

Press release

Ad hoc announcement pursuant to Art. 53 LR – Stable development despite a difficult market environment

Bülach, 19 March 2024 – A good first half of the year was followed by a sharp slowdown in business during the second half, so the Vetropack Group is closing the 2023 fiscal year with a stable operating result at the same level as in the prior year. Especially in the second half of the year, however, the Group also felt the effects of a noticeable downturn in consumer demand as a consequence of inflation. At CHF 898.8 million, net sales from goods and services were more or less the same as in the prior year. After adjustments for currency effects, the Group was able to increase net sales from goods and services by 2.8 percent. Consolidated EBIT rose to CHF 91.3 million (prior year: CHF 89.1 million). Below the line, the Group is posting a profit of CHF 63.3 million (prior year: CHF 40.7 million).

2023 will go down in our records as a difficult fiscal year. Especially in the second half of 2023, this situation confronted our Group with a number of challenges to which we responded by very swiftly adjusting our production capacities. We can already see that 2024 is following on seamlessly from the weak second half of the preceding year. We will therefore be focusing on our efficiency even more intensively than in 2023: alongside proactive management of our capacities, this means that we will concentrate on reducing costs. This also applies to human resources, and in particular to restraint regarding the creation of new positions as well as new appointments to existing positions. We will also defer planned investments in our plants as far as possible.

Irrespective of these measures, we reserve the option of temporarily shutting down further lines and furnaces at individual sites if a change in the market situation necessitates such steps. In this same context, we already announced a difficult decision a few days ago: we are currently reviewing the closure of our production at the site in St-Prex, Switzerland, probably in the second half of 2024. We have already opened the consultation process on the future of the production site. Should this come to pass, it would be a drastic step for us. St-Prex is not merely our only plant in our home market of Switzerland: it is also the Vetropack Group's parent plant. For our employees in St-Prex, furthermore, this would mean that the majority of their jobs would cease to exist.

Regardless of the outcome of the consultation process, Switzerland will remain our home and one of our core markets. Our company headquarters will remain in Bülach in the future. At all events, we will continue our commitment to glass recycling (Vetrorecycling) in collaboration with our Swiss partners at municipal level.

Overview of main results and key figures for the 2023 fiscal year

		2023	2022	+/-
Net sales	CHF millions	898.8	899.4	- 0.1%
EBIT	CHF millions	91.3	89.1	2.5%
EBIT margin	%	10.2	9.9	–
Cash flow 1	CHF millions	130.1	142.2	- 8.5%
Cash flow margin	%	14.5	15.8	–
Consolidated profit 2	CHF millions	63.3	40.7	55.5%
Investments	CHF millions	238.0	194.6	22.3%
Total assets	CHF millions	1 263.8	1 234.5	2.4%
Shareholders' equity	CHF millions	750.7	749.3	0.2%
Gearing ratio	%	59.4	60.7	–
Employees	Headcount	3 772	3 676	2.6%

1 operating cash flow before change of net working capital

2 included extraordinary costs of CHF 31.4 million in 2022 as a result of the war in Ukraine

Sound operating result level with prior year

2023 was a challenging fiscal year, dominated by external crises. High energy and raw material prices, the war in Ukraine, and the significant deterioration in consumer sentiment due to inflation: all these factors had an exceptionally severe impact on the packaging industry and thus on our business in our core European markets. The second six months in particular were marked by an extreme market downturn, and the gains made in the first half of the year could no longer be realised in the second half. Below the line, therefore, there is a sound operating result at the same level as in the prior year.

Outlook for the 2024 fiscal year

Demand for glass packaging will only recover slowly in the coming fiscal year. This will continue to result in significant under-utilisation of our capacities. The consequence of this overcapacity on the market is likely to be further price erosion. We therefore assume that net sales from goods and services in fiscal 2024 will prove to be lower than in 2023, despite a forecast increase in volume. As things stand today, the reduced energy and raw material costs are already reflected in the lower market prices.

The market situation means that we are facing a challenging fiscal year in 2024; we are therefore pleased that our strategy gave us the basis for taking the right steps in recent years so that we can successfully overcome such situations. Our Group's strength and the agility of our organisation have become guarantors of success, allowing us to take a positive view of the future.

Annual General Assembly of Vetropack Holding Ltd

The 55 Ordinary Annual General Assembly of Vetropack Holding Ltd will take place on Thursday, 25 April 2024 at 3:30 p.m. in the Stadthalle Bülach, Allmendstrasse 8, 8180 Bülach, Switzerland.

The Board of Directors will propose to the General Assembly that dividends are paid out as follows: a gross dividend of CHF 1.00 per class A registered share (2022: CHF 1.00), and a gross dividend of CHF 0.20 per class B registered share (2022: CHF 0.20).

The Board of Directors of Vetropack Holding Ltd will propose to the General Assembly that Urs Ryffel is elected to the Board of Directors. Urs Ryffel has acquired many years of industrial experience at ABB Kraftwerke AG, as Head of the Hydro Power Plant Service Global Business Unit, then as Unit General Manager for Alstom Power Hydraulique S.A., and at Huber+Suhner AG, which he has managed as CEO since 2017. Urs Kaufmann, who has been a member of the Board of Directors of Vetropack Holding Ltd since 2017, is not standing for re-election. Through his many years of committed service as a member of the Board of Directors, he has played a major part in the growth of the Vetropack Group. We are very grateful to him for this.

The 2023 report is available exclusively online with a download option:

<https://report.vetropack.com/2023>

About Vetropack

The Vetropack Group numbers among Europe's leading manufacturers of glass packaging for the food and beverage industry, with around 3 800 employees and net sales of CHF 898.8 million in 2023. Vetropack has state-of-the-art production plants as well as sales and distribution offices in Switzerland, Austria, the Czech Republic, Croatia, Slovakia, Ukraine, Italy, the Republic of Moldova and Romania.

Through our work, we enable people to enjoy food and beverages in the most elegant, safest and most responsible way. This is because glass is a sustainable packaging solution – and the perfect material to ensure that food is packaged safely. With our holistic Service plus+ approach, we help our customers to optimise their value chains and guarantee consumers' safety. To this end, we endeavour to build close and long-lasting relationships. Guided by our understanding of environmental responsibility and cost efficiency, we aim to minimise our carbon footprint throughout the supply chain, and we are committed to recycling as the key to optimising product life-cycles.

For further information:

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