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Press release

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Continuation of growth path and solid results in 2019

- Net sales increased by 14.4% to EUR 207.9 million
- EBITDA before one-offs at EUR 29.5 million (2018: EUR 21.6 million)
- Successful execution of the Group's growth strategy including investments of EUR 32.8 million in its key end-markets
- Outlook 2020: Sales in the range of EUR 220-230 million and EBITDA before one-offs between EUR 32-35 million

Aluflexpack AG („Aluflexpack“, „Group“), a leading European manufacturer of premium flexible packaging solutions looks back at a successful business year 2019. The Group continued its growth path with a net sales increase of 14.4% to EUR 207.9 million, based on healthy demand across its key end-markets and the consolidation effects of the Turkish subsidiary Arimpeks. Excluding the latter, organic net sales growth amounted to 8.4% in 2019.¹ Adjusted for one-off costs, amongst other things, in relation to the listing on the stock exchange, the Group's EBITDA increased to EUR 29.5 million (2018: EUR 21.6 million), and the Group's EBIT to EUR 13.8 million (2018: EUR 8.0 million).² In line with its growth strategy and plans, Aluflexpack invested EUR 32.8 million mainly in its focus end-markets in 2019. Cash generated from operating activities increased to EUR 15.5 million (2018: EUR 11.9 million). Based on the current product pipeline and business development, management expects net sales between EUR 220-230 million and an EBITDA before one-offs between EUR 32-35 million for the business year 2020. The outbreak of the Covid-19 („corona“) virus may have an impact on Aluflexpack's business in 2020, which can not be assessed from today's perspective.

Continuation of solid development

In the business year 2019, Aluflexpack increased net sales by 14.4% to EUR 207.9 million on the basis of healthy demand trends and solid business development in the Group's key end-markets, particularly in Coffee/tea, Dairy and Pet Food, in which

¹ Organic growth was calculated by comparing full year 2019 sales with pro forma 2018 sales of EUR 191.8 million. The latter include the effects from the Turkish subsidiary Arimpeks acquired in September 2018, as if the company was acquired on 1 January 2018.

² A detailed reconciliation between adjusted and reported figures can be found on pages 48 to 51 of Aluflexpack's Annual Report for the year 2019. <https://ir.aluflexpack.com/publications-2/#financial-reports>

sales grew by 39%, 7% and 16%, respectively.³ In these markets, Aluflexpack ramped up business with existing customers, increasing volumes with both existing and new products, and managed to win new customers. In addition, the Group generated first revenues from the recent stand-up pouch expansion at its plant in Umag, Croatia. Without the consolidation effects of the Turkish subsidiary Arimpeks, which was acquired at the end of September 2018, organic growth amounted to 8.4%.

Sustainable earnings

Adjusted for one off costs, amongst other things, in relation to the listing on the Stock Exchange, Aluflexpack reached an EBITDA of EUR 29.5 million in 2019 (2018: EUR 21.6 million). Besides the full year consolidation of Arimpeks and the additional capacities Aluflexpack ramped up to serve its clients, the increase was driven by further product mix and efficiency improvements as well as positive levers from economies of scale. Aluflexpack's EBIT increased from EUR 8.0 million in the previous period to EUR 13.8 million in 2019 before one-off items, underlining the positive effects deriving from investments made over recent years. Net income on a reported level amounted to -EUR 3.4 million in 2019 resulting from the significant one off costs in the respective reporting period, amongst other things, in relation to the IPO.

Solid financial profile

Aluflexpack has a solid financial profile: As of 31 December 2019, total equity amounted to EUR 172.2 million (12/2018: EUR 25.9 million), including the effects of the capital increase of EUR 148.0 million on 28 June 2019. This corresponds to an equity ratio of 61.9% (12/2018: 13.2%). In 2019, Aluflexpack continued the execution of its growth strategy by investing EUR 32.8 million into its platform. These investments related to the expansion of the stand-up pouch manufacturing capacity in Umag, Croatia, and additional manufacturing capacities for Aluflexpack's other focus segments. Cash generated from operating activities increased to EUR 15.5 million (2018: EUR 11.9 million), but was negatively impacted by one-off items, amongst other things, booking effects of EUR 8.1 million relating to one-off personnel expenses paid by the majority shareholder and a receivable of EUR 3.3 million pertaining to insurance payments for the fire incident at Aluflexpack's French subsidiary. The net cash position as of year-end 2019 was EUR 12.1 million (12/2018: net debt position of EUR 100.5 million). Return on capital employed (ROCE) increased from 6.9% in 2018 to 9.6% in 2019.⁴

Outlook and Strategy

Over the past days, numerous economic institutions have negatively revised economic growth estimates due to the spread of the corona virus. The full extent of the effects on the business development of Aluflexpack are not assessable at the moment. For the time being, the Group is not experiencing a slowdown of demand or material problems in the supply of raw material and remains fully focused on the execution of its growth strategy; firstly, to fully ramp-up its Stand-Up-Pouch manufacturing

³ For further information, please see Aluflexpack's preliminary sales statement published on 4 February, <https://ir.aluflexpack.com/wp-content/uploads/2020/02/Strong-sales-growth-of-14.4-in-2019.pdf>

⁴ Aluflexpack defines ROCE as EBIT adjusted for one off effects divided by capital employed. The latter is the sum of average equity and average net financial debt for a given period.

capacities; secondly, to increase capacities in its key focus end-markets; and thirdly, to execute bolt-on M&A.

“Already in January 2020, Aluflexpack started introducing all appropriate and conceivable local and group-wide measures to protect its employees and to ensure undisturbed business continuation. In spite of the major challenges we are facing at the moment, we remain confident regarding the stability and development of our business – all of us: we as a team, our customers, suppliers and partners are working hard and as one and are jointly finding solutions to these challenges.”, comments Igor Arbanas, CEO of Aluflexpack.

In light of the current market environment and the promising development pipeline, Aluflexpack expects above market growth for 2020, Group net sales between EUR 220-230 million, and an EBITDA before one-off items from EUR 32-35 million.

	For the twelve months ended December 31,			
(financial figures in M€)	2016	2017	2018	2019
Net sales	144.1	160.6	181.7	207.9
Growth in net sales	8.2%	11.4%	13.1%	14.4%
EBITDA	14.4	18.1	21.5	19.2
Adjusted EBITDA	14.4	18.1	21.6	29.5
Adjusted EBITDA margin	10.0%	11.3%	11.9%	14.2%
Operating Profit (EBIT)	1.7	4.3	6.4	0.6
Adjusted Operating Profit (Adj. EBIT)	3.3	5.9	8.0	13.8
Adjusted Operating Profit margin (%)	2.3%	3.7%	4.4%	6.6%
Result for the period	-0.6	0.2	-1.3	-3.4
Cashflow from operating activities	8.9	14.7	11.9	15.5
Cashflow from investing activities	-12.6	-21.1	-21.2	-32.8
Cashflow from financing activities	-1.5	8.4	24.4	60.1
Equity Ratio (%)	19.6%	16.1%	13.2%	61.9%
Net debt (cash)	67.0	82.1	100.5	-12.1
Total assets	132.0	156.6	196.9	278.4
ROCE	3.8%	5.9%	6.9%	9.6%
Employees	904	1,001	1,128	1,215

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About Aluflexpack AG:

Aluflexpack produces flexible packaging solutions mainly for end-markets such as coffee/tea, pharmaceuticals, pet food, confectionery and dairy. Well-established insights, service flexibility and development competence are what underpin long-term customer relationships; both with locally operating companies and large international corporations. Aluflexpack, headquartered in Reinach (AG), Switzerland, has production facilities in Switzerland, France and Turkey and four production facilities in Croatia. The number of employees as of 31 December, 2019 was approximately 1,215. www.aluflexpack.com

Disclaimer

Some of the information contained in this press release may be forward-looking statements. Aluflexpack AG cautions that such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. Aluflexpack AG undertakes no obligation to publicly update or revise any forward-looking statements.