

Constantia Flexibles

2022 Investor Day



Investing *for the long term*

2022



— Constantia Flexibles



€565m
equity invested since 2015

60.8%
equity stake

A global leader in the resilient flexible packaging market for the consumer and pharmaceutical industries

- #2 in Europe and #3 Worldwide
- Resilient financial performance throughout 2020 and 2021; accelerating performance in 2022
- Renewed management team successfully implementing Vision 2025 strategy



W E N D E L

— Business model

2 business segments



Constantia Flexibles is a global leader in flexible packaging

€1.6bn

sales

in 2021

12.5%

EBITDA margin

in 2021



**~76%
of sales**



**~24%
of sales**

Product Examples

Lidding die cut

Confectionery foil & film

Snack laminates

Dried food laminates

Alu-container systems



Blister lidding foil

Coldform foil

Sachet foil

Stick pack foil

Contact lens foil



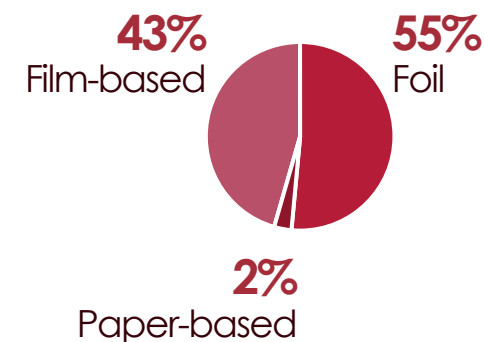
Blue chip customers



Sales by region

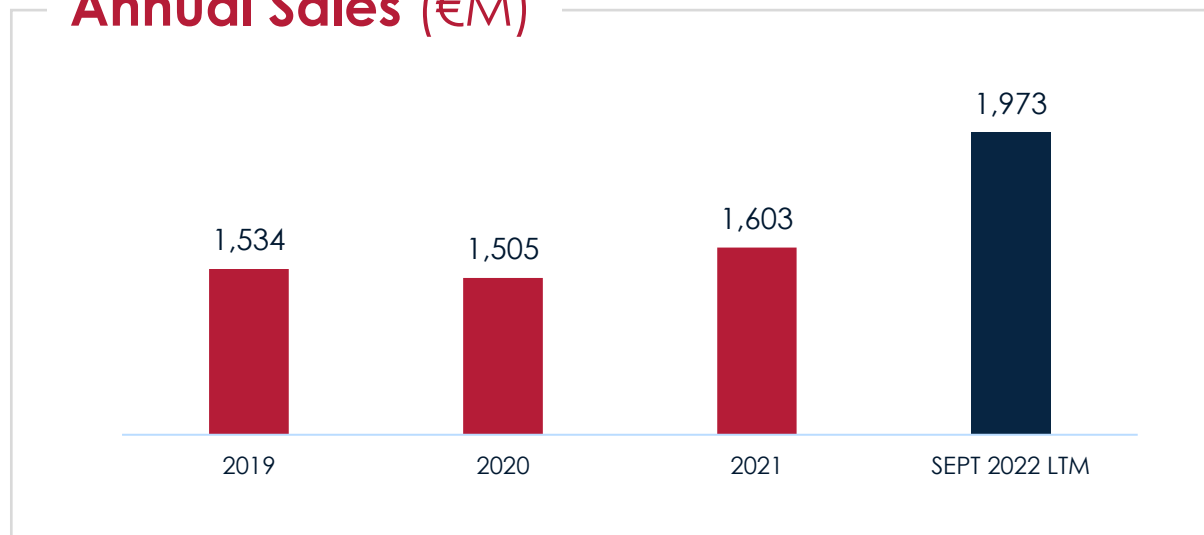
58% Europe
16% America (USA/Mexico)
7% India
19% RoW

Sales by products

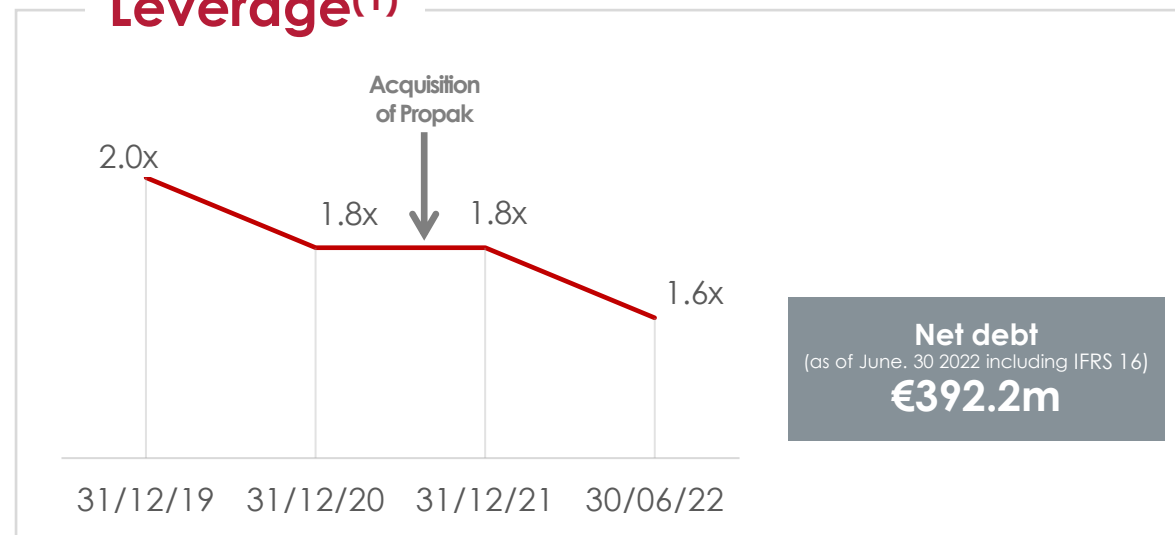


— Very strong performance in 2022

Annual Sales (€M)

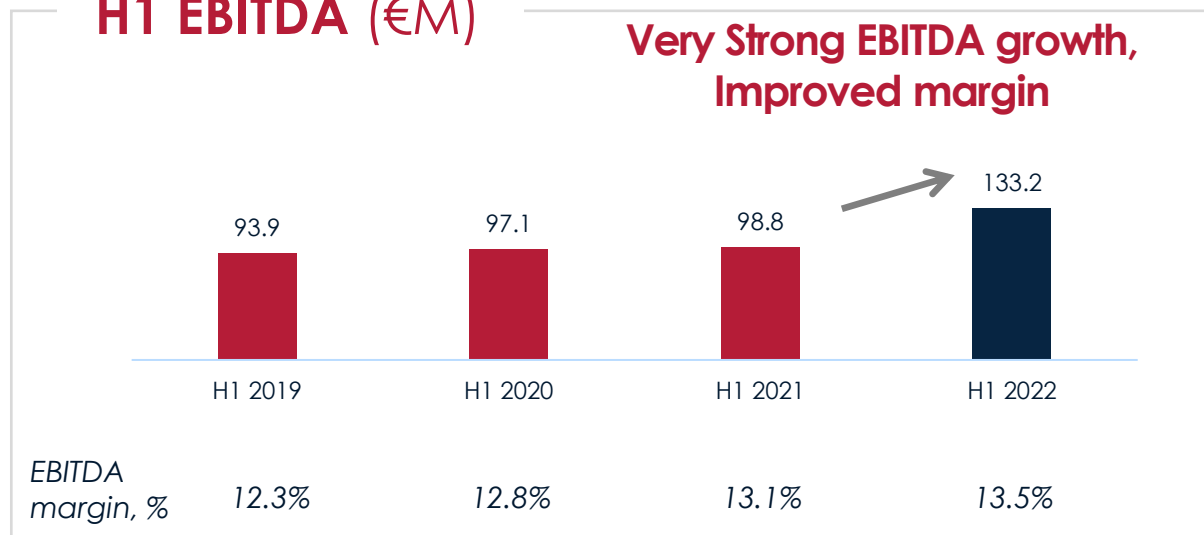


Leverage⁽¹⁾



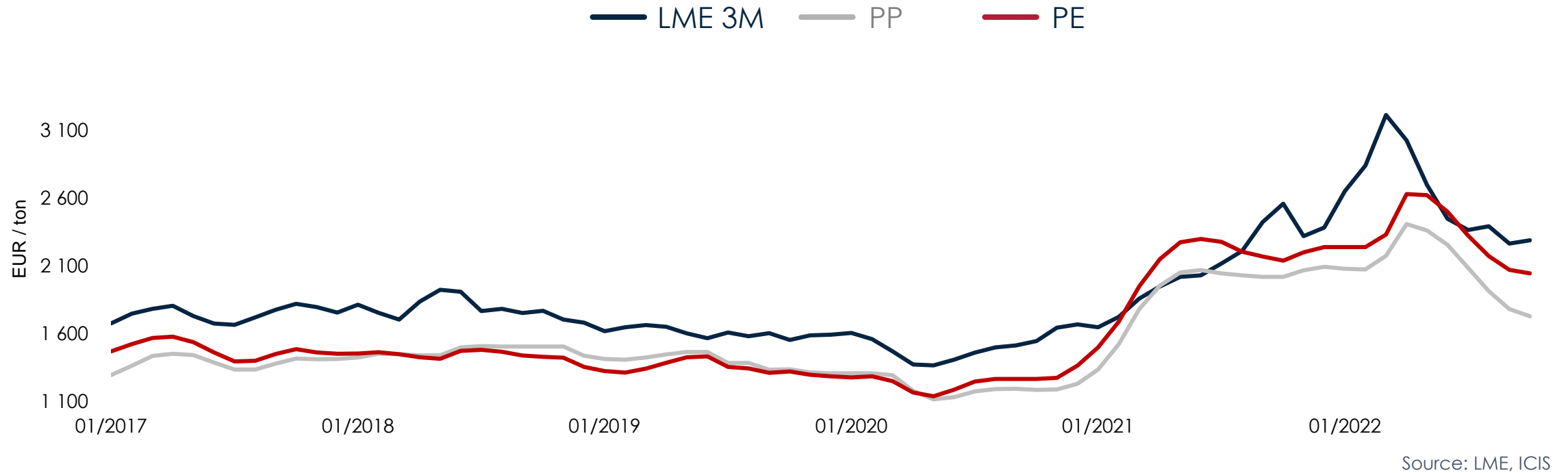
H1 EBITDA (€M)

Very Strong EBITDA growth,
Improved margin



- Improving **organic sales growth (+23.7%, YTD Sept)** trend in 2022, from both volume and price
- **EBITDA growth** driven by strong internal improvement, effective pass through of higher input prices to customers and acquisitions
- Increased focused on **cash generation** with trade working capital performance improving and enhanced capital expenditure discipline

— Raw material prices still volatile

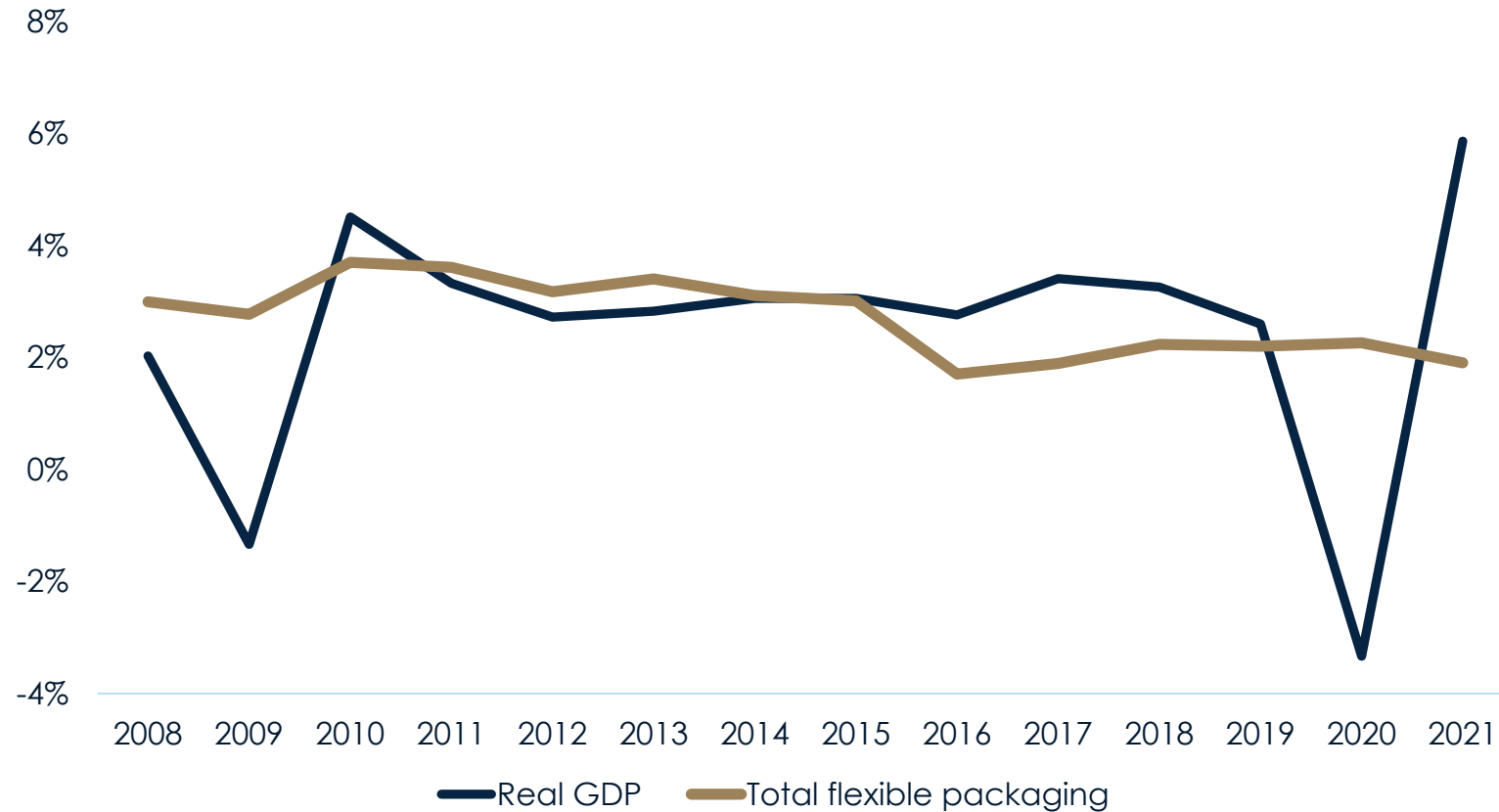


- Direct materials c. 56% of sales (H1 2022) → biggest cost element
- ‘Pass-through’ agreements with customers typical to adjust prices to reflect changes in main raw material prices
- Significant increases in other costs: particularly energy, transport, packaging materials as well as high wage inflation

Successful pass through of inflationary input costs

— Packaging market is very resilient in difficult macroeconomic environments

Long-term flexible packaging volume development vs. GDP



Commentary

- The total global flexible packaging industry has shown consistent growth even during the financial crisis in 2008 and more recent Covid-19 pandemic
- Recession resilience is driven by non-discretionary underlying end-markets such as essential Food and Pharma products

Flexible packaging market has consistently grown over time, even in recessionary environments

Success factors of Constantia Flexibles Vision 2025

Our **4 key pillars** to win

- ① Further improve our own performance
- ② Drive organic growth through innovation and sustainability initiatives
- ③ Selectively consolidate European market
- ④ Optimize our global presence

— Further improve our own performance



Improved pricing discipline

Successful price pass through campaigns



Continued operational improvement

Operational excellence program continues to deliver good results



Improving procurement performance

New EVP Procurement in place since January – Procurement Excellence Program to be launched early in 2023



Cash generation enhanced

Continued improvement in trade working capital performance with strict capital expenditure discipline

— Drive organic growth through innovation and sustainability initiatives

Vision **2025** 



Strong growth in pharma markets

Increasing market share through excellent customer service and product range



Consumer markets returning to growth

Revitalised Consumer sales organization in place with clear strategy of “Where to win and How to play”



Growing pipeline for Ecolutions materials

Developments gathering pace with sales tripling in 2022

— Selectively consolidate European market

European market fragmented with many potential acquisition opportunities
Constantia aims to actively participate in the market consolidation in a disciplined manner

Acquisitions to date have been:

Propak (June 2021)

Sales¹ EUR 75m

Key strategic considerations

- Low-cost footprint for European business via exports, 2nd site in Turkey
- Moves Constantia to top 3 in the European Snacks market with ~10% overall market share
- Consistently strong performance in sales growth, profitability and cash generation.

FFP Packaging (August 2022)

Sales¹ EUR 30m

Key strategic considerations

- FFP well respected market player, growing well and at the forefront of sustainability developments
- Enhances Constantia's position in the UK consumer markets with a local manufacturing presence and increasing the Group's UK sales to EUR 90m
- Significant synergies to be realized



Turnaround in Africa

Market structure changed, now market leader and capitalizing on new market opportunities



North America performance significantly improved

Strong organic growth in Mexico, US operations continuing to improve towards >15% EBITDA margin



Performance of Indian business improving

Restoring Success program initiated and gathering momentum

Growth

Organic growth of at least 2% p.a.
(through the cycle)



EBITDA

Achieve an EBITDA margin of **at least**
14% of sales (based on 2020 price levels)



ROCE

well above the cost
of capital of 10%



— Winning the sustainability transformation



FLEXIBLE PACKAGING

Made from aluminum,
paper or plastic is...



Lightweight and can be **bent** easily! It provides perfect protection at **the lowest environmental footprint**.



We solve the recyclability challenge with the transformation into **mono-material packaging solutions**.



85% of Cflex **product offering** is either already **designed for recycling** or has a recyclable alternative

— Constantia's position with respect to sustainability trends



Flexible packaging projected to continue to grow



Constantia is a leading player with its 360 degree **Ecolutions** product range



Customers are increasingly **partnering with Constantia** in order to achieve their **recyclability pledges**



— Key takeaways



Vision 2025 strategy progressing well driven by the renewed management team & business operating model



Resilient business performance in 2020/2021
Accelerating in 2022



Disciplined approach on M&A with acquisitions made value accretive and a significant pipeline of further opportunities



Constantia well positioned to be a winner in the “**sustainability sweepstakes**”

Appendix



WENDEL

Solid performance on Science Based Targets



TARGET



Science Based Target:
GHG-emissions reduction
(scope 1, 2, 3)

-24% by 2030

49% by 2050
(base year 2015)

2021 PERFORMANCE



-17%

reduction of
GHG-emissions
(scope 1, 2, 3)



TRANSPARENCY AND PUBLIC REPORTING

CDP
A list



EcoVadis
Gold



ecodesk
88%



global client
Gold



56%

of electricity consumption comes
from renewable sources.



87%

of waste was recycled or recovered
in 2021.



+120

certificates for SMETA, quality
management, product safety,
environmental standards at plants
worldwide.

