



Verallia H1 2025 Results Transcript – 30/07/2025

OPERATOR:

Hello and welcome to Verallia's First Half 2025 Financial Results Analyst Call. My name is Laura, and I'll be your coordinator for today's event. Please note, this call is being recorded and for the duration of the call, your lines will be on listen-only mode. However, you will have the opportunity to ask questions at the end of the call. This can be done by pressing star one on your telephone keypad to register your question. If you require assistance at any point, please press star zero, and you will be connected to an operator.

I will now hand you over to your host, Patrice Lucas, CEO, to begin today's conference. Thank you.

PATRICE LUCAS:

Good morning, everyone. Thanks for joining us, and welcome to our H1 financial results call. So, as usual, Nathalie and I will go through our presentation, and we'll have the Q&A session. I will share with you some key highlights, and Nathalie will present, in detail, our numbers and then I will come back on our guidance.

As an introduction, just to remind you that Verallia is a global leader in glass packaging, we are number one in Europe, number two in Latin America, and number three worldwide. On this slide you have our ID card, you have on the left the 2024 split of our sales by segment. As you may already know, one of our strong assets is our customer base, more than 10,000 customers, and the diversified and balanced end markets in which we operate. We do operate in 12 countries, with 35 plants and 64 furnaces. Please note also that we are running 19 cullet recycling centres, allowing us to control about 50% of our needs for external cullet.

Let's now move to some key highlights. First, I would like to share with you the completion of two key investments in two new furnaces, two brownfields, one in Brazil and the other one in Italy. Both projects have been completed, and production has started. In Brazil, in Campo Bom, the furnace was commissioned in May and brings an additional capacity of 330 tons per day. The objective here is clearly to develop our sales in a sustained Brazilian market growth. In Italy, in Pescia, the second furnace was commissioned at the beginning of the month, providing an additional capacity of 300 tons per day. This additional market capacity will be dedicated to the growing food segment. Both furnaces are using a HeatOx plus oxy-combustion technology, which is providing a reduction of CO₂ emissions by 18% compared to a traditional furnace. So these two furnaces are ticking two boxes, they will support our objectives of both organic growth and decarbonisation.

Next key highlight is about our confirmation of the launch of our first hybrid furnace in Zaragoza, Spain. In this case, it is not an additional capacity, but the replacement of



an existing furnace. We do expect to operate with up to 70% electricity and using oxygen instead of air for combustion. This furnace will bring a 55% reduction of CO2 emissions compared to a traditional furnace. The plan is to heat it up in few weeks from now, in Q3. And clearly, after our full electric furnace launch in Cognac last year, this is clearly an additional step forward on the decarbonation roadmap. We will take some time for this one, and if needed, optimise it. And then we will enter the step-by-step deployment phase, aligned with our decarbonation roadmap to reduce our Scope 1 and Scope 2 by 46% in 2030 compared to 2019.

The third key highlight is about product innovation. You know that we have launched our AIR range product offer. We started with our 300g Bordelaise bottle, and then with a new Jar offer. The objective of this range is to offer best-in-class light weight products, and lately we have completed the range with My Air. My Air is a new standard for single-serve solution for 20 cl beverage with a disruptive weight of 105g. This product is aiming to address the ready-to-drink, non-alcoholic beverage or still wine segments. With this new proposal, we are leveraging the full capabilities of glass as a packaging solution and demonstrating our ability to innovate and support our customer needs.

Last key highlight is about BWGI's tender offer for Verallia's shares. So as announced last Monday, the offer is successful, having passed the 50% threshold, and BWGI is owning now 70.31% of Verallia shares and 62.81% of its voting rights. The threshold of 50% being passed, as planned, the offer will be reopened at the same price of €28.30. AMF issued yesterday a notice formally announcing the reopening from 31st July to 13th August, and final results will be known just after the closing of this second window. The settlement-delivery of the first window of the offer, will take place on 1st August, so at the end of this week. This step being completed, we continue rolling out our strategic roadmap, focusing on creating value for our customers, employees and shareholders.

Before giving the floor to Nathalie, a quick overview on Q2 and H1 results. The positive news is, first, as seen in Q1, our volume recovery, still in the difficult market environment, but we keep on seeing volume recovery quarter-after-quarter. Two, our stronger cash generation compared to last year, which is one of the key objectives for 2025. And last, a rebound in profitability in Q2 by 457 bps compared to Q1 2025.

So in detail, Q2 revenue is down by 2.5% year-over-year with an organic growth of minus 3.0%, resulting in an H1 revenue down by 2.4%, with organic growth at minus 3.3% year-over-year. Q2 adjusted EBITDA is €204 million, minus 10.4% versus last year, with a margin at 22.5%, giving an H1 adjusted EBITDA of €351 million, minus 18.7% versus last year, with a margin at 20.4%. About net debt, our leverage is at 2.6x at the end of June compared to 2.1x at the end of last December. And finally, our net income is at €68 million, minus 35.6% compared to H1, resulting in an EPS of €0.76, excluding PPA.

So let's now see with Nathalie, the details of these results.

NATHALIE DELBREUVE



Thank you, Patrice, and good morning everyone. Let me lead you, as usual, through our second quarter and half-year results. So let's start with the Q2 consolidated revenue variance analysis. So you can see here the bridge between our Q2 2024 sales that were €928 million and our Q2 2025 sales that were €905 million. So, as said by Patrice, our organic growth is minus 3.0% in the second quarter and minus 3.6%, excluding Argentina. You can see on this bridge that the volumes are contributing positively, plus €19.5 million, broadly in line with first quarter and knowing that in the first quarter we had a low comp base which is less the case in Q2. So again, this is one of the positive highlights of the quarter, this positive volume growth.

We have a strong performance in food and beer, and all segments are showing positive organic volume growth. The price and mix is negative, minus €52 million. This is primarily reflecting the carryover from 2024 price reductions still in this second quarter. And we have some negative mix impact. The Forex is negative mainly linked to Brazil, as Argentina is shown separately. And we have, in this first half, a perimeter impact that you will see because of the acquisition of the Italian business of Vidrala that took place in July 2024.

So this leads for the full half year to this bridge. So an organic growth of minus 3.3% for the full half year and minus 3.9%, excluding Argentina. Again, you can see a continued organic growth in volume. We had a targeted commercial policy, and nearly all segments contribute positively here, with specific outperformance in Latin America. I'll come back to that. The price mix is still strongly negative, so we see a bit the same shape as what we saw for Q2. So same comment with the carryover effect from 2024 price reductions and the negative mix impact. And again, here, the perimeter is about Corsico, so the Vidrala glass business in Italy.

So looking per region, so as the usual, Southern and Western Europe, Northern and Eastern Europe and Latin America. So here you have the revenues. So the reported revenue in south and Western Europe declined by minus 0.3%, but with a scope impact. So at the constant scope, we have a decline of minus 4.5%. We have higher volumes, even excluding the contribution of Corsico, so higher organic volumes. And again, here, most segments record positive volume growth with a little exception of sparkling wines that are slightly down.

If we move to Northern and Eastern Europe, we can see here, so we have some Forex impact, that is why you see two charts, which is quite limited. We have reported revenues declining by 6.4%. We have lower selling prices in the market that is showing still some moderate signs of recovery. But, again, recovery, we have volumes up slightly in H1 in most segments. And in this region, two specific mentions, about premium spirits in the UK which continue to be quite soft and still suffer, and still wine in Germany in a difficult market environment.

Then we move to Latin America. So we have reported revenue declining €14 million, really linked to Forex. So you can see a nice growth if you exclude the Forex impact. We have a strong revenue growth in H1, especially in Brazil, with a good momentum in all segments and a strong performance in food jars, non-alcoholic beverage and beer.



So how does this translate into adjusted EBITDA? So let's start with the second quarter. You can see on the top right the adjusted EBITDA margin. So for Q2, it's 22.5%. Let's remember that we were at 18.0% in Q1. So we have a nice improvement sequentially in the adjusted EBITDA margin, Q2 versus Q1, even if, as you can see also, we are still behind 2024, that was at 24.5%. But again, a nice sequential evolution.

Here you can see the usual pillars, bringing us from €227 million one year ago in Q2 to an adjusted EBITDA of €204 million in second quarter, 2025. So the activity is contributing positively by €15.7 million. We have the effect of the volumes that we just commented.

We have a negative spread, price-mix/cost, in the quarter by €56.4 million. But even if still negative, and, as expected, we have less negative spread in the second quarter compared to Q1. And this includes unfavourable mix impact in this quarter again. You can see that the net productivity, so, the PAP programme, continues to contribute nicely above the target of 2% cash production, cost reduction. We are at 2.3% in this quarter, leading to €11.9 million.

In the other pillar, €11 million, you have perimeter effects. So contribution of Corsico in Italy, plus a nice contribution of SG&A reduction in this quarter. And you have negative Forex for minus €2.6 million and a slight decline in Argentina by €3.3 million. So, again, as a takeaway, still a nice rebound in the margin versus Q1.

So looking now at the full semester, we have an adjusted EBITDA margin on the top right at 20.4%. And again, the compound of the 18.0% and the 22.4 %. So, in the pillars, you have the activity contributing positively €34.2 million. The spread is negative by minus €142.6 million. So you can see that Q1 was more negative than Q2. The net productivity contributing, on target, 2.3% decrease in cash cost production, so bringing €24.4 million. And the other pillars that are also contributing positively. And then that leaves us with the Forex and Argentina being slightly negative. So a positive impact from volume recovery, even though we're still, of course, suffering from the negative spread mainly.

So by region, let's look at the adjusted EBITDA and the margin. So in Southern and Western Europe, we are at 20.6% adjusted EBITDA margin. That is €243 million adjusted EBITDA, so decreasing versus last year by 15.7%. So the same pillars in Southern and Western Europe, positive activity contribution, negative spread and positive PAP. And in addition, we have the perimeter effect of Corsico acquisition here.

Northern and Eastern Europe adjusted EBITDA evolution. We are at €49 million adjusted EBITDA in this half year. That is a significant decrease by 36.6% versus last year. And you can see that the adjusted EBITDA margin is at 13.6% compared to 20% last year. So in terms of pillar saying we have a positive activity contribution, especially in Germany, which is slightly and slowly recovering, but we have a strong negative spread, again, lower selling prices and negative mix that is quite significant in the region.

In H1 in Latin America, we posted €59 million adjusted EBITDA, and the decrease versus previous year is linked to foreign exchange. And you can see on the top right that the



adjusted EBITDA margin is a nice 32.2%, so strong performance still, even slightly behind last year. So again, especially in Brazil, activity is up, and the spread is negative, it is much less negative. So we have a very nice performance in the region.

If we move to cash elements, CAPEX, we keep CAPEX under control at 6.0% of total sales. So it's quite low compared to the previous year. It's a mix of different planning in furnace repair. So we have less busy planning especially in H1 compared to previous years. And we're also at the end of our new capacity, new furnaces, so Campo Bom in Brazil and Pescia in Italy, that Patrice mentioned to you. This CAPEX will include, of course, the rollout of Zaragoza hybrid furnace that we just presented to you.

Cash flow generation, clearly, positive news and positive performance in the first half. We have generated a free cash flow of €66.2 million. That is a significant improvement compared to previous year where we started the year with a negative cash flow of minus €49.2 million. So we have €115 million improvement here. And you can see the cash conversion is high at 70.5%. We have a lower operating working capital outflow, not only coming from CAPEX WCR that you see here, and we also enjoy lower interest paid and financing costs and lower cash tax. So all of these contribute to a positive free cash flow generation.

The leverage, as a result of what we saw previously, is at 2.6 x at the end of June. Let's remember that it's after a dividend payment that occurs every year in May, and that was €202 million. So explaining partly, and mainly, the releveraging versus 31st December.

Now here, our financial structure and liquidity. So especially pointing to the tender offer from BGWI. We have here, you can see one line of €1.6 billion certain funds bridge loan. So as already published and communicated, we have entered into a bridge to cover potential put exercise on the first two bonds that you see on this page. So the sustainability-linked bonds, the €500 million one from May 2021, and the second one from November 2021 of €500 million. The change of control that will occur on 1st August, will trigger possibility for the bondholders to exercise their put. So it's fully covered, as you can see, by the bridge of €1.6 billion, and even more. Let's remind that the third bond, the one of November 2024 is not under the change-of-control clause, so it doesn't need to be covered by the bridge. And the available liquidity of the group is still at a solid level of €810 million.

PATRICE LUCAS

Thanks, Nathalie. So about our guidance, let's start with some market insight on the situation, what we see today. We still see soft consumption in Europe, still an uncertain environment with slow global economy, with geopolitical and trade tensions. And obviously these geopolitical and trade tensions are creating a very volatile environment. Nothing really new compared to what we commented in Q1. An insight, which is leading to a cautious and kind of wait-and-see position of many consumers and customers.

Nevertheless, we believe in some support to glass demand from the end of destocking in most segments. We still see a market environment in LATAM being supportive. And



finally, about capacity, we continue to see permanent capacity shutdowns across Europe with regular announcement from the industry.

So facing this situation, what is key for us is to keep our focus on self-help measures and cash flow generation. And to be more specific, what I can say for our outlook for H2, is one, we expect a continued pickup in activity, supported by our furnace openings, so our two new additional capacities in Brazil and Italy, and as well as the reopening of our second furnace in Ukraine.

Two, except in UK and Germany, in H2, as expected, we are back to normal use of our installed capacity, but to be clear, we're ready to adapt again with agility, if necessary.

Three, we do expect in H2, as it has been commented already for Q2 by Nathalie, a lower negative carryover and spread impact compared to H1.

Four, you may have seen that for NEE, the profitability of H1 is not the best, and we're suffering in Northern and Eastern Europe, and to be much more specific, in Germany. And this is why we are expecting a profitability improvement, thanks, especially to the restructuring actions already taken.

Fifth, we continue preparing the future, rolling out our decarbonation roadmap with the Zaragoza hybrid furnace launched in Q2. It's all about focusing on short-term priorities, delivering what has to be delivered to secure the future, but, at the same time, to prepare for us, the future and the growth to come.

That being said, regarding our guidance, we maintain our full-year 2025 guidance, assuming geopolitical and macroeconomic environment does not deteriorate further. So it means that we want to deliver an adjusted EBITDA around €800 million, full year and a free cash flow of more than €200 million.

Thanks a lot for your attention. And now we can move to the Q&A session.



QUESTIONS AND ANSWERS

Operator: Thank you. Ladies and gentlemen, as a reminder, if you would like to ask a question, please press star one on your telephone keypad. We'll pause for a brief moment. Thank you.

We'll now take our first question from Louise Wiseur of UBS. Your line is open. Please go ahead.

Louise Wiseur (UBS): Good morning. Thanks for taking my questions. So the first one is with regards to your price cost spread in Q2. It seems that you still face some cost inflation in Q2, given the price mix effect on the top line is lower than the price mix effect on the EBITDA. Although I agree, it was an improvement versus Q1. Could you give us more colour on this in Q2? You said last time that you expected cost inflation for the full year to be close to neutral or a slight inflation for the full year, given you will benefit from cullet deflation. So how do you think about this now? And could you tell us about how you think about the price/cost spread for the full year? Are you able to quantify the impact? And do you still expect it to be significantly less than in 2024?

The second one is with regards to volumes. The flow through of volumes from the top line to EBITDA was actually very strong in Q2. Is that how you think about it for the rest of the year?

And the last question is with regards to the change in capacity in the market. Last time, you mentioned that there were 13 furnaces that closed in Europe since late 2023. Have you seen further changes, and how much does that represent as a percentage of the total capacity in Europe on a net basis? I.e. including those who are actually adding capacity on the market. Thank you.

Patrice Lucas: Okay, so I'll take the last one. I will let Nathalie take the two first questions. So about capacity, the main bulk of the adjustment, I believe, has been already announced. So this is what we commented at the end of March. Since that, we have seen a few adjustments, especially additional ones in France, and that's about it. And we'll see if more is coming. So it is about similar to what we commented in H1. And this is about, if I am not mistaken, an equivalent of 15 furnaces, representing an adjustment of 7% of all capacity in Europe, to be specific.

About the spread, Nathalie, if you want to comment.

Nathalie Delbreuve: Yes. So in fact, we expected the spread to be a bit less negative in Q2 and continue to have this trend moving into H2, mainly because of the carryover effect from 2024. If you remember, in 2024, we decreased prices throughout, mainly, the first half, but it was more spread in time than, again, what we see in 2025. So it means that when you compare yourself to 2024, to the previous year, you have your comparative prices in 2024 moving down. So the comparison, the comps gets a bit easier in the second quarter. And again, in H2, most of this carryover effect is in H1 this year.

On the cost elements we commented to you in the first quarter that we had a specific, especially, in the energy, quite strong inflation in the non-hedged elements. If you remember, spot prices in the energy were quite high in the first quarter. We don't have that in the second quarter. So we are back to a cost inflation that is pretty neutral, in fact. And we don't have this negative element on the cost side that we had in the first quarter of 2025.

And moving into the H2, I won't give you the exact number, but again, just as we said previously, we see the spread being less negative, step by step, throughout the year.

In terms of volumes, so I think your question was on our review for the rest of the year, if I understood properly. So we see positive organic growth in volumes. This is what we project for the second half of the year. Don't forget that we have also additional capacity. We have the Campo Bom furnace that we presented, just started to produce in Brazil where we know that momentum in activity is good. We have a supportive environment in Latin America, and we have also the Pescia furnace. And step by step, as we commented, we also, in the rest of the group, we run at a higher capacity utilization rate, the exception being, as we said, the UK and Germany.

Louise Wiseur: Thanks. Just if I may add on the volumes, also the flow-through of your volumes from the top line to EBITDA was very strong. Is that how you think about for the rest of the year? How should we think about a similar flow-through for H2?

Nathalie Delbreuve: Sorry, I was not sure. So in the activity pillar, you have the full contribution of volumes, but you also have inventory variation and some country mix, so that explains that you have some different elements moving here. You have some other moving parts than the pure organic growth in volumes.

Operator: Thank you. We will now take our next question from James Perry of Citi Group. Your line is open. Please go ahead.

James Perry (Citi): Good morning. Thanks for the presentation. Just a couple of questions, I'd like to start specifically on Northern and Eastern Europe. This seems to be underperforming other regions quite significantly with the all-time low margin in H1. Does that mostly relate to the Q1 difficulties or has there been much improvement in Q2 and even early Q3? And would you be able to talk a bit more about the Germany restructuring and what you think is needed for meaningful recovery here?

Secondly, just on global consumption trends and trade flows, would you be able to comment a bit more on any changes in customer behaviour and order patterns and how it's developing in early Q3? For example, what are you hearing about export trends, and have you seen any customers shift in supply chains at all that could lead to market share gains for you? Thanks.

Patrice Lucas: Thanks a lot. So for NEE situation, you are right. The margin at which we are today is not a clear satisfaction for us. This is the result of a market difficulty. And yes, Q2 is better than Q1. Q1, we were impacted by lower market, lower volumes, but Q2 is improving. And in Germany, as we have communicated, last year, we decided

to definitively stop one furnace. We did the first restructuring plan of about 100%, and in 2025, based on the current situation we're facing, we've decided, as announced in Q1, the launch of an additional restructuring plan, which is about to be finished, and which will impact positively starting in H2 with expected full impact in 2026. And on top of that, we have decided to optimise our capacity for a period of time. It's not definitive, but we have decided to cold stop an additional furnace in Essen. So it means that in our Essen plant, as we speak today, there is one furnace running instead of two. All of that, we need to size and to adapt to market reality, and to get the best profitability we can get from this market, plus additional traditional cost cutting measures, and especially focusing on the PAP.

I hope it answers your question. About the global consumption and export trends and all of that, we do not see any single pattern. What we can say, maybe some of our customers did push a little bit sales in Q2 before the famous 1st August deadline for the tariffs to be implemented between Europe and the US. We have that, but we have others, which have been waiting to better understand what the situation would be. And as we speak, in the last hour so, there is this agreement. I'm not sure if we say agreement, potential agreement, with this 15% tariff. And it is not clear at all, as we speak, if wines and spirits are in or out with a kind of clause of exclusion. And we do understand that it will still have to be negotiated. So we are still cautious about that, obviously focusing and ready to adapt if necessary. But let's say less concerned to what was potentially announced at the beginning of the year, for wines and spirits for US. On the other side, we see some positive signal from China, because, especially on the Cognac side, where an agreement has been found, duty-free sales are restarting. So we see much more positive news flow from China compared to before.

James Perry: This is very helpful. Thank you.

Operator: Thank you. Once again, as a reminder, if you would like to ask a question, please press star one on your telephone keypad. Thank you. And we will now take our next question from Francisco Ruiz of BNP Paribas. Your line is open. Please go ahead.

Francisco Ruiz (BNP Paribas): Hello, good morning. I have a couple of questions as well, if I may. The first one is let me understand why you are still or why you are now increasing capacity when you already highlighted the current situation in terms of uncertainty, especially in Europe, where you are increasing volumes, but your main competitors are not in this Q2. So, what is the urgency to put a new furnace in Italy? And follow up on this as well, is if you could give us the current situation of capacity utilisation. You commented a new furnace stopping in Essen, also not full capacity in UK, so if you could give us a figure that we could play with.

The second question is regarding CAPEX. So, we understand that the expansion CAPEX is lower, but also the maintenance CAPEX is well below. Should we see an improvement of that figure? Because it's really low compared to the average of the sector. Or we should say something like around 6% in this year? And if you could give us an idea of what is the calendar of furnace refurbishments for the second half and next year? Thank you.

Patrice Lucas: Okay, thanks a lot. So for capacity, additional capacity, as I had commented during the presentation, this additional capacity are really specific, the first one in Brazil. So it's clearly because we see a supportive market in Brazil. This was already part of our plans, and we are going to run full capacity in Brazil. So in Brazil, for us, it's a no-brainer. It's a way to keep up with market growth and get our share there. In Italy in Pescia, it's much more specific because, in Europe, we do see potential growth for the food segment. Globally, this is the segment which is going to grow in the years to come. This is a segment where we believe that we have some opportunities, and this is why we decided to maintain this additional capacity in Pescia for food.

You may know that when you want to do efficient business in food, you need a specific setup of your process. And really, in Italy, this is what we wanted to do, moving from, at our Pescia site, one to two furnaces, where two furnaces in the plant, it's a way to be efficient and it's a good setup. So we do not see any issue with that. We see that as a potential upside.

About installed capacity globally, in Europe, as we speak, and the plan for H2, and this is what we commented already, we plan to run a normal capacity usage in France, in Spain, in Portugal, and in Italy. Where we are still facing some difficulties, it's in Germany, and I have just commented that before. And here, just for us, the question, to one side, an adaptation to reality and market, one, and this is what we are doing with some benefits to come in H2. And in UK, it's much more a temporary situation where, in UK, you know that we are much more dedicated to spirits, 75% of what we're doing is spirits. And in spirits, we are still quite low and below what we were used to do in the past. So here, I mean, it's also a question of adapting and being prepared to restart some capacity when we see volumes picking up much more than what we see today.

About CAPEX, no, you're right, the 6% is a little bit low. It's quite low. So there is a calendar effect, and it has been said by Nathalie. Let's keep in mind as well that we are starting to get the benefit on the CAPEX deflation after this high period of inflation we had in 2022 and 2023. So we start to see some benefits of that.

And last, yes, you are right, in H2 we'll have much more CAPEX, and if I have to give you a number for the full year, we should be around 8% for the full year.

Nathalie Delbreuve: Just to add, we have different planning from semester to semester and from year to year.

Patrice Lucas: I hope it answers your questions, Francisco.

Operator: Thank you. We will now take our next question from Phillippe Lorrain of Bernstein. Your line is open. Please go ahead.

Phillippe Lorrain (Bernstein): Yes, good morning. Just wanted to follow up a little bit on volumes because I know that there's a weaker contribution from the volumes to the sales bridge in the second quarter versus the first quarter. And we see the same effect

on the activity contribution in the adjusted EBITDA bridge. So I just wanted to get a bit more detailed comment on gradual development and so on. Thank you.

Nathalie Delbreuve: Okay, so in the EBITDA bridge, in the activity pillar we have the impact of the additional volumes. We have also some inventory variation impact. And we also have the impact of fixed cost that can be not absorbed when we are not running full capacity. So in fact, that explains that you don't have a direct flow-through when I comment the volume evolution. So in the first quarter, as we commented, we were running, or let's say the second quarter, we are, step by step, coming back to full capacity in most countries, as Patrice commented, except in Germany and in the UK. So it means in the first quarter, we have more fixed cost not absorbed. In the second quarter, on the contrary, we have a part of cost for the start-up, for example, of our two new furnaces, Campo Bom and Pescia, that are not yet fully absorbed, and they will be fully covered in the second half.

Phillippe Lorrain: Okay. Now, I wanted more to comment maybe on the one that you see in the top line, because for Q2, the volumes contribution was €19.5 million, but it was €24 million, or so, in Q1. So why is this that it's getting a little bit tougher, especially if I compare to the starting point of sales, which is actually higher in in Q2 2024 than it was in Q1?

Nathalie Delbreuve: You have a slightly lower Q2 volume impact, indeed, in the bridge versus Q1. It's not massive. It's more related to country mix here, depending on which country's increasing more or less. But that's a minor impact here.

Phillippe Lorrain: Okay, so not just related to volumes, but also to the mix in ASPs across the countries.

Nathalie Delbreuve: It's volume impact, but country by country. So depending on the unique value a country use. You also have some country mix impact in each of the lines.

Phillip Lorrain: Okay, perfect. Thanks.

Operator: Thank you. We have no further questions in the audio. I hand it back to the management for webcast questions. Thank you.

David Placet: Good morning. This is David Placet speaking. I'm the head of IR. I think we've got questions from two participants through the webcast. So first one is a set of questions from Inigo Egusquiza with Kepler. There's four questions there. First question is, what can we expect from the new shareholder in terms of impact on strategy or any other change? Anything you might tell us around your mid-term strategy ahead of the upcoming Capital Markets Day? So this is the first question.

Second question is, can you please comment on the trends by region when it comes to Q2 volumes?



Third one is, how do you see pricing for 2026?

And the last one is, why did you decide not to sell your Argentine subsidiary?

Patrice Lucas: Okay, thanks David, and thanks Inigo for all these questions. So about BWGI impact on our strategy, I mean, as we've said, for us it's much more continuity, you know BWGI was already a shareholder of the company. They are sitting on the board and already supporting all the strategies and plans being implemented. So for us it's much more business continuity. This is a way to secure and to be, again, much more long-term oriented to support our strategy and the long-term value creation.

With a CMD to come in January, this would be an opportunity for us, after this quite interesting period of inflation, destocking, and all of that, to come back to some fundamentals of our business. And especially this would be the opportunity to come back to some capital allocation topics and all of that. But no big change in strategy to be expected. The key word is continuity, and continuity for value creation for the company, our employees and the shareholders.

About Q2 volume trends by region, it's quite similar to what we had in Q1, I would say. In Europe what we had is a low-single-digit organic growth, obviously boosted with our Corsico acquisition in H2 last year. Already it is much more mid-single-digit growth. In LATAM, we have high-single-digit increase. Again, as we commented during Q1, we see positive momentum.

On 2026 pricing, a little bit early to comment on that. This is obviously what we're going to dig in after the Summer break, preparing 2026. And we are going to see what the market trends are, with obviously our first objective on our cost situation.

About Argentina, as we said as well, nothing new here. We were solicited for this business. We said day one, it could be, we could sell if it was a value creation, again, and if it was for a good financial deal. After weeks of discussions, finally, we concluded that the proposal or the offer was not at the level we expected. And for us, Argentina is a good business, so no need to bargain or give away this valuable business for a low price.. So this is why we decided to keep it. And this is clearly something we are going to enjoy. This is good for the business, for our profitability. So this is why we decided to keep it. I think I've answered the questions.

David Placet: Absolutely. Well, thanks for that Patrice. And we have one last question from Sophie Baumann, which is, can you please elaborate on current capacity utilisation levels in Europe?

Patrice Lucas: In Europe, so again, to make it simple, except UK and Germany, we are running as standard, meaning that we are running at full speed except the planned maintenance that we have to do, which is the standard of this business. So we are running full speed compared to last year where we were much more around 90%. In UK and in Germany we are below that, much below that. As I explained, we have put some temporary measures to cold stop some furnaces, and we're not back to normal, to make it simple. So we are still in the phase where we're not back to normal. But the



good news and what I do see positive is we are back to normal, in a big part of our business, and waiting for better days, adapting, taking responsibilities and taking the measures we have to take where it is necessary.

David Placet: Great. Well, thanks Patrice. Thanks Nathalie. I think this is it from my end, so thanks to you all.

Patrice Lucas: Okay, thanks very much to all of you. I hope that most of you, us as well, will take the benefit of a Summer break to be fully energised to face the second semester and prepare 2026. So if that's the case, I wish you a good Summer break, please.

Nathalie Delbreuve: Thank you. Bye-Bye.

Operator: Thank you. This concludes today's call. Thank you for your participation. You may now disconnect.