



COMPANY PRESENTATION

MAY 2018



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- 1. GENERAL OVERVIEW**
- 2. BUSINESS FUNDAMENTALS**
- 3. FINANCIALS**




VIDRALA, AT A GLANCE



OVER
3,700
EMPLOYEES

 **9**
MANUFACTURING
SITES

 ALMOST
8.0 BILLION
CONTAINERS
PRODUCED PER YEAR

 **51%**
USE OF RECYCLED
GLASS

 **21**
FURNACES

OVER
1,600
CUSTOMERS

- ✓ Vidrala manufactures glass containers for a wide variety of products in the **food and beverage industry**.
- ✓ We are one of the main **glass container manufacturer** in Western Europe, leaders in the Iberian market, co-leaders in the British market and supplier of reference in Italy, France and Benelux, through **nine complementary sites** located in six different countries.
- ✓ We sell almost **8.0 billion bottles and jars** per year, among more than 1,600 customers.
- ✓ Vidrala is a **public listed company**, with a market capitalisation of over EUR 2.0 billion.



SUPPLIER OF REFERENCE IN THE PACKAGING INDUSTRY

MAIN FIGURES FY 2017



2017 REPORTED

SALES

822.7

EUR million
+2.4% like-for-like

EBITDA

195.4

EUR million
+10.5% like-for-like

EARNINGS

3.61

EUR per share
+31.9%

FREE CASH FLOW

108.5

EUR million
+5.8%

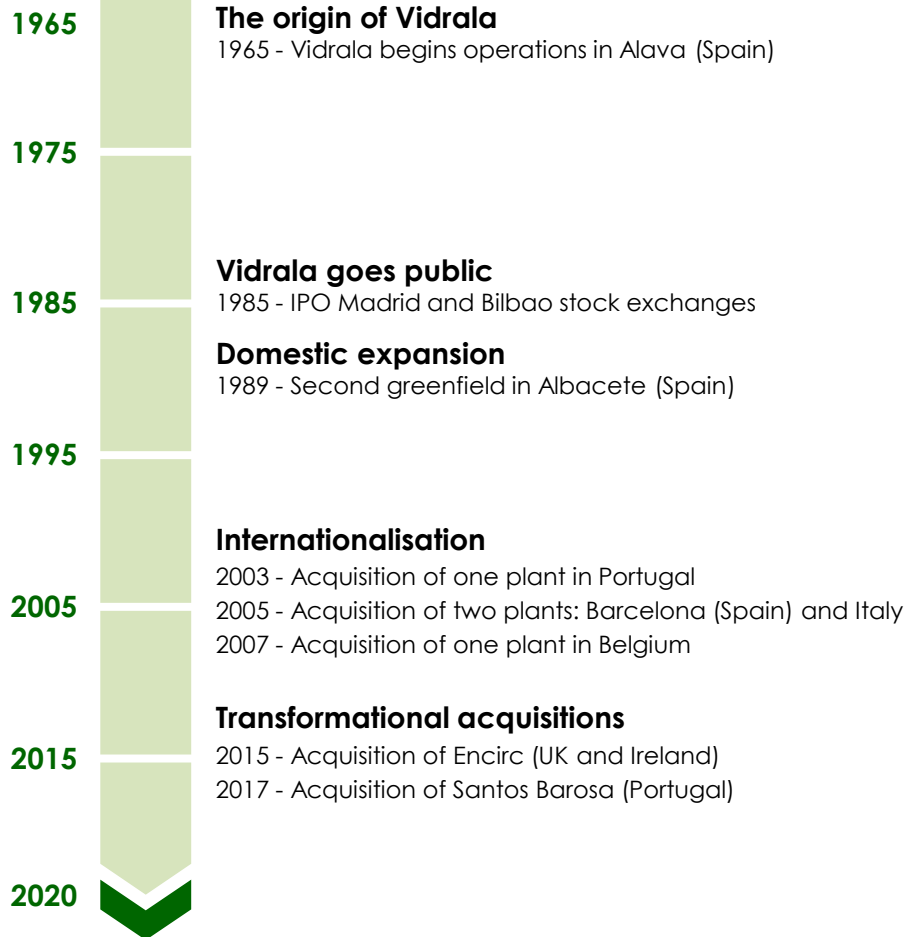
2017 PRO FORMA

SALES
≈923 EUR million

EBITDA
≈222 EUR million

CREATING VALUE AND FUTURE IN A SUSTAINABLE WAY

OUR HISTORY



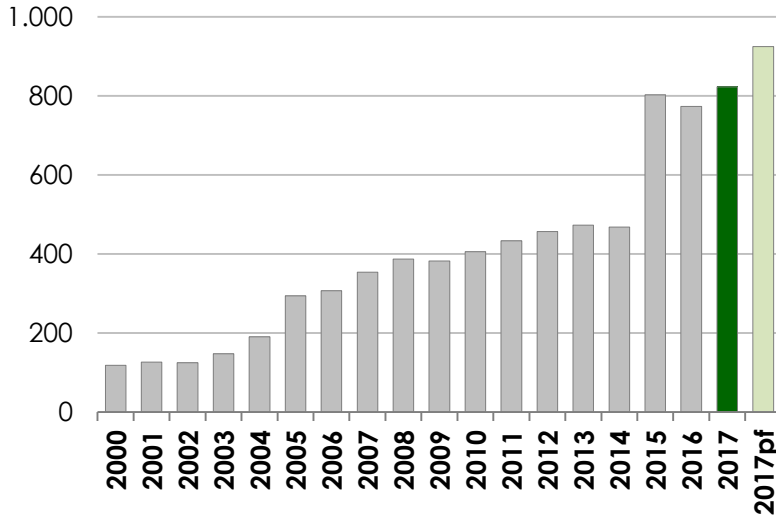
CUSTOMER, COMPETITIVENESS & CAPITAL
THE GUIDELINES ON WHICH WILL BE SUSTAINED OUR AMBITIOUS FUTURE

OPERATING PROFILE



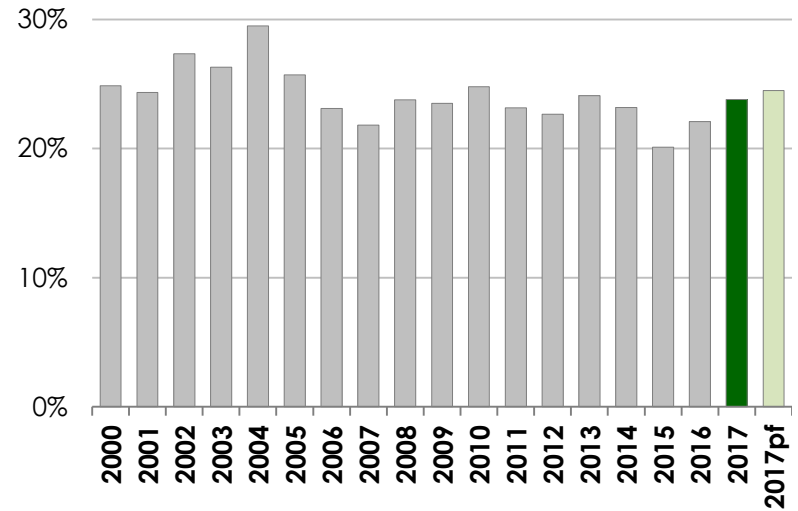
NET SALES.

Since 2000, EUR million.



EBITDA MARGIN.

Since 2000, as percentage of sales.



2017pf refers to pro forma figures, including a full year contribution of Santos Barosa, acquired on October 13, 2017.



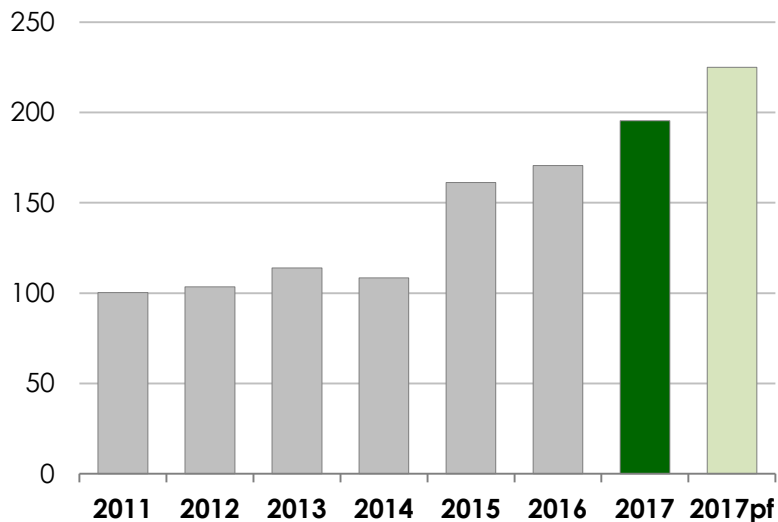
STRATEGIC DIVERSIFICATION & COHERENT GROWTH
STABILITY OF MARGINS, RESILIENT TO INTEGRATIONS AND ECONOMIC CYCLES

CASH PROFILE



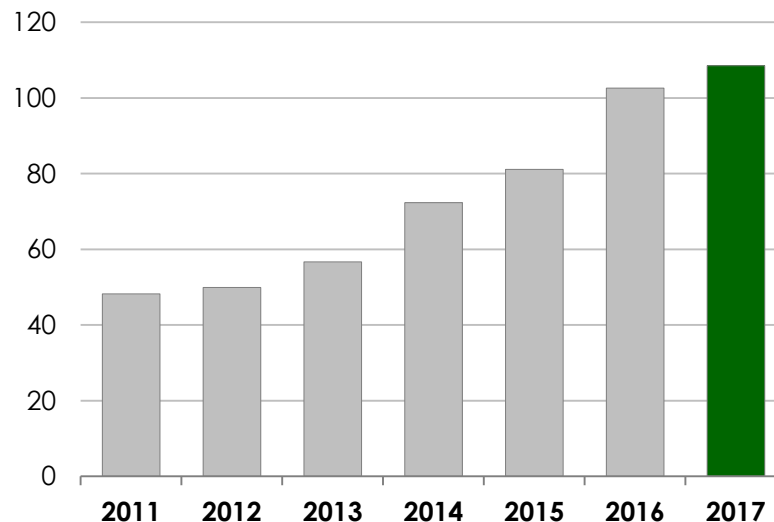
EBITDA.

Since 2011, EUR million.



FREE CASH FLOW.

Since 2011, EUR million.



55% CASH CONVERSION
OF EBITDA 2011-2017

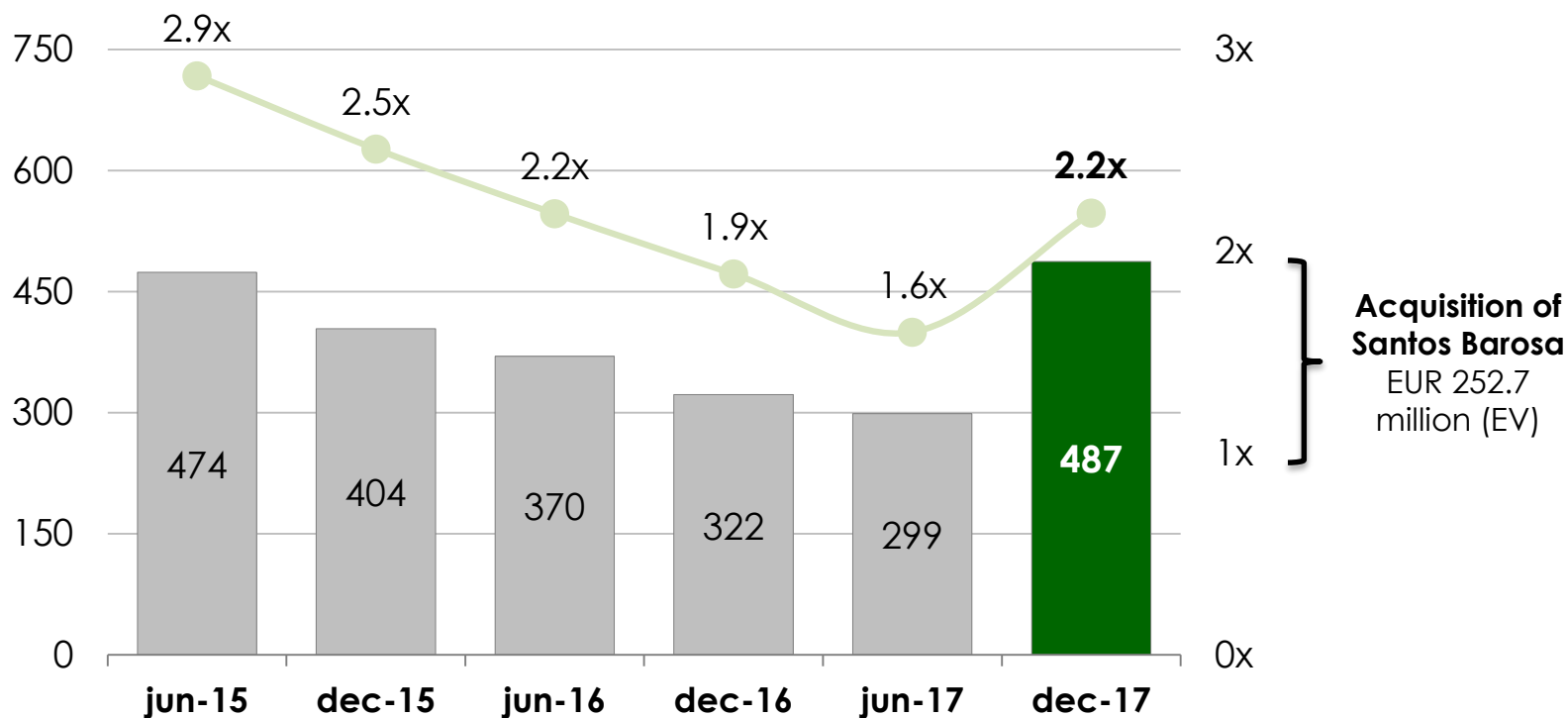
VALUE CREATION, MATERIALISED IN A
SUSTAINED CASH GENERATION

FINANCIAL PROFILE



DEBT.

Six-monthly evolution of debt since 2015, EUR million and times EBITDA.



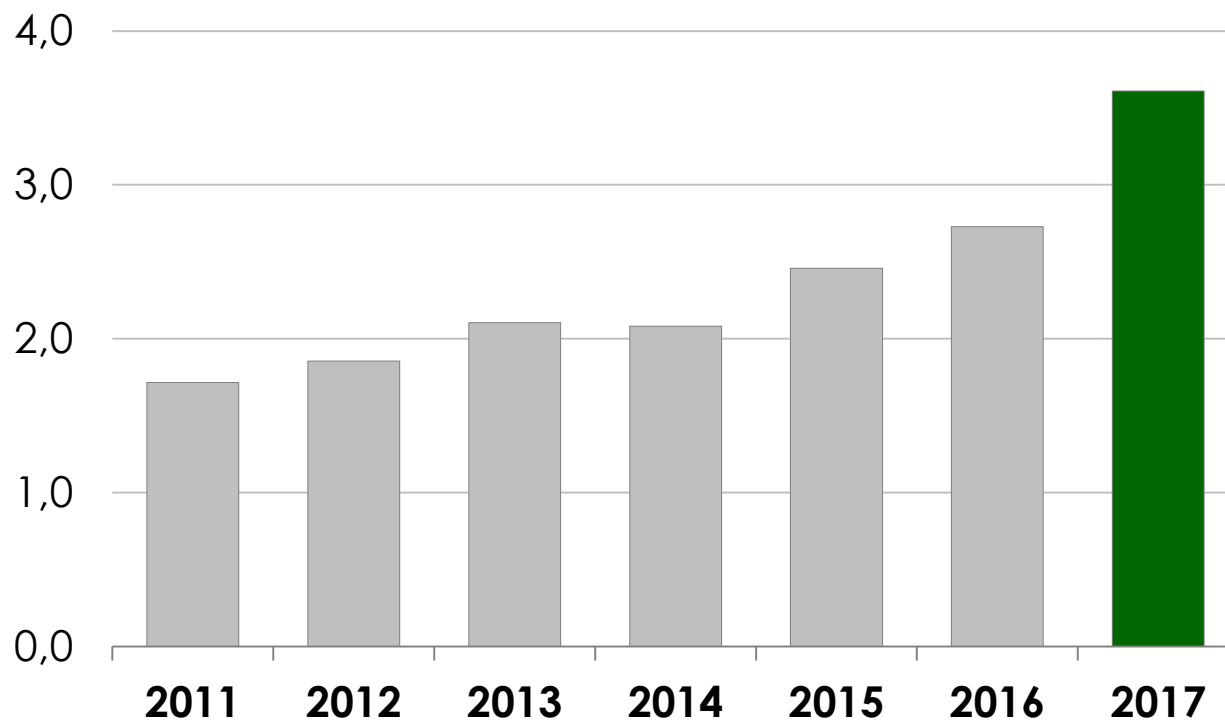
ON THE BASIS OF A
SOLID FINANCIAL STRUCTURE

EARNINGS PROFILE



EARNINGS PER SHARE.

Since 2011, EUR per share.

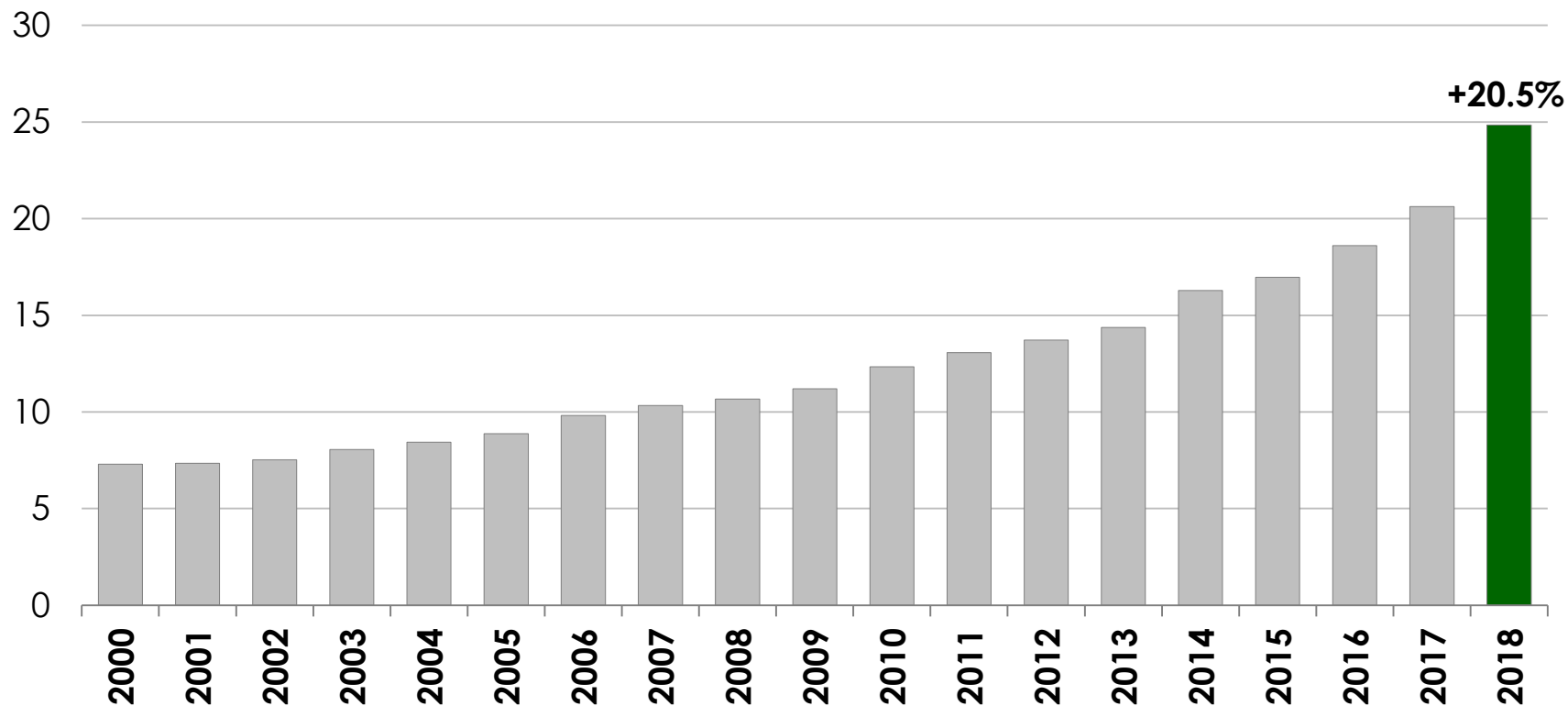


SHAREHOLDER REMUNERATION



CASH DIVIDENDS.

Since 2000, EUR million.



A DIVIDEND POLICY FOCUSED ON LONG TERM STABILITY

2017 RESULTS DISTRIBUTION



PROPOSED DIVIDEND PAYMENTS FOR 2018.

EUR cents per share.

February 14th, 2018

Interim dividend

EUR 69.67
cents per share

+20%
YoY change

July 14th, 2018

Complementary dividend

EUR 26.52
cents per share

+20%
YoY change



EUR 4.00 cents per share

as attendance bonus to the shareholders' annual general meeting

THE PROPOSAL REPRESENTS
AN INCREASE IN THE TOTAL REMUNERATION OF 20.5%



BUSINESS FUNDAMENTALS

Understanding the european glass packaging industry





1 LOGISTICS. Local sales nature.

- ✓ Natural characteristics of hollow glass containers limit logistics.
- ✓ Customers' packaging activity demands service on time and supply flexibility.
- ✓ Proximity to the customer and service quality determines sales capabilities.

2 CONTINUOUS PROCESS. Capital intensive.

- ✓ Glass manufacturing is based on a continuous 24/365 activity.
- ✓ Production process is intensive in cost (labour and energy) and capital (periodical replacements). Technological development demands constant and complex adaptation.

3 OPERATING GEARING. Utilization rates.

- ✓ Cost and capital intensity creates a high level of operating leverage.
- ✓ High utilization rates are crucial for profitability.

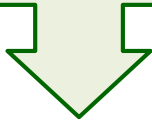


NOTEWORTHY ENTRY BARRIERS

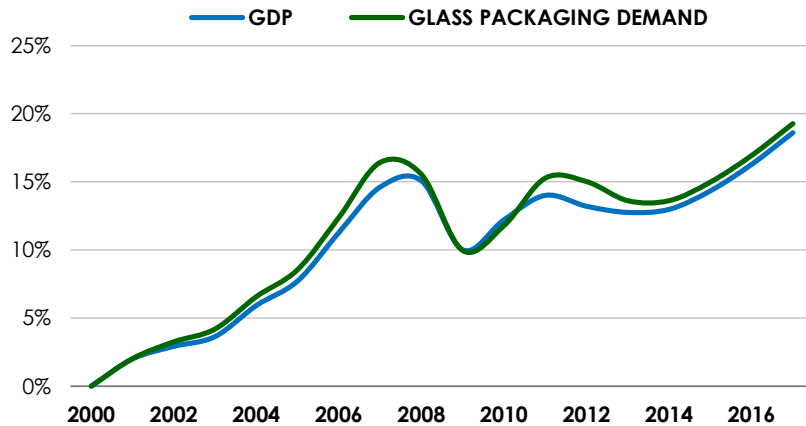
DEMAND FUNDAMENTALS



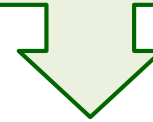
The glass packaging market in Europe
SOLID AND STABLE



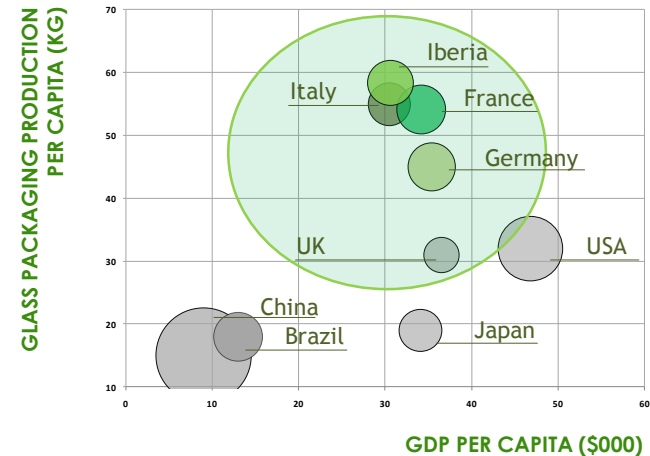
Glass containers demand in Europe vs GDP.
Annual variation (accumulated), base year 2000.



Our key geographical regions
STRATEGIC MARKETS FOR THE SECTOR



Glass packaging production vs GDP per capita.



THE GLASS PACKAGING MARKET
A MATURE AND STABLE DEMAND



GLASS, THE BEST OPTION

Environmentally friendly

Glass is a 100% recyclable material that can be shaped over and over again without losing any of its properties or advantages.

The healthiest type of packaging

It is a completely hygienic material, impervious to gases, vapour, and liquid, thereby protecting and preserving the flavour and properties of the food within.

Premiumisation trend

Glass is seen by consumers as a guarantee of quality and reliability. Brands design containers, bestowing them with different shapes and colours to give their product its own personality.

GLASS, THE PREFERRED MATERIAL
ENVIRONMENTAL, HEALTHY & BRAND PERCEPTION BENEFITS

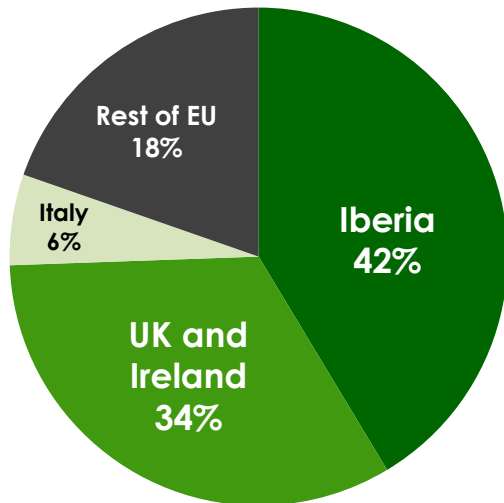
VIDRALA FUNDAMENTALS



Vidrala's commercial positioning is focused on geographic regions and product segments of **long term strategic value**. Vidrala sells its products to a **strong customer base** composed of a solid balance between blue chip customers, multinational brand owners and domestic packagers.

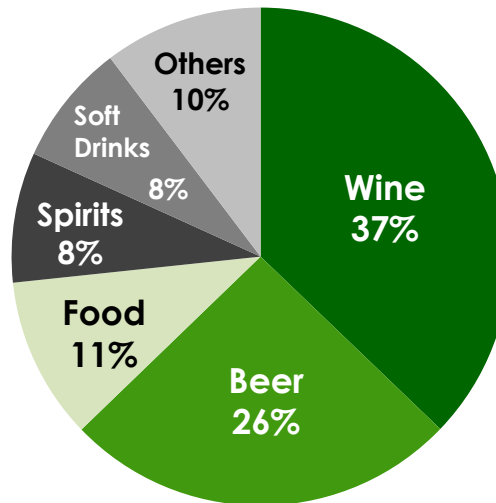
2017pf SALES BREAKDOWN.

By geography.



2017pf SALES BREAKDOWN.

By segment.



More than **1,600 active customers**

Top10 customers stand for **≈35% of revenue**

50% of sales made up by **≈30 customers**

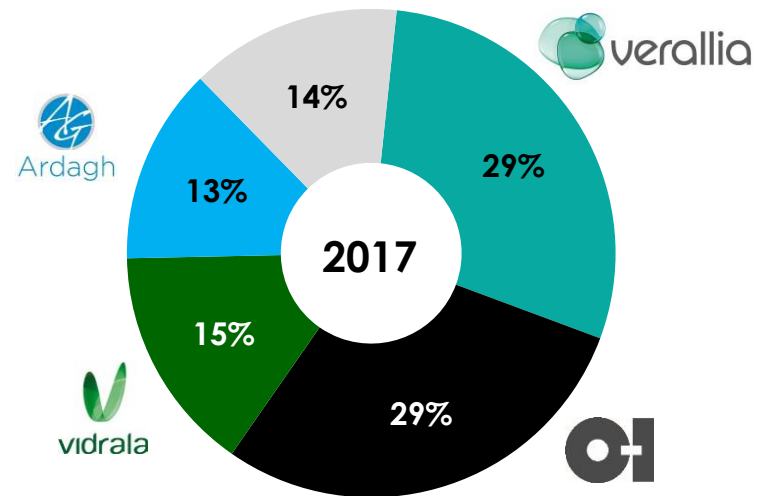
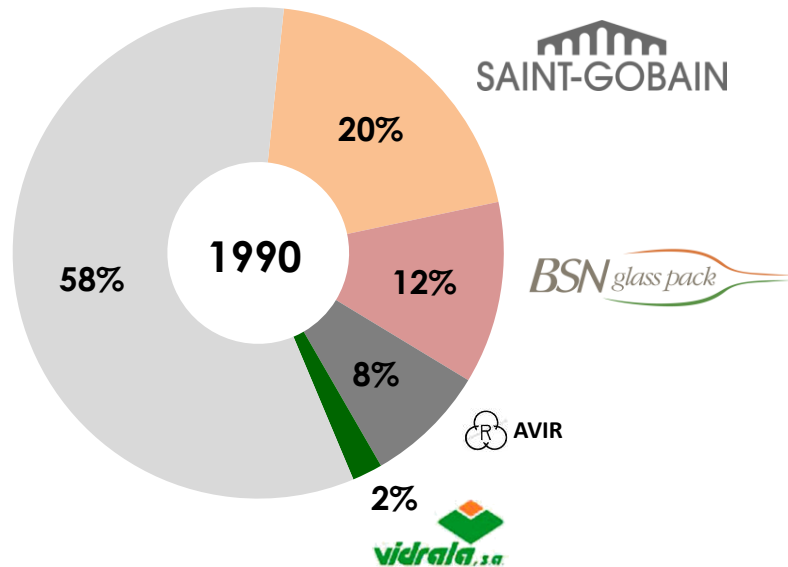
TOWARDS A STRATEGIC POSITIONING IN OUR KEY MARKETS

COMPETITIVE LANDSCAPE



EVOLUTION OF MARKET SHARES IN WESTERN EUROPE.

2017 vs 1990.



A DYNAMIC ATTITUDE TOWARDS CONSOLIDATION



FINANCIALS

Latest earnings release

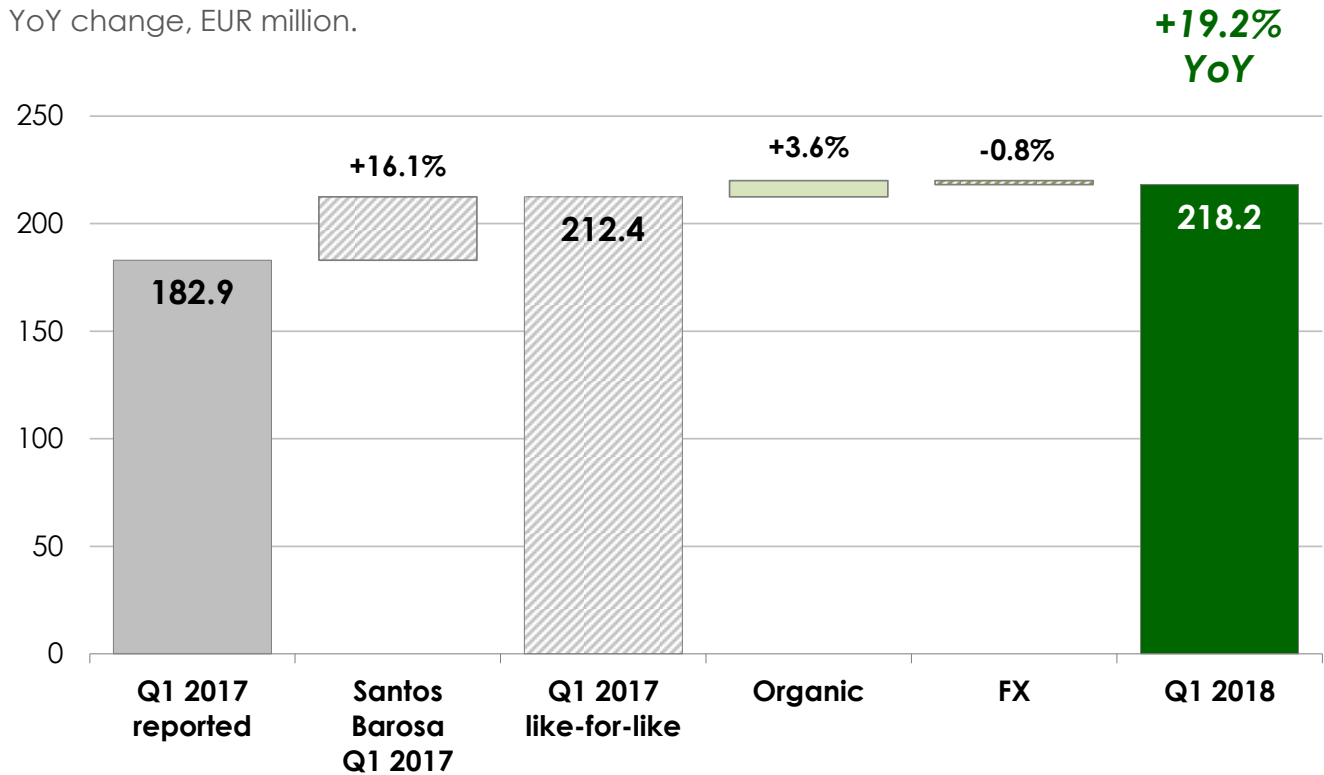


Q1 2018 RESULTS



SALES.

YoY change, EUR million.



EUR/GBP:
0.8601

EUR/GBP:
0.8834



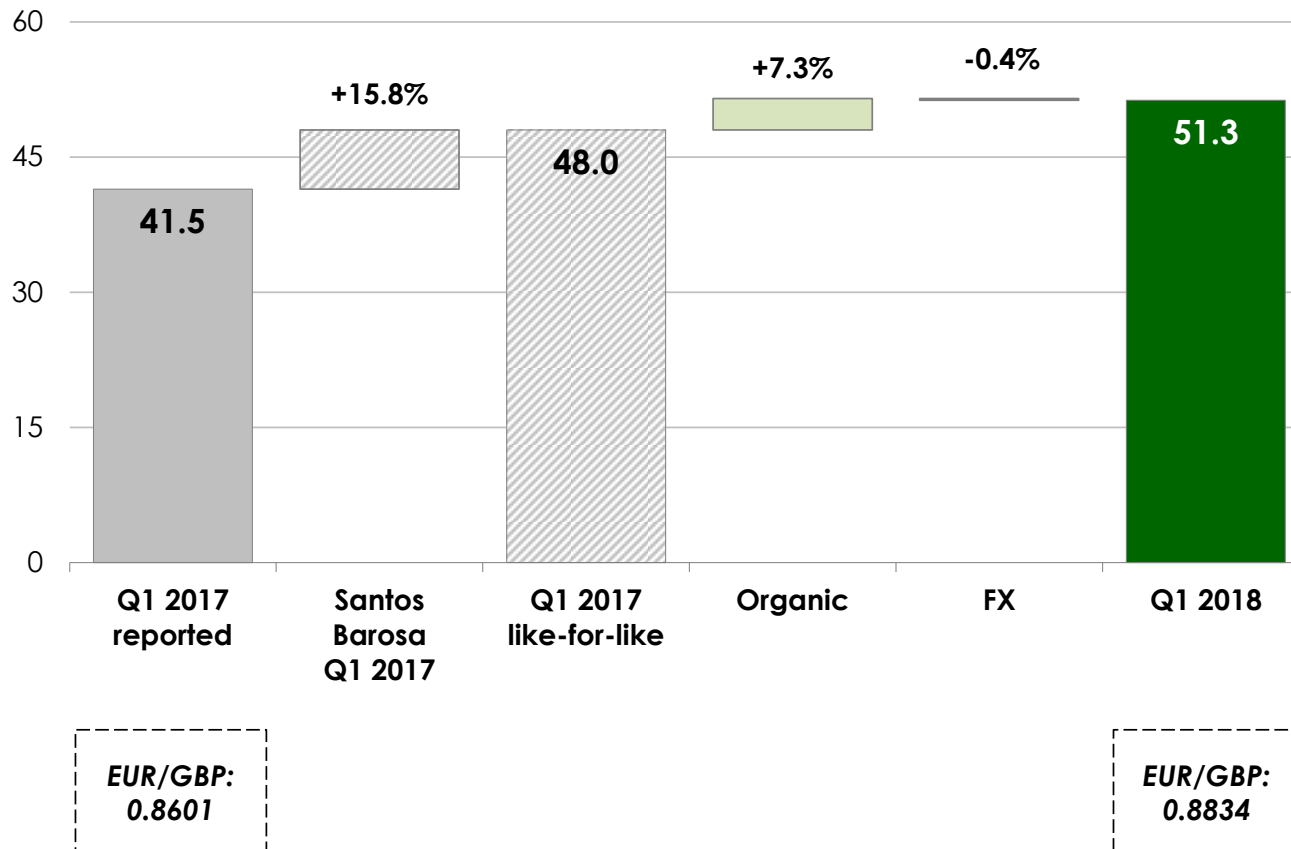
Q1 2018 RESULTS



EBITDA.

YoY change, EUR million.

+23.8%
YoY

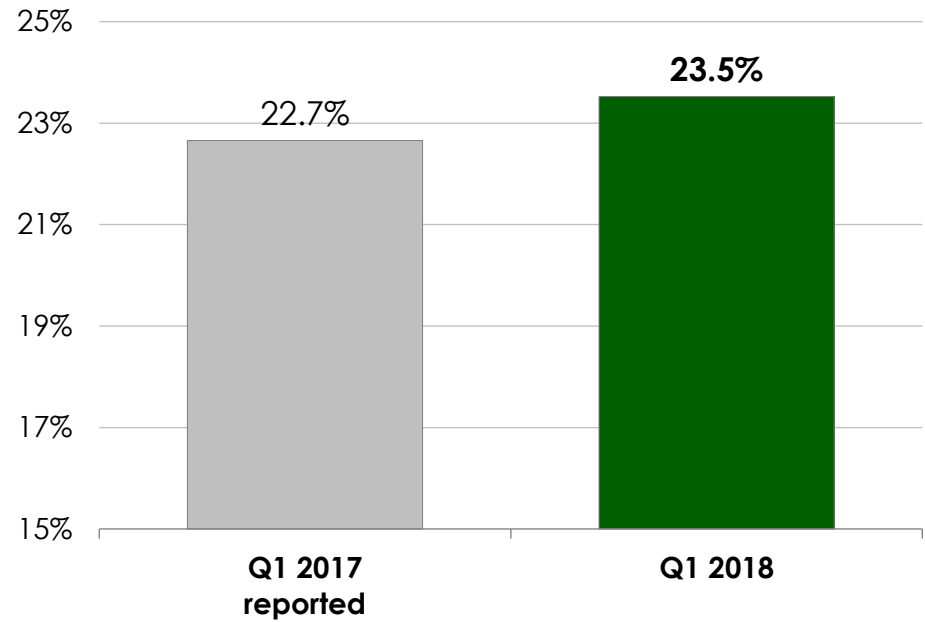


Q1 2018 RESULTS







EBITDA MARGIN.

YoY change, as percentage of sales.



2018 OUTLOOK



	Actuals Full Year 2017	Last Twelve Months at March 2018	Full Year 2018 Trends
Sales growth	+5.1% YoY organic <i>like-for-like</i>	+5.5% YoY organic <i>like-for-like</i>	 <i>Modest growth in sales volumes and prices.</i>
Operating margins	23.8% <i>EBITDA/sales</i>	23.9% <i>EBITDA/sales</i>	 <i>Moderate gradual expansion, FY 2018 margins in the range of 24%-25%.</i>
Earnings growth	+31.9% YoY <i>EUR 3.61 per share</i>	+31.5% YoY <i>EUR 3.77 per share</i>	 <i>Double-digit annual growth in earnings per share for FY 2018.</i>
Financial leverage	2.2x <i>LTM EBITDA at Dec 31, 2017</i>	2.2x <i>LTM EBITDA at Mar 31, 2018</i>	 <i>Higher capex offset by improved operational cash. Debt reduction main use of cash. 2018 year-on-year deleveraging estimated in the range of 0.3x-0.5x EBITDA.</i>



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