

Press release

Ad hoc press release in accordance with Art. 53 of the Listing Rules – War damage to the Ukraine plant resulted in a reported loss of CHF -9.7 million

Bülach, 23 August 2022 – **Despite an extremely challenging environment, the Vetropack Group was able to increase its net sales from goods and services by 9.0% (14% after adjusting for currency effects) to reach CHF 435.0 million in the first half of 2022 (prior year: CHF 399.2 million). Consolidated EBIT rose to CHF 48.3 million (prior year: CHF 46.6 million). War damage to the Ukraine plant necessitated a value adjustment of CHF 46.5 million, resulting in a reported loss of CHF -9.7 million for the Group.**

Three major developments were dominant during the first half of 2022: the ongoing Ukraine conflict, increases in energy and production costs, and sustained high demand for packaging glass. Sharp increases in energy and production costs led to major market price adjustments in the packaging glass industry. Vetropack managed to compensate for the majority of these additional costs with an energy surcharge that is transparent for customers. Nevertheless, unabated high demand for glass packaging and capacity reductions caused by the shutdown of the Ukrainian glass industry have already led to a number of bottlenecks in meeting customer demand throughout Europe.

The Vetropack Group sold 2.69 billion units of packaging glass in the first half of 2022. Due to the absence of capacity at our plant in Ukraine, sales volume was 6.9% below the prior year's figure of 2.89 billion units. Consolidated net sales from goods and services rose by 9.0% to reach CHF 435.0 million (prior year: 399.2 million). After adjustments for currency effects, the increase was as much as 14.0%: given that the sales volume actually decreased, this is explained by the high energy surcharges.

During the first six months of this year, cash flow reached CHF 81.4 million (prior year: CHF 83.7 million). The cash flow margin was 18.7% of net sales (prior year: 21.0%). Because of war damage in the Ukraine plant, a value adjustment of CHF 46.5 million had to be debited to the half year, so the Vetropack Group is posting a loss of CHF -9.7 million (prior year: 40.4 million).

Outlook for the second half of 2022

The packaging glass market is positive and demand for glass packaging remains high. However, the market is subject to increasingly negative effects due to inflation, the general cost trend and the related decrease in purchasing power. Growing uncertainties regarding energy supplies (gas and electricity) are impacting the entire glass industry, making it difficult to foresee how sales will develop going forward. Assuming constant exchange rates and overall conditions, we expect our group of companies to achieve slightly higher net sales than in the 2021 financial year, and an

EBIT margin in the upper single-digit range. The consolidated result will end up well below the previous year's figure on account of the value adjustment.



Glass factory of the future: In Boffalora sopra Ticino near Milan, Vetropack is building a state-of-the-art plant where smart technology will support employees in production and logistics.

About the Vetropack Group

At Vetropack, we enable the enjoyment of food and beverages in a safe, elegant and responsible way. We consider glass to be the most sustainable packaging solution and the perfect material for food-safe packaging. With our holistic service-plus approach, we help customers optimise their value chains, ensuring consumer safety. Long-term and close relationships characterise the partnerships with us. Striving for a minimal carbon footprint along the entire supply chain and a commitment to recycling as the key to optimising the product life cycle shape our understanding of environmental responsibility and economic efficiency.

Vetropack Group is one of Europe's leading manufacturers of glass packaging for the food and beverage industry with around 4,000 employees and net revenues of CHF 816.5 million in 2021. Vetropack has state-of-the-art production facilities as well as sales and distribution offices in Switzerland, Austria, the Czech Republic, Croatia, Slovakia, Ukraine, Italy, the Republic of Moldova and Romania.

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