



MEDIA RELEASE

25 November 2020

SIG Combibloc Group ("SIG")

SIG to take full ownership of joint venture to leverage growth opportunities in the Middle East and Africa

- **SIG to acquire the remaining 50% of shares in its Middle East & Africa joint venture**
- **Enhances global presence in a region with strong growth prospects**
- **Well-invested footprint (fillers and sleeves production)**
- **Opportunity to continue to leverage SIG technology to meet evolving consumer needs**
- **Full control of a business with a very attractive growth and financial profile**
- **Free cash flow and earnings per share accretive from 2021; leverage broadly unchanged**

SIG Combibloc has signed an agreement to take full ownership of its Middle East & Africa joint venture SIG Combibloc Obeikan by acquiring the 50% shareholding of its partner Obeikan Investment Group (OIG) in the two joint venture companies. The completion of the transaction is subject to several customary closing conditions, including Saudi Arabia and certain other antitrust approvals. The acquisition will expand SIG's global presence and enhance its medium and long term growth outlook.

The transaction is a continuation of SIG's strategy for expanding its global footprint by entering new geographies. As a full member of the SIG group, the Middle East & Africa (MEA) business will be even better positioned to tap into SIG's experience in developing consumer-centric and innovative solutions for its customers. SIG Combibloc Obeikan supplies customers in MEA from a full scale manufacturing plant in Riyadh, Saudi Arabia, which will be fully integrated into SIG's global production network.

To build on the success of the trusted partnership over the last 19 years and to continue to benefit from the strong local presence and expertise of OIG, Abdallah Al Obeikan, Chief Executive Officer of OIG and currently Chief Executive Officer of SIG Combibloc Obeikan, will be nominated for election to SIG's Board of Directors at the next Annual General Meeting, subject to completion of the acquisition prior to the Annual General Meeting and other customary conditions. Abdelghany Eladib, currently Chief Operating Officer of SIG Combibloc Obeikan, will join SIG's Group Executive Board as President & General Manager, Middle East & Africa, subject to and as of completion of the acquisition.

Rolf Stangl, Chief Executive Officer of SIG, said: "I am very pleased to see this culmination of the strong relationship we have had with OIG over the years. This is a unique opportunity to acquire a high quality asset which we know very well. SIG Combibloc Obeikan is a leading player in meeting the growing demand for aseptic cartons in MEA and will be an additional driver of growth in our portfolio. Acquiring full ownership of the joint venture demonstrates our strong commitment to further expanding the business in the Middle East and Africa."

Samuel Sigrist, Chief Financial Officer and Chairman of SIG Combibloc Obeikan, said: "We are delighted to welcome SIG Combibloc Obeikan as a full member of the SIG family and are looking forward to pursuing additional growth opportunities together. The strong MEA footprint built over the years will be further strengthened as we expand our product offering and geographic reach."

Strongly positioned to meet growing demand

SIG Combibloc Obeikan, the 50:50 joint venture between SIG and OIG formed in 2001, provides SIG filling systems to customers in the MEA region where it is present in 17 countries. Its offering consists of SIG filling machines, aseptic carton sleeves and closures, accompanied by technical support and service. Today the company has around 190 fillers in the field with over 70 customers, including global blue chip FMCG players and strong regional champions.

In the twelve months ending 30 September 2020, SIG Combibloc Obeikan generated revenue of approximately €290 million and EBITDA of approximately €80 million. Over the last 15 years, the joint venture has grown revenues at a CAGR of 14% and EBITDA at a CAGR of 24%. The overall demand for aseptic beverage cartons in MEA is projected to grow at a CAGR of 5.5% - 6.0% over the next five years, driven by strong fundamentals. These include population growth, urbanisation and rising disposable income.

Accretive to free cash flow and earnings per share

The transaction will be funded through a combination of newly issued SIG shares (from authorised share capital) and available cash balances and credit facilities. OIG will receive around 17.5 million SIG shares, equivalent to a stake of approximately 5% of SIG's share capital on a pro-forma fully diluted basis, and a cash consideration of €167 million for its 50% stake in SIG Combibloc Obeikan. The transaction is expected to be accretive to SIG's free cash flow and earnings per share from 2021.

Advisors

Goldman Sachs International acted as exclusive financial advisor to SIG, Bär & Karrer and Latham & Watkins acted as legal advisors.

Webcast and conference call

The company will host a webcast at 11:00 a.m. CET on Wednesday 25 November. Please register for the webcast [here](#). The webcast will be followed by an audio Q&A session. If you wish to join the conference call and ask questions during the audio Q&A session, please register [here](#). The slide presentation will be available from 10:30 a.m. CET on 25 November at: <https://investor.sig.biz>

About SIG Combibloc

SIG is a leading systems and solutions provider for aseptic carton packaging. We work in partnership with our customers to bring food and beverage products to consumers around the world in a safe, sustainable and affordable way. Our unique technology and outstanding innovation capacity enable us to provide our customers with end-to-end solutions for differentiated products, smarter factories and connected packs, all to address the ever-changing needs of consumers. Sustainability is integral to our business and we are going Way Beyond Good to create a net positive food packaging system.

Founded in 1853, SIG is headquartered in Neuhausen, Switzerland. The skills and experience of our approximately 5,500 employees worldwide enable us to respond quickly and effectively to the needs of our customers in over 60 countries. In 2019, SIG produced 38 billion carton packs and generated €1.8 billion in revenue. SIG has an AA ESG rating by MSCI, an 18.8 (low risk) score by Sustainalytics and a Platinum CSR rating by EcoVadis. For more information, visit www.sig.biz.

About Obeikan Investment Group

Obeikan Investment Group (OIG) is a family-run business, founded in 1982 by the Obeikan family with headquarters in Riyadh. The company has a strong foothold in manufacturing, packaging, education and health care. On top of being a leading provider of fully integrated packaging solutions in the MENA region, OIG had a growing focus on digital transformation providing B2B, B2C and B2G business and industrial solutions.

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Forward-looking statements

Portions of the narrative set forth in this media release that are not statements of historical or current facts are forward-looking statements. Our actual future performance may materially differ from that contemplated by the forward-looking statements as a result of a variety of factors. These factors include, without limitation and in addition to those mentioned elsewhere herein, our ability to successfully consummate the acquisition of SIG Combibloc Obeikan; our ability to achieve the strategic and other objectives related to the proposed acquisition of SIG Combibloc Obeikan, including any expected synergies; our ability to successfully fully integrate the SIG Combibloc Obeikan business and achieve the expected benefits of the acquisition, including, without limitation, the acquisition being accretive in the expected timeframe or at all; antitrust approvals and other conditions to the completion of the acquisition being satisfied; as well as the ultimate impact of the COVID-19 pandemic on our business, results of operations, financial condition, and liquidity. Consequently, these forward-looking statements should be regarded as the Company's current plans, estimates, and beliefs.

The Company does not undertake and specifically declines any obligation to update or publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.