IVL announces PETValue, rPET Joint Venture with Coca-Cola in the Philippines

10 March, 2020
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IVL has a clear strategy to be the leader in rPET

**Vision**

To reinvent PET as a trusted and safe material

**Mission**

To serve the needs of IVL’s customers by building a leading, differentiated and economically attractive recycling business

**Strategic priorities**

1. **Global one-stop solution**
   - Build global scale leveraging IVL’s extensive global footprint

2. **Cost leadership**
   - Create best-in-class assets, leveraging 30 years of IVL’s recycling experience

3. **Integration**
   - Integrate across multiple technologies to make high quality products

4. **Ecosystem**
   - Develop and integrate the circular ecosystem for PET

**2025 Targets**

- 750kt of rPET production
- ~25% of IVL’s beverage PET portfolio in the West
- 12-14% ROCE

Source: IVL Business Plan
We have 5 key areas of differentiation that underpin our ambition

1. **IVL’s extensive global footprint**
   - Ability to leverage existing PET production and distribution network to serve customers
   - One-stop solution for virgin PET & rPET

2. **Customer intimacy and trust in IVL brand**
   - Ability to leverage relationship and trust with global brands that IVL has developed
   - High quality products that serve customers’ needs

3. **Leveraging the recycling know-how from Wellman**
   - 30+ years of recycling experience
   - Know how on bottle washing, customizable by geography

4. **Partnership with leading innovators to develop of the next-gen technology**
   - ioniq
     - Collaborated to create the first ever PET bottle made from marine plastic waste
   - loop industries
     - JV to retrofit chemical recycling technology to existing PET facilities

5. **Partnerships with leaders in PET circular economy to drive the ecosystem**

Source: IVL Business Plan
PETValue - rPET JV with Coca-Cola in the Philippines

**Project at a Glance**

- **Project type**: Greenfield
- **Location**: Cavite, The Philippines
- **Ownership**: 70% IVL, 30% Coca-Cola
- **Product**: Recycled flake, food-grade rPET

**Expanding our Global Footprint**

**Opportunity Attractiveness**

- Largest state-of-the-art, bottle-to-bottle recycling facility
- Coca-Cola Philippines is an active recycling promotor, with an aim to use 100% rPET
- Leverage Coca-Cola and IVL existing infrastructures
- Secure long-term product offtake agreement
- Further opportunity to add rPET capacity

**Strategic Rationale**

- Leverage relationship and trust with global brand, Coca-Cola
- Increase IVL rPET volume and rPET presence in Asia

**Timeline**

- Expected commercial operations in 2021

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**Note:** (1) Plant Capacity
IVL Global Recycling Strategy On Track

Growing our Volumes

Capacity¹ (kt)

- Asia
- Americas
- EMEA

Expanding our Global Footprint

ROCE²

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2023F</th>
<th>2024F-25F</th>
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<tbody>
<tr>
<td>ROCE</td>
<td>10%</td>
<td>12%</td>
<td>12-14%</td>
</tr>
</tbody>
</table>

Note: (1) Recycled flake capacity (2) Transaction completed in Dec19 (3) ROCE shown here is only for Flake and rPET; SPS and rFiber ROCE not included
Source: IVL Business Plan