



PRESS RELEASE

Capital Markets Day 2021

Reaching its previous mid-term objectives one year in advance, Verallia sets new ambitious goals with its 2022-2024 strategic roadmap

Paris, 7 October 2021

Verallia, the leading European and third-largest global producer of glass containers for food and beverages, is hosting today at 2.00pm CET its virtual Capital Markets Day to announce its updated strategic roadmap with new objectives running into 2024. The new plan, which includes ambitious environmental and financial goals, will be presented by Group Chairman and CEO Michel Giannuzzi and other members of the Executive Committee.

Having weathered the COVID-19 crisis and delivered a strong financial and industrial performance since its 2019 IPO, Verallia is opening a new chapter that builds on its successful last strategic plan. This roadmap comprises four key pillars:

- **Pursue disciplined growth:** Improving customer experience to grow the business; achieving a positive inflation spread; and seeking actively value-accretive acquisitions or new greenfield/brownfield projects.
- **Increase operational excellence:** Addressing unsafe behaviors to achieve zero accident; ongoing implementation of Performance Action Plans to reduce production cash cost by more than 2% annually; and deploying Verallia Industrial Management system.
- **Invest wisely for a sustainable future:** Improving working conditions; reducing CO₂ emissions and energy consumption; increasing Process Control by leveraging Data Analytics and Artificial Intelligence.
- **Anchor a strong entrepreneurial culture:** Strengthening Corporate Purpose and Values across the organization; increasing accountability, speed and agility; improving learning ability; and reinforcing the talent pool with increased diversity.

Verallia Chairman and CEO **Michel Giannuzzi** said:

“Verallia can benefit from significant market opportunities including premiumization and plastic substitution that both favour glass, in a growing demand environment, and market consolidation prospects. Benefiting from strong leadership positions with a large and diversified customer base in its own key markets and geographies, Verallia is perfectly positioned to capture these opportunities. To this end, we have updated our strategy that combines the constant pursuit of disciplined growth and operational excellence with increased investment in sustainability and the reinforcement of our already strong entrepreneurial culture. Reflecting our determination to make Verallia a leader in its industry, we have also upgraded our environmental commitments to reach carbon neutrality and contribute meaningfully to the limitation of global warming.”

Responding to the environmental challenges the planet is facing and changing consumption patterns, Verallia unveiled in October 2020 its purpose to **"re-imagine glass for a sustainable future"** and set out its **ESG roadmap in January 2021**, with several important targets. Today Verallia takes the further step of setting new ambitious goals aligned with the objective of **limiting global warming to 1.5°C** set by the Science Based Targets Initiative (SBTi):

- **46% reduction by 2030 of Scope 1 & 2 emissions** in absolute terms (base year 2019)¹
- **Scope 3 emissions maintained below 40%** of total emissions in 2030
- **Net Zero in 2050** for Scope 1 & 2 emissions

The Group has also set **new Mid-term Financial targets for the years 2022-2024**:

	2022-2023-2024	Assumptions
Organic Sales Growth²	+4-6% CAGR	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Positive price/cost spread • Net PAP > 2% of production cash cost (i.e. > €35m per annum)
Cum. Free Cash Flow³	ca €900m over 3 years	<ul style="list-style-type: none"> • Recurring and strategic Capex @ ca 10% of sales, • including CO₂-related capex and 3 new furnaces by 2024
Earnings per Share (excl. PPA⁴)	ca €3 in 2024	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Net income growth > 10% per annum • Investment grade trajectory (leverage < 2x)

¹ Target to be validated by SBT initiative.

² At constant FX and excluding changes in perimeter.

³ Defined as the Operating Cash Flow - Other operating impact - Interest paid & other financing costs - Cash Tax.

⁴ Earnings excl. amortization expense for customer relations (PPA) recognized upon the acquisition from Saint-Gobain, of ca €0.38 / share (net of taxes).

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

With around 10,000 employees and 32 glass production facilities in 11 countries, we are the European leader and the world's third-largest producer of glass packaging for beverages and food products. We offer innovative, customised and environmentally friendly solutions to over 10,000 businesses around the world.

In 2020, Verallia produced more than 16 billion glass bottles and jars and posted revenue of €2.5 billion. Verallia is listed on compartment A of the regulated market of Euronext Paris (Ticker: VRLA – ISIN: FR0013447729) and is included in the following indices: SBF 120, CAC Mid 60, CAC Mid & Small et CAC All-Tradable.

For more information, visit www.verallia.com

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Verallia will hold today at 2:00 p.m. CET a virtual investor and analyst conference.

Live webcast link: https://channel.royalcast.com/landingpage/verallia/20211007_1/

The presentation will be available on www.verallia.com at the end of the event.

Media contacts

Brunswick - Benoit Grange, Hugues Boëton, Tristan Roquet Montegon -

verallia@brunswickgroup.com - +33 1 53 96 83 83

Verallia Investor Relations contact

Alexandra Baubigeat Boucheron - alexandra.baubigeat-boucheron@verallia.com

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This press release includes only summary information and does not purport to be comprehensive.