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Swiss Exchange**

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**Aluflexpack AG reports unaudited net sales growth of 6.5% in
2023**

- Unaudited net sales growth of 6.5% in 2023 to €380.3m (2022: €357.0m), 4.2% organic¹. Excluding effects from hyperinflation accounting in Türkiye (IAS 29), unaudited net sales amounted to €380.6m²
- EBITDA before special effects (SE) in 2023 expected between €46-49m (previously: €45-50m)³
- Continued growth across all end markets, supported mostly by solid development with existing customers in Dairy and Confectionery end markets
- Audited full-year results for 2023 to be published on 28 March 2024
- Outlook for 2024: net sales excluding IAS 29 of €370-410m and EBITDA before SE of €51-56m; significantly lower capex compared to 2023, focus on deleveraging and free cash flow generation

Aluflexpack AG (the “Group”), a leading manufacturer of premium circular flexible packaging and barrier solutions, reports today preliminary unaudited net sales of €380.3m for the financial year ending 31 December 2023 (2022: €357.0m). Despite a challenging environment characterised by softer demand as a result of inflationary pressure on consumers’ purchasing power and customers destocking, the Group achieved unaudited net sales growth of

¹ Organic net sales equal Group reported net sales less net sales from Turkish subsidiary Teko, which was acquired on 12 May 2022. In 2023, the effects of consolidation of Teko on Group’s reported net sales amounted to €25.5m.

² As of 30 June 2022, Aluflexpack is required to apply IAS 29 “Financial Reporting in Hyperinflationary Economies” to its operations in Türkiye. The application of IAS 29 includes the adoption of IAS 21 “Effects of Change in Foreign Exchange Rates”.

³ EBITDA before special effects (SE) refers to operating profit before interest, taxes, depreciation and amortisation adjusted for costs and gains considered by management to be non-recurring and/or non-operational.

6.5%, of which 4.2% organic. Excluding effects from hyperinflation accounting in Türkiye (IAS 29), net sales amounted to €380.6m. The Group expects EBITDA before SE for 2023 between €46-49m, slightly narrowing the previous range of €45-50m.

Full-year net sales performance

in €m	2017	2018	2019	2020	2021	2022	2023
Net sales	160.6	181.7	207.9	239.4	266.1	357.0	380.3
<i>Growth (year-on-year in %)</i>	<i>11.4</i>	<i>13.1</i>	<i>14.4</i>	<i>15.2</i>	<i>11.1</i>	<i>34.2</i>	<i>6.5</i>

In 2023, the Group continued to expand business with its customers. During the year, higher inflation rates impacted consumer purchasing power and consequently led to more conscious consumer spending. In light of lower demand and more stable global supply chains, the Group's customers reduced inventory levels, which were at an elevated level following the COVID-19 pandemic. However, the Group's exposure to a well-balanced customer and product portfolio across different geographical markets, helped balance swings in demand and enabled the Group to navigate a difficult political and economic environment. While Aluflexpack increased its net sales in all end markets in 2023, growth was noticeably supported by solid development of business with existing customers in the Dairy and Confectionery end markets.

Unaudited net sales share and growth by end market in 2023⁴

	Coffee & tea	Confectionery	Dairy	Pet food	Pharma	Other food	Other non-food
<i>Net sales share (in %)</i>	20	11	21	18	12	15	2
<i>Growth (year-on-year in %)</i>	7	12	14	4	1	1	2

The Dairy end market recorded the highest growth with 14% as a result of strong demand in private label business with existing customers, increased market share in the Group's home markets and additional volumes from the acquired subsidiary in Türkiye, Teko. Net sales in the Confectionery end market grew by 12% off the back of business expansion with existing customers. Supported by sales to new customers in new strategic geographies and continued solid business with existing customers, the Group increased net sales in the Coffee & Tea end market by 7%.

⁴ Net sales share and growth figures per end market are rounded and are based on reported net sales.

In the Pet Food end market, growth of 4% was positively impacted by new product launches and expansion of sales in new territories. The Pharmaceutical end market recorded marginal growth of 1% as demand for most products remained stable, but was impacted by less sales of aluminium ring seals used for vaccine solutions. Net sales in the Other Food end market grew by 1% due to increased caution among consumers. The smallest end market of the Group, Other non-food, grew by 2%.

Full-year audited figures set for publication on 28 March 2024

The full set of audited financial figures for the financial year ending 31 December 2023 will be published on 28 March 2024 at 07:00 Central European Time.

Outlook 2024

The Management Board remains confident in the business stability and prospects and therefore expects net sales excluding IAS 29 of €370-410m and EBITDA before SE of €51-56m in 2024. Having concluded major investments in most recent periods, in 2024, the Group's capex will be significantly lower than in 2023. In addition, Aluflexpack will have a clear focus on deleveraging and free cash flow generation during 2024.

Johannes Steurer, the Group's CEO, says: "This year has been a test to our resilience, adaptability and collective strength. We started off on a positive note, but as we progressed into subsequent months, we found ourselves in a market environment which became more challenging, and which was characterised by lower consumer spending as a result of inflationary pressure and inventory normalisation among some of our customers. Despite these challenges, we have achieved another year of net sales growth. With our commitment to innovation and operational excellence, start of commercial production at our new facility in Drniš and an expected normalisation of demand, we remain upbeat about the year 2024."

Upcoming events:

28 March 2024	Publication of results FY 2023 at 07:00 CET
03 May 2024	Q1 Sales Statement
22 May 2024	Annual General Meeting
21 August 2024	Half year results: January to June 2024
05 November 2024	Q3 Sales Statement

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About Aluflexpack AG

Aluflexpack produces flexible packaging solutions for end markets such as Coffee & Tea, Pharmaceuticals, Pet food, Confectionery and Dairy. Its long-lasting customer relationships with locally operating companies and large international corporations alike are underpinned by well-established industry insights, flexibility in customer service and development competence. Headquartered in Reinach (Aargau), Switzerland, Aluflexpack has production facilities in Switzerland, France, Poland, Türkiye and Croatia. It had 1,602 employees as of 31 December 2023.

Disclaimer

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