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For immediate release

Quadpack records its highest revenue in 2022, with improved ESG performance

- Turnover of €142.6 million in year ended 31 January 2023
- Turnover up 34% from €106.3 million in 2021 (31% like-for-like)
- EBITDA IFRS €12.6 million, 8.8% of sales (an increase of 65% vs 2021)
- Operating profit (EBIT) of €2.7 million (vs €1 million loss in 2021)
- Net profit of €1 million (vs €2.3 million net loss in 2021)
- CAPEX of €5.8 million in increased manufacturing capacity and decoration
- Financial indebtedness decreased to €45.9 million (vs €48.1 million in 2021)
- Certified as Benefit Corporation (B Corp)

Quadpack Industries (Euronext Growth: ALQP), manufacturer and provider of packaging solutions to the global beauty industry, achieved a turnover of €142.6 million in the financial year ending 31 January 2023, the highest in its history. 2022 started with a record order book and continued with a high level of order intake. This is reflected in the results, which represent a 34% growth over the previous year (31% like-for-like) and signal a complete recovery from the downturn provoked by the pandemic. The consolidation of decorating specialist Wicklein, acquired in 2021, contributed €6 million or 6% to the year's top-line growth.

The year saw a return to profitability, despite macro-economic pressures from inflation and material scarcity. EBITDA increased 65% to €12.6 million, which led to a net profit of €1 million. This is a significant turnaround from the €2.3 million net loss the previous year, attributable to the company's sharp focus on operational efficiency and inflation management.

Financial indebtedness was reduced to €45.9 million, as a result of improved operating cash flow, which amounted to €13 million, against €2.9 million the previous year.

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Financial highlights

<i>(In € millions)</i>	2022	2021
Revenue	142.6	106.4
% growth	34%	5%
EBITDA	12.6	7.7
<i>EBITDA/Revenue %</i>	8.8%	7.2%
Operating result	2.7	(1.0)
Net result	1.0	(2.3)
Shares	4.4	4.4
<i>Net result per share (in €)</i>	0.23	(0.54)
<i>Net result per share, diluted (in €)</i>	0.23	(0.54)
Cash flow from operating activities	13.0	2.9
Cash flow from investing activities	(5.3)	(9.0)
Cash flow from financing activities	(10.4)	(3.2)
Equity, Group share	35.4	35.0
Borrowings and other financial liabilities	56.8	61.7
Available cash & cash equivalents	10.9	13.6
Net debt	45.9	48.1
<i>Leverage ratio (Net debt/ EBITDA)</i>	3.6x	6.3x

EMEA, Quadpack's biggest region, representing 84% of its revenue, reported most of the fiscal year's growth, up 41% compared to the previous year, with strong momentum thanks to sustained business from all key customers across the territory. The APAC region continued to grow steadily at 18% thanks to local partnerships, while the AMEX region maintained the same level as the previous year, in preparation for growth through local manufacturing.

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New governance

During this fiscal period, a new CEO was appointed for the first time since Quadpack was founded, separating the roles of Chairman and CEO according to best practice in governance. Alexandra Chauvigné took the helm in September, to lead the return to profitable growth, leveraging her extensive market knowledge and executive management experience. Her focus has been on financial discipline, improving profitability and cash generation. Tim Eaves remains as Chairman of the Board, while embracing a new role as Chief Impact Officer, to guide the company's sustainable development.

Investing in manufacturing close to customers

In preparation for a post-Covid surge in demand, CAPEX focused on Quadpack's production facilities in its core market of Europe. The greater part of the €5.8 million investment concentrated on increased capacity of sustainable plastic and wooden solutions, and the creation of a new decoration centre at its European facilities, as well as the continuation of its digitalisation project, for greater agility and efficiency – all of which will serve the company's long-term growth.

Industry 4.0 is being implemented across all facilities, starting at the wood factory in Spain. The new ERP (enterprise resource planning) solution SAP S4/HANA Cloud connects this and other business-critical systems securely in the cloud. The first phase of the SAP S4/HANA went live in December 2021 and 2022 saw the completion of product configuration and the successful roll-out across 3 of the Group's subsidiaries.

Complementing the strategic CAPEX allocations, Quadpack's global supply partner network was strengthened in 2022, in line with its aim to provide solutions in the region, for the region. Through its own facilities or those of its partners, Quadpack is preparing to manufacture, decorate and assemble its solutions locally, for a faster time to market and a lower carbon footprint.

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Accelerating the path to a positive impact

Quadpack progressed on its journey towards making a positive impact in 2022, achieving the Ecovadis Gold Medal for the second consecutive year. Driven by its purpose of 'taking care and giving back for future generations', Quadpack considers its ESG impact in all areas of its business, not least the products it produces. Aware of the packaging industry's role in generating waste pollution, it bases its product development on hard data. The full catalogue of products was subjected to life-cycle assessments last year, measuring indicators such as water consumption, CO2 footprint, resource depletion and litter potential. The data sets a baseline from which to improve each product's circularity, according to a development roadmap which covers renewable and alternative materials, refill formats and monomaterial designs for recyclability.

Higher production volumes and the integration of Wicklein meant that Quadpack's carbon footprint increased 12%, from 52k to 59k tCO₂eq in 2022. However, the GHG (greenhouse gas emissions)-to-turnover ratio reduced by 18%, from 0.5 in 2021, to 0.4 in 2022. Half of all products sold were manufactured in Europe, where the vast majority of Quadpack's clients are based, which contributed to the CO₂ ratio improvement. Plans for further GHG reductions cover both Quadpack's own emissions and other emissions in its area of influence, specifically for Scope 3.

In terms of social impact, Quadpack Foundation supported a record number of projects, through donations and volunteering hours. With Tim Eaves, as Chief Impact Officer, taking a more active role, the foundation is set to grow significantly.

The company's collective social and environmental efforts were recognised with the certification as a Benefit Corporation in a single year. As a B Corp, Quadpack joins a global community of companies with a common goal of using business as a force for good.

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Serving brands with sustainable innovations

Quadpack's mission is helping beauty brands perform and it does this largely through its packaging solutions. Major launches in 2022 comprised innovations in certified wood and new, sustainable versions of its most popular products. A host of popular sticks, jars and bottles were made available with post-consumer recycled (PCR) content, while new refill solutions were brought to market, such as the Light Me Up airless refillable flowpen.

The Woodacity® range of monomaterial wooden solutions expanded with several new formats, including the Iconic Woodacity® lipstick, which was developed in collaboration with Aptar Beauty, a leader in stick mechanisms. The first Woodacity® caps developed for Shiseido's Eaux de Matières by Issey Miyake were awarded the prestigious Formes de Luxe Award for stoppers and closures.

2023 outlook

The outlook for 2023 is positive. A new five-year strategy is being devised to respond to the needs and challenges of a changed, post-pandemic world. CEO Alexandra Chauvigné said: "Quadpack is back on track. Over the last months, we have considerably strengthened our position and we are now ready to enter an era of profitable and sustainable growth. We're putting the pieces in place to become a high-performance organisation, focusing on what matters: helping our customers perform thanks to unique and sustainable solutions, building win-win partnerships within our industry, with an unconditional focus on making a positive impact on our people and our environment. These have been challenging years, but they have shifted our attention toward the bigger picture, making our decisions more conscious and our actions more meaningful. I look to 2023 with optimism."

–ENDS–

Full results for the 2022 financial year are published on the Quadpack web site: www.quadpack.com/investors/investor-information/

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www.quadpack.com

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