



## PRESS RELEASE

### H1 2021 Results

**+4.2% increase in revenue**

**Robust growth in adjusted EBITDA to €345 million (+15.4%)  
and adjusted EBITDA margin to 26.0% (+260 bps)**

**Strong business recovery in Q2: +14.8% vs. Q2 2020**

**2021 Adjusted EBITDA target raised**

Paris, 29 July 2021

#### Highlights

- **H1 2021 revenue up +4.2% to €1,328 million (+7.7% at constant exchange rates and scope)<sup>(1)</sup> vs. H1 2020**
- **In Q2 2021, strong revenue growth of +14.8% to €723 million (+17.6% at constant exchange rates and scope) vs. Q2 2020**
- **Increase in adjusted EBITDA to €345 million in H1 2021, from €299 million in H1 2020 (+15.4%)**
- **Sharp increase in adjusted EBITDA margin to 26.0% in H1 2021 (+260 bps)**
- **Net income<sup>(2)</sup> of €133 million versus €79 million in H1 2021**
- **Reduction in net debt leverage to 1.9x adjusted EBITDA for the last 12 months, against 2.1x as of 31 March 2021**
- **Verallia proceeded with two share buybacks during the first half for €109 million and therefore holds 1.7% of the share capital (after cancelling 1.6 million shares)**

*(1) Revenue growth at constant exchange rates and scope excluding Argentina was +5.6% in H1 2021 compared with H1 2020.*

*(2) Net income for H1 2021 includes an amortisation expense for customer relations, recognised upon the acquisition of Saint-Gobain's packaging business in 2015, of €22 million (net of taxes). Excluding this expense, the net income would be €155 million. This expense was €22 million in H1 2020.*

*"After a first quarter still adversely affected by the health restrictions, the reopening of Cafés, Hotels and Restaurants in the second quarter allowed Verallia to record robust organic revenue growth over the six-month period. Adjusted EBITDA rose sharply in the first half, with a full contribution from the Group's three main pillars for improvement – namely the increase in business activity (operational lever), positive spread and mix, and improved industrial efficiency (PAP). In view of these solid results, Verallia can raise its adjusted EBITDA forecasts for 2021", commented Michel Giannuzzi, Chairman and CEO of Verallia.*

## Revenue

### Revenue breakdown by region

In € million	H1 2021	H1 2020	% Change	Of which is organic growth (i)
Southern and Western Europe	927.9	880.3	+5.4%	+5.5%
Northern and Eastern Europe	257.9	283.3	-9.0%	-5.6%
Latin America	141.9	111.0	+27.9%	+58.9%
<b>Group Total</b>	<b>1,327.7</b>	<b>1,274.6</b>	<b>+4.2%</b>	<b>+7.7%</b>

(i) 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. Revenue growth at constant exchange rates and scope excluding Argentina was +5.6% in H1 2021 compared with H1 2020.

Revenue in the first half of 2021 totalled **€1,328 million**, a **4.2%** increase **on a reported basis** compared with the same period in the previous year.

The impact of **exchange rates** was -3.5% in H1 2021 (-€45 million), mostly linked to the depreciation of the Argentine peso and Brazilian real, and to a lesser extent, the depreciation of the Ukrainian hryvnia and the Russian rouble.

At **constant scope and exchange rates**, revenue grew **+7.7%** in the first half of the year (+5.6% excluding Argentina). This was due to a strong performance in the second quarter, with organic growth of +17.6% (+15.2% excluding Argentina). After a slow start to the year, still adversely affected by numerous lockdowns, business trends improved dramatically in the second quarter, which saw a strong recovery in all countries. The gradual reopening of the on-trade channel (HoReCa - Hotels, Restaurants and Cafés) during the second quarter of 2021 contributed significantly to growth.

All product categories posted strong sales in the second quarter compared with last year, except for food jars, which were particularly buoyant in 2020 during the lockdowns in the second quarter. Spirits rebounded sharply in the second quarter as exports to Asia and the United States picked up.

An increase in sales prices at the start of the year and an excellent product mix at Group level also boosted first-half revenue.

By region, revenue for H1 2021 breaks down as follows:

- Southern and Western Europe saw revenue grow by +5.4% on a reported basis and +5.5% at constant exchange rates and scope in H1 2021. All countries and product categories recorded growth in the first half, except food jars. Sales of spirits rocketed after being hit hard in the first half of 2020. Sales of still wine and beer also recorded strong growth. Sparkling wines picked up thanks to Italy and brisk sales of Prosecco rosé. Sales prices remained stable in the region.
- In Northern and Eastern Europe, revenue on a reported basis was down -9.0% compared with H1 2020, which had proved more resilient than in Southern and Western Europe. The decrease was smaller at constant exchange rates and scope, at -5.6%; exchange rates' fluctuations had a negative impact of -3.4% due to the depreciation of the Ukrainian hryvnia and the Russian rouble. The fall in volumes in the first half was mainly concentrated in the first quarter, as volumes improved in the second quarter across all product categories. Sales prices also remained stable in the region.
- In Latin America, the Group reaped the benefits of having increased capacities in 2020. Revenue rose sharply: +27.9% increase on a reported basis and +58.9% excluding the effect of local currency depreciation (+51.7% organic growth excluding Argentina). Over the six months, volumes

increased in all countries and product categories, except food jars. In addition, previous increases in selling prices in the region – particularly in Argentina in response to local hyperinflation – were another contributing factor.

## **Adjusted EBITDA**

### **Breakdown of adjusted EBITDA by region**

<i>In € million</i>	H1 2021	H1 2020
<b>Southern and Western Europe</b>		
Adjusted EBITDA (i)	231.8	195.8
<i>Adjusted EBITDA margin</i>	25.0%	22.2%
<b>Northern and Eastern Europe</b>		
Adjusted EBITDA (i)	58.3	68.9
<i>Adjusted EBITDA margin</i>	22.6%	24.3%
<b>Latin America</b>		
Adjusted EBITDA (i)	54.6	33.9
<i>Adjusted EBITDA margin</i>	38.5%	30.6%
<b>Group Total</b>		
<b>Adjusted EBITDA (i)</b>	<b>344.7</b>	<b>298.7</b>
<b><i>Adjusted EBITDA margin</i></b>	<b>26.0%</b>	<b>23.4%</b>

(i) 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.

**Adjusted EBITDA** increased by +15.4% in H1 2021 (and +20.8% at constant exchange rates and scope) to **€345 million**. The unfavourable **exchange rates** effect amounted to -€16 million, mainly due to the depreciation of Latin American currencies as well as the depreciation of the Ukrainian hryvnia and the Russian rouble.

Verallia generated a positive spread<sup>1</sup> in all regions, with prices remaining stable in Europe and increasing in Latin America to offset cost inflation. A particularly favourable product mix and a net reduction in production costs of €21 million (or 2.7% of cash production costs) also made a significant contribution to the improvement in adjusted EBITDA. These positive developments largely offset the slight dip in activity attributed to continued destocking in the context of five furnace repairs and the successful start-up of two new furnaces (in Spain and Italy) during the first half.

The **adjusted EBITDA margin** increased to **26.0%** from 23.4% in H1 2020.

By region, adjusted EBITDA for H1 2021 breaks down as follows:

<sup>1</sup> Spread represents the difference between (i) the increase in sales prices and mix applied by the Group after passing the increase in its production costs on to these prices, if required, and (ii) the increase in its 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 and before production gap and the impact of the Performance Action Plan (PAP).

- Southern and Western Europe reported an adjusted EBITDA of €232 million (vs €196 million in H1 2020) and a margin of 25.0%, up from 22.2%. This solid performance was due to the positive spread on sales and the excellent contribution of the product mix. The region's industrial performance was also good, despite the difficulties encountered by France in Q1 due to social movements linked to the transformation plan, which affected production.
- In Northern and Eastern Europe, adjusted EBITDA was €58 million (vs €69 million in H1 2020), taking its margin to 22.6%, compared with 24.3% previously. This fall is due to the decline in volumes associated with a strong negative exchange rates' impact and maintenance costs linked to the rebuilding of two furnaces.
- In Latin America, adjusted EBITDA amounted to €55 million (vs €34 million in H1 2020), representing a margin of 38.5% compared with 30.6% previously. This excellent performance is due to the strong growth in sales volumes in a highly dynamic market, combined with a positive spread and solid industrial performance. In addition, Brazil benefited from the positive impact of the Brazilian Supreme Federal Court's decision on the ICMS tax.

The increase in **net income** to **€133 million** is mainly the result of the improvement in adjusted EBITDA, that is more than compensating for the increase in the net financial expense and in the income taxes. The net income includes an amortisation expense for customer relations, recognised upon the acquisition of Saint-Gobain's packaging business in 2015 of €22 million (net of taxes). **Excluding this expense, the net income would be €155 million.** This expense was €22 million in H1 2020.

The **booked capital expenditure** stood at **€109 million**, compared with €92 million in H1 2020. These investments consist of €98 million of recurring investments (i.e. 7.4% of consolidated revenue), compared with €64 million in H1 2020, and €11 million of strategic investments (vs €27 million in H1 2020).

**Operating cash flow<sup>2</sup>** came in higher at **€212 million**, compared with €138 million in H1 2020, thanks to the growth in adjusted EBITDA and the significant improvement in working capital requirement. Based on number of days' sales compared with 30 June 2020, inventories remained at a very low level while late payments continue to be well managed (stable at a very low level).

### Very solid balance sheet

Verallia improved its net debt ratio in the first half: **net debt** amounted to **€1,266 million** at 30 June 2021 after two share buybacks by the Group for €109 million (in March and June 2021). This corresponds to a net debt ratio of **1.9x adjusted EBITDA for the last 12 months**, compared with 2.1x at 31 March 2021, down from 2.5x at 30 June 2020.

In addition, Verallia decided not to extend its additional credit facility of €250 million (RCF2), implemented in April 2020.

Lastly, to diversify its funding sources and in line with its ESG strategy unveiled in January 2021, on 14 May 2021 Verallia successfully placed its **inaugural "Sustainability-Linked" bond issue** for a total of €500 million, maturing in seven years and with a coupon of 1.625%. The net proceeds of the issue were used to repay some of the Group's debt. This landmark transaction allows Verallia to (i) diversify its funding sources by tapping the bond market, (ii) extend the average maturity of its debt, and (iii) strengthen visibility of its sustainability commitment.

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<sup>2</sup> Operating cash flow represents adjusted EBITDA less capex, plus changes in operating working capital requirement including changes in payables to fixed asset suppliers.

The Group still had significant **liquidity<sup>3</sup> of €848 million** as of 30 June 2021.

### **Share buyback**

On 9 June 2021, Verallia repurchased 1.6 million shares for €48.8 million. This coincided with the sale by Apollo<sup>4</sup> of its stake of around 10% in Verallia via an accelerated private placement. The shares were cancelled on 24 June 2021 (*see below*).

In addition, on 5 March 2021, the Group also participated in an accelerated private placement of Apollo by acquiring 2.1 million shares for €60 million. These repurchased shares have been and will be used to cover employee share ownership programmes (the sixth of which ended on 24 June 2021 – *see below*) and Group performance share plans.

### **Results of voting at the Annual General Shareholders' Meeting of 15 June 2021**

With a quorum of more than 85%, the Annual General Shareholders' Meeting of the Company on 15 June 2021 adopted, with approval rates ranging from 84.8% to 99.9%, all the resolutions put to the vote.

The Annual General Shareholders' Meeting also voted for a cash dividend of €0.95 per share, with an ex-dividend date of 1 July 2021 and a payment date of 5 July 2021.

### **Success of the 2021 employee shareholding offer**

Almost 3,200 employees (i.e. 41% of eligible persons worldwide) took part in the Group's sixth employee shareholding offer at a unit subscription price of €25.52<sup>5</sup>. In France, the operation was well received, with nearly 75% of eligible employees subscribing.

As a result, employee shareholders now hold 3.54% of Verallia's share capital, directly and through Verallia's FCPE (corporate mutual fund). The percentage of employee shareholders is approximately 41%.

On 24 June 2021, following this transaction (which was oversubscribed), the Company issued 616,364 new ordinary shares representing 0.5% of the share capital and voting rights. To counter the dilutive effect of this transaction, the Company simultaneously reduced its share capital by cancelling 1.6 million treasury shares acquired under the share buyback programme<sup>6</sup>.

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<sup>3</sup> Calculated as the Cash + Undrawn Revolving Credit Facilities – Outstanding Neu Commercial Paper.

<sup>4</sup> Acting through Horizon Investment Holdings S.à.r.l., a company owned by Horizon Parent Holdings S.à.r.l., itself owned by AIF VIII Euro Leverage, L.P., an investment fund managed by an affiliate of Apollo Global Management, Inc.

<sup>5</sup> This represents a discount of approximately 20% compared with the average Verallia share price on the Euronext Paris regulated market over the 20 trading days prior to 30 April 2021.

<sup>6</sup> Capital increase for a total nominal amount of €2,083,310.32 and a share premium of €13,646,298.96. The 616,364 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 by cancelling 1,600,000 own shares acquired on 11 June 2021 under the share buyback programme. The Company's share capital following the completion of these capital increase and capital reduction operations is €413,337,438.54. It is composed of 122,289,183 ordinary shares with a par value of €3.38 each.

## **2021 Outlook**

Provided there are no new widespread Covid lockdowns, the strong business performance in the first half of 2021 means that Verallia's net sales should reach around €2.6 billion with volumes in 2021 returning to 2019 level.

Verallia also expects 2021 adjusted EBITDA to increase significantly on the previous year. The adjusted EBITDA should be higher than initially expected at around €675 million (compared with €650 million forecast in February 2021).

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

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

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

For more information, visit [www.verallia.com](http://www.verallia.com)

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*The consolidated financial statements of the Verallia Group for the financial year ended 30 June 2021, which were subject to a limited review by the Group’s Statutory Auditors, were approved by the Board of Directors on 28 July 2021 and will be available on [www.verallia.com](http://www.verallia.com).*

*An analysts’ conference call will be held on Thursday, 29 July 2021 at 9.00 am (CET) via an audio webcast service (live and replay) and the results presentation will be available on [www.verallia.com](http://www.verallia.com).*

#### **Financial calendar**

- **07 October 2021: Digital Investor Day – Press release and virtual presentation at 3.00 pm (CET).**
- **28 October 2021: Financial results for Q3 2021 – Press release *before the market opening* and conference call/presentation at 9.00 am (CET) on that day.**

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## APPENDICES

### Key figures

<i>In € million</i>	H1 2021	H1 2020
<b>Revenue</b>	<b>1,327.7</b>	<b>1,274.6</b>
<i>Reported growth</i>	+4.2%	-4.1%
<i>Organic growth</i>	+7.7%	-0.9%
of which Southern and Western Europe	927.9	880.3
of which Northern and Eastern Europe	257.9	283.3
of which Latin America	141.9	111.0
Cost of sales	(1,006.0)	(1,002.9)
Selling, general and administrative expenses	(86.9)	(80.1)
Acquisition-related items	(29.9)	(30.4)
Other operating revenue and expenses	2.2	(27.1)
<b>Operating profit</b>	<b>207.1</b>	<b>134.1</b>
Net financial income (expense)	(32.3)	(19.5)
<b>Profit (loss) before tax</b>	<b>174.8</b>	<b>114.6</b>
Income tax	(43.5)	(35.3)
Share of net profit (loss) of associates	1.2	0.0
<b>Net profit (loss) for the year (i)</b>	<b>132.5</b>	<b>79.3</b>
<b>Earnings per share</b>	<b>€1.07</b>	<b>€0.64</b>
<b>Adjusted EBITDA (ii)</b>	<b>344.7</b>	<b>298.7</b>
<b>Group Margin</b>	<b>26.0%</b>	<b>23.4%</b>
of which Southern and Western Europe	231.8	195.8
<i>Southern and Western Europe margin</i>	25.0%	22.2%
of which Northern and Eastern Europe	58.3	68.9
<i>Northern and Eastern Europe margin</i>	22.6%	24.3%
of which Latin America	54.6	33.9
<i>Latin America margin</i>	38.5%	30.6%
<b>Net debt at the end of the period</b>	<b>1,266.2</b>	<b>1,475.7</b>
<b>Last 12 months adjusted EBITDA</b>	<b>671.7</b>	<b>601.1</b>
<i>Net debt/last 12 months adjusted EBITDA</i>	1.9x	2.5x
<b>Total capex (iii)</b>	<b>109.4</b>	<b>91.5</b>
Cash conversion (iv)	68.3%	69.4%
Change in operating working capital	(23.7)	(69.0)
<b>Operating cash flow (v)</b>	<b>211.6</b>	<b>138.2</b>
<b>Strategic investments (vi)</b>	<b>11.2</b>	<b>27.2</b>
<b>Recurring investments (vii)</b>	<b>98.2</b>	<b>64.4</b>

(i) Net income for H1 2021 includes an amortisation expense for customer relations, recognised upon the acquisition of Saint-Gobain's packaging business in 2015, of €22 million (net of taxes). Excluding this expense, the net income would be €155 million. This expense was €22 million in H1 2020.

(ii) Adjusted EBITDA is calculated on the basis of 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.

(iii) 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.

(iv) Cash conversion represents adjusted EBITDA less capex, divided by adjusted EBITDA.

(v) Operating cash flow represents adjusted EBITDA less capex, plus changes in operating working capital requirement including changes in payables to fixed asset suppliers.

(vi) 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. From 2021 onwards, they will also include investments related to the implementation of the plan to reduce CO<sub>2</sub> emissions.

(vii) 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 2021**

<i>In € million</i>	
<b>Revenue H1 2020</b>	<b>1,274.6</b>
Volumes	+44.6
Price/Mix	+53.3
Exchange rates	(44.8)
<b>Revenue H1 2021</b>	<b>1,327.7</b>

### **Change in adjusted EBITDA by type in € million during H1 2021**

<i>In € million</i>	
<b>Adjusted EBITDA H1 2020 (i)</b>	<b>298.7</b>
Activity contribution	(6.0)
Spread price-mix/costs	+45.4
Net productivity	+21.3
Exchange rates	(16.0)
Other	+1.4
<b>Adjusted EBITDA H1 2021 (i)</b>	<b>344.7</b>

(i) 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.

### **Comparison between Q1 and Q2**

<i>In € million</i>	Q1		Q2	
	2021	2020	2021	2020
<b>Revenue</b>	<b>604.9</b>	<b>644.8</b>	<b>722.9</b>	<b>629.9</b>
Reported growth	-6.2%		+14.8%	
Organic growth	-2.0%		+17.6%	
<b>Adjusted EBITDA</b>	<b>151.7</b>	<b>151.3</b>	<b>193.0</b>	<b>147.4</b>
Adjusted EBITDA margin	25.1%	23.5%	26.7%	23.4%

### Reconciliation of operating profit to adjusted EBITDA

<i>In € million</i>	H1 2021	H1 2020
<b>Operating profit</b>	<b>207.1</b>	<b>134.1</b>
Depreciation and amortisation (i)	136.2	139.6
Restructuring costs (ii)	(2.7)	19.1
IAS 29 Hyperinflation (Argentina) (iii)	(0.7)	0.7
Management share ownership plan and associated costs	4.4	1.8
Other	0.4	3.4
<b>Adjusted EBITDA</b>	<b>344.7</b>	<b>298.7</b>

(i) Includes depreciation and amortisation of intangible assets and property, plant and equipment, amortisation of intangible assets acquired through business combinations and impairment of property, plant and equipment, including those linked to the transformation plan implemented in France in 2020.

(ii) Corresponds mainly to the transformation plan in France.

(iii) The Group has applied IAS 29 (Hyperinflation) since the second half of 2018.

### Reconciliation of Cash conversion to adjusted EBITDA

<i>In € million</i>	H1 2021	H1 2020
<b>Adjusted EBITDA</b>	<b>344.7</b>	<b>298.7</b>
Capex	(109.4)	(91.5)
<b>Cash flows (adjusted EBITDA - Capex)</b>	<b>235.3</b>	<b>207.2</b>
<b>Cash conversion</b>	<b>68.3%</b>	<b>69.4%</b>

Adjusted EBITDA and Cash conversion are alternative performance indicators within the meaning of AMF position no. 2015-12.

Adjusted EBITDA and cash conversion are not standardised accounting measures that meet a single, generally accepted definition as per IFRS. They must not be considered as a substitute for operating income and cash flow 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 definition used by the Group.

### Financial structure

<i>In € million</i>	Nominal amount or max. drawable amount	Nominal rate	Final maturity	30 June 2021
Sustainability-Linked Bond (i)	500	1.625%	14 May 28	496.8
Term Loan A (i)	1,000	Euribor +1.50%	07 Oct. 24	993.9
Revolving credit facility 1	500	Euribor +1.10%	07 Oct. 24	-
Commercial Papers Neu CP	400			149.2
Other borrowings (ii)				123.5
<b>Total borrowings</b>				<b>1,763.4</b>
Cash and cash equivalents				(497.2)
<b>Net borrowings</b>				<b>1,266.2</b>

(i) Excluding accrued interest.

(ii) o/w IFRS16 leasing (€53.6m), local debts (€31.4m), factoring recourse (€14.4m), margin call on commodities derivatives (€15.6m).

### IAS 29: Hyperinflation in Argentina

Since the second half of 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 income statement to reflect changes in purchasing power in the local currency, leading to a gain or loss on the net monetary position included in the finance costs.

Financial information of the Argentinian subsidiary is converted into euros using the closing exchange rate for the relevant period.

In H1 2021, the net impact on revenue was **+€2.1 million**. The hyperinflation impact has been excluded from Group adjusted EBITDA as shown in the table “Reconciliation of operating profit to adjusted EBITDA”.

### Consolidated income statement

<i>In € million</i>	H1 2021	H1 2020
<b>Revenue</b>	<b>1,327.7</b>	<b>1,274.6</b>
Cost of sales	(1,006.0)	(1,002.9)
Selling, general and administrative expenses	(86.9)	(80.1)
Acquisition-related items	(29.9)	(30.4)
Other operating revenue and expenses	2.2	(27.1)
<b>Operating profit</b>	<b>207.1</b>	<b>134.1</b>
<b>Net financial income (expense)</b>	<b>(32.3)</b>	<b>(19.5)</b>
<b>Profit (loss) before tax</b>	<b>174.8</b>	<b>114.6</b>
Income tax	(43.5)	(35.3)
Share of net profit (loss) of associates	1.2	0.0
<b>Net profit (loss) for the year (i)</b>	<b>132.5</b>	<b>79.3</b>
Attributable to shareholders of the Company	130.9	76.0
Attributable to non-controlling interests	1.6	3.3
<b>Basic earnings per share (in €)</b>	<b>1.07</b>	<b>0.64</b>
<b>Diluted earnings per share (in €)</b>	<b>1.07</b>	<b>0.64</b>

*(i) Net income for H1 2021 includes an amortisation expense for customer relations, recognised upon the acquisition of Saint-Gobain’s packaging business in 2015, of €22 million (net of taxes). Excluding this expense, the net income would be €155 million. This expense was €22 million in H1 2020.*

## Consolidated balance sheet

<i>In € million</i>	30 June 2021	31 Dec. 2020
<b>ASSETS</b>		
Goodwill	533.9	529.7
Other intangible assets	402.4	430.9
Property, plant and equipment	1,321.7	1,288.5
Investments in associates	3.2	2.0
Deferred tax	38.0	27.1
Other non-current assets	32.7	30.8
<b>Non-current assets</b>	<b>2,331.9</b>	<b>2,309.0</b>
Inventories	358.4	386.9
Trade receivables and other current assets	292.0	158.7
Current tax receivables	0.8	5.0
Cash and cash equivalents	497.2	476.2
<b>Current assets</b>	<b>1,148.4</b>	<b>1,026.8</b>
<b>Total Assets</b>	<b>3,480.3</b>	<b>3,335.8</b>
<b>EQUITY &amp; LIABILITIES</b>		
Share capital	413.3	416.7
Consolidated reserves	137.8	121.6
<b>Equity attributable to shareholders</b>	<b>551.1</b>	<b>538.3</b>
Non-controlling interests	44.3	39.5
<b>Equity</b>	<b>595.4</b>	<b>577.8</b>
Non-current financial liabilities and derivatives	1,566.3	1,569.1
Provisions for pensions and other employee benefits	127.1	134.0
Deferred tax	163.7	146.0
Provisions and other non-current financial liabilities	21.8	24.1
<b>Non-current liabilities</b>	<b>1,878.9</b>	<b>1,873.2</b>
Current financial liabilities and derivatives	197.1	185.7
Current portion of provisions and other non-current financial liabilities	33.7	59.8
Trade payables	398.1	367.5
Current tax liabilities	36.2	21.8
Other current liabilities	340.9	250.0
<b>Current liabilities</b>	<b>1,006.0</b>	<b>884.8</b>
<b>Total Equity and Liabilities</b>	<b>3,480.3</b>	<b>3,335.8</b>

## Consolidated cash flow statement

<i>In € million</i>	H1 2021	H1 2020
<b>Net profit (loss) for the year</b>	132.5	79.3
Depreciation, amortisation and impairment of assets	136.2	139.6
Interest expense on financial liabilities	17.1	18.6
Change in inventories	29.9	4.9
Change in trade receivables, trade payables & other receivables & payables	(17.3)	(23.4)
Current tax expense	61.5	40.0
Taxes paid	(36.9)	(16.5)
Changes in deferred taxes and provisions	(48.8)	13.8
Other	11.9	3.6
<b>Net cash flows from operating activities</b>	<b>286.1</b>	<b>259.9</b>
Acquisition of property, plant and equipment and intangible assets	(109.4)	(91.5)
Increase (decrease) in debt on fixed assets	(38.7)	(50.4)
Other	(1.7)	(0.4)
<b>Net cash flows from (used in) investing activities</b>	<b>(149.8)</b>	<b>(142.3)</b>
Capital increase (reduction)	15.7	20.1
Dividends paid	-	-
Increase (decrease) in treasury stock	(109.2)	-
<b>Transactions with shareholders</b>	<b>(93.5)</b>	<b>20.1</b>
<b>Transactions with non-controlling interests</b>	<b>(1.2)</b>	<b>(0.6)</b>
Increase (reduction) in bank overdrafts and other short-term borrowings	14.3	(129.9)
Increase in long-term debt	501.9	201.2
Reduction in long-term debt	(515.6)	(13.1)
Financial interest paid	(21.1)	(13.4)
<b>Change in gross debt</b>	<b>(20.5)</b>	<b>44.8</b>
<b>Net cash flows from (used in) financing activities</b>	<b>(115.2)</b>	<b>64.3</b>
<b>Increase (reduction) in cash and cash equivalents</b>	<b>21.1</b>	<b>181.9</b>
Impact of changes in foreign exchange rates on cash and cash equivalents	(0.1)	(12.9)
<b>Opening cash and cash equivalents</b>	<b>476.2</b>	<b>219.2</b>
<b>Closing cash and cash equivalents</b>	<b>497.2</b>	<b>388.2</b>

## GLOSSARY

Activity category: corresponds to the sum of the volumes variations plus or minus changes in inventories variation.

Organic growth: corresponds to revenue growth at constant exchange rates and scope. Revenue growth at constant exchange rates is calculated by applying the average exchange rates of the comparative period to revenue for the current period of each Group entity, expressed in its reporting currency.

Adjusted EBITDA: This is a non-IFRS financial measure. It is an indicator for monitoring the underlying performance of businesses adjusted for certain expenses and/or non-recurring items liable to distort the company's performance. The Adjusted EBITDA is calculated based on operating profit adjusted for depreciation, amortisation and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, management share ownership plans, subsidiary disposal-related effects and contingencies, plant closure costs and other items.

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

Recurring investments: Recurring Capex represent acquisitions of property, plant and equipment and intangible assets necessary to maintain the value of an asset and/or adapt to market demands and to environmental, health and safety requirements. It mainly includes furnace renovation and maintenance of IS machines.

Strategic investments: Strategic investments represent the acquisitions of strategic assets that significantly enhance the Group's capacity or its scope (for example, the acquisition of plants or similar facilities, greenfield or brownfield investments), including the building of additional new furnaces. From 2021 onwards, they will also include investments related to the implementation of the plan to reduce CO<sub>2</sub> emissions.

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

The segment Southern and Western Europe comprises production plants located in France, Spain, Portugal and Italy. It is also denominated as "SWE".

The segment Northern and Eastern Europe comprises production plants located in Germany, Russia, Ukraine and Poland. It is also denominated as "NEE".

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

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

Amortisation of intangible assets acquired through business combinations: Corresponds to the amortisation of customer relations recorded during the acquisition of the Saint-Gobain packaging business in 2015 (initial gross value of €740 million over a useful life of 12 years).