

FY 2022 results

16 February 2023



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INTRODUCTION

Patrice LUCAS
CEO

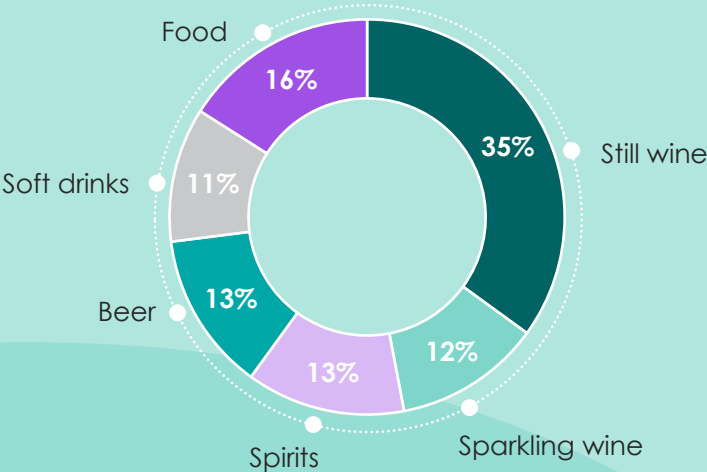


01

A global leader in glass packaging

DIVERSIFIED AND BALANCED END-MARKETS

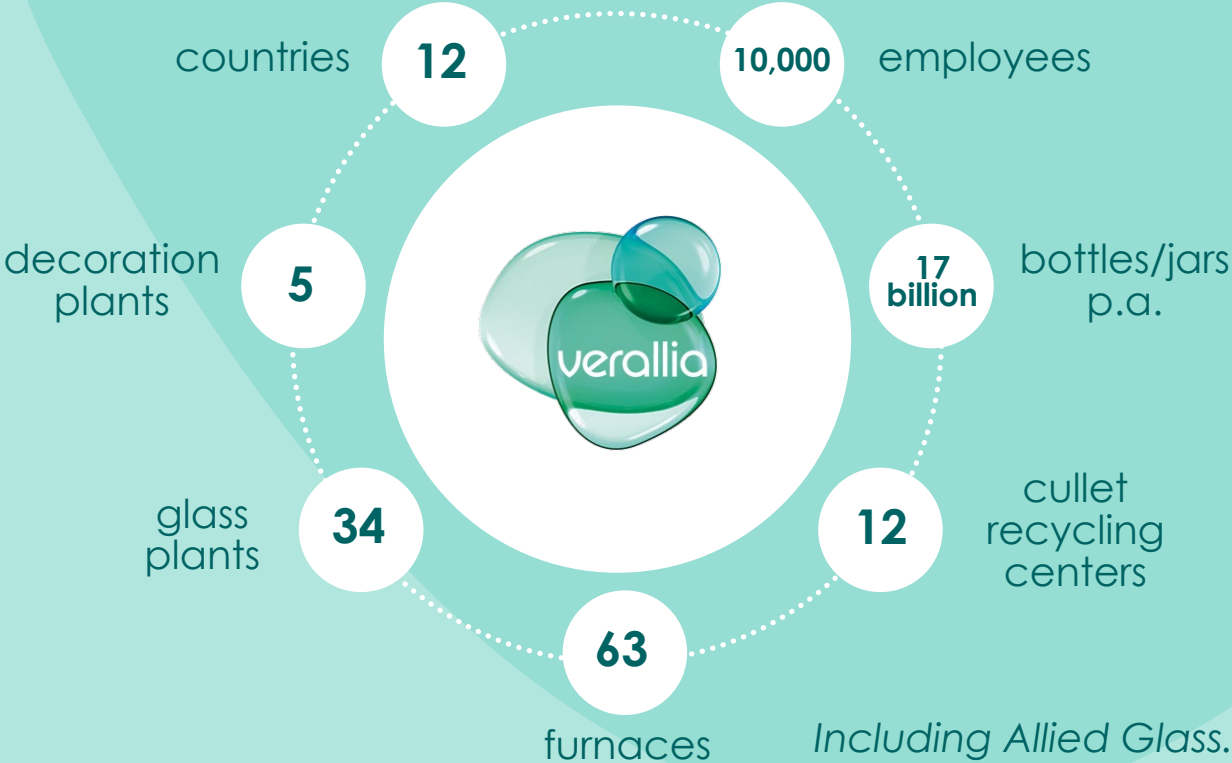
2022 Glass packaging⁽¹⁾ sales split by end-market



N°1
in Europe⁽²⁾
87% of 2022 sales

N°2
in Latin America⁽³⁾
13% of 2022 sales

N°3
Globally



Sources: Companies public information, management estimates and Advancy (IPO related study).
Notes: (1) For bottles and jars only (97% of total Verallia sales). (2) Based on 2021 sales; "Europe" using each company's definition/management estimates. (3) Based on 2022 volumes in Argentina, Brazil and Chile.

KEY HIGHLIGHTS

Patrice LUCAS
CEO

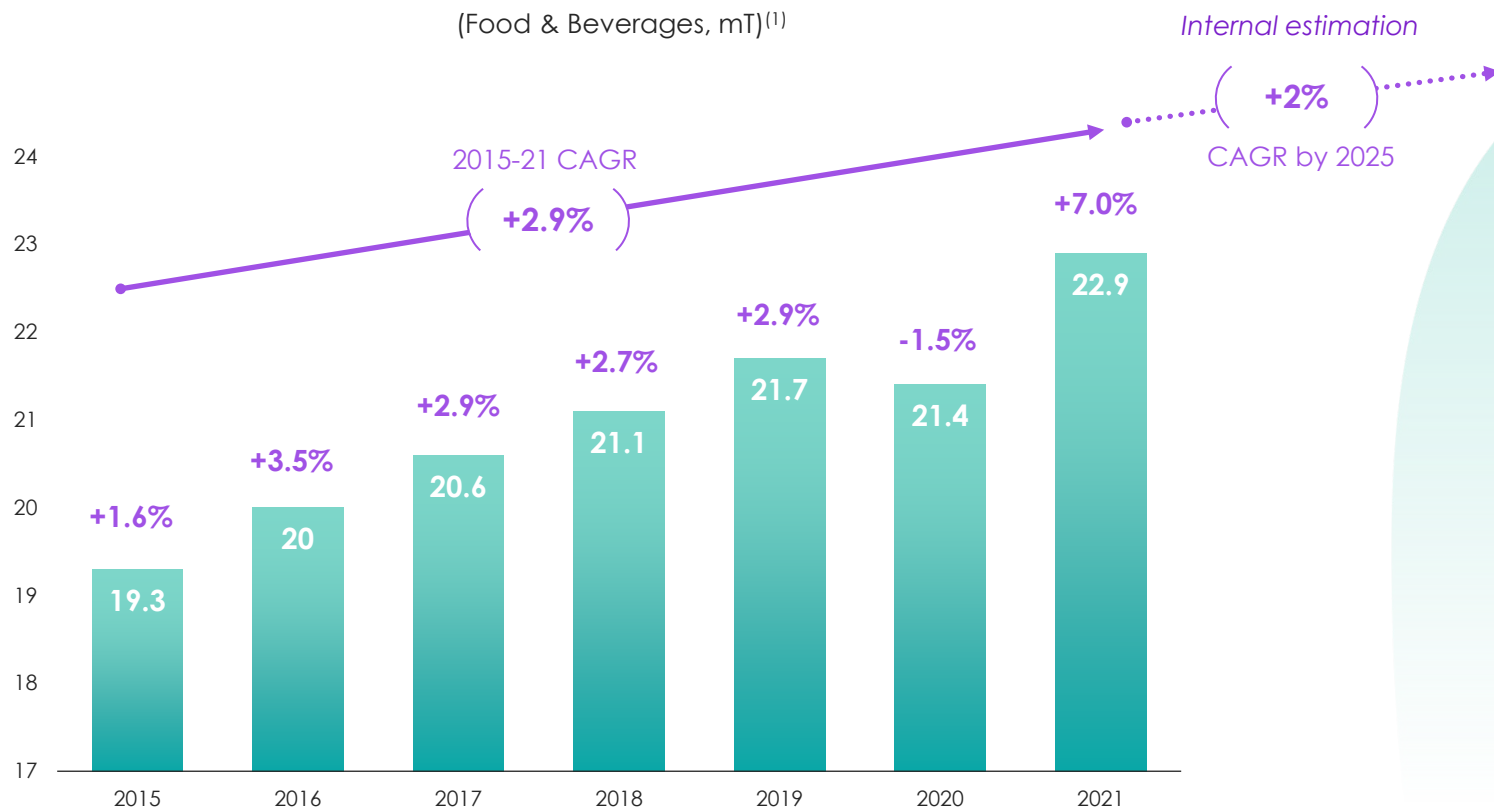


02

Growing European demand in a tight supply environment

EUROPEAN DOMESTIC CONTAINER GLASS SALES VOLUMES

(Food & Beverages, mT)⁽¹⁾



Domestic glass sales (mT) and YoY growth

- Market demand is expected to grow by at least 2% per year by 2025, representing an additional need of 460 kT per year
- Announced capacity increases and domestic demand expected to grow in line in the coming years
- Planned capacity additions primarily relate to Italy, Germany and Belgium

Update on key industrial projects

CAPACITY INCREASE – +400 KT PER YEAR BY 2024¹ = IN LINE WITH PLANS + 2 ADDITIONAL FURNACES BY 2026

Campo Bom 2 – Brazil

- Furnace design and technology finalized: oxy-combustion furnace
- 18% reduction of CO₂ emissions vs. traditional
- Start of production planned for beginning of 2024

Pescia 2 – Italy

- Furnace design and technology finalized: oxy-combustion furnace
- 18% reduction of CO₂ emissions vs. traditional
- Start of production planned for Q2 2024

1 new furnace in Spain by 2025

- Located in Montblanc
- Techno: oxy-combustion furnace, super boosting + heatOx
- 20 to 30% CO₂ emissions reduction vs. traditional

1 new furnace in Italy by 2026

- Framing of the project currently undergoing

DEBOTTLENECKING

Verallia increased existing capacity in several factories across the company:

- Rosario in Chile, Montblanc in Spain, Vauxrot & Chalon in France in 2022
- Leading to an additional production capacity of +/- 90 million bottles per year for all segments

NEW FURNACE TECHNOLOGIES – ON TRACK TO SUPPORT OUR 2030 CO₂ REDUCTION ROADMAP

Electrical Furnace Cognac 1

- Strategic partnership with FIVES Group
- Start of production end of 2023

Hybrid Furnace

- Location chosen: Zaragoza, Spain
- Project development on track
- Start of production end of 2024



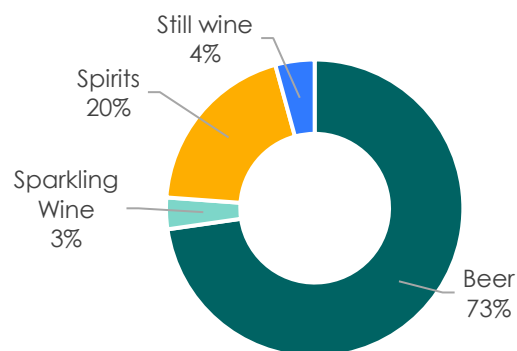
Zaragoza plant, Spain

Successful start-up of Jacutinga 2 furnace

Product overview and investment rationale

- Focus on Long runs beer and spirits productions – Increase in capacity for Emerald Green bottles
- 2 new lines will serve OW beer bottles market, fastest growing segment in the Brazilian glass market
- Extra capacity will be allocated among a broad range of customers
- Volumes of the new furnace are almost allocated with customers' contracts

Address the beer market



BI 23 → Still wine and sparkling wine in the mix to cover part of Campo Bom furnace repair this year

Best-in class implementation

	Initial target	Actual
Capex	€60m	€60m
Completion date	December 2022	Heat up done on Nov 9 th
Incremental capacity	+114 kTon/year	On track

Plant Overview



Upgrade in ESG ratings and performance

- **Validation** of the Group's **CO₂ emissions reduction targets by 2030**



- Part of the **CAC SBT 1.5° Index = climate-focused version of the CAC 40**



- **Upgraded to A-rating** in the "Climate Change" category
- effectiveness of its measures to **tackle climate change**
- **transparency** of its reporting



- **Platinum medal**
- Verallia among the **1% of the 90 000 most virtuous companies**
- In terms of **social and environmental responsibility** in the world



- **2022 MSCI (ESG) rating: upgraded to "BBB"**



CO₂ EMISSIONS

- **2022 "Scope 1 and 2" CO₂ emissions down -2.7% to 2,756 kt CO₂ versus 2021 emissions of 2,833 kt CO₂ (i.e. -10.8% vs. 2019)**
- In line with trajectory for **reducing "Scope 1 and 2" CO₂ emissions by 46% in absolute terms by 2030** (reference year 2019)



EXTERNAL CULLET USAGE RATE

- Reached **55.7%** in **2022, +0.7 point vs 2021 at 55%**

New products launches in 2022: premium and innovative



Cava Tradición for Codorniu (Anna de Codorniu)



- The **lightest cava bottle** in the market
- **125 grs lighter than the traditional cava bottle**
- This design guarantees the same firmness, quality and elegance



Cuvee des Princes Champagne de Venoge



- Reminiscent of the habits of the European aristocracy of the early 20th century who decanted champagne in crystal bottles
- Created by Joseph de Venoge as a tribute to the Princes of Orange



Barra gin



- Barra Atlantic Gin for our customer Isle of Barra, (distillery in Scotland)
- The bottle recreates the true taste of Barra, sharing the best of the island with its community



Vera Wang Party Prosecco Rosé



- New version built on the success story of the first Prosecco by the famous designer Vera Wang
- The Celeste bottle comes from **Selective Line** Collection
- Decorated with a sleek matte silver coating and pink details at Saga Décor



Burdeos Natasha



- In Argentina the "Fiesta Nacional de Vendimia" (Mendoza's harvest festival) celebrates the kickoff of the Mendoza grape harvest season.
- Every year, Verallia Argentina names a bottle like the queen considering the tradition with a high impact in the media
- Natasha bottle has been eco-designed, being **20 grs lighter**

Acquisition of Allied Glass, now Verallia UK, closed in November

AN INDUSTRY LEADING PREMIUM GLASS PLATFORM



- 100% stake acquired for an EV of c. £315m
- Fully financed by existing cash
- 2022 revenue of £160m



Highly profitable platform with industry leading margins and a good growth track record



Longstanding UK market presence (est.1874)



Diversified customer base covering blue chip, traditional and emerging brands



Strong management team with significant experience (+135 y.) and c.600 employees with 12 y. avg. tenure



Clear sustainability focus with a clear action plan and targets

SIGNIFICANT LONG TERM UPSIDE

- Margin-accretive transaction
- Significant synergy potential
- Premium positioning with growth potential



Verallia continues its profitable growth and delivers an outstanding performance in all areas in 2022



REVENUE

- **+25.3%** to **€3.352Bn**
- **+26.5%** organic growth⁽¹⁾



ADJUSTED EBITDA

- **€866m** (+27.6% vs. 2021)
- **Margin at 25.8%** vs. 25.4% in 2021 (+47 bps)



NET INCOME & EPS⁽²⁾

- **Net Income: €356m** (+42.7% vs. 2021)
- **EPS: €2.92**



NET DEBT

- **Leverage: 1.6x FY22' Adj EBITDA** (vs. 1.9x end of 21)
- After **€123m** of **dividends** and **£315m** of **Allied Glass acquisition** (EV)⁽³⁾



EXTRA-FINANCIAL INDICATORS

- **CO₂ emissions: -2.7%** vs. 2021 to 2,756 kt CO₂ Scope 1 & 2 **-10.8% vs. 2019**
- **External Cullet⁽⁴⁾ usage: 55.7%** +0.7 point vs. 2021



DIVIDEND

- **Dividend per share of € 1.40⁽⁵⁾** +33% versus 2021

(1) Growth in revenue at constant exchange rates and scope (excluding Argentina) of +22.4% in 2022 compared to 2021. (2) Net income for 2022 includes an amortisation expense for customer relationships recognised upon the acquisition of Saint-Gobain's packaging business in 2015, of €44m and €0.38 per share (net of taxes). If this expense had not been taken into account, net income would be €400m and €3.30 per share. This expense was €43m and €0.36 per share in 2021. (3) Enterprise value. (4) Recycled glass. (5) Subject to the approval of the Annual General Shareholders' Meeting which will take place on 25 April 2023.

FY 2022 FINANCIAL RESULTS

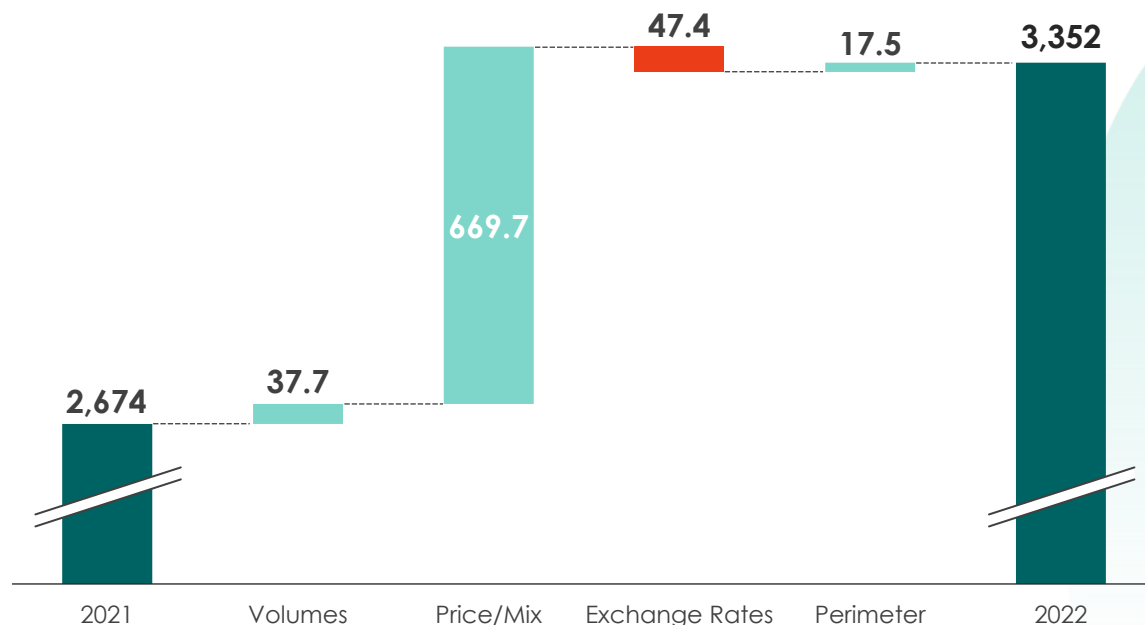
Nathalie DELBREUVE
CFO



03

2022 Consolidated Revenue Variance Analysis

REPORTED REVENUE (IN €M)

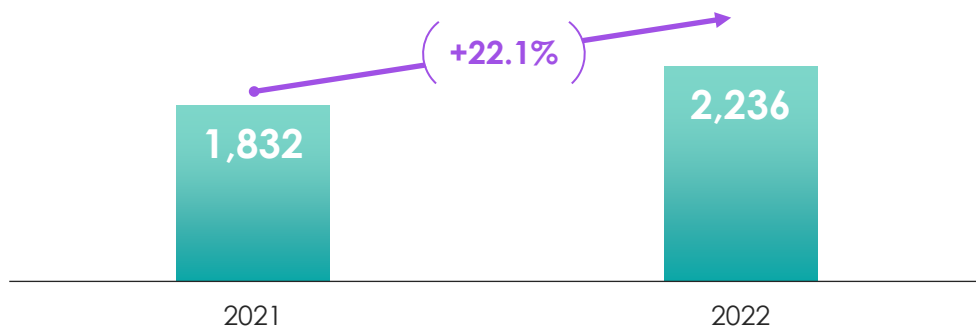


- Organic growth: +26.5% in 2022 and +32.9% in Q4
- Limited volumes impact for the year due to temporary reduced capacity in H2 (more furnace renovations than last year)
- Price / mix
 - > In Europe, several selling price increases during the year to compensate for the sharp rise in production costs
 - > In LatAm, dynamic selling prices variation to adapt to local inflation
 - > Positive contribution from mix at Group level
- By product category
 - > Strong volumes in spirits
 - > Continued recovery in sparkling wine with champagne reaching new record
 - > Solid momentum in food jars
- FX
 - > Negative impact largely due to the recent depreciation of the Argentinian peso and the Ukrainian hryvnia
- Perimeter effect from the acquisition of Allied Glass closed in November

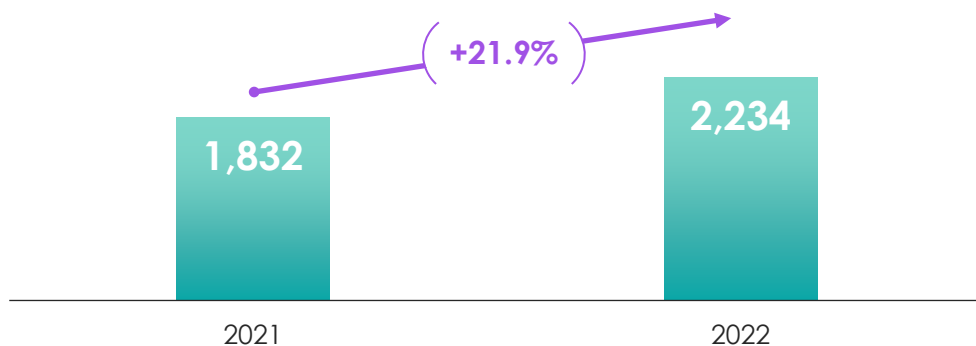
➤ **STRONG ORGANIC GROWTH ON THE BACK OF SUPPORTIVE CUSTOMER DEMAND LEADING TO SUSTAINED TIGHT UNDERLYING MARKET**

2022 SWE¹ Revenue Evolution

REPORTED REVENUE (IN €M)



REVENUE AT CONSTANT EXCHANGE RATES⁽²⁾ (IN €M)



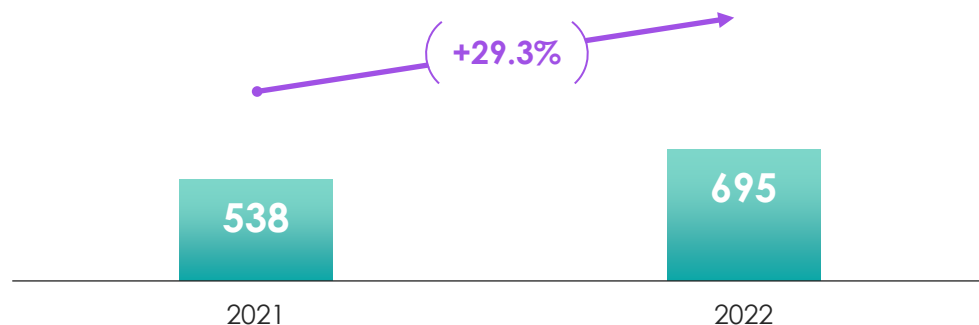
- Flat volumes despite 4 furnaces renovations in H2
- Strong growth in spirits
- Sparkling wine recovered strongly:
 - > Dynamic champagne
 - > Steady increase in Prosecco
- Mix positive especially in Italy



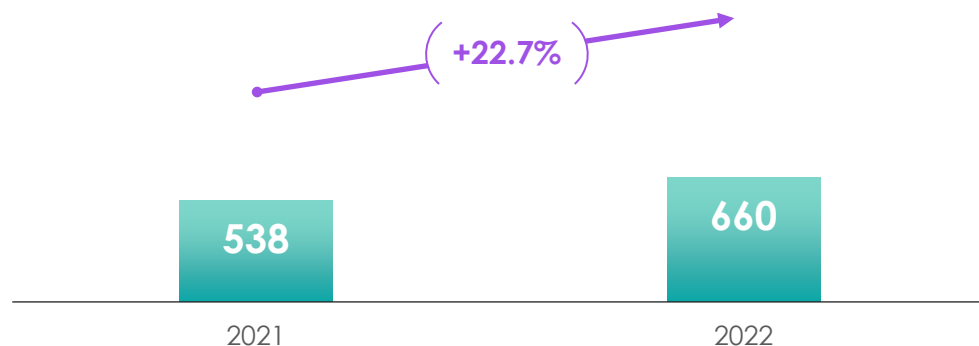
ON TOP OF SELLING PRICE INCREASES, STRONG MIX CONTRIBUTION

2022 NEE¹ Revenue Evolution

REPORTED REVENUE (IN €M)



REVENUE AT CONSTANT EXCHANGE RATES⁽²⁾ (IN €M)



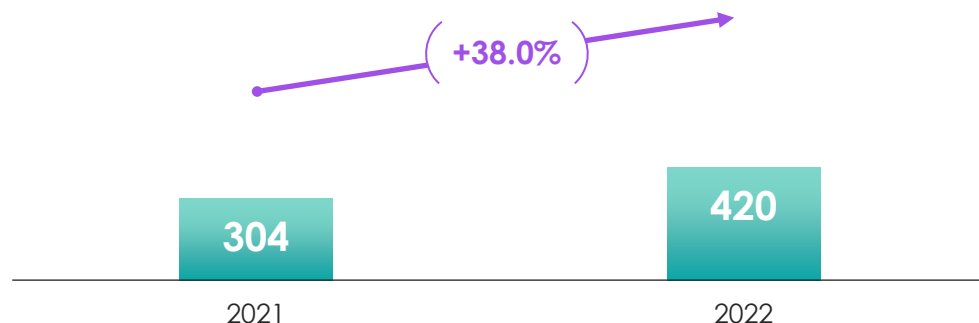
- Slight increase in volumes despite significant volumes drop in Ukraine
- Strong performance of still wines and spirits
- Growth in beers and food jars
- Situation unchanged in Ukraine with a very committed team and supportive customers (1 furnace stopped out of 2)
- +3.4% positive FX impact from the appreciation of the Russian rouble compensating for hryvnia weakness
- +3.2% perimeter effect from the acquisition of Allied Glass closed in November



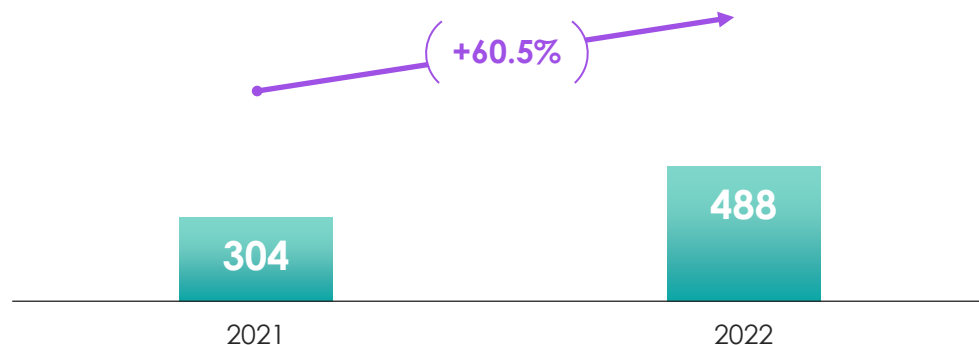
GROWTH IN VOLUMES AND SELLING PRICES AND A NEW GEOGRAPHY

2022 LATAM¹ Revenue Evolution

REPORTED REVENUE (IN €M)



REVENUE AT CONSTANT EXCHANGE RATES⁽²⁾ (IN €M)

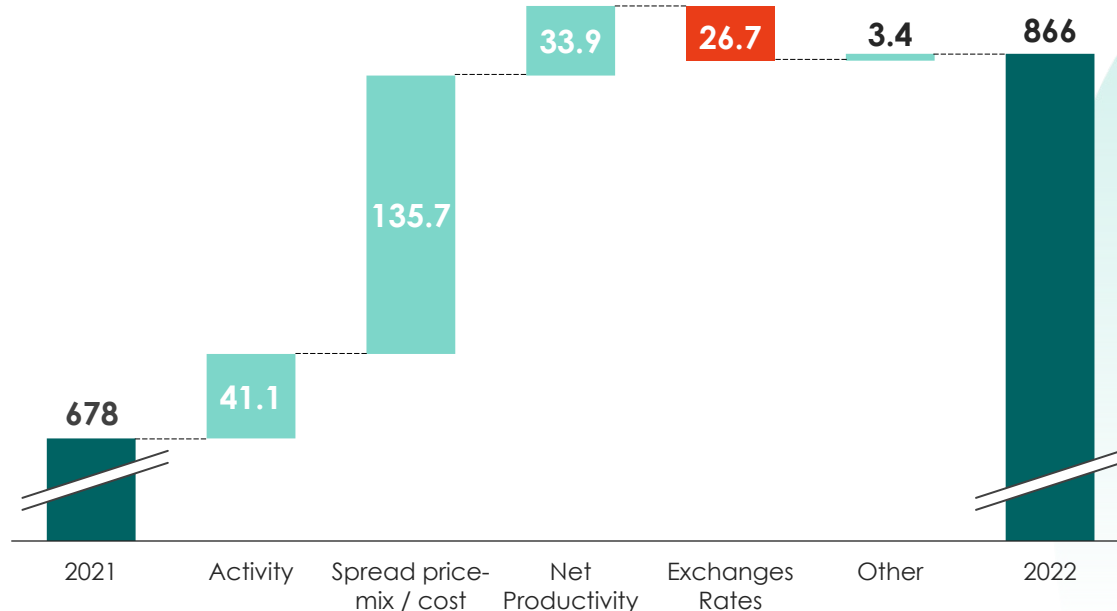


- Sales volumes increased thanks to brisk growth in the beer, spirits and sparkling wines segments
- Significant increase in selling prices, especially in Argentina to cope with local hyperinflation
- Successful launch of a new furnace in Jacutinga
- -22.5% negative exchange rates impact due to Argentinian peso

OUTSTANDING GROWTH SUPPORTED BY STRONG FUNDAMENTALS AND A DYNAMIC UNDERLYING MARKET

2022 Consolidated Adjusted EBITDA Variance Analysis

ADJUSTED EBITDA (IN €M AND % OF SALES)



Adjusted EBITDA margin

FY 2022

25.8%

FY 2021

25.4%

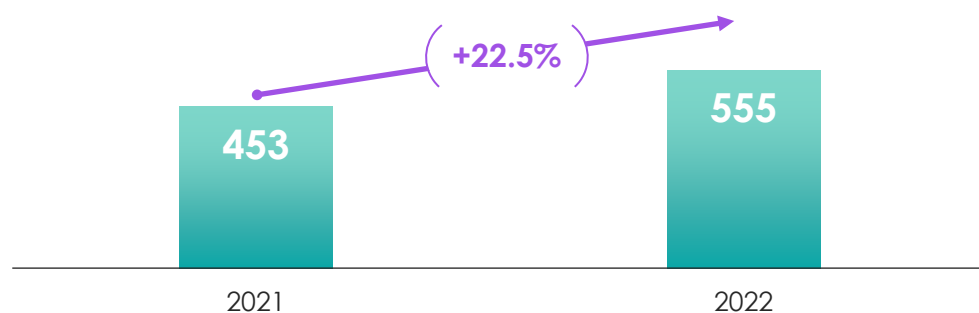
+47bps

- Activity / Operating leverage
 - > Flat volume throughout the year
 - > Positive impact of stock variation and valuation
- Positive price-mix / cost spread
 - > Progressive improvement in the inflation spread, positive in all geographies
 - > Q4 22 positive spread after a negative spread in Q4 21
 - > Positive mix contribution
- Net PAP
 - > Solid performance at 2.1% cash production cost reduction
- Adverse FX effect
- Positive region mix driven by LatAm performance

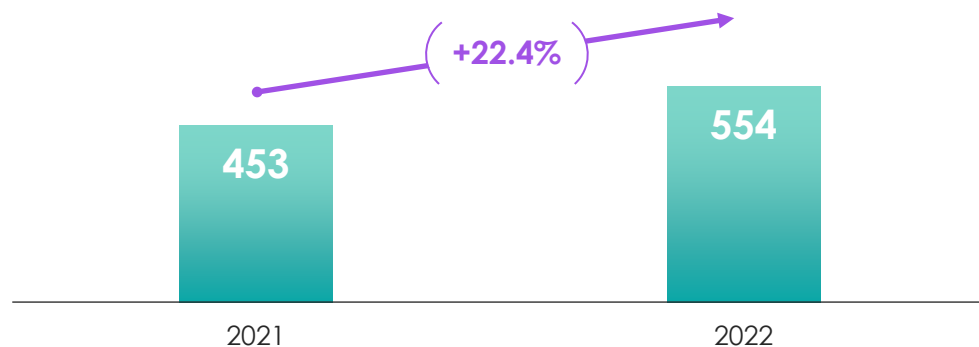
INCREASE IN ADJUSTED EBITDA AND MARGIN DESPITE UNPRECEDENTED COST INFLATION IN EUROPE

2022 SWE Adjusted EBITDA Evolution

ADJUSTED EBITDA (IN €M)



ADJUSTED EBITDA AT CONSTANT EXCHANGE RATES (IN €M)



Adjusted EBITDA margin

FY 2022

24.8%

FY 2021

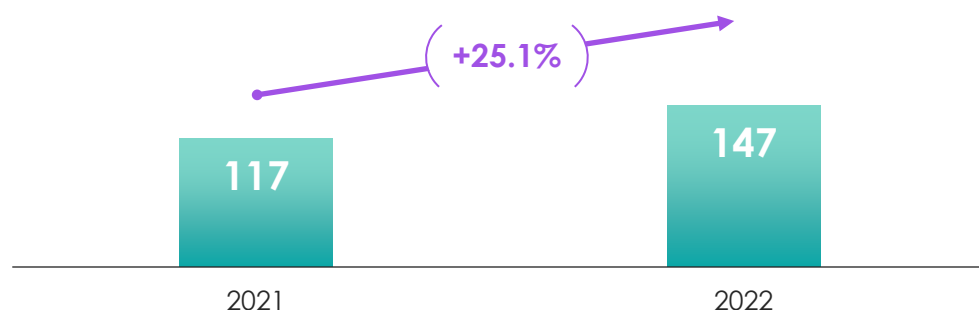
24.7%

+8bps

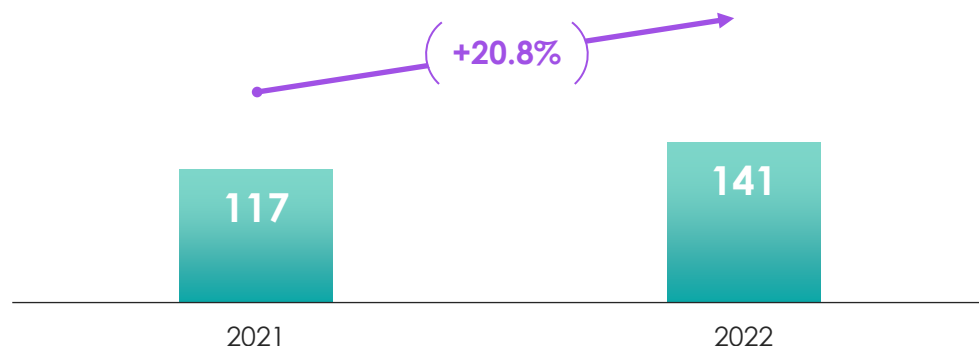
- Positive inflation spread compensating the sharp rise in costs
- Positive product mix
- Good industrial performance

2022 NEE Adjusted EBITDA Evolution

ADJUSTED EBITDA (IN €M)



ADJUSTED EBITDA AT CONSTANT EXCHANGE RATES (IN €M)



Adjusted EBITDA margin

FY 2022

21.1%

FY 2021

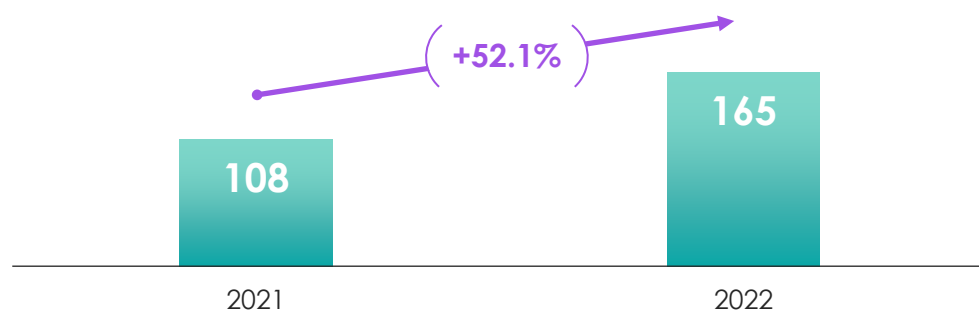
21.8%

-71bps

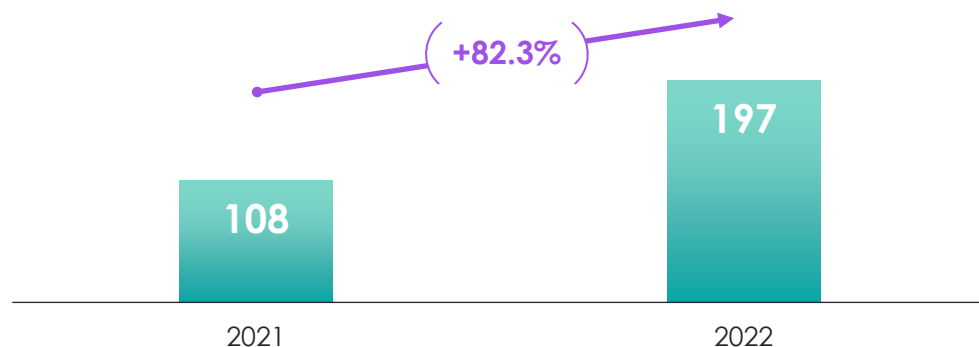
- Positive inflation spread on sales due to the sharp rise in costs
- Industrial performance in line with the cost reduction objective
- Positive EBITDA in Ukraine thanks to quality of local teams and despite steep drop in volumes
- First time UK included in the perimeter with marginal impact in 2022
- Privatization of subsidiary Verallia Deutschland AG finalized in December

2022 LATAM Adjusted EBITDA Evolution

ADJUSTED EBITDA (IN €M)



ADJUSTED EBITDA AT CONSTANT EXCHANGE RATES (IN €M)



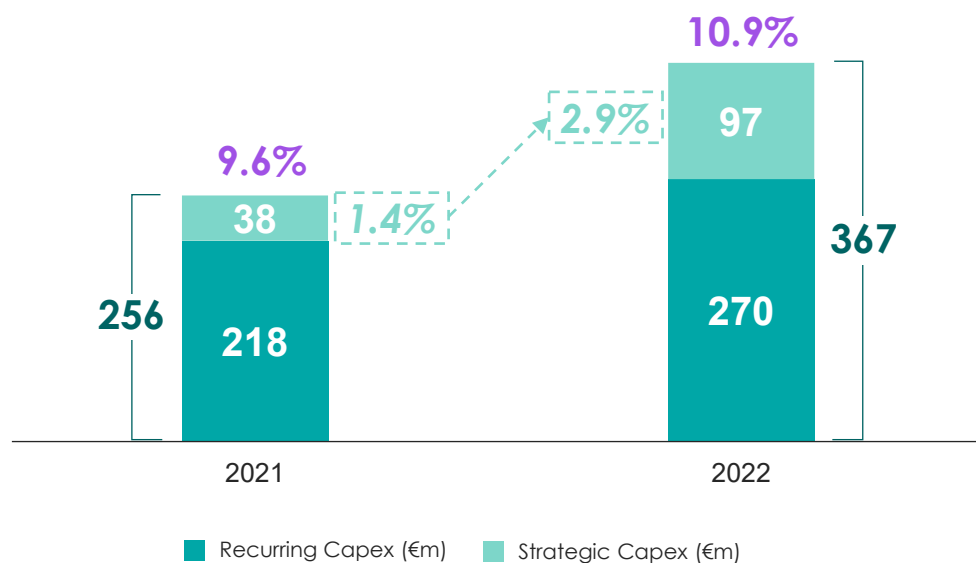
	FY 2022	FY 2021
Adjusted EBITDA margin	39.2%	35.6%

+365bps

- Operating leverage linked to sales volume growth
- Positive inflation spread throughout the year
- Excellent industrial performance (PAP)

2022 Capex Evolution

TOTAL BOOKED CAPEX AS % OF SALES - In € million



- 2022 total booked capex in line with ~10% of sales objective
- Recurring capex maintained at 8% of sales
- Strategic capex up from **1.4% to 2.9%** of sales, comprising:
 - > Building of the new Jacutinga furnace in Brazil
 - > First investments linked to the construction of 2 new furnaces in 2024: Campo Bom (Brazil) and Pescia (Italy)
 - > CO₂ emissions reduction capex for €22.8 million

➤ SMART CAPEX POLICY SUPPORTING PROFITABLE ORGANIC GROWTH AMBITION AND ESG ROADMAP IMPLEMENTATION

2022 Group Cash-flow Generation

In € million	FY 2022	FY 2021
Adjusted EBITDA	865.5	678.1
Total Capex	367.0	256.3
Cash Conversion	57.6%	62.2%
Change in operating working capital	39.4	80.5
of which Capex WCR	75.2	(10.7)
Operating Cash-Flow	537.9	502.3
Other operating impact	(14.6)	(39.8)
Interest paid & other financing costs	(53.6)	(41.8)
Cash Tax	(105.9)	(91.4)
Free Cash-Flow	363.8	329.3

- Growth in **adjusted EBITDA**
- Increase of **Total Capex** mainly due to strategic investments and more furnace repairs
- Increase in **operating working capital** requirement
 - > CAPEX payables at high level
 - > Partially compensated by increase of stock valorization
- **Other operating impact:** IFRS 16 and adjustments to EBITDA with a cash effect (o/w Allied acquisition costs). Was impacted in 2021 by higher CO₂ cash-out (end of Phase III)
- **Interest paid and other financial costs** cash out higher in 2022 mostly due to hyperinflation in Argentina and FX

STRONG FREE CASH-FLOW GENERATION

Source: Company.

Notes: Cash conversion = (Adjusted EBITDA-Capex) / Adjusted EBITDA. Free Cash-Flow defined as the Operating Cash Flow - Other operating impact - Interest paid & other financing costs - Cash Tax.

2022 Group Net Debt Evolution and Leverage

In € million	31/12/2022	31/12/2021
Net Debt	1,405.9	1,268.4
LTM Adjusted EBITDA	865.5	678.1
Net Debt / LTM Adjusted EBITDA	1.6x	1.9x

- €123m of dividend payment in 2022
- Allied Glass acquisition for £315m (EV)⁽¹⁾
- Net debt at €1,406m including rights-of-use for €53.5m
- Investment grade trajectory



DELEVERAGING AND LEVERAGE KEPT < 2X AFTER DIVIDEND AND ALLIED GLASS PAYMENTS

(1) Enterprise value.

2022 Financial Structure and Liquidity

In € million	Nominal amount or max. Amount drawable	Maturity	Nominal rate	31 dec. 2022
Sustainability-Linked Bond – May 2021 ⁽¹⁾	500.0	May 2028	1.625%	502.7
Sustainability-Linked Bond – November 2021 ⁽¹⁾	500.0	November 2031	1.875%	493.7
Term Loan A (TLA) ⁽¹⁾	500.0	October 2024	Euribor+1.25%	500.6
Revolving Credit Facility (RCF1)	500.0	October 2024	Euribor+0.85%	-
Neu CP ⁽¹⁾	400.0			150.3
Other debt ⁽²⁾				89.4
Total borrowings				1,736.6
Cash				(330.8)
Net Debt				1,405.9

- A significant part of the Group's floating rate exposure is hedged through interest rate CAPs (i.e. 92% of total long-term debt is fixed either by being at fixed rate or by being hedged)
- Cost of financing below 2% all included (pre-tax)
- Total available liquidity⁽³⁾ reaches **€680m** as of Dec. 31, 2022

(1) Including accrued interest. (2) o/w IFRS16 leasing (€53.5m), local debts (€41.9m), factoring recourse and double cash (€18.4m). (3) Calculated as the Cash + Undrawn Revolving Credit Facilities – Outstanding Commercial Papers.

2023 GUIDANCE

Patrice LUCAS
CEO



04

2023 Guidance





Q&A

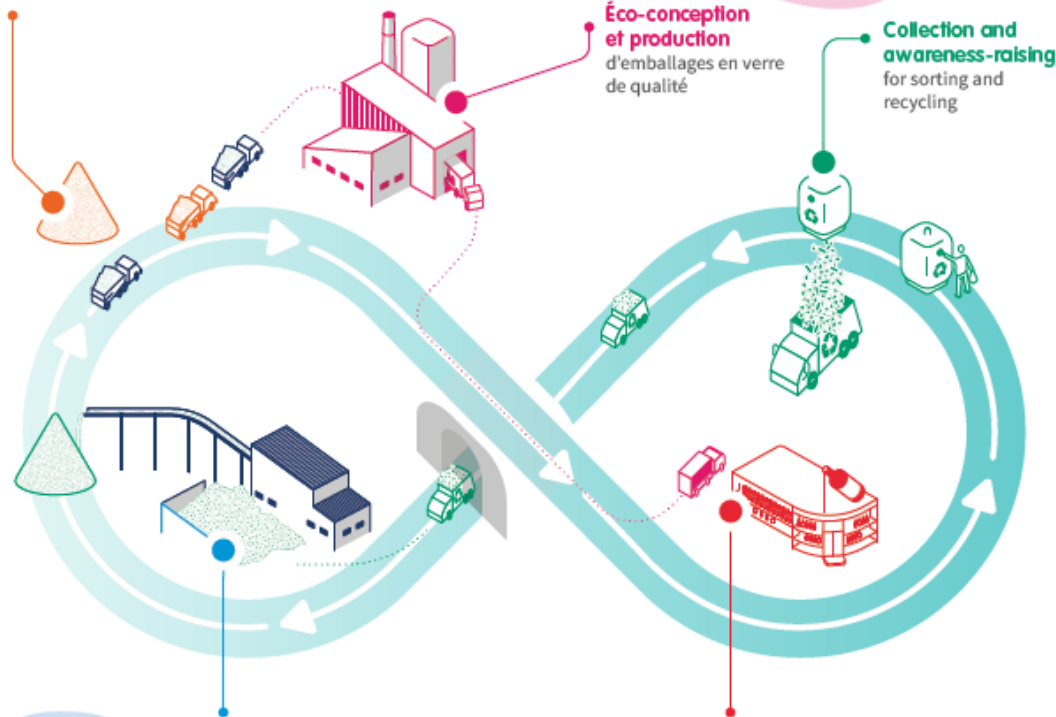
APPENDICES

Circularity is core to our model

Our 2022 sustainable business model:

at the heart of the circular economy

Extraction and transformation
of raw materials
(sand, limestone,
soda ash)



55.7%
external cullet
used in our
production

Transformation of collected glass into cullet
through the recovery
of domestic glass in Verallia
or partner processing plants

Packaging and marketing

Verallia adds value to
customers' products and contributes to
the well-being
of the end consumers

SAVINGS*

+10pts

of cullet



-5%



of CO₂ emissions

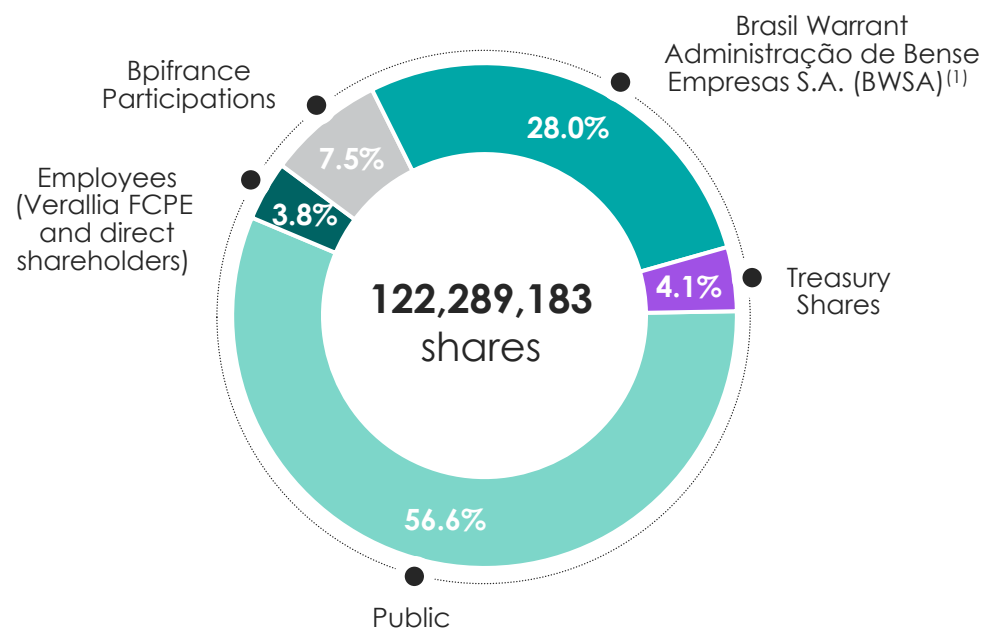
-2.5%



of energy consumption

Capital Structure and Share Buy Back Program

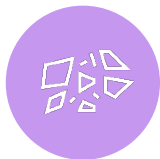
SHAREHOLDING STRUCTURE AS OF 31 DECEMBER 2022



SHARE BUYBACK

- As part of its capital allocation strategy and following the finalization of the acquisition of Allied Glass, Verallia has decided to launch a share buyback program
- Share buyback mandate: maximum amount of **€50m**
- Period running from **7 December 2022 to November 2023**
- Verallia intends to **cancel all the shares bought back**

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**



CO₂

- Disciplined carbon emission quotas hedging policy in Western Europe
 - > Hedging horizon: next 3 years
 - > 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 & INTEREST RATE

- 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)
- 80% of total Group's long-term debt is fixed either by being at fixed rate or by being hedged

Reconciliation of operating profit to adjusted EBITDA

In €m	2022	2021
Operating profit	558.3	393.1
Depreciation and amortisation (i)	295.9	281.1
Restructuring costs	(0.8)	(2.7)
IAS 29 Hyperinflation (Argentina) (ii)	4.3	(4.8)
Management share ownership plan and associated costs	6.2	10.1
Company acquisition costs and earn-outs	5.1	0.0
Other	(3.5)	1.3
Adjusted EBITDA	865.5	678.1

(i) Includes depreciation and amortisation of intangible assets and property, plant and equipment, amortisation of intangible assets acquired through business combinations and impairment of property, plant and equipment. (ii) The Group has applied IAS 29 (Hyperinflation) since 2018.

Glossary

- Activity category: corresponds to the sum of the volumes variations plus or minus changes in inventories variation.
- Organic growth: corresponds to revenue growth at constant exchange rates and scope. Revenue growth at constant exchange rates is calculated by applying the average exchange rates of the comparative period to revenue for the current period of each Group entity, expressed in its reporting currency.
- Adjusted EBITDA: This is a non-IFRS financial measure. It is an indicator for monitoring the underlying performance of businesses adjusted for certain expenses and/or non-recurring items liable to distort the company's performance. The Adjusted EBITDA is calculated based on operating profit adjusted for depreciation, amortisation and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, management share ownership plans, subsidiary disposal-related effects and contingencies, plant closure costs and other items.
- Capex: Short for "capital expenditure", this represents purchases of property, plant and equipment and intangible assets necessary to maintain the value of an asset and/or adapt to market demand or to environmental and health and safety constraints, or to increase the Group's capacity. It excludes the purchase of securities.
- Recurring investments: Recurring Capex represent acquisitions of property, plant and equipment and intangible assets necessary to maintain the value of an asset and/or adapt to market demands and to environmental, health and safety requirements. It mainly includes furnace renovation and maintenance of IS machines.
- Strategic investments: Strategic investments represent the acquisitions of strategic assets that significantly enhance the Group's capacity or its scope (for example, the acquisition of plants or similar facilities, greenfield or brownfield investments), including the building of additional new furnaces. Since 2021, they have also included investments related to the implementation of the plan to reduce CO₂ emissions.
- Cash conversion: refers to the ratio between cash flow and adjusted EBITDA. Cash flow refers to adjusted EBITDA less Capex.
- Free Cash-Flow: defined as the Operating Cash Flow - Other operating impact - Interest paid & other financing costs - Cash Tax.
- The segment Southern and Western Europe comprises production plants located in France, Spain, Portugal and Italy. It is also denominated as "SWE".
- The segment Northern and Eastern Europe comprises production plants located in Germany, UK, Russia, Ukraine and Poland. It is also denominated as "NEE".
- The segment Latin America comprises production plants located in Brazil, Argentina and Chile.
- Liquidity: calculated as the Cash + Undrawn Revolving Credit Facilities – Outstanding Commercial Papers.
- Amortisation of intangible assets acquired through business combinations: Corresponds to the amortisation of customer relations recorded during the acquisition of the Saint-Gobain packaging business in 2015 (initial gross value of €740 million over a useful life of 12 years).

Disclaimer

Certain information included in this presentation are not historical facts but are forward-looking statements. These forward-looking statements are based on current beliefs, expectations and assumptions, including, without limitation, assumptions regarding Verallia's present and future business strategies and the economic environment in which Verallia operates. They involve known and unknown risks, uncertainties and other factors, which may cause actual performance and results to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include those discussed and identified in Chapter 4 "Risk Factors" in the Universal Registration Document approved by the AMF and available on the Company's website (www.verallia.com) and the AMF's website (www.amf-france.org). These forward-looking information and statements are no guarantee of future performance.

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



Thank you

