

# H1 2020 RESULTS

24<sup>TH</sup> JULY 2020



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# H1 2020 KEY FIGURES



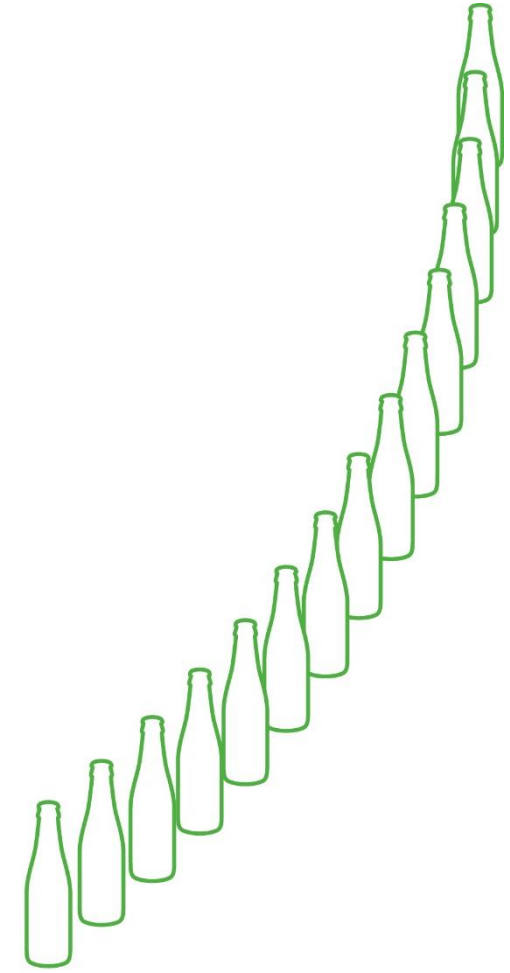
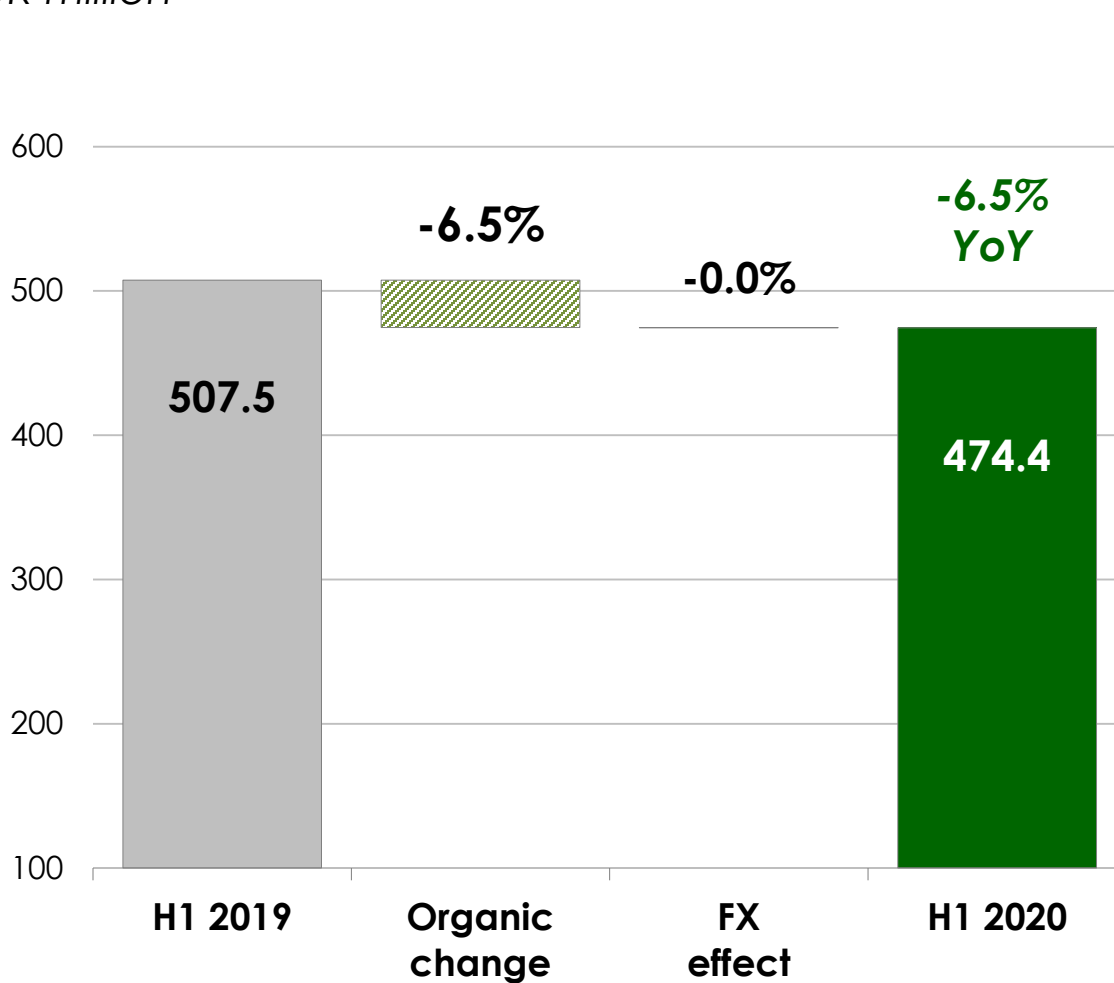
	H1 2020	Change	Organic change <i>(constant currency basis)</i>
Net sales <i>(EUR million)</i>	474.4	-6.5%	-6.5%
EBITDA <i>(EUR million)</i>	122.4	-6.7%	-6.6%
Earnings per share <i>(EUR/share)</i>	2.30	-7.2%	
Debt <i>(EUR million)</i>	294.5	-26.8%	
Debt / LTM EBITDA <i>(multiple)</i>	1.1x	-0.5x	





## YEAR OVER YEAR CHANGE

EUR million

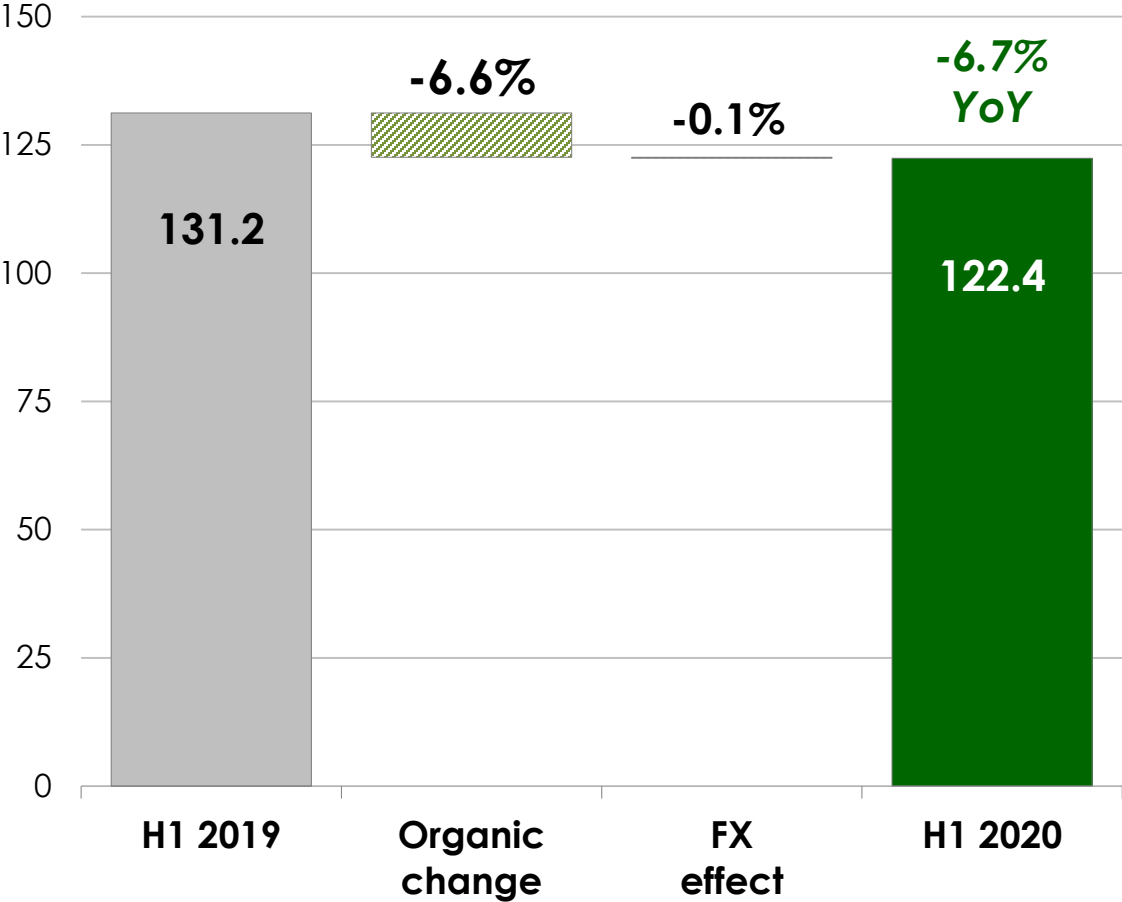


# EBITDA



## YEAR OVER YEAR CHANGE

EUR million

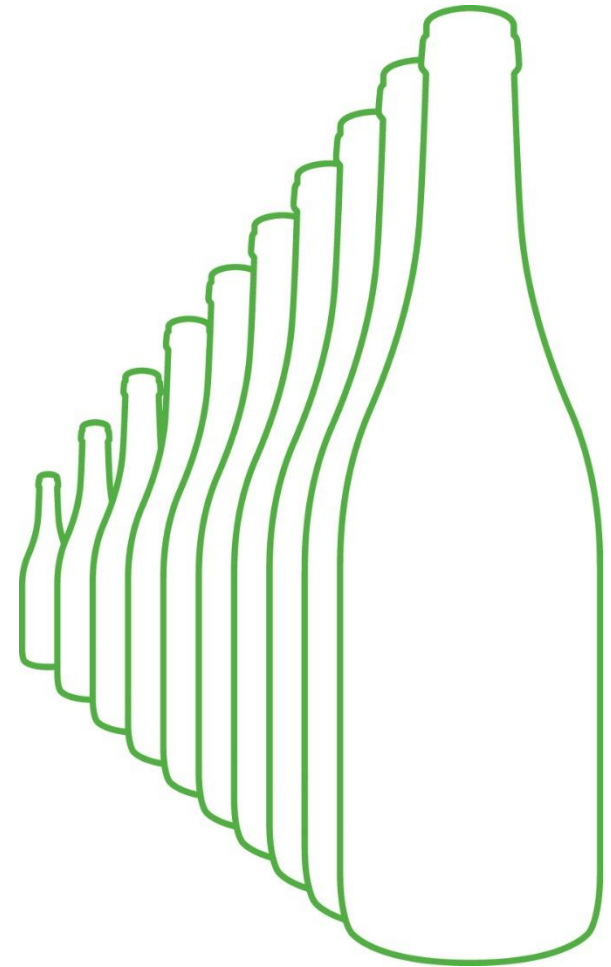
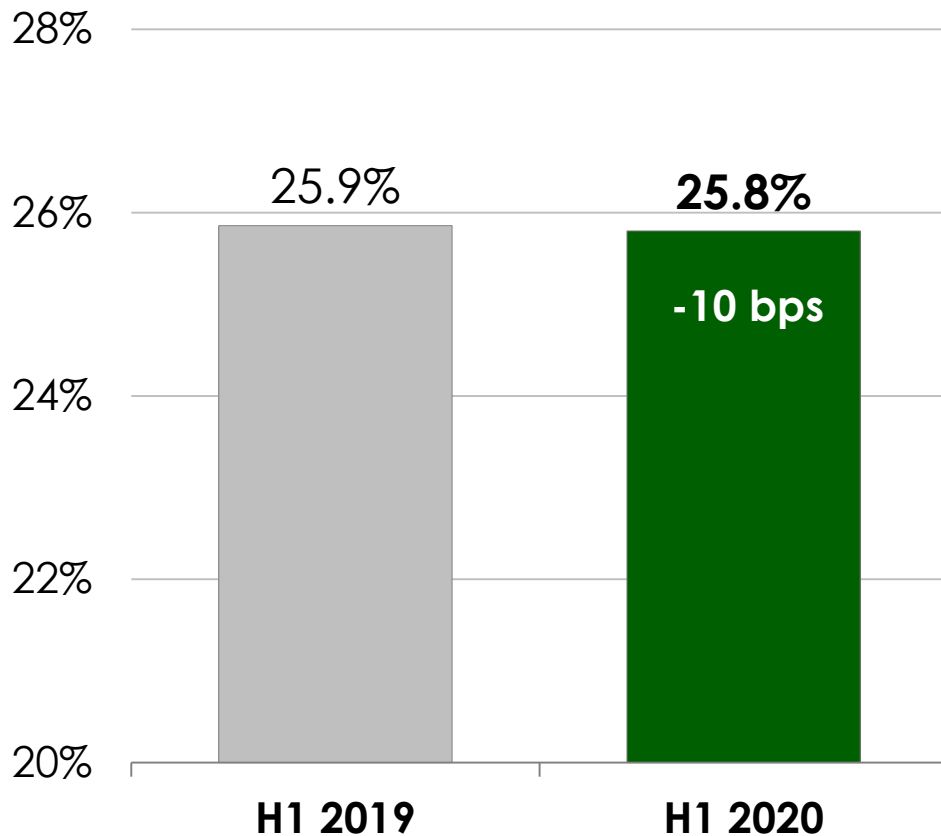


# OPERATING MARGINS



## YEAR OVER YEAR CHANGE

*As percentage of sales*

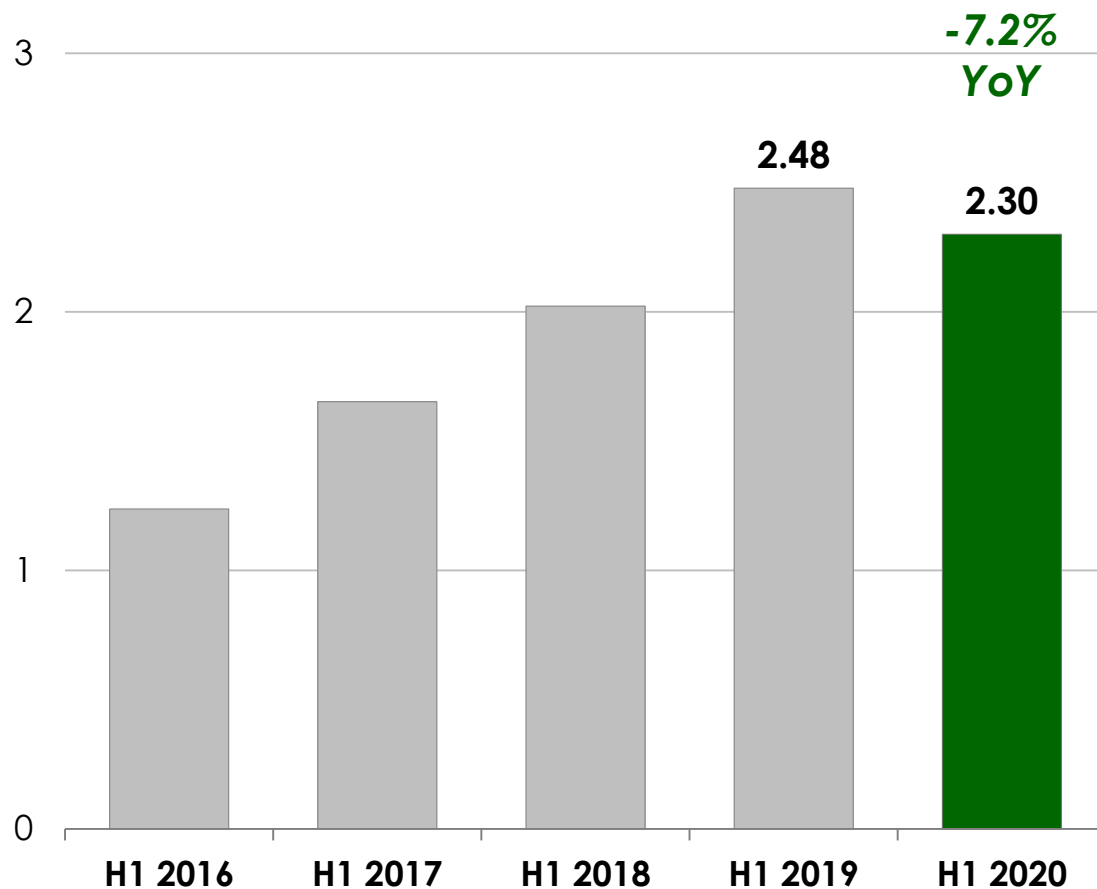


# EARNINGS PER SHARE



## YEAR OVER YEAR EVOLUTION, SINCE 2016

EUR per share



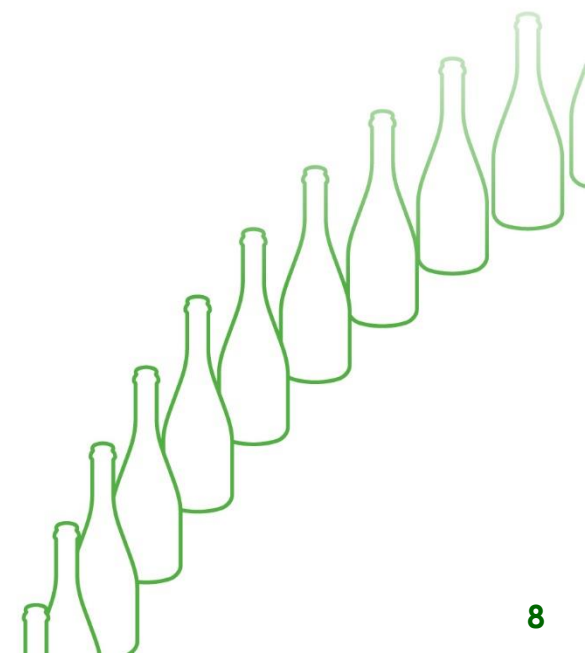
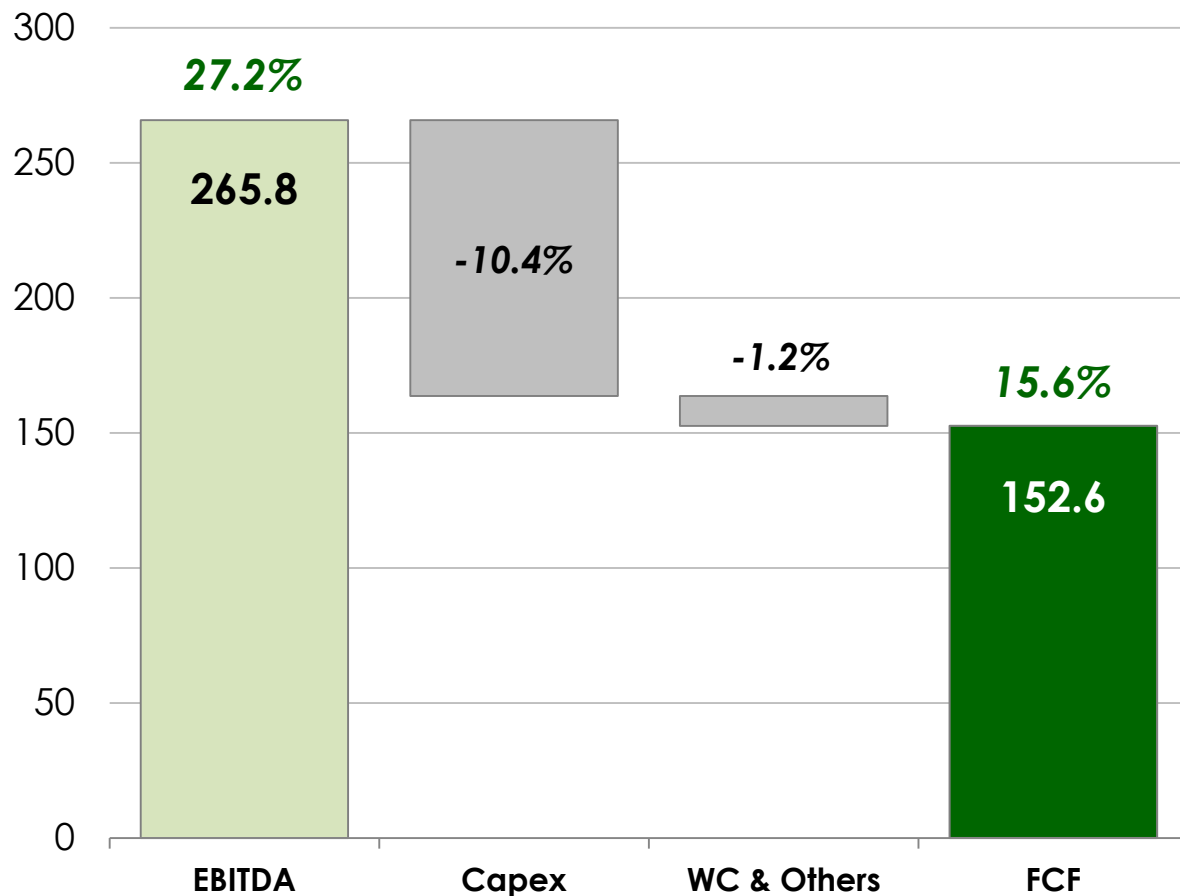
*\*Important: In order to improve comparability, historical data has been adjusted for the effect of bonus share issues.*

# CASH PROFILE



## FREE CASH FLOW GENERATION LAST 12 MONTHS TO JUNE 2020

EUR million / as percentage of sales



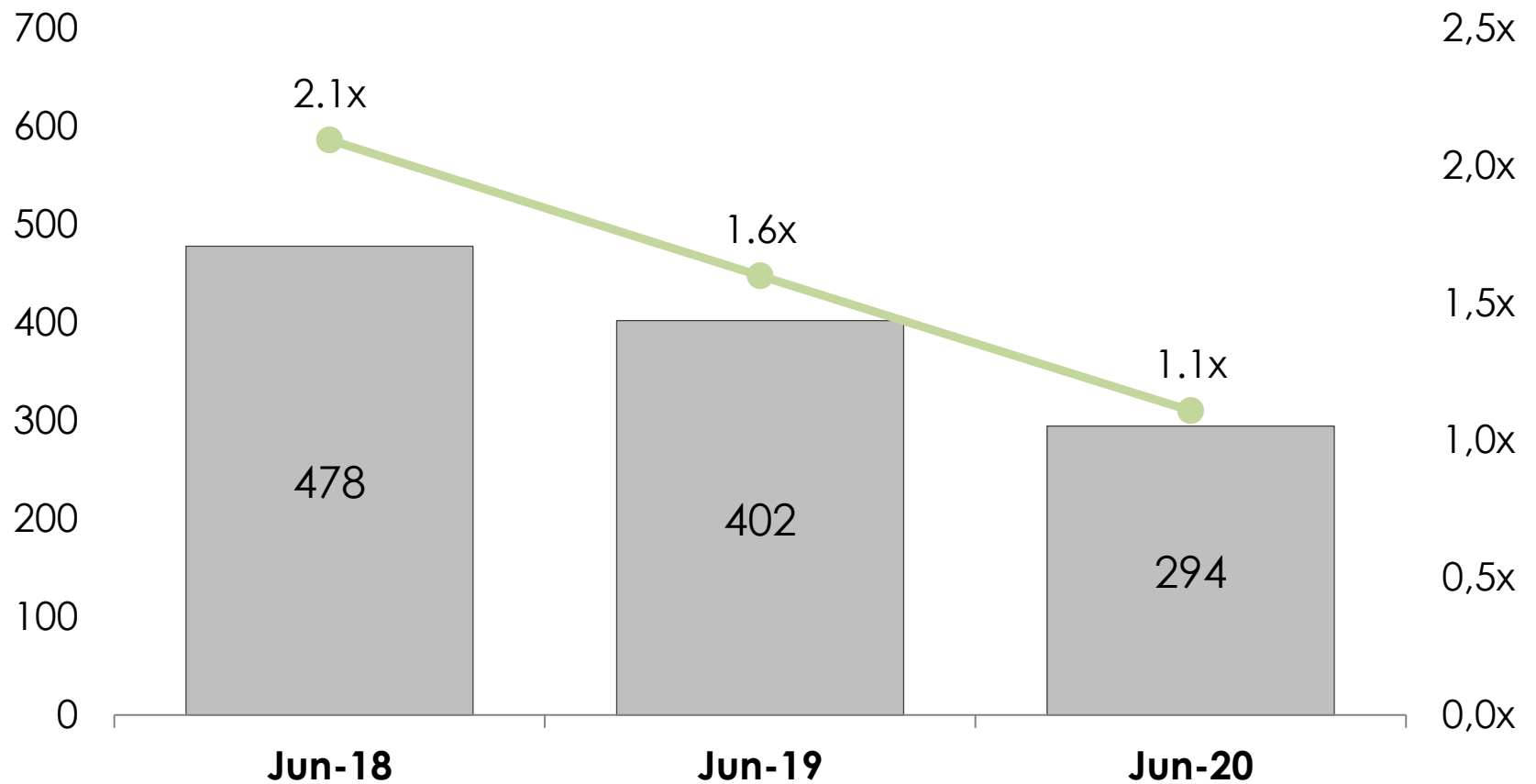


# DEBT



## YEAR OVER YEAR EVOLUTION, SINCE 2018

Debt in EUR million and times EBITDA



# H1 2020 MAIN HIGHLIGHTS



## ✓ **RESILIENT TOP-LINE PERFORMANCE AMID THE PANDEMIC**

*Sales during the first six months 2020 amounted to EUR 474.4 million, showing an organic decline of 6.5%.*

## ✓ **SOLID OPERATING MARGINS**

*Operating profit, EBITDA, was EUR 122.4 million representing an operating margin of 25.8%.*

## ✓ **FURTHER DELEVERAGING, STRENGTHENING FINANCIAL POSITION**

*Debt at June 30, 2020 stood at 1.1 times last twelve months EBITDA, reflecting a year-on-year reduction of 27%.*



# FY 2020 OUTLOOK, REITERATED



## BUSINESS UPDATE

- Sales volumes during Q2 standalone down approx. -15%, as expected
- Operating margins year-to-date consolidated at levels above 25% EBITDA over sales
- Financial position remains solid, debt reduction approx. -25% year-on-year

## STRATEGIC GUIDELINES UNDER THE PANDEMIC

### OUR VIEW, ON THE FUTURE

- Invest more now, for our business future
  - ✓ *With our customer in mind*
  - ✓ *To further improve our competitiveness*
  - ✓ *Selectively allocating capital in strategic projects*
- CapEx 2020 reaffirmed at levels of EUR 130 million, approx. 14% of sales

### SECURING A SOLID FINANCIAL POSITION

- Current leverage ratio below 1.2x EBITDA
- No maturities until end of 2023
- Total current cost of debt below 1% annual
- Strong committed liquidity, currently in excess of 1.0x EBITDA
- Disciplined protection of our cash, gradually balancing production with real demand

## FULL YEAR 2020 OUTLOOK

- FY 2020 sales volumes expected to decline in the range of 5-10% vs. 2019
- FY 2020 operating margins expected to remain solid around 25% EBITDA over sales
- FY 2020 earnings expected to drop in the range of 15-25% vs. 2019
- FY 2020 cash after capex to exceed dividend payments and to be used for further debt reduction
- Uncertainty high amid the pandemic, macro context weak, business conditions changing
- Prudence and time needed before defining new mid-term business targets
- **STRATEGIC INTERNAL ACTIONS WILL REMAIN FIRMLY COMMITTED TO OUR LONG TERM BUSINESS PRINCIPLES: CUSTOMER, COST AND CAPITAL**





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# ANNEX. 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](#)), as well as the reconciliation provided on the next slide of this presentation.

**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. ALTERNATIVE PERFORMANCE MEASURES (APM).



## i) EBITDA

<i>EUR million</i>	<b>H1 2020</b>
Profit before income tax from continuing operations	74.900
Amortisation and depreciation	+43.523
Finance income	-1.305
Finance costs	+3.329
Impairment of non-current assets	+1.941
<b>Reported EBITDA</b>	<b>122.388</b>

### Source of data

*Consolidated Income Statement*

*Consolidated Income Statement*

*Consolidated Income Statement*

*Consolidated Income Statement*

*Consolidated Income Statement*

## ii) Consolidated net debt

<i>EUR million</i>	<b>H1 2020</b>
Loans and borrowings (non-current liabilities)	216.946
Loans and borrowings (current liabilities)	+158.685
Cash and cash equivalents	-81.141
<b>Reported consolidated net debt</b>	<b>294.490</b>

### Source of data

*Consolidated Balance Sheet*

*Consolidated Balance Sheet*

*Consolidated Balance Sheet*

## iii) Free Cash Flow\*

<i>EUR million</i>	<b>H1 2020</b>
Year-over-year change in net debt balances	107.580
Dividends paid**	+30.391
Annual General Meeting attendance bonus	+933
Proceeds from issue of treasury shares and own equity instruments**	+0
Payments to redeem own shares and other own equity instruments**	+13.693
<b>Reported Free Cash Flow last twelve months</b>	<b>152.597</b>

### Source of data

*Consolidated Balance Sheets*

*Consolidated Statements of Cash Flows*

*Note 23 – Subsequent events*

*Consolidated Statements of Cash Flows*

*Consolidated Statements of Cash Flows*

\* Free cash flow is presented on a full-year, last twelve months basis. \*\* Figures are calculated from full-year 2019 financial statements less first half 2019 plus first half 2020.