spread
  - Despite negative price / cost spread in Q3
  - With positive mix contribution
- Net PAP
  - 2.4% production cash production cost reduction
- FX and Other
  - Adverse FX effects focused on H1
  - Fire in Argentina in Q3

- Adjusted EBITDA margin up +183 bps

(1) Growth at constant exchange rates and scope.

LEVERAGE < 2X

In € million	30/09/2021	31/12/2020	30/09/2020
Net Debt	1,213.4	1,278.6	1,358.5
LTM Adjusted EBITDA	678.8	625.7	611.8
Net Debt / LTM Adjusted EBITDA	1.8x	2.1x	2.2x

- Net debt at €1,213 million including rights-of-use for €49.6 million
- September 2021 LTM Adjusted EBITDA at €679 million
- The decrease of the leverage below 2.0x as of June 30, 2021, allowed Verallia to lower by 25bps the TLA and RCF margins since July 30, 2021, that will represent a saving of €1 million on H2 2021
- Two share buybacks by the Group for €109 million and the payment of €114 million in dividends in July

DIVERSIFICATION OF FUNDING AND LENGHTENING OF MATURITIES

In € million	NOMINAL AMOUNT OR MAX. AMOUNT DRAWABLE	MATURITY	NOMINAL RATE	30 Sept. 2021
Sustainability-Linked Bond (SLB)(1)	500.0	May 2028	1.625%	500.1
Term Loan A (TLA)(1)	1,000.0	October 2024	Euribor+1.25%	995.7
Revolving Credit Facility (RCF)	500.0	October 2024	Euribor+0.85%	-
Neu CP(1)	400.0			150.2
Other debt(2)				147.7
Total borrowings				1,793.7
Cash				(580.3)
Net Debt				1,213.4

- In May 2021, Verallia successfully issued an inaugural €500 million Sustainability-Linked Bond ("SLB") with a coupon of 1.625%, maturity May 2028
- Thanks to this SLB, Verallia partially redeemed for €500 million its Term Loan A (drawn in 2019 for an initial principal amount of €1.5 billion)
- A significant part of the Group's floating rate exposure is hedged through interest rate swaps
- Total available liquidity(3) reaches €930 million as of September 30, 2021
- Building on the success of the bond issue tied to two environmental criteria (Sustainability-Linked Bond) last May, Verallia may consider further diversifying financing sources

(1) Including accrued interest.
(2) o/w IFRS16 leasing (€49.6m), local debts (€29.4m), factoring recourse (€16.1m), collateral on commodities derivatives (€50.0m).
(3) Calculated as the Cash + Undrawn Revolving Credit Facilities – Outstanding Commercial Papers.

4 CONCLUSION

Michel
GIANNUZZI
Chairman and CEO

OUR WINNING STRATEGY FOR A PROFITABLE, INCLUSIVE AND DURABLE GROWTH

CAPITAL MARKETS DAY 2021 October 7

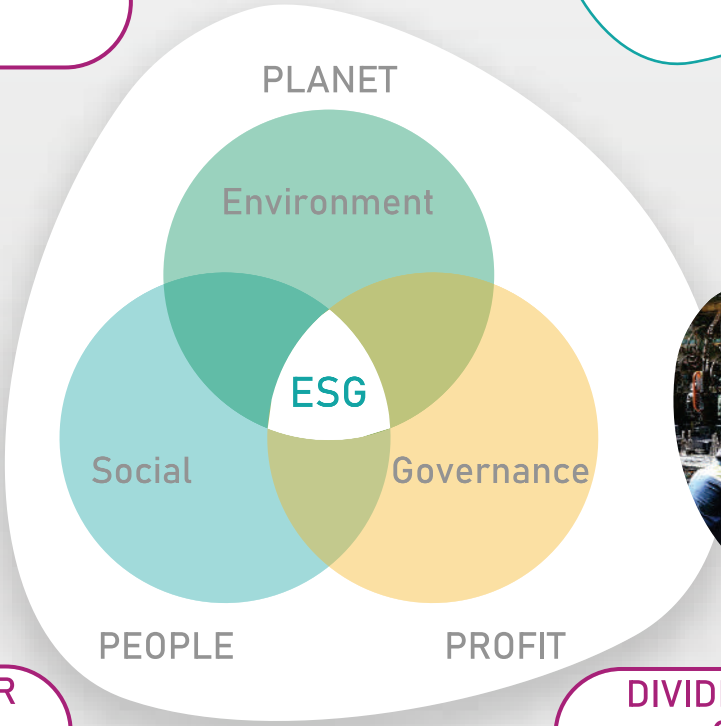
1 Pursue disciplined growth (incl. strategic investments)

2022-2023-2024 ORGANIC SALES GROWTH
+4-6% CAGR

VERALLIA INDUSTRIAL MANAGEMENT 2.0

2 Increase operational excellence

2024 ADJ. EBITDA MARGIN
28% - 30%



4 Anchor a strong entrepreneurial culture

3 Invest wisely for a sustainable future

CUM. FREE CASH FLOW
ca €900m over 3 years

2024 EARNINGS PER SHARE (excl. PPA)
ca €3 / share

DIVIDEND / SHARE GROWTH
> 10% per annum

2021 guidance confirmed despite the current inflationary tension

APPENDICES

OUR PURPOSE

ESG more than ever at the heart of Verallia's purpose and strategy

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: 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 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 investments: 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: 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. From 2021 onwards, they will also include investments related to the implementation of the plan to reduce CO_2 emissions.
- Cash conversion: refers to the ratio between cash flow and adjusted EBITDA. Cash flow 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 Facilities – Outstanding Commercial Papers.
- Amortisation of intangible assets acquired through business combinations: Corresponds to the amortisation of customer relations recorded during the acquisition of the Saint-Gobain packaging business in 2015 (initial gross value of €740 million over a useful life of 12 years).

RECONCILIATION OF OPERATING PROFIT TO ADJUSTED EBITDA

In €m	9M 2021	9M 2020
Operating profit	**317.0**	**238.4**
Depreciation, amortisation and impairment (i)	207.4	207.6
Restructuring costs (ii)	(1.8)	19.8
IAS 29 Hyperinflation (Argentina) (iii)	(2.1)	1.7
Management share ownership plan and associated costs	7.2	2.9
Other	(0.1)	4.1
Adjusted EBITDA	**527.6**	**474.4**

(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 in 2020.
(ii) Corresponds mainly to the transformation plan in France in 2020.
(iii) The Group has applied IAS 29 (Hyperinflation) since the second half of 2018.

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 9M 2021, the net impact on revenue amounted to €6.3m. The hyperinflation impact has been excluded from Group adjusted EBITDA as shown in the table “Reconciliation of operating profit to adjusted EBITDA”.

LATEST SUSTAINABILITY RATINGS AND PARTNERSHIPS

CDP
DISCLOSURE INSIGHT ACTION
A-
Since 2020

Top 5%
Score: 67/100
GOLD 2020 ecovadis Sustainability Rating
Since 2013

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
"COMMITTED" status
Since 2020

verallia

SUSTAINALYTICS
Low risk
Since 2020

UN GLOBAL COMPACT
Since 2016

Sedex
Since 2016

ELLEN MACARTHUR FOUNDATION
Member
Since 2020

VERALLIA ESG GOALS

OUR PURPOSE: RE-IMAGINE GLASS FOR A SUSTAINABLE FUTURE

OUR COMMITMENTS	ALIGNMENT UN SDGS	OUR GOALS	PERFORMANCE INDICATORS	2018	2019	2020	2025 TARGETS
Enhance the circularity of glass packaging	13 CLIMATE ACTION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 17 PARTNERSHIPS FOR THE GOALS	Enable the increase cullet collection by 7 pts	% of domestic used glass collected in Verallia's countries in Europe	76%	76% (2018 figure)	N/A (2019 figure)	83%
		Increase the rate of use of external cullet by 10 pts	Rate of external cullet usage in our glass production sites	47%	49%	51.6%	59%
		Expand viable Reuse business models	Test a pilot to validate the business model	N/A	N/A	N/A	At least 1 pilot in France
Significantly reduce our CO_2 emissions across our operations	13 CLIMATE ACTION; 15 LIFE ON LAND; 17 PARTNERSHIPS FOR THE GOALS	Reduce our absolute CO_2 emissions (scopes 1 & 2) by 27.5% by 2030 vs 2019, in line with Science Based Targets	Tons of CO_2 emitted (scopes 1 & 2)	3,045 k (scope 2 location-based)(1)	3,090 k	2,941 k	2,626 k
		Revert the trend by reducing average weight of our standard and non-returnable bottles and jars by 3%	Alpha index (= weight / volume^0.8 as per NF-H35077 norm)	15.9	16	16	15.5
		Plant 100,000 trees per year	100,000 trees planted	0	100,000	100,000	700,000
		And offset all professional travels emissions every year	Number of certified carbon credits	0	30,910	30,910	TBD > total CO_2 emissions linked to professional travels
Provide a safe and inclusive place to work	8 DECENT WORK AND ECONOMIC GROWTH; 5 GENDER EQUALITY; 17 PARTNERSHIPS FOR THE GOALS	Aim for "zero accident" every year	TF2 (= all accidents / million hours worked)	4.8	5.5	4.6	< 2
		Increase gender equality in all Verallia countries by 15 pts	Gender equality index (as defined by French law)	N/A	60	70	75
		Favour insertion of disabled people by doubling the ratio of disabled employees	% of disabled people (according to national definitions)		3%	3.3%	6%
		Encourage employees shareholding ownership	% of Verallia share capital held by employees (directly or through FCPE)		2.6%	3.3%	5%

(1) For Scope 2 CO_2 emissions, "Market-based" will be the calculation method to follow our commitments. Definitions from GHG standard protocol. Market-based method = based on GHG emissions emitted by the generators from which Verallia contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own. "Location-based" method was used until 2019 = based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries. 2019 Scope 2 "location-based" = 487,825 tons, "market-based" = 610,653 tons.

DISCLAIMER

Certain information included in this presentation does not constitute historical data but constitutes 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 ***Universal Registration Document dated 29 April 2021, approved by the AMF under number R. 21-014****. The Universal Registration Document, which also includes the report on corporate governance, the statement of non-financial performance (Déclaration de performance extra-financière – DPEF) and a description of the Company's share buy-back program are available on the Company's website (www.verallia.com) and the AMF's website (www.amf-france.org). These forward-looking statements and information are not guarantees of future performances.*

Forward-looking statements speak only as of the date of this presentation and Verallia expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements included in this presentation to reflect any change in expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Such forward- looking statements are for illustrative purposes only.

Some of the financial information contained in this presentation is not taken directly from Verallia's accounting systems or records and is not IFRS (International Financial Reporting Standards) data. It has not been independently reviewed or verified by Verallia's auditors. This presentation does not contain or constitute an offer of securities for sale or an invitation or inducement to invest in securities in France, the United States or any other jurisdiction.