Press release
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2025 first quarter results: Volume recovery confirmed in a difficult market environment Update of 2025 outlook

HIGHLIGHTS

- **Acceleration of the organic volume growth** initiated in Q3 2024 and positive impact of the acquisition of Corsico in Italy
- **Quarterly revenue of €818 million**, down -2.2% compared to Q1 2024 (-3.6% at constant scope and exchange rates[1]), due to lower prices
- **Adjusted EBITDA[2] at €147 million (18.0% margin)** compared to €204 million in Q1 2024 (24.4% margin), affected by a strongly negative inflation spread and a temporary negative inventory variation impact
- **Net debt ratio at 2.3x last 12-month adjusted EBITDA** (2.1x at the end of December 2024) despite a significant improvement in free cash-flow over the quarter compared to Q1 2024; robust liquidity[3] of €928 million at March 31, 2025
- **2025 adjusted EBITDA now expected around €800 million** (from a level close to that of 2024 i.e. €842.5 million initially) in a context where geopolitical and trade tensions weigh on market conditions
- **2025 free cash-flow generation target raised** and now expected to exceed €200 million (from around €200 million initially), in line with the Group's commitment to focus its efforts on cash generation in 2025

Patrice Lucas, Group Chief Executive Officer, said: "*In the first quarter, Verallia was able to take advantage of the gradual normalization in the market environment to return to volume growth. Our margin contracted due to the combined impact of an unfavorable inflation spread and a temporary negative finished good inventory variation effect. In this context, the Group maintained tight control over its expenses and the Performance Action Plan (PAP) once again proved to be effective. Even though market conditions lead us to update our 2025 adjusted EBITDA target, we remain fully committed to continue to adapt to the evolution of the environment with agility and we raise our 2025 free cash-flow generation target.*"

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[1] 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 -4.3% in Q1 2025 compared with Q1 2024.
[2] Adjusted EBITDA is calculated based on operating profit adjusted for depreciation, amortization 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.
[3] Calculated as available cash + undrawn revolving credit facilities – outstanding commercial paper (Neu CP).

REVENUE

In millions of euros	Q1 2025	Q1 2024
Revenue	**818.0**	**836.4**
Reported growth	**-2.2%**	**-20.5%**
Organic growth	**-3.6%** *(-4.3% excl. Argentina)*	**-12.7%** *(-20.7% excl. Argentina)*

In the first quarter, revenue was €818 million, down slightly compared to Q1 2024 (-2.2% on a reported basis).

Currency impact was negative by €(13) million, or -1.5%, primarily related to the depreciation of the Brazilian real and the Argentine peso.

Scope effect contributed positively by €24 million, i.e. +2.9%. This increase is almost entirely attributable to the acquisition of the Corsico site (Italy) in July 2024.

At constant scope and exchange rates, Q1 2025 revenue decreased by -3.6% (-4.3% excluding Argentina). The recovery in demand that began at the end of 2024, combined with the commercial actions undertaken by the Group, supported organic volume growth over the quarter.

Almost all segments are trending upwards, driven in particular by the end of the destocking cycle along the value chain. Beers and soft drinks recorded the most significant rebounds, while spirits volumes returned to moderate growth.

The decline in revenue in Q1 2025 is mainly due to the decrease in average selling prices on an annual basis (carry-over effect of the 2024 price reductions stronger at the beginning of the year and additional impact of the 2025 negotiations). The slightly unfavorable product mix also contributed to the decline in sales.

By geographical area:

- In Southern and Western Europe, volumes were up in Q1, with an improvement compared to last year but also compared to Q4 2024. The group benefited from the positive contribution of volumes from the Corsico site, acquired in July 2024. Most segments were up on a like-for-like basis. Spirits and beer in particular posted strong increases, confirming the good momentum observed at the end of 2024.
- In Northern and Eastern Europe, Group sales volumes were up compared to Q1 2024 after a difficult year in 2024. Beer and non-alcoholic beverages were the best-performing segments. Conversely, the spirits market is still experiencing difficulties, particularly in the United Kingdom where demand remains weak.
- In Latin America, the momentum was still very positive with volume growth in most segments. Beer and non-alcoholic beverage volumes posted the strongest increases, more than offsetting lower demand for spirits and food jars.

ADJUSTED EBITDA

In millions of euros	Q1 2025	Q1 2024
Adjusted EBITDA	**147.0**	**203.9**
Adjusted EBITDA margin	**18.0%**	**24.4%**

Adjusted EBITDA reached €147 million in Q1 2025, representing an adjusted EBITDA margin of 18.0%.

Impact of the currency effect was -2.2%, or €(4) million in Q1 2025. It is mainly linked to the depreciation of the Brazilian real and the Argentine peso.

Positive contribution from activity amounted to €16 million, or +7.8%, driven by the expected recovery in sales volumes at the beginning of the year. However, it was limited by a temporary negative finished good inventory variation effect. The positive impact from activity was also not sufficient to offset the **unfavourable inflation spread effect** over the period. While costs experienced a slight inflation in Q1, selling prices decreased under the combined effect of additional price reductions resulting from the early 2025 negotiations and the carry-over effect from sales prices adjusted in 2024, the 2025 impact of which is particularly significant in the first half of the year.

Performance Action Plan (PAP) once again delivered excellent results in Q1 2025, generating a net reduction in cash production costs of 2.3% (2% target set by the Group), or €13 million.

ROBUST BALANCE SHEET

At the end of March 2025, Verallia's net financial debt reached €1,823 million, up €326 million compared to the end of March 2024, mainly due to the acquisition of Vidrala Italia in July 2024. **The net debt ratio amounted to 2.3x adjusted EBITDA for the last 12 months,** compared with 2.1x at the end of December 2024 and 1.5x at the end of March 2024.

As expected, **free cash flow generation significantly improved** compared to Q1 2024.

As a result, the Group had a **liquidity[4] of €928 million** as of March 31, 2025.

VERALLIA EXPERIMENTS WITH HYDROGEN COMBUSTION IN ITS GLASS FURNACES IN ESSEN (GERMANY)

This project, in partnership with ArcelorMittal and Uniper, aims to reduce CO_2 emissions by 8 to 10% per year at the Verallia site in Essen through the use of a gas highly enriched in hydrogen. The Essen Karnap plant now operates the largest hydrogen-fuelled fusion capacity in the glass industry. Verallia is exploring various decarbonization solutions, including furnace electrification, biofuels and green hydrogen, to reduce the carbon footprint of its operations.

[4] Calculated as available cash + undrawn revolving credit lines – outstanding negotiable debt securities (Neu CP).

START-UP OF THE NEW CAMPO BOM FURNACE IN BRAZIL

The Group announces the start-up of the second furnace at the Campo Bom site in Brazil by the end of H1 2025. This furnace is equipped with state-of-the-art oxy-combustion technology to reduce CO_2 emissions by 18%. This innovation contributes significantly to our environmental goals. This project represents a major step forward in our overall decarbonization strategy, illustrating our commitment to adopting sustainable technologies and reducing our carbon footprint.

UPDATE ON BWGI'S PROPOSED TAKEOVER BID[5]

Verallia's Board of Directors received on March 10, 2025, an offer from BWGI, Verallia's reference shareholder, under which BWGI proposes to acquire control of the company through a public tender offer at a price of 30 euros (2024 dividend of 1.70 euros attached) per share, without delisting. This offer is not subject to any success threshold other than reaching the regulatory threshold of 50% of capital or voting rights.

BWGI indicated on April 15, 2025, through a press release, that the filing of its public offer with the *Autorité des marchés financiers* (AMF) will take place shortly after the release of Verallia's first quarter 2025 results.

Verallia's Board of Directors will then meet to issue its reasoned opinion on the offer after reviewing the independent expert's report and the recommendation of the *ad hoc* Committee. This reasoned opinion, along with the independent expert's report, will be made public as part of the company's response information note, of which the filing with the AMF will be the subject of a press release by the company.

INVESTIGATION BY THE FRENCH COMPETITION AUTHORITY

On March 27, 2025, representatives of the French Competition Authority carried out visits and seizures, at the premises of Verallia France located in La Défense, as part of an investigation in the glass packaging manufacturing and marketing sector.

Verallia is fully cooperating with the French Competition Authority. The fact that the Competition Authority conducted such an inspection does not imply that Verallia is involved in any anti-competitive behavior, nor can it prejudge the outcome of the procedure. Verallia wishes to remind that compliance with regulations and business ethics are at the core of Verallia's values.

LAUNCH OF A RESOURCE OPTIMIZATION PROJECT IN GERMANY

In order to adapt its cost structure to the difficult conditions observed for several months in the German market, Verallia has decided to launch a plan to reduce its workforce and costs. This plan, which concerns in particular the Bad Wurzach and Essen sites, should result in around a hundred departures at an estimated cost of around €10 million.

[5] BWSA, controlled by the Moreira Salles family, holds 99.965% of BW Gestão de Investimentos Ltda. ("BWGI"), which is the independent investment manager of Kaon V, the investment vehicle which holds the Verallia shares.

UNSOLICITED PROPOSAL RECEIVED FOR THE ACQUISITION OF THE GROUP'S STAKE IN ITS ARGENTINIAN SUBSIDIARY

With regards to the unsolicited proposal to acquire Verallia's 59.9% stake in the Argentinian company Rayen-Cura, due diligence by the potential buyer is under way. As a reminder, Verallia will only pursue this proposal if it fully values the Group's Argentinian activities.

OUTLOOK 2025

2025 began in an uncertain and volatile environment, marked by still subdued European consumption and an upsurge in global geopolitical and trade tensions. Demand is, as expected, up slightly in Europe and still strong in Latin America.

In this context where geopolitical and trade tensions weigh on market conditions, Verallia:

- **updates its 2025 adjusted EBITDA target, now expected around €800 million** (from a level close to that of 2024 i.e. €842.5 million initially)
- **is confident in its ability to generate a free cash-flow of more than €200 million** (from around €200 million initially), in line with the Group's commitment to focus its efforts on cash generation in 2025

The Group continues to build on the solid fundamentals of its business and continues to implement its action plan focused on strict expenditure control, contribution of the PAP and strong cash generation.

An analysts' conference call will be held at **9.00am** (CET) on Thursday, 24 April 2025 via an audio webcast service (live and replay) and the earnings presentation will be available on www.verallia.com.

FINANCIAL CALENDAR

- 25 April 2025: Annual General Shareholders' Meeting.
- 8 July 2025: Beginning of the quiet period.
- 29 July 2025: H1 2025 financial results - Press release after market close and conference call/presentation the next day at 9.00am CET.
- September 2025: Capital markets day.
- 1 October 2025: Beginning of the quiet period.
- 22 October 2025: Q3 2025 financial results - Press release after market close and conference call/presentation the following 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 work together with our customers, suppliers and other partners across the value chain to develop new, beneficial and sustainable solutions for all.

With almost 11,000 employees and 35 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 and recorded revenue of €3.5 billion in 2024.

Verallia's CSR strategy has been awarded the Ecovadis Platinum Medal, placing the Group in the top 1% of companies assessed by Ecovadis. Our CO_2 emissions reduction target of -46% on scopes 1 and 2 between 2019 and 2030 has been validated by SBTi (Science Based Targets Initiative). It is in line with the trajectory of limiting global warming to 1.5° C set by the Paris Agreement.

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.

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APPENDIX - Key figures

In millions of euros	Q1 2025	Q1 2024
Revenue	**818.0**	**836.4**
Reported growth	-2.2%	-20.5%
Organic growth	-3.6%	-12.7%
Organic growth excluding Argentina	-4.3%	-20.7%
Adjusted EBITDA	**147.0**	**203.9**
Group margin	**18.0%**	**24.4%**
Net debt at end of period	**1,822.7**	**1,496.3**
Last 12-month adjusted EBITDA	**785.6**	**1,004.4**
Net debt/last 12-month adjusted EBITDA	*2.3x*	*1.5x*

New presentation of the bridges (Argentina impact)

The group, up until H1 2024, presented its financial bridges including the impact of Argentina under each heading as represented below in the column "Group analysis".

Due to Argentina's economic situation (hyper-inflation and sharp currency devaluation) and in order to present the group's performance more clearly, we outline below a second version (since Q3 2024) of the bridges isolating in a separate section the net impact of Argentina on changes in revenue and adjusted EBITDA from one period to the next ("Analysis excluding Argentina" column). This new presentation makes it easier to understand Verallia's performance in terms of volume, price/mix, spread, etc.

Change in revenue by type in millions of euros in Q1 2025

In millions of euros		Group analysis	Analysis excluding Argentina[6]
Q1 2024 revenue	**836.4**		
Volumes		*+22.8*	*+24.1*
Price / Mix		*-52.8*	*-59.0*
Foreign exchange impact		*-12.9*	*-6.5*
Scope effect		*+24.5*	*+24.5*
Argentina			*-1.4*
Q1 2025 revenue	**818.0**		

Change in adjusted EBITDA by type in millions of euros in Q1 2025

In millions of euros		Group analysis	Analysis excluding Argentina[6]
Q1 2024 Adjusted EBITDA	**203.9**		
Activity contribution		*+15.9*	*+18.5*
Price-mix / Cost spread		*-84.9*	*-86.2*
Net productivity		*+13.1*	*+12.5*
Foreign exchange impact		*-4.5*	*-2.7*
Other		*+3.4*	*+2.3*
Argentina			*-1.3*
Q1 2025 Adjusted EBITDA	**147.0**		

[6] The column "Analysis excluding Argentina" presents all the data in the bridge excluding Argentina, its net impact over the period being reported in the "Argentina" row only.

Reconciliation of operating profit/(loss) to adjusted EBITDA

in millions of euros	Q1 2025	Q1 2024
Operating profit/(loss)	**51.6**	**119.0**
Depreciation and amortisation[7]	88.1	82.3
Restructuring costs	2.2	0.5
IAS 29 Hyperinflation (Argentina)[8]	0.1	(0.9)
Management share ownership plan and associated costs	1.1	1.6
Company acquisition costs and earn-outs	1.3	0.6
Other	2.5	0.7
Adjusted EBITDA	**147.0**	**203.9**

Adjusted EBITDA and cash conversion are alternative performance indicators within the meaning of AMF position n°2015-12.

Adjusted EBITDA and cash conversion are not standardized accounting aggregates that meet a single definition generally accepted by IFRS. They should not be considered as a substitute for operating income, cash flows from operating activities that are measures defined by IFRS or a liquidity measure. Other issuers may calculate adjusted EBITDA and cash conversion differently from the Group's definition.

IAS 29: Hyperinflation in Argentina

Since 2018, the Group has been applying IAS 29 in Argentina. The application of this standard requires the revaluation of non-cash assets and liabilities and the income statement to reflect changes in purchasing power in the local currency. These remeasurements may lead to a gain or loss on the net money position included in the financial result.

In addition, the financial assets of the Argentine subsidiary are translated into euros at the closing exchange rate of the relevant period.

In the first quarter of 2025, the net impact on revenue was €(1) million. The impact of hyperinflation is excluded from consolidated adjusted EBITDA as presented in the "Operating income to adjusted EBITDA transition table".

[7] 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.
[8] The Group has applied IAS 29 (Hyperinflation) since 2018.

Financial structure

In millions of euros	Nominal or max. drawable amount	Nominal rate	Final maturity	March 31, 2025
Sustainability-Linked Bond May 2021[9]	500	1.625 %	May 2028	505.7
Sustainability-Linked Bond November 2021[9]	500	1.875 %	Nov. 2031	498.0
Bond November 2024[9]	600	3.875 %	Nov. 2032	601.5
Term Loan B – TLB[9]	200	Euribor +1.75%	Apr 2028	199.3
Revolving credit facility – RCF 2023	550	Euribor +1.25%	Apr 2030	-
Revolving credit facility – RCF 2027	250	Euribor +0.80%	Dec. 2027 + 1 yr + 1 yr extension	-
Negotiable commercial paper (Neu CP) [9]	500			349.2
Other debt[10]				146.0
Total debt				**2,299.8**
Cash and cash equivalents				(477.0)
Net debt				**1,822.7**

As of 31/03/2025, total financial debt[11] amounted to €2,280.3 million, compared to €2,254.8 million as of 31/12/2024.

A detailed description of the main features of the above-mentioned financing agreements is provided in paragraph 5.2.8. of the 2024 Universal Registration Document.

[9] Including accrued interest.
[10] o/w IFRS16 leasing (€70.2m).
[11] Total debt of €2,299.8m includes €19.5m of financing derivatives, i.e. a total of €2,280.3m in financial debt.

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.

Net debt ratio (leverage): is calculated as net debt divided by adjusted EBITDA for the last 12 months.

Net financial debt: includes all financial liabilities and derivatives on current and non-current financial liabilities, minus the amount of cash and cash equivalents.

Earnings per share (EPS): net profit/(loss) attributable to Group ordinary shareholders divided by the weighted average number of ordinary shares outstanding excluding treasury shares over the period.