

SIG Starts 2026 Strongly Despite Market Headwinds, Says CEO Mikko Keto

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“Despite a difficult market environment, we are pleased to report a solid start to the year, characterised by stable revenue performance and an improvement in our adjusted EBIT margin,” said Mikko Keto, Chief Executive Officer of SIG, as the company reported its first-quarter 2026 financial results.

Keto added that the company has initiated pricing actions to offset rising raw material costs while continuing to execute its restructuring programme and maintain its full-year guidance.

The packaging solutions provider reported total revenue of €714.3 million for Q1 2026, compared with €745.9 million in the same period last year. On a constant currency basis, revenue remained flat, reflecting resilience across core aseptic carton operations despite softer market conditions in select regions.

The company posted adjusted EBIT of €95.7 million, marginally up from €95.3 million in Q1 2025, while adjusted EBIT margin improved to 13.4 per cent from 12.8 per cent.

Adjusted EBITDA stood at â?¬159.8 million, compared with â?¬166.4 million a year earlier, with EBITDA margin improving slightly to 22.4 per cent.

Net income rose sharply to â?¬67.3 million, up from â?¬15.6 million in the prior-year period, driven by unrealised gains from polymer derivatives and aluminium, along with lower depreciation and amortisation costs.

Adjusted net income increased 8.5 per cent to â?¬48.1 million.

Regional performance

Asia Pacific (APAC) delivered the strongest performance, with 7.6 per cent constant-currency growth, supported by channel expansion, innovative product launches and favourable timing of the Chinese New Year.

The India, Middle East and Africa (IMEA) region recorded 1.9 per cent growth, driven by strong aseptic carton demand despite geopolitical challenges.

In contrast, Europe saw revenue decline 4.6 per cent, reflecting weaker demand in milk and juice categories.

The Americas reported a 2.0 per cent decline, impacted by continued weakness in the US out-of-home dining market.

Business segment highlights

Aseptic carton revenue increased 1.0 per cent at constant currency, driven by volume growth in APAC and IMEA.

The chilled carton business recorded 0.8 per cent growth.

However, bag-in-box and spouted pouch revenue declined 5.7 per cent, impacted by weak out-of-home dining demand in mature markets.

Cash flow and capital expenditure

Free cash flow improved significantly to negative â?¬64.3 million, compared with negative â?¬89.8 million in Q1 2025, reflecting lower capital expenditure and reduced volume incentive payments.

Net capital expenditure, including lease payments, declined to â?¬43.5 million, down from â?¬58.9 million in the prior-year period.

The reduction was partly attributed to lower investment requirements following previous expansion projects, including the company's Indian plant investments.

Leverage and financing

SIG's net leverage ratio stood at 3.1x as of March 31, 2026, compared with 3.0x at year-end 2025, reflecting typical seasonal business patterns.

In April, the company issued a â?¬500 million bond carrying a 4.0 per cent coupon, maturing in April 2031.

Outlook maintained

SIG reaffirmed its full-year 2026 guidance, expecting:

Revenue growth of 0â??2 per cent at constant currency and constant resin

Adjusted EBIT margin of 15.7â??16.2 per cent

Net capital expenditure within 6â??8 per cent of revenue

The company expects stronger growth and profitability in the second half of the year, consistent with normal seasonal trends.

Keto said SIG remains strategically focused on aseptic system solutions and is well-positioned to benefit from long-term growth trends, strong customer relationships and its diversified regional footprint.