

VIDRALA, S.A. BUSINESS PERFORMANCE H1 2019

MAIN FIGURES (SIX MONTHS ENDED)

	June 2019	June 2018	Change	Change on constant currency basis
Sales (EUR million)	507.5	480.6	+5.6%	+5.3%
EBITDA (EUR million)	131.2	119.2	+10.1%	+9.8%
Earnings per share (EUR)	2.60	2.12	+22.6%	
Debt / LTM EBITDA (multiple)	1.6x	2.1x	-0.5x	

Important: In order to improve comparability, last year's earnings per share has been adjusted for the effect of the bonus share issue carried out in December 2018.

- ✓ Sales during the first six months 2019 amounted to EUR 507.5 million, showing an organic growth of 5.3%.
- ✓ Operating profit, EBITDA, was EUR 131.2 million representing an operating margin of 25.9%.
- ✓ Earnings reached EUR 2.60 per share, an increase of 22.6% over the previous year.
- ✓ Net debt at June 30, 2019 stood at 1.6 times last twelve months EBITDA, reflecting a year-on-year reduction of 16%.



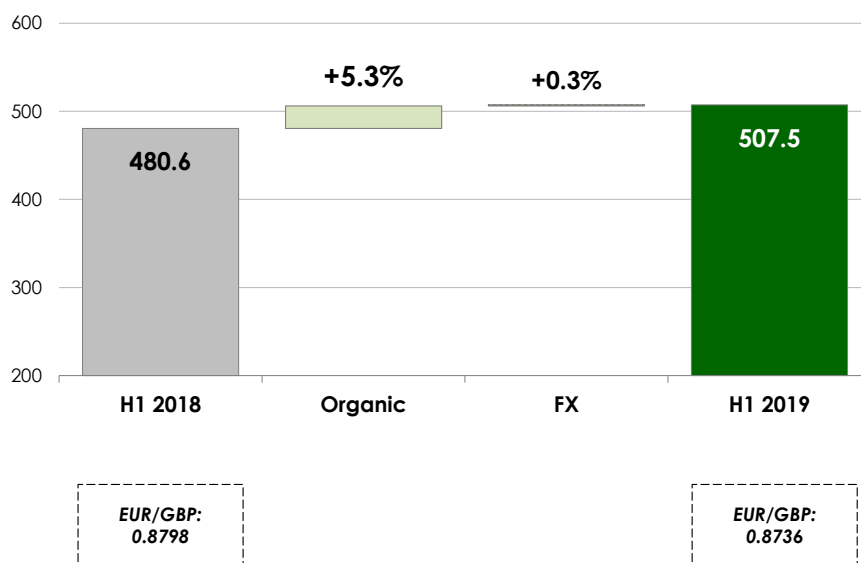
Earnings performance

Sales

Net sales reported by Vidrala during the first six months 2019 amounted to EUR 507.5 million, an increase of 5.6% over the previous year. On a constant currency basis, sales reflected an organic growth of 5.3%.

**SALES
YEAR OVER YEAR CHANGE**

EUR million



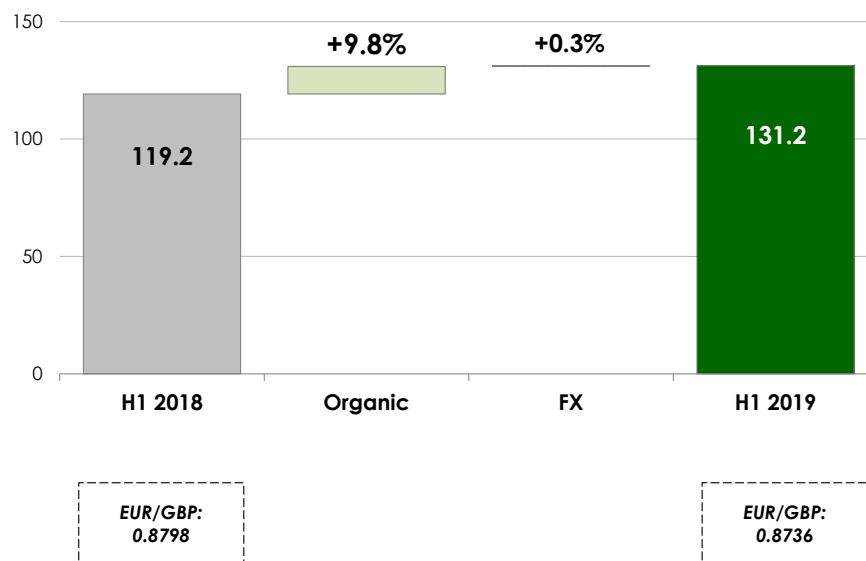
Operating results

Operating profit –EBITDA– obtained in the first six months 2019 reached EUR 131.2 million, an increase of 10.1% over the figure reported last year. Organic growth, on a constant currency basis, was 9.8%.

Over sales, EBITDA margin stood at 25.9%.

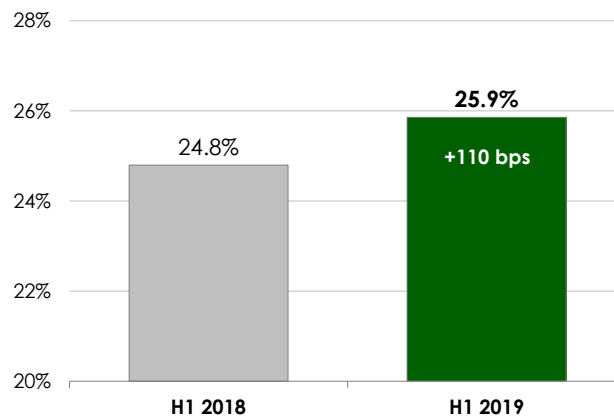
EBITDA YEAR OVER YEAR CHANGE

EUR million



OPERATING MARGINS EBITDA YEAR OVER YEAR CHANGE

As percentage of sales



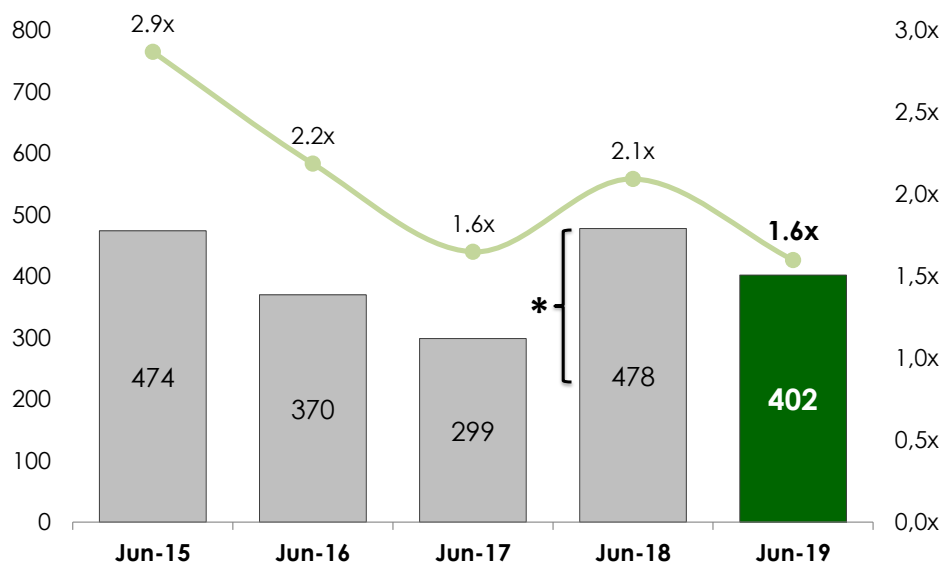
Results and financial position

Net profit in the first half 2019 amounted to EUR 67.4 million. As a result, earnings reached EUR 2.60 per share, an increase of 22.6% over the previous year.

Net debt at June 30, 2019 stood at EUR 402.1 million, reflecting a leverage ratio of 1.6 times last twelve months EBITDA.

DEBT SIX-MONTHLY EVOLUTION SINCE 2015

Debt in EUR million and times EBITDA



*The increase is due to the acquisition of Santos Barosa in October 2017, whose enterprise value (EV) amounted to EUR 252.7 million.



Key figures

	June 2019	June 2018
Sales (EUR million)	507.5	480.6
EBITDA (EUR million)	131.2	119.2
EBITDA margin (as percentage of sales)	25.9%	24.8%
EBIT (EUR million)	84.5	73.1
EBIT margin (as percentage of sales)	16.6%	15.2%
Net profit (EUR million)	67.4	55.2
Earnings per share (euros)	2.60	2.12
Debt (EUR million)	402.1	477.8
Debt / EBITDA (multiple)	1.6x	2.1x



Business outlook

Demand for food and beverage products packed in glass progresses at the pace of evolving demographics, developing modern lifestyles and growing preferences of consumers and packers towards glass versus alternative environmentally unsustainable materials.

Under the context of these consumption trends, demand in our areas of activity remains stable, showing signs of moderate growth whose persistence will depend on the different regional economic frameworks.

In this business environment, management priorities inside Vidrala will remain focused on internal actions aimed at securing customer service, consolidating the improvement in the level of productive efficiency, investing in our industrial facilities with forward-looking ambition, and managing costs with the goal of securing current the operating margins.

Long-term strategic guidelines will remain intact, firmly directed towards the customer, the cost competitiveness and the efficient capital structure as unwavering commitments for the business.

In conclusion, it is expected to maintain a sustained net profit growth in 2019 and an increasing cash generation, in line with previously published guidance.



Relevant information for shareholders

In accordance with the agreement of the last Annual General Meeting, a complementary cash dividend from 2018 results was paid on July 12, 2019 for a gross amount of EUR 29.17 cents per share.

Overall, cash dividends received by the Shareholders during 2019, including AGM attendance bonus, amounted to EUR 1.0981 per share. This annual distribution represents an increase of 15% over the same payment of the prior year, considering the effect of the new shares assigned free of charge after the bonus share issue completed in December 2018.

This is consistent with the dividend policy defined in Vidrala, focusing on the long term stability and the target of a sustained growth in the annual remuneration coherent with prevailing business conditions.

As an additional extraordinary measure, on December 20, 2018, the Company announced a share buy-back program, through which up to a maximum of 192,000 shares will be acquired for a maximum cash amount of EUR 16 million. The purpose of the programme is to reduce the share capital of Vidrala by the redemption of own shares, with the aim of contributing to the shareholders' remuneration policy through the increase in earnings per share. As of the date of this report, 81,182 shares have been acquired in the market, for a cash amount of EUR 6.37 million.

Finally, the Annual General Meeting approved a bonus share issue in the proportion of one new share for every twenty existing shares to be freely granted between all Shareholders. It is expected to execute the share issue during the last quarter of this year. Updated information on this matter will be available at the website of the company (www.vidrala.com).



Annex I. Alternative Performance Measures (APM).

Vidrala publishes this information in order to promote comparability and interpretation of its financial information and in compliance with the Directive of the European Securities and Markets Authority (ESMA) on Alternative Performance Measures (APM).

See below, the alternative performance measures used by Vidrala, as well as its basis of calculation. For further detail, please check the reference document published on the corporate website ([link](#)).

EBITDA. Vidrala calculates EBITDA as earnings before interest, taxes, depreciation and amortization (as reported in the consolidated income statement).

Consolidated net debt. Vidrala calculates consolidated net debt as the sum of all long-term liabilities and short-term obligations, and then subtracting cash and cash equivalents (as reported in the consolidated balance sheet).

Free cash flow. Vidrala calculates free cash flow by adding –to the real variation in net debt balances (as reported in the consolidated balance sheet)– payments during the period dedicated to dividends and net treasury stock purchases (as reported in the consolidated statement of cash flows).

Other magnitudes referred to in this report:

- **EBITDA margin** is calculated as accumulated EBITDA during the reported period divided by net sales.
- **Organic** refers to the variation on a like-for-like (comparable perimeter) and constant currency basis.
- **Debt/EBITDA** ratio is calculated as consolidated net debt at the end of the reported period divided by EBITDA obtained in the last 12 months.

Annex II. 2019 events calendar.

Past events

February 14, 2019

Payment of a first interim cash dividend from 2018 results

February 27, 2019

FY 2018 Earnings Release (8:00h CET)

April 17, 2019

Q1 2019 Earnings Release (8:00h CET)

May 28, 2019

Annual General Meeting (12:00h CET)

July 12, 2019

Payment of a complementary cash dividend from 2018 results

July 24, 2019

Q2 2019 Earnings Release (8:00h CET)

Upcoming events

October 25, 2019

Q3 2019 Earnings Release (8:00h CET)



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