



verallia

CAPITAL
MARKETS
DAY

2021

October 7

INVESTOR PRESENTATION

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.*

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TODAY'S PRESENTERS

SOUTHERN & WESTERN EUROPE



Michel GIANNUZZI
Chairman and CEO



Nathalie DELBREUVE
CFO



Romain BARRAL
Director of Operations



Alexandra BAUBIGEAT-BOUCHERON
Head of Investor relations



Paulo PINTO
Head of Iberia



Marco RAVASI
Head of Italy



Olivier ROUSSEAU
Head of France

NORTHERN & EASTERN EUROPE



Hugues DENISSEL
Head of Northern and Eastern Europe⁽¹⁾



Dirk BISSEL
Head of Northern and Eastern Europe⁽²⁾

LATIN AMERICA

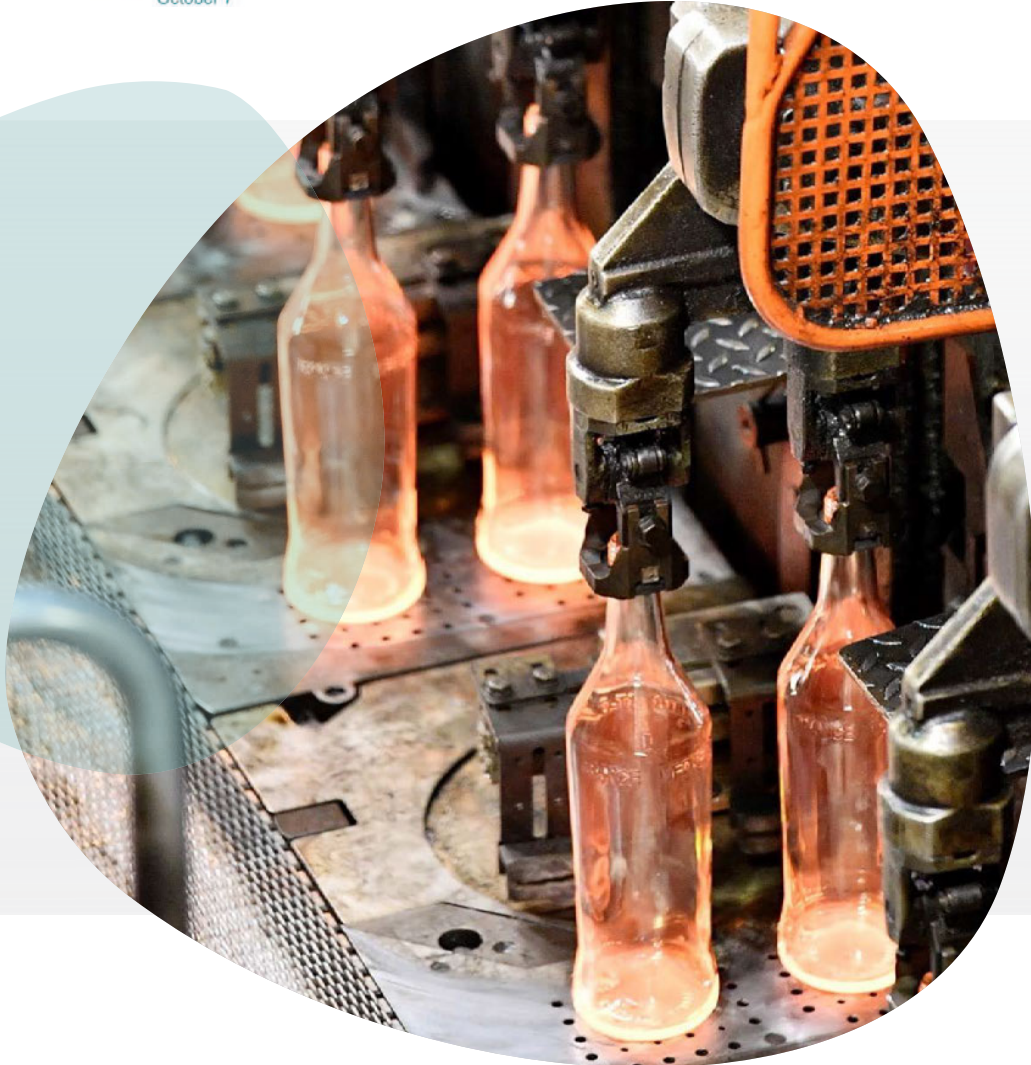


Quintin TESTA DOMINGUEZ
Head of Latin America

Notes: (1) Until 2nd of November 2021.
(2) From 2nd of November 2021.

TODAY'S AGENDA

- 1 INTRODUCTION
- 2 KEY ACHIEVEMENTS SINCE IPO
- 3 2022-24: MARKET DYNAMICS AND STRATEGIC PRIORITIES
- 4 ENVIRONMENTAL ROADMAP
- 5 SEGMENT OVERVIEW
- 6 FINANCIAL OVERVIEW & MID-TERM GUIDANCE
- 7 CONCLUSION
FOLLOWED BY A Q&A SESSION



1

INTRODUCTION

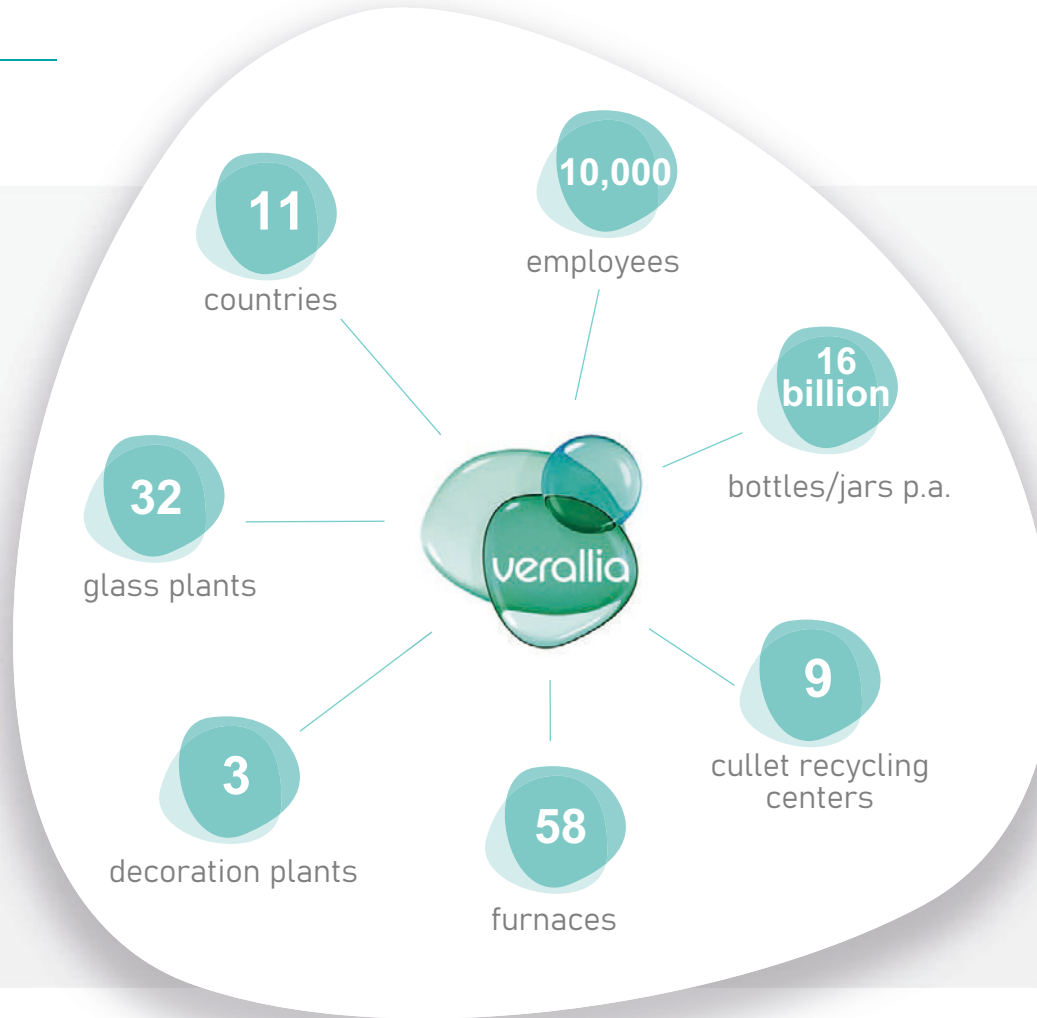
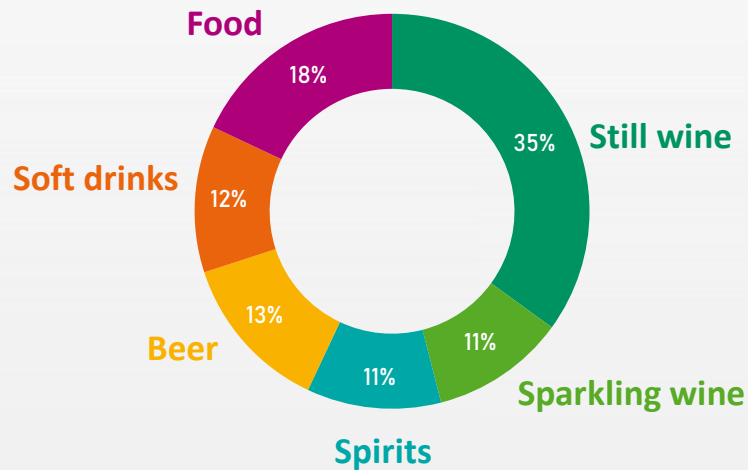


**Michel
GIANNUZZI**
Chairman and CEO

A GLOBAL LEADER IN GLASS PACKAGING

DIVERSIFIED AND BALANCED END-MARKETS

2020 Glass packaging⁽²⁾ sales split by end-market



2021 OUTLOOK⁽¹⁾

Net Sales: ca €2.6bn
Adjusted EBITDA: ca €675m

N°1
in Europe⁽³⁾
90% of 2020 sales

N°2
in Latin America⁽⁴⁾
10% of 2020 sales

N°3
Globally

Sources: Companies public information, management estimates and Advancy (IPO related study)

Notes: (1) Verallia Q2 2021 results.

(2) For bottles and jars only (98% of total Verallia sales).

(3) Based on 2020 sales; "Europe" using each company's definition/management estimates.

(4) Based on 2020 volumes in Argentina, Brazil and Chile.

OUR PURPOSE



“ Re-imagine **glass**
for a sustainable future

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

OUR VALUES



Care
for customers



Respect
for people,
laws and the
environment



Empowerment
and **accountability**



Teamwork

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



2

KEY ACHIEVEMENTS SINCE IPO



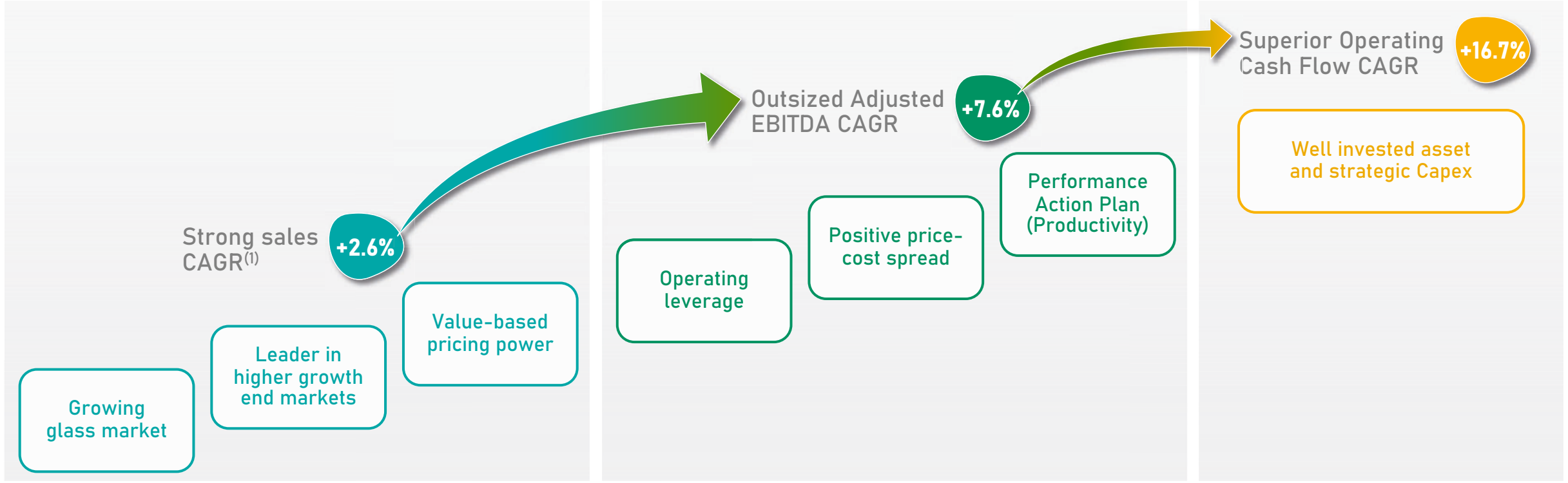
**Michel
GIANNUZZI**
Chairman and CEO

OUR PROVEN FINANCIAL PERFORMANCE (2016-2020)

GROWTH

PROFITABILITY

CASH



Growing and cash generative business, resilient during pandemic

Source: Company
Notes: (1) Per 2016-2018 financials prepared for IPO that apply IFRS 15 (sales from contracts with customers) across the period.

OCTOBER 2019 (IPO) GUIDANCE ACHIEVED ONE YEAR IN ADVANCE (2021 VS 2022)

	SHORT TERM		MID TERM			
	2019 Guidance		2019 Actual	2020-2022 Guidance		2021 Forecast
ORGANIC SALES GROWTH ⁽¹⁾	+6-8%	✓	+9.1%	+3-5% CAGR	?	+2.1% in 2020 +7.7% in H121
ADJUSTED EBITDA / MARGIN	ca €610m	✓	€615m	> 25% in 2022	✓	ca €675m (H121: 26% margin)
RECURRING CAPEX / SALES ⁽²⁾	ca 8.0%	✓	8.0%	ca 8.0% per annum	✓	8.0%
DIVIDEND	€100m paid out in 2020	✓	€100m	Payout ratio >40% with €100m floor	✓	€118m dividend paid + 2.7m shares repurchased
NET LEVERAGE (YEAR-END)	ca 2.7x	✓	2.6x	2-3x	✓	< 2.0x

KEY ASSUMPTIONS AT IPO TIME

- Moderate inflation in raw material and energy costs
- Average cost of financing (pre-tax): ca 2%
- Effective tax rate going down from 30% to 26% over the period

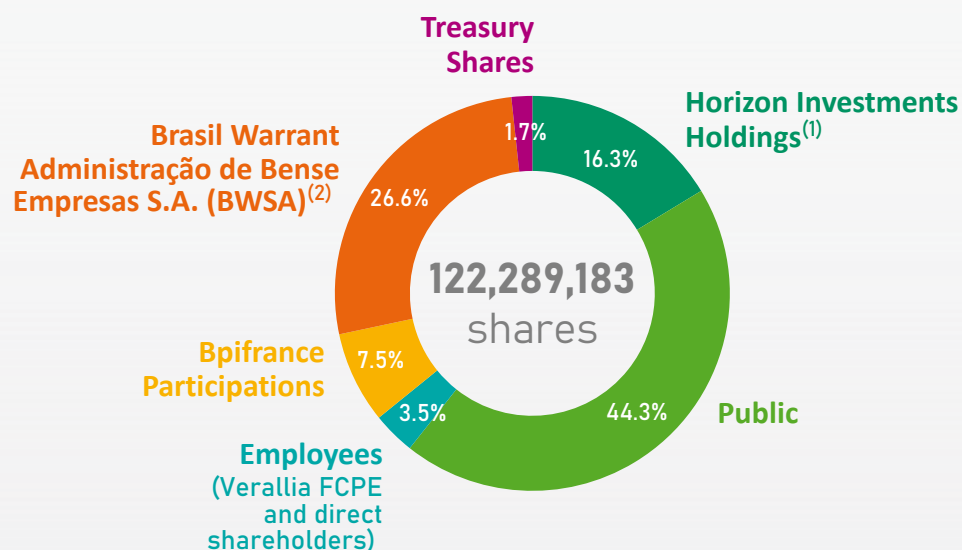
Source: Company

Notes: (1) At constant FX and excluding changes in perimeter.

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

EVOLUTION OF OUR CAPITAL STRUCTURE

SHAREHOLDING STRUCTURE AS OF OCTOBER 2021



Verallia bought back its own shares for a total of €109m (3% of the capital) in March and May and cancelled 1.6m shares in June

6TH EMPLOYEE OWNERSHIP PROGRAM

- Verallia launched its **6th Employee Ownership Program** in May 2021
- Participation rate reached 41%** among the ca 8,000 eligible employees (75% in France)
- Around **3,200 employees (ca 41%)** are now Verallia shareholders and hold **over 3.5% of Verallia's share capital**
- This is in line with the group's objective of reaching **5%** of shares owned by employees by 2025

Notes: (1) 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.
 (2) Acting through a fund managed by BW Gestão de Investimentos Ltda., a wholly-owned subsidiary of BWSA.



OUR COMMITMENT TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS AND COP 21 OBJECTIVES



Enhance the **circularity** of glass packaging



Significantly reduce our **CO₂ emissions** across our operations



Provide a **safe & inclusive** place of work



See detailed presentation made on Jan 21st, 2021 (<http://www.verallia.com/>)

CO₂ EMISSIONS REDUCTION



PLAN VALIDATED TO
LIMIT GLOBAL WARMING
WELL BELOW 2°C

✓ VALIDATED STATUS



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



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).



3

2022-24: MARKET DYNAMICS AND STRATEGIC PRIORITIES



Michel
GIANNUZZI
Chairman and CEO

CONSUMER CONCERNS ABOUT SUSTAINABILITY OF PACKAGING HAVE INCREASED DURING COVID 19 PANDEMIC

MCKINSEY PACKAGING SURVEY EXTRACT (DEC. 2020)

	USA	UK	France	Germany	Italy	Brazil
Paper-based cartons	1	2	4	3	3	5
Glass bottles and jars	2	1	1	1	1	7
Plastic film made from renewable, compostable raw materials	3	4	2	2	2	1
Flexible paper	4	3	5	4	6	6
Plastic bottles and containers that are fully recyclable	5	5	3	6	4	3
Metal containers	7	6	7	8	8	8
Plastic bottles and containers made from recycled plastic materials	8	8	8	7	7	4
Aluminium foil wraps	9	9	9	9	9	9
Packaging combining plastic, paper, and aluminium foil	10	10	10	10	10	10

How sustainable do you think each of these packaging type is?

Packaging substrates ranked by number of respondents who indicated “extremely” or “very” strong

- Ranked top 3
- Ranked 4-7
- Ranked lowest 3

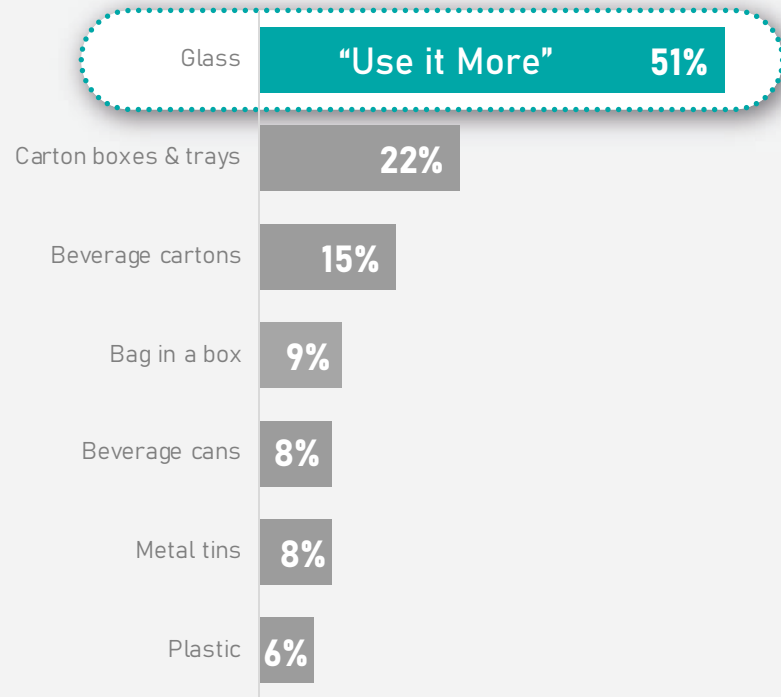
And a vast majority of consumers are prepared to pay more for a sustainable packaging

CONSUMER PREFERENCES DRIVING VOLUME GROWTH

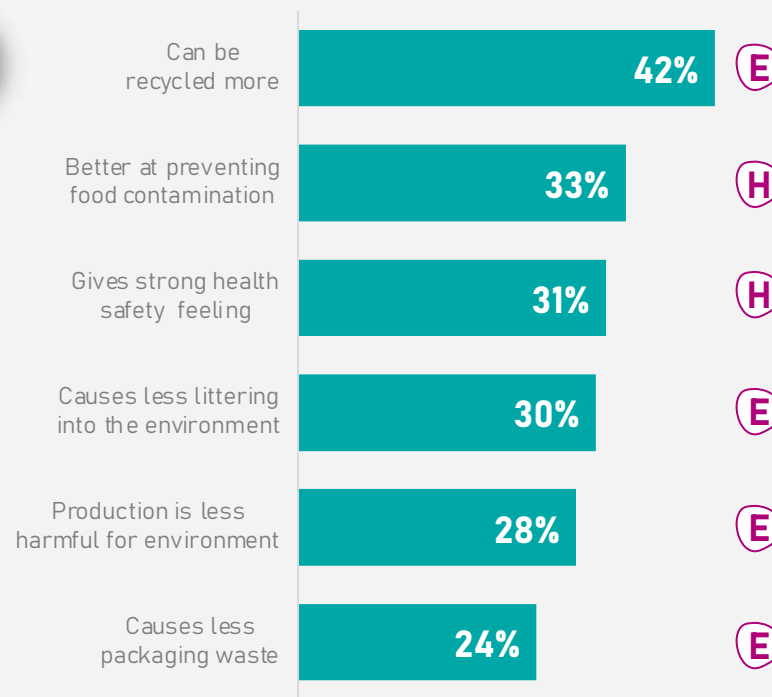
(2020 STUDIES, EU)

CONSUMER PREFERENCES⁽¹⁾

How has your purchase of the following packaging evolved over the last 3 years?

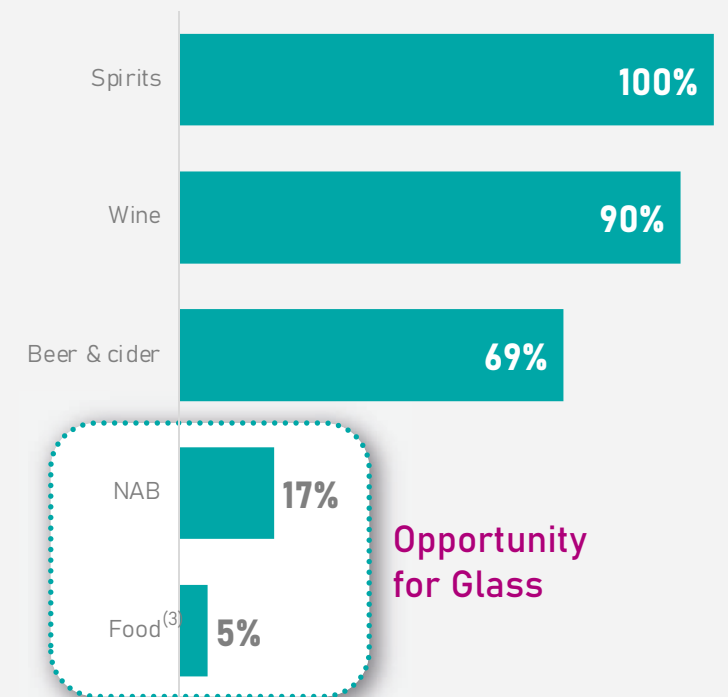


Why have your purchases of glass increased in the last 3 years?



GLASS PENETRATION BY END MARKET

% Unit volumes (2020, 23 European Countries⁽²⁾)



Increasing preference for glass vs. other packaging materials: H ealth & E nvironment

Source: FEVE

Notes: (1) Consumer preferences: InSites Consulting 2020 "Packaging & Recycling" independent consumer survey (10,000 consumers across 13 European countries).

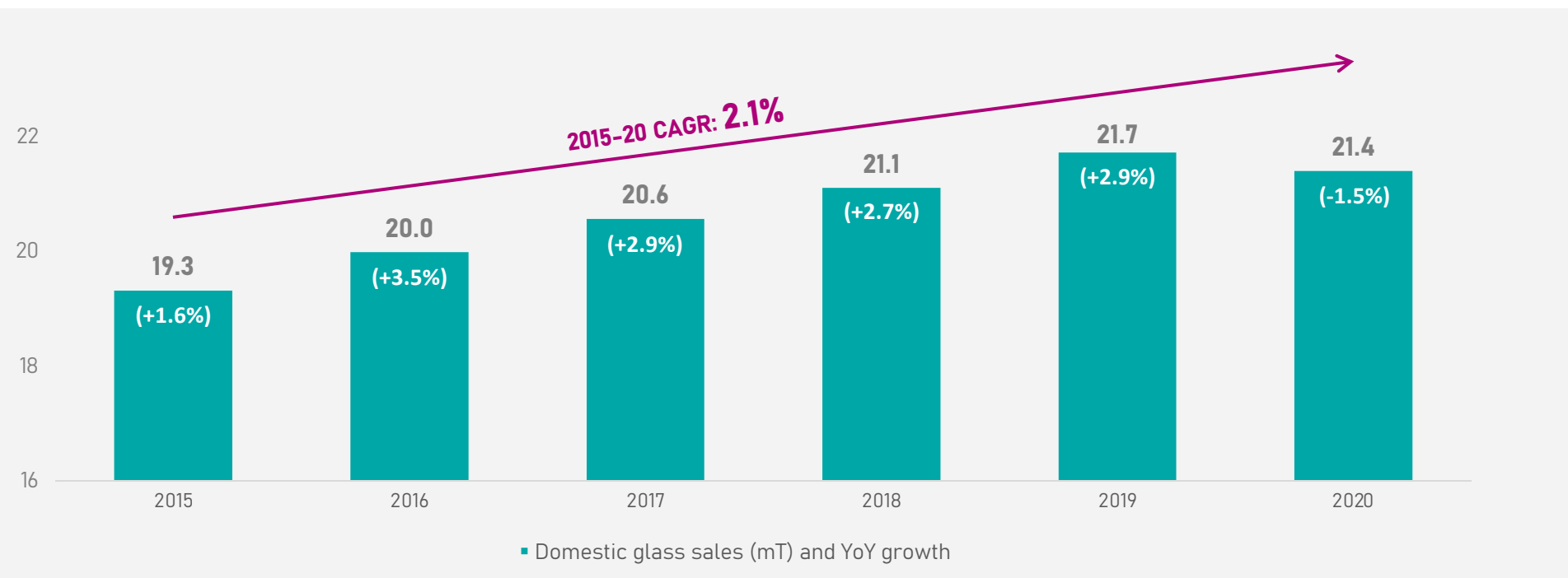
(2) Glass penetration: Vivid Economics 2020 "Food & beverage container glass market statistics 2020" study spanning 23 FEVE member countries.

(3) Share of glass in the food end market is different from that outlined in Verallia's IPO presentation (5% vs 10%) due to a change in methodology (and food end market perimeter) between the two studies; recent FEVE studies show a growing share of glass in the food end market.

EUROPEAN GLASS PACKAGING DEMAND HAS BEEN STEADILY GROWING

EUROPEAN DOMESTIC CONTAINER GLASS SALES VOLUMES

(Food & beverages, mT)⁽¹⁾



NOTE

21mT market
x 2% annual growth
≈ 420kT
≈ 4 new furnaces pa

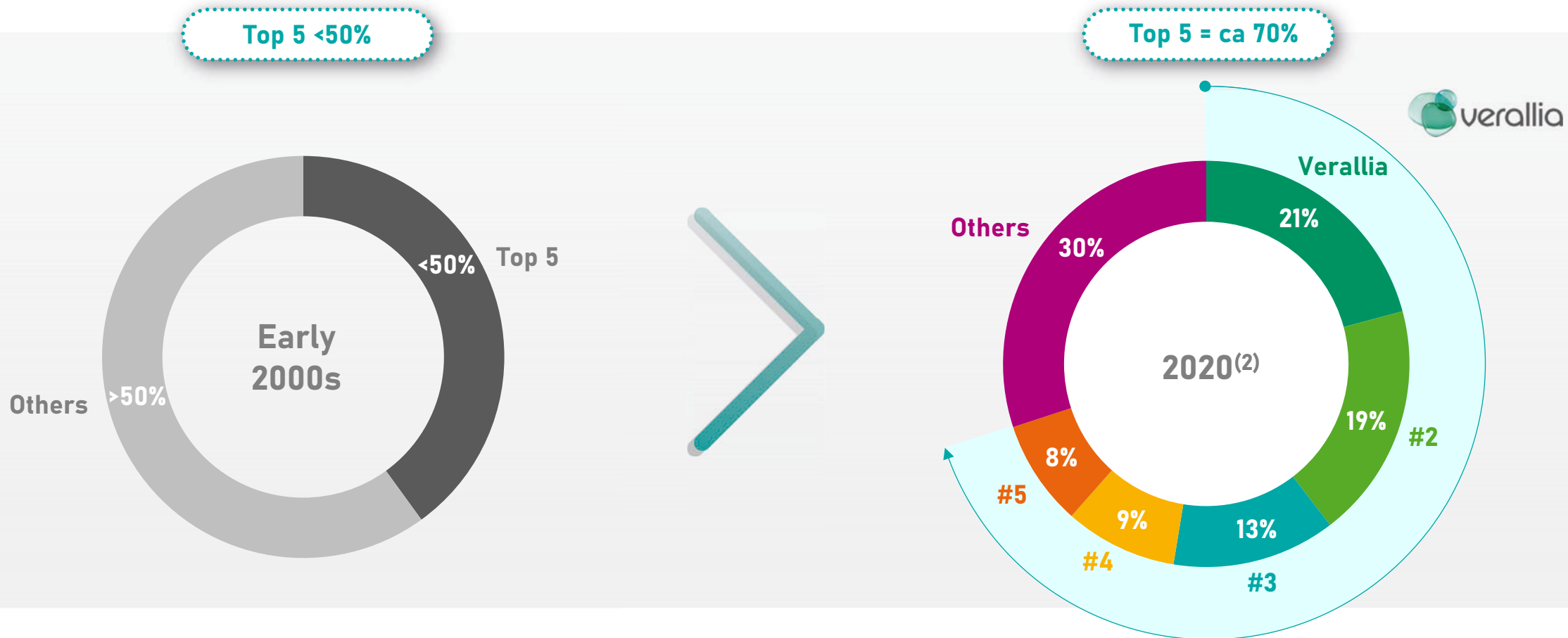
Steady growth of demand over the past few years and strong resilience during pandemic

Source: Vivid Economics based on FEVE data (2020 FEVE report).

Notes: (1) Total food & beverage glass container sales for EU27, UK, Switzerland and Turkey. Domestic volumes only.

MEANINGFUL SECTOR CONSOLIDATION IN EUROPE

EUROPEAN⁽¹⁾ FOOD AND BEVERAGE GLASS PACKAGING MARKET SHARES

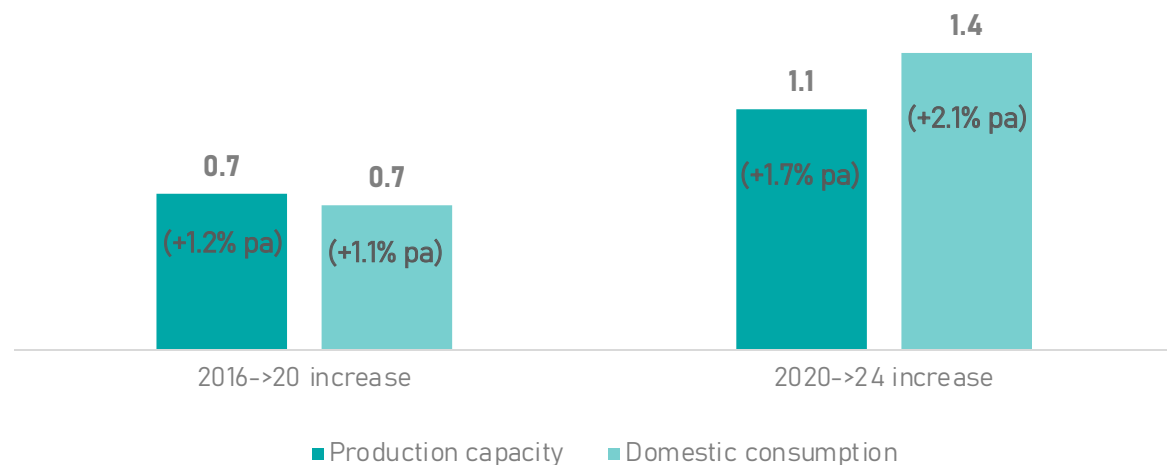


Top 5 players now represent ca 70% of the market

Sources: Company, FEVE, public information, broker research.
 Notes: (1) Sales in Europe include EU 27, UK, Switzerland, Turkey, Ukraine, Russia.
 (2) Based on 2020 Europe sales (company annual reports and financial statements),

GROWING DEMAND IN A TIGHT SUPPLY ENVIRONMENT

MARKET CAPACITY/DEMAND IN WESTERN EUROPE (mT)



- Moderate excess capacity built in 2020 following a tight market in 2018-19
- Annual capacity increase in coming years (ca 250kT pa or 2.5 furnaces) less than 2% of market (400kT)
- Market expected to tighten again as demand picks up from low 2020 level and more than offsets moderate capacity build

KEY ANNOUNCED CAPACITY ADDITIONS (2020-24)

- France: Gironcourt (OI, +110kT, 2020)
Cognac (Verallia, -105kT, 2020),
Masnières (Stoelzle, +20kT, 2021)
- Iberia: Azuqueca (+80kT, Verallia, 2021)
Portugal (Vidrala, +50kT, 2023) (likely)
- Italy: Villa Poma (Verallia, +120kT, 2021)
Portogruaro (Zignago Vetro, +40kT, 2022)
Trezzano sul Naviglio (Vetropack, +160kT, 2023)
Nogaro (Vetreteria Cooperativa Piegarese, +120kT, 2023)
- Germany: Holzminden (OI, +35kT, 2021)
Boffzen (Noelle + von Campe, +110kT, 2022)
Schleusingen (Wiegand, n/a)

Verallia will build 1 new furnace in Italy by 2024

Source: Company reports and press releases, Verallia estimates based on public information.

Scope: France, Italy, Spain, Portugal, Germany & Benelux (15mT+); data exclude forced downtime and net import / export.

Note: Above data exclude i) the announced greenfield investment by Ciner Glass in Belgium (no impact expected before 2025) and ii) new furnaces announced by Verallia herein.

OUR 4 STRATEGIC PRIORITIES

Pursue disciplined growth
(incl. strategic investments)



Increase operational excellence



Anchor a strong entrepreneurial culture



Invest wisely for a sustainable future



For a profitable, inclusive and durable growth

DETAILED STRATEGIC INITIATIVES FOR 2022-2024

1

PURSUE DISCIPLINED GROWTH

- Improve **Customer Experience** to grow the business
- Complete **Value Based Pricing deployment** on all market segments
- Actively seek value accretive **acquisitions or new greenfield / brownfield** projects

2

INCREASE OPERATIONAL EXCELLENCE

- Focus on **unsafe behaviors** to achieve **zero accident**
- Keep **Performance Action Plans** reducing production cash cost **more than 2% (€35m) pa**
- Deploy **Verallia Industrial Management** system (**VIM 2.0** bottles roadmaps)

3

INVEST WISELY FOR A SUSTAINABLE FUTURE

- Improve **working conditions** (health and safety, incl. ergonomics)
- Reduce **CO₂ emissions** and energy consumption (incl. hybrid furnace project)
- Leverage Data Analytics and Artificial Intelligence to improve **Process Control**

4

ANCHOR A STRONG ENTREPRENEURIAL CULTURE

- Reinforce across the organization our **purpose and values**, increase **accountability, speed and agility**
- Improve **learning ability** (through Root Cause Analysis methodology)
- Reinforce **talent pool** and increase **diversity**

OUR DIFFERENTIATED STRENGTHS AND OPPORTUNITIES

SUPPORTIVE MARKET DYNAMICS

- ✓ **Growing demand** in a tight supply environment
- ✓ **Substitution from plastics and premiumization** trend favouring glass
- ✓ **Market consolidation** opportunity

KEY VERALLIA STRENGTHS AND OPPORTUNITIES

- A** **Leadership positions** in own key markets and geographies
- B** Beyond products, **focus on services and customer experience**
- C** **Largest product portfolio**, including strong **premium and personalized offer**, and most **diversified customer base**
- D** **Flexible plants and organization**, close to customers
- E** Unique **Performance Action Plan methodology** driving operational excellence and continued cost reduction
- F** **Smart, sustainable capex policy** supporting a clear, ambitious ESG roadmap and CO₂ reduction targets
- G** **Industrial performance** improvement potential **in France**

LEADERSHIP POSITIONS IN OWN KEY MARKETS AND GEOGRAPHIES

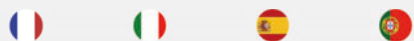
REGION

POSITION

VERALLIA GROWTH DRIVERS

ASSETS

Southern and Western Europe



- Leading share in **wine (still and sparkling)** leveraging growing export trends and premiumization
- High growth in **sparkling wine** market (eg prosecco)
- Leader in fast growing **spirits** market with strong exposure to premiumization, customization and export (eg cognac)

20
of glass production sites

35
of furnaces

7
of cullet treatment facilities

Northern and Eastern Europe⁽²⁾



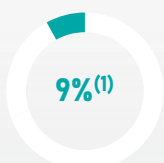
- Leader in **wine, food and non-alcoholic beverages**
- Steady growth in **food and NAB** (demand for “healthy packaging”)
- Rising demand for **beer** driven by German exports and premiumisation / craft beer

7
of glass production sites

17
of furnaces

2
of cullet treatment facilities

Latin America



- High **still wine** share with well located production sites
- Fast growing **beer** market in Brazil driven by trend towards craft, premium and “one-way” bottles
- **Wine** exports driving strong growth in Chile and Argentina

5
of glass production sites

6
of furnaces

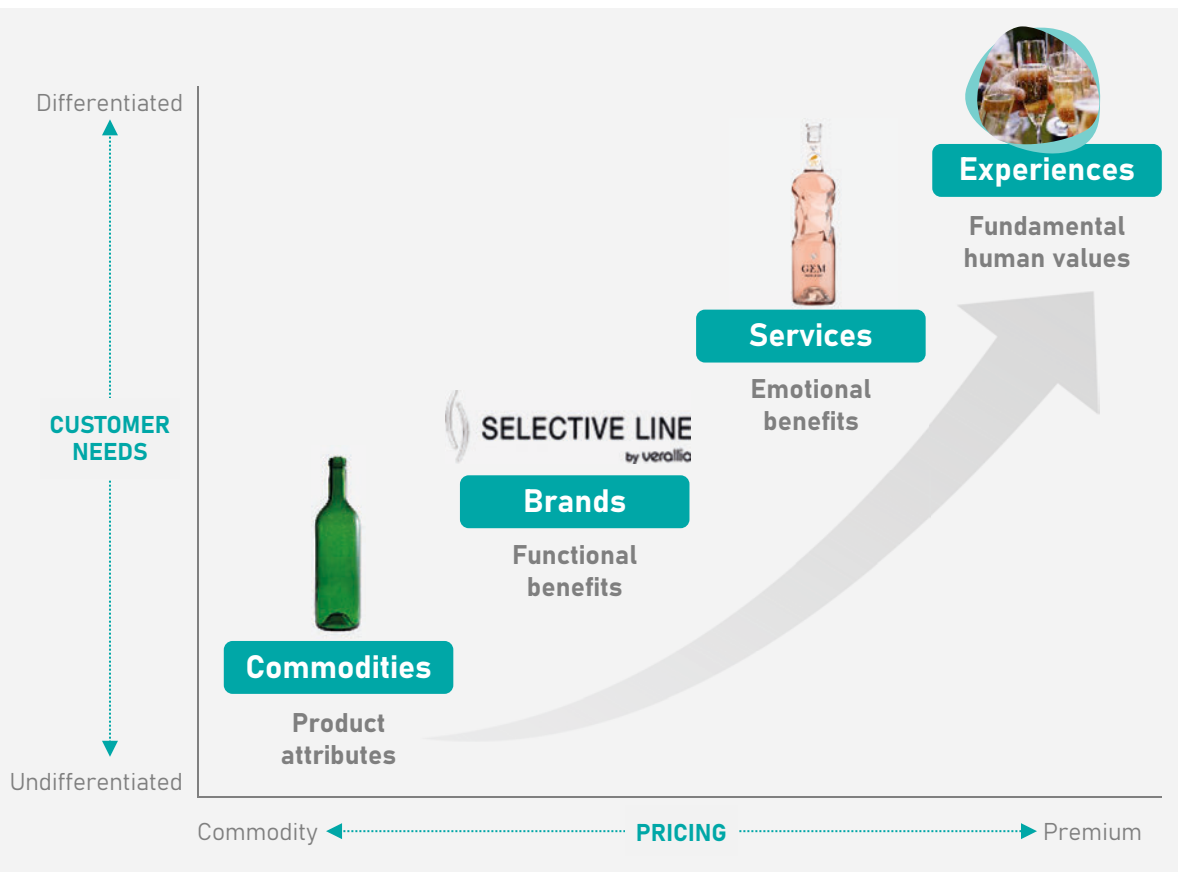
Well positioned to capture key markets growth

Source: Company, Advancy (IPO-related study)

Notes: (1) 2020 revenue contribution.

(2) Activity from Verallia’s Polish subsidiary is included in NEE financials but all market data are focused on Verallia’s production footprint and therefore exclude the Polish market.

BEYOND PRODUCTS, FOCUS ON SERVICES AND CUSTOMER EXPERIENCE



CUSTOMER-CENTRIC SALES ORGANIZATION

- Strong team of ca **300 local sales people** complemented by dedicated international account managers handling global clients
- Primarily **direct sales** (ca 90%)

VALUE-BASED PRICING ACROSS THE PORTFOLIO

- Implementation of Pricing Software to **develop value-based pricing strategies**, provide Pricing Guidance to Sales teams and **monitor performance vs guidance**
- Creation of Pricing Manager role within countries' sales & marketing organisation to achieve **Pricing Excellence**

IMPROVED CUSTOMER EXPERIENCE

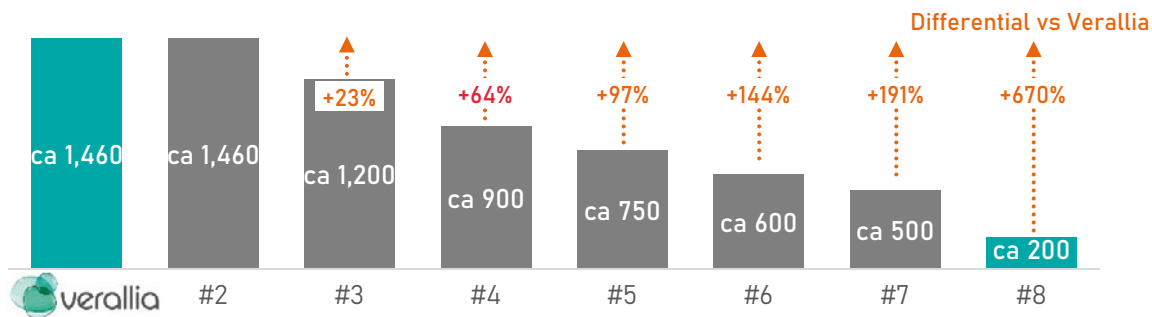
- Implementation of **Net Promoter Score** (NPS)
- Mapping of all interactions between customers and Verallia

Customer-centric organization improving service and customer experience



LARGEST PRODUCT PORTFOLIO & MOST DIVERSIFIED CUSTOMER BASE

LARGEST PRODUCT PORTFOLIO IN EUROPE*



BROAD AND DIVERSE CUSTOMER BASE

2020 Sales Split	Products	Customers	Customer Concentration
35%	Still Wine	Mostly local	
11%	Sparkling Wine	Mostly local	
18%	Food	< 10 global + local	
12%	Non-Alcoholic Beverage	Significant share of global	
11%	Spirits	6 global + local	
13%	Beer	5 major players < 50% Mostly global	

STRONG CUSTOMER INTIMACY

- High customer loyalty nurtured by large sales force (ca 300 people)
- Mix of large and smaller customers (more than 10,000 clients)
- Top 10 customers account for only 17% of 2020 sales
- #1 customer accounts for only 4% of 2020 sales



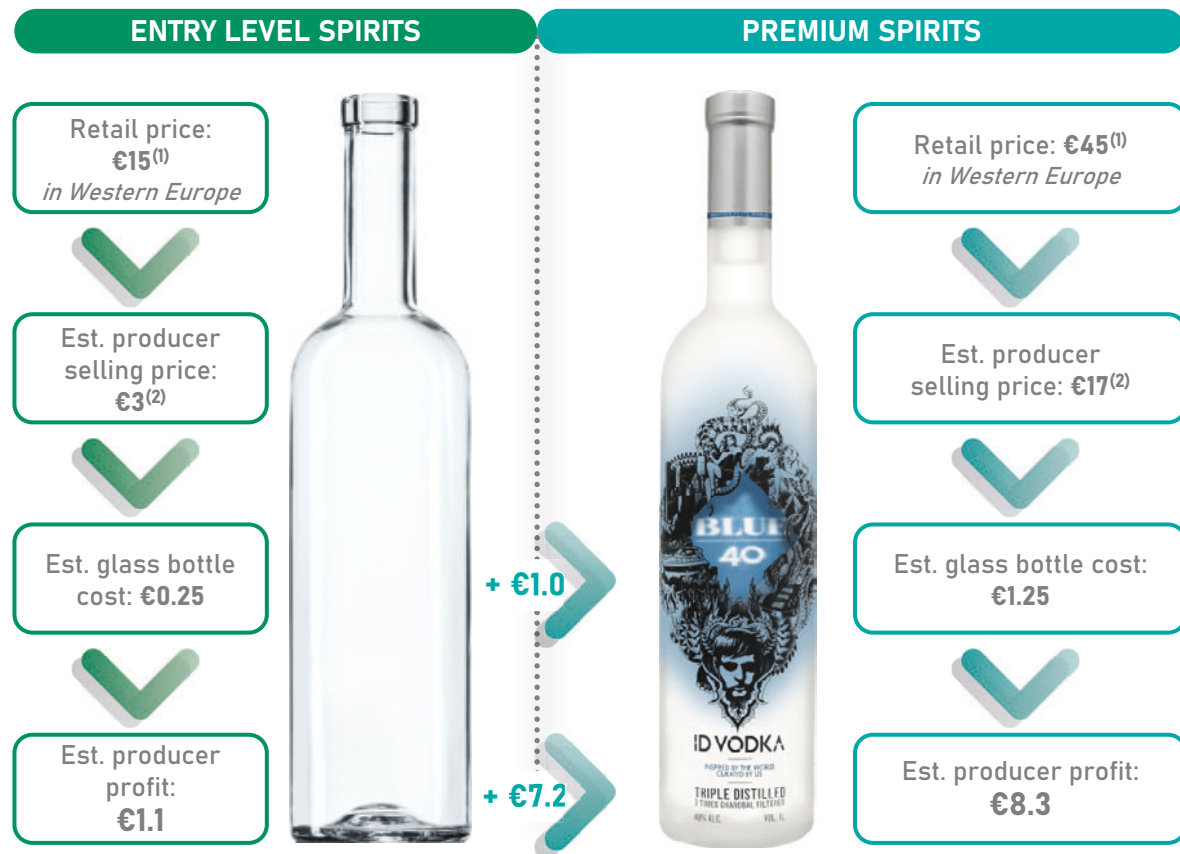
Broad and diverse customer base enables value-based pricing power

Source: Company, FEVE, company web sites and press releases.
* as of H1 2021.



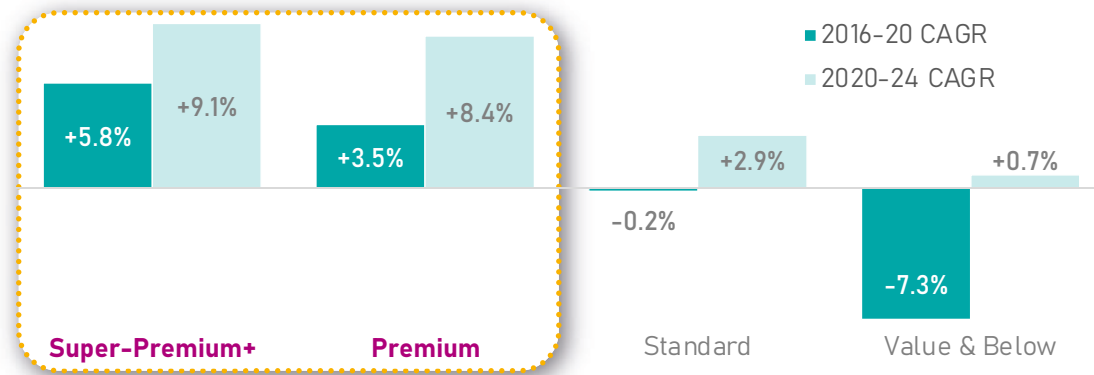
SPIRITS FOCUS: CAPTURING GROWING DEMAND FOR PREMIUM PRODUCTS

PREMIUM VODKA CASE STUDY – PREMIUMIZATION



HIGHER GROWTH FROM PREMIUM SPIRITS

Global spirits volume growth⁽³⁾



PREMIUM GLOBAL BRANDS AS CLIENTS



Premium spirits command higher margins and drive faster growth


Sources: Company, IWSR Vinexposium Report 2020, Advancy (IPO-related study).


Notes: (1) Incl. VAT and excise duty. Excise duty varies across Europe, they are paid in consumption country and based on alcohol type, and % of pure alcohol. (2) Producer selling price based on common average distribution margin for alcoholic drinks in retail. (3) product is considered ultra-premium when its market value is over \$20, premium when its market value is \$10-19.99, standard when its market value is \$5-9.99 and value and below when its market value is below \$5.




DIFFERENTIATION, PREMIUMIZATION & CUSTOMIZATION IN OUR DNA


INTERNATIONAL PREMIUM RANGE WITH "SELECTIVE LINE"





Naked bottle 

Finished product 

Decorations inspiration 

SELECTIVE LINE
by verallia



- Customizable 
- Annual trend book 
- Dedicated team 
- Designer partnerships 

- Premium and ultra-premium products
- Customizable bottles for spirits, wine and water
- Joint development with in-house glass making experts and designers

LARGE RANGE OF SPECIFIC FEATURES

Colors



Finishes



Engravings /decoration



3 Integrated decoration plants⁽³⁾



Contents (size/shape)





Push-ups




Premium look-and-feel and enhanced customer experience

HIGH SHARE OF PREMIUM PRODUCTS

Higher differentiation, higher margins 



Other products
86% of sales (Europe)⁽¹⁾



Selective Line
14% of Sales (Europe)⁽¹⁾
+ 12pts of Margin⁽²⁾

DESIGN COMPETITIONS AND AWARDS

Commercial successes
Imagined by award-winners





2010 winner
Soirée à rosé



2016 winner
Serac



2018 winner
Santero

VERALLIA
DESIGN AWARDS
October 7

Sources: Company, Advancy (IPO-related study).

Notes: (1) A product is considered mid differentiated when few competitors can offer the same product, service and quality, when substitution is possible but with some delays and when margin is above avg. A product is considered highly differentiated when it requires specific know-how (product, service, quality, innovation), when competitors need more than six months to substitute. (2) Based on 2020 volume and ASP per reference. (3) Two decoration plants located in France and one in Poland.

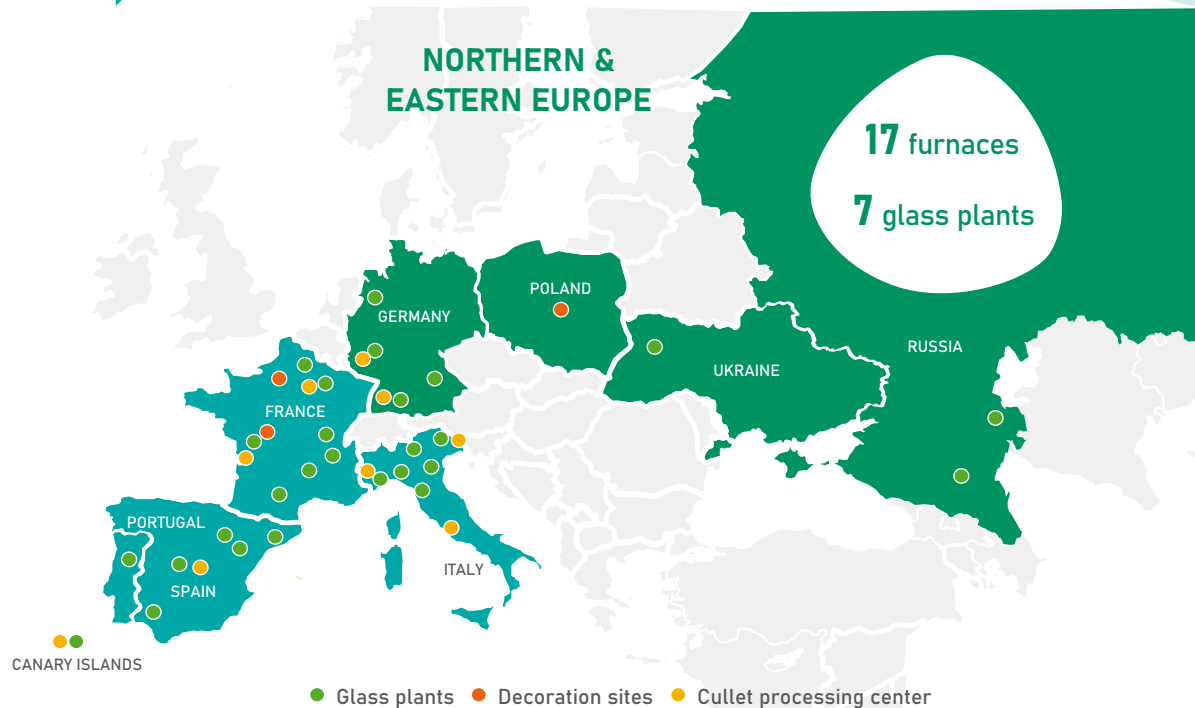
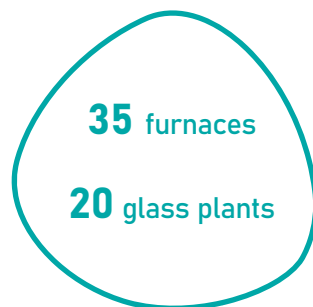
FLEXIBLE PLANTS AND ORGANIZATION, CLOSE TO OUR CUSTOMERS

LOCAL PARTNER

- Fully empowered local entities providing commercial agility
- Outstanding customer intimacy with ca 300 local sales representatives
- Differentiated and customised portfolio, tailored to local markets
- Joint client product development capabilities and industrial flexibility



SOUTHERN & WESTERN EUROPE



GLOBAL PLAYER

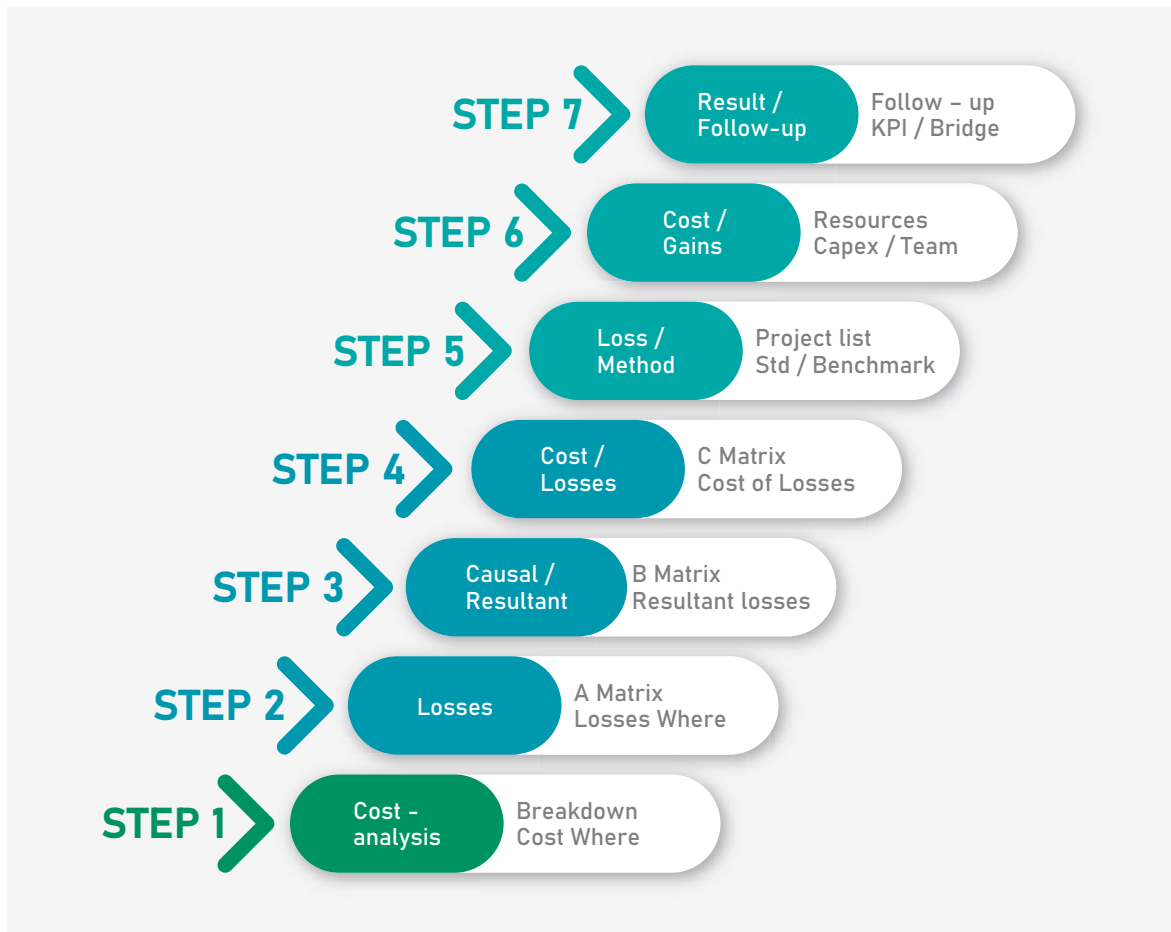
- Global commercial approach to multi-national customers
- Innovation and technical know-how benefiting all countries
- Shared industrial and commercial best practices
- Economies of scale and superior procurement capabilities

Verallia's differentiated "glocal" approach: a winning combination of local reach and global scale



UNIQUE PERFORMANCE ACTION PLAN METHODOLOGY...

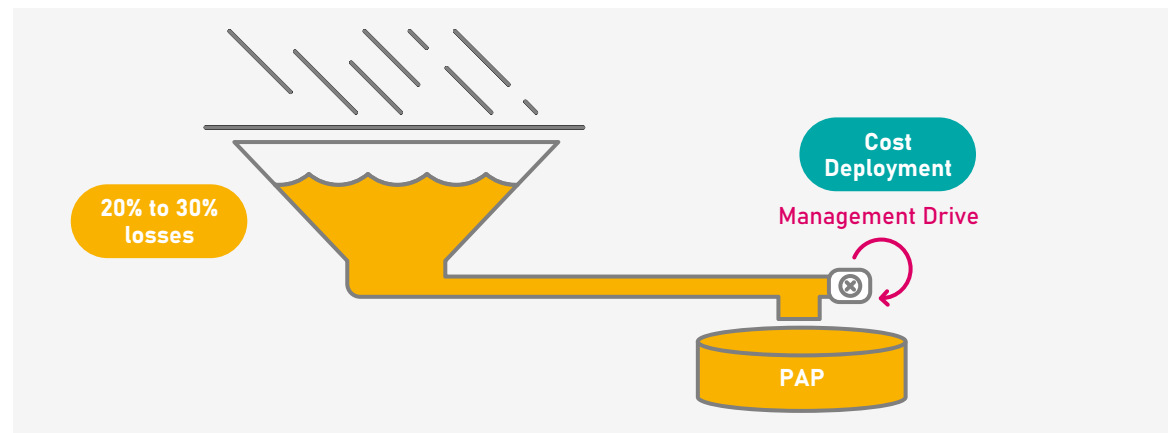
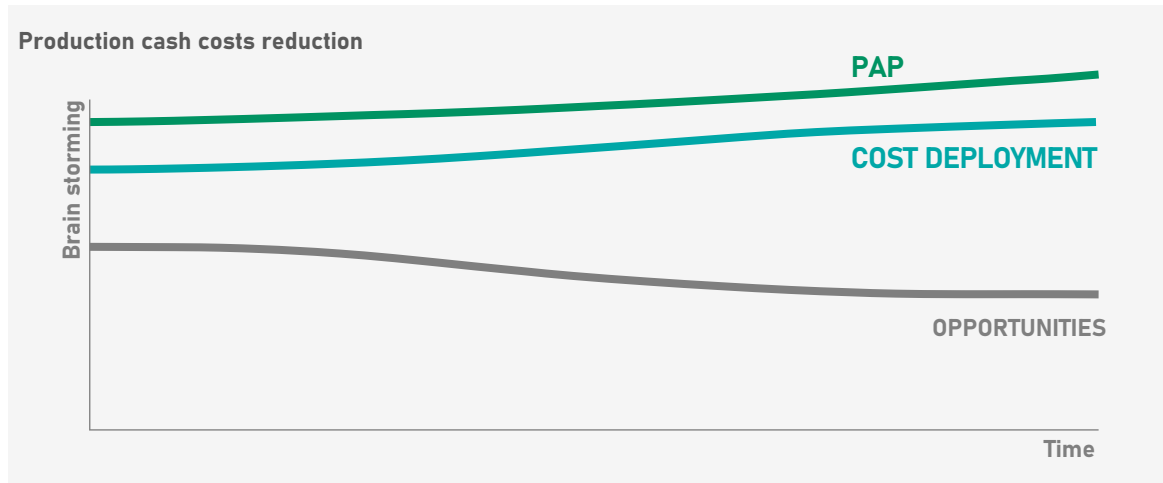
PROVEN METHODOLOGY FOR COST REDUCTION



> 500 initiatives

> 250 project leaders

PERFORMANCE ACTION PLAN ("PAP")



>2% production cash cost⁽¹⁾ reduction (> €35m) per annum

Source: Company.

Note: (1) Cash plant / site costs (i.e. excluding SG&A, freight on sales, depreciation, change in working capital or provisions for claims).



... DRIVING OPERATIONAL EXCELLENCE & CONTINUED COST REDUCTION

MONTHLY INTERNAL TRACKING TOOL

	Nb of Projects Pending	Nb of Projects Started	Nb of Projects Delivering	COST SAVINGS by NATURE - France			CAPACITY INCREASE - France		
				Budget End Of Year	Budget YTD	Actual YTD	Budget End Of Year	Budget YTD	Actual YTD
				MEUR Constant	MEUR Constant	MEUR Constant	kTons	kTons	kTons
Melting Energy	0	2	15	1 142	200	395	0,1	0,0	0,0
Other Energy	0	6	8	598	95	118	0,0	0,0	0,0
Reassembling	0	5	18	2 802	658	681	1,7	0,4	0,8
Maintenance	0	1	4	430	108	81	0,0	0,0	0,0
Raw Materials	0	5	10	1 074	421	437	0,0	0,0	0,0
Labor	0	5	8	503	113	293	0,0	0,0	0,0

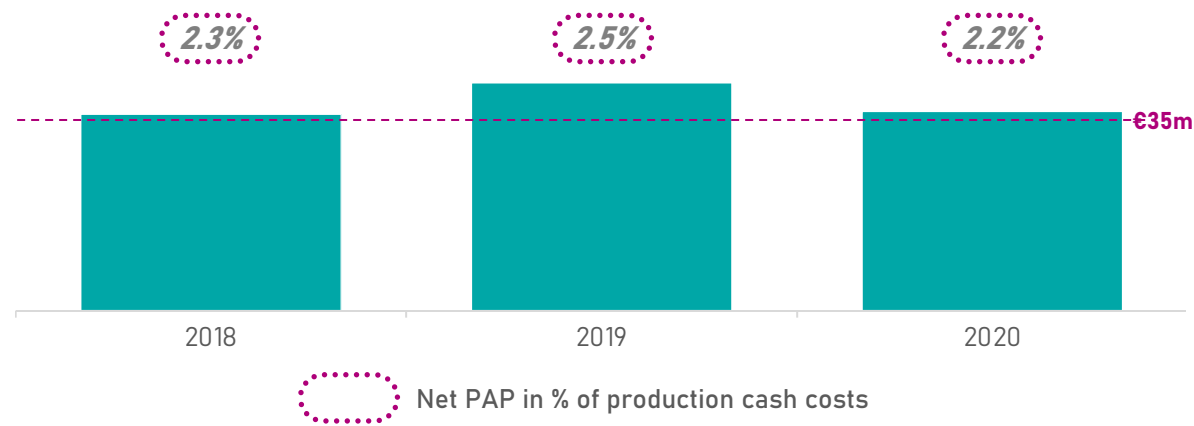
	Nb of Projects Pending	Nb of Projects Started	Nb of Projects Delivering	COST SAVINGS by PLANT			CAPACITY INCREASE			Comments
				Budget End Of Year	Budget YTD	Actual YTD	Budget End Of Year	Budget YTD	Actual YTD	
				MEUR Constant	MEUR Constant	MEUR Constant	kTons	kTons	kTons	
East Wulzech	0	12	17	1 806	275	308	7,8	1,3	1,8	1. Higher Cost Saving in current input products (2007, 20020)
Lisbon	0	10	10	1 950	253	248	3,2	0,7	1,0	2. Additional savings (2008)
Neuhof	0	11	15	1 150	700	303	3,8	1,0	-0,3	3. Additional projects since PAP 20 (2002, 20205)
Waglar	0	14	13	1 100	157	197	2,5	0,8	0,8	4. Additional projects since PAP 20 (2002, 20205)
Kempfen	0	2								5. Additional projects since PAP 20 (2002, 20205)
Kombi-464	1	3								6. Additional projects since PAP 20 (2002, 20205)
Zorja	0	5								7. Additional projects since PAP 20 (2002, 20205)
Total	1	42								8. Additional projects since PAP 20 (2002, 20205)

BUSA	Plant	Status	Period	P&L IMPACT (€M) (FORM 2018-20)																	
				Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18						
Iberia	Alusuisse	New + CO	Cumul Actual	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
			Cumul Forecast	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1
			Cumul Budget	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1
Burgos	New + CO	New + CO	Cumul Actual	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
			Cumul Forecast	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
			Cumul Budget	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Figueras Da Foz	New + CO	New + CO	Cumul Actual	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
			Cumul Forecast	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
			Cumul Budget	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
Gran Canaria	New + CO	New + CO	Cumul Actual	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
			Cumul Forecast	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
			Cumul Budget	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
Montblanc	New + CO	New + CO	Cumul Actual	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
			Cumul Forecast	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
			Cumul Budget	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
Sevilla	New + CO	New + CO	Cumul Actual	0,0	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
			Cumul Forecast	0,0	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
			Cumul Budget	0,0	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
Zaragoza	New + CO	New + CO	Cumul Actual	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
			Cumul Forecast	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
			Cumul Budget	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	
CENTRAL VIB	New + CO	New + CO	Cumul Actual	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
			Cumul Forecast	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
			Cumul Budget	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Total Iberia	New + CO	New + CO	Cumul Actual	0,6	1,1	1,0	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	
			Cumul Forecast	0,6	1,1	1,0	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	
			Cumul Budget	0,6	1,1	1,0	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	0,9	

ACTIONS

- Performance Action Plan (“PAP”) programme implemented as part of the Verallia Industrial Management (“VIM”) 2.0 initiative in 2018
- >2% production cash cost reduction (> €35m pa, net of industrial variance)
- Part of Verallia’s industrial strategy and mid-term financial objectives

P&L IMPACT CONFIRMED IN FINANCIAL BRIDGES (€M)



At least €35m of costs eliminated annually since 2018 (2% of production cash costs / 140bps Adj. EBITDA margin)

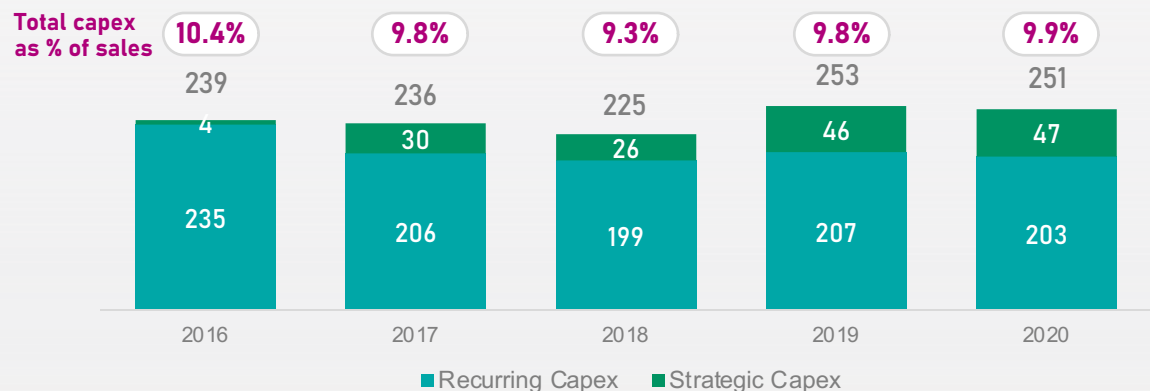
Source: Company.
Note: 2018 net PAP impact excludes ca €10m in one-off savings on SG&A expenses.



SMART CAPEX POLICY SUPPORTING CLEAR, AMBITIOUS ESG ROADMAP

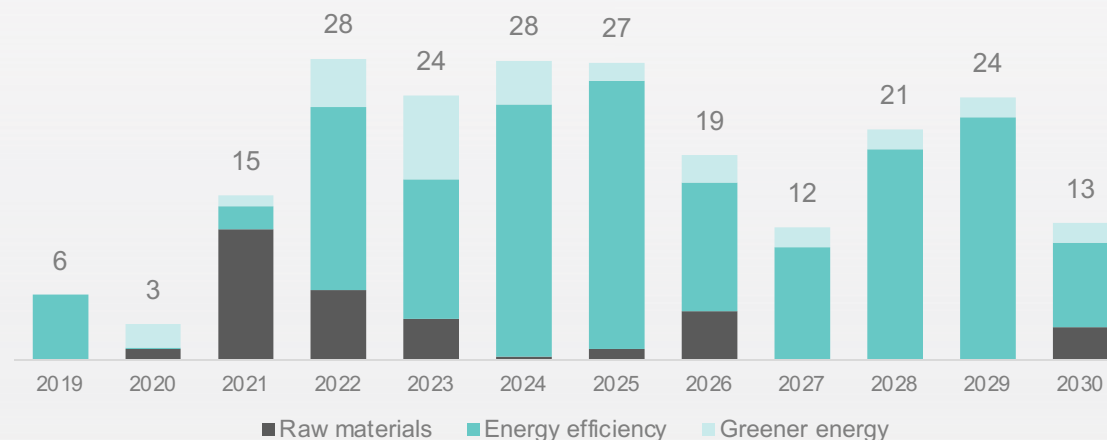
SMART CAPITAL EXPENDITURE (M€)

- Benefiting from a well invested asset base
- Short payback/high return, machine standardization (payback well below 3 years) and artificial intelligence used to improve process control
- Strategic investments with one new furnace every year in higher-growth geographies (Brazil, Italy)
- R&D on process innovation and environmental impact/CO₂ emissions



ANNUAL CASH OUT INVOLVED IN CO₂ REDUCTION PLAN (M€)

- **Total investment** required to reach 2030 CO₂ reduction target is estimated at **ca €220m**
- An estimated €180m (out of €220m) will be treated as Verallia Strategic Capex (i.e. in addition to 8% recurring capex)
- Bulk of Capex linked to energy efficiency as other sources of CO₂ reduction will involve changes in raw material or energy purchasing mix



Smart investments to support a profitable and sustainable growth strategy

Source: Company.



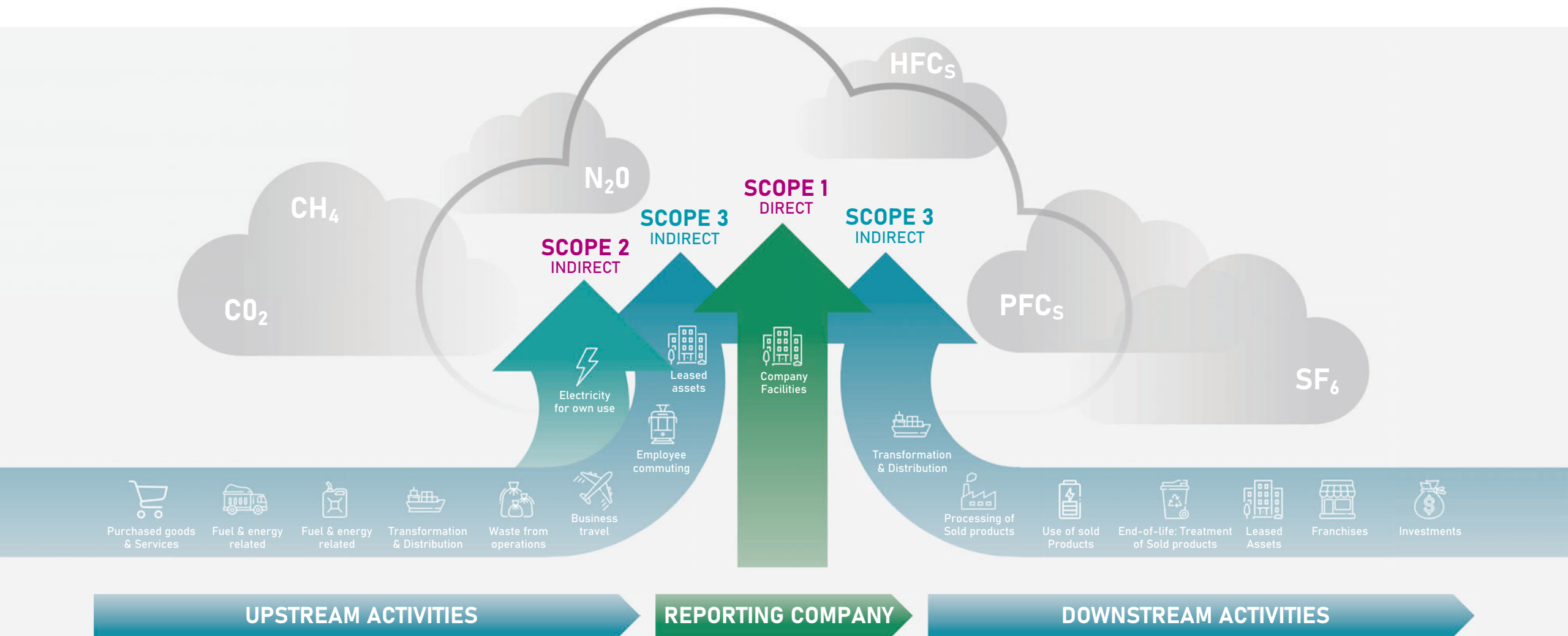
4

ENVIRONMENTAL ROADMAP



**Romain
BARRAL**
Director of Operations

CO₂ EMISSIONS: THE 3 SCOPES



For Verallia emissions from GHG other than CO₂ are insignificant.

CO₂ EMISSIONS REDUCTION: PLANS ARE ON TRACK TO STAY WELL BELOW 2°C



PLAN VALIDATED TO LIMIT GLOBAL WARMING WELL BELOW 2°C



✓ **VALIDATED STATUS**



**Our commitment:
-27.5% in 2030**

of scope 1 & 2 emissions⁽¹⁾
in absolute value from base year 2019



Status:

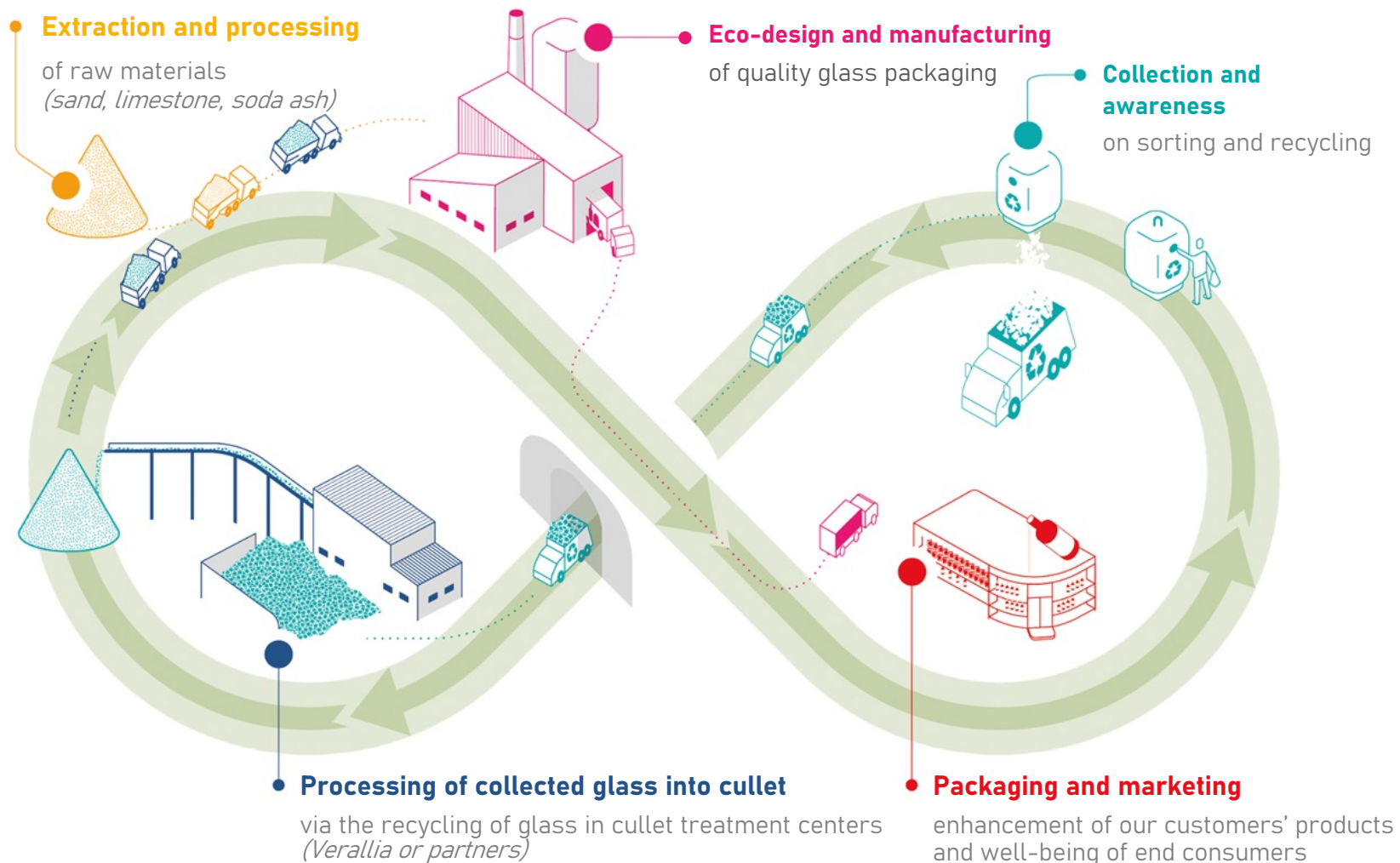
**All actions on track,
for all 3 levers**

(cf. next pages)

Intermediate target for 2025 for Sustainability Linked Bond: -15%

(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).


CIRCULARITY IS CORE TO OUR MODEL




SAVINGS*

+10pts
of cullet



-5% 
of CO₂
emissions

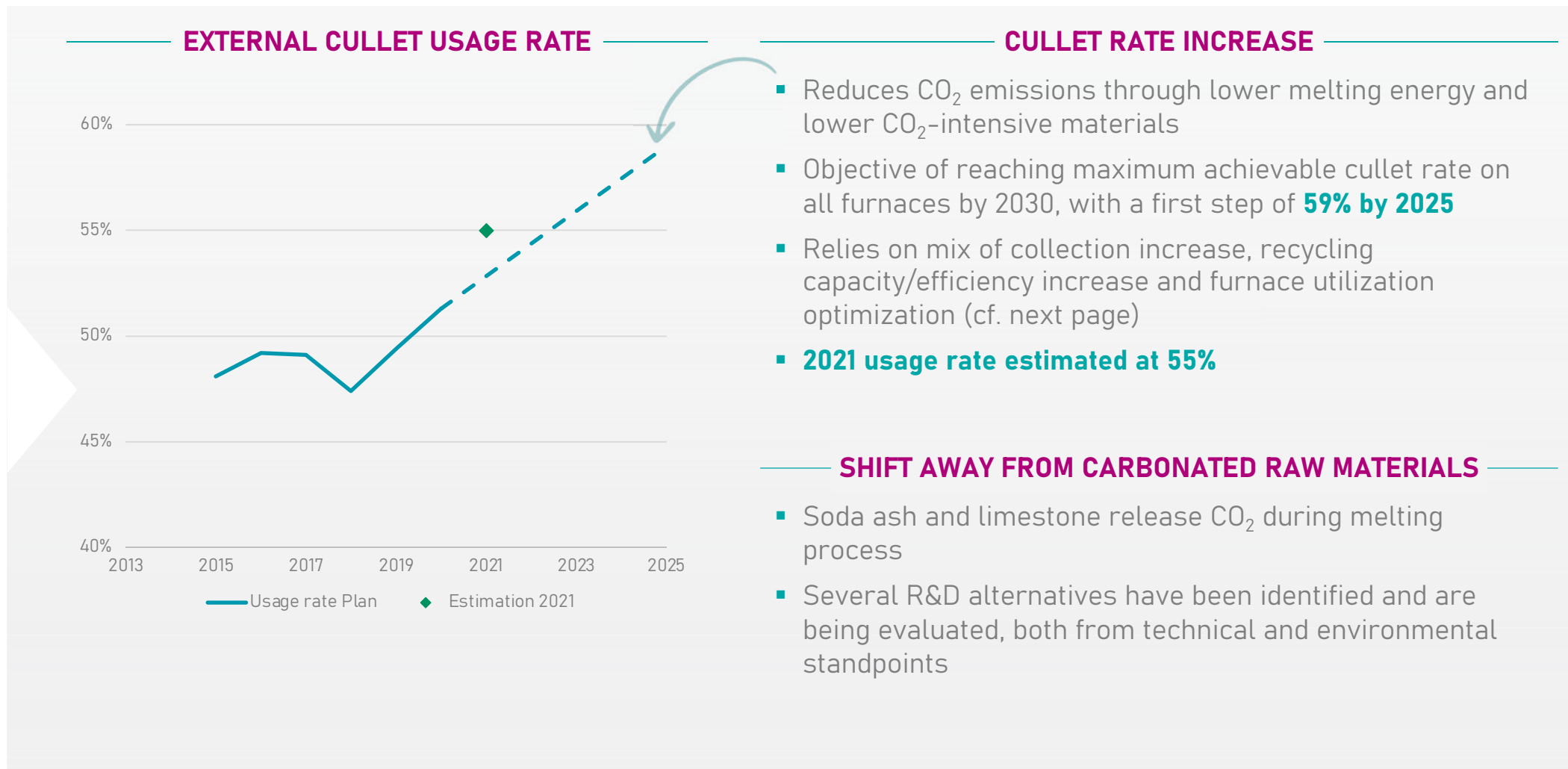
-2.5% 
of energy
consumption

Source: Company.

* Press release from the Fédération Européenne du Verre d'Emballage (FEVE), 12 April 2018.

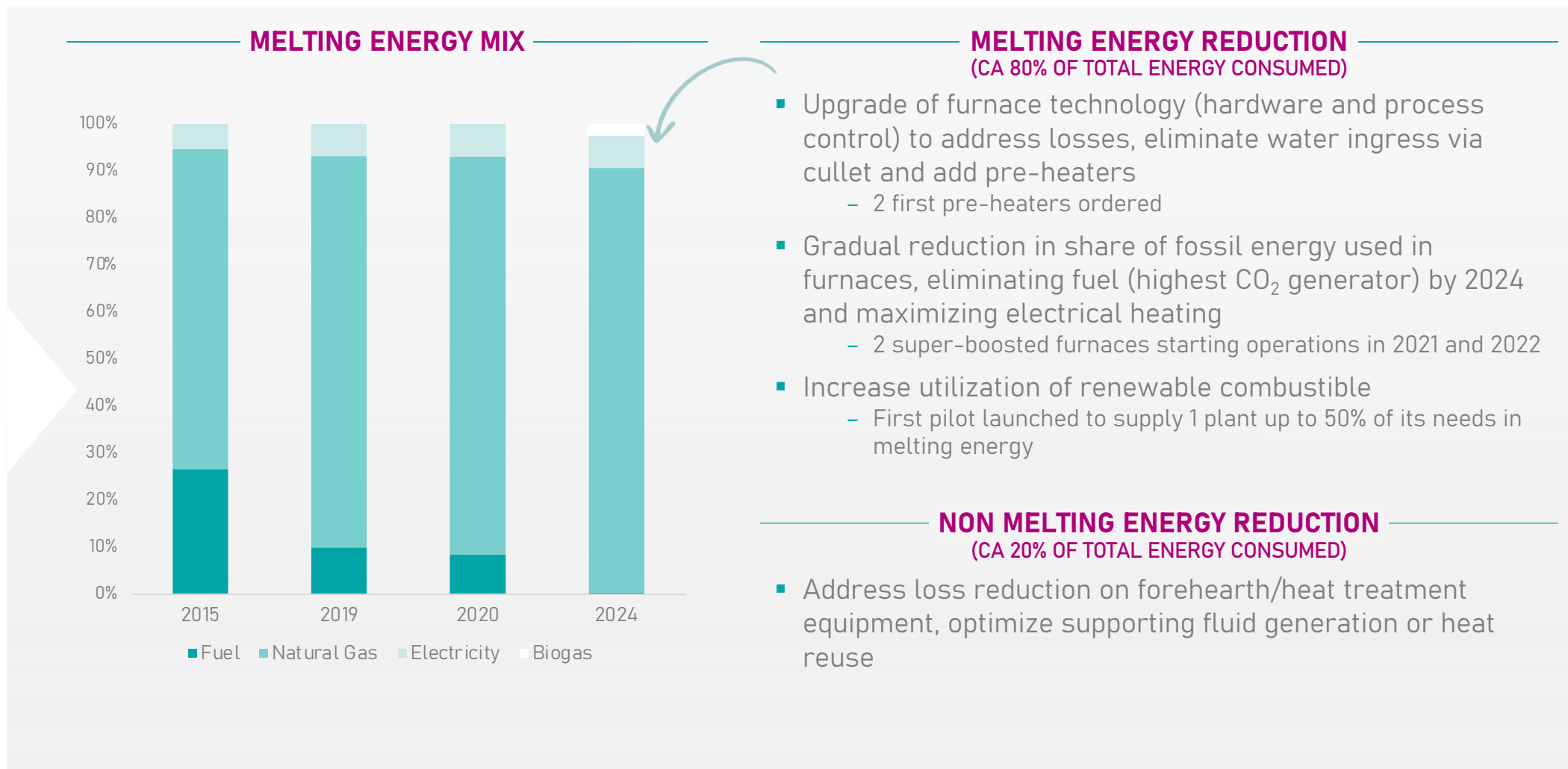
CO₂ EMISSIONS REDUCTION: PLANS ARE ON TRACK TO STAY WELL BELOW 2°C

LEVER
1
Shift raw material mix



CO₂ EMISSIONS REDUCTION: PLANS ARE ON TRACK TO STAY WELL BELOW 2°C

LEVER
2
Reduce energy consumption

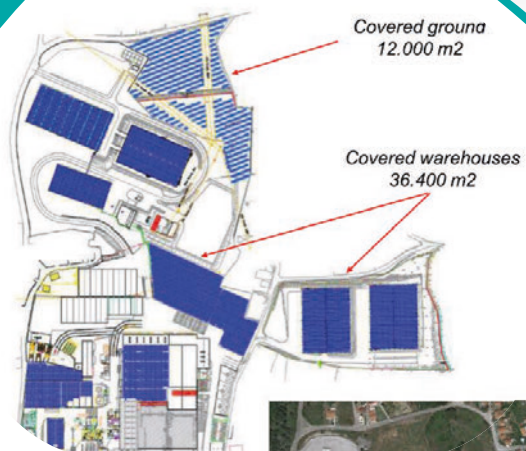


CO₂ EMISSIONS REDUCTION: PLANS ARE ON TRACK TO STAY WELL BELOW 2°C

LEVER

3

Increase use
of green
energy



Solar panels installed on roofs and land in Verallia Portugal plant will start production in 2022



GREEN ENERGY PURCHASES

- Maximize green energy purchases through certified sources of electricity (**target >60% by 2025, from 34% in 2020**)
 - 9 plants in 2021** 100% powered with 0 carbon electricity

BIOGAS UTILIZATION

- Replace natural gas with **biogases** or biofuels in selected plants
 - First pilot** launched to supply 1 plant up to 50% of its needs in melting energy
- Evaluation includes full production cycle of alternative fuels to ensure sustainability and full benefits from CO₂ standpoint

ON-SITE ENERGY PRODUCTION

- Verallia to implement **on-site renewable electricity** production
 - First project of solar panels in Portugal under way

CO₂ EMISSIONS REDUCTION: OUR NEW AMBITION TO LIMIT GLOBAL WARMING ONLY TO 1.5°C



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).

CO₂ EMISSIONS: OUR NEW AMBITION TO LIMIT GLOBAL WARMING ONLY TO 1.5°C

NEW AMBITION DRIVEN BY

- **Robustness** of our current plan, giving solid baseline to reduce further our emissions
- Need to do **more** for Climate change, as explained by the IPCC 6th report⁽¹⁾ issued in August 2021
- **Alignment** to “Fit for 55” goals from European Union

NEW AMBITION POWERED BY NEW TECHNOLOGIES AND PARTNERSHIPS

- **Current plan** (-27.5% by 2030)⁽²⁾ is based mainly on **existing and well-known** technologies
- **Updated plan** will be leveraging **innovation and new technologies**:
 - Acceleration of **electrification** of our furnaces
 - **Faster** substitution of Natural Gas by **alternative energies** (strong **partnerships with suppliers** to ensure sustainable supply chains)
 - Investigate **carbon capture** solutions

(1) Intergovernmental Panel on Climate Change 6th report published in August 2021.

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

CO₂ EMISSIONS: OUR NEW AMBITION TO LIMIT GLOBAL WARMING ONLY TO 1.5°C

NEW PLAN STILL BUILT ON 3 LEVERS

1 Shift raw material mix

- Support actively FEVE target to reach **90% Cullet collection** in Europe
- Increase **significantly** Cullet collection in other regions (LATAM, Eastern Europe)
- Improve further **cullet treatment performance** (colour separation)
- Substitute Carbonated raw materials with **renewable and decarbonated alternatives**, at industrial scale

2 Reduce energy consumption

- Fast deployment of **Hybrid Furnace** technology tested by FEVE led consortium, reducing by **50%** CO₂ emissions
- Prepare our factories for large utilization of **Hydrogen and Renewable alternatives** to Natural Gas (cf. next page)
- Complement with **Carbon Capture solutions** on our sites

3 Increase use of green energy

- Secure **long term Low carbon electricity contracts** in most countries
- Develop **sustainable renewable combustibles sources** to ensure **long-term alternative** to Natural gas

CO₂ EMISSIONS: OUR NEW AMBITION TO LIMIT GLOBAL WARMING ONLY TO 1.5°C

A DEFINING PROJECT FOR OUR NEW AMBITION: PREPARE EXTENSIVE USE OF HYDROGEN

- Verallia is working with several partners to feed furnaces with Coke Oven gas
- This gas contains up to **60% of Hydrogen**, allowing **long term, industrial scale Hydrogen usage**
- This project will allow Verallia to develop a **complete knowledge** of Hydrogen utilization in Glass furnaces, on all aspects: combustion, reliability of equipment, operations safety and economics
- With this project, Verallia will be prepared to benefit from European Hydrogen eco-system

THE PATH TOWARDS A EUROPEAN HYDROGEN ECO-SYSTEM STEP BY STEP:

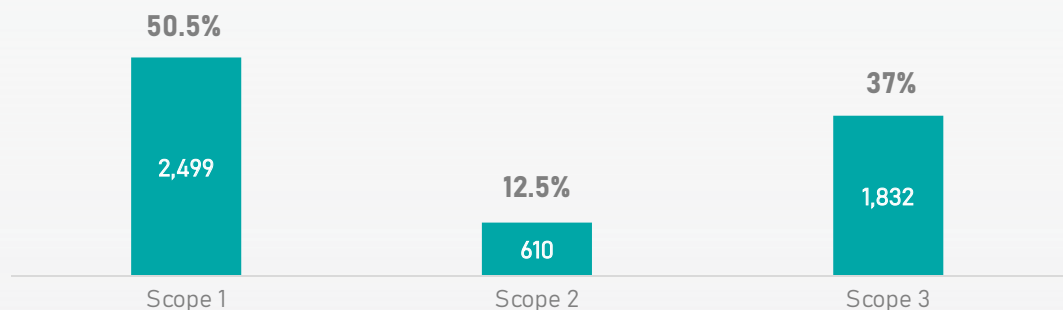


Source: EU Hydrogen Strategy.

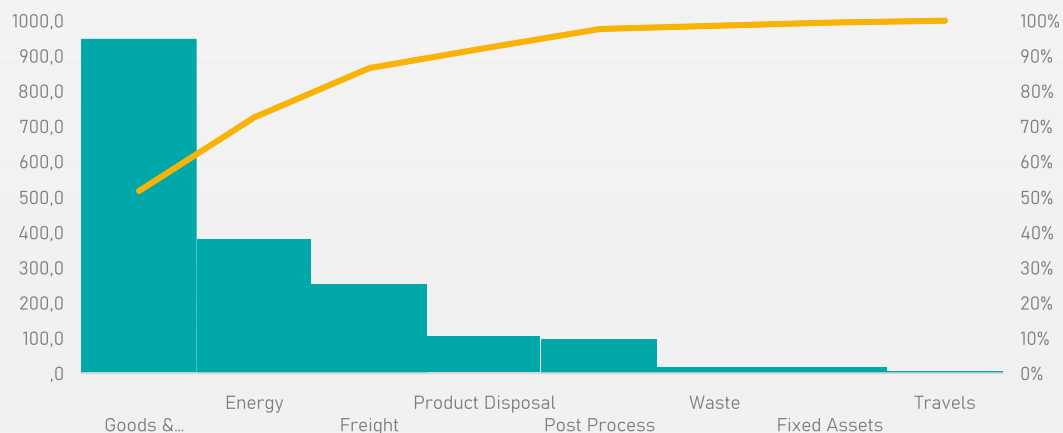
CO₂ SCOPE 3: MAINTAIN BELOW 40% OF TOTAL EMISSIONS IN 2030

SCOPE 3 EMISSIONS REPRESENT 37% OF TOTAL EMISSIONS, AT 1,830KT CO₂
 FOCUS ON THE 3 MAIN CONTRIBUTORS WITH SPECIFIC ACTION PLANS

VERALLIA TOTAL CO₂ EMISSIONS 2019 (IN KT)



CO₂ SCOPE 3 EMISSIONS 2019 (IN T)



GOODS & SERVICES

- Raw materials for new glass are the main contributor. Their impact will reduce through 2 levers: increase in external cullet usage and reduction in CO₂ emissions at supplier facilities
- Packaging, in particular plastic items, are the second axis of reduction, through an increase in recycling rate and CO₂ emissions reduction at supplier facilities

ENERGY

- Scope 3 energy will be directly impacted by the efficiency improvement driving Scope 1 & 2 reduction

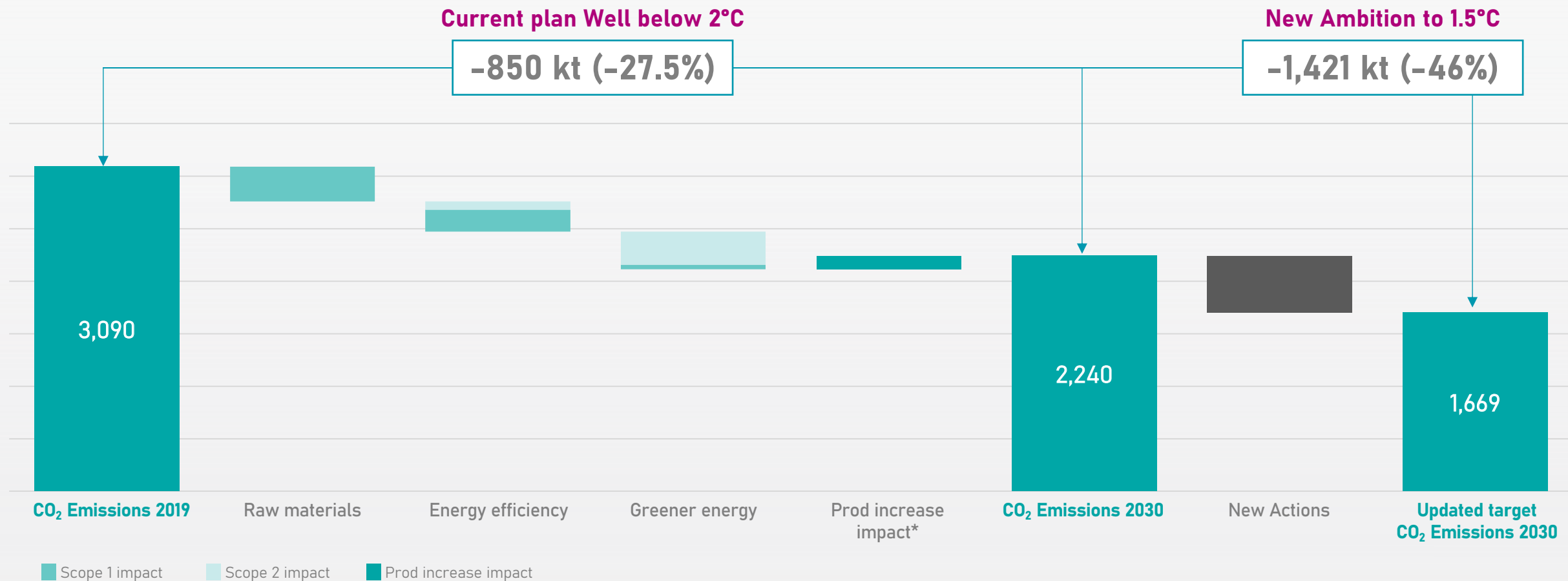
FREIGHT

- >85% of Freight emissions are coming from Road transportation
- Development of rail routes and usage of trucks powered by renewable energies will be the main focus of Verallia

KEY ENABLER: SUPPORT OUR SUPPLIERS TO REDUCE THEIR CARBON FOOTPRINT

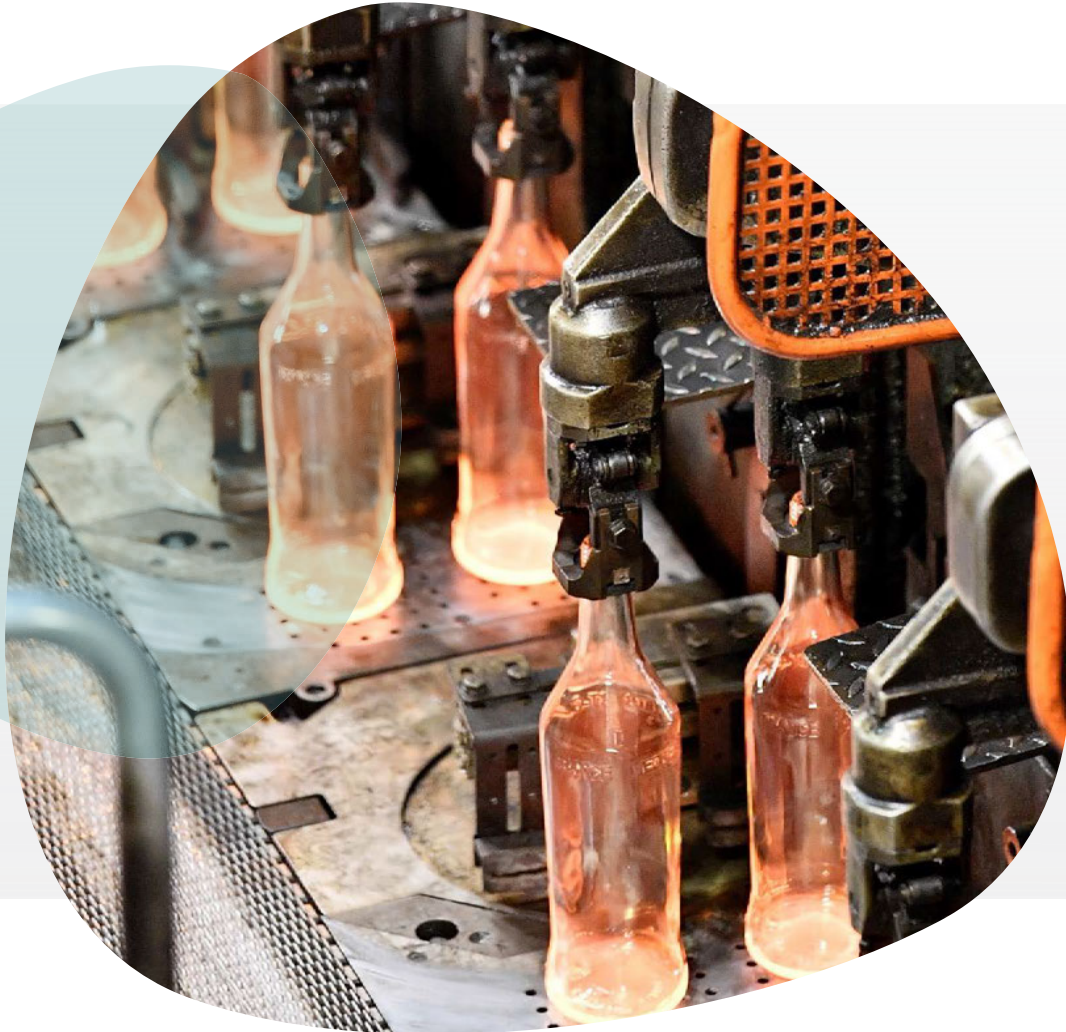
- Scope 1 & 2 emissions from our key suppliers will be a new KPI and selection factor for our sourcing decisions

CO₂ EMISSIONS: OUR NEW AMBITION TO LIMIT GLOBAL WARMING ONLY TO 1.5°C



Upgraded action plan being developed to reach 46% reduction target

* Assumption = +2% volume CAGR 2019-2030 (tons).



5

SOUTHERN AND WESTERN EUROPE SEGMENT OVERVIEW



**Olivier
ROUSSEAU**
Head of France



**Marco
RAVASI**
Head of Italy

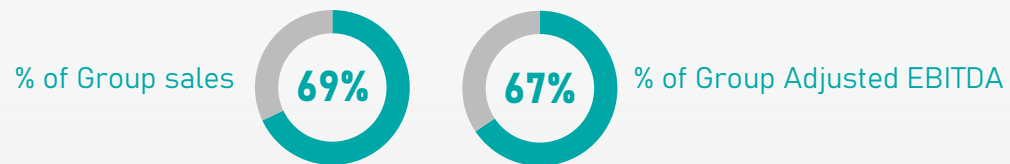


**Paulo
PINTO**
Head of Iberia

SOUTHERN AND WESTERN EUROPE (SWE) BUSINESS OVERVIEW



KEY 2020 FIGURES



- Sales: **€1,744m**
- Adjusted EBITDA: **€419m**
- Adjusted EBITDA margin: **24%**

KEY END MARKETS

STILL WINE

CASTEL
FAMILIAL & INTERNACIONAL

GC
F

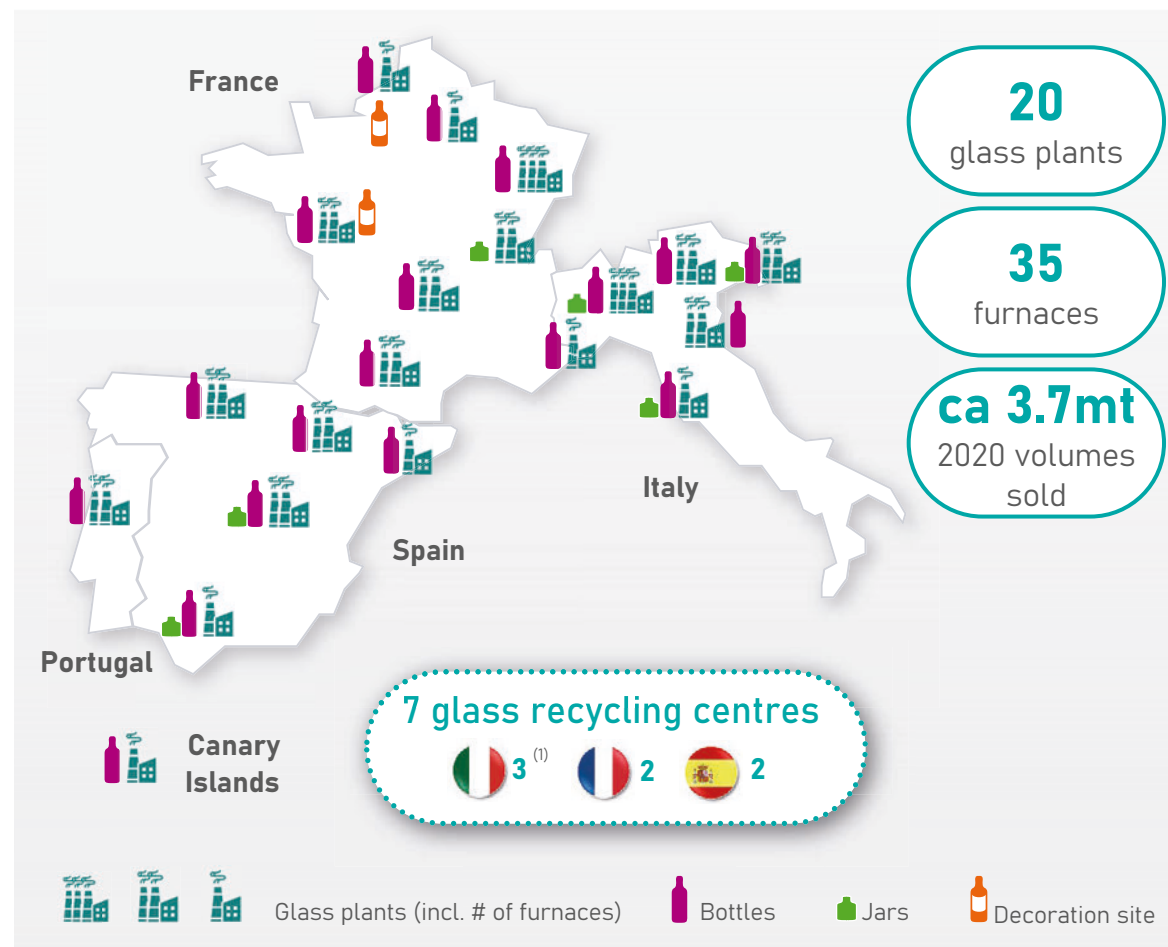
SPARKLING WINE AND CHAMPAGNE

LVMH *Freixenet*

SPIRITS

Pernod Ricard BACARDÍ

HIGH DENSITY OF THE LEADER



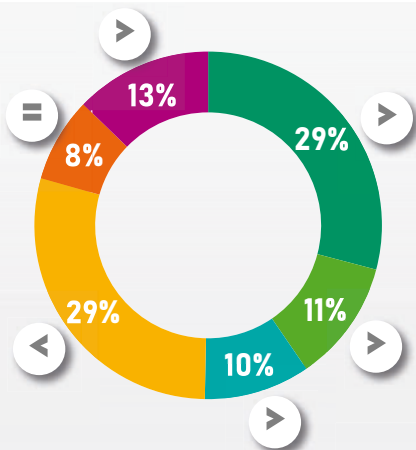
Sources: Company; all data are as of 2020 except for number of furnaces (updated for changes having taken place in 2021).

Notes: (1) One site is a joint venture.



FRENCH MARKET OVERVIEW

FRENCH GLASS PACKAGING MARKET: ESTIMATED SPLIT BY END MARKET (KT)



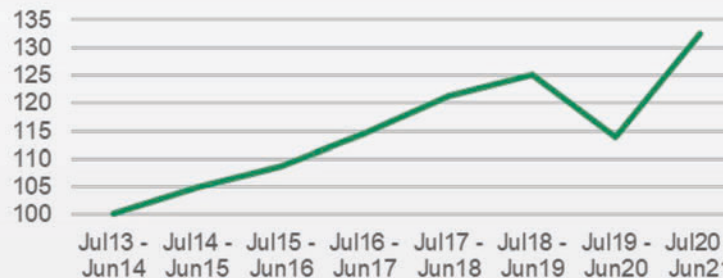
Verallia Sales vs Market:



- Still wine
- Sparkling wine
- Spirits
- Beer
- NAB
- Food

A PREMIUM MARKET DRIVEN BY EXPORTS

French exports of still and sparkling wines (€m)

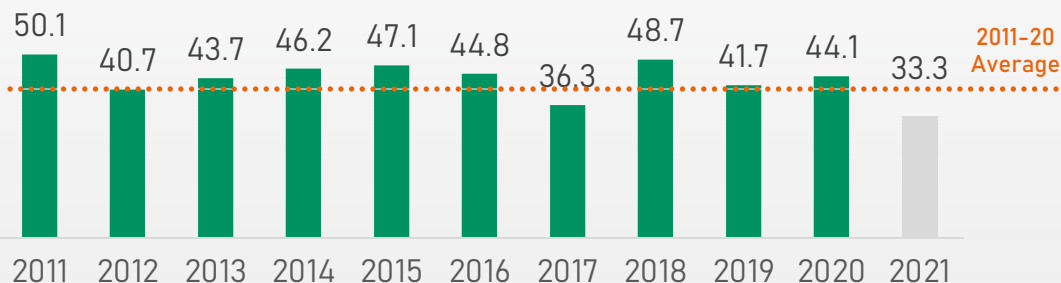


Price per bottle of still and sparkling wine exports



2021 FROST REVIEW: LOW SENSITIVITY TO WEATHER CONDITIONS / CLIMATE

French harvest (m hl)



- 2021 French harvest estimated to be the lowest over the past 5 decades, estimated at 33 m hl (ca -25% vs 2020)
- Impact on still and sparkling wine bottling expected to be limited given (i) high bulk wine inventory level at producers (ca 28m hl) fueled by good 2020 harvest and low 2020 consumer sales and (ii) possibility to source bulk wine out of France
- Expected limited impact on 2022 Verallia France sales, as seen in 2018 (little impact of poor 2017 harvest which was nearly 20% below 2016)
- Verallia will also look to compensate volume drop with other markets

A premium-focused market with selected pockets of growth mostly driven by exports

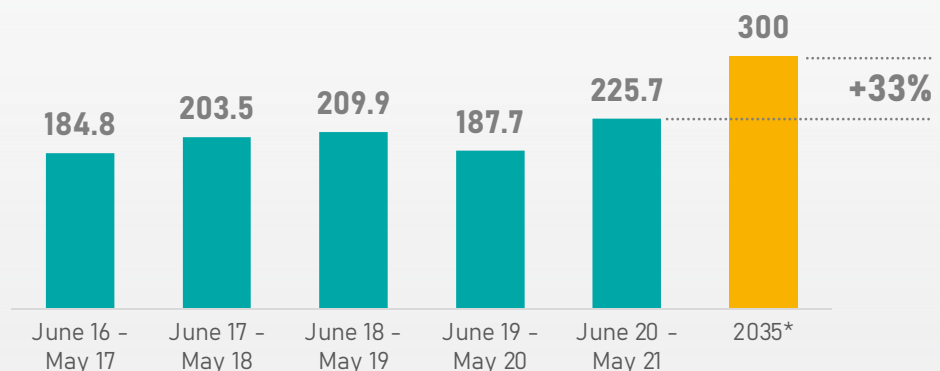
Sources: French glass packaging end market split – Company French Exports – NetVS, August 2021 Price per bottle of exports – OIV, April 2021 French Harvest – Agreste, August 2021.



COGNAC: HIGH-END MARKET WITH ATTRACTIVE GROWTH PROSPECTS

COGNAC MARKET IS BOOMING

Global cognac consumption (m bottles)



- Premium and luxury perception
- Diversified end product destination (Europe, Asia, North America)
- Exports represent the key growth driver

CUSTOMISATION AND VALUE-ADDED SERVICES: THE “HENNESSY CASE STUDY”

- Luxury bottles to capture high end consumers: **“high end packaging for a high end product”**
- Limited editions require **innovation and superior decoration capabilities**
- **Co-creation with customer** ensures best quality (luxury standards) and unique consumer experience
- **Industrial proximity and flexibility guarantees high service levels** and just-in-time deliveries
- **Strong customer intimacy** (long-standing partnership) with co-operation across the entire value chain: purchasing, marketing, planning, logistics, operations and quality



Well-positioned to leverage growing demand for premium spirits globally

Sources: Passed market data – BNIC, July 2021

*2035 market data – Les Echos “Le cognac mise sur un boom de 50% d’ici à 2035”, May 2021 Customisation and value-added services – internal information.



ROSÉ WINE: GROWTH AND VALUE CREATION THROUGH PREMIUMIZATION

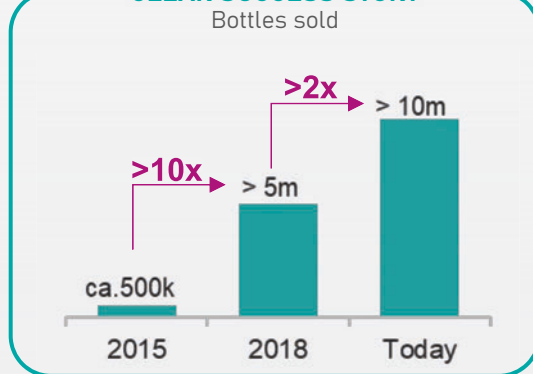
PREMIUMIZATION THROUGH PACKAGING: "SOIRÉE À ROSÉ"

- "Soirée à Rosé" bottle created in 2013
- Developed in the Chalon centre by a dedicated engineering team and industrialised in the Cognac factory
- New iconic and innovative design (bottom of the bottle pictures a rose) generated premiumization and enabled a significant price increase (value-based pricing)
- Volumes sold massively increased over three years only (>10x)

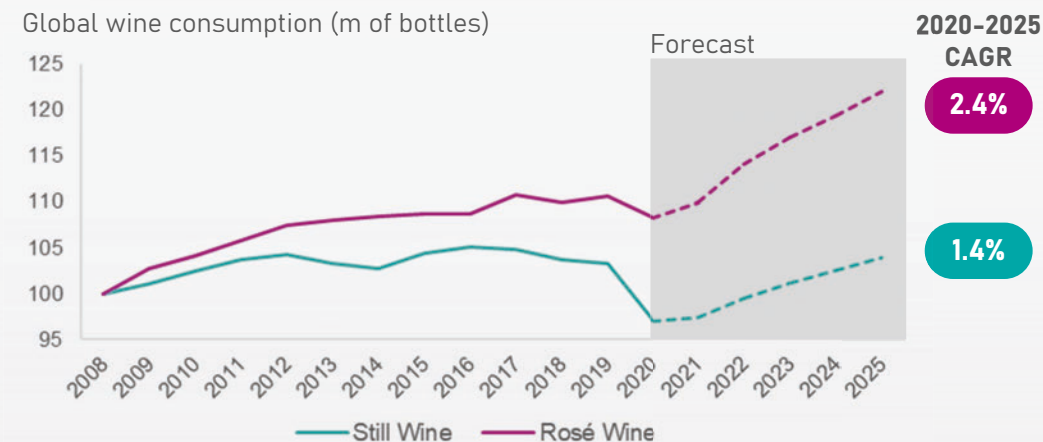
VALUE-BASED PRICING



CLEAR SUCCESS STORY



ROSÉ WINE CONTINUES TO GROW FASTER THAN STILL WINE



Adding value for customers to take advantage of fast-growing market segments

Sources: "Soirée à Rosé" sales – Company Global wine consumption – Euromonitor.



HOW DO WE ADDRESS COMPETITIVENESS IN THE FRENCH FACTORIES

TRANSFORMATION PLAN

RATIONALE

- Eliminate excess capacity in France by not rebuilding one furnace in Cognac
- Bridge competitiveness gap with foreign competitors importing in France

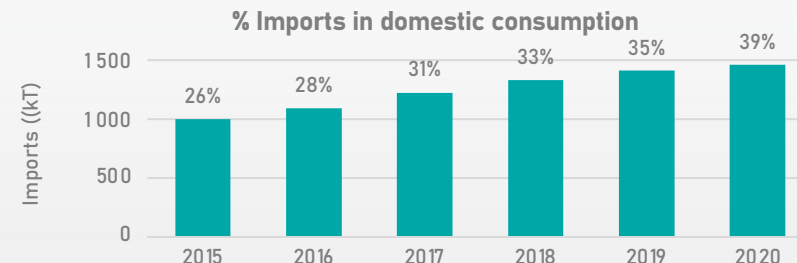
IMPLEMENTATION (2020)

- Removal of 150 positions in a socially responsible way (only 5 persons still looking for a permanent solution)
- Implementation of organization by Autonomous Production Units, which proved successful in other countries for Verallia

IMPLICATIONS / BENEFITS

- Payback close to 2 years (social plan)
- Improvement in French competitiveness

SHARE OF IMPORTS IN FRENCH CONSUMPTION



A structurally high share of imports

3-YEAR COMPETITIVENESS AGREEMENT

RATIONALE

- Proposed to secure furnace reconstructions till 2024 and to guarantee employees spending power as long as industrial performance improves

IMPLEMENTATION (2021 ONWARDS)

- Agreement approved by a majority of employees

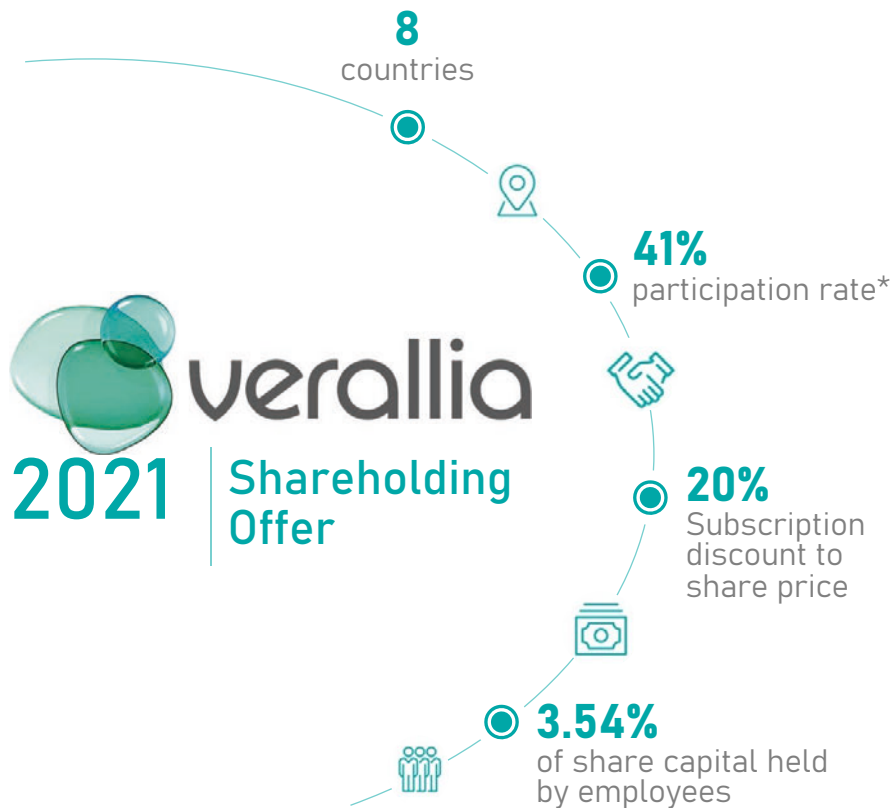
IMPLICATIONS / BENEFITS

- Will allow further improvement in Verallia French plants competitiveness and help recover sales volumes from foreign competitors imports

A tailored footprint and new agreement with local staff to improve productivity and EBITDA



PROVIDE AN INCLUSIVE PLACE TO WORK ENCOURAGE EMPLOYEE SHAREHOLDING OWNERSHIP



PERFORMANCE INDICATORS	2019	2020	2021	2025 TARGETS
% of Verallia share capital held by employees (directly or through FCPE)	2.6%	3.3%	3.5%	5%

WORLD: In June 2021, **close to 3,200 employees** took part in Verallia's 6th Employee Shareholding Offer

>> Around **41% of our employees** are shareholders of the company and as such are involved in Verallia's development

FRANCE: 75% participation in the June 2021 Offer

>> French employees who invested their profit sharing in the last 6 offers, for an average €22k, today have an investment worth slightly more than €100k

Annual employee offers will be renewed in the coming years

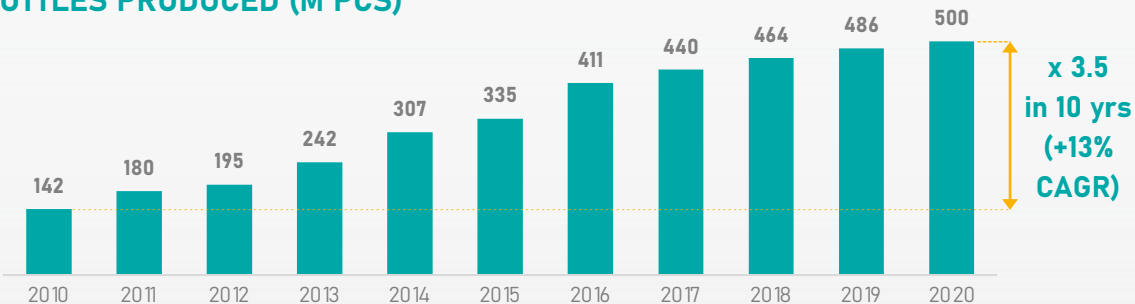
* Amongst eligible employees worldwide.



PROSECCO: THE ITALIAN SPARKLING WINE BOOMING INTERNATIONALLY

PROSECCO (DOC) – KEY TRENDS

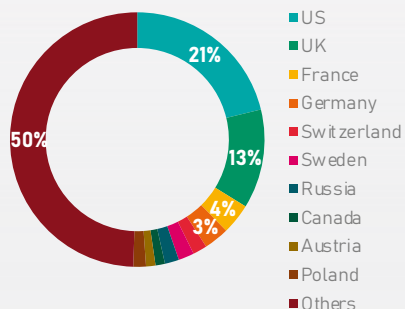
BOTTLES PRODUCED (M PCS)



KEY FEATURES

- 78% of volumes exported (international food retailers)
 - Exports up 4.7% in 2020 despite pandemic (local market down 3%)
- 3.5% of sales through e-commerce (+300% in 2020)

MAIN EXPORT COUNTRIES



AVERAGE EXPORT PRICE

€2.9 Prosecco vs. €19.5 Champagne

VERALLIA'S PRESENCE & STRENGTHS IN PROSECCO

- Verallia Italy is a **leader** in glass bottles produced for sparkling wine manufacturing **4 out of 10 bottles** in the market. In tons this segment represents **18% of our production** vs only **9% of total Italian glass packaging market**
- We are a leader thanks to:
 - Our **plants proximity** to the key customers
 - Availability** of full range of SKU / 3 furnaces per colour
 - Recognized **quality for bottles working under pressure**

PROSECCO ROSÉ (DOC) – THE NEW, FAST-GROWING TREND

- Officially launched Oct 2020
 - Q4 2020 sales → 16.8m pcs
 - H1 2021 sales → 37m pcs
 - Estimated 2021 sales → 70/80m pcs
- 13% of total Prosecco production
- 80% of sales exported
- Main destinations: US, UK, Canada, Scandinavia, France



Verallia is ideally positioned to take advantage of the fastest growing Italian beverage market segment

FLEXIBILITY & SERVICE IMPROVEMENTS TO SUIT OUR CUSTOMERS NEEDS

FLEXIBILITY AND SERVICE ACTION PLAN

CHALLENGE

- Improve service to customers (OTIF*) whilst reducing finished products (FP) stocks

SUPPLY CHAIN GLOBAL PLAN

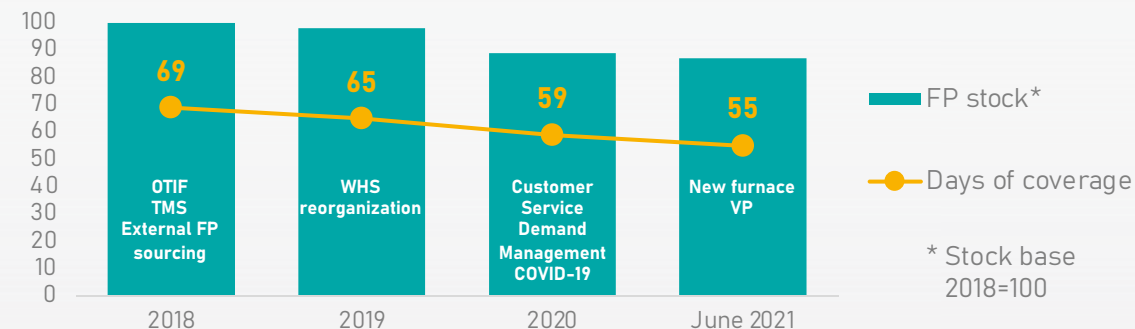
- Internal flexibility: **plant specialization**
- External flexibility: a wide network developed in 3 years leading to **import FP from 13 different suppliers** for ca 240 SKUs
- Collaborative Supply Chain with major customers**

RESULTS 2018 -> 2021

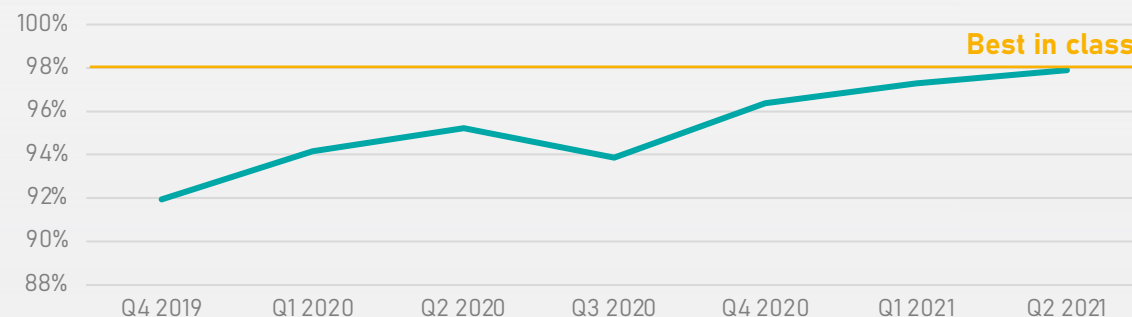
- +20% job changes**
- Stock reduction of 24% in tons**
- Warehouse storage re design with **reduction of external rental cost by 8%** (2018/20)

IMPACT ON FG STOCK AND OTIF*

FINISH PRODUCT STOCK



OTIF* VERALLIA ITALIA (%)



Flexibility is a key success factor in uncertain business conditions

* OTIF = number of orders delivered in full and in time / number of total orders delivered.



VERALLIA ITALY DISTRIBUTION IN A €300M MARKET (16% OF ITALY)

(2017-2020) - BEGINNING

- <5 sales people
- <200 clients
- Top 20 distributor
- Mix HAVP/STD 5x higher than average



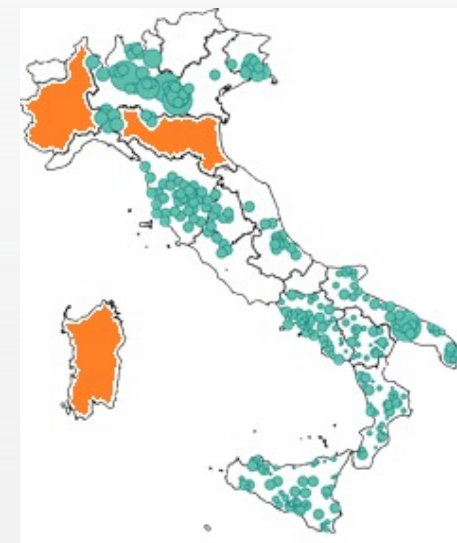
TODAY

- 10/15 sales people
- 400/500 clients
- Top 10 distributor
- Mix HAVP/STD 5x higher than average



FUTURE

- 25/35 sales people
- 1,500/2,000 clients
- Top 5 distributor
- Mix HAVP/STD 5x higher than average



● Area covered by main historical distribution partners (to be maintained)

- Distributor & producer
- Increase High Added Value Products (HAVP) sales
- Improving Service, Sales mix & Marginality

- Rapid coverage of the territory
- Differentiation vs all others producers
- Create a “blue ocean” distribution

Verallia distribution is growing with differentiated services and new added value products thanks to increasing customer proximity

PAP SAVINGS AND ENVIRONMENTAL BENEFITS

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

SITUATION

- Europe-wide shortage of drivers & fuel price increase
- Increasing needs (VI freight CAGR 2020/24: 2.6%)



OPPORTUNITIES

- Move from road to train and vessels freight reducing CO₂ emissions



VERALLIA ITALIA MULTIMODAL TRANSPORTATION PLAN

- **Upstream supply chain**
 - July 2019: started project to move from road to train 4,000 trucks pa of sand from quarries to Verallia plants located in NE Italy using special containers
 - **30% reduction in CO₂ consumption (1,500 tons of CO₂ pa)**
 - Verallia won “logistics of the year” award in 2020 from *Assologistica* (national logistics association)
- **Downstream supply chain**
 - Nov. 2019: supply chain integration and synergies with Campari for roundtrip of alternative fuel trucks (LNG)
 - Feb. 2020: move all shipments from North to South Italy from road to train (1,000 trucks pa; almost 1,000 tons CO₂ saved) and use LNG for first and last mile
 - July 2021: reload sand train from NE to NW Italy with finished products (test ongoing); target volume 3,000 trucks pa

Supply chain contribution to reduce costs and CO₂ emissions (scope 3)

PAP SAVINGS AND ENVIRONMENTAL BENEFITS

EXAMPLE OF SYNERGIES BETWEEN VERALLIA CULLET PLANT (ECOGLASS) AND GLASS PLANT (LONIGO)

PROJECT OVERVIEW

BACKGROUND

- Decision to **optimize the cullet process control management** leveraging the strong trust and partnership between Ecoglass and Verallia Italia

OBJECTIVE

- Study and development of a new manufacturing process transforming **glass sand from a waste of our cullet treatment facility to a raw material for our furnaces**

KEY BENEFITS

- +4% capacity increase
- PAP savings ≈ 850K€**
- Positive effect on working capital ≈ 1M€
- CO₂ reductions ≈ -1,000 T of CO₂ / year (-1%)**

YIELD AND QUALITY IMPACT

- Improvement in all yield and quality KPIs (H1 2021 vs FY2019):
 - Share of glass sand (vs cullet) in our productions (+19% / -11% of TVB)
 - Yield (+2.5%)
 - Claim rate (-11%)



2019



2021

An innovative industrial PAP bringing both savings and sustainability



JOINT SUSTAINABILITY PROJECT WITH A BEER CUSTOMER

PROJECT KPI

- Reduction in natural gas consumption by more than 60% in Mahou San Miguel, driving a **60% reduction in customer CO₂ emissions (4,950 tons of CO₂ pa)**
- **Verallia achieves a 40% reduction in the temperature of the residual energy** generated in the glass melting process
- **Verallia saves 175 tons of CO₂ pa** as well, by using the steam produced in the mixer of the raw materials



OBJECTIVE

- Take advantage of the residual energy generated in glass melting to produce steam for the brewing process, replacing natural gas
- Improve energy efficiency and reduce carbon footprint



Customer partnership to reduce CO₂ emissions together



PAP EXAMPLE WITH ADDITIONAL ENVIRONMENTAL BENEFITS

PHYTOSANITARY PALLET REPAIR LOOP

- **Past situation:** systematic purchase of new phytosanitary pallets whenever new ones were needed
 - Used for export markets at Verallia Spain and for all of Verallia Portugal's production
 - Average purchase price of a new phytosanitary pallet: **€9.2 / unit**
- **New setup:**
 - Agreement reached with Verallia's pallet suppliers to apply phytosanitary treatment to all recovered pallets, turning them into phytosanitary ones
 - Suppliers have made the necessary investment to apply the treatment
 - Average cost of **€4.5 / unit** for recovered and treated pallets



ESTIMATED ANNUAL BENEFITS

€4.7

Savings per pallet

€200k

Estimated annual savings to Verallia

Reduction in new pallets needs

42,500 new pallets
= 1,400 pine trees saved
(15t CO₂ absorption)

Combination of CO₂ emissions reduction and PAP savings

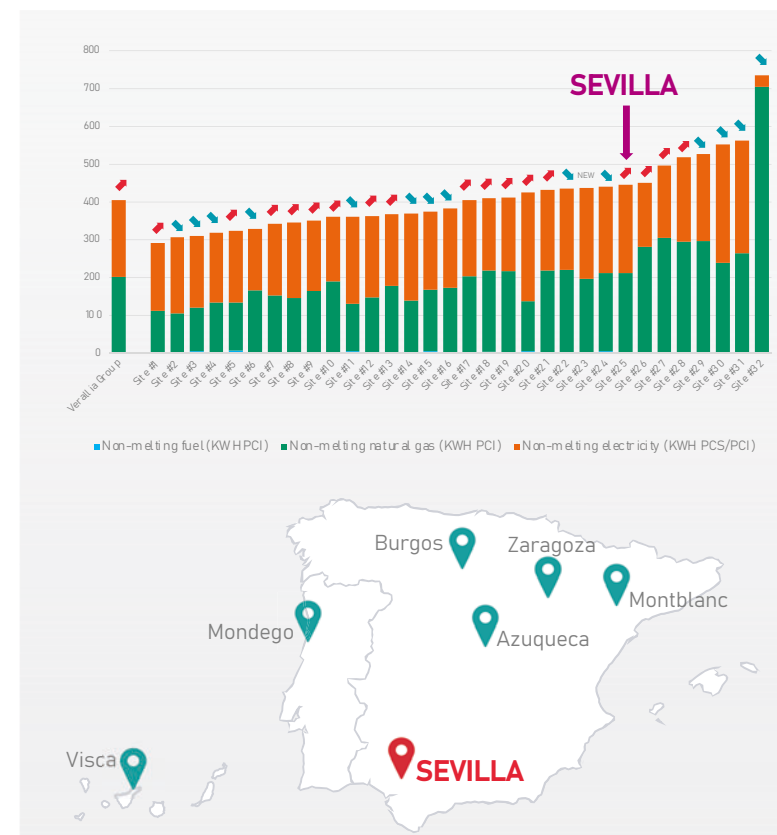


PAP EXAMPLE WITH ADDITIONAL ENVIRONMENTAL BENEFITS

ENERGY REDUCTION IN WATER CIRCUITS AT SEVILLA PLANT PROJECT OVERVIEW

Nov 2020 – Jan 2021	Identified opportunity	<ul style="list-style-type: none"> “Non-Melting Energy” Verallia Benchmark showing clear potential for improvement Deep analysis of water circuit: <ul style="list-style-type: none"> Very high electrical consumption Opportunity to reduce water consumption in a very dry region (Sevilla) 								
	Project management	<ul style="list-style-type: none"> Improvement actions defined for all plant water circuits: <ul style="list-style-type: none"> Mitigation of pressure losses in the impulsion valves Installation of inverters in the pumps to keep circuit pressure constant Installation of flow meters to adjust flow to nominal needs New automatic shut-off valves when compressor is stopped Restoring of basic conditions in all cooling towers 								
	Objectives	<ul style="list-style-type: none"> Energy Consumption of water circuit (KWh/TVT) <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>YTD 12.2020</th> <th>TARGET 2021</th> <th>YTD 06.2021</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">13.98</td> <td style="text-align: center;">11.65</td> <td style="text-align: center;">7.97</td> </tr> </tbody> </table> 		YTD 12.2020	TARGET 2021	YTD 06.2021		13.98	11.65	7.97
	YTD 12.2020	TARGET 2021	YTD 06.2021							
	13.98	11.65	7.97							
	Estimated cost savings	<ul style="list-style-type: none"> €23k pa 								
Feb – Jun 2021	Achieved cost savings	<ul style="list-style-type: none"> Achieved: €33.4k in 5 months → €75K annualized (10% reduction in water consumption) Being shared in Verallia Iberia “WATER working group” → €250k pa for Verallia Iberia 								

2020 BENCHMARK: NON-MELTING ENERGY RANKING (KWH/T)



Electricity and water consumption reduction combined with PAP savings

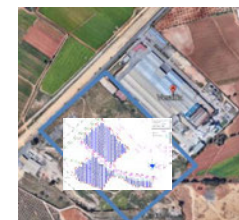
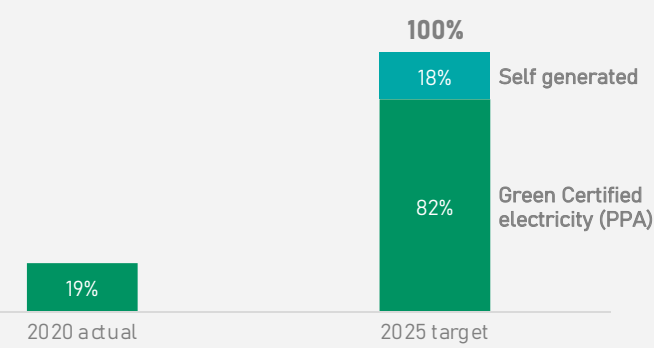
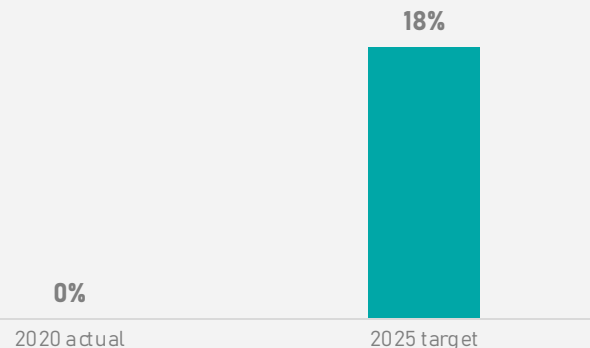
PHOTOVOLTAIC PROJECTS IN IBERIA

- Installation of photovoltaic panels in all 7 Iberia sites
- One contract signed already with an external supplier / operator, three more targeted in 2021 (starting up 2022-23)
- Targeting full setup on all 7 sites by 2024, e.g. 100% green electricity in Iberia

TARGETED ANNUAL CO₂ SAVINGS BY SITE (KT)

SELF-GENERATED ELECTRICITY AS A % OF CONSUMPTION

GREEN ELECTRICITY AS A % OF TOTAL



Leveraging sun in Iberia to drive lower CO₂ emissions

DESIGN AND DIGITALIZATION LEADERSHIP

IBERIA CREATION CONTEST

- Show glass possibilities to future designers
- 171 students from 9 different universities
- Multidisciplinary jury: customers, designers and wine influencers
- Jury awards & Public/Facebook award



2 DIGITAL FAIRS: DIGITAL CUSTOMER INTERACTION

- WINE & SPIRITS
 - 283 visitors
 - 164 attendees to our webinars
- OLIVE OIL EXHIBITION - FOLIVE
 - 260 visitors
 - 65 webinar attendees



CUSTOMER VIRTUAL CONTEST ON FACEBOOK

- Initiative to be close to customers during travel restrictions
- Contest #StayatHomeWithVerallia during lockdown
- Contest #CelebrateChristmasWithVerallia
 - 94 photos
 - Shared & Voted on Facebook
 - 3,193 people reached



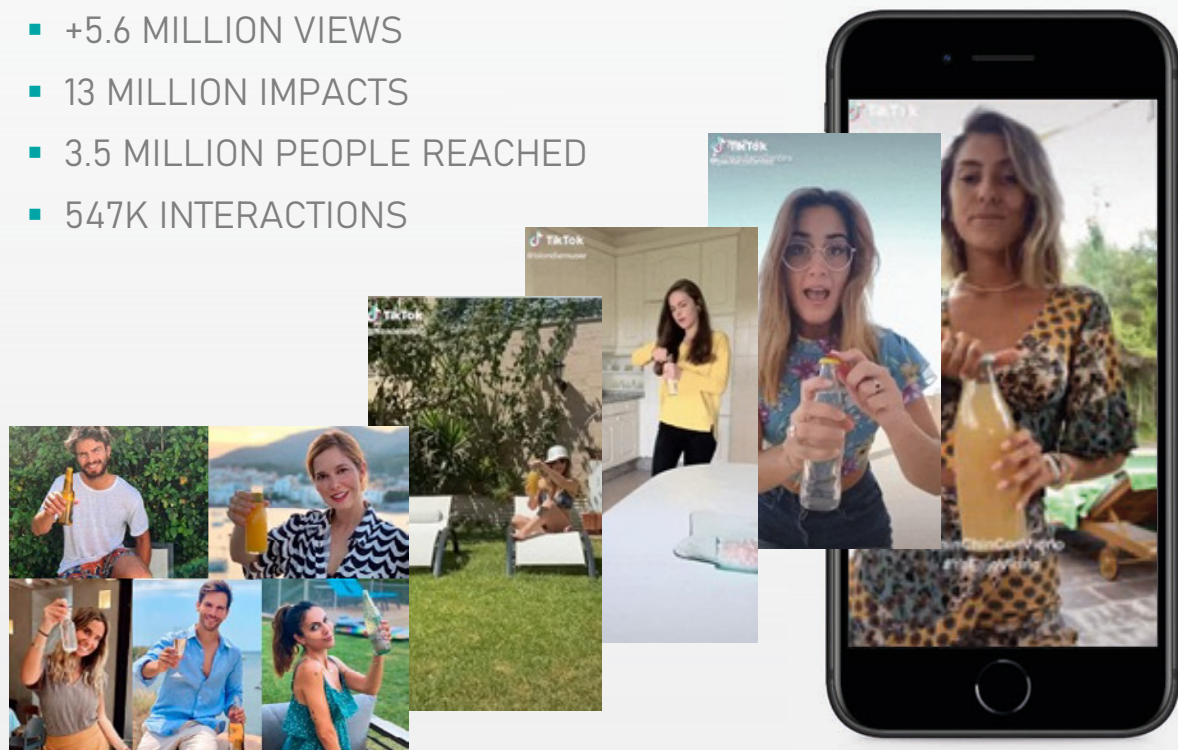
Digitalization to improve customer experience
Using the latest rendering technologies to accelerate product design process



FRIENDS OF GLASS: COMMUNICATION CAMPAIGN TO REACH THE END CONSUMERS

YOUTUBE, INSTAGRAM & TIKTOK

- +5.6 MILLION VIEWS
- 13 MILLION IMPACTS
- 3.5 MILLION PEOPLE REACHED
- 547K INTERACTIONS



STAY HOMAS SONG + INFLUENCERS CAMPAIGN




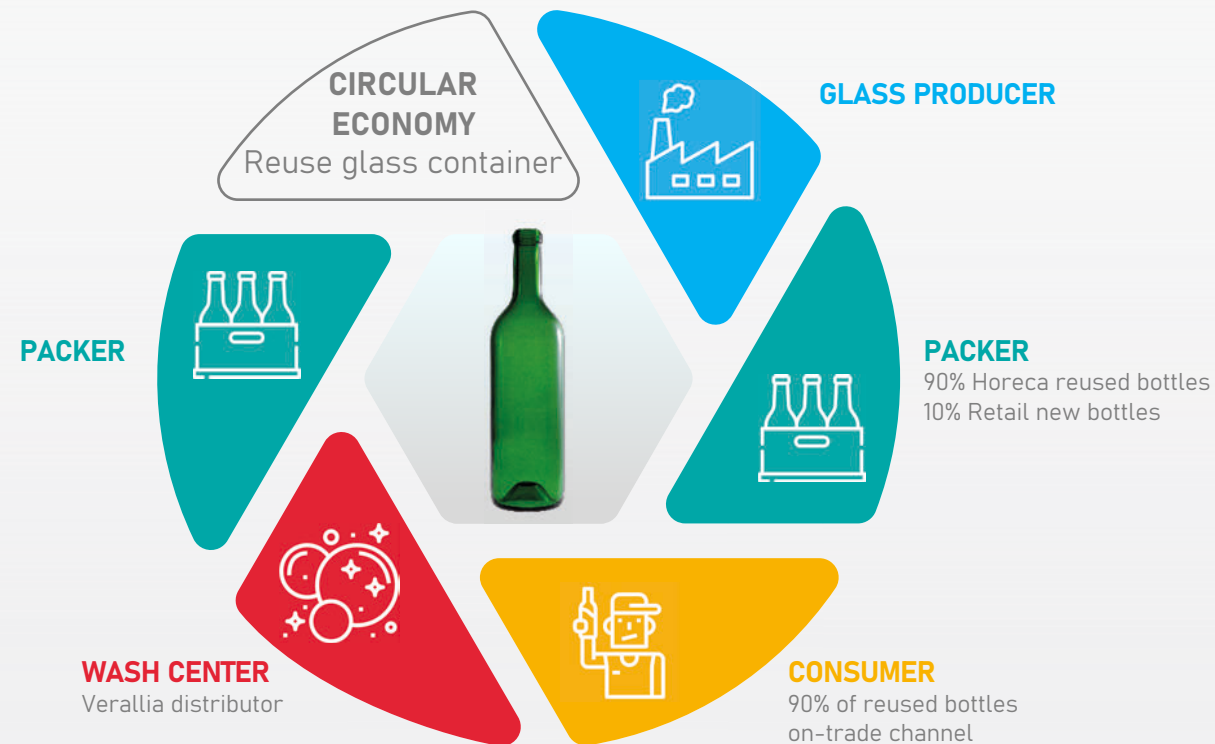
- +7.5 MILLION VIEWS
- 13 MILLION IMPACTS
- 6.5 MILLION PEOPLE REACHED
- 196K INTERACTIONS

Promote glass benefits to end consumers

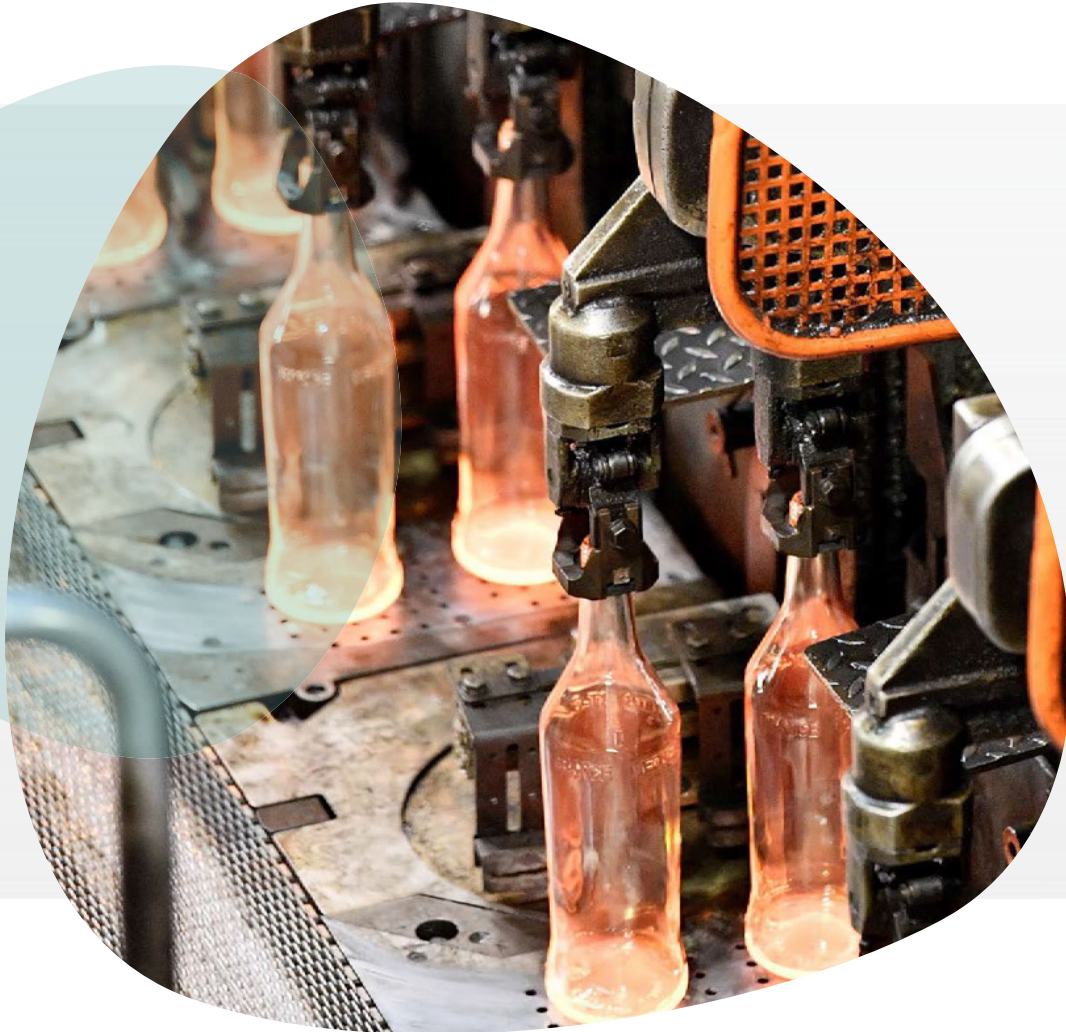
CIRCULAR ECONOMY: REUSED CIDER BOTTLES IN THE BASQUE REGION

A SINGLE BOTTLE REUSED AT EACH CIDER PRODUCER

- Reuse is the most sustainable practice in local markets that use the same bottle
- Every year 12 million liters of Basque cider are consumed: 90% of them are packaged in reusable glass bottles (on-trade channel)
- Verallia has chosen a distributor in the area with a washing center to be able to sell new and reused bottles to the customers
- More information in this video (3 mn) 



Contributing to the circular economy by supporting reuse where it makes sense



5

NORTHERN AND EASTERN EUROPE SEGMENT OVERVIEW



**Hugues
DENISSEL**
Head of Northern
and Eastern Europe⁽¹⁾



**Dirk
BISSEL**
Head of Northern
and Eastern Europe⁽²⁾

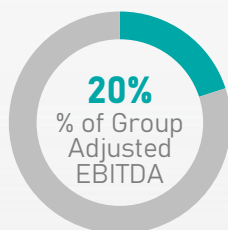
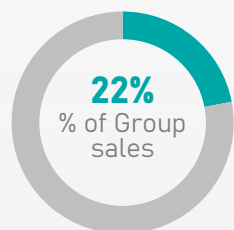
Notes: (1) Until 2nd of November 2021.
(2) From 2nd of November 2021.

NORTHERN AND EASTERN EUROPE (NEE) BUSINESS OVERVIEW



KEY FIGURES

- Sales: **€554m**
- Adjusted EBITDA: **€127m**
- Adjusted EBITDA margin: **23%**



KEY END MARKETS

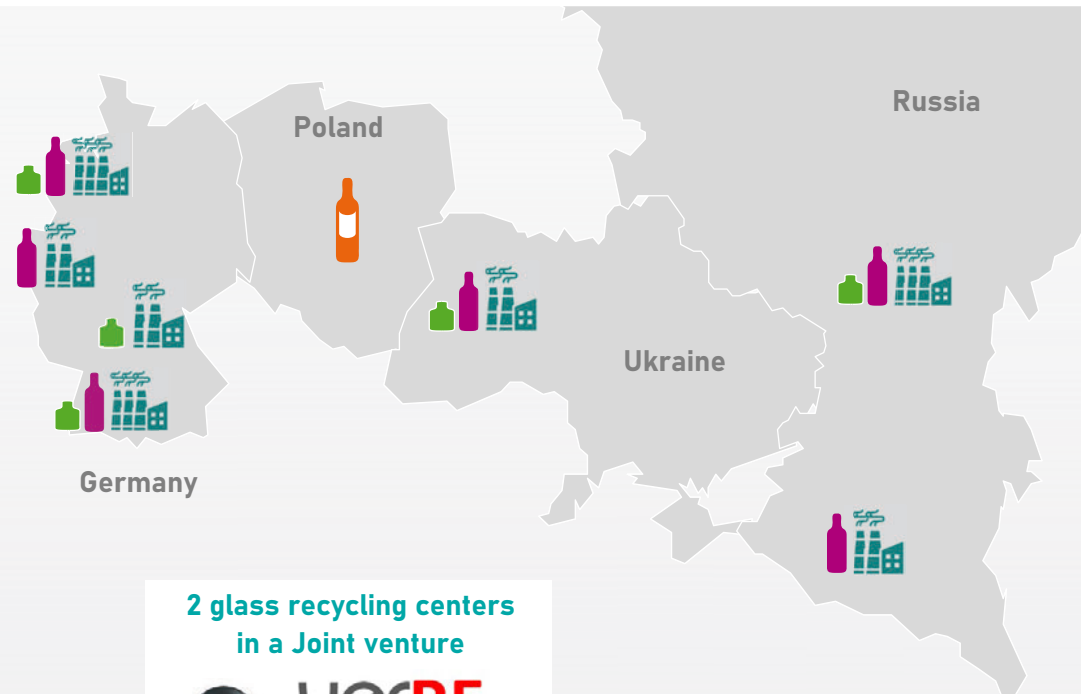
NAB	FOOD	SPIRITS	BEER

GRANULAR INDUSTRIAL FOOTPRINT WITH HIGH CUSTOMER REACH

7
glass plants

17
furnaces

ca 1.4mT
2020 volumes sold



2 glass recycling centers in a Joint venture

Glass plants (incl. # of furnaces) Bottles Jars Decoration site

Source: Company.

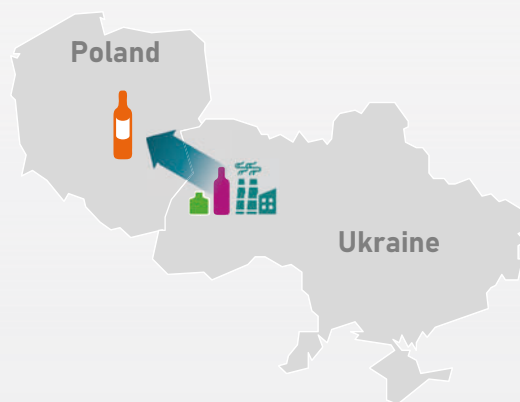
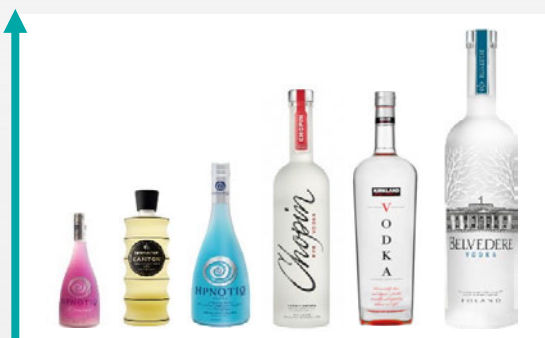
PREMIUM SPIRIT STRATEGY: ADDING PRODUCT AND SERVICE VALUE

PROVIDING A ONE-STOP SHOP OFFER



- Strong synergies between extra flint glass production from Ukraine and high technology decoration from Poland:
 - Simplified customer service (unique offer / unique contact)
 - Shortened lead-time from order to delivery (speed to market)
 - Broadened product range (up to 3-liter bottle) thanks to Verallia Ukraine's 2019 EXF tall / heavy bottles capacity investment

From 37.5cl to 3L



INVESTING IN HIGH-END DECORATION TECHNOLOGY

- Hot-stamping (hot-foil application on painted bottles) – premium trend (€1.2 average price per bottle)
- From manual process to full industrialization – investment in 2020 to address upcoming growing demand



Projected volumes

	2019	2020	2021	2022	2023	2024
Units in K	21	35	350	750	1,500	1,800



Leveraging our Eastern European footprint and capabilities to support premium spirit market growth



WEIGHT REDUCTION OF STILL WINE BOTTLES

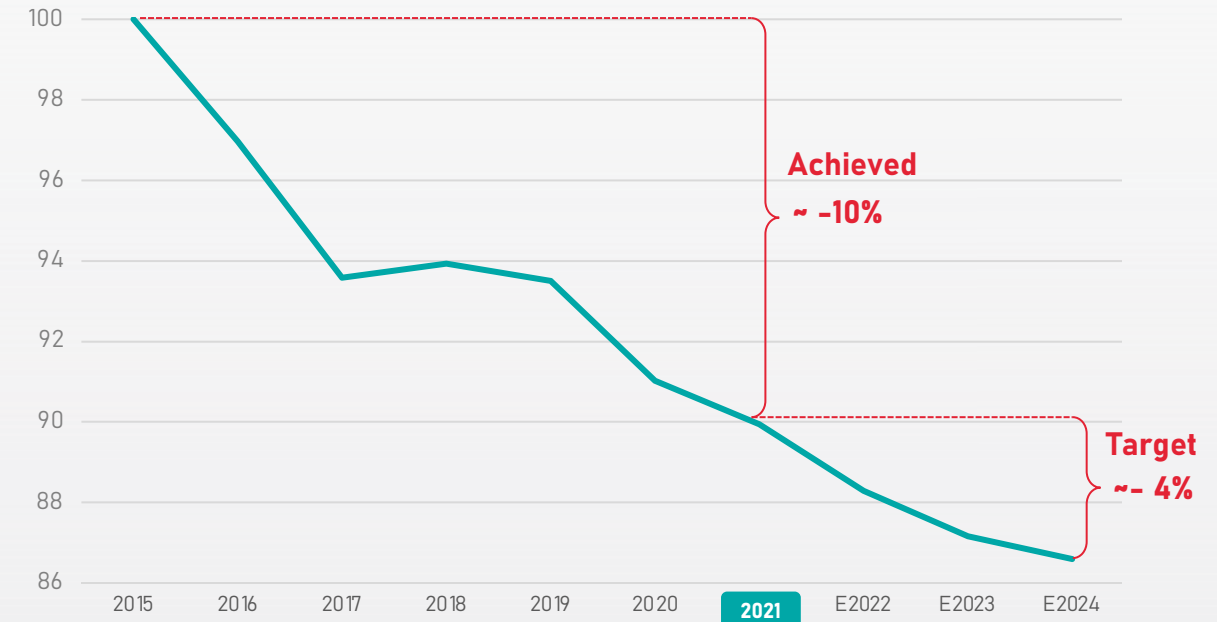
LIGHT-WEIGHTING TRENDS AND ACTIONS

- Verallia is the leading manufacturer for light weight standard wine bottles in Germany
- Market asks for more weight reduction with the background of CO₂ footprint: >40,000 tons CO₂ already saved since 2015 (scope 1 & 2)
- Verallia Germany has a very good track record over the last five years (>-10% for total wine portfolio)
- Design optimization
- Improved production capabilities



AVERAGE ARTICLE WEIGHT (STILL WINE)

(100 basis in 2015)



Verallia Germany is leading the trend toward lightweight wine bottles



GERMAN REUSE MARKET IS STRONG AND KEEPS GROWING

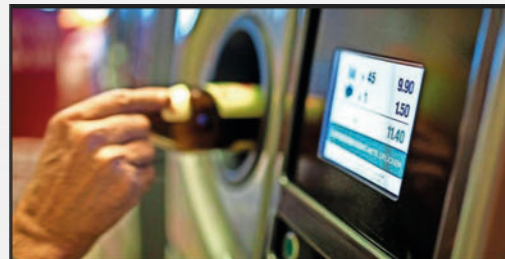
LONGSTANDING FEATURE OF THE GERMAN MARKET

- Reuse has been a **major feature of the German glass packaging market** for decades, especially for bottles (>30% of volumes)
- Particularly strong in certain end markets such as **beer** (~80% share) and **mineral water** (~20% share) in **both** on- and off-trade



GROWING TREND TOWARDS REUSE

- Trend towards further reuse** in Germany, mainly fuelled by **consumer demand** (sustainability concerns)
- Existing legislation already asks for a **much-increased reuse rate** for all packaging substrates



A POSITIVE FOR GLASS MAKERS

- Reuse trends **fully in line with Verallia's Purpose**, putting sustainability at the heart of our strategy
- Growing sustainability concerns driving increase in reuse typically **supportive for glass volumes** (share gains vs less environmentally-friendly materials)



REUSE GAINING GROUND IN NEW END MARKETS

- Opens up new business opportunities for glass in mineral water: glass share of total market increased from ~15% in 2017 to ~20% in 2021
- Growing trends towards reuse in **end markets not historically keen on reuse** (e.g. juices, dairy, food products like tea, coffee, nuts, cereals)



A longstanding feature of the German beverage packaging market, reuse is still on the rise



VERALLIA GERMANY IS A WELL-ESTABLISHED PARTNER FOR REUSE

RETRO

- New Verallia “Sud” bottle 0,33l sold more than 50 Mio pcs in 12 months
- **Swingtop bottles** come back more and more (Verallia proposing added value services mounting closures)



ELEGANCE

- New “N-Range” Pool bottles with modern look for **GDB, the world’s largest returnable pool association with > 200 affiliates** for which Verallia is one of the biggest suppliers
- Verallia is the exclusive development partner for large players in the **mineral water** market for new individual range of reuse bottles



STANDARDIZATION

- GEMEMA: **new Pool initiative** by Bitburger, Krombacher, Radeberger and Warsteiner (together **accounting for over 30% of the beer market**)
- Initial focus on typical Northern German long neck bottle 0,33l
- Verallia is one of the key partners in the launch of the pool



SEGMENT-SPECIFIC TRENDS

- Trend to reuse in **Dairy** products in Germany (milk, cream, yoghurt) for which Verallia supplies new and historical formats to leading German Dairy producers
- **Juice**: Verallia is a **historical partner of VdF pool system** (German juice manufacturers association) celebrating 50th anniversary in 2021 with over 1bn bottles sold



Verallia actively supports the reuse market; H1 2021: already 6 new reuse product introductions for beverages



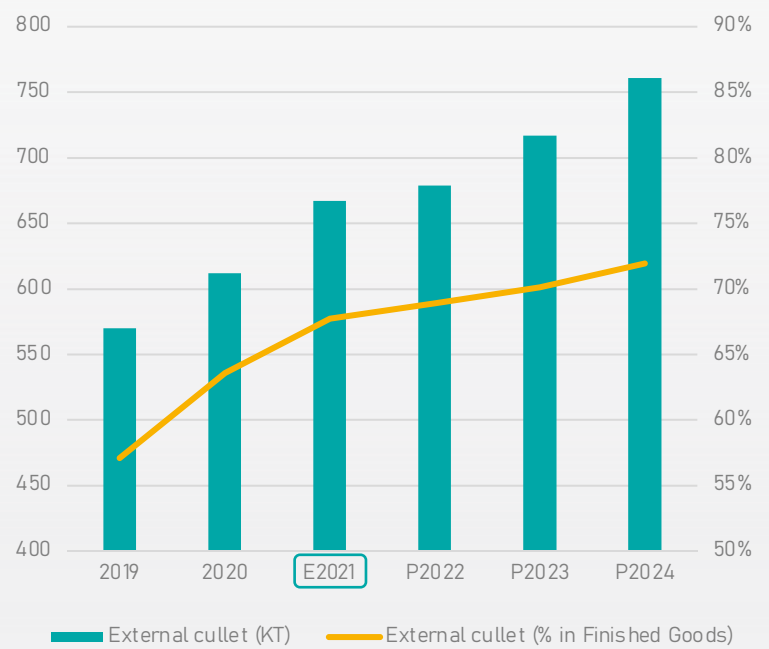
SECURING SUSTAINABLE ACCESS TO CULLET SUPPLY

ALREADY DONE (2021)

- *Verre Recycling JV* (Verallia + Remondis) established July 1st, 2021
- Covers ca 50% of our cullet needs in Germany
- Defined volume growth per year
- Pricing according to price adjustment formula

ON-GOING (2021-2023)

- Industrial capacity increase in the South by 50%
- Improvement of quality of cullet



UNDER STUDY (2022-2024)

- Increase in capacity of *Verre Recycling JV*'s Northern plant
- Expanding Long Term Agreement and Price Adjustment Formula to other cullet sources
- Close the loop upstream up to customers licensing waste collection

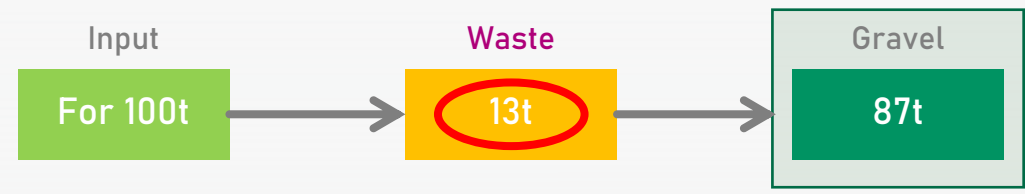


Strategic move to secure long-term access to cullet

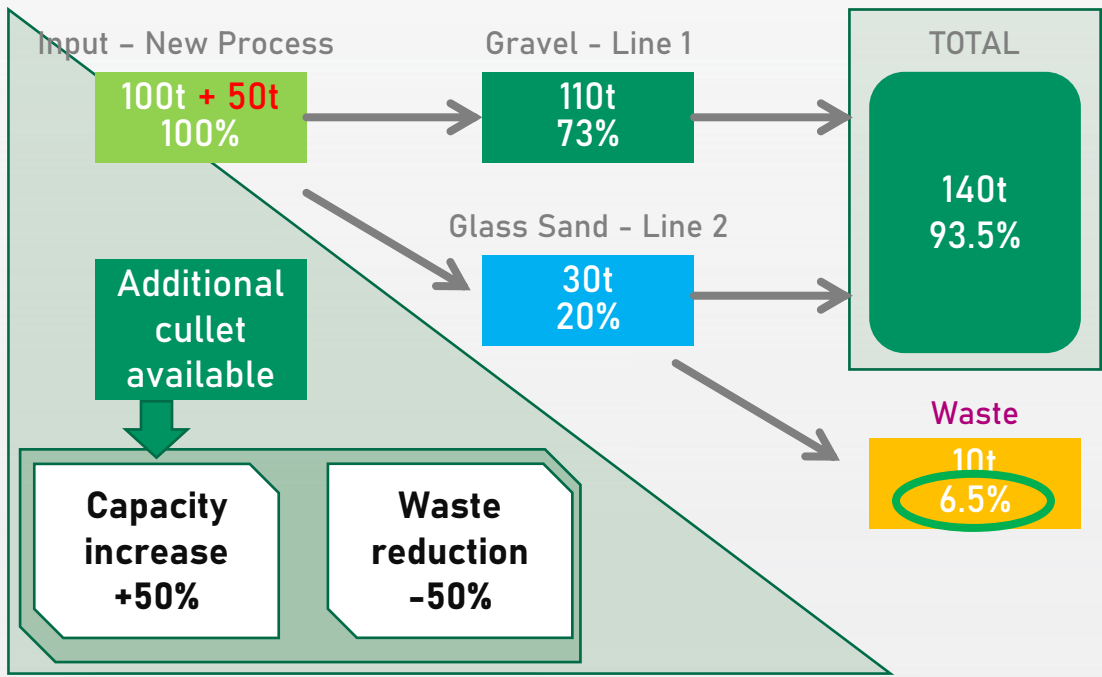


MAXIMIZING USAGE IN GLASS

OLD



NEW



LARGE SCALE GLASS SAND CAPACITY

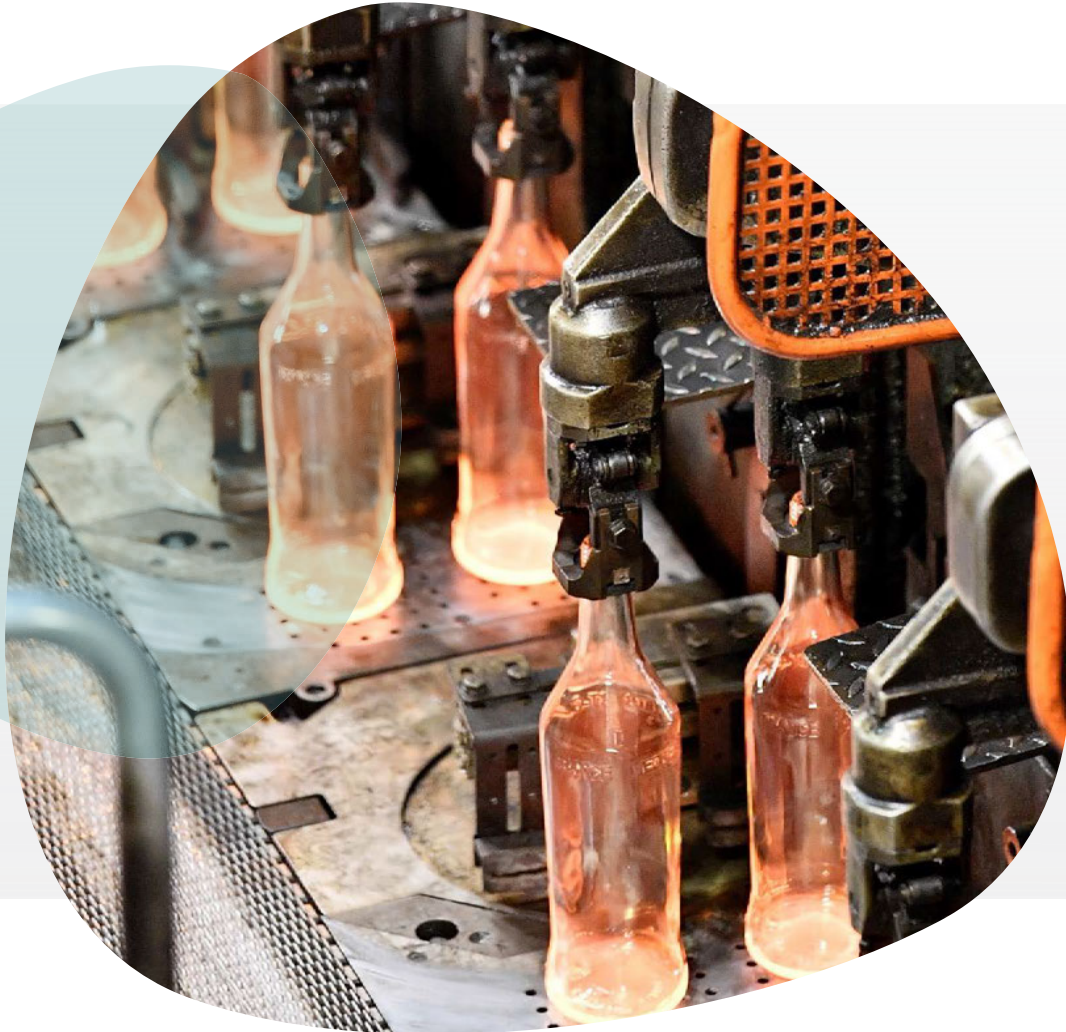
- New State-of-the-Art sorting process
- Increasing total capacity
- Decreasing waste by 50%

MAXIMIZING POSSIBLE INPUT IN FURNACE

- Reduced impurities to increase use of Cullets: Ceramics ground to dust size Organics removed
- Enhanced colour separation and purity, increased usage in all colours, include white glass



We are also maximizing cullet usage through glass sand technology innovations



5

LATAM SEGMENT OVERVIEW



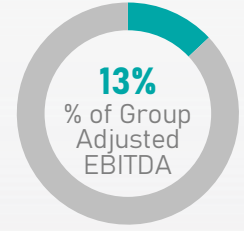
**Quintin
TESTA DOMINGUEZ**
Head of
Latin America



LATAM BUSINESS OVERVIEW

KEY FIGURES 2020

- Sales: **€237m**
- Adjusted EBITDA: **€80m**
- Adjusted EBITDA margin: **34%**



KEY END MARKETS

BEER

Impero, Cidre Imperial, Heineken

STILL WINE

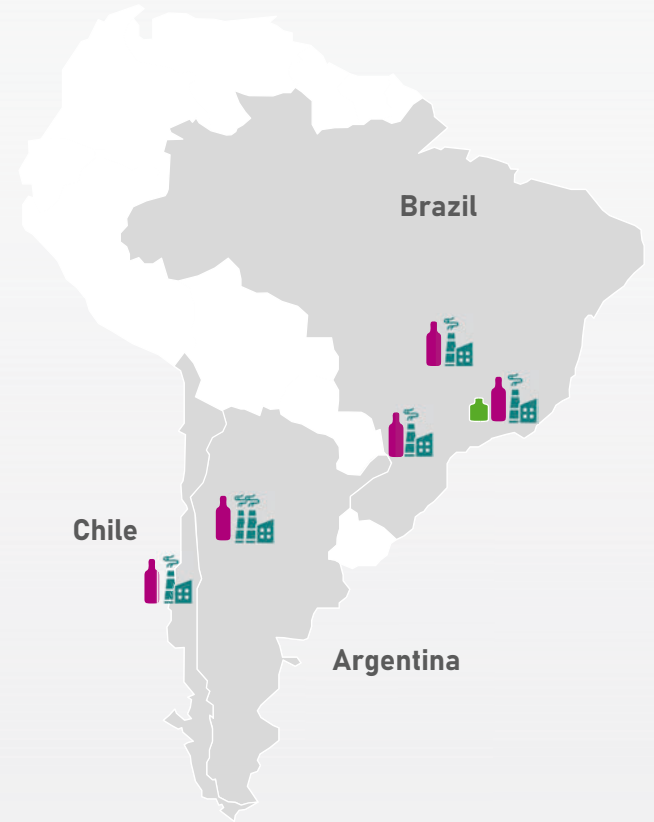
Bodega Esmeralda, SAN PEDRO, CT CONCHA Y TORO

STRONG PRESENCE ACROSS 3 COUNTRIES

5
glass plants

6
furnaces

ca **655kt**
2020 volumes sold



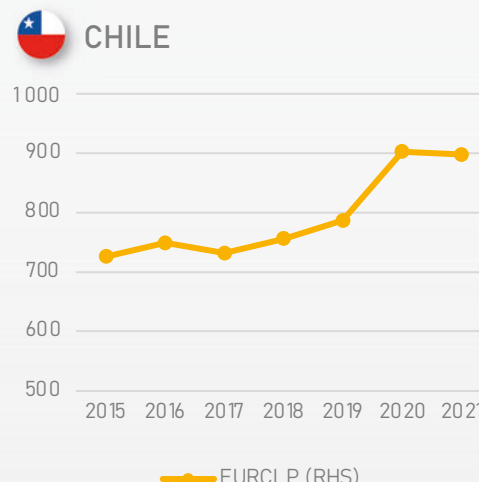
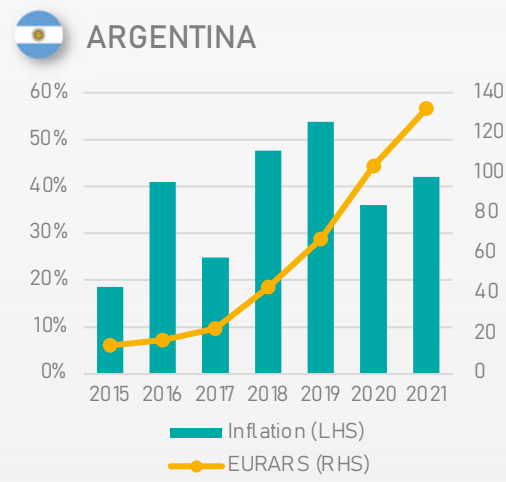
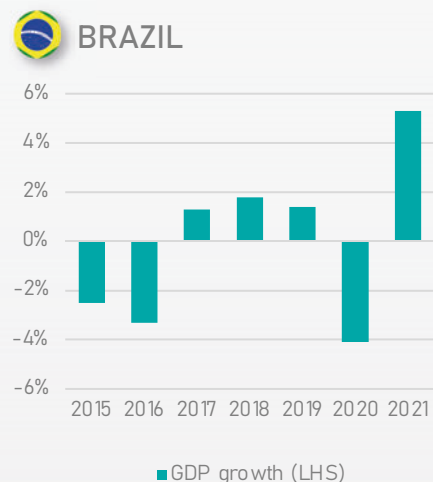
Glass plants (incl. # of furnaces) Bottles Jars Decoration site

Source: Company.

LATAM BUSINESS ENVIRONMENT AND PERFORMANCE



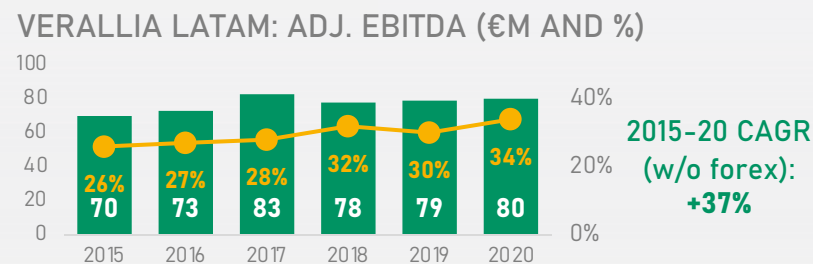
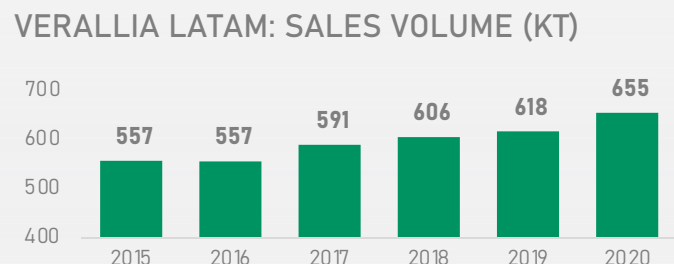
MACROECONOMIC ENVIRONMENT (GDP, INFLATION, FX)



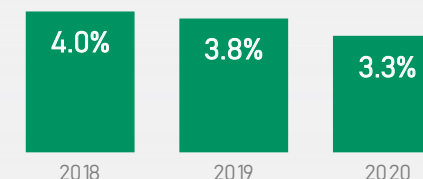
BUSINESS FUNDAMENTALS AND STRATEGY

- **Strong and experienced team**
- **Leading on Wine** market in the region and leveraging capacity additions on **fast-growing Beer market in Brazil** (with Jacutinga 1 & 2)
- Strong presence with local and global customers
- Intimacy and support to customers to keep commercial spread
- **Operational excellence driving our results:**
 - EHS and quality
 - Efficiency (yield)
 - PAP
 - Service (OTIF >95%)

VOLUME AND ADJ. EBITDA GROWTH



NET PAP IMPACT (% OF CASH COST BASE)



LATAM is achieving excellent results on all business criteria despite a volatile and challenging environment

Note: all information excluding IVN.



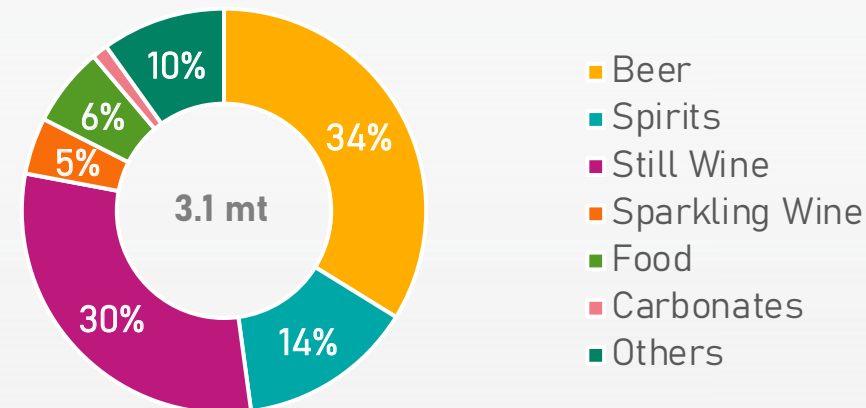
MARKET OVERVIEW

VERALLIA'S STRATEGIC FOCUS IN LATIN AMERICA

VERALLIA HAS A DIFFERENTIATED STRATEGY AND END MARKET FOCUS IN LATIN AMERICA:

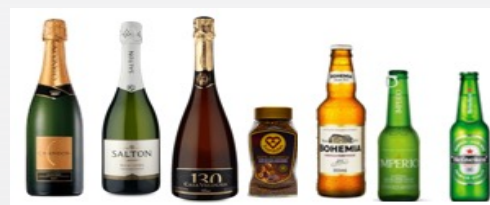
- Focus on **wine end market in Argentina and Chile** with a strong leadership position
- Addressing **all segments in Brazil**, with a strong focus on the large, fast-growing **beer** and **wine** end markets

LATIN AMERICA GLASS MARKET (2021 EST.)



MARKET TRENDS IN BRAZIL

- Beer and Wine are the largest contributors to market growth
- Beer** is the largest end market following the **one way** and **localization** trends
- Wine** market is driven by the **rapid increase in Brazilian consumption** (2.1 to 2.7 L per capita in the last 2 years)



MARKET TRENDS IN ARGENTINA AND CHILE

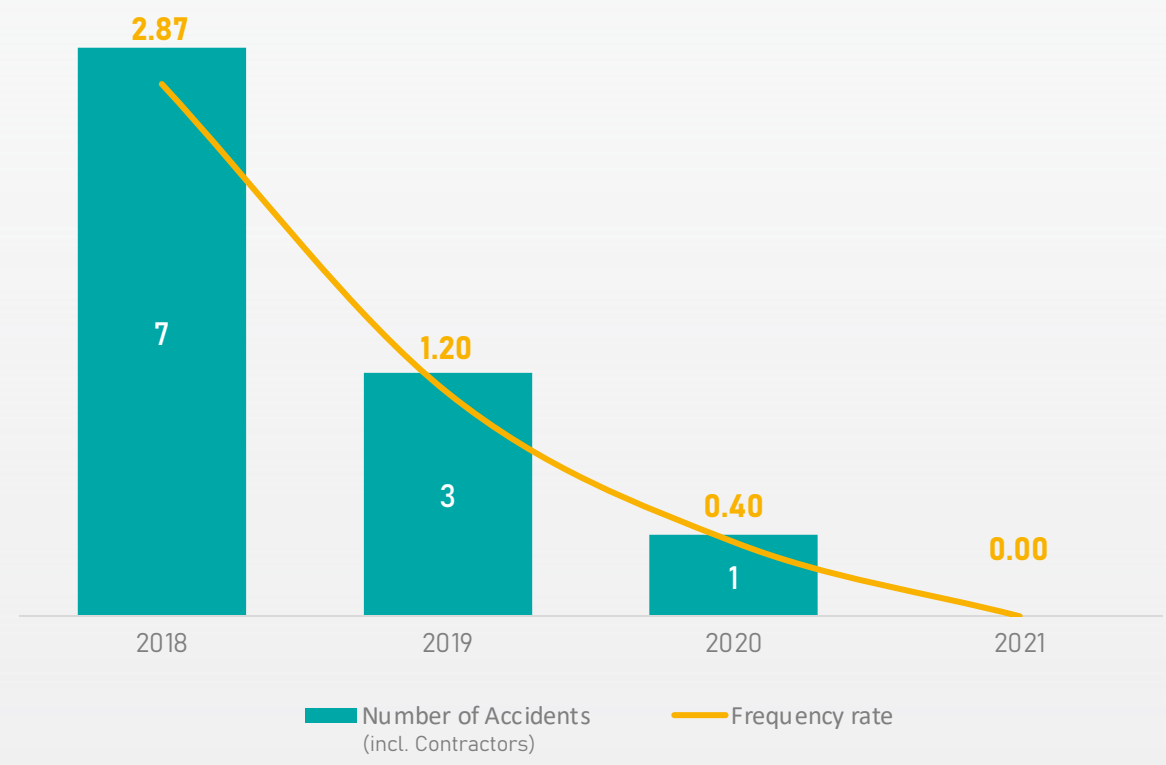
- Wine market growth in Argentina and Chile is driven by sustained export growth, with local consumption holding up well despite a difficult macro environment
- Wine** consumption in **Argentina** increases (19.7 to 21.0 L per capita in the last 2 years)
- Wine** export from **Chile** growing by +6% CAGR (21-24)



Sources: Brazilian Central Bank, Nielsen; GlobalData, Euromonitor, Datamark, UVIBRA; INV; Cadibsa; Customers & Verallia team management.
 Chile :Global Data; OCDE, Wines of Chile, Chile Central Bank.
 Argentina: Instituto Nacional de Vitivinicultura.

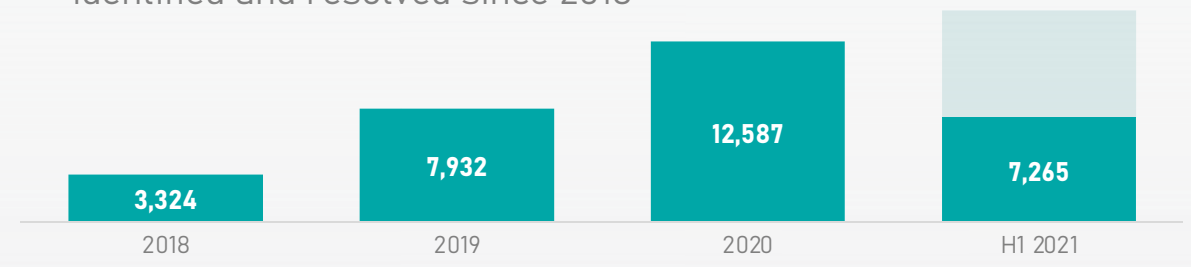
A SAFE PLACE TO WORK IS OUR PRIORITY

LTM ACCIDENTS - VERALLIA EMPLOYEES & CONTRACTORS



SAFETY IS OUR #1 PRIORITY

- 31,108 Unsafe Situations (equipment and behaviors) identified and resolved since 2018



TRAIN AND USE RCA SYSTEMATICALLY

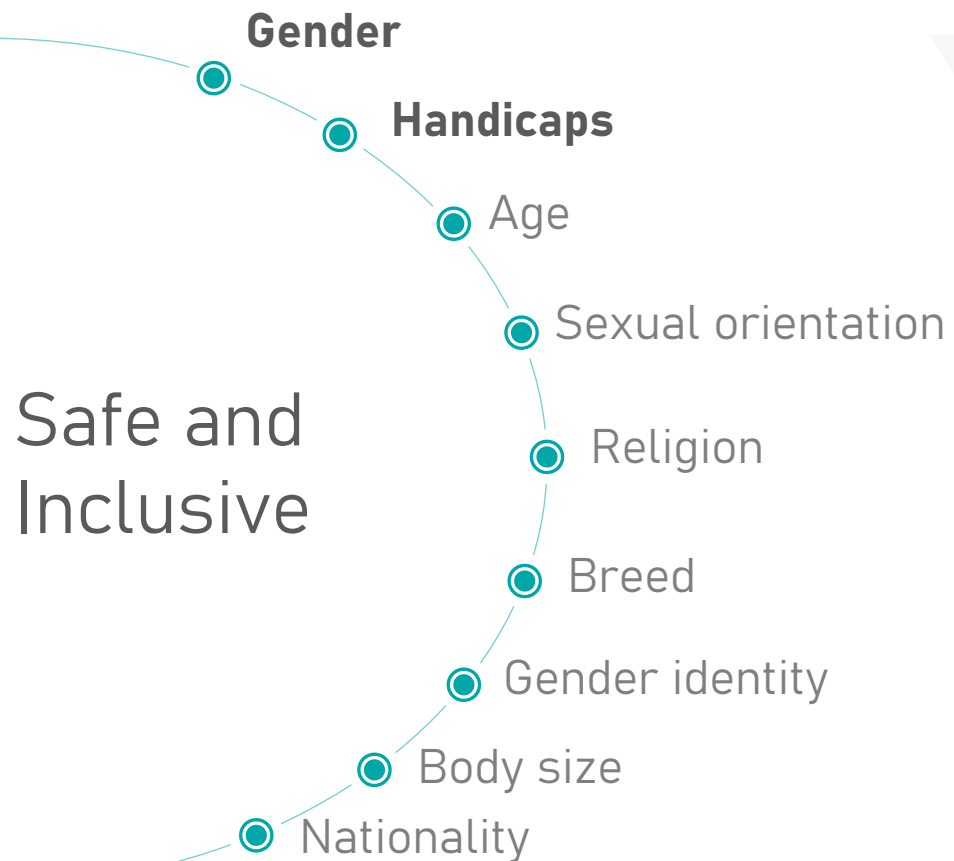
- Group Environment, Health & Safety (EHS) standards and 4 cardinal rules (ca 30 hours of training per employee per year)



Zero accident is achievable, and achieved in LATAM

Frequency rate = all accidents occurred for every 1 million hours worked.

DIVERSITY- FOCUS ON LATAM'S PROJECT



OBJECTIVE

Ensuring that Verallia **is a safe and inclusive workplace**, free from prejudice and discrimination, providing opportunities for all people in all LATAM units, and encouraging **each person to be who they really are**, performing 100% of their potential

DIVERSITY PROJECT – LATAM



1ST QUARTER ACTIONS

- Dedicated lecture for all women. Theme: “The importance of emotional intelligence for the high performance of women”
- Sponsorship for the event related to the month of women called "Between Women and Wines". Open event for all employees
- Career acceleration – promote 7 women to Cadre
- Training grid: new specific training on the topic for all employees

COMMUNICATION ACTIONS IN PROGRESS

- Internal Newsletter:
 - Article: “Pride, The women of Verallia”
 - Kids: stories, games for children and Family about diversity
- Children's Day: Sending diversity history books encouraging family reading

TRAINING PROGRAM NEXT ACTIONS

- Lecture on diversity and inclusion for Managers
- Women Career Path
- Women Networking Program





EXTERNAL CULLET USAGE GROWTH IN BRAZIL

CHALLENGES

- Recycling habits
- Almost **75% of glass goes to land-field**

ACTIONS TO DEVELOP CULLET COLLECTION

CULLET COLLECTION WITH BEER DISTRIBUTION

- Implement collection points in distribution centers
- Develop cullet collecting routes in main bars
- Target of an average of 2T/month/bar
- First pilot expected in 2021/2022 with +/-100 bars

1,000 COLLECTION BOXES

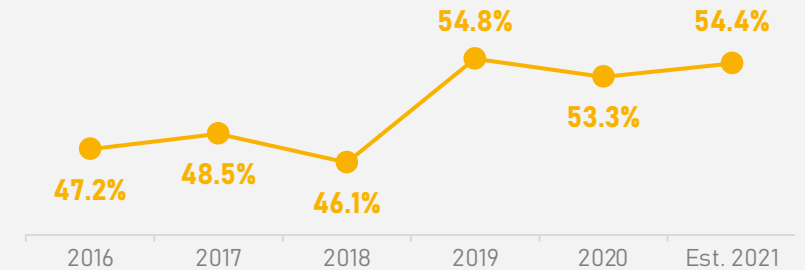
- Located in parks & large condominiums
- Target of 2T/month/box and 24,000T/year in 2025
- First pilot with 50-100 boxes in 2021/2022

SUPPORT AN ENVIRONMENTAL EDUCATION

- Develop a dedicated educative content for schools

VERALLIA BRAZIL: EXTERNAL CULLET USAGE

External Cullet per TVB



Verallia Brazil focuses on increasing collection as it is the current bottleneck in the cullet chain



UPCOMING STRATEGIC INVESTMENTS IN BRAZIL

JACUTINGA – 2ND FURNACE (FJA2)

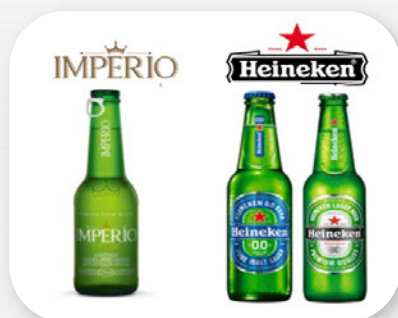
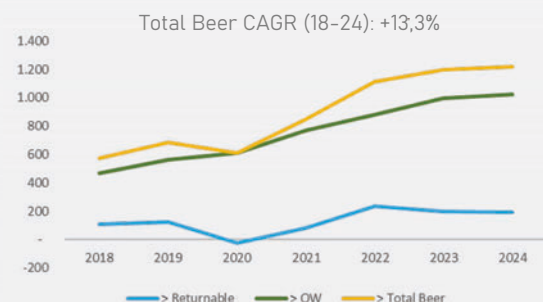
PROJECT OVERVIEW

- Add capacity in FJA2 to grow across the **Beer** market in Brazil
- Focus on Long runs beer productions – Increase in capacity for Emerald Green bottles (mostly one way)
- Extra capacity will be allocated among a broad range of customers

KEY FIGURES (TARGET)

- **Capex:** €60m
- **Completion date:** December 2022
- **Incremental capacity:** + 120 kT

BEER MARKET IN GLASS - VOLUME (KT)



NEW FURNACE (SITE TBD)

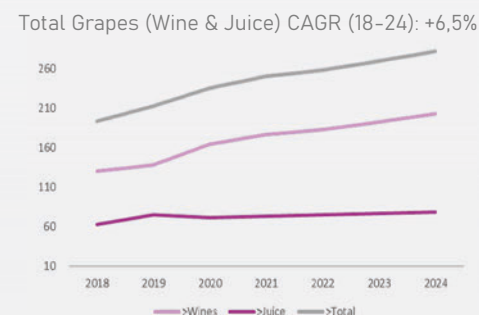
PROJECT OVERVIEW

- Add capacity to grow across the **Wine** market in Brazil with a focus on green and flint colors Green and Flint for the customers of the South of Brazil
- Extra capacity will be allocated among our traditional customers supporting their growth and replacing glass packaging imports

KEY FIGURES (TARGET)

- **Capex:** €80m
- **Completion date:** December 2023
- **Incremental capacity:** + ca 120 kT (TBC)

WINE / GRAPES MARKET IN GLASS - VOLUME (KT)



We are investing in the fastest-growing segments of the dynamic Brazilian market



6

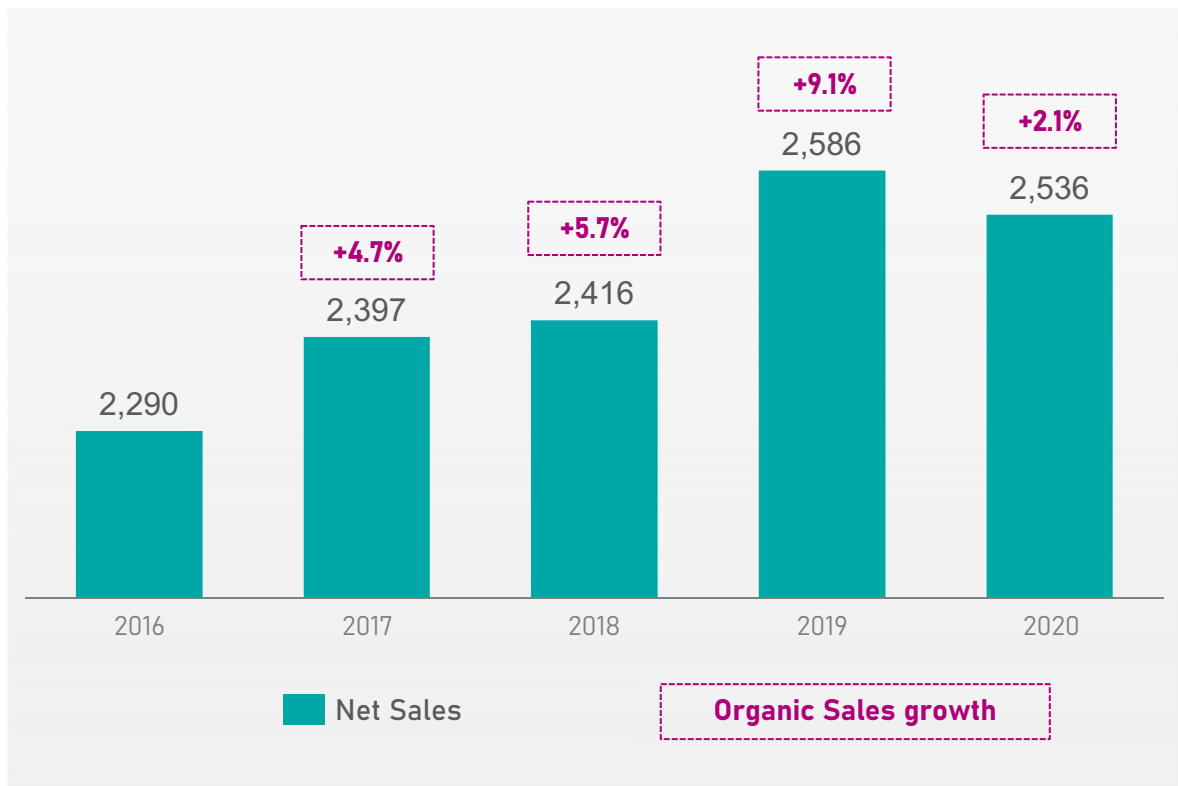
FINANCIAL OVERVIEW & MID-TERM GUIDANCE



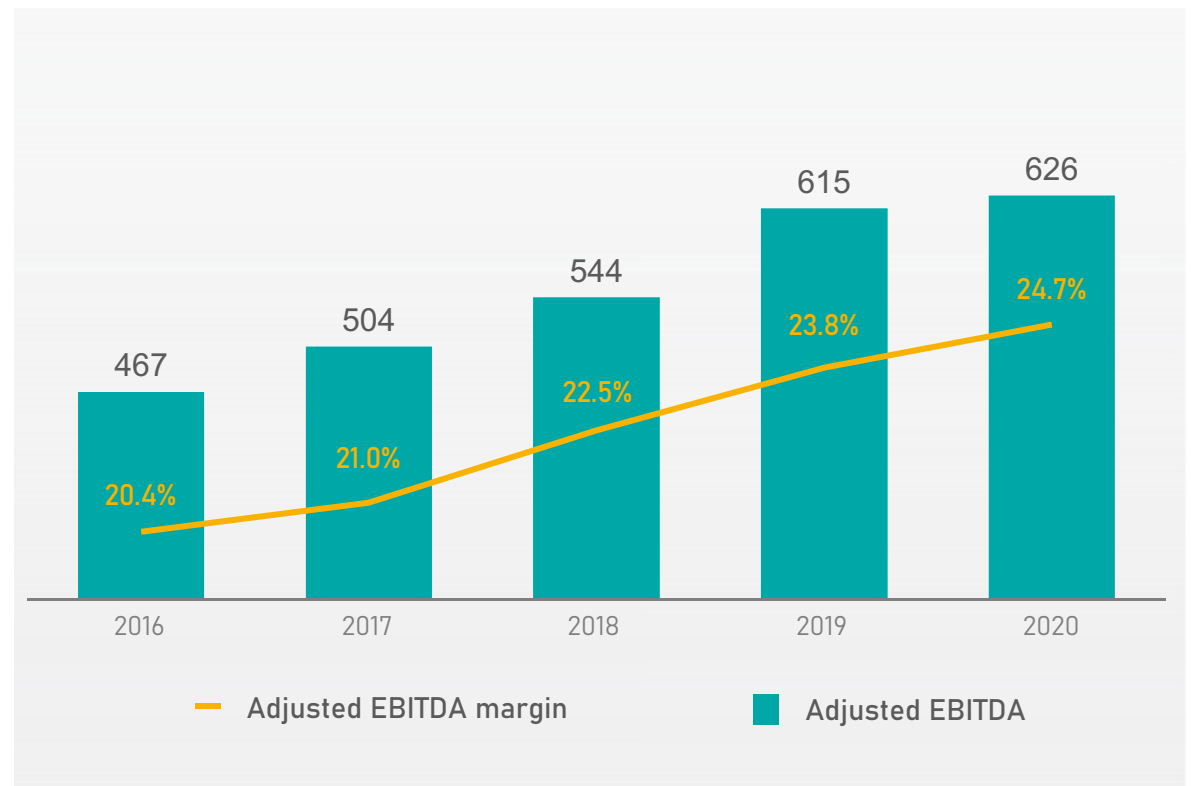
Nathalie
DELBREUVE
CFO

STRONG TOP LINE CONTRIBUTING TO SUSTAINED ADJUSTED EBITDA GROWTH & MARGIN IMPROVEMENT

SUSTAINED ORGANIC SALES GROWTH (€M):
+7.4% PA OVER 2016-20⁽¹⁾ DESPITE COVID



ADJUSTED EBITDA GROWTH (€M):
+7.6% PA OVER 2016-2020 DESPITE COVID & ADJ. EBITDA MARGIN
INCREASED MORE THAN +1 PT PA OVER 2016-2020



(1) The organic sales CAGR over 2016 – 2020 excluding Argentina is +4.0%.

OUR THREE KEY FINANCIAL PERFORMANCE IMPROVEMENT DRIVERS AND OUTLOOK ASSUMPTIONS



SUSTAINED VOLUME GROWTH

- Market expected to grow out of 2020 trough at a rate at least equal to last 5 years (+2.1%)
- Volume growth supported by increasing consumer concerns about packaging sustainability, glass gaining share over other substrates in selected end markets (eg NAB, food)
- Additional contribution from new furnace openings



POSITIVE PRICE COST SPREAD

- Continued strict policy of preserving a positive price/cost spread across segments
- Prices still benefiting from Value Based Pricing initiatives
- Continued purchasing and hedging policy reducing exposure to commodity price volatility and providing visibility on cost base inflation



OPERATIONAL EXCELLENCE DEPLOYMENT

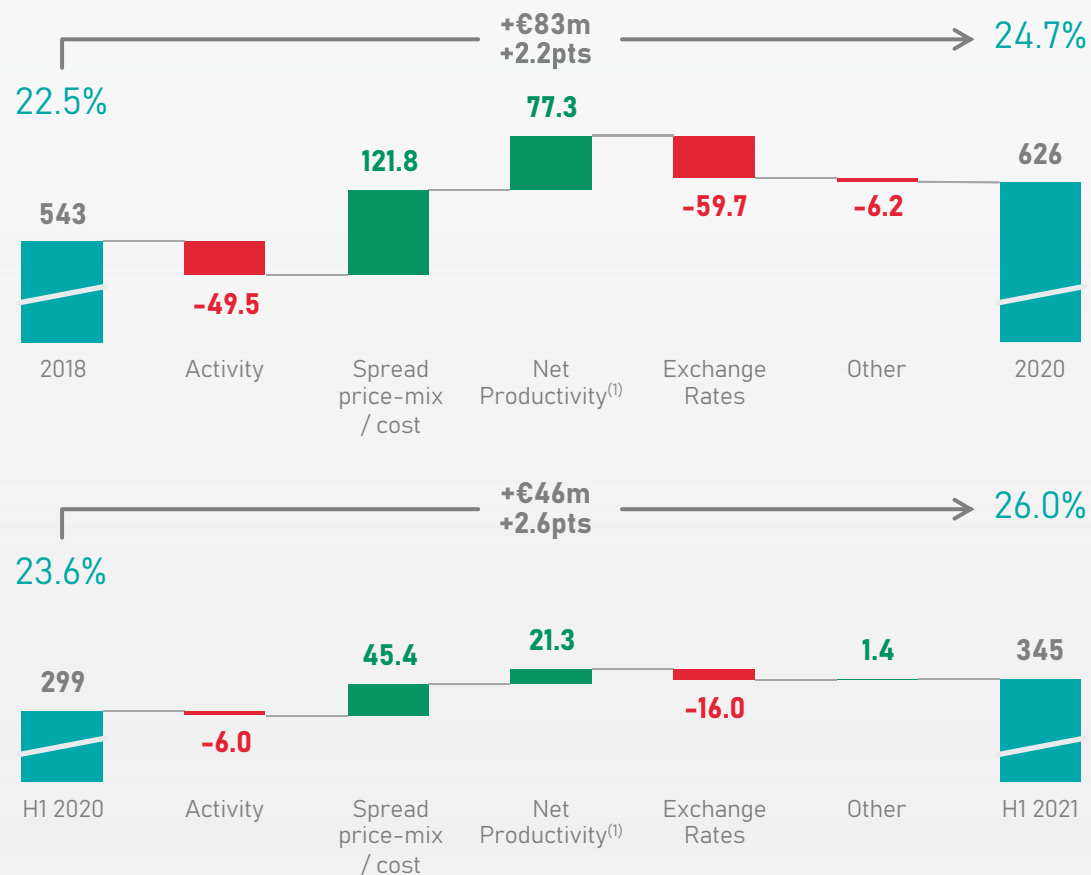
- Continued focus on operational improvement process – continuous target of net Performance Action Plan (PAP) reaching at least 2% of production cash costs savings
- Still a key pillar of our adjusted EBITDA growth strategy as the one directly under our control

Source: Company.

Note: Net PAP impact = gross PAP impact plus or minus industrial variances.

LEADING TO SUSTAINED ADJ. EBITDA GROWTH & MARGIN IMPROVEMENT

ADJUSTED EBITDA (IN €M AND % OF SALES)



Activity / Operating leverage resilience & destocking

- Positive organic growth every year despite the Covid pandemic in 2020: **+9.1% in 2019, +2.1% in 2020 and +7.7% in H1 2021** with volumes going back to pre-Covid levels
- Negative destocking impact not expected to recur beyond 2021

Positive price-mix / cost spread

- Price increases offsetting cost inflation
- Value-added pricing and positive mix contribution

Net PAP

- >€35m delivered each year even in 2020 (Covid) and €21m in H1 2021
 → >2% production cash production cost reduction

FX and Others

- Adverse FX effects on adjusted EBITDA more than offset by organic adjusted EBITDA performance

IPO guidance on Adjusted EBITDA margin (>25%) achieved one year in advance

(1) Performance Action Plan ("PAP") impact amounting to €91,7m for the period 2018 to 2020 and to €22m for H1 2021. Source: Company.

DISCIPLINED AND DYNAMIC RISK HEDGING POLICY

ENERGY

- **Disciplined fuel, gas and electricity hedging policy** limiting energy cost volatility in Western Europe and levelling market bursts
 - **Hedging horizon: next 3 years** for a target of 85% of our needs
 - Progressive hedging during year N with targeted hedge rates in October year N of: **100% of target in year N+1, 50% in year N+2, 25% in year N+3**
 - Use of Take-Profit and Stop-Loss levels

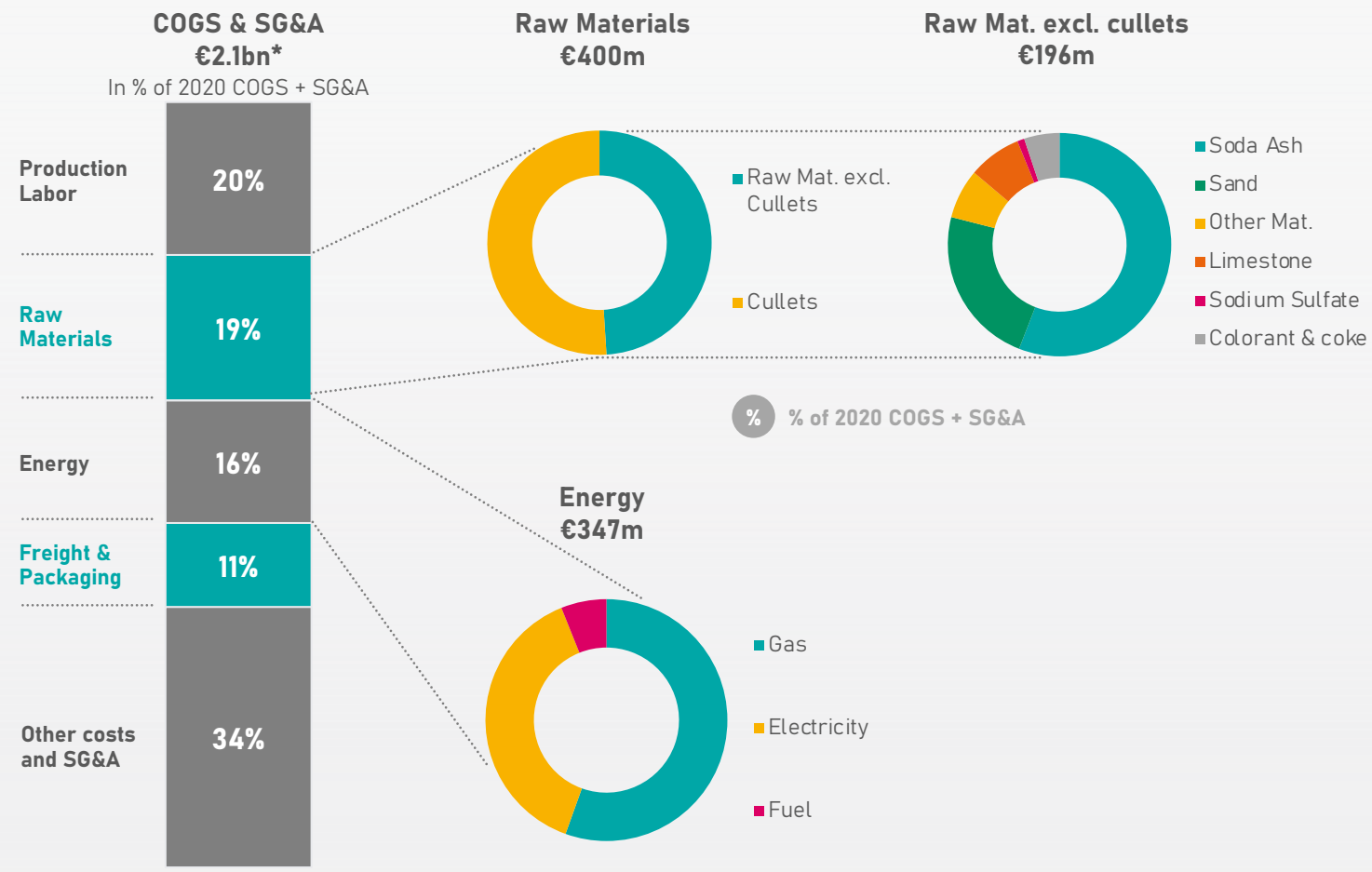
CO₂

- **Disciplined carbon emission quotas hedging policy in Western Europe**
 - **Hedging horizon: next 3 years**
 - Phase IV (2021-2030): **€55m** carbon quotas forward purchases in view of expected annual deficit during Phase IV
 - Forward purchases during year N with targeted deficit hedge rates in **October year N of: 100% in year N+1, 75% in year N+2, 50% in year N+3**

EXCHANGE RATES

- **Very limited transactional FX risk** with ca 2% of the Group's receivables / payables exposed
- **Strict hedging policy applied** with targeted hedge rates of:
 - **100% for all firm commitments**
 - 75% for budgeted cash flows over a 12-month rolling period (subject to specific local regulations)

EFFICIENT AND RESPONSIBLE PURCHASING STRATEGY



- **External cullet share exceeding total of other raw material volume** reflects increase in external cullet usage
- **Energy hedging policy** applied to gas, electricity and fuel
- **Security of supply and high purchasing performance** notably supported by:
 - long term partnership with Minerals / Chemical international suppliers and key local providers
 - multi-year supply visibility for Capex and corresponding bundling approach
 - opportunist purchase approach developed for Molds and Equipment in low-cost countries
- **Procurement Process efficiency** based on:
 - matrix organization (central / local) offering agility to adapt purchasing strategy (global / country)
 - professional purchasers / standardized practices
 - responsible purchasing practices deployed in all countries covering CSR risk and CO₂ Scope 3 aspects

Visibility and contained volatility on our cost base

(*) Including depreciation.

FROM ADJUSTED EBITDA TO NET INCOME AND EARNINGS PER SHARE

Historical P&L summary (€m)

€m	2018	2019	2020	H1 20	H1 21
Sales	2,416	2,586	2,536	1,275	1,328
% growth	-	7.0%	-1.9%	-	4.2%
Adjusted EBITDA	543	615	626	299	345
Margin (%)	22.5%	23.8%	24.7%	23.4%	26.0%
D&A	-298	-284	-276	-140	-136
Adjustments	-24	-36	-33	-25	-1
Operating profit	221	295	316	134	207
Financial income / (expenses)	-147	-116	-46	-20	-32
Income tax	-24	-54	-62	-35	-44
Current tax	-58	-71	-73	-40	-62
Share of net income of non-core business associates	-2	-1	1	0	1
Net income	49	125	210	79	133
Earning per share		1.00	1.67		
Earning per share excluding PPA (*)		1.36	2.04		
Adjustments	24	36	33	25	1
Restructuring costs	7	3	20	19	-3
Acquisition and other transaction related costs	0	-2	0	0	0
Hyperinflation (IAS 29)	3	2	3	1	-1
Management equity Plan related costs	6	12	6	2	4
Disposals and risks related to subsidiaries	-9	0	0	0	0
Fabe (Brazil) closure project Carve-out costs	11	2	0	0	0
Other	6	20	4	3	0

- 1
- 2
- 3
- 4

- 1 Depreciation & Amortization (D&A)** includes ca €720m customer relationship recorded in 2015 and amortized on a straight-line basis over 12 years (€60m pa)
- 2 EBITDA Adjustments** in 2020 mainly include restructuring costs from France Transformation Plan and 2019 IPO related costs
- 3 Financial income / (expenses)** includes interest cost, financing fee amortization and one-off items; interest cost down consistently but offset in 2018 & 2019 by one-off costs related to the refinancing prior to the IPO
- 4 Income tax:** effective tax rate going down from 30% in 2019 to 27% going forward. 2020 income tax positively impacted by patent box retroactive effect in Italy (about +4pts)

Steady improvement in Net income and EPS excl. PPA > €2 in 2020

(*) PPA = amortization 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 in 2020 and €0.36 in 2019 (amount net of tax).

KEY DRIVERS FOR STRONG AND STEADY CASH-FLOW



ADJUSTED EBITDA

- High adjusted EBITDA margin level
- Improving year-on-year from sustained volume growth, positive spread and operational excellence deployment
- Adjusted EBITDA margin > 25% in 2021, one year before IPO guidance



SMART CAPEX

- Overall 10% of sales invested every year
- Recurring Capex maintained at 8% of sales
- Targeted strategic investments:
 - additional capacity in growing markets / countries
 - specific investments to reduce our CO₂ emissions in line with our ESG roadmap

Cash conversion around 60% on average



DISCIPLINED WORKING CAPITAL MANAGEMENT

- Supply chain action plan to optimize inventory levels and quality, whilst improving service (OTIF)
- Large customer base mitigating risk
- Tight overdue management

VERY STRONG CASH-FLOW GENERATION

In €m	FY 2019	FY 2020
Adjusted EBITDA	615.2	625.7
Total Capex	252.5	250.5
Cash conversion	59.0%	60.0%
Change in operating working capital	45.7	67.0
<i>of which Capex WCR</i>	<i>19.3</i>	<i>2.8</i>
Operating Cash-Flow	408.4	442.1
Other operating impact	-42.7	-29.6
Interest paid & other financing costs	-86.6	-36.7
Cash Tax	-59.1	-60.2
Free Cash-Flow	220.0	315.7

- Growth in adjusted EBITDA
- High level of **cash conversion**
- Significant improvement in **operating working capital** requirement
 - Stocks @ extremely low level
 - Overdues well-managed and stable
- **Other operating impact** = IFRS 16 for €18m and adjustments to EBITDA with a cash effect (Covid costs in 2020 and IPO costs mainly in 2019)
- **Interest paid and other financing costs cash out** reduced in 2020 thanks to pre-IPO loan restructuring and lower TLA interests (deleveraging triggered TLA ratchets: -25bps in July 2020 and -25bps in July 2021)
- **Cash Tax:** effective tax rate 27% with positive one-off in 2020 due to retro-active patent box in Italy

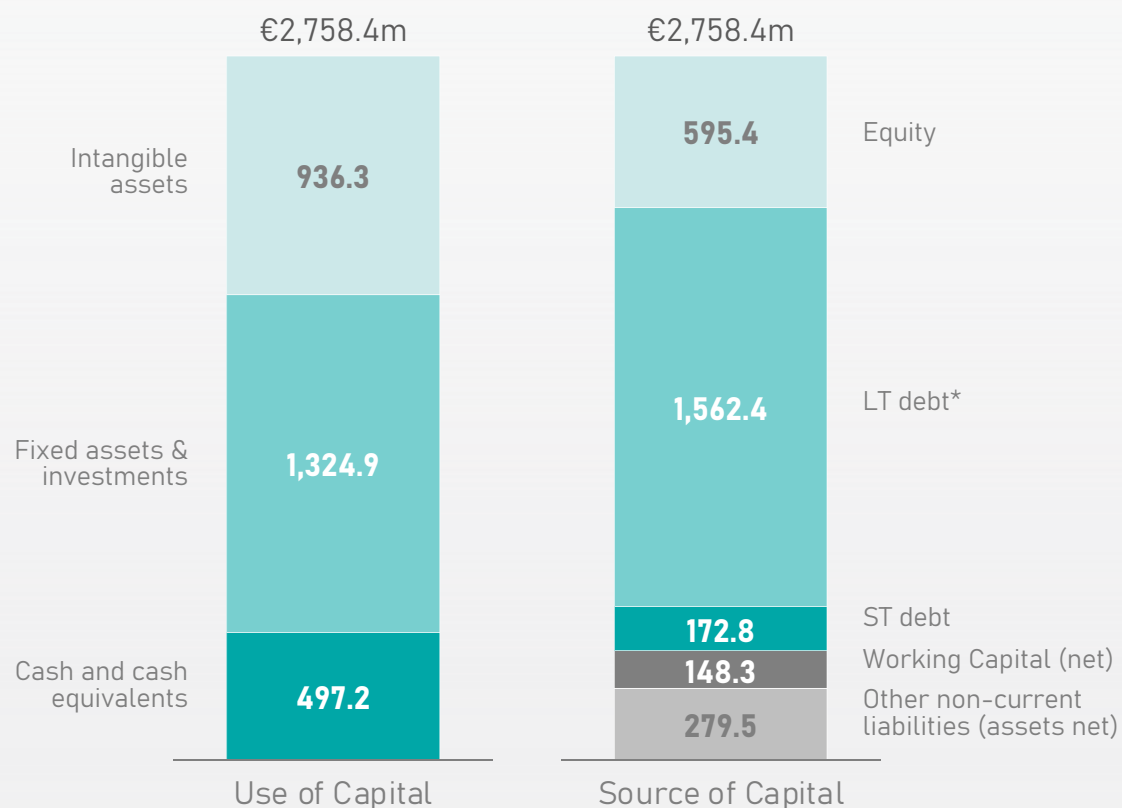
High conversion of operating cash-flow into free cash-flow

Source: Company.

Note: Cash conversion = (Adjusted EBITDA-Capex) / Adjusted EBITDA.

ROBUST BALANCE SHEET

SIMPLIFIED BALANCE SHEET STRUCTURE AS OF 30-JUNE 2021



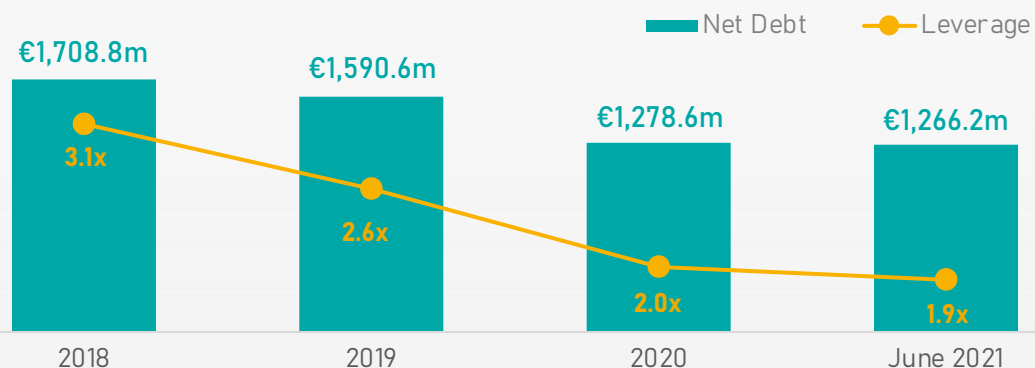
- **High quality tangible assets, representing ca 40% of total assets**
 - Average Capex of 9.8% of sales in the past 5 years (2016-20)
 - New furnace being built in our Jacutinga plant in Brazil (start of production end of 2022)
- **Enhanced capital structure post IPO**
 - Equity of €595m at the end of June 2021 vs €578m in 2020, €419m in 2019 and €50m in 2018
 - Net gearing of 2.2x in 2020 vs 3.8x in 2019 and 34.2x in 2018
- **ROCE**
 - After-tax ROCE above 20% (excluding goodwill and asset step-ups from the 2015 Saint-Gobain spin-off)
 - Regular increase driven by mix of rising adjusted EBITDA and capital employed well under control (fixed assets & working capital)

Business model supported by a high-quality asset base and robust balance sheet

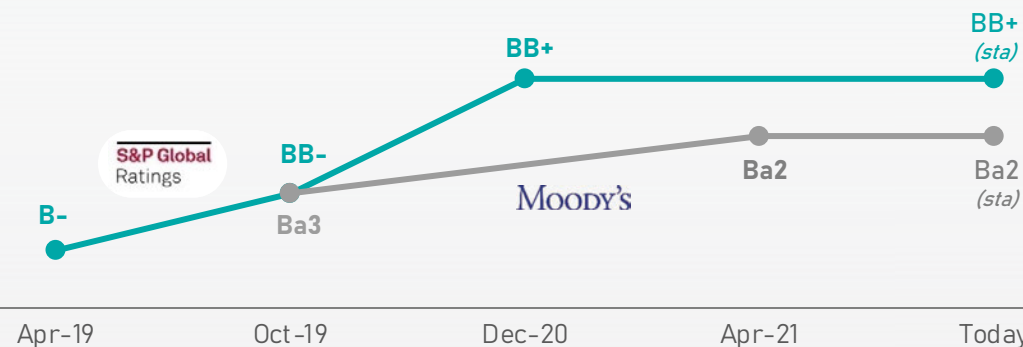
Source: Company.
*Non-current portion of LT Debt.

CONTINUOUS DELEVERAGING AND STRONG CREDIT PROFILE

STRONG DELEVERAGING PROFILE



CORPORATE RATING TRAJECTORY



- **Significant deleveraging** over the last two years, reaching 1.9x as of June 30th 2021 (versus 3.1x as of December 2018) as a result of strong cash generation and improving EBITDA and after share buy-backs for €109m in H1 2021
- Highly **comfortable liquidity* level**: €847.9m as of June 30th, 2021
- Multiple **credit rating upgrades** since April 2019. Currently BB+ - Sta / Ba2 - Sta following deleveraging and progressive exit of Apollo as shareholder

Trajectory towards further credit rating upgrades

Source: Company.

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

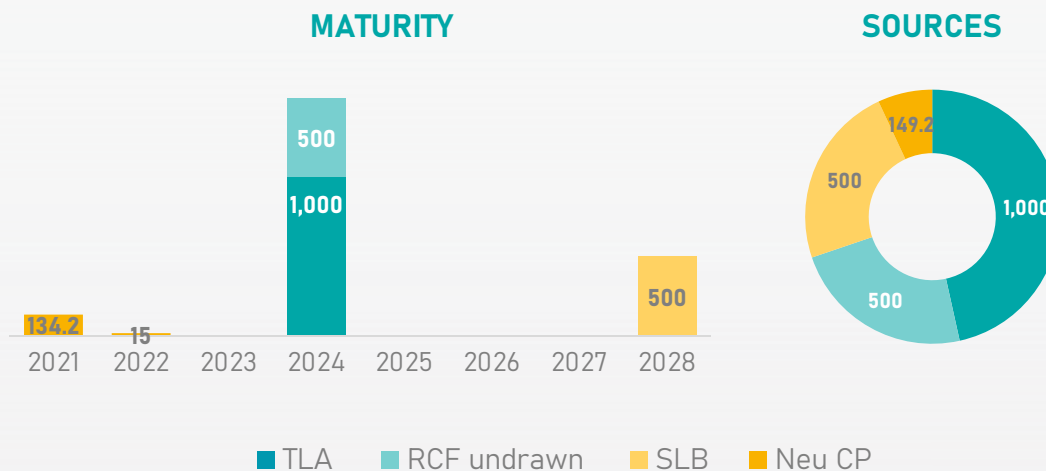
DIVERSIFICATION OF FUNDING AND LENGTHENING OF MATURITIES

SOURCES OF FUNDING

€M	NOMINAL AMOUNT	MATURITY	NOMINAL RATE	30 JUNE 2021
Sustainable Linked Bond (SLB)	500.0	May 2028	1.625%	496.8
Term Loan A (TLA)	1,000.0	October 2024	Euribor+1.50%**	993.9
Revolving Credit Facility (RCF)	500.0	October 2024	Euribor+1.10%***	-
Neu CP	400.0			149.2
Other debt				123.5
Total borrowings				1,763.4
Cash				(497.2)
Net Debt				1,266.2

Factoring non recourse (off Balance Sheet): €357.3 m

DEBT* PROFILE (€M)



- **Diversifying sources of funding:** first step in May 2021 into the deep EUR bond markets with a successful inaugural Sustainability Linked Bond:
 - €500m with a maturity in May 2028
 - KPI's fully aligned with our ESG strategy reinforcing our commitment to sustainability (KPI #1: CO₂ emissions, KPI#2: external cullet usage)
- **Lengthening debt maturity profile** anchoring new points in the debt maturity curve
- **Highly competitive cost of financing** below 2% all included (pre-tax)

Source: Company.

Notes: *excluding Other Debt; **1.25% as of August 2021; ***0.85% as of August 2021.

KEY FINANCIAL TAKEAWAYS

- 1 Proven financial performance since IPO**
Positive organic growth despite pandemic, IPO mid-term targets met one year in advance
- 2 Straightforward business model relying primarily upon self-help initiatives**
Positive spread (value-based pricing, hedging) and **PAP** (>2% of production cash cost base) well under control
- 3 Sustained cash flow generation**
Mix of high cash conversion, working capital control and financial/tax expense rationalization; ability to finance ESG plan whilst pursuing deleveraging
- 4 Solid and efficient balance sheet**
Low leverage (1.9x vs 3.1x as of YE18), high liquidity, diversified financing sources, rating upgrades and high ROCE (>20%)
- 5 Supportive environment for new mid-term (2024) guidance**
Supportive demand environment, adjusted EBITDA margin expected above 25% in 2021 (from 22.5% in 2018), upcoming capacity additions, continued self-help measures (spread, PAP), increased bottom line visibility

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).



7

CONCLUSION



**Michel
GIANNUZZI**
Chairman and CEO

OUR WINNING STRATEGY FOR A PROFITABLE, INCLUSIVE AND DURABLE GROWTH



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

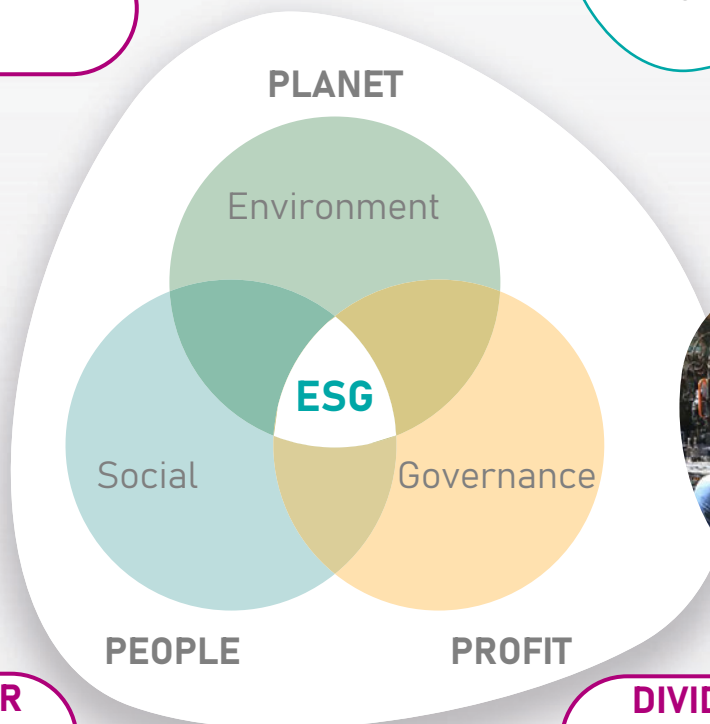
2024 ADJ. EBITDA MARGIN
28% - 30%



4

Anchor a strong entrepreneurial culture

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



3

Invest wisely for a sustainable future

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



DIVIDEND / SHARE GROWTH
> 10% per annum

THANK YOU FOR YOUR ATTENTION

“ Re-imagine **glass**
for a sustainable
future

PEOPLE PLANET PROFIT



CAPITAL
MARKETS
DAY **2021**
October 7

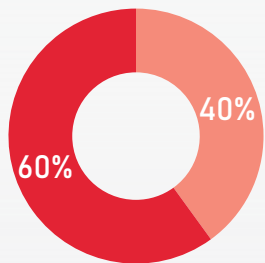


APPENDICES

VERALLIA COMPLIES WITH THE RECOMMENDATIONS SET OUT IN THE AFEP-MEDEF CODE*

12 members and 2 non-voting observers

NATIONALITY



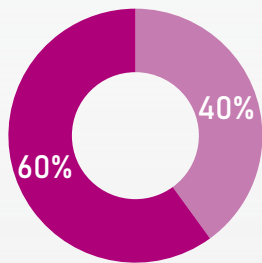
■ Foreigner ■ French



Nationalities:
French, American, Swiss,
Spanish and Brazilian
(without taking into
account employees' representatives)



INDEPENDENCE

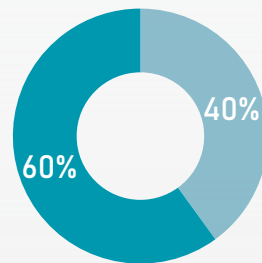


■ Non independent ■ Independent



As at Dec. 31st, 2020,
independent members
represent 40% of the
members of the Board of
Directors
(without taking into account employees'
representatives)

DIVERSITY



■ Men ■ Women



As at Dec. 31st, 2020,
women represent 40% of
the members of the Board
of Directors
(without taking into account employees'
representatives)

BACKGROUND SKILLS



BOARD TRAINING



Verallia integration program
(including site visit)

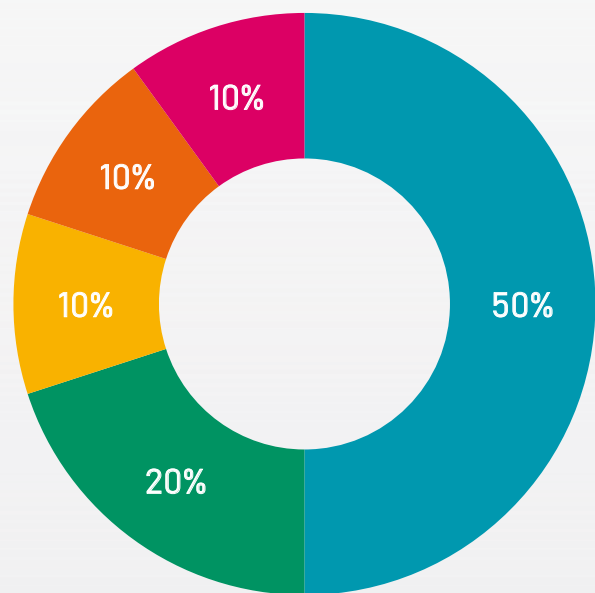


Specific trainings for Board
members who are employee-
representatives

In 2020, 7 plenary meetings/global attendance rate: 88%

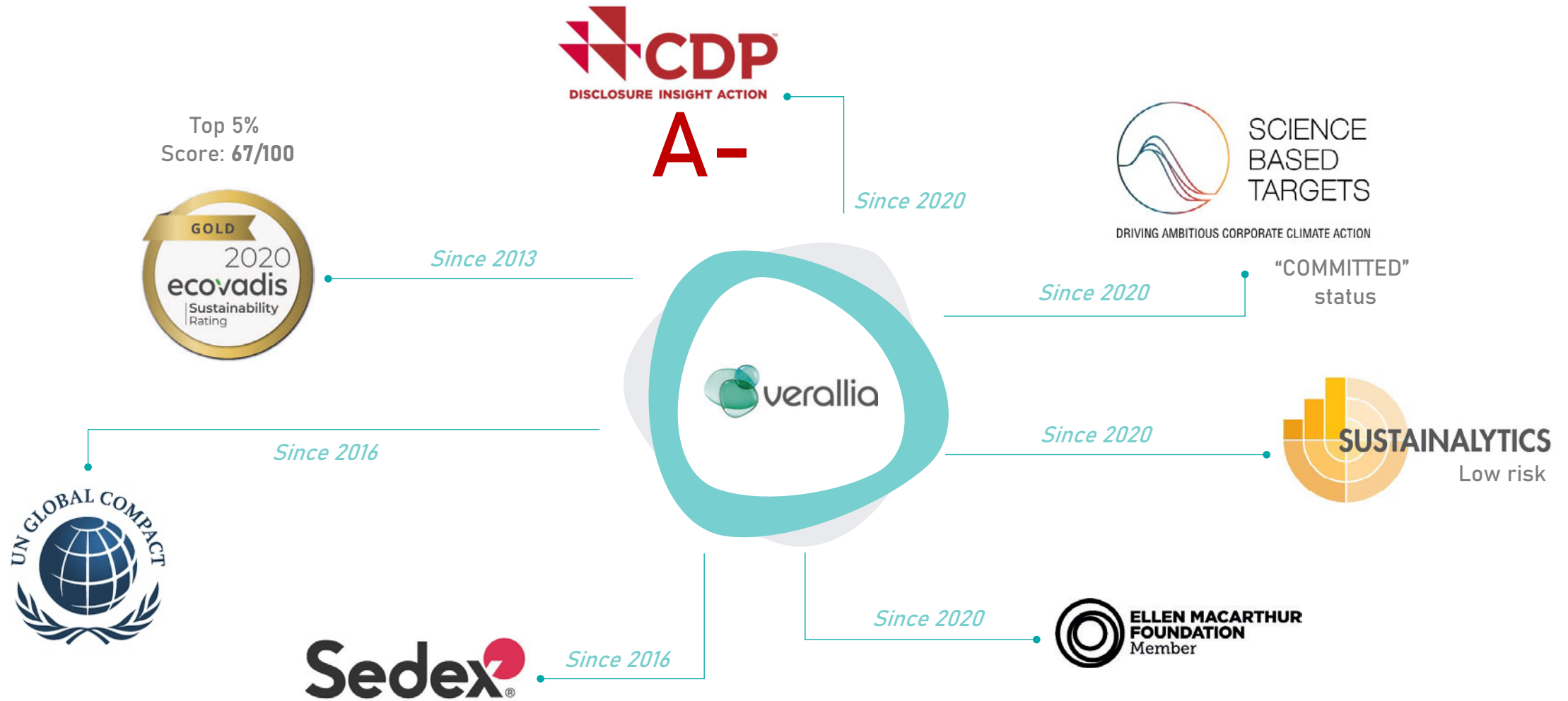
* Except for Directors' mandate terms related to Verallia's recent IPO.

LONG TERM INCENTIVE PLANS

WEIGHT OF ALL
PERFORMANCE CRITERIAPERFORMANCE
CRITERIA2021-2022 PLAN
OBJECTIVES2021-2023 PLAN
OBJECTIVES




Performance Criterion	2021-2022 Plan Objectives	2021-2023 Plan Objectives
Theoretical Value Creation	<ul style="list-style-type: none"> Between 0% and 50% if objective is achieved Can reach 60% in case of over performance 	Increase between 2020 and 2022 of [8 x Adj. EBITDA – Net Debt] before dividend payments and/or shares buy-backs
Total Shareholder Return	<ul style="list-style-type: none"> 0% if objective is not achieved 20% if objective is (over)achieved 	VRLA TSR >= SBF120 TSR between 2020 and 2022
Return On Capital Employed	<ul style="list-style-type: none"> 0% if objective is not achieved 10% if objective is (over)achieved 	ROCE >= 21%
CO₂ emissions reduction	<ul style="list-style-type: none"> 0% if objective is not achieved 10% if objective is (over)achieved 	CO ₂ emissions <= 484 kg CO ₂ /ton of good glass in 2022
Gender equality	<ul style="list-style-type: none"> 0% if objective is not achieved 10% if objective is (over)achieved 	Gender equality index (as defined by French law) >= 66 on Dec 31 st , 2022

LATEST RATINGS AND PARTNERSHIPS



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		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		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		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 CO₂ 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.