Press release
Paris, 14 February 2024

2023 annual results:

Verallia records an excellent financial performance amid weaker market conditions and aims to generate an EBITDA of around €1bn in 2024

HIGHLIGHTS

- **+16.5% increase in revenue to €3,904 million in 2023** (+21.4% at constant scope and exchange rates) compared with 2022
- **Growth in adjusted EBITDA to €1,108 million** in 2023, 28.0% higher than in 2022 (€866 million)
- **Improvement in adjusted EBITDA margin to 28.4%** in 2023 compared with 25.8% in 2022 (+256 bps), reaching the margin target set out in the 2022-24 plan (28-30%) a year in advance
- **Sharply higher net profit[1] at €475 million** compared with €356 million in 2022 (+33.7%) and earnings per share of €4.02 (+37.7% versus 2022)
- **Robust cash generation, with free cash flow reaching €365 million** after an already strong 2022 (€364 million)
- **Decrease in net debt ratio to 1.2x 2023 adjusted EBITDA** compared with 1.6x at 31 December 2022
- **-5.6% reduction in Scope 1 & 2 CO_2 emissions[2]** compared with 2022 (i.e. -15.8% versus 2019) despite a **lower external cullet rate[2] of 54.1%** in 2023 (-1.6 point versus 2022)
- **Proposed dividend per share of €2.15[3]**

[1] Net profit for 2023 includes an amortisation expense for customer relationships, recognised upon the acquisition of Saint-Gobain's packaging business in 2015 and applicable until 2027, of €45 million or €0.38 per share (net of taxes). If this expense had not been taken into account, net profit would be €520 million or €4.40 per share. This expense was €44 million or €0.38 per share in 2022.
[2] Cullet = recycled glass; the external cullet rate and amount of CO_2 emissions are expressed at constant scope and exclude the contribution from Allied Glass / Verallia UK so as to make them comparable with the starting point of 2019.
[3] Subject to approval at the Annual General Shareholders' Meeting which will take place on 26 April 2024.

"Verallia delivered an excellent performance in 2023 amid weaker market conditions, especially in the second half. The Group's financial performance was remarkable, with a very strong surge in EBITDA and robust cash generation. This performance was made possible by the exceptional commitment of our teams and the continued roll out of the Performance Action Plan (PAP), despite the decision to adjust our production capacity in order to manage our inventories.

Verallia enters 2024 in good conditions and should benefit from a gradual rebound in activity. Meanwhile we maintain a strict cost discipline. We are confident in our ability to generate an adjusted EBITDA of around €1bn in 2024.

We also continue to push forward with our decarbonation roadmap by introducing new, lighter products, tightly managing our cullet supply chain and continuing work to start up our first electric (Cognac) and hybrid (Zaragoza) furnaces in 2024", noted Patrice Lucas, Chief Executive Officer of Verallia.

REVENUE

Revenue breakdown by region

in millions of euros	2023	2022	% change	Of which organic growth[4]
Southern and Western Europe	2,527.2	2,236.4	+13.0%	+14.2%
Northern and Eastern Europe	979.8	695.3	+40.9%	+18.0%
Latin America	396.8	419.8	-5.5%	+65.8% *(+5.6% excluding Argentina)*
Group Total	**3,903.8**	**3,351.5**	**+16.5%**	**+21.4%** ***(+14.3% excluding Argentina)***

2023 revenue totalled €3,904 million, reflecting a 16.5% increase on the previous year on a reported basis.

Foreign exchange impact was negative by -11.0% in 2023 (-€369 million). This was mainly due to the Argentinian peso's depreciation of almost ~80% in 2023, including a devaluation of more than 50% in a single day in December. The impact of exchange rates in the fourth quarter was negative by -€189 million.

At constant scope and exchange rates, revenue increased by +21.4% over the full year and by +14.3% excluding Argentina. Revenue in the fourth quarter was stable (-0.6% versus Q4 2022), with strong organic growth at +18.1% fully offset by the exchange rate impact (Argentinian peso). Since the Summer of 2023 demand has fallen significantly in Europe due to both a decline in end demand and large-scale inventory clearance across the whole downstream value chain.

In terms of end markets beer was the segment most impacted by weaker demand in 2023 as soon as the first half of the year. Volumes in the still wine segment also declined while activity in the spirits segment, having remained solid in the first half of the year, deteriorated in the second half after several half-year periods of vigorous growth. In

[4] Revenue growth at constant scope and exchange rates. Revenue growth at constant exchange rates is calculated by applying the same exchange rates to the financial indicators presented for the two periods being compared (by applying the exchange rates of the previous period to the financial indicators for the current period). Growth in revenue at constant scope and exchange rates excluding Argentina was +14.3% in 2023 compared with 2022.

contrast, sales of food jars and bottles for non-alcoholic beverages and sparkling wines were more resilient, with Champagne and Prosecco volumes holding up well.

The increase in average selling prices compared with 2022 largely fuelled top-line growth albeit with a waning effect over the course of the year reflecting both a gradually rising comparison base (due to a series of price hikes in 2022) and a contained but steady drop in selling prices in 2023 in Europe. The pricing policy and mix in Latin America remained dynamic throughout the year, especially in Argentina where local inflation remained particularly high. Lastly, product mix was positive throughout the year thanks to the contribution from Italy.

By region, revenue for 2023 breaks down as follows:

- <u>Southern and Western Europe</u> saw revenue grow by +13.0% on a reported basis and by +14.2% at constant scope and exchange rates. Volumes fell sharply over the year despite more resilient activity in Iberia and Italy. Volumes of beer and, to a lesser extent, still wines recorded the steepest falls but activity in the spirits segment was also affected by declining Cognac volumes in the second half of the year, which the more resilient sparkling wines segment failed to offset.
- <u>In Northern and Eastern Europe,</u> revenue grew by +40.9% on a reported basis and by +18.0% at constant scope and exchange rates. The region benefited from a very positive scope effect (+29.2%) thanks to the full-year consolidation of Allied Glass, which was acquired in November 2022 and renamed Verallia UK on 1 January 2023. Foreign exchange fluctuations had a negative impact of -6.3%, mainly due to the devaluation of the Russian rouble over the period. Sales volumes fell sharply, mainly because of declining beer and still wine volumes in Germany, which contrasted with resilient volumes of food jars and a solid performance in sparkling wines (Sekt). Activity was stronger in Russia and Ukraine, where the swift restart of the second furnace at the Zorya site fuelled a marked recovery in activity. As the situation in the country remains uncertain, Verallia's priority is to keep its teams safe and serve its local customers.
- <u>In Latin America</u>, revenue was down -5.5% on a reported basis, in contrast with strong organic growth of +65.8%. However, these figures were deeply impacted by activity in Argentina which experienced vigorous organic growth, driven by repeated price increases in a context of high inflation, but a deeply negative foreign exchange effect linked to the unprecedented devaluation of the peso, which lost almost 80% of its value against the euro in 2023. Excluding Argentina, Latin America recorded organic growth of +5.6% as higher Brazilian volumes following the opening in December 2022 of the second furnace at the Jacutinga site was partly offset by weaker activity in Chile, which had a challenging start to the year.

ADJUSTED EBITDA

Breakdown of adjusted EBITDA by region

in millions of euros	2023	2022
Southern and Western Europe		
Adjusted EBITDA[5]	725.2	554.5
Adjusted EBITDA margin	28.7%	24.8%
Northern and Eastern Europe		
Adjusted EBITDA[7]	244.2	146.5
Adjusted EBITDA margin	24.9%	21.1%
Latin America		
Adjusted EBITDA[7]	138.5	164.6
Adjusted EBITDA margin	34.9%	39.2%
Group Total		
Adjusted EBITDA[7]	**1,108.0**	**865.5**
Adjusted EBITDA margin	**28.4%**	**25.8%**

Adjusted EBITDA increased by +28.0% in 2023 (and by +32.5% at constant scope and exchange rates) to exceed the €1 billion mark for the first time in the Group's history and reach €1,108 million. The unfavourable effect of exchange rates, mainly attributable to the very steep depreciation of the Argentinian peso, reached -€89 million in 2023, while the positive scope effect was mainly linked to the consolidation over 12 months of Allied Glass, acquired in November 2022.

In 2023, Verallia generated a largely positive inflation spread[6] at Group level and in all divisions, as the cumulative effect of price rises in 2022 and early 2023, together with a positive mix effect, more than offset another sharp rise in production costs. However, this effect gradually waned over the course of the year.

Sharply lower cash production costs (PAP) once again contributed significantly to the improvement in adjusted EBITDA, by €53 million or 2.1% of cash production costs, beating the Group's 2% target.

Adjusted EBITDA margin increased to 28.4% from 25.8% in 2022.

---

[5] 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 plan costs, disposal-related effects and subsidiary contingencies, site closure costs, and other items.

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

By region, adjusted EBITDA for 2023 breaks down as follows:

- Southern and Western Europe reported adjusted EBITDA of €725 million (versus €555 million in 2022) and a margin of 28.7% compared with 24.8% a year earlier. The positive inflation spread, especially in the first half of the year, fuelled the increase in EBITDA despite the sharp rise in costs; the positive impact of the PAP and the favourable mix (Italy) also contributed.
- In Northern and Eastern Europe, adjusted EBITDA totalled €244 million (versus €147 million in 2022), raising its margin to 24.9% compared with 21.1%. Growth in adjusted EBITDA was primarily organic (+€60 million), driven by a positive inflation spread and the positive impact of the PAP. The full-year consolidation of Allied Glass also contributed to this increase whereas foreign exchange rate effect was negative (-€11 million) due to the rouble's devaluation. The rapid restart of the second furnace at our Zorya site, made possible by the dedication and professionalism of our local teams, drove a sharp increase in EBITDA in Ukraine.
- In Latin America, adjusted EBITDA came to €139 million (versus €165 million in 2022), reaching a margin of 34.9% compared with 39.2% a year earlier. This decrease was entirely due to the devaluation of the Argentinian peso, which generated a strongly negative translation effect of local earnings into euros. Excluding Argentina, adjusted EBITDA improved as strong activity in Brazil, the positive inflation spread and the effect of the PAP more than offset the drop in volumes in Chile, which was particularly strong at the start of the year.

The increase in net profit to €475 million (i.e. €4.02 per share) was mainly due to the improvement in adjusted EBITDA, which more than offset higher financial expenses and income tax. Net profit for 2023 includes, as it does every year, an amortisation expense for customer relationships, recognised upon the acquisition of Saint-Gobain's packaging business in 2015 and scheduled to end in 2027, of €45 million or €0.38 per share (net of taxes). **Net profit would be €520 million or €4.40 per share excluding this expense.** This expense was €44 million or €0.38 per share in 2022.

Book capital expenditure amounted to €418 million (i.e. 10.7% of total revenue), compared with €367 million in 2022. This capital expenditure comprised **€234 million of recurring capital expenditure (versus €270 million in 2022) and €184 million of strategic capital expenditure (versus €97 million in 2022)** mainly related to the construction of new furnaces at Jacutinga in Brazil and Pescia in Italy and the electric furnace at Cognac in France, as well as investments linked to reductions in CO_2 emissions.

Operating cash flow[7] rose to €582 million compared with €538 million in 2022, thanks to strong growth in adjusted EBITDA and despite higher outflows for capital expenditure and higher working capital requirements due to the Group's inventory rebuild in the first half of the year.

Free cash flow[8] amounted to €365 million, in line with an already very robust 2022 figure (€364 million).

[7] Operating cash flow corresponds to adjusted EBITDA less capex, plus changes in operating working capital requirements including changes in payables to fixed asset suppliers.
[8] Defined as operating cash flow - other operating impacts - interest paid & other financing costs - taxes paid.

A VERY STRONG BALANCE SHEET

Verallia improved its net debt ratio over the course of 2023 thanks to sharply higher EBITDA combined with lower net debt.

Verallia's net debt stood at €1,365 million at end-December 2023, down by more than €40 million despite €209 million returned to shareholders (€167 million in dividends and €42 million in share buybacks) and the acquisition of five cullet processing plants from the Santaolalla Group in Iberia. **The ratio thus stood at 1.2x 2023 adjusted EBITDA** compared with 1.6x at end-December 2022.

Verallia closed a €1.1 billion syndicated credit facility refinancing in April 2023 allowing it to refinance in advance its existing bank debt. Its long term corporate credit ratings were upgraded by Moody's and Standard & Poor's in the second quarter of 2023 and the Group is now rated *Investment Grade* with both agencies.

The Group had **€866 million of liquidity**[9] at 31 December 2023 and does not face any significant maturities until 2027.

ACQUISITION OF FIVE CULLET PROCESSING PLANTS FROM THE SANTAOLALLA GROUP IN IBERIA

Verallia has finalised the acquisition of three companies in Spain and Portugal from the Santaolalla Group: Ecosan Ambiental, Ecolabora and Vidrologic. In doing so, it has taken over five new cullet processing plants, both for industrial flat glass and hollow glass.

The main objective of this investment is to continue Verallia's strategy of maximising cullet use in its production process and to progress towards its CO_2 reduction target, the first major milestone of which is a 46% reduction in emissions by 2030 compared to 2019. Each 10-point increase in the cullet rate used by Verallia's furnaces reduces CO_2 emissions by around 5%.

These five new cullet processing plants join Verallia's four existing plants in the Iberian Peninsula, two of which - Calcin Ibérico and Revimon in joint venture with TMA Recicla - have started up recently.

VERALLIA IS REVOLUTIONISING THE TIMELESS BORDELAISE BOTTLE BY INTRODUCING ONE OF THE MOST INNOVATIVE BOTTLES IN THE MARKET: THE BORDELAISE AIR 300G

As the leading European and third-largest global producer of glass packaging for beverages and food products, Verallia has designed one of the lightest Bordelaise bottles ever while preserving the iconic aesthetic contours that have defined the classic Bordelaise bottle for generations. This innovation represents a major revolution in terms of eco-design, positioning Verallia at the forefront of innovative and sustainable packaging.

With a remarkable weight of just 300 grams, this ground-breaking innovation reflects Verallia's commitment to its purpose of "Re-imagining glass for a sustainable future". This has been achieved without compromising on the bottle's aesthetics, a hallmark of the Bordelaise Air 300G.

The continuous reduction in bottle weight is a significant strategic challenge for winemakers as they strive to meet their CO_2 emission reduction commitments.

---

[9] Calculated as available cash + undrawn revolving credit facilities – outstanding commercial paper (Neu CP).

For the French market, this innovation will be launched with a white and green screw neck. The Bordelaise Air 300G was exhibited at the SITEVI trade fair in Montpellier at the end of November 2023.

SUSTAINABLE DEVELOPMENT INDICATORS

Verallia's Scope 1 & 2 CO_2 emissions totalled 2,602 kt CO_2 for the year 2023, a decrease of -5.6% compared with 2022 emissions of 2,756 kt CO_2 (i.e. -15.8% versus 2019). Verallia is therefore in line with its trajectory of reducing its Scope 1 & 2 CO_2 emissions[10] by 46% in absolute terms by 2030 (reference year 2019)[11].

Emissions decreased even as **the external cullet usage rate[11] fell to 54.1% in 2023,** 1.6 points lower than in 2022 (55.7%). However the year saw Verallia continue to deploy its long-term strategy for cullet rate increase with for instance the acquisition of 6 cullet centres in Spain and Portugal, in order to reach its objective of 59% of external cullet rate in 2025.

As part of the roll-out of its decarbonation strategy, the Group also confirmed that it is starting up its first 100%-electric furnace in Cognac (France) in the second quarter of 2024; this technology should emit 60% fewer CO_2 emissions than a traditional furnace. Moreover, the first hybrid furnace is set to become operational in Zaragoza (Spain) at the end of 2024, lowering CO_2 emissions by 50% compared with a traditional furnace.

CAPACITY INCREASES

Verallia is moving forward with the construction of two new furnaces in Brazil (Campo Bom) and Italy (Pescia). The startup of these two furnaces is scheduled in the third quarter of 2024 for Campo Bom and in the second quarter of 2025 for Pescia. The Group will continue to monitor demand trends in order to confirm these startup dates.

Regarding planned capacity additions scheduled in Spain in 2025 (Montblanc) and again in Italy in 2026, the Group has decided to postpone their commissioning beyond 2026. Pre-engineering studies are in progress and the Group will begin investing in construction as soon as demand has sufficiently recovered.

SHARE BUYBACK

As part of its capital allocation strategy, and having finalised the acquisition of Allied Glass, Verallia launched a share buyback programme in December 2022 and entrusted an investment services provider with a share buyback mandate for a maximum amount of €50 million over a period running from 7 December 2022 to November 2023. This programme was completed in November 2023 and involved as planned a total amount of €50 million, of which €42 million in the course of 2023.

As part of the share buyback programme implemented between December 2022 and November 2023, Verallia has repurchased a total 1,484,080 own shares for an amount of approximately €50 million. On 14 February 2024, Verallia consequently decided to proceed with the cancellation of 1,484,080 own shares.

---

[10] Scope 1 "direct emissions" = CO_2 emissions within the physical perimeter of the plant, in other words, carbonated raw materials, heavy and domestic fuel oil, and natural gas (melting and non-melting activities). Scope 2 "indirect emissions" = emissions related to electricity consumption required for the operation of the plant.
[11] Cullet = recycled glass; the external cullet rate and amount of CO_2 emissions are expressed at constant scope and exclude the contribution from Allied Glass / Verallia UK so as to make them comparable with the starting point of 2019.

2023 DIVIDEND

Verallia's Board of Directors decided during their meeting on 14 February 2024 to propose the payment of a €2.15 cash dividend per share for the 2023 financial year. This amount will be subject to the approval of the Annual General Shareholders' Meeting which will take place on 26 April 2024.

2024 OUTLOOK

After 2023 saw a sharp weakening in demand in Europe under the combined effect of a drop in end consumption and destocking downstream of the value chain, we foresee a gradual recovery in activity over the course of 2024.

In this context and in spite of limited visibility, Verallia has set itself a target to generate adjusted EBITDA of around €1 billion in 2024, with such EBITDA down year-on-year in the first half (high 2023 comparison base) but up year-on-year in the second half (rebound in volumes).

This objective will be achieved thanks to the expected growth in activity combined with another annual reduction in cash production costs (PAP) of 2%.

Verallia is also set to continue its developments in the areas of new eco-designed products, cullet processing and decarbonation, which lie at the heart of its CSR roadmap.

The Verallia Group's consolidated financial statements for the financial year ended 31 December 2023 were approved by the Board of Directors on 14 February 2024. The consolidated financial statements have been audited by the Statutory Auditors.

An analysts' conference call will be held at **9.00am** (CET) on Thursday 15 February 2024 via an audio webcast service (live and replay) and the earnings presentation will be available on www.verallia.com.

FINANCIAL CALENDAR

- 3 April 2024: start of the quiet period.
- 24 April 2024: financial results for Q1 2024 - Press release after the market close and conference call/presentation the next day at 9.00am CET.
- 26 April 2024: Annual General Shareholders' Meeting.
- 3 July 2024: start of the quiet period.
- 24 July 2024: results for H1 2024 - Press release after the market close and conference call/presentation the next day at 9.00am CET.
- 1 October 2024: start of the quiet period.
- 22 October 2024: financial results for 9M 2024 - Press release after the market close and conference call/presentation the next day at 9.00am CET.

About Verallia

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

With more than 10,000 employees and 34 glass production facilities in 12 countries, we are the European leader and world's third-largest producer of glass packaging for beverages and food products. We offer innovative, customised and environmentally friendly solutions to over 10,000 businesses worldwide.

Verallia produced more than 16 billion glass bottles and jars in 2023 and recorded revenue of €3.9 billion. Verallia is listed on compartment A of the regulated market of Euronext Paris (Ticker: VRLA – ISIN: FR0013447729) and trades on the following indices: CAC SBT 1.5°, STOXX600, SBF 120, CAC Mid 60, CAC Mid & Small and CAC All-Tradable.

Verallia press contacts

Annabel Fuder & Stéphanie Piere
verallia@wellcom.fr | +33 (0)1 46 34 60 60

Verallia investor relations contact

David Placet | david.placet@verallia.com

Disclaimer

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

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

Personal data protection

You can unsubscribe from our press release mailing list at any time by sending your request to the following email address: investors@verallia.com. Press releases will still be available via the website https://www.verallia.com/en/investors/.

Verallia SA, as data controller, processes personal data for the purpose of implementing and managing its internal and external communication. This processing is based on legitimate interests. The data collected (last name, first name, professional contact details, profiles, relationship history) is essential for this processing and is used by the relevant departments of the Verallia Group and, where applicable, its subcontractors. Verallia SA transfers personal data to its service providers located outside the European Union, who are responsible for providing and managing technical solutions related to the aforementioned processing. Verallia SA ensures that the appropriate guarantees are obtained in order to supervise these data transfers outside of the European Union. Under the conditions defined by the applicable regulations for the protection of personal data, you may access and obtain a copy of the data concerning you, object to the processing of this data and request for it to be rectified or erased. You also have a right to restrict the processing of your data. To exercise any of these rights, please contact the Group Financial Communication Department at investors@verallia.com. If, after having contacted us, you believe that your rights have not been respected or that the processing does not comply with data protection regulations, you may submit a complaint to the CNIL (*Commission nationale de l'informatique et des libertés* — France's regulatory body).

APPENDICES - Key figures

in millions of euros	2023	2022
Revenue	**3,903.8**	**3,351.5**
Reported growth	*+16.5%*	*+25.3%*
Organic growth	*+21.4%*	*+26.5%*
of which Southern and Western Europe	2,527.2	2,236.4
of which Northern and Eastern Europe	979.8	695.3
of which Latin America	396.8	419.8
Cost of sales	(2,853.5)	(2,527.1)
Selling, general and administrative expenses	(212.4)	(194.4)
Acquisition-related items	(71.3)	(65.6)
Other operating income and expenses	(5.2)	(6.1)
Operating profit/(loss)	**761.3**	**558.3**
Financial income/(expense)	(119.0)	(80.7)
Profit (loss) before tax	**642.4**	**477.6**
Income tax	(167.4)	(122.1)
Share of net profit (loss) of associates	0.3	0.2
Net profit/(loss)[12]	**475.3**	**355.6**
Earnings per share	**€4.02**	**€2.92**
Adjusted EBITDA[13]	**1,108.0**	**865.5**
Group margin	**28.4%**	**25.8%**
of which Southern and Western Europe	725.2	554.5
Southern and Western Europe margin	28.7%	24.8%
of which Northern and Eastern Europe	244.2	146.5
Northern and Eastern Europe margin	24.9%	21.1%
of which Latin America	138.5	164.6
Latin America margin	34.9%	39.2%
Net debt at end of period	**1,364,5**	**1,405,9**
Last 12 months adjusted EBITDA	**1,108.0**	**865.5**
Net debt/last 12 months adjusted EBITDA	*1.2x*	*1.6x*
Total capex[14]	**418.0**	**367.0**
Cash conversion[15]	62.3%	57.6%
Change in operating working capital	(108.3)	39.4
Operating cash flow[16]	**581.7**	**537.9**
Free cash flow[17]	**365.3**	**363.8**
Strategic capex[18]	**183.6**	**97.4**
Recurring capex[19]	**234.4**	**269.6**

[12] Net profit for 2023 includes an amortisation expense for customer relationships, recognised upon the acquisition of Saint-Gobain's packaging business in 2015, of €45 million or €0.38 per share (net of taxes). If this expense had not been taken into account, net profit would be €520 million or €4.40 per share. This expense was €44 million or €0.38 per share in 2022.
[13] Adjusted EBITDA is calculated based on operating profit adjusted for depreciation, amortisation and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, management share ownership plan costs, disposal-related effects and subsidiary contingencies, site closure costs, and other items.
[14] Capex (capital expenditure) corresponds to purchases of property, plant and equipment and intangible assets necessary to maintain the value of an asset and/or adapt to market demand and to environmental, health and safety requirements, or to increase the Group's capacity. The acquisition of securities is excluded from this category.
[15] Cash conversion is defined as adjusted EBITDA less capex, divided by adjusted EBITDA.
[16] Operating cash flow corresponds to adjusted EBITDA less capex, plus changes in operating working capital requirements including changes in payables to fixed asset suppliers.
[17] Defined as operating cash flow - other operating impacts - interest paid & other financing costs - taxes paid.
[18] Strategic capex corresponds to purchases of strategic assets that significantly enhance the Group's capacity or its scope (for example, the acquisition of plants or similar facilities, greenfield or brownfield investments), including the building of additional new furnaces. Since 2021, they have also included investments associated with implementing the plan to reduce CO_2 emissions.
[19] Recurring capex corresponds to purchases of property, plant and equipment and intangible assets necessary to maintain the value of an asset and/or adapt to market demand and to environmental, health and safety requirements. They mainly include furnace renovations and maintenance of IS machines.

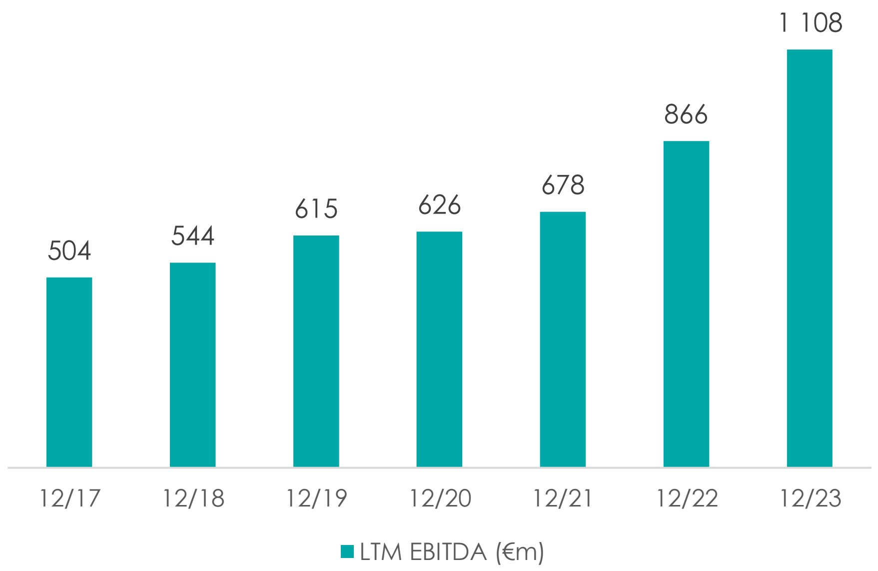
Change in revenue by type in millions of euros during 2023

in millions of euros	
2022 revenue	**3,351.5**
Volumes	*(149.2)*
Price/Mix	*+867.5*
Foreign exchange impact	*(369.2)*
Scope effect	*+203.2*
2023 revenue	**3,903.8**

Change in adjusted EBITDA by type in millions of euros during 2023

in millions of euros	
2022 adjusted EBITDA[20]	**865.5**
Activity contribution	*-155.1*
Price-mix/Cost spread	*+392.8*
Net productivity	*+52.5*
Foreign exchange impact	*-89.3*
Other	*+41.6*
2023 adjusted EBITDA	**1,108.0**

Change in last 12 months adjusted EBITDA since 2017



[20] Adjusted EBITDA is calculated based on operating profit adjusted for depreciation, amortisation and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, management share ownership plan costs, disposal-related effects and subsidiary contingencies, site closure costs, and other items.

Key figures for the fourth quarter

in millions of euros	**Q4 2023**	**Q4 2022**
Revenue	**829.2**	**833.9**
Reported growth	*-0.6%*	*+27.9%*
Organic growth	*+18.1%*	*+32.9%*
Adjusted EBITDA	**192.9**	**211.3**
Adjusted EBITDA margin	23.3%	25.3%

Reconciliation of operating profit (loss) to adjusted EBITDA

in millions of euros	**2023**	**2022**
Operating profit/(loss)	**761.3**	**558.3**
Depreciation and amortisation[21]	326.7	295.9
Restructuring costs	3.4	(0.8)
IAS 29 Hyperinflation (Argentina)[22]	5.8	4.3
Management share ownership plan and associated costs	6.2	6.2
Company acquisition costs and earn-outs	0.7	5.1
Other	3.9	(3.5)
Adjusted EBITDA	**1,108.0**	**865.5**

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

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

IAS 29: Hyperinflation (Argentina)

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

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

In 2023, the net impact on revenue was -€53.4 million. The hyperinflation impact has been excluded from consolidated adjusted EBITDA as shown in the table "Reconciliation of operating profit (loss) to adjusted EBITDA".

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

Financial structure

in millions of euros	Nominal amount or maximum amount drawable	Nominal rate	Final maturity	31 Dec 2023
Sustainability-linked bond May 2021[23]	500	1.625%	May 2028	503.2
Sustainability-linked bond November 2021[25]	500	1.875%	Nov. 2031	494.6
Term Loan B – TLB[25]	550	Euribor +1.25%	Apr. 2027	550.2
Revolving credit facility (RCF)	550	Euribor +0.75%	Apr. 2028	-
Negotiable commercial paper (Neu CP)[25]	500			158.2
Other borrowings[24]				132.9
Total borrowings				**1,839.1**
Cash and cash equivalents				(474.6)
Net debt				**1,364.5**

Consolidated statement of income

in millions of euros	2023	2022
Revenue	**3,903.8**	**3,351.5**
Cost of sales	(2,853.5)	(2,527.1)
Selling, general and administrative expenses	(212.4)	(194.4)
Acquisition-related items	(71.3)	(65.6)
Other operating income and expenses	(5.2)	(6.1)
Operating profit/(loss)	**761.3**	**558.3**
Financial income/(expense)	**(119.0)**	**(80.7)**
Profit (loss) before tax	**642.4**	**477.6**
Income tax	(167.4)	(122.1)
Share of net profit (loss) of associates	0.3	0.2
Net profit/(loss)[25]	**475.3**	**355.6**
Attributable to shareholders of the Company	470.0	342.0
Attributable to non-controlling interests	5.3	13.6
Basic earnings per share (in euros)	**4.02**	**2.92**
Diluted earnings per share (in euros)	**4.01**	**2.92**

[23] Including accrued interest.
[24] Of which IFRS16 leases (€61.5 million).

Consolidated balance sheet

in millions of euros	31 Dec. 2023	31 Dec. 2022
ASSETS		
Goodwill	687.8	664.0
Other intangible assets	416.2	482.4
Property, plant and equipment	1,795.6	1,609.0
Investments in associates	6.7	5.9
Deferred tax	33.6	27.5
Other non-current assets	57.8	186.3
Non-current assets	**2,997.7**	**2,975.1**
Current portion of non-current and financial assets	1.4	1.3
Inventories	711.5	536.8
Trade receivables	144.3	250.4
Current tax receivables	15.1	5.4
Other current assets	115.7	392.3
Cash and cash equivalents	474.6	330.8
Current assets	**1,462.6**	**1,517.0**
Total assets	**4,460.3**	**4,492.1**

LIABILITIES		
Share capital	413.3	413.3
Consolidated reserves	494.6	590.1
Equity attributable to shareholders	**907.9**	**1,003.4**
Non-controlling interests	50.6	64.0
Equity	**958.5**	**1,067.4**
Non-current financial liabilities and derivatives	1,610.5	1,562.2
Provisions for pensions and other employee benefits	88.9	87.4
Deferred tax	141.9	276.2
Provisions and other non-current financial liabilities	45.5	23.2
Non-current liabilities	**1,886.8**	**1,949.0**
Current financial liabilities and derivatives	249.2	200.9
Current portion of provisions and other non-current financial liabilities	49.8	54.3
Trade payables	627.1	740.6
Current tax liabilities	66.3	44.3
Other current liabilities	622.6	435.6
Current liabilities	**1,615.0**	**1,475.7**
Total equity and liabilities	**4,460.3**	**4,492.1**

Consolidated cash flow statement

in millions of euros	2023	2022
Net profit/(loss)	**475.3**	**355.6**
Depreciation, amortisation and impairment of assets	326.7	295.9
Interest expense on financial liabilities	53.2	29.4
Change in inventories	(191.8)	(92.8)
Change in trade receivables, trade payables & other receivables & payables	92.7	50.9
Current tax expense	176.8	135.5
Cash tax paid	(131.4)	(105.9)
Changes in deferred taxes and provisions	0.2	0.8
Other	56.2	29.8
Net cash flow from (used in) operating activities	**857.9**	**699.2**
Acquisition of property, plant and equipment and intangible assets	(418.0)	(367.0)
Increase (decrease) in debt on fixed assets	(1.5)	75.2
Acquisitions of subsidiaries, net of cash acquired	(35.5)	(247.9)
Other	(4.6)	(0.3)
Net cash flow from (used in) investing activities	**(459.6)**	**(540.0)**
Capital increase (decrease)	18.6	13.0
Dividends paid	(163.8)	(122.7)
Increase (decrease) in own shares	(41.7)	(8.4)
Transactions with shareholders of the parent company	**(186.9)**	**(118.1)**
Transactions with non-controlling interests	**(3.1)**	**(2.7)**
Increase (decrease) in bank overdrafts and other short-term borrowings	34.5	(1.7)
Increase in long-term debt	569.7	6.8
Decrease in long-term debt	(565.0)	(172.3)
Financial interest paid	(51.2)	(28.1)
Change in gross debt	**(12.0)**	**(195.3)**
Net cash flow from (used in) financing activities	**(202.0)**	**(316.1)**
Increase (decrease) in cash and cash equivalents	**196.3**	**(156.9)**
Impact of changes in foreign exchange rates on cash and cash equivalents	(52.6)	(6.9)
Opening cash and cash equivalents	**330.8**	**494.6**
Closing cash and cash equivalents	**474.6**	**330.8**

GLOSSARY

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

Organic growth: corresponds to revenue growth at constant scope and exchange rates. Revenue growth at constant exchange rates is calculated by applying the same exchange rates to the financial indicators presented for the two periods being compared (by applying the exchange rates of the previous period to the financial indicators for the current period).

Adjusted EBITDA: this is a non-IFRS financial measure. It is an indicator for monitoring the underlying performance of businesses adjusted for certain expenses and/or income which are non-recurring or liable to distort the Company's performance. Adjusted EBITDA is calculated 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 subsidiary contingencies, site closure costs, and other items.

Capex: short for "capital expenditure", this corresponds to purchases of property, plant and equipment and intangible assets necessary to maintain the value of an asset and/or adapt to market demand and to environmental, health and safety requirements, or to increase the Group's capacity. The acquisition of securities is excluded from this category.

Recurring capex: recurring capex corresponds to purchases of property, plant and equipment and intangible assets necessary to maintain the value of an asset and/or adapt to market demand and to environmental, health and safety requirements. It mainly includes furnace renovations and maintenance of IS machines.

Strategic capex: strategic capex corresponds to purchases of strategic assets that significantly enhance the Group's capacity or its scope (for example, the acquisition of plants or similar facilities, greenfield or brownfield investments), including the building of additional new furnaces. Since 2021 it has also included investments associated with implementing the plan to reduce CO_2 emissions.

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

Free cash flow: defined as operating cash flow - other operating impacts - interest paid & other financing costs - taxes paid.

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

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

The Latin America segment comprises production sites located in Brazil, Argentina and Chile and, since January 1, 2023, Verallia's operations in the USA.

Liquidity: calculated as available cash + undrawn revolving credit facilities – outstanding negotiable commercial paper (Neu CP).

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