Q1 2025 results

24 April 2025

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INTRODUCTION

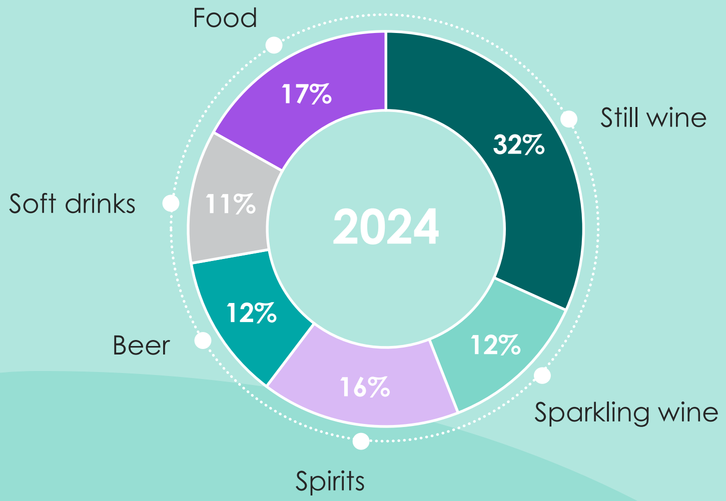
01

Patrice LUCAS
CEO

A global leader in glass packaging

DIVERSIFIED AND BALANCED END-MARKETS

2024 Glass packaging[1] sales split by end-market[2]



N°1 in Europe[3] 88% of 2024 sales

N°2 in Latin America[4] 12% of 2024 sales

N°3 Globally

- ~10,000 customers
- ~11,000 employees
- 16+ billion bottles/jars p.a.
- 19 cullet recycling centers
- 64 furnaces
- 35 glass plants
- 6 decoration plants
- 12 countries[5]

Sources: Companies public information, management estimates and Advancy (IPO related study).

Notes: (1) For bottles and jars only (97% of total Verallia sales). (2) The consolidated financial statements are presented in millions of euros, with amounts rounded up or down to the nearest million. So rounding differences could be present in some graphics or tables, mainly if presented in percentage without digits after the comma. (3) Based on 2024 sales; "Europe" using each company's definition/management estimates. (4) Based on 2024 volumes in Argentina, Brazil and Chile. (5) Countries with an industrial presence

02

KEY HIGHLIGHTS

Patrice LUCAS
CEO

Verallia innovates with hydrogen combustion in Essen (Germany)

- Verallia uses hydrogen to **reduce its carbon footprint**, showcasing our commitment to decarbonization

- A **5-year partnership with ArcelorMittal** ensures a steady hydrogen supply, advancing our technology. Additionally, **Uniper** provides the pipeline for gas transportation

- **Operating the largest hydrogen-powered** melting capacity (6 MW) in the glass industry

- Hydrogen integration aims to cut **CO_2 emissions by 8-10% annually**

Verallia moves forward with oxy-combustion furnace in Campo Bom (Brazil)

- Launch of a new advanced **oxy-combustion technology**
- This technology reduces **CO_2 emissions by 18%**
- First production **scheduled by the end of H1**
- A major step in our **decarbonization strategy**

Product innovation: continued collaboration with customers

FRANCE
YS 75 cl
FAMILLE RAVOIRE
BRIGITTE BARDOT

UK
HEPPLE GIN
NEW BOTTLE

ITALY
MY AIR 105G
SAN BENEDETTO

BRAZIL
AMBEV STD 600
RETURNABLE
BOTTLE

OUR COMMITMENT TO CUSTOMER INTIMACY ENSURES PREMIUM, TAILORED SOLUTIONS ACROSS END MARKETS

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Showing continued agility in a difficult market

EARLY 2025 MARKET TRENDS: KEY HIGHLIGHTS

- No further destocking impact in most markets but amid a very soft consumption backdrop
- Slight growth in volumes in Europe, still strong demand in LatAm
- Highly uncertain environment (tariffs) amid rising geopolitical & trade tensions
- Strongly negative yoy inflation spread due to carryover from 2024 selling prices and some inflationary pressure (energy in Q1)
- Acceleration in permanent capacity shutdowns across Europe (13 furnace closures implemented or announced since late 2023[1])

VERALLIA: FOCUS ON SELF-HELP MEASURES AND CASH FLOW GENERATION

- Focus on customer intimacy and product innovation
- Capacity utilization gradually getting back to normal in most geographies, except in Germany and UK
- Project for additional restructuring in Germany launched (around 100 people for about €10 M)
- Strong productivity and cost control (PAP savings @2.3% of cash costs in Q1)
- Focus on cash generation with tight control over capex and working capital

(1) Source: public information, company press releases, industry research.

Volume recovery confirmed in a difficult market environment

REVENUE

- **-2.2%** yoy to €818m
- **-3.6%** yoy organic growth

ADJUSTED EBITDA

- **€147m,** -27.9% vs. Q1 2024
- Margin at **18.0%** vs. 24.4% in Q1 2024 (-641 bps)

NET DEBT

- Leverage: **2.3x** LTM adj. EBITDA vs 2.1x end of Dec. 24

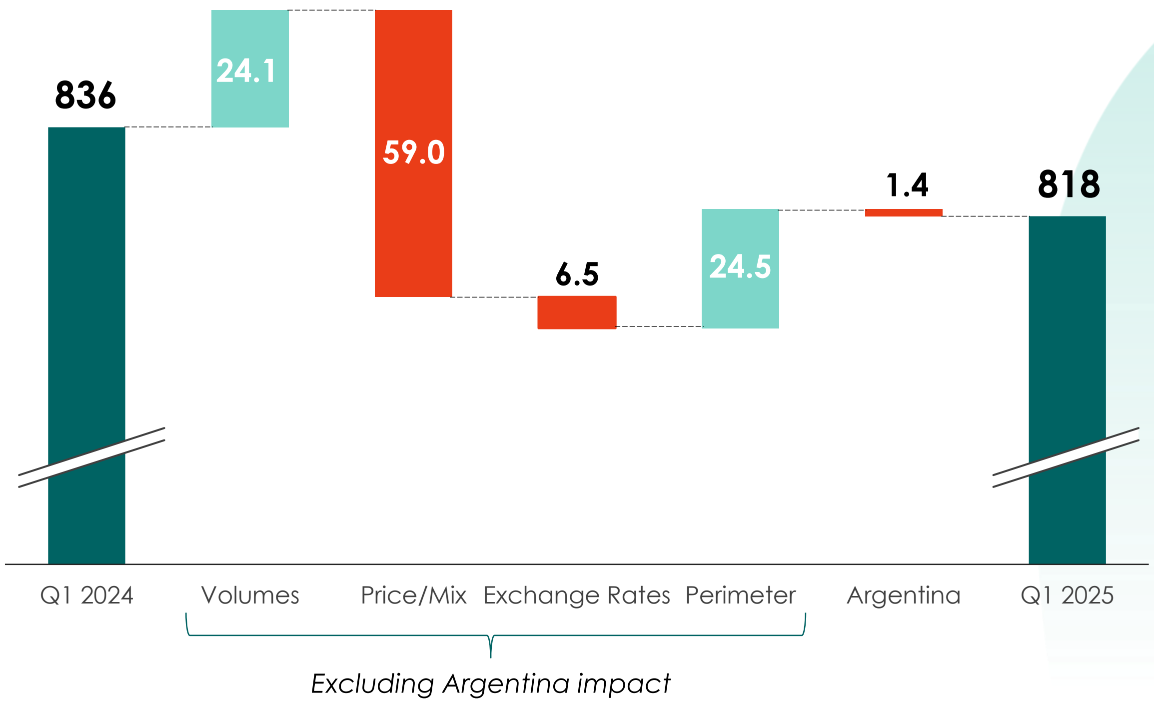
Q1 2025
FINANCIAL RESULTS

Nathalie DELBREUVE
CFO

03

Q1 2025 Consolidated Revenue Variance Analysis

REPORTED REVENUE (IN €M)(1)



- Organic growth: -3.6% in Q1 25 (-4.3% excluding Argentina)
- Combination of improving demand context (esp LatAm) and targeted commercial actions driving organic volume growth in Q1, with most segments improving due to the end of destocking
  - Moderate volume growth in Europe vs strong growth in LatAm. Beer and NAB record fastest growth in both regions and all segments are up except sparkling wines
- Price / mix
  - Decrease in average selling prices year-on-year: with a mix of front-loaded carry-over impact of 2024 price reductions and additional impact from 2025 price negotiations
  - €(59)m negative price/mix impact
- FX / perimeter effect
  - €(7)m negative FX impact, mostly linked to Brazilian real
  - Perimeter effect primarily linked to the acquisition of Vidrala's glass business in Italy

POSITIVE VOLUME AND SCOPE EFFECT NOT SUFFICIENT TO OFFSET NEGATIVE PRICE / MIX

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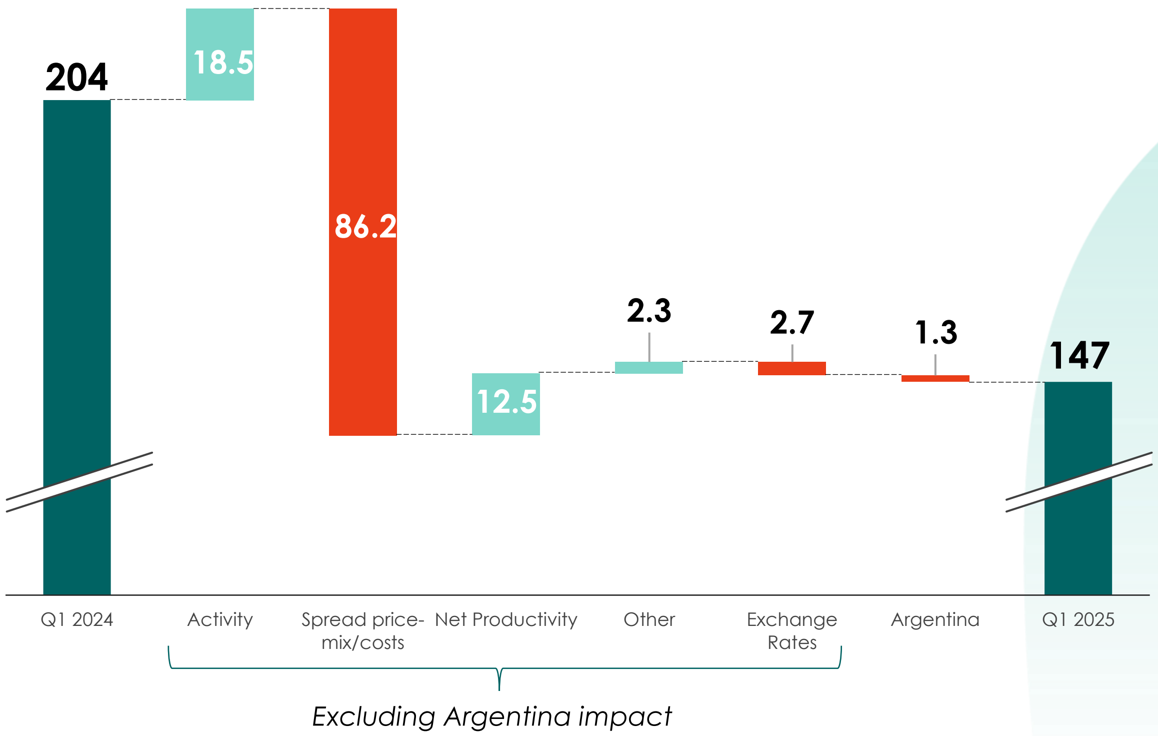
(1) New presentation excluding Argentina from individual legs of the bridge

Q1 2025 Consolidated Adjusted EBITDA Variance Analysis

ADJUSTED EBITDA (IN €M)(1)



-641bps

	Q1 2025	Q1 2024
Adjusted EBITDA margin	18.0%	24.4%

- Activity / Operating leverage
  - Positive impact from activity with sales volumes up organically in all regions in Q1…
  - … Partly offset by a temporary negative finished good inventory variation effect
- Negative price-mix / cost spread
  - Negative spread driven by lower selling prices (especially France and Germany) combined with some cost inflation (mainly energy)
- Net PAP
  - Still strong performance at 2.3% cash production cost reduction
- Other
  - Includes perimeter effect, SG&A reduction and some one-offs
- €(3)m negative FX impact, primarily driven by BRL

DECLINE IN EBITDA MAINLY DRIVEN BY STRONGLY NEGATIVE PRICE/COST SPREAD

(1) New presentation excluding Argentina from individual legs of the bridge

31 March 2025 Group Net Debt Evolution and Leverage

In € million	31/03/2025	31/12/2024	31/03/2024
Net Debt	1,822.7	1,797.4	1,496.3
LTM Adjusted EBITDA	785.6	842.5	1,004.4
Net Debt / LTM Adjusted EBITDA	**2.3x**	**2.1x**	**1.5x**

- Net debt at **€1,823m** including rights-of-use for **€70m**
- **Significant improvement** in free cash-flow for the quarter compared to Q1 2024

31 March 2025 Financial Structure and Liquidity

In € million	Nominal amount or max. Amount drawable	Maturity	Nominal rate	31 Mars 2025
Sustainability-Linked Bond – May 2021[1]	500.0	May 2028	1.625%	505.7
Sustainability-Linked Bond – November 2021[1]	500.0	November 2031	1.875%	498.0
Bond November 2024[1]	600.0	November 2032	3.875%	601.5
Term Loan B (TLB)[1]	200.0	April 2028	Euribor+1.75%	199.3
Revolving Credit Facility 2023 (RCF 23)	550.0	April 2030	Euribor+1.25%	-
Revolving Credit Facility 2027 (RCF 27)	250.0	December 2027 + 1-yr + 1-yr extension	Euribor+0.80%	-
Negotiable Commercial Paper Neu CP[1]	500.0			349.2
Other debt[2]				146.0
Total borrowings				**2,299.8**
Cash				(477.0)
Net Debt				**1,822.7**

- A significant part of the **Group's floating rate exposure is hedged** through interest rate CAPs (*i.e. 96% of total long-term debt is fixed either by being at fixed rate or by being hedged)*
- **Total available liquidity**[3] reached **€927.9** million as of March 31st, 2025

(1) Including accrued interest
(2) o/w IFRS16 leasing (70.2m€)
(3) Calculated as Cash + Undrawn Revolving Credit Facilities – Outstanding Commercial Papers

2025 GUIDANCE

Patrice LUCAS
CEO

04

2025 outlook: EBITDA target lowered to around €800m, FCF target raised to over €200m amid geopolitical & trade tensions

Context

- 2025 started with uncertainty and volatility, marked by subdued European consumption and rising global tensions
- Demand is slightly up in Europe and remains strong in Latin America
- Geopolitical and trade tensions weigh on market conditions

2025 guidance updated

In this context, 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

Q&A

APPENDIX

Reconciliation of operating profit to adjusted EBITDA

In €m	Q1 2025	Q1 2024
Operating profit	**51.6**	**119.0**
Depreciation and amortisation(1)	88.1	82.3
Restructuring costs	2.2	0.5
IAS 29 Hyperinflation (Argentina)(2)	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**

(1) Includes depreciation and amortization of intangible assets and property, plant and equipment, amortization of intangible assets acquired through business combinations and impairment of property, plant and equipment. (2) The Group has applied IAS 29 (Hyperinflation) since 2018.

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. Since 2021, they have also included investments related to the implementation of 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 the Operating Cash Flow - Other operating impact - Interest paid & other financing costs - Cash Tax.
- 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, UK, Russia, Ukraine and Poland. It is also denominated as "NEE".
- The segment **Latin America** comprises production plants located in Brazil, Argentina and Chile and, since January 1, 2023, Verallia's operations in the USA
- **Liquidity:** calculated as the Cash + Undrawn Revolving Credit Facilities – Outstanding Commercial Papers.
- **Amortisation of intangible assets acquired through business combinations:** Corresponds to the amortisation of customer relations recorded during the acquisition.
- **Net debt ratio:** 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.

Disclaimer

Certain information included in this presentation are not historical facts but are 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" in the Verallia Universal Registration Document approved by the AMF and available on the Company's website (www.verallia.com) and the AMF's website (www.amf-france.org). These forward-looking information and statements are no guarantee of future performance.

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

Thank you