Ardagh Metal Packaging

Ardagh Metal Packaging S.A.
Third Quarter 2024 Update

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Disclaimer

Ardagh Metal Packaging

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About Ardagh Metal Packaging

Ardagh Metal Packaging (AMP) is a leading global supplier of sustainable and infinitely recyclable metal beverage cans to brand owners globally. An operating business of sustainable packaging business Ardagh Group, AMP is a leading industry player across Europe, North America and Brazil with innovative production capabilities. AMP operates 23 production facilities in nine countries, employing 6,300 employees and had sales of $4.8 billion in 2023.

For more information, visit https://ir.ardaghmetalpackaging.com/

Introduction

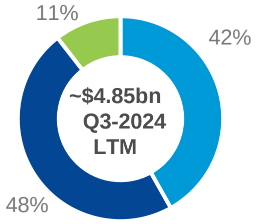
Ardagh Metal Packaging at a glance

NYSE: AMBP

ArdaghMetalPackaging

Global beverage can manufacturer

Revenue split by destination



Leading market positions

- Europe* #2
- North America (NA) #3
- Brazil #3

Servicing leading brand owners

Benefitting from secular tailwinds

Cans are winning in the packaging mix

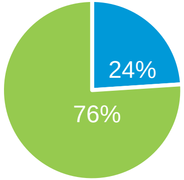
Scaled, diversified, well-invested position

23 Production facilities across 9 countries

6,000+ Employees

Majority owned by Ardagh Group

#2 glass container packaging company globally
Structurally separate business



*excluding Russia, where AMP has no presence

Key messages

Improved full year Adjusted EBITDA guidance to $650-660m

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Q3 Adjusted EBITDA ahead of guidance and prior year

- Double-digit Adjusted EBITDA growth versus the prior year
- Another strong quarter; good performance from both segments

Global shipment growth of 2% in Q3

- Strong end market in Europe; solid AMP growth slightly held back by short term capacity constraints
- NA growth in line with market, despite energy category softness and versus a strong prior year comparable
- Very strong industry growth in Brazil; AMP impacted by customer/filling location mix

Improved full-year outlook; Strong liquidity

- FY24 EBITDA guidance improved to $650-660 million (from $640-660 million)
- Strong Q3 liquidity of $0.7bn and expected to increase to c. $1bn by end 2024

+15%
Q3 Adjusted EBITDA growth

$196m
Quarterly Adjusted EBITDA

$0.7bn
Q3 liquidity position

Improved FY24 Guidance

Drivers of secular growth remain strong

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Category growth

- Traditional categories
- New categories (e.g., health & wellness) and beverage can playing a leading role in product innovation

Pack advantages

- Convenience, efficiency
- Imagery, quality, 'coolness'

Sustainability/ regulation

- Plastics substitution
- Environmental / ecological benefit
- Regulatory changes

METAL recycles forever™

Recent highlights

Market snapshots

Shipment growth of 2% in Q3

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+2% growth in Europe

Europe

- **Strong, broad-based market growth;** CSD outperforming beer
- **Solid AMP growth**, slightly held back by short term capacity constraints
- **Tight industry operating environment**

+1% growth in the Americas

North America

- **+1% growth in Q3, in line with market.** Continued softness in the energy category
- **Strength in CSD, sparkling water**, wellness & hydration.

South America

- **+1% growth in Q3** against a very strong market backdrop
- **Strong** AMP growth across the majority of the customer base but impacted by specific customer/filling location mix
- Ends shipments strong

Renewable energy strategy

Strong progress

- Solar virtual Power Purchase Agreement (vPPA) agreement in Portugal with BNZ - an independent power producer that designs, builds and operates solar PV projects - commencing in 2026

- Secures c. 146 GWh annually of renewable electricity certificates, representing c. 50% of AMP Europe's continental energy consumption

- Major step towards achievement of 100% renewable energy target for 2030

- Builds on the solar agreement in Germany earlier this year with Sunnic Lighthouse GmbH, which was extended (and for higher volume) to 2030, covering up to 40% of German demand needs.

Strengthening the balance sheet

Significantly improved liquidity

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- Drawdown in September of $300 million senior secured term loan facility. Proceeds were used to repay global asset based facility. Neutral from a net leverage perspective

- On 7th October a new credit facility was agreed in Brazil for BRL 500 million (c. $90 million) to further strengthen liquidity

- AMP has a structurally separate capital structure to Ardagh Group, with both its assets and liabilities sitting outside the restricted group of Ardagh Group (“ARGID”)

- Capital allocation policy remains unchanged

Q3 Financial review

Key financial metrics

Third quarter 2024

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$m except per share data	Three months ended September 30, 2024	Three months ended September 30, 2023	**Change** reported	**Change** constant currency
Revenue	1,313	1,294	1%	1%
Profit for the period	18	17		
Adjusted EBITDA	196	171	15%	15%
Profit per share	0.02	0.02		
Adjusted earnings per share	0.08	0.06		
Dividend per ordinary share	0.10	0.10		

Q3 Adjusted EBITDA of $196 million represented an increase of 15% versus the prior year, with double-digit Adjusted EBITDA growth in both Europe and the Americas

Financial bridge

Three months ended September 30, 2024

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Revenue $m	Europe	Americas	Group
Revenue 2023	562	732	1,294
Organic	8	9	17
FX translation	5	-	2
Revenue 2024	572	741	1,313

Adjusted EBITDA $m	Europe	Americas	Group
Adjusted EBITDA 2023	67	104	171
Organic	11	13	24
FX translation	1	-	1
Adjusted EBITDA 2024	79	117	196
2024 Adjusted EBITDA margin %	**13.8%**	**15.8%**	**14.9%**
2023 Adjusted EBITDA margin %	11.9%	14.2%	13.2%

- Group revenue was broadly unchanged versus the prior year and Adjusted EBITDA increased by 15% on both a reported and constant currency basis
- Americas revenue increased by 1%. Adjusted EBITDA increased by 13% driven by favorable volume/mix effects and lower operating costs
- Europe revenue increased by 2%. Adjusted EBITDA increased by 18% (+16% at constant currency) due to higher input cost recovery and favorable volume/mix, partly offset by higher operating costs

Net debt and liquidity

Strong liquidity and maturity profile

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	September 30, 2024	
	Drawn amount $m	**Available liquidity $m**
Senior Facilities*	3,616	
Global Asset Based Loan Facility	-	314
Lease obligations	396	
Other borrowings	48	
Total borrowings/undrawn facilities	**4,060**	**314**
Deferred debt issue costs	(36)	
Net borrowings/undrawn facilities	**4,024**	**314**
Cash, cash equivalents and restricted cash	(393)	393
Derivative financial instruments used to hedge foreign currency and interest rate risk	33	
Net debt/available liquidity	**3,664**	**707**

- No bonds maturing before 2027 and a weighted average maturity of 4.2 years, with all green bonds on fixed rate terms
- Weighted average interest rate on total borrowings of 4.35%
- Secured term loan for $300 million drawn in September
- Currency mix of debt broadly matched with the earnings currency mix
- Sequential reduction in net leverage from 5.8x in Q2 to 5.6x in Q3 due to higher LTM EBITDA

*Includes the Senior Secured Green Notes, Senior Green Notes and Senior Secured Term Loan

Fiscal 2024 guidance

Improved Adjusted EBITDA guidance to $650-660m

Adjusted EBITDA in the range of $650-660 million

- Ahead of previous $640-660 million guidance – driven by a strong performance in Europe
- Annual growth of 8-10% reflects global shipments growth and stronger input cost recovery in Europe
- Q4 Adjusted EBITDA guidance of c. $142 - 152 million

Global shipments growth 2-3%; driven by Europe

- Greater confidence in Europe's growth outlook post a strong summer
- Americas growth held back slightly by specific customer/category effects
- Well-positioned for future growth, through well-invested assets and customer mix

Significantly improved liquidity; further deleveraging into year-end

- Strong free cash generation and liquidity actions expected to result in end 2024 liquidity of c. $1 billion
- Expected deleveraging in the fourth quarter with a further decline anticipated going forward
- Recurring ordinary quarterly dividend of 10c per share. No change to capital allocation priorities

Investment highlights

Business strengths

Leading pure play global beverage can company focused on sustainable products

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- Scale network player operating in a long-term growth industry with defensive qualities
- Geographically diversified - #2 player in Europe and #3 player in North America and Brazil
- Experienced management team, with a proven track record and entrepreneurial culture

- Demand driven by long-term industry megatrends and environmentally-conscious consumers
- Earnings stability enhanced by pass-through provisions on input costs
- Further upside potential to performance through increased capacity utilisation

- Well-invested assets post the completion of significant growth investment supports future growth
- Disciplined approach to capital deployment, with investment focused on network optimization & flexibility

- High dividend with recurring 10c quarterly ordinary common dividend
- Near-term capital allocation focus on sustainable dividends and de-leveraging

Summary historic financials

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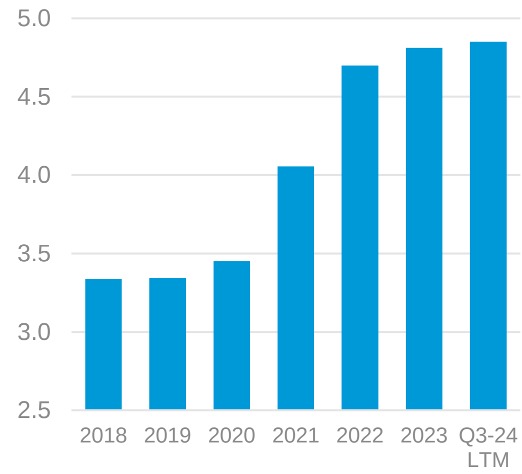
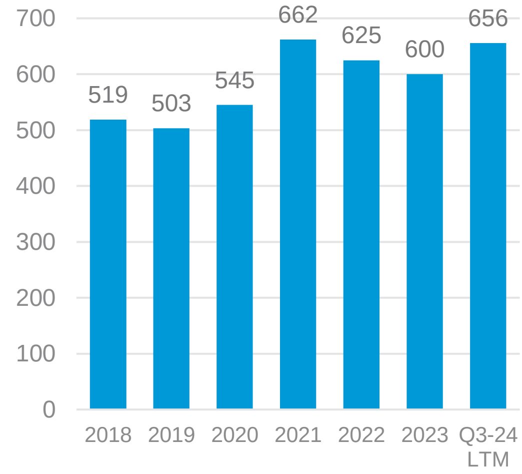
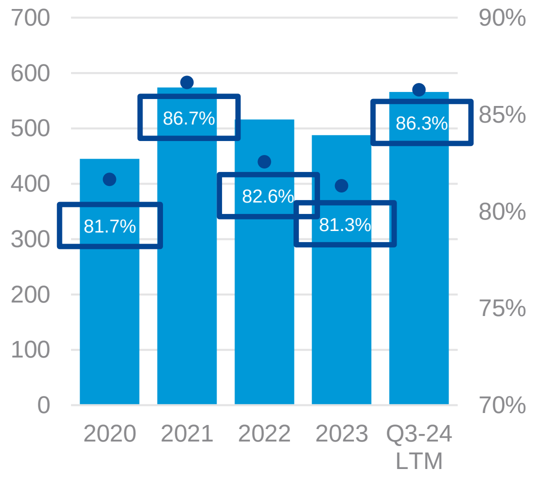
Revenue ($ billion)



Adjusted EBITDA ($ million)



Adj. EBITDA less maintenance capex & cash conversion ratio*



<u>Notes</u>

- Revenue and Adjusted EBITDA represented on a reported basis
- Cash conversion ratio defined as: Adjusted EBITDA less maintenance capex, divided by Adjusted EBITDA
- For information related to and including the period prior to April 1, 2021, AMP's results are prepared on a carve-out basis from the consolidated financial statements of Ardagh Group S.A. to represent the financial position and performance of AMP as if AMP had existed on a stand-alone basis for the three months from January 1, 2021 to April 1, 2021

Supplemental information

Reconciliation of profit for the period to Adjusted profit

Ardagh Metal Packaging

	Three months ended September 30,	
	2024	**2023**
	$m	**$m**
Profit for the period as presented in the income statement	**18**	**17**
Less: Dividend on preferred shares	(6)	(6)
Profit for the period used in calculating earnings per share	**12**	**11**
Exceptional items, net of tax	7	(4)
Intangible amortization, net of tax	26	29
Adjusted profit for the period	**45**	**36**
Weighted average number of ordinary shares	597.7	597.6
Profit per share (i)	**0.02**	**0.02**
Adjusted earnings per share (i)	**0.08**	**0.06**

(i) Earnings per share and Adjusted earnings per share are the same on both a basic and diluted basis

Reconciliation of profit for the period to Adjusted EBITDA

ArdaghMetalPackaging

	Three months ended September 30,		Nine months ended September 30,	
	2024 $m	**2023 $m**	**2024 $m**	**2023 $m**
Profit for the period	**18**	**17**	**8**	**6**
Income tax charge/(credit)	11	-	4	(11)
Net finance expense	54	44	140	90
Depreciation and amortization	110	103	332	301
Exceptional operating items	3	7	24	66
Adjusted EBITDA	**196**	**171**	**508**	**452**

Reconciliation of Adjusted EBITDA to Adjusted operating cash flow and Adjusted free cash flow

ArdaghMetalPackaging

	Three months ended September 30,		Nine months ended September 30,	
	2024 $m	2023 $m	2024 $m	2023 $m
Adjusted EBITDA	**196**	**171**	**508**	**452**
Movement in working capital	10	53	(261)	(122)
Maintenance capital expenditure	(18)	(28)	(68)	(90)
Lease payments	(25)	(17)	(69)	(55)
Exceptional restructuring costs	(1)	-	(21)	-
Adjusted operating cash flow	**162**	**179**	**89**	**185**
Interest paid	(18)	(14)	(111)	(96)
Settlement of foreign currency derivative financial instruments	(5)	2	(4)	(9)
Income tax (paid)/received	(8)	9	(19)	(6)
Adjusted free cash flow – pre Growth Investment capital expenditure	**131**	**176**	**(45)**	**74**
Growth investment capital expenditure	(16)	(54)	(64)	(214)
Adjusted free cash flow – post Growth Investment capital expenditure	**115**	**122**	**(109)**	**(140)**

Sustainability strategy

Built on three key pillars

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Emissions & Ecology

Minimise our GHG emissions

- Align with Science-Based Target Initiative
- Achieve 100% renewable electricity
- Implement energy efficiency projects
- Increase recycled content
- Innovative in product design
- Source sustainably
- Partner on low carbon transport
- Minimise VOC emissions

7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 17 PARTNERSHIPS FOR THE GOALS

Minimise our ecological impact

- Achieve excellence in water management
- Promote zero waste to landfill across all facilities
- Support increased recycling and use of recycled content
- Promote circularity narratives on use of infinitely recyclable material

Social

Our people & our communities

Our people

- Maintain a safe and healthy workplace
- Promote diversity, equity and inclusion (DE&I)
- Recognise our employees

Our communities

- Engage proactively with our local communities
- Accelerate our investment in Ardagh for Education

3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY

Sustainability filter

Sustainability only has a sustainable impact if it is economically viable both long and short term

Sustainability leadership recognition

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Leadership ratings of A for Supplier Engagement and A-rating for Climate Change from global not-for-profit CDP and a B rating for Water Management

Awarded the highest platinum rating by EcoVadis for Sustainability*

*Ardagh Group rating

Core Values

Inclusion

- Valuing contribution
- Development
- Empowerment

Trust

- Mutual respect
- Integrity
- Transparency

Teamwork

- Collaboration
- Safety and responsibility
- Communication

Excellence

- Continuous improvement
- Innovation
- Sustainability

Ardagh Metal Packaging

We make packaging for good

We work together as one team.

We are proud of our manufacturing heritage and expertise.

Our sustainable, infinitely recyclable, quality packaging protects our customers' products.

We are shaping a sustainable future as part of the circular economy while actively supporting and investing in the future of our communities.

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