

PRESS RELEASE

Fiscal year characterised by COVID-19 pandemic – Vetropack Group results at a good level

Bülach, 16 March 2021 – **In a challenging environment shaken by the COVID-19 pandemic, Vetropack Group achieved an EBIT margin of 11.5% (2019: 12.5%). Consolidated net sales stood at CHF 662.6 million (2019: 714.9 million). At the end of the year, the Group acquired a glass works in Moldova in a takeover which was financed by the Group's own funds.**

Vetropack Group consistently pursued its successful expansion strategy and acquired the **Moldovan Glass Container Company S.A. glassworks** on 10 December 2020. With this acquisition, the Group is growing in a region where it has been successfully manufacturing and selling glass packaging for almost three decades. The new subsidiary fits seamlessly into Vetropack's markets in Central and Eastern Europe. The Moldovan subsidiary was fully consolidated for the first time as of 30 November 2020.

COVID-19 pandemic influences unit sales and net sales

Vetropack Group sold 4.86 billion units of glass packaging in the 2020 fiscal year (2019: 5.16 billion units), which was 5.9% less than in the previous year. As catering establishments were closed for months due to the coronavirus, demand for wine, beer and above all soft drinks, mineral water and fruit juices fell. The lockdown also led to more demand for foodstuffs stored in glass jars. The Group generated consolidated net sales of CHF 662.6 million, 7.3% lower than the previous year (2019: CHF 714.9 million). This only amounted to a 3.5% reduction in local currencies. Due to the changes to the sales mix brought about by the pandemic, it was mainly lower-priced glass packaging that was affected by the reduction, thus increasing the average price of glass packaging sold.

Financial key figures for 2020:

- **Net sales:** CHF 662.6 million (2019: CHF 714.9 million)
- **EBIT:** CHF 76.1 million (2019: CHF 89.4 million).

- **EBIT margin:** 11.5% (2019: 12.5%)
- **Consolidated profit:** CHF 81.2 million (2019: CHF 72.4 million)
- **Net liquidity:** CHF 59.7 million (2019: CHF 81.4 million)
- **Cash flow:** CHF 141.2 million (2019: CHF 153.3 million)
- **Cash flow margin:** CHF 21.3% (2019: 21.4%)
- **Equity ratio:** 77.0% (2019: 78.8%).

Solid profitability

Due to the COVID-19 pandemic, Vetropack coordinated its Group-wide capacities in the 2020 fiscal year so that it was able to optimise the necessary reduction in production from an economic point of view. At the same time, strict cost reductions were implemented in all areas. Thanks to these extensive measures, Vetropack Group achieved a consolidated EBIT of CHF 76.1 million (2019: CHF 89.4 million) and an EBIT margin of 11.5% of net sales (2019: 12.5%).

The consolidated **annual profit** rose by 12.2% to CHF 81.2 million (2019: CHF 72.4 million) and the profit margin stood at 12.3% (2019: 10.1%) In the first half of 2020, Vetropack Group sold a property in the Swiss canton of Zurich which was not required for operations. The one-off proceeds after tax amounted to CHF 9.1 million.

Well-invested liquidity

Cash flow amounted to CHF 141.2 million in 2020 (2019: CHF 153.3 million), which equated to 21.3% (2019: 21.4%) of net revenue. Vetropack Group invested CHF 73.7 million net in tangible and intangible assets (2019: CHF 123.7 million). The **main investment** was the reconstruction of a furnace and all the associated infrastructure at the Croatian glassworks. In the second half of the year, CHF 42.8 million was also used to acquire the new subsidiary in Moldova. All investments were fully financed by the Group's own funds. **Free cash flow** reached CHF 37.9 million (2019: CHF 28.1 million). The Group's net liquidity fell to CHF 59.7 million (2019: CHF 81.4 million). Shareholders' equity increased to CHF 763.6 million (2019: CHF 748.4 million). The equity ratio fell marginally to 77.0% (2019: 78.8%).

At the end of the reporting year, Vetropack Group employed a workforce of 3,882 people (31 December 2019: 3,366 people).

Outlook for the 2021 fiscal year

The COVID-19 pandemic has changed almost all areas of life. It is still uncertain when and how quickly the economy will recover again.

Vetropack Group will have full capacity at its disposal in the 2021 fiscal year; no major furnace overhauls are required. As the “pro glass” trend is unbroken, we expect to be able to fully utilise the capacities available in 2021 as things stand.

In 2020, the changes caused by COVID-19 led to increased stocks across the entire European container glass industry. In addition, the costs of raw materials, energy and transport fell. This led to an increasingly competitive market with high pressure on margins during the reporting year. At the beginning of 2021, energy and transport costs rose disproportionately and it is uncertain whether these price hikes will be accepted by the market in the short term.

For these reasons, we are assuming that the Group will be able to boost net sales both organically and through acquisitions under similar exchange rate conditions. The EBIT margin is likely to shrink somewhat.

The new glassworks planned by Vetropack in Boffalora sopra Ticino, Italy, remains the Group’s central strategic project in 2021. The groundbreaking ceremony will be held in the course of this year.

Vetropack Holding Ltd

The Board of Directors will propose to the Annual General Assembly the payment of a gross dividend of CHF 1.30 (2019: CHF 1.30) per class A registered share and CHF 0.26 (2019: CHF 0.26) per class B registered share.

The Annual General Assembly of Vetropack Holding Ltd will take place at 11.15 a.m. on Wednesday 21 April 2021 in Bülach. Shareholders cannot attend in person.

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