



Aluflexpack AG

Interim Report

Half year 2024

**ALU
FLEX
PACK**

Aluflexpack AG - Key Figures

For the six months ended 30 June,

(financial figures in €m) ¹	2024	2023	yoy change
Net sales	184.0	190.8	-3.6%
Net sales excluding IAS 29	183.1	195.5	-6.4%
EBITDA before special effects (SE)	26.2	24.8	5.7%
EBITDA margin before SE (%)	14.3%	12.7%	/
EBITDA (reported)	27.2	24.8	9.5%
Operating profit before SE	13.9	14.6	-4.7%
Operating profit margin before SE (%)	7.6%	7.4%	/
Operating profit (EBIT reported)	11.6	12.2	-4.7%
Profit for the period (before minorities)	2.5	1.3	87.0%
Cash flow from operating activities	20.0	8.2	145.8%
Cash flow from investing activities	-17.5	-14.8	18.8%
Cash flow from financing activities	-1.6	19.4	-108.0%
Equity ratio (%)	41.5%	40.9	/
Net debt (cash)	160.6	152.0	5.7%
Total assets	500.4	475.3	5.3%
ROCE	8.3%	8.9%	/
Employees	1,604	1,584	1.3%

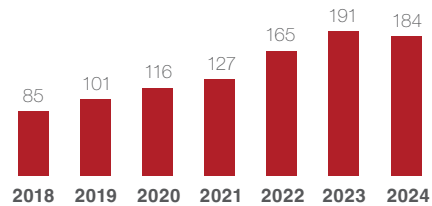
¹ A detailed reconciliation of the reported figures and figures before special effects, as well as an overview of alternative performance measures used, can be found on pages 19-22. Balance sheet figures as well as the total number of employees refer to end-of-period figures.

Organic net sales growth
H1 2024

-4.2%

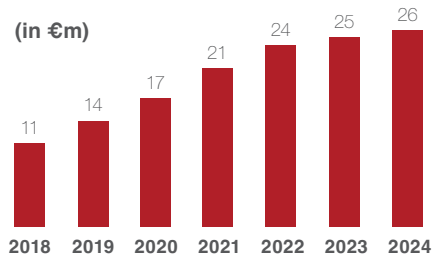
H1 net sales

(in €m)

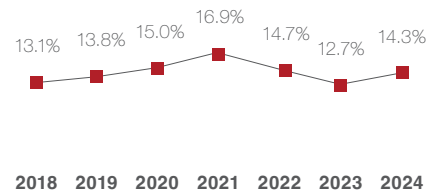


H1 EBITDA before SE

(in €m)



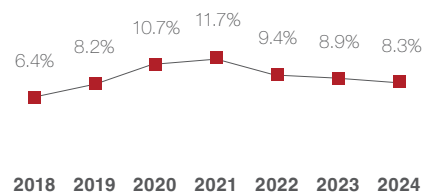
H1 EBITDA margin
before SE



Capital expenditure
H1 2024

€13.4m

ROCE LTM June



Net debt to EBITDA
LTM June 2024

3.0x*

Equity ratio
June 2024

41.5%

* Net debt to reported EBITDA LTM June 2024 includes the EBITDA of the recently acquired Tunisian subsidiary Heliopack as if the company had been part of Aluflexpack as of 1 July 2023. LTM denotes last twelve months.

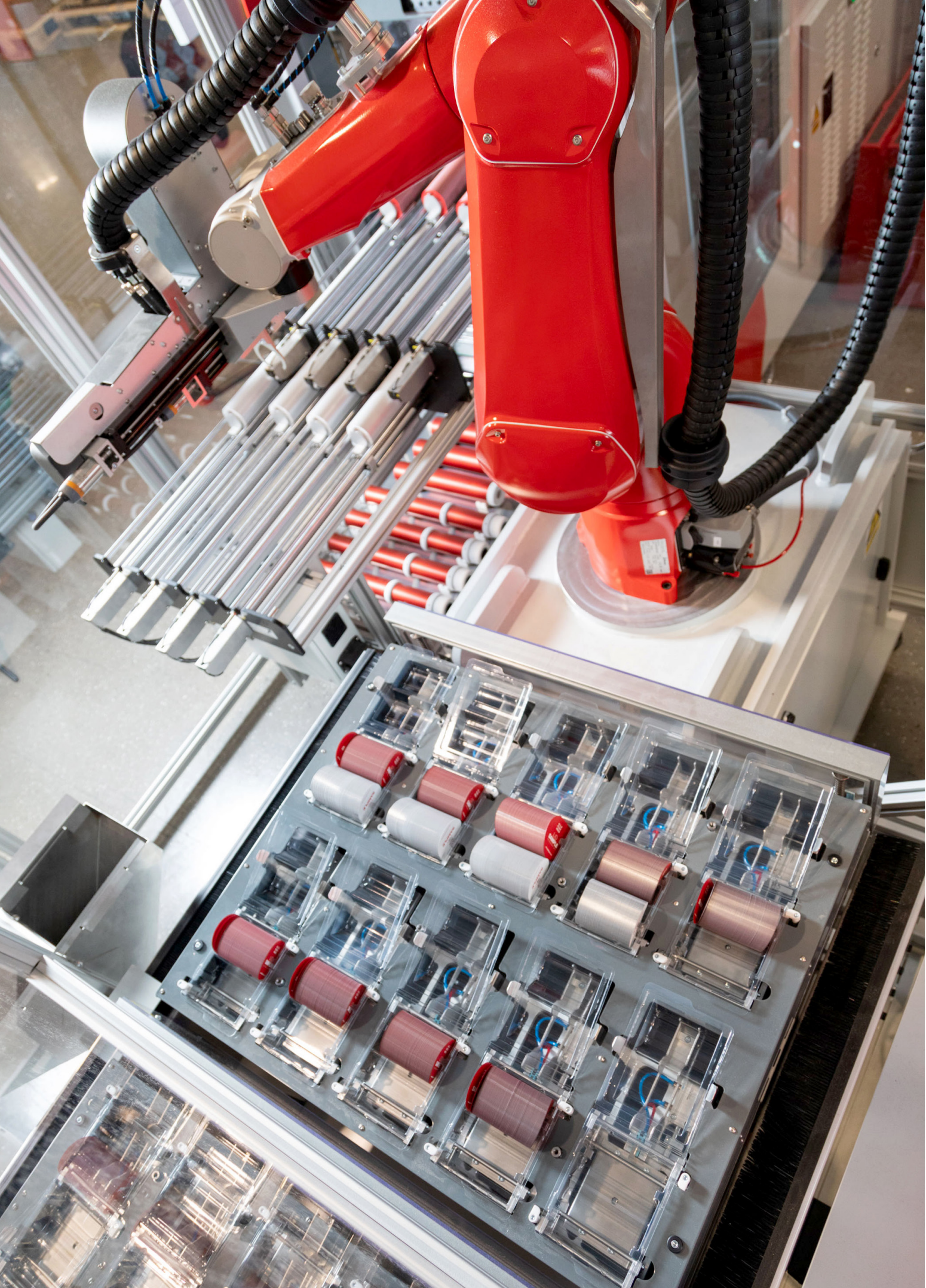


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Letter to shareholders



Dear shareholders,

In the first half of 2024, Aluflexpack continued to win market share among its customer base. This was in spite of a challenging market environment due to continued inflationary pressure on consumers, which in turn affected purchasing power, and also due to destocking in specific segments such as Pharmaceuticals. We achieved low single-digit growth in volumes thanks to our exposure to different end markets, our diversified product range, our robust relationships with customers and our presence across many geographies. We continued improving operational performance in our new facility in Drniš (Croatia) and capitalising on the benefits that this investment brings. At the same time, we made major progress in developing new fully recyclable packaging solutions such as our 4∞ Form. As part of our internationalisation strategy, we closed the acquisition of Tunisian flexible packaging specialist Helioflex and now have direct access to a new market with significant growth potential. In parallel, we have made steady progress with our plan to start commercial production in the USA later this year, a market in which we see promising opportunities for expanding our business. In June 2024, the definitive notice of the final results of the public tender offer launched by Constantia Flexibles GmbH

confirmed that 92.06% of all shares, to which the offer extended, were tendered, paving the way – subject to various offer conditions, including securing regulatory approvals – for the change in the company’s ownership structure and the delisting of Aluflexpack shares from the SIX Swiss Stock Exchange.

Economic and political challenges continue

The challenging political and economic climate continues to affect economies around the world. Ongoing conflicts in the Middle East and Ukraine, the Red Sea crisis and subsequent logistic disruptions all stand in the way of full economic recovery, as do the high interest rates and slow easing of inflation. Global supply chains have adapted to these by becoming more local and/or diversified, which is especially evident in Europe. As a result, many raw materials and energy sources decreased in price compared with the same period last year, leading to a negative price effect in the packaging industry and many other industries with a high share of material costs. In these times, Aluflexpack has continued to perform well thanks to its diversified customer base, uninterrupted supply and high level of service and quality.

Solid performance in the face of slow demand recovery

Demand for the Group’s products showed signs of improvement during the first half of 2024, although this differed notably in the various end markets. Aluflexpack recorded a decline in net sales growth during the period as a result of cost-pass-through mechanisms of lower input costs. However, the Group achieved a low single-digit increase in volumes sold, reflecting solid business development with customers in a difficult market environment.

In the Pet food end market, growth in net sales peaked at 6%, driven by expansion in the pouch business and the successful introduction of new products. Net sales in the Confectionery end market remained stable (0%), mirroring firm business relationships with existing customers. The Dairy end market experienced a slight decline in overall net sales of 1%, which can be attributed primarily to the negative pricing impact offset by the robust demand in the private label business. Similarly, the Coffee & Tea market recorded a marginal 1% decline in net sales, which was partially mitigated by higher volumes. The Pharmaceutical end market saw a 10% decline in net sales during H1 2024, in line with broader market dynamics in the flexible packaging industry and ongoing customer destocking. In the Other food end market, a reduction in volume sales to some customers pushed net sales down by 14%. The smallest end market, Other non-food, experienced a 17% decline in net sales in the reporting period.

Improved operational profitability and solid balance sheet position

In the first six months of 2024, Aluflexpack’s net sales amounted to €184.0m, down from €190.8m in the same period last year and equivalent to a decrease of 3.6%. Excluding effects from hyperinflation accounting in Türkiye (IAS 29), net sales

amounted to €183.1m. Adjusted for the acquisition of our Tunisian subsidiary Helioflex on 24 April 2024, organic net sales decreased by 4.2%.

Aluflexpack recorded an EBITDA before special effects of €26.2m in H1 2024 (H1 2023: €24.8m), translating to an EBITDA margin before SE of 14.3% (H1 2023: 12.7%). Factors contributing to growth in EBITDA before special effects include a sound operational and market performance, the positive phasing effects due to the increase in the aluminium price in the reporting period and the acquisition of Tunisian subsidiary Helioflex. This was partially offset by higher personnel costs across the Group as a result of the inflationary pressure on the labour market in countries where Aluflexpack operates.

Following many years of substantial investments in the platform, the Group has established a strong competitive position in the flexible packaging industry, investing more than €270m organically and inorganically since 2019. Despite this, the Group's equity ratio as of 30 June 2024 remains at a healthy 41.5%. Net debt during the first six months of the year increased to €160.6m, mainly due to the acquisition of a majority stake of 67.9% in Helioflex. This translates to a ratio of net debt to reported EBITDA of 2.97x (31 December 2023: 2.98x).² Following the conclusion of the major on-site expansion in Drniš (Croatia), capex decreased to €13.4m (H1 2023: €15.1m), corresponding to a capex-to-net-sales ratio of 7.3% (H1 2023: 7.9%).

Milestones in the first half of 2024

In January 2024, we made the strategic decision to expand our business operations to the USA aiming at establishing a strong market foothold in specific sectors of flexible packaging within one of the largest and consistently expanding global markets. To begin with, the US company – which has a manufacturing facility in the state of Illinois – will employ around 10 people and focus on the final steps in the value chain while serving existing customers in the USA. The expansion only requires minor investments as the main machinery will be relocated to the USA from European subsidiaries without having to be replaced. Depending on the opportunities that arise, Aluflexpack will expand capacities and value chain steps in the future. The project is progressing according to plan, with production set to commence in December 2024.

In another major move towards internationalisation, we have expanded our position in the fast-growing African market with the acquisition of Helioflex, a market leader in pharmaceutical flexible packaging in Tunisia and neighbouring countries. This acquisition, which was closed in April 2024, not only increases our foothold in the attractive pharmaceutical market but will also allow us to serve other markets in Africa. Helioflex's market position will be instrumental in driving our growth in the region going forward.

² Net debt to reported EBITDA LTM June 2024 includes the EBITDA of the recently acquired Tunisian subsidiary Helioflex as if the company had been part of Aluflexpack as of 1 July 2023.

Underscoring our commitment to sustainability through our R&D expertise, we made substantial progress in our initiatives to introduce new packaging solutions. During the first six months of the business year 2024, we developed 4∞ Form, a sustainable packaging innovation designed primarily for the pharmaceutical market. The blister pack made entirely of lacquered aluminium represents a significant step forward in our efforts to provide eco-friendly solutions that meet the evolving needs of the market and our customers. As part of our ongoing commitment to becoming the packaging success maker for our customers, we have also supported the innovative RE-LID solution – a reclosable end for cans made entirely of aluminium – from the beginning by providing expert material know-how. Through its high recyclability and low carbon emissions, RE-LID aligns perfectly with circular economy principles and global sustainability practices.

To encourage innovation, we launched the 3rd innovation challenge, building on the success of the first two challenges in 2022 and 2023. The new initiative is centred on advancing projects from start-ups, scientists and research institutions that address key areas such as decarbonisation, circular packaging and Industry 5.0.³ Meanwhile, the 1st and 2nd innovation challenges have identified promising product solutions which are currently being used in trials by some of our customers. At the same time, recognising the vital role that our employees play in our success, we have implemented a Group-wide wellbeing strategy. This initiative aims to create an even more supportive and healthy work environment, ensuring that our employees feel valued and motivated. By prioritising their wellbeing, we aim to enhance productivity, establish a positive workplace culture and ultimately add to our company's success. In the first six months of 2024, we also reached an agreement with our financing partners to factor criteria relating to the Group's sustainability performance into existing syndicated credit lines in the amount of €100m, highlighting our commitment to responsible business practices.⁴

Public tender offer

On 16 February 2024, following the signing of a share purchase agreement (SPA) with Montana Tech Components AG and Xoris GmbH, Constantia Flexibles launched a public tender offer for all remaining shares of Aluflexpack. By the end of the additional acceptance period, a total of 6,901,217 Aluflexpack shares, representing 92.06% of the shares to which the offer extended, were tendered. Including the 9,803,167 Aluflexpack shares initially acquired from Montana Tech Components AG and Xoris GmbH under the SPA – which has not yet been consummated – Constantia's aggregate participation reached 16,704,384 Aluflexpack shares, equivalent to 96.56% of the total issued share capital and voting rights of Aluflexpack.

³ Industry 5.0, in the context of our innovation challenge, focuses on integrating human creativity and craftsmanship with artificial intelligence, automatised and digitalisation to create more personalised, sustainable and human-centric manufacturing processes.

⁴ As per the agreement with the financing partners, the interest margin of syndicated credit lines will be adjusted according to the Group's performance against targets such as scope 1&2 emission intensity, waste diversion rate and lost time injury rate.

Based on this result and subject to settlement of the offer, including receipt of clearance from regulatory authorities, Constantia holds over 90% of the voting rights in Aluflexpack, the participation required for a squeeze-out merger. In the definitive notice of the end result of the offer, Constantia indicated that it intends to conduct a squeeze-out merger or to request cancellation of the outstanding publicly held shares in Aluflexpack and eventually delist the Aluflexpack shares from SIX Swiss Stock Exchange. The settlement of the public tender offer is expected to occur in the fourth quarter of 2024. We are looking forward to joining forces with the new owner and together foster innovation and sustainable growth while focusing on creating value for all our stakeholders.

Outlook

The Management Board remains confident in the stability of the business. With an expected improvement in demand and a strong sales pipeline, we anticipate net sales excluding effects from hyperinflation accounting in Türkiye (IAS 29) of €370-410m and EBITDA before SE of €51-56m in 2024. We will also continue to focus on deleveraging and generating free cash flow.

On behalf of the Board of Directors and the Management Board, we would like to thank all Aluflexpack shareholders for the trust they have placed in us in recent years. We would also like to extend our deepest gratitude to all our employees for their unwavering dedication and hard work, which have been instrumental in navigating the challenges of this past year. We are immensely proud of the resilience and teamwork displayed throughout our company.

On behalf of the Management team,

Johannes Steurer,
CEO



Lukas Kothbauer,
CFO



For the Board of Directors,

Martin Ohneberg,
President



Financial Overview

Earnings

(in €m)	For the six months ended 30 June,			
	2024	2024 special effects	2023	2023 special effects
Net sales	184.0		190.8	
Effects of adoption of IAS 29 (<i>Financial Reporting in Hyperinflationary Economies</i>) in Türkiye ⁵		-0.9		4.7
Net sales excluding IAS 29		183.1		195.5
Change in finished and unfinished goods	-0.2		9.6	
Other operating income	10.7		8.2	
Cost of materials, supplies and services	-115.9		-134.9	
Personnel expenses	-26.5		-22.5	
Other operating expenses	-24.9		-26.4	
EBITDA	27.2		24.8	
Cost/benefit of stock option programmes ⁶		0.3		-0.2
Transaction costs and costs in relation to establishment of Aluflexpack USA LLC ⁷		0.6		0.7
Effects of adoption of IAS 29 (<i>Financial Reporting in Hyperinflationary Economies</i>) in Türkiye ⁵		-1.9		-0.6
EBITDA before SE		26.2		24.8
<i>EBITDA margin before SE</i> ⁸		<i>14.3%</i>		<i>12.7%</i>
Depreciation and amortisation	-15.6		-12.7	
Operating profit (EBIT)	11.6		12.2	
Financial result	-6.1		-9.9	
Profit before tax	5.5		2.3	
Tax expense	-3.1		-1.0	
Profit for the period	2.5		1.3	
<i>Thereof attributable to:</i>				
Owners of the company	2.5		1.3	
Non controlling interests	0.0		0.0	

⁵ As of 30 June 2022, Aluflexpack is required to apply IAS 29 "Financial Reporting in Hyperinflationary Economies" for its operations in Türkiye. Further clarification is presented on page 30.

⁶ Adjustment includes effects from the employee phantom stock option programme, and in addition, effects from the long-term incentive component of the Management Board's compensation which was introduced in 2021, and which is stock based.

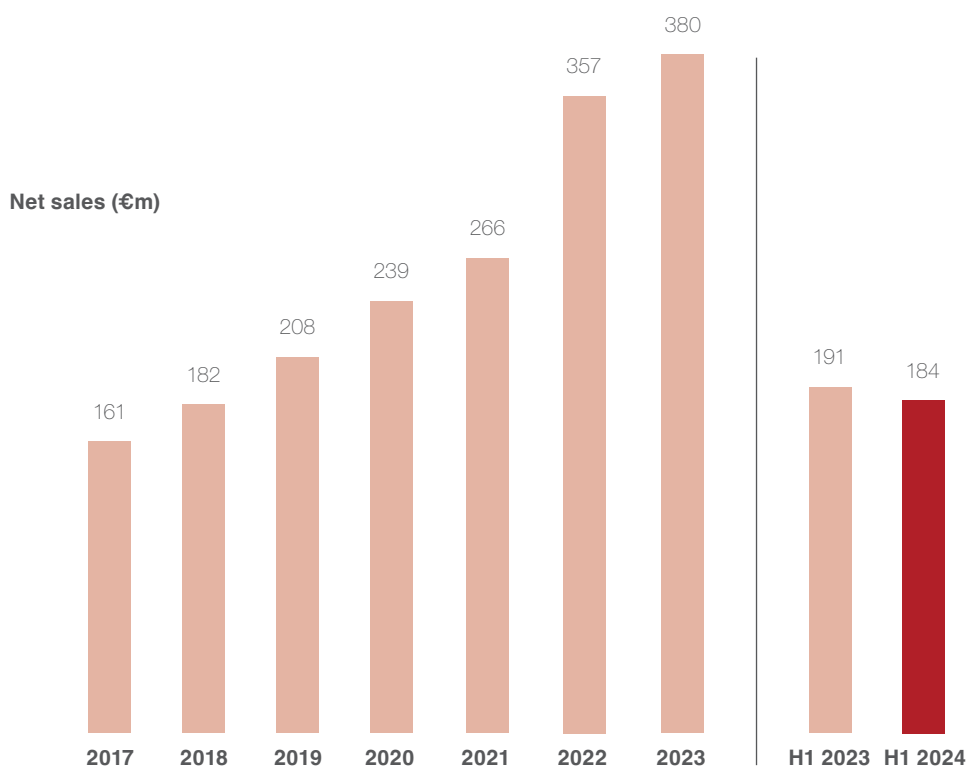
⁷ Transaction costs include costs in relation to M&A activities, costs borne by Aluflexpack in relation to the launch of public tender offer for all shares of Aluflexpack AG by Constantia Flexibles GmbH and costs in relation to establishment of Aluflexpack USA LLC.

⁸ EBITDA margin before SE equals EBITDA before SE divided by net sales excluding IAS 29 (hyperinflation accounting).

Sales overview

In the first six months of the business year 2024, Aluflexpack recorded net sales of €184.0m, a decrease by 3.6% compared to the same reporting period last year (H1 2023: €191.0m). However, in terms of volumes sold, the Group recorded a low single-digit increase during the reporting period. Excluding the effects of hyperinflation accounting in Türkiye (IAS 29), net sales totaled €183.1m. Net sales were negatively impacted by a pricing effect resulting from pass-through-mechanisms of lower input costs and a continued softer demand in our geographical markets as a result of a reduced purchasing power of consumers leading to a more cautious spending. In addition, during the first half of 2024, in certain end markets such as pharmaceuticals, destocking among the Group's customers continued, further contributing to the decrease in net sales. Adjusted for the acquisition of Tunisian subsidiary Helioflex completed in April 2024, organic net sales growth decreased by 4.2%.

Low
single-digit
volume growth



During the first half of 2024, overall demand for the Group's products showed signs of improvement, albeit with significant differences across end markets. The **Pet food** end market showed the highest growth with a 6% increase in net sales, driven primarily by business expansion with pouches and introduction of new packaging solutions for dry pet food. Net sales in the **Confectionary** end market remained at the same level as last year (0%), reflecting stable business with existing customers.

Despite a slight price-driven decline of 1% in net sales, the **Dairy** end market was supported by robust demand in the private label business, evident by an increase in volumes in the latter. Similarly, the **Coffee & Tea** end market recorded a marginal decline of 1% in net sales attributed to pricing impact which was partly offset by an increase in volumes with new and existing customers. The **Pharmaceutical** end market saw a 10% decline in net sales during the first half of fiscal year 2024, in line with broader market dynamics in this segment and continued customer destocking. The negative net sales development in the **Other food** end market of 14% can mainly be attributed to a decline in volumes of some of the Group customers. Net sales in the smallest end market of Aluflexpack, **Other non-food**, saw a 17% decline in net sales in H1 2024.

(in %)	Coffee & Tea	Confectionery	Dairy	Pet food	Pharmaceuticals	Other food	Other non-food
Net sales share (in %)	21	11	21	19	12	15	2
Growth (year-on-year in %)	-1	0	-1	6	-10	-14	-17

Cost overview

Cost of material, supplies and services in % of net sales decreased to 60.2% from 62.9% in H1 2023 on an adjusted level. Aluminium, the primary material sourced by the Group, saw a price increase during the reporting period. According to the London Metal Exchange (LME), the price of aluminium on 31 December 2023 was \$2,382 per ton. It increased and reached its peak for H1 2024 of \$2,695 per ton on 29 May 2024 before falling slightly to \$2,486 per ton as of 28 June 2024. Aluflexpack generally employs hedging strategies tailored to customer needs or incorporates price changes of the LME and Rotterdam Duty Paid (RDP) components of aluminum into customer contracts via pass-through clauses. Liquids such as lacquers, inks, solvents, and adhesives, and polymers constitute the second and third largest share of the Group's input materials. During the first six months of 2024, the price of most of these input materials decreased compared to H1 2023. Total costs of material, supplies and services as percentage of net sales on a reported level fell to 63.0% in H1 2024 compared to 70.7% in the previous reporting period.

On an adjusted level, **personnel costs** in % of net sales increased to 14.4% from 12.1% in the first half of the reporting period. The 230-basis point increase is primarily attributed to salary increases across the Group, implemented in response to the inflationary pressure in labour markets in the countries where the Group operates, while the overall price effect reflected in the Group's net sales was negative. Personnel costs as percentage of net sales on a reported level increased to 14.4% in H1 2024, up from 11.8% in H1 2023.

Other operating costs in % of net sales marginally decreased from 13.4% in the first half of 2023 to 13.2% in H1 2024 on an adjusted level. The decrease is mainly attributed to lower energy costs, including electricity, natural gas and LPG and generally a lower cost base across various other operating expenses. On a reported level, other operating costs as a percentage of net sales reached 13.6% in H1 2024 compared to 13.8% in the previous reporting period.

Key cost ratios on adjusted level (in €m) ⁹	For the six months ended 30 June,	
	2024	2023
Material costs	-110.8	-119.9
<i>in % of net sales</i>	60.2%	62.9%
Personnel costs	-26.6	-23.1
<i>in % of net sales</i>	14.4%	12.1%
Other operating expenses	-24.4	-25.6
<i>in % of net sales</i>	13.2%	13.4%

EBITDA

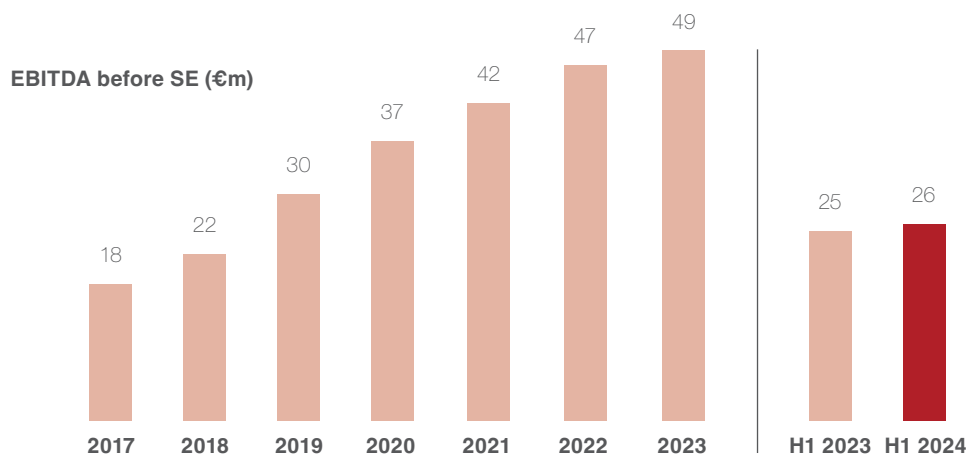
The Group achieved an **EBITDA before SE** of €26.2m in the first six months of the business year 2024, up by 5.7% compared to €24.8m recorded in the previous reporting period.

This translates to an EBITDA margin before SE of 14.3% (H1 2023: 12.7%). The increase in EBITDA can be attributed to a

solid operational and market performance, positive hedging phasing effects and the consolidation of the newly acquired Tunisian subsidiary Helioflex as of 1st of May 2024. However, the positive effects were partially offset by higher personnel costs. EBITDA on a reported level reached €27.2m, up from €24.8m in H1 2023. This translates to a margin of 14.8% (H1 2023: 13.0%).

**EBITDA
before SE
in H1 2024**

€26.2m



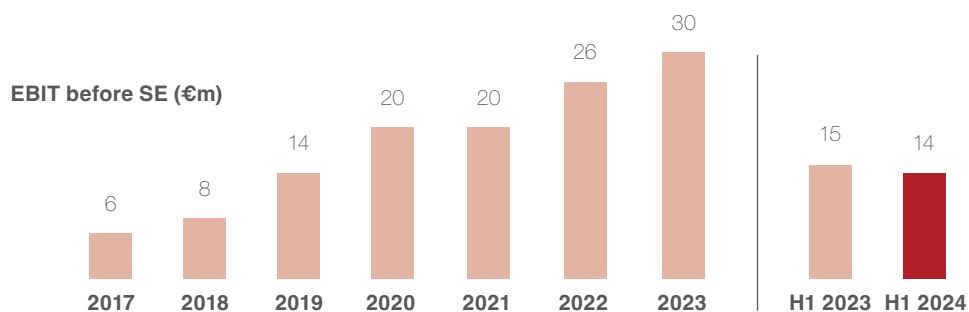
⁹ A detailed reconciliation from reported and adjusted figures, as well as an overview of the use of alternative performance measures can be found on pages 19-22.

Depreciation and Amortisation

Depreciation and amortisation expenses totaled €15.6m in H1 2024, up from €12.7m in H1 2023. This increase is attributed to a larger asset base resulting from activation of assets in connection with recent investments, such as the major on-site expansion in Drniš, which have strengthened the Group's highly integrated platform, as well as the acquisition of Helioflex. In percentage of net sales, depreciation and amortisation expenses increased from 6.6% in H1 2023 to 8.5% in H1 2024.

EBIT

EBIT before SE amounted to €13.9m in H1 2024 (H1 2023: €14.6m). EBIT margin before SE slightly increased from 7.4% to 7.6% compared to the same period last year. On a reported level, EBIT reached €11.6m in H1 2024, resulting in a margin of 6.3% (H1 2023: €12.2m and 6.4%, respectively).



Financial result

For the six months ended 30 June 2024, Aluflexpack reports a **financial result** of €-6.1m compared to €-9.9m in H1 2023. This is primarily driven by a better other financial result of €-1.8m (H1 2023: €-6.3m), which includes mainly a positive non-cash mark-to-market valuation effect of financial instruments used to hedge against volatility of the price of aluminium of €1.3m, net negative FX effects of €-4.2m largely on intercompany loans and positive effects from valuation of put options for outstanding minority shareholders of €1.3m (excluding effects of currency translation). Net interest expenses during the reporting period amounted to €-4.3m mirroring an increase in gross debt combined with higher interest rates compared to previous year.

Breakdown of the financial result (in €m)	For the six months ended 30 June,	
	2024	2023
Net interest expenses	-4.3	-3.6
Other financial income	2.7	1.7
Other financial expenses	-4.5	-8.0
Financial result	-6.1	-9.9

Items below the financial result

In the first six months of 2024, Aluflexpack's **result before tax** amounted to €5.5m compared to €2.3m in H1 2023. Tax expenses increased from €-1.0m in H1 2023 to €-3.1m in the reporting period as a result of higher tax base. Aluflexpack closed the first half of the business year 2024 with a **net profit** of €2.5m compared to a net profit of €1.3m in H1 2023. Excluding the effects from hyperinflation accounting in Türkiye (IAS 29), net profit totaled €3.3m.

Cash flow statement

(in €m)	For the six months ended 30 June,	
	2024	2023
Cash and cash equivalents at the beginning of the period	37.3	23.3
Net cash provided / used in operating activities	20.0	8.2
Net cash used in investing activities	-17.5	-14.8
Net cash used in / from financing activities	-1.6	19.4
+/- effect of exchange rate fluctuations on cash held	-1.3	-1.3
Cash and cash equivalents at the end of the period	37.0	34.8

Net cash flow from operating activities in the first six month of 2024 amounted to €20.0m (H1 2023: €8.2m). This increase in cash generated from operations is driven by a better operating performance and a less negative impact from trade working capital on the operating cashflow.

Net cash flow from investing activities added up to €-17.5m in H1 2024 (H1 2023: €-14.8m) and still included minor payments in relation to the organic expansion in Drniš, the acquisition of a majority stake in the Tunisian flexible packaging producer Helioflex amounting to €5.7m, maintenance capex as well as a few selective organic investments.

Net cash flow from financing activities totaled €-1.6m in the first half of 2024 (H1 2023: €19.4m) and comprised net loan additions from financial institutions to finance acquisitions and repay existing loans as well as interest payments and payments of lease liabilities and the exercise of the Teko option in May 2024.

Balance sheet

In the six months ending 30 June 2024, the Group's total assets added up to €500.4m (€475.3m¹⁰). Total non-current assets reached €306.4m (€291.2m¹⁰) reflecting mainly an increase in intangible assets to €86.8m (€73.3¹⁰) as a result of the acquisition of Helioflex and the application of IAS 29. The Group's total current assets amounted to €194.0m as of 30 June 2024, up from €184.1m on 31 December 2023, as a result of an increase in inventory to €94.8m (€92.6m¹⁰), an increase in trade receivables to €46.4m (€42.2m¹⁰) as well as an increase in other receivables to €15.6m (€12.0m¹⁰).

Total liabilities as of 30 June 2024 amounted to €292.9m (€280.7m¹⁰). Total non-current liabilities amounted to €169.1m (€144.7m¹⁰), mainly due to an increase in non-current liabilities to financial institutions to €126.4m (€107.2m¹⁰). On the other hand, current liabilities decreased to €123.8m, down from €136.0m recorded on the preceding reporting date. This decrease is attributed, among other things, to the purchase of the remaining minority stake of the Group's subsidiary in Türkiye Teko during the reporting period which was recorded as a current financial liability.

As of 30 June 2024, the Group's total equity increased to €207.5m (€194.6m¹⁰), resulting in an equity ratio of 41.5% (40.9%¹⁰) and confirming the Group's robust financial position.

Equity Ratio
June 2024

41.5%

(in €m)	30 June 2024	31 December 2023
ASSETS		
Non-current assets	306.4	291.2
Current assets	194.0	184.1
Total assets	500.4	475.3
EQUITY AND LIABILITIES		
Total equity	207.5	194.6
Non-current liabilities	169.1	144.7
Current liabilities	123.8	136.0
Total equity and liabilities	500.4	475.3

Total **net debt** of the Group amounted to €160.6m as of 30 June 2024 (€152.0m¹⁰), which translates to a net debt to reported EBITDA ratio of slightly below 3.0x, broadly unchanged from the ratio recorded as of 31 December 2023 (3.0x).¹¹

(in €m / times)	30 June 2024	31 December 2023
Gross debt	197.6	189.3
Cash and cash equivalents	37.0	37.3
Net debt	160.6	152.0
Reported EBITDA LTM ¹²	54.0	51.0
Leverage	3.0x	3.0x

As of 30 June 2024, Aluflexpack's trade working capital (TWC) stood at €82.9m (€76.1m¹⁰). Trade working capital increased as a result of higher inventory levels of €94.8m compared to €92.6m as of 31 December 2023 as well as an increase in trade receivables from €42.2m to €46.4m as of the end of the reporting period. These effects were partly supported by the slight decrease in trade payables to €58.6m (€59.1m¹⁰). Trade working capital as a percentage of net sales amounted to 22.2% (31st December 2023: 20.0%).

Aluflexpack's return on capital employed (ROCE), which is the metric used by the Group to evaluate its organic and non-organic growth projects, decreased during the reporting period to 8.3% from 8.9% in LTM June 2023. The main cause for the decrease is higher capital employed stemming from investments made into the Group's platform as well as the acquisition of 67.9% of the Tunisian subsidiary.

ROCE LTM
June 2024
8.3%

¹¹ Net debt to reported EBITDA LTM June 2024 includes the EBITDA of the recently acquired Tunisian subsidiary Helioflex as if the company had been part of Aluflexpack as of 1 July 2023.

¹² LTM denotes last twelve months.

Supplemental financial information

Usage of alternative performance measures

Net sales excluding IAS29 refers to net sales excluding the impact of hyperinflationary accounting in Türkiye.

EBIT before special effects refers to operating profit before interest and taxes adjusted for special effects and acquisition related amortisations as outlined on page 21.

EBITDA before special effects refers to operating profit before interest, taxes, depreciation and amortisation adjusted for special effects as outlined on page 20.

Adjusted material costs refer to total costs of materials, supplies and services less change in finished and unfinished goods, temporary personnel, income from the disposal of recycled products, insurance income and other effects.

Adjusted other operating expenses is defined as total other operating costs less extraordinary items.

Adjusted personnel costs refer to total personnel expenses less extraordinary items and costs for temporary personnel.

Capex (capital expenditures) refers to payments made for the purchase of property, plant and equipment and intangible assets.

EBIT refers to operating profit before interest and taxes.

EBITDA is defined as operating profit before interest, taxes, depreciation and amortisation.

Equity ratio refers to total equity in % of total equity and liabilities.

Net debt is defined as the sum of short term and long-term interest-bearing financial liabilities less cash and cash equivalents.

Leverage is defined as net debt divided by reported EBITDA for the last twelve months. Net debt to reported EBITDA LTM June 2024 includes the EBITDA of the recently acquired Tunisian subsidiary Helioflex as if the company had been part of Aluflexpack as of 1 July 2023.

Operating cash flow is defined as net cash from operating activities.

Organic growth was used as an alternative performance measure in the context of relative growth in net sales in the financial year 2024. In this context, organic growth was calculated by comparing the half year 2023 sales with half year 2024 sales excluding the contribution made by Aluflexpack's acquired Tunisian subsidiary Helioflex, which was consolidated as of 1 May 2024.

ROCE stands for return on capital employed and refers to EBIT before SE for the last twelve months divided by capital employed, which is defined as average equity plus average net financial debt for the last twelve months.

Trade working capital comprises trade receivables and inventories less trade payables and advances received from customers reflecting end-of-period values.

The Working Capital Ratio is calculated by dividing end of period working capital by sales of the last 12 months.

Reconciliation from IFRS reported figures
to adjusted figures

	For the six months ended 30 June	
EBITDA before SE (in €m)	2024	2023
EBITDA - IFRS reported	27.2	24.8
Costs for stock option programme ¹³	0.3	-0.2
Transaction costs and costs in relation to establishment of Aluflexpack USA LLC ¹⁴	0.6	0.7
Effects of adoption of IAS 29 (Financial Reporting in Hyperinflationary Economies) in Türkiye ¹⁵	-1.9	-0.6
EBITDA before SE	26.2	24.8
	For the six months ended 30 June	
EBITDA margin before SE (in %)	2024	2023
Net sales – IFRS reported	184.0	190.8
Effects of adoption of IAS 29 (Financial Reporting in Hyperinflationary Economies) in Türkiye ¹⁵	-0.9	4.7
Net sales excluding IAS 29	183.1	195.5
EBITDA - IFRS reported	27.2	24.8
EBITDA before SE	26.2	24.8
EBITDA margin in % - IFRS reported	14.8%	13.0%
EBITDA margin in % - before SE	14.3%	12.7%

¹³ Amount includes effects from the employee phantom stock option programme, and in addition, effects from the long-term incentive component of the Management Board's compensation which was introduced in 2021, and which is stock based.

¹⁴ Transaction costs include costs in relation to M&A activities, costs borne by Aluflexpack in relation to launch of public tender offer for all shares of Aluflexpack AG by Constantia Flexibles GmbH and costs in relation to establishment of Aluflexpack USA LLC.

¹⁵ As of 30 June 2022, Aluflexpack is required to apply IAS 29 "Financial Reporting in Hyperinflationary Economies" for its operations in Turkey. The application of IAS 29 includes the adoption of IAS 21 "Effects of Change in Foreign Exchange Rates".

	For the six months ended 30 June	
EBIT before SE (in €m)	2024	2023
Operating profit (EBIT) – IFRS reported	11.6	12.2
Cost/benefit of stock option programme ¹³	0.3	-0.2
Transaction costs and costs in relation to establishment of Aluflexpack USA LLC ¹⁴	0.6	0.7
Effects of adoption of IAS 29 (<i>Financial Reporting in Hyperinflationary Economies</i>) in Türkiye ¹⁵	-0.5	-0.0
Acquisition related amortisations	1.9	1.9
Operating profit (EBIT) - before SE	13.9	14.6
	For the six months ended 30 June	
EBIT margin before SE (in €m)	2024	2023
Net sales – IFRS reported	184.0	190.8
Effects of adoption of IAS 29 (<i>Financial Reporting in Hyperinflationary Economies</i>) in Türkiye ¹⁵	-0.9	4.7
Net sales excluding IAS 29	183.1	195.5
EBIT - IFRS reported	11.6	12.2
EBIT before SE	13.9	14.6
EBIT margin in % - IFRS reported	6.3%	6.4%
EBIT margin in % - before SE	7.6%	7.4%

Adjusted material costs (in €m)	For the six months ended 30 June	
	2024	2023
Cost of materials, supplies and services – IFRS reported	-115.9	-134.9
Change in finished and unfinished goods	-0.2	9.6
Temporary personnel included in total cost of materials, supplies and services	0.4	0.4
Income from disposal of recycled products	5.0	5.0
Adjusted material costs	-110.8	-119.9
Cost of materials, supplies and services margin in % - IFRS reported	63.0%	70.7%
Cost of materials, supplies and services margin in % - adjusted	60.2%	62.9%

Adjusted personnel expenses (in €m)	For the six months ended 30 June	
	2024	2023
Personnel expenses – IFRS reported	-26.5	-22.5
Temporary personnel costs	-0.4	-0.4
Cost/benefit of stock option programme ¹³	0.3	-0.2
Adjusted personnel expenses	-26.6	-23.1
Personnel expenses margin in % - IFRS reported	14.4%	11.8%
Personnel expenses margin in % - adjusted	14.4%	12.1%

Adjusted other operating expenses (in €m)	For the six months ended 30 June	
	2024	2023
Other operating expenses – IFRS reported	-24.9	-26.4
Transaction costs and costs in relation to establishment of Aluflexpack USA LLC ¹⁴	0.6	0.7
Adjusted other operating expenses	-24.4	-25.6
Other operating expenses margin in % - IFRS reported	13.6%	13.8%
Other operating expenses margin in % - adjusted	13.2%	13.4%

Aluflexpack AG

Condensed consolidated interim financial statements (unaudited)

30 June 2024

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Consolidated statement of financial position (unaudited)

(€k)	Notes	30/06/2024	31/12/2023
ASSETS			
Intangible assets and goodwill		86,821	73,251
Property, plant and equipment		214,179	212,955
Other financial assets		177	183
Other receivables and assets	9	1,121	797
Deferred tax assets		4,148	3,988
Non-current assets		306,446	291,174
Inventories		94,784	92,592
Trade receivables	10	46,376	42,204
Income tax receivables		261	31
Other receivables and assets	9	15,591	12,000
Cash and cash equivalents		36,954	37,314
Current assets		193,966	184,141
TOTAL ASSETS		500,412	475,315
EQUITY AND LIABILITIES			
Capital stock		15,553	15,553
Capital reserves		136,171	136,087
Retained earnings		55,778	42,941
Equity attributable to owners of the Company		207,502	194,581
Non controlling interests		0	0
TOTAL EQUITY	12	207,502	194,581
Bank loans and borrowings		126,353	107,151
Other financial liabilities	11	22,574	20,388
Deferred tax liabilities		11,073	9,013
Employee benefits		1,596	1,525
Other liabilities		7,467	6,667
Non-current liabilities		169,063	144,744
Bank loans and borrowings		44,074	43,952
Other financial liabilities	2/11	4,587	17,860
Current tax liabilities		1,327	1,862
Employee benefits		3,055	1,962
Trade payables and advances received from customers		58,608	59,104
Accruals		5,523	2,788
Other liabilities		6,673	8,462
Current liabilities		123,847	135,990
TOTAL LIABILITIES		292,910	280,734
TOTAL EQUITY AND LIABILITIES		500,412	475,315

The notes on pages 29 to 36 are an integral part of these condensed consolidated interim financial statements.

Consolidated statement of profit or loss and other comprehensive income (OCI) (unaudited)

(€k)	Notes	For the six months ended June 30,	
		2024	2023
Gross Sales		186,871	193,659
Sales deductions		-2,850	-2,854
Net Sales	6	184,021	190,805
Change in finished and unfinished goods		-230	9,554
Other operating income	13	10,749	8,223
Cost of materials, supplies and services		-115,897	-134,863
Personnel expenses		-26,512	-22,502
Other operating expenses		-24,941	-26,376
EBITDA		27,190	24,841
Depreciation and amortisation		-15,584	-12,667
Operating Profit		11,606	12,174
Interest income		1,437	315
Interest expenses		-5,689	-3,951
Other financial income	14	2,713	1,735
Other financial expenses	14	-4,526	-7,992
Financial result		-6,065	-9,893
Profit before tax		5,541	2,282
Tax expense		-3,074	-963
Result for the period		2,467	1,319
Thereof attributable to:			
Owners of the company		2,467	1,329
Non controlling interests		0	-10
Earnings per share in EUR	12.2		
Basic earnings per share		0.1	0.1
Diluted earnings per share		0.1	0.1

EBITDA also excludes interest income and expenses as well as financial income and expenses that are not interest related.

(€k)	Notes	For the six months ended June 30,	
		2024	2023
Result for the period		2,467	1,319
Items that are not reclassified to profit or loss			
Remeasurements of the defined benefit liability (asset)		71	-28
Related taxes		-11	4
		60	-24
Items that are or may be reclassified subsequently to profit or loss			
Foreign exchange differences		-643	-12,485
		-643	-12,485
Other comprehensive income for the period		-583	-12,509
Total comprehensive income for the period		1,884	-11,190
Thereof attributable to:			
Owners of the Company		1,884	-11,180
Non controlling interests		0	-10

The notes on pages 29 to 36 are an integral part of these condensed consolidated interim financial statements.

Consolidated statement of changes in equity 2024 (unaudited)

Attributable to owners of the Company

(€k)	Notes	Capital stock	Capital Reserves	Foreign Exchange Differences	Retained earnings	Total Retained earnings	Total	Non controlling interest	Total equity
Balance as of January 1, 2024		15,553	136,087	-41,104	84,045	42,941	194,581	0	194,581
Total comprehensive income for the period									
Result for the period		-	-	-	2,467	-	2,467	0	2,467
Other comprehensive income for the period, net of tax		-	-	-643	60	-	-583	-	-583
Total		-	-	-643	2,527	-	1,884	0	1,884
Application of hyperinflation accounting (IAS 29), net of tax		-	-	-	10,953	-	10,953	-	10,953
Transactions with owners of the company									
Effect of share based payment		-	84	-	-	-	84	-	84
Dividends		-	-	-	0	-	0	-	0
Total		-	84	-	0	-	84	-	84
Balance as of June 30, 2023		15,553	136,171	-41,747	97,525	55,778	207,502	0	207,502

Consolidated statement of changes in equity 2023 (unaudited)

Attributable to owners of the Company

(€k)	Notes	Capital stock	Capital Reserves	Foreign Exchange Differences	Retained earnings	Total Retained earnings	Total	Non controlling interest	Total equity
Balance as of January 1, 2023		15,553	135,995	-21,590	60,816	39,226	190,774	1,620	192,394
Total comprehensive income for the period									
Result for the period		-	-	-	1,329	-	1,329	-10	1,319
Other comprehensive income for the period, net of tax		-	-	-12,485	-24	-	-12,509	-	-12,509
Total		-	-	-12,485	1,305	-	-11,180	-10	-11,190
Application of hyperinflation accounting (IAS 29), net of tax		-	-	-	6,563	-	6,563	-	6,563
Transactions with owners of the company									
Effect of share based payment		-	20	-	-	-	20	-	20
Dividends	12.4	-	-	-	-569	-	-569	-	-569
Total		-	20	-	-569	-	-549	-	-549
Balance as of June 30, 2022		15,553	136,015	-34,075	68,115	34,040	185,608	1,610	187,218

The notes on pages 29 to 36 are an integral part of these condensed consolidated interim financial statements.

Consolidated statement of cash flows (unaudited)

(€k)	Notes	For the six months ended June 30,	
		2024	2023
Profit before tax		5,541	2,282
+/- Financial results excluding other financial income/expense		4,252	3,636
+/- Other non-cash expenses and income		2,902	5,683
+ Depreciation and amortisation		15,584	12,667
-/+ Gains and losses from disposals of PPE and intangible assets		-64	50
-/+ increase and decrease in inventories		-2,038	-6,143
-/+ Increase and decrease in current trade receivables		-3,790	-1,304
-/+ Increase and decrease in other assets		-2,778	113
+/- Increase and decrease in trade payables		1,293	-6,848
+/- Increase and decrease in accruals		2,733	1,632
+/- Increase and decrease in other payables		-1,939	-767
+/- Increase and decrease in provisions		0	-78
+/- Increase and decrease in liabilities for employee benefits		1,213	141
-/+ Income taxes paid		-2,876	-2,914
Net cash from operating activities		20,033	8,149
+ Payments received for disposals of PPE and intangible assets		106	3
- Payments made for purchases of PPE and intangible assets		-13,373	-15,084
- Payments for acquisition of subsidiaries (net of cash acquired)	7	-5,708	0
+ Interest received		1,437	315
Net cash used in investing activities		-17,538	-14,766
- Payments of lease liabilities		-2,729	-2,828
+ Issuances of financial liabilities (3rd parties)		31,724	28,601
- Repayments of financial liabilities (3rd parties)		-25,271	-2,771
- Dividends paid	12.4	0	-569
- Interest paid		-5,282	-3,012
Net cash from financing activities		-1,558	19,422
Net change in cash and cash equivalents		936	12,804
+/- Effect of exchange rate fluctuations on cash held		-1,295	-1,332
+ Cash and cash equivalents at the beginning of the period		37,314	23,300
Cash and cash equivalents at the end of the period		36,954	34,772

The notes on pages 29 to 36 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements (unaudited)

1 Reporting entity

Aluflexpack AG (Aluflexpack) (the 'Company') was incorporated in Switzerland on 31 July 2018. The Company's registered office is at Alte Aarauerstrasse 11, Reinach, Switzerland. These condensed consolidated interim financial statements as at and for the six months ended 30 June 2024 comprise the Company, its subsidiaries (collectively the 'Group' and individually 'Group companies') and equity accounted investees.

The core business activity of Aluflexpack and its affiliated companies is the production of flexible packaging and conversion of aluminium foil, paper and flexible films by using printing technologies such as rotogravure, UV-flexo, conventional flexo and digital as well as other conversion steps such as lacquering, laminating, extrusion coating & lamination, slitting, oiling, laser cutting, container & capsule forming, punching, embossing and pouch-making. Aluflexpack is producing a wide range of flexible packaging products and solutions.

The controlling parent company of Aluflexpack AG is Montana Tech Components AG.

2 Significant changes in the reporting periods

Significant changes in the first half year 2024

In accordance with the shareholder agreement of 12 May 2022 between Aluflexpack AG/Arimpeks and the existing shareholders of Teko, a put option is granted to the non-controlling shareholder that conveys the right to sell their 20% interest in Teko to Aluflexpack AG/Arimpeks. In addition, a call option is granted to Aluflexpack AG/Arimpeks to buy the remaining 20% interest in Teko. The option price for the share options (20% of the entire share capital) is calculated as the higher of 1) 20% of purchase price or 2) based on a calculated enterprise value for 100% of the shares. The written put option is recognised as "other financial liability" and no interest of non-controlling shareholders is presented since it is deemed to have acquired the 20% interest at the date of acquisition. This option was exercised in May 2024 for € 12,479k.

Significant changes in the first half year 2023

In accordance with the shareholder agreement of 9 September 2020 between Aluflexpack AG and one existing shareholder of Top System, the put option notice was submitted to Aluflexpack AG in April 2023. The put option was set with the agreed purchase price as a financial liability, see also note 11. The payment of the remaining purchase price was made in July 2023.

3 Basis of accounting

These interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2023 ('last annual financial statements'). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The accounting policies adopted are consistent with those of the previous financial year (last annual consolidated financial statements of Aluflexpack AG as of 31 December 2023). Aluflexpack's sales were not subject to seasonal variations during the reporting period.

These interim financial statements were authorised for issue by the Board of Directors on 20 August 2024.

4 Use of judgements and estimates

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements of Aluflexpack AG.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5 Significant accounting policies

The accounting policies applied in these consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

Amendments to IFRS Accounting Standards that are effective as of 1 January 2024 have no material effect on the Group's financial statements.

Hyperinflation

Due to the rapid devaluation of the Turkish lira, Türkiye is considered as hyperinflationary and as a result the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" was adopted for the first time in the second quarter of 2022. The activities in Türkiye are therefore not accounted for on the basis of historical acquisition or production costs but adjusted for the effects of inflation. Gains and losses from the inflation adjustment are recognized in other operating result.

For translation into the presentation currency (€), all amounts were translated at the closing rate at June 30, 2024 (respectively December 31, 2023 and June 30, 2023). The net assets in the subsidiary's local financial statements were adjusted for changes in the price level.

In the first half of 2024 and for 2023, the regulations of IAS 29 "Financial Reporting in Hyperinflationary Economies" were relevant for the Turkish subsidiaries Arimpeks and Teko.

The general price index used for the calculation of IAS 29 is the consumer price index based on monthly inflation rates announced by the Turkish Statistical Institute. On 31 December 2023 the price index amounted to 1.859,38 while the price index on 30 June 2024 stood at 2.319,29.

The net position of monetary items results in a gain in the amount of € 1,683k in the first half of 2024 (2023: € 1,517k). In addition to adjustments in the consolidated income statement, accounting pursuant to IAS 29 "Financial reporting in hyperinflationary economies" also results in impacts on the consolidated statement of financial position for the subsidiaries using the Turkish lira as their functional currency. Moreover, the indexation leads to an increase in the consolidated equity by € 11m.

6 Segment reporting

6.1 Basis for segmentation

The Group operates in one industry segment which encompasses the production of flexible packaging and conversion of aluminium foil, paper and flexible films. The Group is producing a wide range of flexible packaging products and solutions by converting and refining aluminium foil, paper and flexible films. The allocation of resources and performance assessment is made at Group level. The Group's organisation is not divided into business units, neither in the management structure nor in the internal reporting system.

The Group has the following production factories:

- Production plant Zadar (Croatia)
- Production plant Umag (Croatia)
- Production plant Drnis (Croatia)
- Production plant Omis (Croatia)
- Production plant Einsiedeln (Switzerland)
- Production plant La Ferte-Bernard (France)
- Production plant Istanbul (Türkiye)
- Production plant Tarnowo Podgorne (Poland)
- Production plant Tekirdag (Türkiye)
- Production plant Djebel Oust (Tunisia)

The segment information is presented as provided to the Board of Directors in their role as Chief Operating Decision Maker (CODM) and to the Group Management in their role as operational management.

The Chief Operating Decision Maker (CODM) receives a monthly reporting, which includes figures on a Group wide level. For the single products, no segment manager is installed and neither an allocation of resources nor a performance review for single products is done by the CODM.

6.2 Entity-wide disclosures

Revenue and non-current assets – Geographic information by countries

(€k)	For the six months ended June 30,			
	2024		2023	
	Net Sales	Non-current assets	Net Sales	Non-current assets
Switzerland	9,326	15	7,866	3
Croatia	8,034	171,874	9,784	164,546
Germany	20,604		23,608	
Italy	7,986		6,854	
Poland	15,350	16,785	16,027	16,546
Liechtenstein	17,408	9,052	15,702	10,169
United Kingdom	2,610		2,211	
Czech Republic	1,540		2,042	
Hungary	1,150		1,871	
Serbia	2,197		5,334	
France	49,887	27,237	54,220	21,444
Austria	1,469	315	1,269	441
Netherlands	8,597		8,688	
Belgium	590		1,292	
Türkiye	19,634	66,287	18,684	51,131
Russia	475		833	
Other Europe	4,484		4,511	
America	4,571		3,624	
China	2,611		2,418	
Other Asia	3,567		2,817	
Africa, Australia and New Zealand	1,931	9,435	1,150	
Total Group	184,021	301,000	190,805	264,280

The geographic information on revenues in the table above is based on the customers' location.

(€k)	For the six months ended June 30,			
	2024		2023	
	Net sales w/o IC	Trade receivables	Net sales w/o IC	Trade receivables
thereof product sales	182,935	46,068	189,940	42,147
thereof service sales	1,086	308	865	76
Total Group	184,021	46,376	190,805	42,223

For the 6 months ended 30 June 2024, transactions with one external customer accounted for more than 15% of the Group Sales (2023: one external customer, more than 15%).

7 Significant changes to the scope of consolidation

Significant changes in the first half year 2024

On 24 April 2024, the Group acquired 67.9% interest in Helioflex North Africa S.P.C, SA ("Helioflex").

Helioflex is the domestic market leader in the flexible packaging industry for pharmaceutical products in Tunisia as well as adjacent countries.

For 17.92% interest a put and call option was granted. In addition, there is an option with another current shareholder for the remaining 14.18%. For further information, see Note 11.

For the period ended 30 June 2024, Heliolflex contributed revenue of € 1,143k and operating profit of € 163k to the Group's result.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred (in €k).

Cash	5,712
Deferred consideration	3,866
Total consideration	9,578

Goodwill

Goodwill arising from the acquisition has been recognised as follows (in €k).

Total consideration (for 100%)	9,578
Less fair value of identifiable net assets	6,331
Goodwill	3,247

The goodwill is attributable mainly to the skills and technical talent of Heliolflex work force, and the synergies expected to be achieved from integrating the company into the Groups existing business. None of the goodwill recognized is expected to be deductible for tax purposes.

On 18 January 2024, Aluflexpack USA LLC was founded. The purpose of the incorporation was to enter the American market with a future production facility on site and to be able to supply existing international customers locally (final finishing of products on site).

Significant changes in the first half year 2023

There were no changes in the scope of consolidation.

8 Related parties

The related parties include the members of Group Management, key shareholders and companies over which the key shareholders exert control or significant influence and pension funds existing for the benefit of employees to provide benefits after cessation of the employment relationship.

The main shareholder of Aluflexpack is Montana Tech Components AG, Switzerland. DDr. Michael Tojner, who holds the majority of voting rights either directly or indirectly via several companies, controls the Montana Tech Components AG

Overview

The significant transactions with related parties in the first half of 2024 and 2023 are lease contracts resulting in lease expenses and the sale and leaseback transaction between Aluflexpack Novi d.o.o. and WertInvest Nekretnine d.o.o.

Transaction type (in €k)	For the six months ended June 30, 2024		Outstanding amount 30/06/2024	
	Revenue	Expense	Receivables	Payables
Transactions with companies related to the main shareholder	0	1,961	0	90
Operating activity	0	1,961	0	90

Transaction type (in €k)	For the six months ended June 30, 2023		Outstanding amount 30/06/2023	
	Revenue	Expense	Receivables	Payables
Transactions with companies related to the main shareholder	0	1,403	0	0
Operating activity	0	1,403	0	0

9 Other receivables and assets

Other non-current and current receivables and assets are composed as follows:

(€k)	30/06/2024	31/12/2023
Other receivables and assets	1,121	797
Total	1,121	797

(€k)	30/06/2024	31/12/2023
Derivative financial instruments	1,536	252
Other receivables and assets	2,934	2,296
Prepaid expenses / deferred charges	5,937	4,083
Other tax receivables	5,184	5,369
Total	15,591	12,000

10 Financial instruments - Fair values and risk management

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The fair values of financial instruments such as short-term trade receivables and payables and short-term bank loans and borrowings are not disclosed, because their carrying amounts are a reasonable approximation of fair value.

Carrying amount

(€k)	30/06/2024	Fair value - hedging instruments	Mandatorily at FVTPL - others	Financial assets at amortised cost	Other financial liabilities	Total
Trade receivables	46,376			46,376		46,376
Cash and cash equivalents	36,954			36,954		36,954
Other financial assets	177			177		177
Other receivables and assets	4,055			4,055		4,055
Financial assets not measured at fair value	87,562	0	0	87,562	0	87,562
Derivative financial instruments	1,536	1,536				1,536
Financial assets measured at fair value	1,536	1,536	0	0	0	1,536
Bank loans and borrowings	-170,427				-170,427	-170,427
Other financial liabilities	-4,554				-4,554	-4,554
Lease liabilities (IFRS 16)	-22,607				-22,607	-22,607
Trade payables	-58,217				-58,217	-58,217
Accruals	-5,523				-5,523	-5,523
Other liabilities	-7,014				-7,014	-7,014
Financial liabilities not measured at fair value	-268,342	0	0	0	-268,342	-268,342

Carrying amount

(€k)	31/12/2023	Fair value - hedging instruments	Mandatorily at FVTPL - others	Financial assets at amortised cost	Other financial liabilities	Total
Trade receivables	42,204			42,204		42,204
Cash and cash equivalents	37,314			37,314		37,314
Other financial assets	183			183		183
Other receivables and assets	3,093			3,093		3,093
Financial assets not measured at fair value	82,794	0	0	82,794	0	82,794
Derivative financial instruments	252	252				252
Financial assets measured at fair value	252	252	0	0	0	252
Bank loans and borrowings	-151,103				-151,103	-151,103
Other financial liabilities	-14,496				-14,496	-14,496
Lease liabilities (IFRS 16)	-23,752				-23,752	-23,752
Trade payables	-59,151				-59,151	-59,151
Accruals	-2,788				-2,788	-2,788
Other liabilities	-7,558				-7,558	-7,558
Financial liabilities not measured at fair value	-258,848	0	0	0	-258,848	-258,848

11 Other financial liabilities

Other financial liabilities are composed as follows:

(€k)	30/06/2024	31/12/2023
Lease liabilities (according to IFRS 16)	22,607	23,752
Other financial liabilities	4,554	14,496
Other financial liabilities	27,161	38,248
Thereof current	4,587	17,860
Thereof non-current	22,574	20,388

In accordance with the shareholder agreement of 12 May 2022 between Aluflexpack AG/Arimpeks and the existing shareholders of Teko, a put option is granted to the non-controlling shareholder that conveys the right to sell their 20% interest in Teko to Aluflexpack AG/Arimpeks. In addition, a call option is granted to Aluflexpack AG/Arimpeks to buy the remaining 20% interest in Teko. The option price for the share options (20% of the entire share capital) is calculated as the higher of 1) 20% of purchase price or 2) based on a calculated enterprise value for 100% of the shares. The written put option is recognised as "other financial liability" and no interest of non-controlling shareholders is presented since it is deemed to have acquired the 20% interest at the date of acquisition. This option was exercised in May 2024 for € 12,479k (see also note 2, "Significant changes in the reporting periods").

According to the share purchase agreement of 5 August 2014, Omial Novi d.o.o. (as the controlling shareholder of Process Point Service AG) has the obligation to take up the shares upon receipt of a written request from the non-controlling shareholders according to the share purchase agreement. The take-up price to be paid by Omial Novi d.o.o. will be determined at the time of the exercise of the put-option by the non-controlling interests. The fair value for the remaining obligation amount to € 670k (2023: € 670k).

In accordance with the shareholder agreement of 4 October 2023 between Aluflexpack AG and one existing shareholder of Heliolflex, a put option is granted to the non-controlling shareholder that conveys the right to sell his 17.92% interest in Heliolflex to Aluflexpack AG. In addition, a call option is granted to Aluflexpack AG to buy this remaining 17.92% interest in Heliolflex. The option price for the share options (17.92% of the entire share capital) is calculated as the higher of 1) 17.92% of purchase price or 2) based on a calculated enterprise value for 100% of the shares. The written put option is recognised as "other financial liability" and no interest of non-controlling shareholders is presented since it is deemed to have acquired the 17.92% interest at the date of acquisition. As of June 30, 2024, the liability is recognised at the present value of the exercise price of the option which amounts to € 2,670k. In addition, there is an agreement with another current shareholder for the remaining 14.18%. Aluflexpack AG undertakes irrevocably to buy these remaining 14.18% or to procure that a third party purchases these remaining shares. As of June 30, 2024, the liability is recognised at the present value of the exercise price of the option which amounts to € 1,196k.

12 Equity

12.1 Capital stock

The company Aluflexpack AG was incorporated on 31 July 2018 with 100,000 shares and a fully paid-in share capital of CHF 100,000 (€ 86k).

As of 30 June 2024, the total authorised and issued number of ordinary shares comprises 17,300,000 shares with a nominal value of CHF 1,00 each. The split of the capital stock is shown in the table below.

Capital stock	June 30, 2024	June 30, 2023
Nominal value per share (CHF)	1.00	1.00
Total number of shares	17,300,000	17,300,000
Total amount of share capital (CHF)	17,300,000	17,300,000

The Principal Shareholder (Montana Tech Components AG) holds 53.6% of the shares as of 30 June 2024.

12.2 Earnings per share

The calculation of earnings per share has been based on the profit or loss attributable to shareholders of Aluflexpack AG as presented in the consolidated income statement and the weighted average of shares in circulation as of 30 June 2024.

	June 30, 2024	June 30, 2023
Total number of shares	17,300,000	17,300,000
Weighted average of ordinary shares in circulation	17,300,000	17,300,000
Result of the period attributable to the Owners of the company in €k	2,467	1,329
Basic earnings per share in €	0.1	0.1
Diluted earnings per share in €	0.1	0.1

12.3 Nature and purpose of reserves

The translation reserves comprise all foreign currency differences arising from the translation of the financial statements of foreign operations.

12.4 Dividends

In the Top System shareholder meeting held in June 2023, a dividend was decided, which was paid out to the minority shareholder in June 2023.

13 Other operating income

The other operating income also includes the net monetary position due to the application of IAS 29 (see also note 5).

14 Other financial income/Other financial expenses

In the first half of 2024, other financial income valued at € 1,294k relates to the valuation of derivative positions and € 1,332k relates to the exercise of the put option Teko (excluding effects of currency translation).

In the first half of 2023, other financial income valued at € 1,573k relates to foreign currency exchange gains.

In the first half of 2024, other financial expenses valued at € 4,197k relates to foreign currency exchange losses.

In the first half of 2023, other financial expenses valued at € 345k relates to the valuation of derivative positions, € 6,732k relates to foreign currency exchange losses and 775k relates to the remeasurement of the put options (excluding effects of currency translation).

15 Subsequent events

No other events took place between 30 June 2024 and 20 August 2024 that would require adjustments to the carrying amounts of the assets or liabilities in these condensed consolidated interim financial statements or would need to be disclosed here.

List of abbreviations used

Numerical abbreviations	
k	Thousands of a unit
m	Millions of a unit
Currency abbreviations	
€	Euro; the abbreviation "EUR" is also used in Aluflexpack's consolidated financial statement
CHF	Swiss Franc
\$	US dollar
Other abbreviations	
adj.	Adjusted for non-recurring effects
AG	Aktiengesellschaft
Capex	Capital expenditures
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CODM	Chief Operating Decision Maker
DDr.	Double doctorates
d.o.o.	društvo s ograničenom odgovornošću (Limited Liability Company)
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
FVTPL	Fair value through profit and loss
FX	Foreign exchange
GmbH	Gesellschaft mit beschränkter Haftung
HY	Half year
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
LLC	Limited Liability Company
LME	London Metal Exchange
LPG	Liquified petroleum gas
M&A	Mergers & Acquisitions
OCI	Other comprehensive income
PPE	Property, plant and equipment
R&D	Research and Development
RDP	Rotterdam Duty Paid
ROCE	Return on Capital Employed
SE	Special effects
SPA	Share purchase agreement
UV	Ultraviolet
TWC	Trade working capital
w/o	without
yoy	Year-on-year

Disclaimer

Some of the information contained in this interim report may be forward-looking in nature. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, meaning that actual results may differ materially from those in this interim report as a result of various factors. Aluflexpack AG is not obliged to publicly update or revise any forward-looking statements.

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