PRESS RELEASE

Vetropack Group 2017: operating result up by 30%

Bülach, 20 March 2018 – Vetropack Group can report broad-based growth. It increased its net sales of goods and services by 5.0% to CHF 631.5 million, while unit sales rose by 4.0% to a new record high of 5.07 billion units of glass packaging. The Group grew consolidated EBIT by 30.0% year on year to CHF 64.1 million, which meant an improved EBIT margin of 10.1% (2016: 8.2%).

Financial key figures for 2017:

- **Net sales:** CHF 631.5 million (2016: CHF 601.7 million)
- **EBIT:** CHF 64.1 million (2016: CHF 49.3 million)
- **EBIT margin:** 10.1% (2016: 8.2%)
- **Consolidated profit:** CHF 57.0 million (2016: CHF 42.6 million)
- **Net liquidity:** CHF 68.3 million (2016: CHF 16.9 million)
- **Cash flow:** CHF 126.3 million (2016: CHF 105.1 million)
- **Cash flow margin:** 20.0% (2016: 17.5%)
- **Equity ratio:** 73.8% (2016: 72.0%)

Under favourable market conditions, Vetropack Group increased net sales from goods and services by 5.0% to CHF 631.5 million in the 2017 fiscal year (2016: CHF 601.7 million). This equates to growth of 3.4% in local currencies. Unit sales rose by 4.0% to 5.07 billion units of glass packaging over the same period (2016: 4.87 billion units), bringing Vetropack Group over the 5 billion unit threshold for the first time and marking a new record for unit sales. All Vetropack companies contributed to the increase in turnover and unit sales. The relationship between domestic sales and exports remained virtually unchanged in unit terms, with the former making up 56.6% (2016: 56.5%) and the latter 43.4% (2016: 43.5%) of the total.

Significant improvement in operating performance capacity and consolidated profit

Vetropack Group increased its **consolidated EBIT** by 30.0% year on year to CHF 64.1 million (2016: CHF 49.3 million). The **EBIT margin** was thus well above the previous year's figure of 8.2% at 10.1% of net sales. This pleasing development reflects the positive market environment, greater production capacity and stable production costs in the reporting year. The strong operating performance and exchange rate gains on euro-denominated credit balances pushed **consolidated profit** up by an impressive 33.8% to CHF 57.0 million (2016: CHF 42.6 million), while the profit margin climbed to 9.0% (2016: 7.1%).

Increased liquidity

Cash flow rose by 20.2% to CHF 126.3 million (2016: CHF 105.1 million), equating to a cash flow margin of 20.0% (2016: 17.5%).
Vetropack Group's **investments** were in the fiscal year CHF 67.3 million (2016: CHF 95.8 million). These were mainly directed towards scheduled repairs to a furnace and the installation of a modern glass-blowing machine at the Ukrainian plant. New glass-blowing machines were also put in place at the Swiss, Czech and Croatian plants, increasing capacity utilisation of the furnaces and improving production flexibility. In Italy, meanwhile, Vetropack Group invested a substantial amount in infrastructure maintenance and in a new sorting system equipped with powerful inspection machines for a production line. All investments were fully financed by the Group's own funds.
Liquid assets grew by CHF 43.9 million (2016: CHF 28.0 million), pushing the Group's **net liquidity** up accordingly to CHF 68.3 million (2016: CHF 16.9 million).
With an equity ratio of 73.8% (2016: 72.0%), Vetropack Group's balance sheet remains very healthy.
At the end of the reporting year, Vetropack employed 3,257 **members of staff** (31 December 2016: 3,243).

Outlook for the 2018 fiscal year

As things stand, the Board of Directors and Management Board expect the packaging industry to continue enjoying positive market conditions in 2018. Consumption and demand appear to be stabilising at a slightly higher level. In this market environment, Vetropack Group looks set to be able to utilise all its capacity to the full and increase slightly its net sales. It is anticipating an operating result on a par with last year due to higher expenses incurred on two furnace projects. Consolidated profit, by contrast, looks set to come in below last year's level, as repeating the high exchange rate gains seen in 2017 looks unlikely. As in the past, however, the exchange rate development could have a significant impact on the Group's results.

Vetropack Group includes subsidiaries in Switzerland, Austria, the Czech Republic, Slovakia, Croatia, Ukraine and Italy.

Vetropack Holding Ltd

The Board of Directors will propose to the Annual General Assembly the payment of a gross dividend of CHF 45,00 (2016: CHF 38.50) per bearer share and CHF 9,00 (2016: CHF 7.70) per registered share.

The Board of Directors will also propose to the Annual General Assembly that Claude R. Cornaz, CEO and Delegate of the Board of Directors of Vetropack Group from 2000 to 2017, be elected as Chairman of the Board of Directors. He is to succeed Hans R. Rüegg, who has held this office since 2005.

The Annual General Assembly of Vetropack Holding Ltd will take place at 11.15 a.m. on Friday 20 April 2018 in Bülach.

The 2017 Business Report of Vetropack Group is available online: https://www.vetropack.com/en/vetropack/investor-relations/financial-reports/

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