

Press release

Ad hoc announcement in accordance with Art. 53 of the Listing Rules – Double-digit growth in local currency

Bülach, 25 August 2023 – Amid a market environment that remains tense and volatile, the Vetropack Group can report positive performance in the first half of 2023. During the first six months of this year, we increased our net sales from goods and services by 9.9% (or 13.9% after adjusting for currency effects) to CHF 477.9 million (prior year: CHF 435.0 million.) Consolidated EBIT rose to CHF 70.1 million (prior year: CHF 48.3 million). After 2022 – a year heavily impacted by the war in Ukraine – this puts Vetropack back on track for growth, with innovative products and state-of-the-art plants as key drivers of our business.

Just a few months ago, hardly anyone would have thought it possible – and yet at the end of May, we made a start on resuming production at our Ukrainian plant in Gostomel near Kyiv. Our site was severely damaged by Russian military attacks during the first weeks of the war in 2022 and for a long time, it appeared that we would be unable to resume operation of the furnaces. But now, Vetropack Gostomel has not only become a beacon of hope for our colleagues on site, but also a testimony to the strength of the entire Vetropack Group.

Good performance in a challenging market environment

The outstanding expertise of our workforce at all nine Vetropack sites has played a key part in enabling us to overcome a challenging set of market conditions. At 2.27 billion units, sales of packaging glass were below the figure for the first half of 2022 (2.69 billion units), so they fell short of our expectations. We see several reasons for this, including the unusually high sales of packaging glass we recorded in the fourth quarter of 2022 – which meant that our customers' warehouses were already full. In the first quarter of the previous year, moreover, we benefited from a catch-up effect resulting from the COVID pandemic – whereas this year, the inflation-related change in end consumers' behaviour is having a negative impact on our market environment.

Despite these challenging market conditions, the Vetropack Group managed to achieve consolidated net sales of CHF 477.9 million in the first six months of the year. This corresponds to a year-on-year increase of CHF 42.9 million or 9.9%.

Development of key figures

		half year 2023	half year 2022	+/-
Net sales	CHF millions	477.9	435.0	9.9%
EBIT	CHF millions	70.1	48.3	45.1%
EBIT margin	%	14.7	11.1	-
Cash flow*	CHF millions	85.7	81.4	5.3%
Cash flow margin	%	17.9	18.7	-
Consolidated result	CHF millions	50.7	- 9.7	622.7%
Investments	CHF millions	128.0	52.7	142.9%
Total assets	CHF millions	1,289.7	1,161.0	11.1%
Shareholders' equity	CHF millions	777.4	718.1	8.3%
Gearing ratio	%	60.3	61.8	-
Unit sales	billion units	2.27	2.69	- 15.7%
Production	1,000 metric tons	724	761	- 4.9%
Workforce	FTE	3,764	3,570	5.4%
Share price: registered share A high	CHF	47.80	58.90	-
Share price: registered share A low	CHF	36.80	34.55	-

* operating cash flow before change of net working capital

The glass production of the future

After a construction period lasting one and a half years, we began to heat up the two furnaces at our new plant in Boffalora sopra Ticino (Italy) this May. Our Group has invested over CHF 400 million in this 'factory of the future'.

Once the eight production lines are fully operational, the new facility will enable us to increase our production capacity by up to 70% as compared to the Trezzano plant. We have also invested in

smart technologies that will give us more flexibility in our production – for items such as semi-specials (unusual types of packaging that come in smaller batches). Furthermore, the new site is designed to make production significantly more resource-efficient and sustainable: thanks to closed-loop systems, water used for production and waste heat from the furnaces will be re-used as far as possible, and emissions will be vastly reduced with the help of cutting-edge filter systems.

Outlook for the second half of 2023

We are also anticipating positive development for the second half of this year. We are now benefiting from major developments that we initiated throughout our group of companies in recent years as part of our Strategy 2030. We are therefore embarking on the second half of the year with confidence, and we expect a modest increase in unit sales as compared to the first half. We will respond to the changed market situation by making capacity adjustments and giving priority to pending optimisation projects. From the third quarter onwards, the newly created production capacities in our Italian plant will place us in an even better position to meet the demand we continue to face for white glass in particular.

Although the environment still presents challenges such as high energy costs, inflation, the decline in purchasing power and the start-up costs for our new plant in Italy, we expect the EBIT margin for the 2023 fiscal year to be less than the figure for the first half, but still in the double-digit range. Following 2022 – a year dominated by crises and the extraordinary expenses they entailed – we expect our consolidated result to increase significantly in 2023.

The 2023 semi-annual report is available exclusively online via the download function:

<https://report.vetropack.com/h2023>

About the Vetropack Group

At Vetropack, we enable people to enjoy food and beverages as safely as possible by providing solutions that combine optimum elegance with maximum responsibility. We view glass as the most sustainable packaging solution – and the perfect material to ensure that food is packaged safely. Our holistic Service plus+ approach helps our customers to optimise their value chains and guarantee consumers' safety. Close, long-lasting relationships are the hallmarks of our collaboration with partners. 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.

The Vetropack Group numbers among Europe's leading manufacturers of glass packaging for the food and beverage industry, with around 4,000 employees and net sales of CHF 899.4 million in 2022. 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.

For further information:

Johann Reiter, CEO
Vetropack Holding Ltd.
Tel. +41 44 863 33 30
Email: johann.reiter@vetropack.com

David Zak, CFO
Vetropack Holding Ltd.
Tel. +41 44 863 32 25
Email: david.zak@vetropack.com