

# End-of-year review

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# End-of-year review

**Challenges such as the generally difficult market situation and the closure of our production site in St-Prex were defining features of 2024. Against this background, customer centricity, our motto for this year, took on even greater importance. Customer centricity means that we do much more than merely producing high-quality glass containers. We collaborate with our partners to develop innovative and sustainable solutions, and strengthen brands. We make it possible for people to consume food and beverages safely, and we reduce our environmental footprint.**

At Vetropack customer centricity goes far beyond producing and supplying high-quality glass packaging: it also means that we embark on a journey of continuous innovation and sustainability, hand in hand with our customers. Together, we develop customised solutions that meet every brand's individual requirements. We firmly believe that glass containers are more than just packaging for food and beverages. They express brand values; they embody a product's identity, and they play a critical part in our customers' success.

## **Carlsberg: innovation meets design**

Vetropack and Carlsberg collaborated closely to develop the unique 1664 Blanc glass bottle – an outstanding example of a successful customer relationship with high recognition value. Inspired by the profile of the Eiffel Tower, this blue bottle attracts attention all over the world. But this collaboration goes beyond design: under the auspices of the 'Together Towards ZERO' sustainability programme, we are also working with the brewery group to reduce CO<sub>2</sub> emissions throughout the value chain. Thanks to our innovative glass packaging, we are helping Carlsberg to achieve its sustainability goals – and to do so with no compromises on quality or design.

## **Gösser: redefining sustainability**

Another example of Vetropack's customer-centric innovation is our collaboration with Gösser, a brand of Brau Union Österreich. In March 2024, we marked a milestone for Austria's brewing industry with the launch of the new standard bottle. Impressive features of the thermally tempered 0.33-litre reusable bottle include its low weight, resilience and resource-saving production method.

## **International recognition and multiple awards**

But innovation goes beyond the bottles as such: in collaboration with Brau Union Österreich, we have also tailored the related crates and pallets to meet the requirements for our new reusable bottle. Thanks to the skilful interplay of design and logistics, the bottle can be integrated seamlessly into the existing returnable cycle – making transport especially efficient. We were honoured to receive several prestigious prizes for this pioneering packaging solution in the reporting year: the 'WorldStar Award' from the World Packaging Organisation, the Austrian State Prize for Smart Packaging (1st place in the 'Packaging of the Future' category), and the Swiss Packaging Award (2nd place in the 'Reusable Packaging/Systems' category).

Click on the image to view our video, which showcases yet more important events from the reporting year.



At the end of **January**, we were able to commission a new furnace, two servo-driven glass-blowing machines and one additional glass-blowing machine at our Kyjov site in the Czech Republic. The modern furnace to produce coloured glass offers higher capacity than its predecessor, making it more energy-efficient and thus helping to reduce CO<sub>2</sub> emissions.

We are proud to welcome visitors to our new website, which went live in **February**. Alongside insights into our employees' day-to-day work, the website features comprehensive reports on customer projects. Also: Vetrotime, our customer magazine, is now available to read online.

#### Closure of our production site at St-Prex

The most difficult decision of the year concerned the closure of glass production at St-Prex, which we had to announce in May. Following extensive analysis of all options, it became clear that the plant could not continue to operate economically in the long term. This was one of the most difficult steps Vetropack has ever had to take. We would like to express our appreciation for the work and loyalty of our employees at St-Prex. A comprehensive social plan has been put in place to provide the best possible support for those affected during the difficult transition phase.

#### New approach to interacting with customers

2024 was also a year when we set new standards for interaction with our customers. In **July**, for example, we held the first Vetropack Customer Talk at our production facility in Nemšová. Formats such as these offer scope for us to continue deepening our collaboration with our partners, as well as opportunities to gain insights into the customer's perspective and to improve ourselves.

#### CO<sub>2</sub> reduction targets validated

Another highlight of the year was the installation of new solar systems at our Kremsmünster plant. This project, which we were able to announce in **July**, marks another important step in our climate protection journey. The solar installations make a major contribution to the site's energy supply and are a visible sign of our commitment to a sustainable future.

**August** saw us reaching a milestone in terms of climate protection: validation of our climate targets by the Science Based Targets initiative (SBTi) signals our commitment to reducing greenhouse gas emissions in line with the latest scientific findings – our contribution to mitigating climate change. The SBTi targets include Vetropack's commitment to reducing absolute Scope 1 and Scope 2 emissions by 50.4 percent by 2032 – based on 2021 as the reference year.

At the end of **November**, we commissioned a state-of-the-art furnace and the associated glass-blowing machines at our Croatian site in Hum na Sutli. This strategic modernisation will allow us to increase production capacity, optimise energy efficiency, and reduce the plant's environmental footprint.

2024 was a year marked by exciting events and milestones – and the challenges will not become any smaller going forward. This makes it all the more important that we never lose sight of what matters most of all: our customers. Our mission is – and will remain – not merely to fulfil our customers’ needs, but to surpass their expectations.



End-of-year-review

# Letter from the Board of Directors

Dear Shareholders,

**The 2024 fiscal year was one of the most difficult in our company's history. Its dominant features were the persistently tense market environment and a number of difficult decisions – including, in particular, the closure of our plant in St-Prex. Above all, continuing cautious consumer behaviour on the part of end users in our core markets had a negative impact on the development of the packaging industry in general, and our own market segment in particular. In spite of this difficult background, we succeeded in making full use of our capacities – especially in the second half of the year. The overall result for 2024 is significantly below the prior year's level due to the general decrease in sales prices, and it is also impacted by the closure costs for the plant at St-Prex. Net sales from goods and services reached CHF 842.1 million in 2024, representing a decline of 6.3 percent (after adjustments for currency effects: 4.2 percent). Adjusted EBIT decreased to CHF 58.6 million (prior**

## year: CHF 93.3 million). Consolidated profit amounted to CHF 13.7 million (prior year: CHF 63.3 million).

With this result, the Vetropack Group proves its resilience in a difficult environment. However, the downturn in net sales from goods and services reflects the persistently tense market situation. The result is due, on the one hand, to lower energy costs – which directly influence sales prices – and, on the other, to price pressure resulting from excess capacities in the market. This price pressure is also reflected in the Group's adjusted EBIT: at CHF 58.6 million, this figure is 37.2 percent down year-on-year. There was a corresponding decrease in the adjusted EBIT margin, from 10.4 percent in 2023 to 7.0 percent in the year currently under review. Cash flow in the last fiscal year was CHF 103.6 million; this represents a year-on-year reduction of CHF 26.5 million, equivalent to 20.4 percent. The cash flow margin shrank by 2.2 percent year-on-year, bringing the figure to 12.3 percent. Net profit is also impacted negatively by the one-off costs of CHF 24.3 million in connection with the closure of the St-Prex plant; at CHF 13.7 million, this figure is significantly below the prior year's level of CHF 63.3 million.

### Overview of central results and key figures for the 2024 fiscal year:

		2024	2023	+/-
Net sales	CHF millions	842.1	898.8	- 6.3%
Adjusted EBIT	CHF millions	58.6	93.3	- 37.2%
Adjusted EBIT-margin	%	7.0	10.4	-
Cash flow <sup>1</sup>	CHF millions	103.6	130.1	- 20.4%
Cash flow-Margin	%	12.3	14.5	-
Consolidated profit	CHF millions	13.7	63.3	- 78.4%
Investments	CHF millions	90.3	238.0	- 62.1%
Total assets	CHF millions	1 237.7	1 263.8	- 2.1%
Shareholders' equity	CHF millions	758.2	750.7	1.0%
Gearing ratio	%	61.3	59.4	-
Employees	Headcount	3 585	3 772	- 5.0%

<sup>1</sup> operating cash flow before change of net working capital

Whereas the high investment costs in 2023 (CHF 238.0 million) were still influenced primarily by our new plant in Boffalora sopra Ticino, the investment total in the 2024 fiscal year returned to a level of CHF 90.3 million – which is appropriate for our industry. Thanks to a consistent focus on working capital, the Group achieved cash inflow after investments of CHF 46.4 million (2023: CHF - 164.1 million). These resources were utilised to reduce debt by EUR 50 million. This led to a decrease in total assets and resulted in a gearing ratio of 61.3 percent, which is 1.9 percent higher than in the previous year. This shows that the Vetropack Group is generating capital even in difficult times, and is solidly positioned to face the future. The number of employees fell slightly, due mainly to the closure of the plant in St-Prex. As announced, moreover, we took a very cautious approach to creating new jobs and making new appointments to existing positions.

### Closure of the plant in St-Prex

The most difficult decision for us in 2024 was the closure of our production site in St-Prex, Switzerland. Regardless of the tense situation on the market at present, a consultation process lasting almost two months – together with in-depth reviews – showed that the plant's future prospects remained negative in terms of economic viability and competitiveness, even in the event of multi-million investments. Profitable operation would not have been possible in the long term, so the closure of production was unavoidable.

Regrettably, a large number of the jobs at the site also had to be cut. A social plan was therefore drawn up for the affected employees, including features such as severance payments, bonuses,

and benefits for possible early retirement. In addition, we set up our own Job Centre to support our employees in their search for new positions.

As drastic as the closure of this last Swiss plant was for us as a Group, it certainly does not mean that we are withdrawing from our home market. Our Swiss customers are linked to us by good relationships that often go back decades – and we shall continue to maintain these relationships going forward. Bülach will remain as our company headquarters, and our commitment to glass collection in particular will continue undiminished.

### Developments at our sites

From the Group perspective, one pleasing feature of the past fiscal year was the development of capacity utilisation in our plants. Despite our strict cost management, we were also able to complete important projects at many locations in 2024. Without exception, all of these were essential investments that also form the basis for innovation and for the Group's ongoing development.

Back in January, for instance, we already commissioned the [rebuilt melting furnace](#) for producing coloured glass at our Czech plant in Kyjov, as well as two state-of-the-art servo-driven NIS production machines and one AIS machine. Another major step followed in September: at Hum na Sutli (Croatia), one of the three [furnaces](#) and the related glass-blowing machines were modernised; they were commissioned in December, together with another NIS machine. Our new Italian plant in Boffalora sopra Ticino also picked up speed over the course of the year after some start-up difficulties. The new [fully-automated warehouse](#) was opened there in September.

### Award-winning innovation

2024 also saw us adding another chapter to the success story of our lightweight bottles made of thermally tempered glass. They were showcased to a wider trade audience at BrauBeviale 2024, and they also caused a sensation beyond the industry: for the second time, we were nominated for the [Swiss Packaging Award](#) and we were also honoured with the 2024 [Austrian State Prize for Smart Packaging](#).

The thermally tempered lightweight glass bottles developed by the Vetropack Group number among the most important product innovations of recent decades in our market. They express our understanding of our own identity, and our Strategy 2030+, with 'Drive innovation' and 'Clearly sustainable' as key cornerstones of our strategy.

In the coming months, the first plant for industrial production of lightweight glass bottles made of thermally tempered glass will go into operation at our Innovation Centre in Pöchlarn, Austria. This is a significant step because it will give us an even better ability to tap new markets and acquire new customers with our thermally tempered lightweight glass in the future.

### Key sustainability milestones reached

In spite of our strict cost-cutting programme, we continued to drive our sustainability activities ahead across all our sites in 2024. Focal points in this context were reducing our CO<sub>2</sub> footprint – which also involves making use of renewable energies in our production – and stepping up our recycling activities.

We reached one outstanding milestone in August: the [Science Based Targets initiative \(SBTi\)](#) reviewed and validated the science-based emission reduction targets defined by Vetropack. By doing so, this global body confirms that the targets submitted in April of this year are in line with the SBTi's strict scientific criteria. Vetropack's plans to reduce Scope 1 and Scope 2 emissions were deemed to be compliant with the goal of limiting global warming to 1.5 degrees Celsius.

In the area of renewable energies, moreover, we installed and commissioned photovoltaic systems at our Austrian site in Kremsmünster and in Croatia during 2024. Also in Croatia, we launched a [pilot project on digital recycling](#) during 2024, together with the European Container Glass Federation (FEVE) and other partners. In particular, this project aims to achieve a higher collection and recycling rate in the Croatian glass recycling system.

### Outlook for the 2025 fiscal year

We are currently witnessing the first signs of an easing – albeit not a normalisation – of the market situation. In 2025, we will still be operating in a world with enormous potential for crises. The last few years have clearly shown that our markets often react sensitively to small changes. Various imponderables still remain, including in particular the further progress of the war in Ukraine as well as the potential impact of the new US administration's economic policy on the global markets.

In this challenging environment, it is more important than ever to stay on the course we have set. In practical terms, this means reacting quickly and promptly to changes, pursuing a prudent investment and personnel policy, and ensuring proactive management of production capacities. Our aim is to create all the conditions that will enable us to act quickly and ramp up our production when the market situation improves and demand increases.

We expect a tentative recovery of the markets in the course of 2025 and below the line, therefore, we anticipate a slightly better operating result than in 2024. As the one-off costs incurred due to the plant closure in St-Prex will be eliminated in 2025, we expect net profit to be significantly higher. However, volatile energy costs continue to be an element of uncertainty whose impact on the Group's result cannot yet be foreseen.

Our CEO, Johann Reiter, will retire at the end of 2025. Succession planning is in progress, and the Board of Directors will provide information about this in due course.

### Annual General Assembly of Vetropack Holding Ltd

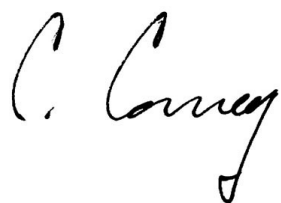
The 56th ordinary Annual General Assembly of Vetropack Holding Ltd will take place on Wednesday 23 April 2025 at 3:30 pm in the Vetropack Hall, Im Guss, Schaffhauserstrasse 106, 8180 Bülach.

The Board of Directors will propose to the Annual General Assembly that dividends are paid out as follows: a gross dividend of CHF 1.00 per class A registered share (2023: CHF 1.00), and a gross dividend of CHF 0.20 per class B registered share (2023: CHF 0.20).

### Sincerest thanks!

The Board of Directors thanks all our employees for their excellent collaboration and enormous dedication in the 2024 fiscal year. We also thank our customers, suppliers, business partners and shareholders for their trust and support.

Bülach, 17 March 2025



Claude R. Cornaz  
Chairman of the Board of Directors



Johann Reiter  
CEO





End-of-year review

# Management report

**“We’ve shown what we’re capable of achieving – even when the environment is difficult.”**

**For the Vetropack Group, the dominant feature of the 2024 fiscal year was the persistently difficult and changeable market environment. The consequence of this was that earnings fell short of the level in 2023, which was already a difficult year. In this interview, CEO Johann Reiter explains which targets were achieved despite the challenges, and why he believes the Vetropack Group is well equipped to face the future.**

**Mr Reiter, the 2024 fiscal year is now closed. There’s no doubt that it was a challenging year for the entire Group. How would you sum it up?**

Of course, you can’t be satisfied if you come to the end of what was – indeed – a very strenuous and challenging year, and yet the bottom line shows you only made a small profit year-on-year. And, although we did predict this to a certain extent, our aspiration is obviously very different – as it has to be, given that we are one of the market and technology leaders in our industry.

On the other hand, it has to be said that we performed well under the prevailing circumstances. And unlike others in our industry, we’ve been able to stand our ground very well in this complex environment. This is what makes me optimistic about the years to come: as a group of companies, we showed enormous commitment, team spirit and an extremely high level of motivation to perform in 2024, despite all the adversities. This produced a visible impact – especially in the second half of the year – and at least we saw some first signs that our business is normalising. We achieved a positive result, and we were able to utilise the capacity of our production facilities.

### **So have we already bottomed out, and are we going to see a stronger result again in 2025?**

We can't yet talk about a real turnaround in the trend. 2025 is going to be another demanding year, and there are many question marks – particularly as regards global politics. To take an example: if there are trade conflicts which then have an impact on raw material and energy prices, our business will also be affected. All of us, of course, have just recently experienced how nervously the markets – and the consumer sector in particular – react to developments of that sort.

But what I can say is that we, as a Group, have undertaken very great efforts over the last two years to put ourselves in a good – and, above all, stable – position to face such situations without losing our strategic direction. We have optimised our efficiency, cut costs, restricted investments to the bare essentials – and despite all that, we have successfully completed many projects that are important for us. This was only possible because we have two major strengths that will continue to help us in the future: the enormous commitment of our employees, and our close collaboration with our customers – which is based on trust. We can be proud of these assets: neither of them can be taken for granted, and both of them have to be earned.

### **2024 was also the year when the plant in St-Prex was closed. What's your assessment of that event?**

Without doubt, the closure of St-Prex was one of the most difficult moments in recent years. It was a very painful decision – not only on account of this plant's historical significance for Vetropack, but also, and above all, because of the consequences it had for our on-site employees, many of whom had been with us for many years. Experiencing this was very distressing – for everyone involved, including those of us on the Management Board.

Nevertheless, I'm convinced that the decision was the right one: it was impossible to continue operating the site economically. We tried to do so for years, even with major investments – but in the end, even the consultation process showed that it simply wasn't possible.

That made it all the more important for us to make the process as transparent as possible. We ultimately succeeded in doing this with the social plan we drew up. We assembled a package for the workforce that is fair and good: most of the employees affected by the redundancies have since found new employment, or taken their well-earned retirement.

### **And what will now happen to the Swiss market and the customers in this country?**

Of course, the closure of the last container glass plant in Switzerland also marks a watershed with implications that go beyond our Group. However, we made one thing clear from the outset: even though we're closing the plant in St-Prex, that does not mean we're withdrawing from our home market. On the contrary: Switzerland remains an important market for us, and we will continue to supply our customers there exactly as we did before. The same is true of our commitment to glass recycling, which we are maintaining with no changes: we continue to be a key partner for the collection of used glass in particular, and in this way we help to ensure that Switzerland's recycling rate will keep on increasing.

First and foremost, the closure actually presented a logistical challenge as far as we ourselves were concerned. But in fact, we succeeded in continuing to supply our Swiss customers reliably, as usual, without any restrictions or major interruptions. What made this possible was the collaboration within our Group, which functions excellently across all our locations. Relocation of production from St-Prex to the neighbouring sites in Austria and Italy was accomplished smoothly. This, too, is something that cannot be taken for granted, and it demonstrates the strength and cohesion within the Vetropack Group.

### **How are the other sites and markets developing?**

As I mentioned, we're seeing the first signs of a modest recovery. And there's something else that's at least equally important: we're seeing that interest in us and our products remains at a high level. This is particularly true of our thermally tempered bottles made of lightweight glass – definitely the greatest innovation in our industry for years, if not decades. It's being noticed by customers beyond our pilot market of Austria, and it's being viewed very positively. This is

strengthening our position as a technology leader and, in coming years, it will help us to tap new markets and win new customers.

In fact, we even managed to increase our market share slightly in some of our core markets during 2024, despite the difficult market environment. Croatia and also Austria performed particularly well – both of them are markets where we manufacture a large percentage of products for local customers. We've also made good progress in terms of modernisation. We were able to put new, efficient furnaces and production lines into operation at our plants in the Czech Republic and also Croatia. So we are well equipped to face the future.

#### **Then let's look ahead: what will the key issues be in 2025?**

Generally speaking, what continues to be crucial is that we maintain our focus. Amid all the pressure of day-to-day business, we must not lose sight of our long-term strategic goals. Topics such as innovation and sustainability remain centrally important for us – in production and in product development as well. We will continue to stand firmly by these strategic cornerstones of our development.

The last few years have also shown the importance of flexibility, collaboration, and foresighted planning. The ability to respond rapidly to changing market conditions requires not only a high degree of agility in the organisation, but also the right tools. We are creating the basis for this with our investments in new IT systems – such as a Group-wide Manufacturing Execution System, and integrated planning software. Going forward, this will enable us to plan and produce even more efficiently, and guarantee our ability to deliver.

You've just mentioned the topic of Strategy 2030+. A major strategy review is scheduled to take place this year: will the existing priorities stay the same this time? Or does something need to change?

Without wanting to pre-empt the review: our five strategic initiatives will remain in place. However, we will certainly have to make further adjustments to the details. As regards our targets, for example, we may have to focus more on volume rather than sales revenue going forward, so as to offset the potential future impact of fluctuating energy costs.

The topic of sustainability keeps its position unchanged at the top of the agenda, with a focus on climate protection. We are continuing to drive important future projects ahead here: increased use of recycled glass, continuous modernisation of our plants towards emission- and resource-saving production, and the switch to electric forklifts – to name but a few.



Johann Reiter, CEO, Vetropack Group

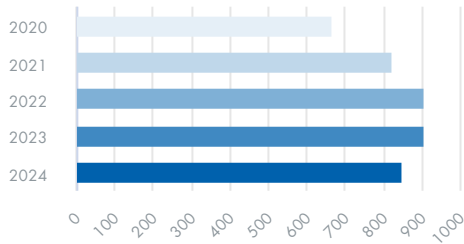
**A personal question to finish our interview: this is your last year as Vetropack's CEO. What are your thoughts as you prepare for retirement?**

We're not quite there yet – but, of course, this will play an increasingly important part for me personally over the next few months. When the time does come, it's certainly not going to be easy for me. I work side-by-side with many wonderful people here at Vetropack – people I really appreciate not only as professionals, but also at the personal level. But that's precisely why my focus during this final year as CEO will also be on doing everything I can to make sure our Group is in the best possible position for the future. This will also include ensuring that there is a smooth transition to – and for – my successor as soon as the Board of Directors has found him or her, as the case may be.

# Key figures 2024

## Consolidated net sales 2020–2024

CHF millions



## Net sales

CHF millions

**842.1**

Change compared to previous year

**-6.3%**

## Employees

Headcount

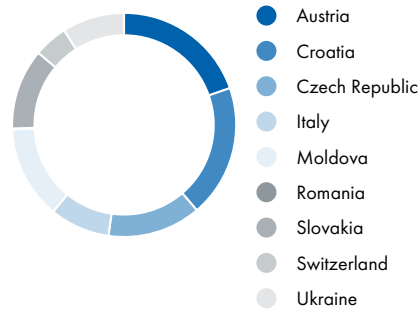
**3 585**

Change compared to previous year

**-5.0%**

## Employees

Headcount



## Presence in Europe

Locations

**12**

## Recycled glass used

in %

**57**

Change compared to previous year

**+1%P**