Verallia FY 2025 Results Transcript – 25/02/2026

PATRICE LUCAS

Good morning everyone and thank you for joining us. Welcome to our Q4 2025 and full-year financial results. Today, David Placet, our Head of Investor Relations, is with me. As usual, we will go through our presentation and then we will have the Q&A session. I will share with you some key highlights, and David will present in detail our numbers. Then I will come back on our outlook for 2026.

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 chart, you have our ID card. You have on the left the update of our 2025 split of sales by segment.

Compared to 2024 split, still and sparkling wines have lost one point each, spirits and beer have kept the same weight, and soft drinks and food have won one point each. One of our strong assets is our customer base and the diversified and balanced end markets in which we operate. We operate in 12 countries with 35 glass plants and 67 furnaces, serving around 11,000 customers and producing around 18 billion bottles and jars annually. 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, and I would like to come back on four of them, which have been key milestones in 2025.

One, our net-zero 2040 trajectory was validated by the SBTi, making Verallia the first global food and beverage glass producer to commit to a 2040 pathway. This confirms our decarbonization leadership, and we have a robust plan to do so. By 2030, we plan to reduce our Scope 1 and 2 by 46.2% compared to 2019 and by 90% in 2040. For Scope 3, the plan is to reduce by 27.5% in 2030 compared to 2019 and by 90% by 2050. Some of our customers have committed to achieving net-zero by 2040, and they need our contribution. This commitment is paramount and demonstrates how glass packaging is well-positioned as a sustainable solution for the future. This is a strategic lever for future value creation.

Number two, we added targeted capacity and progressed in decarbonization. In 2025, we commissioned a second furnace in Campo Bom (Brazil) to support our organic growth in a dynamic market, and we also commissioned a second furnace in Pescia (Italy) to support the growing food segment. These two plants, moving to two from one furnace, are also improving their own competitiveness. And then we opened our first hybrid furnace in Zaragoza in Spain, replacing a traditional furnace. It is a success, we are running now up to 60% electricity and getting the CO_2 emission reduction.

First key highlight, obviously, 2025 was marked by BWGI's voluntary tender offer. This process ended mid-August and was successful. BWGI went up and has now 77% of Verallia's shares. BPI France went down and has now 3.8%. Employees still have 4.1% of the share capital, and the floating part is now slightly above 12%.

The last key highlight is our successful new bond issuance of €850 million, demonstrating the support and confidence in Verallia.

About our CO_2 emission reduction, we are on track to reduce absolute emissions by 46.2% by 2030 compared to 2019. In 2025, Scope 1 and 2 emissions were slightly up by

0.7% year-over-year, gains being offset by higher production levels compared to 2024. We are now at -23.2% compared to 2019. What is very significant is the reduction of our intensity, meaning the CO_2 by tonnes of packed glass, which is down by 3.1% in 2025 compared to 2024. Please also note that external cullet usage increased to 57.7% and that our renewable or low-carbon electricity share rose to 69% from 64%.

Next is about the communication we did last week about targeted industrial adaptation in Europe. After a strategic review conducted in each of our European countries, we are considering adapting our industrial footprint in Europe to align with the reality of the current demand.

These actions respond to, one, a weak demand in Germany and Benelux, without significant evolution mid-term; two, no material rebound expected in Cognac and overcapacity in extra-flint; and three, a market downturn in the UK, especially in spirits. Facing these market realities, in Germany we are considering the closure of the Essen site, about 300 positions, with production transferred to other Germany sites. In France, we are considering non-reconstruction of our furnace in Cognac, which is approaching end-of-life, and here we are speaking about 60 positions. And in the UK, we are considering shutting down one of our furnaces in Knottingley and restart a more efficient furnace in Leeds.

With this plan, we are moving from conjonctural to structural adaptation. This plan is about adapting to volume context on a specific segment and a specific geography, to better focus on growth opportunity. Our objective is all about competitiveness, cash generation and asset efficiency.

Before giving the floor to David, a quick overview on Q4 and full-year results.

As seen for a few quarters now, we are recovering volumes, quarter after quarter. Q4 revenue is down by 7.1% year-over-year, to €763 million, with an organic growth at -4.2% year-over-year, which is giving a full-year revenue down by 3.6% year-over-year, to €3,331 million, with organic growth at -2.8% year-over-year.

About EBITDA, Q4 adjusted EBITDA is €161 million, -20% versus last year, with a margin of 21.1%, -341 bps versus Q4 last year, giving a full-year adjusted EBITDA of €692 million, -17.8% compared to last year, with a margin of 20.8%, which is -360 bps compared to last year.

Net income is €93 million, reflecting a €(27) million non-cash after tax impact from exceptional asset depreciation, mainly from Germany, and in line with the industrial adaptation we are planning.

About net debt, our leverage is ending at 2.7x versus 2.6x at the end of September, and 2.1x at the end of 2024. Subject to the approval of the Annual General Meeting of shareholders to be held on April 24, the Board is proposing a dividend of €1.00, with option for payment in cash or new Verallia shares. Please note that BWGI and BPI France have committed to opt for share payment, meaning that the maximum cash-out will be of €20 million for the Group.

And finally, about our financial indicator, this is what I have just mentioned, so we are on track and especially with good progress on the external cullet usage.

So, let's see now in detail the numbers with David.

DAVID PLACET

Thank you Patrice, and good morning, everyone. I will now walk you through our Q4 and 2025 results, following the same course as usual, i.e., starting with revenue, then EBITDA, and then cash.

So, first of all, revenue bridge for Q4, which as a reminder isolates Argentina, as we have now done for quite a few quarters.

As you can see Q4 revenue was €763 million euros, down from €821 million in Q4 2024 despite positive volume growth. Sales volumes were up again in Q4 for the sixth consecutive quarter, though at a slower pace than in Q3. You may be surprised to see a negative volume leg on the bridge when volumes are actually up. This is due to a one-off in Q4 2024 that did not happen again this year and accounted for slightly more than €10 million of decline or 1.5% of growth. Without this one-off, the volume leg would be positive, and organic growth would be, so rather than the 4.2% negative that we see here, would actually be in line with the organic growth for the full-year of around minus 2.8%.

Moving on to price/mix, as has been the case through 2025, this price mix impact is the main negative driver of the bridge, and it amounted to a negative €36 million in Q4. However, it is worth noting that this impact has been phasing down through the year as price mix was negative by €59 million in Q1, down to €52 million in Q2, €43 million in Q3 and now €36 million in Q4. The only other material impact that we see here relates to Argentina, whose contribution was affected by the continued devaluation in the peso, and there was no other effect for perimeter movement in Q4.

So, what does that mean for the full year? The overall momentum was broadly similar in FY24 versus Q4, with positive organic volume growth contributing €78 million, but being offset by the negative price/mix impact of €(189) million. So, revenue for the full year amounted to €3.3 billion, down 2.8% organically. Like we said, the volume impact was indeed positive, four quarters of positive volume growth, fuelled in particular by strong activity in food and NAB. The negative price mix was largely due to the carry-over impact from the 2024 price reductions, but went actually down gradually through the year, as we highlighted earlier, €(111) million in H1 and €78 million down in H2. As for other factors, FX mainly related to the Brazilian real, perimeter to the contribution of Corsico, which, as a reminder, affected H1 only, and Argentina was down on adverse FX.

Now going quickly, region by region, so let's start with SWE. We actually had pretty strong and consistent activity or volumes through the year, fuelled by strong performance in NAB, and I think all segments achieved positive like-for-like volume growth in the year, with the exception of sparkling wines. This was, however, more than offset by negative price mix developments, and that led to a negative 3.8% organic growth and full-year 2025 revenue of €2.2 billion. Reported growth was 1.6% negative after factoring in the six months of extra revenue from Corsico.

NEE faced a difficult year with both lower volumes and selling prices, especially in Germany. Food jars performed well, but most other segments not so much, with a slowdown in activity in Q4, especially in Germany, mostly beer and sparkling. Spirits remained under pressure in the UK, but the reopening of our second Ukrainian furnace contributed positively towards year-end, especially in the food segment.

Last but not least, LATAM. So, as you can see, very positive organic growth of +8.5%, fuelled by the volume growth that we saw especially in Brazil, and as usual pricing in Argentina, but being more than offset by the strongly negative FX in both Brazil and Argentina, leading to a 10% lower reported revenue at €384 million. And I just wanted to highlight before we move on, in Brazil the strong contributions from spirits and wine, supported by the Compo Bom Furnace opening mid-year, and that more than offset the slower beer demand that we saw in H2.

Let's now move to EBITDA, starting again with Q4.

So, Q4 adjusted EBITDA was down to €161 million. Margin was 21.1%, down year-on-year, but higher than the nine months 2025 margin, which stood at 20.7%. Activity impact was again positive in Q4, fuelled by a combination of higher organic volumes and some inventory build-up that took place towards the end of the year. Spread remained negative in Q4 by €53 million, mainly driven by lower prices and mix, but overall as we said spread again improved through full-year 2025.

On the other legs, net productivity contributed €10 million. Argentina was down on negative FX, and the "other" leg was negative, as the SG&A reduction was offset by the non-recurrence of a number of positive one-offs that we recorded in Q4 2024.

Moving on to full-year. So, the chart looks a bit the same here, with positive activity growth and productivity offset by negative spread and FX. Activity contributed strongly, plus €60 million, with broad-based growth, especially in food and NAB, and like we said some positive inventory variation. Spread had a very strong impact, a negative one through the year for €(236) million, but like we said softened materially through the year, €(143) million in H1, €(94) million in H2.

Net productivity contributed in line with our 2% cash cost reduction target, so here 2.1% or €45 million. So, we have done the job again on this item, focusing on what is within our control in a difficult market environment. The "other" leg was positive in full-year, unlike Q4, with positive perimeter and SG&A reduction, partly offset by the negative impact in Q4 that I referred to earlier. Lastly, FX weighed on EBITDA, through the decline in both the Brazilian real and the Argentine peso, again Argentina being recorded separately.

So, the bottom line from this slide is profitability down year-on-year, but still solid above 20% and in line with our revised 2025 target.

Looking at our geographies, so let's start with SWE, and I think we will move a bit faster here. Main message again, EBITDA down year-on-year to €461 million, but with a still solid margin over 20%, positive activity contribution, strongly negative but gradually moderating price mix, and productivity delivering in line.

More challenging situation in NEE, with EBITDA down by 30% to €104 million, with margin down substantially as well. We did see the positive impact from the fixed cost reduction plan implemented in Germany, but this was largely offset by lower volumes and negative spread, including some softer activity in H2, especially in Germany. Two bright spots that, I think, are worth highlighting, first is the improvement in Ukraine with the reopening of our second furnace, and then the very strong delivery on PAP, again focussing on what is within our control.

Lastly, LATAM, so as we saw on revenue, we had a strongly negative impact from FX, and EBITDA was up 3% organically, but down 14% reported to €127 million. EBITDA was supported by strong activity, especially in Brazil, and again, productivity, though spread was slightly negative. I think we would like to reiterate the very strong profitability of our LATAM business, so 33.1% margin in 2025, close to the 2024 levels. This business keeps growing, and it now accounts for nearly 20% of the Group's EBITDA, I think the exact number is 18%, despite the FX headwinds.

Now, moving to cash, let's start with one of the key drivers, which is capex.

So, obviously, in a difficult market environment like the one we are facing, keeping capex under strict control is key to protect our cash generation. In this context, Verallia's total booked capex was down significantly in 2025 to €259 million, or 7.8% of sales. This was made possible by a strict control on our expenditures, as well as the light furnace repair schedule, which led to a lower recurring capex.

At the same time, we continued to invest in our strategic capex, so the growth of our business and our decarbonization plan. Strategic capex remained close to €100 million at €97 million, 2.9% of sales. And as a reminder, we commissioned two new furnaces in Brazil and Italy, we opened our first hybrid in Spain, in Zaragoza, and we are working on the second hybrid to be opened in France in 2026 in Saint-Romain. Looking forward, let's keep in mind that we have no new capacity investments coming up, and more generally, we intend to keep our capex under strict control.

How does that translate into cash flow generation? So, the main highlight of the year on the free cash flow is basically it doubled in 2025 to €166 million, despite a substantially lower year-on-year EBITDA. This was achieved through the tight capex that we just referred to, as well as a lower working cap outflow versus 2024, despite some inventory build-up towards year-end. Capex conversion remained very high at 62.6%. It was actually up 100 bps year-on-year, and operating cash flow was close to that of 2024. Free cash flow doubled eventually as interest paid was broadly in line with 2024, and cash tax went down sharply. As a reminder, other operating impact mostly includes the IFRS 16 charge and some restructuring costs. We had, I think, €16 million of them in 2025, mostly relating to Germany, and without which free cash flow would have been €182 million.

Looking at our leverage now, net debt was broadly stable in full-year 2025, so up €63 million from year-end 2024 after the payment of €200 million of dividends in May 2025. Net debt was actually down in H2 with €100 million of free cash flow generated, and amounts to €1.86 billion at the end of 2025. Leverage is up year-on-year to 2.7x. This is mostly due to a lower LTM EBITDA, and it is broadly flat against September 2025.

And lastly, turning to our financial structure and liquidity, I think you know this chart pretty well by now. There have been some changes this year on the back of BW's public tender offer. The bulk of our gross debt now revolves around five bonds. The first two are the SLBs issued in 2021. They were callable, as you know, following the change of control, but there are still €170 million of them outstanding at year-end, which is quite nice given their pretty low rates. The third one dates back to 2024 for €600 million, and the last two bonds were issued, as Patrice mentioned in the introduction, in November 2025 to refinance the bridge loan that itself helped refinance the SLBs that were called further to the tender.

So, two points to highlight as a bottom line. The first is we have very strong liquidity at €870 million, including nearly €400 million of cash at year-end, and we also have a very strong maturity profile with no meaningful maturity until '28.

With this, I will hand over back to Patrice. Thanks for your attention.

PATRICE LUCAS

Many thanks, David. So, let's move to the outlook.

As for the past two years, the key topic of the outlook is market environment. What could we expect for 2026? When we analyze some key customer comments or feelings about the demand, plus all the market intelligence we have, it invites us to be cautious. We could see some positive expectations for non-alcoholic beverages and food, but the other segments are stable or slightly down.

So, all of that is pointing to market stability in 2026. To be more specific, we expect a continued softened consumption backdrop in Europe, with LATAM likely to outperform. Geopolitical and trade uncertainties will persist and drive volatility for sure. The price carry-over effect from prior reductions will gradually phase out, which will ease pressure on inflation spread. Meanwhile, furnace closures in Europe continue, pointing to a reduction in industry overcapacity. As a reminder, we know that since the end of 2023, 22 furnace closures have been announced.

Overall, stability rather than an upturn is our base case for 2026. Therefore, for 2026, with this market environment we have just described, we aim to deliver an adjusted EBITDA around €700 million, and a free cash flow around €220 million, excluding the planned restructuring cash-outs.

I want to tell you that we do enter in 2026 with discipline and confidence, with a strong focus on our competitiveness, cash generation and deleveraging. We plan to strengthen our competitiveness by implementing our capacity adaptation plan, delivering enhanced PAP savings, and keeping capex under strict control around 8% of sales.

Thanks a lot for your attention and now let's move to the Q&A session.

QUESTIONS AND ANSWERS

Operator: If you wish to ask a question, you may do so by submitting a written question in the box below the player, or by joining the conference call and dial pound key five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial pound key six on your telephone keypad.

The next question comes from Francisco Ruiz from BNP Paribas. Please go ahead.

Francisco Ruiz (Exane BNPP): Hello. Good morning and thank you for taking my questions. I have three if I may.

The first one is on the outlook. I mean, with volumes more or less stable and stability in prices, with more than €50 million or around €50 million coming from PAP, why are you still expecting a flattish EBITDA this year?

Second, on the restructuring plan, we would appreciate if you could give more detail or tell us when you are going to release this detail in terms of the savings that you are expecting, the cost of this, how it is going to be mainly performed during this year and the following, and more information on this because it is a substantial plan.

Last but not least is on the inflation, on the cost inflation. On Q4, we have seen a 4% cost inflation versus last year, when we have seen a decline in energy, and theoretically, your energy bill should be lower than in previous quarters as a result of the rolling forward of the hedges that you got. So, I don't know if you have an explanation for this, and if you could give us what are your expectations for energy for 2026. Thank you.

Patrice Lucas: Okay. Thanks a lot, Francisco, for these three paramount questions.

So, about the outlook, I think you made a quite clear analysis. But first of all, let me tell you that lessons learned from 2025, I want to be cautious. I want to be cautious taking the lessons learned on the volatility of the environment. So, on the activity, I have explained our case, base case for 2026, flat in Europe, up in Latin America in a much more dynamic market.

About spread, so we are going to still have some carry-over effect, but light carry-over effect from 2025 to 2026. And we are planning to have a spread normalizing towards zero with still a big question, which is the mix impact. Because you know that in our spread, we have mix plus price and inflation. And we have seen lately that the mix was quite negative in 2025.

About PAP, so we are going to deliver and push for higher delivery and we have the forex in front of that, which is always down and pushing down the EBITDA compared to last year. So again, we want to be quite realistic and want to really focus on self-help measures, what we do really control. And then if we can get additional upside, we will see but as we speak, this is what we are proposing as a commitment to be around €700 million.

For the restructuring plan, so I think we will be back to you for our Q2 results with much more details. What I can tell you as we speak, the intent is to have this plan implemented in H1 to take about 50% of the positive impact in our numbers this year and 100% of impact next year in 2027. The cost of it, obviously we have negotiations which are starting in both France and Germany, and we need to manage this properly and in line with the social responsibility we want to uphold with our people there, before we can finalize and move forward definitively.

Cost inflation, maybe David wants to comment.

Francisco Ruiz: Patrice, just one thing. I mean, you said that 50% of the plan will be – of the savings of the plan will be this year. This is included in the €700 million guidance?

Patrice Lucas: It is about, yes.

Francisco Ruiz: Okay, thank you.

David Placet: Okay, so to your question on cost inflation, in Q4 we had some positive items in Q4 2024, like I mentioned in the form I think of tax credits which didn't happen again this year, and I think that mostly explains indeed the slight increase in the cost base. Otherwise, it would be I think broadly flat.

Having said that, two items worth keeping in mind. As usual, we did indeed have some relief in 2025 including on cullet and to some extent on energy. But we also had some inflationary pressures, I mean, as usual, from personnel costs in particular. And as a reminder too, I think we still had some of our 2022 hedges valid up until the end of the year. And so, we'd only see, let's say, the benefit from the end of these starting 2026.

Francisco Ruiz: And about guidance for energy in 2026, please.

David Placet: Sorry, guidance for energy?

Francisco Ruiz: Energy cost in, I mean, on the rolling forward of your hedges. I mean, how much do you expect energy bill to be reduced in 2026?

Patrice Lucas: This is not a number we are going to provide. What we can tell you is that we were hit, and it was a headwind for us in 2024 and 2025 based on our hedging policy.

What I can tell you is that the penalty we had in 2025 is behind us when we are entering in 2026. So, we have our energy costs which are going down and if I want to be a little bit more precise, we are going to be at market level in 2026. Obviously, depending on the volatility, you know, we see a lot of volatility, but as we speak, probably we are there.

Francisco Ruiz: So, that means how much versus this year? I mean, a gross figure in terms of variation, 10%, 15% lower?

David Placet: I think we really want to think in terms more of spread, to be honest. At the end of the day or the year, that's what is going to matter.

Francisco Ruiz: Okay. Thank you very much.

Patrice Lucas: Thank you, Francisco.

Operator: The next question comes from Jean-François Granjon from ODDO BHF. Please go ahead.

Jean-François Granjon (ODDO BHF): Yes. Good morning. Four questions from my side.

The first one, could you give us some more colour regarding the negotiations you have currently for the pricing with your customers? Can you implement some new price increase or not?

The second question concerns the spread effect. So, I understand that the carry-over should be lower compared to previous year, but do you expect a negative price/mix effect?

The third question concerns the cash-out expected coming from the restructurations. This should impact, I think, the free cash flow. So, could you have the amount of the cash-out expected this year?

And the last question, so you confirmed the capex level at 8% of the sales, so do you expect minus €300 million capex for all capex in 2026? Thank you.

Patrice Lucas: Okay. So, about negotiation and pricing, I mean, obviously we are not commenting in detail the pricing evolution and what we are negotiating with our customers. So, what I can tell you is that compared to 2025, we still have some slight carry-over effect. We are going to have, depending on the geographies and depending on the segments, some slight price decrease. But what is much more important for us, we do expect a normalisation in our spread towards zero.

The big uncertainty we have is the mix. As you know, it is quite complicated to estimate the mix and what we have seen in 2025, it was always the case in 2024, is that mix is pulling down the potential numbers, was negative.

About cash-outs for our adaptation plan, industrial adaptation plan. Obviously, negotiation is going on, and it is going to take a few weeks and even few months for France. What we do expect, I can tell you, the order of magnitude is going to be a restructuring cost, most of it being social cost, between €40-50 million, and most of this impact in 2026. Some will come in 2027, but most of it in 2026.

Capex, yes, we do confirm that due to the market environment, due as well to some capex deflation and negotiation we are able to do, we do see our capex maintaining the level around 8% of our sales. This is what we see for 2026 and certainly onwards as well for 2027 but this is what we see.

Jean-François Granjon: Thank you. Just an added question regarding the mix effect. If you could just remind us the main difference in terms of mix between the different segments with sparkling, wine, non-alcohol beverages, etc.

David Placet: That is a tricky one to be honest because there is, I mean, some segments are inherently better priced than others, but it has also enhanced complexity in certain products. So, I am not sure we can have a generic answer to this one, unfortunately.

Jean-François Granjon: Okay, thank you.

Operator: The next question comes from Saul Casadio from M&G plc. Please go ahead.

Saul Casadio (M&G): Hi, thanks for taking my question. I just have a couple. The first one with regards to the restructuring plan that you are considering, what is approximately the capacity as a percentage of your capacity that will be taken out as a result of this plan if it is implemented in full? That's my first one. Thanks.

Patrice Lucas: The capacity we are speaking about here, so meaning Essen, one furnace in Cognac, is around 200 ktons per year. So, to our full capacity, it is about 3%.

David Placet: It is around 3%. As a reminder, we have around 60 furnaces in Europe, and we are going to be shutting down these three. Subject, obviously, to the customary procedures.

Patrice Lucas: I think what is important to mention on top of this adaptation plan, you do remember that, obviously, market is down since the end of 2023, and at the point of time, there was a big question about the market recovery. We were expecting, to be honest, a quicker recovery of the market, and we were working on making adaptations, short-term adaptations, temporary adaptations, to better try to understand if we were facing some conjunctural market situation versus a structural market situation. Now it's clear that we came up with the conclusion that in Germany, due to the overcapacity we observe and the market dynamics, it is no more conjunctural, but it is much more structural. And for us, it is really to redeploy the business in Germany on three sites, six furnaces, for better qualitative and contributive business. This is really the strategy.

When we speak about France, it is about the same. You know that in France, we had some conjunctural cold stops, temporary shutdowns, and all of that. But here, we came up to the conclusion as well that what we have seen in Cognac, after booming volumes in 2021-22, is that it was not really structural as well. And we are much more normalising, and we are back to 2018-19 volumes. So, this is why we decided as well to make a structural decision to adapt there. And as the furnace is coming to the end-of-life, there is no rationale to reinvest on this furnace or this market.

Saul Casadio: Okay, thanks. Just to clarify that I understood correctly, so if we put together the capacity of the French, German – if we put all together, the UK, the French, and the German, that represents roughly 5% of your total capacity.

Patrice Lucas: 3%, no, 3%.

Saul Casadio: 3%, okay. Okay.

Patrice Lucas: And the capacity reduction, to be precise, the capacity reduction is in Germany, in France, if I want to be precise. In UK, it is not a capacity reduction. It is a closure of one furnace and the reopening of another one, but which is much more efficient in terms of competitiveness, in terms of cost, and in terms of CO_2 emissions. Is it clear?

Saul Casadio: Yeah, no, it is clear. Would you consider more actions because your competitors have done more on the supply side in terms of taking out capacities. Are we likely to see more on this side?

Patrice Lucas: Well, I mean, so it is all about the geography and the segments we are in. Obviously, so the geography which is suffering much more, and which really has overcapacity is North-East Europe, and especially Germany. So, this is why we have taken measures there. And if I'm back to what we had in 2022, in 2022, we were operating ten furnaces, and here we are planning to move to six. It means we have done already part of the job in 2024 and in 2025. So, in Germany, moving from ten to six furnaces. So, the job has been done, I would say. In France, so we are making this decision for Cognac, which is really a specific segment in which, I mean, we need to face reality. And then for South of Europe, I mean, Italy and Iberia, Spain and Portugal, we don't need to adapt capacity there.

And I'm not speaking about Latin America. We are on the opposite. I mean, we are facing a much more dynamic market. I mean, we have opened for the past two years two additional furnaces in Brazil, putting our Jacutinga and Campo Bom activities from one to two furnaces.

David Placet: And this move, I mean, just to reiterate what we said earlier, this move is really consistent with what's been happening in the market. If you look at the, I think, 20 or so furnace closure announcements that have taken place over the last two years, most of them relate to, let's say, Northern Europe for Germany and Benelux in particular.

Saul Casadio: Okay. And just a quick follow-up on this one. In terms of the industry, considering all the closures that you have mentioned, how much do they represent of the European capacity? How much capacity has been taken out in the industry over that period of time, roughly speaking?

David Placet: Sure. So, the European market, I mean, if you really look like a broad scope, FEVE definition, is around 20 million tonnes. And so, a furnace, on average, tends to be around 100K tonnes.

There's been, so including ours, I think we are now at 22 furnace closure announcements, so around 20, yeah, so basically 10% of the European capacity.

Saul Casadio: Okay, that's good. And my last one, if I may, is on your IG commitment and clearly noted what you have done on the dividend in terms of reduction and the option to take it in a share form so reducing the cash-out. The question is, do you think that will be enough to stay IG, or do you need to do more to maintain your rating? Thanks.

Patrice Lucas: Yes, this is our plan, and this is why we have proposed in full responsibility this dividend option. And according to what we see, where it could put our leverage at the end of the year if we do the job. I mean, this is a nice trajectory which will keep our investment-grade, yeah, for sure. This is the plan. This is one of our commitments.

Saul Casadio: Okay, thank you. Appreciate it.

Patrice Lucas: Especially working on the cash as well, for sure. Thank you.

Operator: There are no more oral questions at this time, so I hand the conference back to the speakers for the written questions.

David Placet: All right, well, thanks a lot. So, we have quite a few written questions. Having said this, as is often the case, some are pretty much the same as the ones we had on the call.

So let me just have a look. Let's start. Okay, so let's start maybe with the first question from Mate Kovacs-Kvotidian.

Two questions. So, first one is, with the closures, will you be able to restore the EBITDA margin with increased capacity utilisation, or is this a preventive move from you to stop the decline going forward? Second question, on the demand side, do you see a changing mix in the past couple of quarters that could affect the profitability in the future?

Patrice Lucas: So, the first question about restoring the EBITDA margin, obviously it is part of the objective. Improving competitiveness and, over time, restoring and improving our EBITDA and margin, this is part of it.

I do believe that, I mean, since 2024, and with the market downturn in 2023, we are in a kind of low cycle. Frankly speaking, we were expecting a much quicker recovery. But what we are quite confident in is that this cycle will go up. So, we move from a low cycle to a better cycle. When we see the overcapacity being reduced over time, especially in the main countries, we do believe that it is going to support a better asset use. And all of that with one key objective, which is restoring and improving margins. And this is what we want to do.

On the demand side, so this is what we have explained, and we are part of that. What we see globally is that we see that non-alcoholic beverages and food are much more segments which are showing opportunity of growth. And we see that on the others, it is much more flattish. Or even on still wine, it is declining, depending on the countries. So obviously, there is a mix of segments and what is important for us is to make sure that we are focussing as well our sales effort, our product offers, our innovations on these growing segments. Food is clearly one and this is why, by the way, in Italy last year, we did open additional capacity dedicated to food, which will bring some upside starting in 2026 and in the years to come.

So, this is what we see here.

David Placet: Thank you, Patrice. Another question from Claudio de Ranieri. You talked about a normalisation of the spread towards zero in 2026. Is this comment made looking at the full year, or does it mean that you plan to be towards zero at the end of the year, for example, Q4 2026?

Patrice Lucas: Our ambition here is to speak in full-year. And again, with the caveat of the mix which is not under our control, but the full-year is our objective here, towards zero.

David Placet: Thank you. Two questions from Andrea Giuseppe Frey. Can you provide a guidance for leverage by end of year and for 2027? So, a question about IG. I think that one was answered already.

And one question about visibility on the margin in Q1 2026. Is it sequentially stable, up or weaker? I think on leverage, frankly, I think, we clearly expect it to come down. I think you can, you know, fairly easily do the math. We are planning for around €220 million in free cash flow, minus the restructuring cash-outs that Patrice referred to. On the other hand, we have a maximum cash-out of €20 million on dividend. So that gives you an idea, basically, of, you know, the deleveraging prospect.

And on the margin in Q1 2026, I don't think we want to comment necessarily on that one. Maybe just keeping in mind that last year was quite a low point in the year in Q1. I think we were at 18%. So, there is clearly room for improvement there.

Okay. Just to see whether there are any other questions, but I think, yeah. A question from Inigo Egusquiza. Pricing and volumes in 2026 by region, I don't think we naturally want to go much further on this one. The cost of the capacity shutdown we have covered. And indeed, I confirmed that the €220 million free cash flow target excludes the restructuring cash-outs.

With that, we have no further written questions. I don't know if there is anything back on the phone?

Operator: The next question comes from Jean-François Granjon from ODDO BHF. Please go ahead.

Jean-François Granjon (ODDO BHF): Yes, thank you. Just one last question from my side. You mentioned the target to come back to a more normative level for the EBITDA margin. What is this level? I see on the past, on the low end, you have reached 20-21% EBITDA margin. After that, you are more on a magnitude between 24-25%, with an exceptional year in 2023 to reach more than 28%. So, what is, for you, the normative level for the Group? I would say 24-25%, or lower than that.

Patrice Lucas: Jean-François, so this is a very good question, and you are going to have to be patient a little bit. We will be back to you at the Capital Market Day at the end – but I mean, this is the name of the game, how we can improve the efficiency of our business step-by-step, and normalizing the situation after this quite volatile and difficult to manage top-line level. So obviously, 2026, and this is why, again, we want to be cautious with the top line, self-concentrated on making our job on what we do control so obviously improving the margin, and then moving towards the step-by-step and incremental improvements after here. And we will be back to you for the Capital Market Day and with much more details.

Jean-François Granjon: Yes. Okay, thank you.

Patrice Lucas: Thank you. Okay, so I think we are done. So, thanks a lot for your attention and for your continued engagement with Verallia.

So again, we are entering in 2026 with clear priorities: competitiveness, cash generation, deleveraging, and the implementation of our industrial footprint adaptation in Europe. And all of that with disciplined capital allocation.

So, thanks a lot. Have a good day and speak to you quite soon for Q1 results. Thanks a lot.

David Placet: Thank you.

[END OF TRANSCRIPT]