Press release
Paris, 25 July 2023

2023 first half results: excellent half-year enabling the annual EBITDA target to be raised

HIGHLIGHTS

- **30.7% increase in revenue to €2,143 million** (+28.6% at constant exchange rates and scope[1]) compared with H1 2022
- **Strong growth in adjusted EBITDA to €659 million** in H1 2023, compared with €425 million in H1 2022 (+54.9%)
- **Significant improvement in adjusted EBITDA margin to 30.8%** in H1 2023 from 26.0% in H1 2022 (+480 bp vs H1 2022)
- **Net income[2] attributable to shareholders of €311 million,** compared with €174 million in H1 2022 (+78.8% vs H1 2022), and earnings per share[2] of €2.65
- **The net debt ratio eased to 1.3x** adjusted EBITDA for the last 12 months, compared with 1.3x at the end of March 2023 and 1.5x at the end of June 2022

"Our first-half results are excellent and demonstrate our ability to continue to sustainably improve our profitability and EBITDA, regardless of the economic environment. This remarkable performance stems from the agility and entrepreneurial spirit of our teams, our ability to generate a positive price-mix / cost spread in any circumstances and our operational excellence programme geared towards reducing expenses. These strengths are part of the Group's business model and will continue to spur the regular improvement in Verallia's results. On the strength of another quarter of improvement, we are raising our adjusted EBITDA guidance for 2023. We are also continuing to implement our decarbonisation action plan through innovative and pioneering projects such as the electric and hybrid furnaces currently under construction." said Patrice Lucas, CEO of Verallia.

[1] Excluding Argentina, revenue growth at constant exchange rates and scope was 25.7% in H1 2023 compared with H1 2022.
[2] Net income for H1 2023 includes an amortisation expense for customer relationships, recognised upon the acquisition of Saint-Gobain's packaging business in 2015, in the amounts of €22 million and €0.19 per share (net of taxes). This expense will remain in place until 2027. If it had not been taken into account, net income attributable to shareholders would have been €333 million and €2.84 per share. It was €23 million and €0.20 per share in H1 2022.

REVENUE

Revenue breakdown by region

In € million	H1 2023	H1 2022	% Change	Of which organic growth
Southern and Western Europe	1,404.8	1,136.3	+23.6%	+24.5% [3]
Northern and Eastern Europe	514.6	307.8	+67.2%	+34.4%
Latin America	223.3	194.8	+14.6%	+42.9% *(+15.1% excl. Argentina)*
Group total	**2,142.7**	**1,638.9**	**+30.7%**	**+28.6%** ***(+25.7% excl. Argentina)***

Revenue for the first half of 2023 totalled €2,143 million, a significant increase of 30.7% on a reported basis compared with the same period last year.

Exchange rates had a negative impact of 4.8% over the half-year (-€79 million). This largely reflected the depreciation of the Argentinian peso and, to a lesser extent, the Ukrainian hryvnia.

Change in scope, linked to the acquisition of Allied Glass in November 2022 (renamed Verallia UK in January 2023), had a positive impact of **€114 million (+7.0%).** The spirits segment grew strongly, driven by a good performance from Verallia UK.

At constant exchange rates and scope, revenue increased by 28.6% (+25.7% excluding Argentina).

Group sales volumes declined slightly in the first half, mainly as a result of weak beer sales in Europe since the start of the year, as well as a decrease in still wine sales. This trend may be partly attributable to inventory destocking in the value chain. Sales of sparkling wines and soft drinks are holding up well.

The production cost inflation was lower than initially expected in the first half of 2023. As a result, Verallia was able to make moderate and selective price reductions in Europe in the second quarter, after having increased its selling prices at the beginning of 2023. Lastly, the product mix was positive over the half-year.

Revenue breakdown by region:

- Southern and Western Europe saw revenue grow by 23.6% on a reported basis and by 24.5% at constant exchange rates and scope. Volumes were down slightly over the half-year, mainly in beer and still wine. It should be noted that the decrease in volumes observed in the second quarter slowed down compared to the first quarter.
- In Northern and Eastern Europe, revenue grew by 67.2% on a reported basis and by 34.4% at constant exchange rates and scope. Exchange rates had a negative impact of 4.3% due to the depreciation of the Ukrainian hryvnia. Change in scope linked to the acquisition of the UK business in November 2022 increased revenue by 37.1% or €114 million. Sales volumes were down over the half-year, affected by the weakness of the beer market in Germany and, to a lesser extent, of still wine.

[3] Perimeter effect linked to the internal reorganisation of a commercial activity.

As announced in April, the remarkable commitment of the local teams has allowed the second furnace at the Ukraine plant to be restarted.

- In Latin America, revenue showed a strong reported increase of 14.6% and remarkable organic growth of +42.9%. Sales volumes rose slightly over the half-year. Argentina continues to be affected by political uncertainty and economic instability. Volumes were down sharply in Chile, a market still penalised by high inventories held by distributors and customers, and a fall in the exports of local customers. Brazil continues to perform well. The plan to build a new furnace at Campo Bom in Southern Brazil is proceeding to plan, with commissioning scheduled for the first half of 2024.

ADJUSTED EBITDA

Breakdown of adjusted EBITDA by region

In € million	H1 2023	H1 2022
Southern and Western Europe		
Adjusted EBITDA	436.5	286.1
Adjusted EBITDA margin	31.1%	25.2%
Northern and Eastern Europe		
Adjusted EBITDA	141.5	59.9
Adjusted EBITDA margin	27.5%	19.5%
Latin America		
Adjusted EBITDA	81.0	79.4
Adjusted EBITDA margin	36.3%	40.8%
Group total		
Adjusted EBITDA[4]	**659.0**	**425.4**
Adjusted EBITDA margin	**30.8%**	**26.0%**

Adjusted EBITDA increased strongly by 54.9% in H1 2023 (and by 57.2% at constant exchange rates and scope) to €659 million. Exchange rates had an adverse impact of €32 million over the half-year, mainly attributable to the depreciation of the Argentinian peso and Ukrainian hryvnia.

In addition, inventory rebuild over the half-year positively contributed to the Activity pillar.

This performance was made possible by a net reduction of €27 million in cash production costs (Performance Action Plan) over the half-year (i.e. 2.0% of cash production costs). The success of this approach is once again making a major contribution to improving the Group's profitability.

In addition, the price-mix / cost spread[5] remained positive across the Group, amounting to €231 million over the half-year.

The Group also managed to significantly improve its adjusted EBITDA margin, which rose to 30.8% from 26.0% in H1 2022.

Adjusted EBITDA breakdown by region:

- Southern and Western Europe posted adjusted EBITDA of €437 million (vs €286 million in H1 2022) and a margin of 31.1% (vs 25.2%). A particularly well oriented product mix in Italy and a positive inflation spread contributed to the increase in adjusted EBITDA. The Performance Action Plan (PAP) also generated cost savings in line with targets.

[4] 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.

[5] Spread corresponds to the difference between (i) the increase in selling prices and the mix applied by the Group after passing any increase in production costs onto these selling prices and (ii) the increase in production costs. The spread is positive when the increase in sales prices applied by the Group is greater than the increase in its production costs. The increase in production costs is recorded by the Group at constant production volumes, before production gap and taking into consideration the impact of the Performance Action Plan (PAP).

- In Northern and Eastern Europe, adjusted EBITDA came to €142 million (vs €60 million in H1 2022), lifting the margin to 27.5% from 19.5%. The increase in EBITDA was attributable to the generation of a positive inflation spread and an industrial performance more than in line with the cost reduction objective.
- In Latin America, adjusted EBITDA grew only slightly to €81 million (vs €79 million in H1 2022) due to negative exchange rate impacts. The margin was 36.3%, compared with 40.8%. Lower volumes in Chile weighed on fixed cost absorption and industrial performance.

The increase in net income attributable to shareholders to €311 million (€2.65 per share) was mainly attributable to the improvement in adjusted EBITDA, which more than offset the increase in financial expense and income tax. First-half net income includes, as it does every year until 2027, an amortisation expense for customer relationships, recognised upon the acquisition of Saint-Gobain's packaging business in 2015, in the amounts of €22 million and €0.19 per share (net of taxes). This expense will remain in place until 2027. **If it had not been taken into account, net income attributable to shareholders would have been €333 million and €2.84 per share. It was €23 million and €0.20 per share in H1 2022**.

Capital expenditure amounted to €150 million (i.e. 7.0% of total revenue), compared with €96 million in H1 2022. This increase reflects the planned rollout of the Group's investment plan, with more balanced timing this year than last. These investments comprise €93 million in recurring investments (compared with €69 million in H1 2022) and €57 million in strategic investments (vs €27 million in H1 2022).

Cash flow from operations[6] rose to €316 million in line with the H1 2022 figure of €314 million as the increase in adjusted EBITDA was offset by higher capital expenditure and an increase in inventory levels.

Free cash-flow[7] totalled €248 million, up from €226 million in H1 2022.

SOUND FINANCIAL POSITION LEADING TO AN INVESTMENT GRADE RATING FROM THE TWO RATING AGENCIES

At the end of June 2023, Verallia's net debt stood at €1,401 million, bringing its debt ratio to 1.3x adjusted EBITDA for the last 12 months, compared with 1.3x at the end of March 2023 and 1.5x at the end of June 2022.

The Group had **liquidity[8] of €837 million** at 30 June 2023.

On 5 May 2023, Verallia announced that Standard & Poor's had upgraded the Group's long-term credit rating to BBB- with a positive outlook. The credit ratings of the two Sustainability Linked bonds of €500 million each, issued in May and November 2021 respectively, were also upgraded from BB+ to BBB-.

The previous month, Moody's had also upgraded the Group's long-term credit rating to Baa3 with a stable outlook.

These upgrades reflect full recognition of the Group's financial strength and the robustness of its profitable growth model.

[6] Operating cash flow represents adjusted EBITDA less capex, plus changes in operating working capital requirements including changes in payables to fixed asset suppliers.
[7] Defined as the Operating cash flow – Other operating impact – Interest paid & other financing costs – Taxes paid.
[8] Calculated as the Cash + Undrawn Revolving Credit Facilities – Outstanding Commercial Paper.

Verallia is now rated Baa3 by Moody's with a stable outlook and BBB- by Standard & Poor's with a positive outlook.

RESULTS OF VOTES AT THE 25 APRIL 2023 GENERAL MEETING

With holders of 84.29% of Verallia's share capital present or represented, the Annual General Meeting of 25 April 2023 approved all resolutions put to the vote.

Shareholders approved the parent company and consolidated financial statements for the year ended 31 December 2022, as well as the payment of a cash dividend of €1.40 per share, paid in full on Wednesday 10 May 2023.

The General Meeting also approved the renewal of the terms of office of Brasil Warrant Administração De Bens e Empresas S.A (BWSA), BW Gestão de Investimentos Ltda (BWGI) and Bpifrance Investissement, and Marie-José Donsion, Michel Giannuzzi, Virginie Hélias, Cécile Tandeau de Marsac and Pierre Vareille as directors.

Following the renewal of his term of office, Michel Giannuzzi remains Chairman of the Board of Directors for a term equivalent to that of his directorship, i.e. for a period of four years expiring at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2026, to be held in 2027.

FURTHER SUCCESS FOR THE EIGHTH EMPLOYEE SHAREHOLDING OFFER IN 2023

Proof of the success of its strategy and its resolute CSR ambitions, Verallia has completed an outstanding eighth edition of its employee shareholding offer. At the close of trading on 22 June 2023, more than 3,600 employees (i.e. 41% of eligible employees across 9 countries) had invested in the Group, benefiting from an attractive unit subscription price of €30.45.[9] The total amount invested by the Group's employees (including the company's matching contribution) accordingly amounts to more than €18.6 million.

At closing, 611,445 new ordinary shares, representing 0.5% of the share capital and voting rights, were issued by the Company. As in previous years, in order to offset the dilutive effect of this transaction, Verallia at the same time completed a capital reduction via the cancellation of 611,445 treasury shares acquired under the share buyback programme.[10]

In just eight years, these transactions have already enabled more than 48% of Group employees to become Verallia shareholders, as well as 88% of French employees, directly and through the Verallia FCPE (employee investment fund). Employees now hold 4.2%[11] of Verallia's capital.

[9] This represents a discount of 20% compared to the average Verallia share price on the regulated market of Euronext Paris over the 20 trading days preceding 29 April 2023.

[10] A capital increase in a nominal value of €2,066,684.10, with an issue premium of €16,551,816.15. The 611,445 new ordinary shares immediately qualify for dividends, have the same rights and obligations as shares outstanding, and have equal rights to any dividends distributed, with no restrictions or conditions. Capital reduction via the cancellation of 611,445 treasury shares acquired under the share buyback programme of 6 December 2022. The Company's share capital remains unchanged, with the number of shares issued corresponding to the number of shares cancelled. It amounts to €413,337,438.54 and is composed of 122,289,183 ordinary shares with a nominal value of €3.38 each.

[11] After the 2023 employee share offering and the capital increase and reduction.

2023 OUTLOOK

We remain confident in our various markets, which benefit from solid fundamentals for the coming semesters and over the long term.

The very good results for the first half of 2023 illustrate more than ever the strength and validity of Verallia's profitable growth model, based on regular organic growth, a positive inflation spread and a 2% annual reduction in cash production costs (PAP).

In line with its excellent first-half performance, the Group accordingly expects to achieve an adjusted EBITDA of between €1.100 billion and €1.250 billion over the full year.

Verallia also confirms its revenue growth target of more than 20% in 2023.

Lastly, the Group is continuing to deploy its decarbonisation technologies, in particular with the construction of electric and hybrid furnaces, which are essential in the implementation of its CSR roadmap.

The Verallia Group's consolidated financial statements for the six months to 30 June 2023 were approved by the Board of Directors on 25 July 2023 and will be available on www.verallia.com.

An analysts' conference call will be held on Wednesday, 26 July 2023 at **9.00 am** (CET) via an audio webcast service (live and replay) and the results presentation will be available on www.verallia.com.

FINANCIAL CALENDAR

- 28 September 2023: start of the quiet period.
- 19 October 2023: financial results for Q3 2023 – Press release after market close and conference call/presentation the next day at 9.00 am CET.

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 beneficial and sustainable new solutions for all.

With more than 10,000 employees and 34 glass production facilities in 12 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 worldwide.

In 2022, Verallia produced close to 17 billion glass bottles and jars and posted revenue of €3.4 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: CAC SBT 1.5°, STOXX600, SBF 120, CAC Mid 60, CAC Mid & Small and CAC All-Tradable.

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After more than four years in the Financial Communication and Investor Relations Department, Alexandra is leaving the Verallia Group at the end of this month. She will be replaced by David Placet (david.placet@verallia.com), who has been in charge of development and strategy since the end of 2018.

Disclaimer

Certain information included in this press release 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.

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APPENDICES – Key figures

In € million	H1 2023	H1 2022
Revenue	**2,142.7**	**1,638.9**
Reported growth	*+30.7%*	*+23.4%*
Organic growth	*+28.6%*	*+22.8%*
of which Southern and Western Europe	1,404.8	1,136.3
of which Northern and Eastern Europe	514.6	307.8
of which Latin America	223.3	194.8
Cost of sales	(1,499.7)	(1,235.0)
Commercial, general and administrative expenses	(118.9)	(97.5)
Acquisition-related items	(34.5)	(31.9)
Other operating income and expenses	0.7	2.9
Operating income	**490.3**	**277.4**
Financial income and expense	**(55.7)**	(30.2)
Profit (loss) before tax	**434.6**	**247.2**
Income tax	(118.0)	(68.9)
Share of net profit (loss) of associates	0.6	0.5
Net income attributable to the shareholders of the company[12]	**310.8**	**173.8**
Earnings per share	**€2.65**	**€1.49**
Adjusted EBITDA[13]	**659.0**	**425.4**
Group margin	**30.8%**	**26.0%**
of which Southern and Western Europe	436.5	286.1
Southern and Western Europe margin	31.1%	25.2%
of which Northern and Eastern Europe	141.5	59.9
Northern and Eastern Europe margin	27.5%	19.5%
of which Latin America	81.0	79.4
Latin America margin	36.3%	40.8%
Net debt at end of period	**1,401.4**	**1,146.6**
Last 12 months adjusted EBITDA	**1,099.1**	**758.8**
Net debt/last 12 months adjusted EBITDA	*1.3x*	*1.5x*
Total Capex[14]	**150.1**	**96.3**
Cash conversion[15]	77.2%	77.4%
Change in operating working capital	(192.6)	(15.4)
Operating cash flow[16]	**316.3**	**313.7**
Free cash flow[17]	**247.8**	**226.4**
Strategic investments[18]	**56.7**	**27.3**
Recurring investments[19]	**93.4**	**69.0**

[12] Net income for H1 2023 includes an amortisation expense for customer relationships, recognised upon the acquisition of Saint-Gobain's packaging business in 2015, in the amounts of €22 million and €0.19 per share (net of taxes). This expense will remain in place until 2027. If it had not been taken into account, net income attributable to shareholders would have been €333 million and €2.84 per share. It was €23 million and €0.20 per share in H1 2022.
[13] 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.
[14] Capex (capital expenditure) 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.
[15] Cash conversion is defined as adjusted EBITDA less capex, divided by adjusted EBITDA.
[16] Operating cash flow represents adjusted EBITDA less capex, plus changes in operating working capital requirements including changes in payables to fixed asset suppliers.
[17] Defined as the Operating cash flow – Other operating impact – Interest paid & other financing costs – Taxes paid.
[18] 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 CO_2 emissions.
[19] Recurring investments 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.

Change in revenue by type in € million during H1 2023

In € million	
H1 2022 revenue	**1,638.9**
Volumes	*(76.2)*
Price/Mix	*+544.3*
Exchange rates	*(78.6)*
Scope	*+114.3*
H1 2023 revenue	**2,142.7**

Change in adjusted EBITDA by type in € million during H1 2023

In € million	
H1 2022 adjusted EBITDA[20]	**425.4**
Activity contribution	*(13.9)*
Price-mix/Cost spread	*+231.1*
Net productivity	*+26.7*
Exchange rates	*(31.7)*
Other	*+21.4*
H1 2023 adjusted EBITDA	**659.0**

[20] 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.

Key figures by quarter

In € million	**Q1 2023**	**Q1 2022**
Revenue	**1,051.6**	**749.9**
Reported growth	+40.2%	
Organic growth	+34.7%	
Adjusted EBITDA[21]	**307.4**	**182.7**
Group margin	**29.2%**	**24.4%**

In € million	**Q2 2023**	**Q2 2022**
Revenue	**1,091.1**	**889.0**
Reported growth	+22.7%	
Organic growth	+23.4%	
Adjusted EBITDA	**351.6**	**242.7**
Group margin	**32.2%**	**27.3%**

Reconciliation of operating profit (loss) to adjusted EBITDA

In € million	**H1 2023**	**H1 2022**
Operating income	**490.3**	**277.4**
Depreciation and amortisation[22]	162.9	142.3
Restructuring costs	2.0	0.5
IAS 29, Hyperinflation (Argentina)[23]	(1.0)	(0.3)
Management share ownership plan and associated costs	4.6	4.5
Company acquisition costs and earn-outs	0.2	0.0
Other	-	1.0
Adjusted EBITDA	**659.0**	**425.4**

Adjusted EBITDA and cash conversion are alternative performance measures according to AMF Position n°2015-12.

Adjusted EBITDA and cash conversion are not standardised accounting measures meeting a single definition generally accepted by IFRS. They must not be considered as a substitute for operating income and cash flows from operating activities, which are measures defined by IFRS, or as a measure of liquidity. Other issuers may calculate adjusted EBITDA and cash conversion differently from the definitions used by the Group.

[21] 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.
[22] 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.
[23] The Group has applied IAS 29 (Hyperinflation) since 2018.

IAS 29: Hyperinflation (Argentina)

Since 2018, the Group has applied IAS 29 in Argentina. The adoption of this standard requires the restatement of non-monetary assets and liabilities and of the statement of income to reflect changes in purchasing power in the local currency. These restatements may lead to a gain or loss on the net monetary position included in the financial income and expense.

Financial items for the Argentinian subsidiary are converted into euro using the closing exchange rate for the relevant period.

In H1 2023, the net impact on revenue was (€1.8) million. The hyperinflation impact has been excluded from consolidated adjusted EBITDA as shown in the table "Reconciliation of operating profit (loss) to adjusted EBITDA".

Financial structure

In € million	Nominal amount or max. amount drawable	Nominal rate	Final maturity	30 June 2023
Sustainability-linked bonds May 2021[24]	500	1.625%	May 2028	498.8
Sustainability-linked bond November 2021[24]	500	1.875%	Nov. 2031	498.8
Term loan – TL[24]	550	Euribor +1.50%	Apr. 2027 + 1-year extension	549.0
Revolving credit facility RCF1	550	Euribor +1.00%	Apr. 2028 +1-year + 1-year extension	-
Negotiable commercial paper (Neu CP)[24]	400			175.3
Other liabilities[25]				142.8
Total borrowings				**1,864.8**
Cash and cash equivalents				463.4
Net debt				**1,401.4**

[24] Including accrued interest.
[25] Including IFRS 16 lease liabilities (€59.5 million), local debts (€15.5 million), Engie collateral (€41.5 million).

Consolidated statement of income

In € million	H1 2023	H1 2022
Revenue	**2,142.7**	**1,638.9**
Cost of sales	(1,499.7)	(1,235.0)
Commercial, general and administrative expenses	(118.9)	(97.5)
Acquisition-related items	(34.5)	(31.9)
Other operating income and expenses	0.7	2.9
Operating income	**490.3**	**277.4**
Financial income and expense	**(55.7)**	**(30.2)**
Profit (loss) before tax	**434.6**	**247.2**
Income tax	(118.0)	(68.9)
Share of net profit (loss) of associates	0.6	0.5
Net income	**317.3**	**178.8**
Attributable to shareholders of the Company [26]	310.8	173.8
Attributable to non-controlling interests	6.5	5.0
Basic earnings per share (in €)	**2.65**	**1.49**
Diluted earnings per share (in €)	**2.65**	**1.49**

[26] Net income for H1 2023 includes an amortisation expense for customer relationships, recognised upon the acquisition of Saint-Gobain's packaging business in 2015, in the amounts of €22 million and €0.19 per share (net of taxes). This expense will remain in place until 2027. If it had not been taken into account, net income attributable to shareholders would have been €333 million and €2.84 per share. It was €23 million and €0.20 per share in H1 2022.

Consolidated balance sheet

In € million	**30 June 2023**	**31 Dec. 2022[27]**
ASSETS		
Goodwill	672.1	664.6
Other intangible assets	453.4	482.4
Property, plant and equipment	1,667.0	1,609.0
Investments in associates	6.7	5.9
Deferred tax	22.0	27.5
Other non-current assets	65.9	186.3
Non-current assets	**2,887.1**	**2,975.7**
Current portion of non-current and financial assets	1.4	1.3
Inventories	647.4	536.8
Trade receivables	279.2	250.4
Current tax receivables	3.4	5.4
Other current assets	184.5	392.3
Cash and cash equivalents	463.4	330.8
Current assets	**1,579.3**	**1,517.0**
Total assets	**4,466.4**	**4,492.7**

LIABILITIES		
Share capital	413.3	413.3
Consolidated reserves	475.5	590.1
Equity attributable to shareholders	**888.8**	**1,003.4**
Non-controlling interests	68.4	64.0
Equity	**957.2**	**1,067.4**
Non-current financial liabilities and derivatives	1,617.9	1,562.2
Provisions for pensions and other employee benefits	86.2	87.4
Deferred tax	174.2	276.8
Provisions and other non-current financial liabilities	48.2	23.2
Non-current liabilities	**1,926.5**	**1,949.6**
Current financial liabilities and derivatives	272.1	200.9
Current portion of provisions and other non-current financial liabilities	58.7	54.3
Trade payables	674.2	740.6
Current tax liabilities	86.3	44.3
Other current liabilities	491.4	435.6
Current liabilities	**1,582.7**	**1,475.7**
Total Equity and Liabilities	**4,466.4**	**4,492.7**

[27] In accordance with IFRS 3R, the balance sheet published as of December 31, 2022 has been restated for the value adjustments of the assets acquired and liabilities assumed from the Allied group acquired in 2022 that occurred during the acquisition price allocation period.

Consolidated cash flow statement

In € million	H1 2023	H1 2022
Net income	**317.3**	**178.8**
Depreciation, amortisation and impairment of assets	162.9	142.3
Interest expense on financial liabilities	23.8	14.3
Change in inventories	(117.7)	(17.0)
Change in trade receivables, trade payables & other receivables & payables	4.1	24.0
Current tax expense	125.6	64.1
Taxes paid	(57.5)	(44.8)
Changes in deferred taxes and provisions	15.3	(1.0)
Other	28.1	12.7
Net cash flows from operating activities	**501.9**	**373.4**
Acquisition of property, plant and equipment and intangible assets	(150.1)	(96.3)
Increase (decrease) in debt on fixed assets	(77.6)	(29.8)
Acquisitions of subsidiaries, takeovers, net of cash acquired	(8.0)	(2.0)
Other	3.1	0.7
Net cash flows from (used in) investing activities	**(232.6)**	**(127.4)**
Capital increase (reduction)	18.6	13.0
Dividends paid	(163.8)	(122.7)
Increase (reduction) of own shares	(38.1)	(0.5)
Transactions with shareholders of the parent company	**(183.3)**	**(110.2)**
Transactions with non-controlling interests	**(3.1)**	**(0.6)**
Increase (decrease) in bank overdrafts and other short-term borrowings	69.1	50.1
Increase in long-term debt	561.7	4.0
Reduction in long-term debt	(536.5)	(20.4)
Financial interest paid	(22.1)	(14.0)
Change in gross debt	**72.2**	**19.7**
Net cash flows from (used in) financing activities	**(114.2)**	**(91.1)**
Increase (reduction) in cash and cash equivalents	**155.2**	**154.9**
Impact of changes in foreign exchange rates on cash and cash equivalents	(22.4)	2.8
Opening cash and cash equivalents	**330.8**	**494.6**
Closing cash and cash equivalents	**463.4**	**652.3**

GLOSSARY

Activity: corresponds to the sum of the change in volumes plus or minus the net change in inventories.

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 income which are non-recurring or liable to distort the Company's performance. Adjusted EBITDA is calculated based on operating profit adjusted for depreciation, amortisation and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, management share ownership plans, subsidiary disposal-related effects and contingencies, plant closure costs and other items.

Capex: short for "capital expenditure", this represents purchases of property, plant and equipment and intangible assets necessary to maintain the value of an asset and/or adapt to market demand or to environmental and health and safety constraints, or to increase the Group's capacity. It excludes the purchase of securities.

Recurring investments: Recurring Capex represents purchases of property, plant and equipment and intangible assets necessary to maintain the value of an asset and/or adapt to market demand and environmental, health and safety constraints. 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 have also included investments related to the implementation of the plan to reduce CO_2 emissions.

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

Free Cash Flow: Defined as the Operating cash flow – Other operating impact – Interest paid & other financing costs – Cash Tax.

The Southern and Western Europe segments comprises production sites located in France, Spain, Portugal and Italy. It is also designated by its acronym "SWE".

The Northern and Eastern Europe segment comprises production plants located in Germany, UK, Russia, Ukraine and Poland. It is also designated by its acronym "NEE".

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

Liquidity: calculated as the Cash +Undrawn Revolving Credit Facilities–Outstanding Neu Commercial Paper.

Amortisation of intangible assets acquired through business combinations: corresponds to the amortisation of customer relations recognised upon the acquisition.