



COMPANY PRESENTATION

APRIL 2021



vidrala



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- 1. GENERAL OVERVIEW**
- 2. BUSINESS FUNDAMENTALS**
- 3. FINANCIALS**
- 4. TARGETS**
- 5. ANNEXES**



VIDRALA, AT A GLANCE

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SUPPLIER OF REFERENCE IN THE PACKAGING INDUSTRY

- ✓ Vidrala is a **consumer packaging company**. We make glass containers for **food and beverages products** and offer a wide range of packaging services that include logistic solutions and filling activities.
- ✓ We are one of the main **glass container manufacturers** in Western Europe, through **eight complementary sites** located in five different countries.
- ✓ We sell more than **8.0 billion bottles and jars** per year, among more than 1,600 customers. Our industrial knowledge, growing geographical presence, glass manufacturing expertise, level of service and understanding of customers' processes make us a **business partner** for many of the main food and beverages brands.
- ✓ Vidrala is a **public listed company**, with a market capitalization over EUR 2.5 billion.

OVER
3,500
EMPLOYEES



47%
USE OF
RECYCLED
GLASS



8
MANUFACTURING
SITES



19
FURNACES

ANNUAL PRODUCTION
≈8.0 BILLION
CONTAINERS



OVER
1,600
CUSTOMERS



PEOPLE
PLACE
PLANET
PROSPERITY

SALES

988.4

EUR million
-1.7% YoY organic

EARNINGS

5.62

EUR per share
+12.0% YoY



vidrala

EBITDA

279.8

EUR million
28.3% EBITDA margin

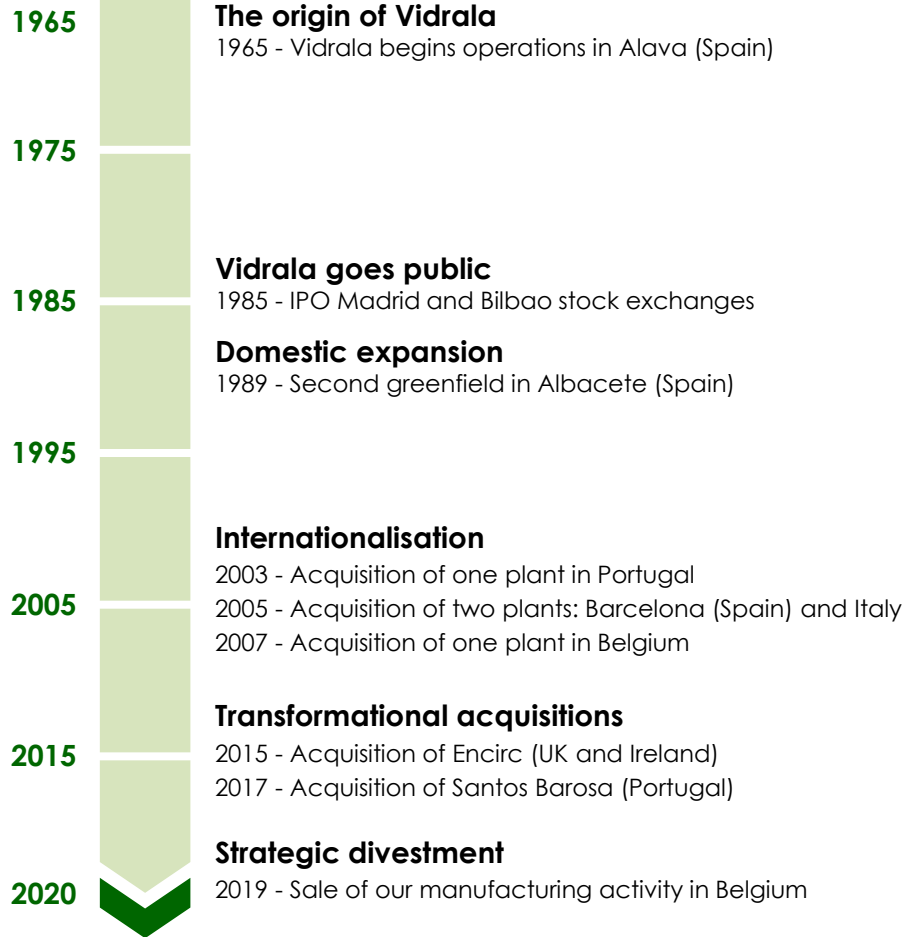
FREE CASH FLOW

140.0

EUR million
14.2% FCF over sales

CREATING VALUE AND FUTURE IN A SUSTAINABLE WAY

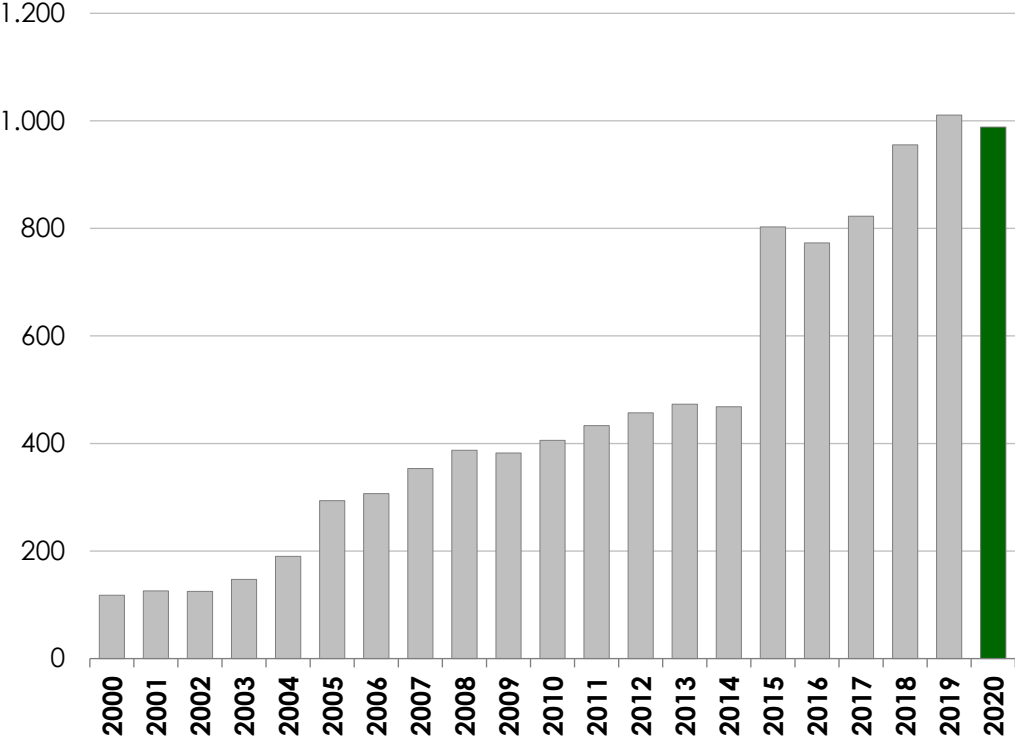
OUR HISTORY



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

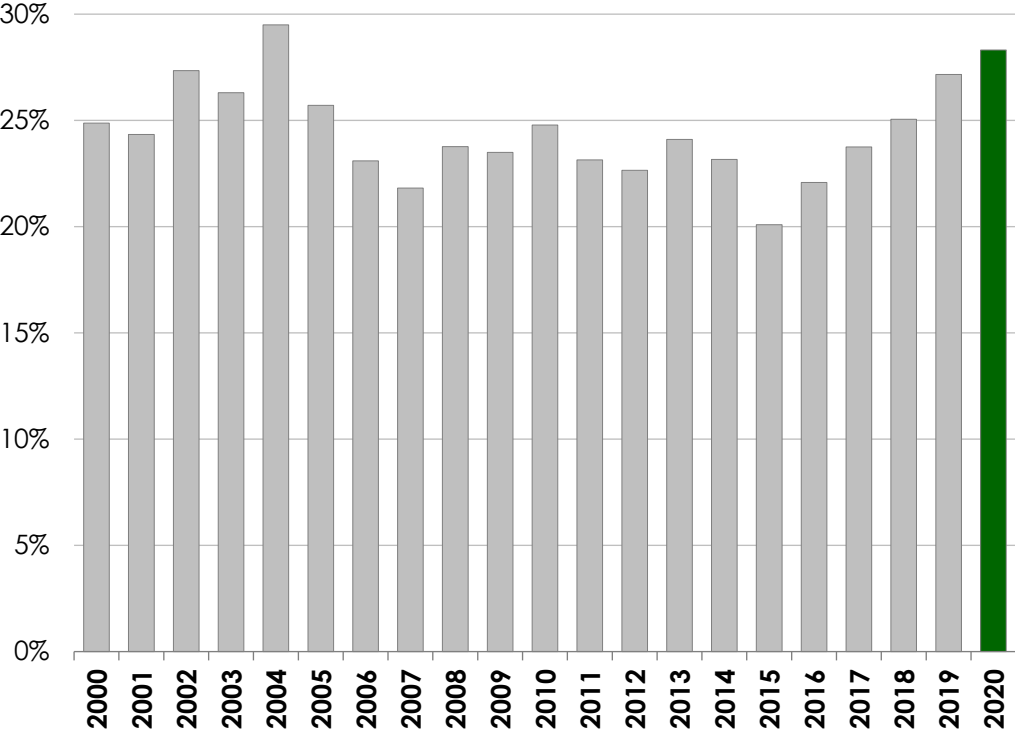
NET SALES.

Since 2000, EUR million.



EBITDA MARGIN.

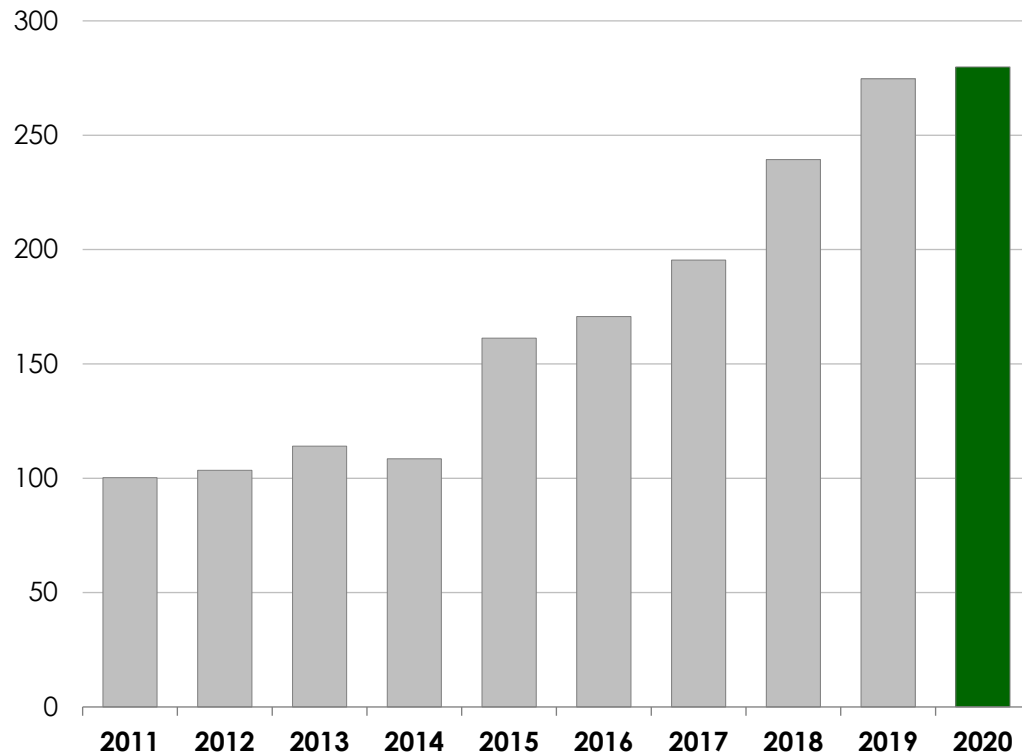
Since 2000, as percentage of sales.



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

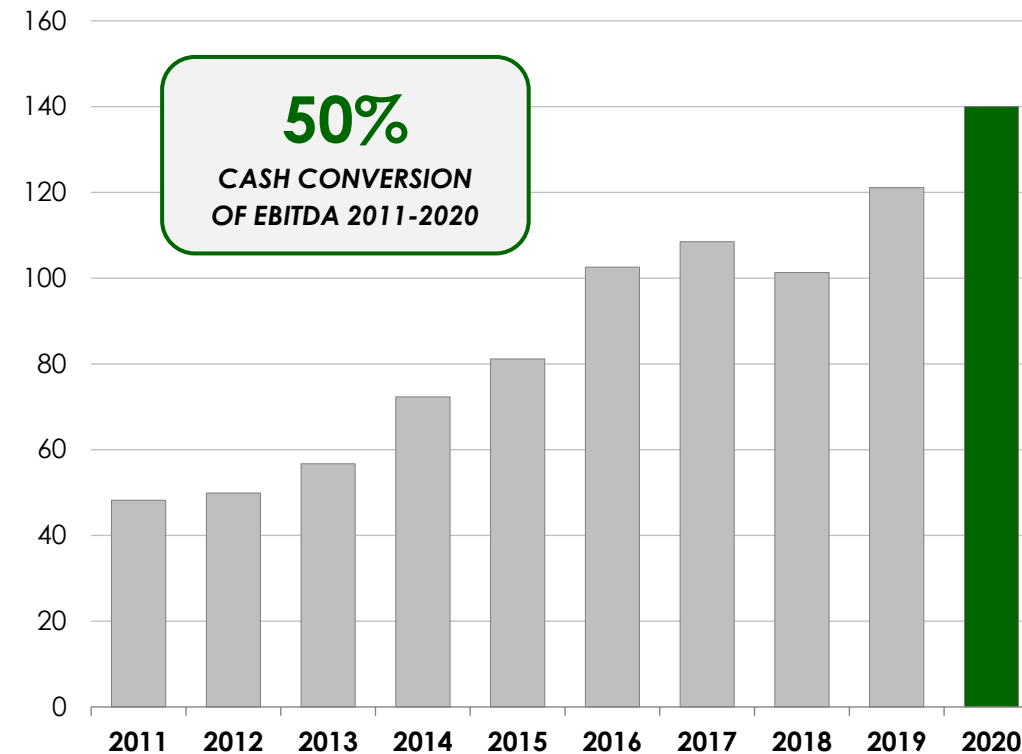
EBITDA.

Since 2011, EUR million.



FREE CASH FLOW.

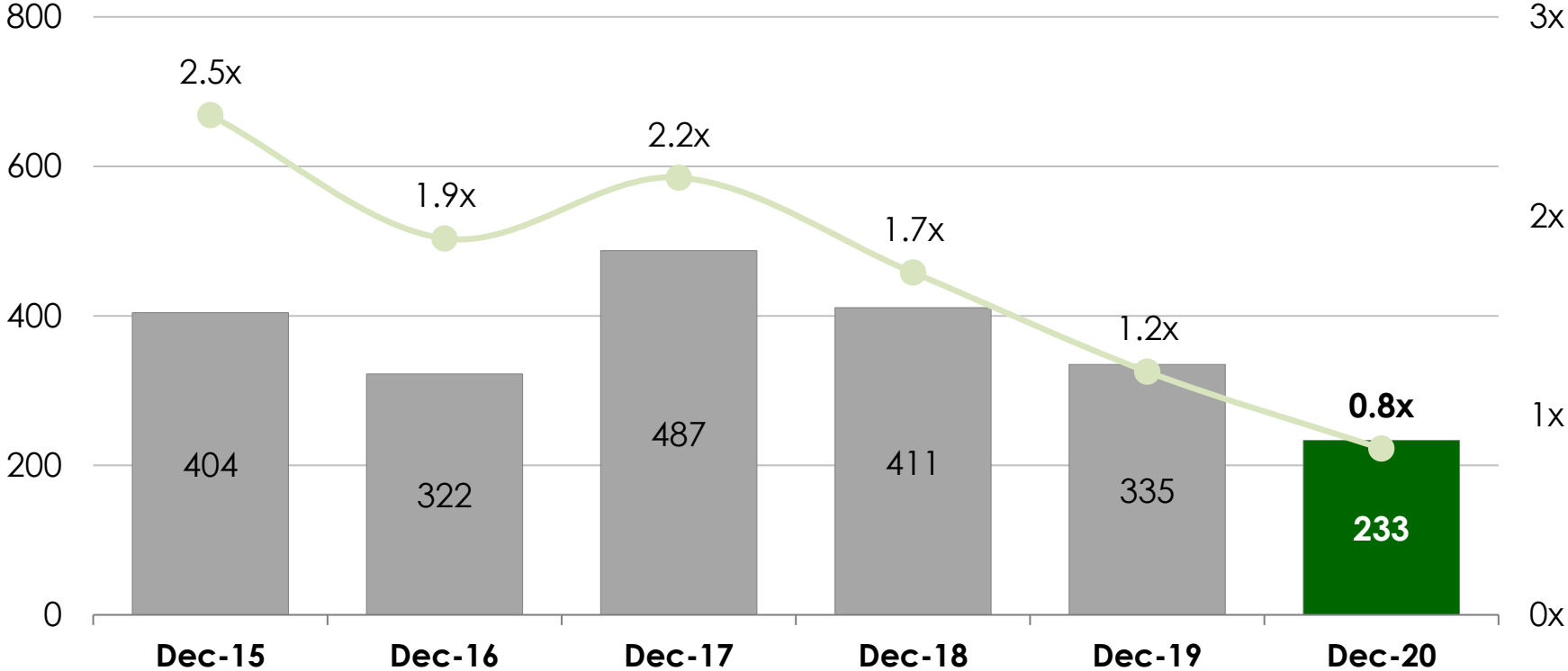
Since 2011, EUR million.



VALUE CREATION, MATERIALISED IN A
SUSTAINED CASH GENERATION

FINANCIAL SOLVENCY.

Year-over-year evolution of debt since 2015, EUR million and times EBITDA.



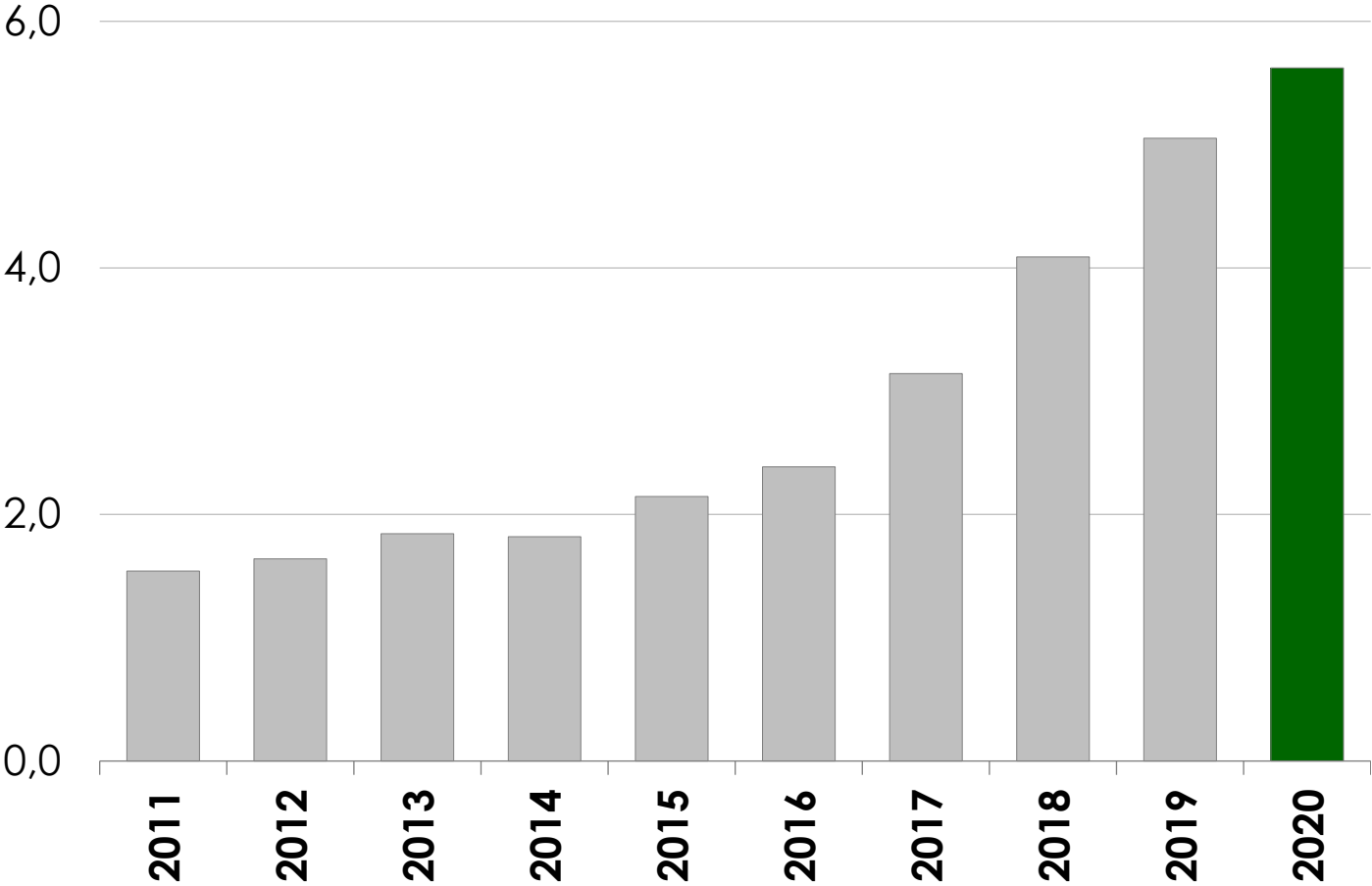
ON THE BASIS OF A SOLVENT FINANCIAL STRUCTURE

Debt/EBITDA ratio is calculated on pro-forma basis.



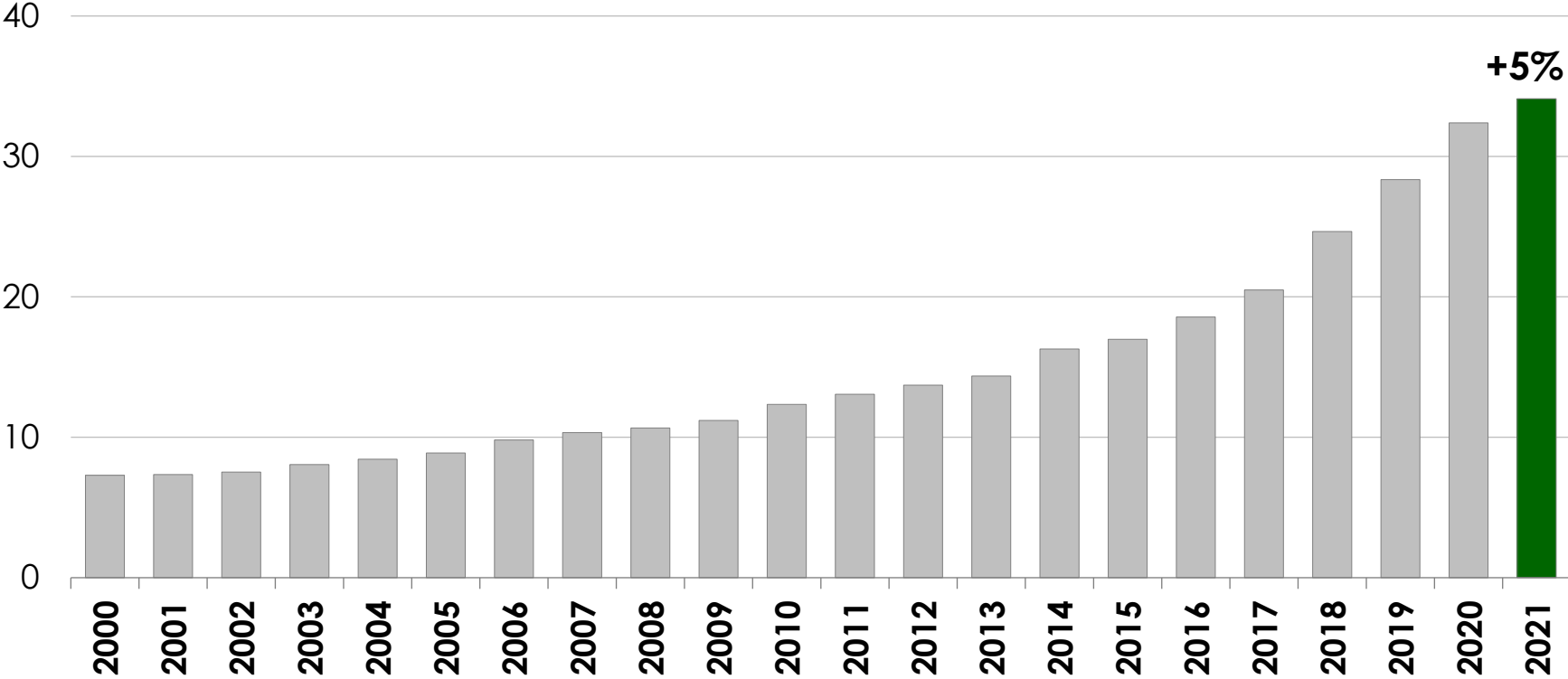
EARNINGS PER SHARE.

Since 2011, EUR per share.



CASH DIVIDENDS.

Since 2000, EUR million.



A DIVIDEND POLICY FOCUSED ON LONG-TERM STABILITY

ANNUAL GROWTH, COHERENT WITH PREVAILING BUSINESS CONDITIONS

Including cash dividends and AGM attendance bonuses.

EXPECTED 2021 DIVIDEND PAYMENTS

Proposed FY 2020 results distribution

February 15th, 2021

Interim dividend

EUR 84.30 cents per share

July 14th, 2021

Complementary dividend

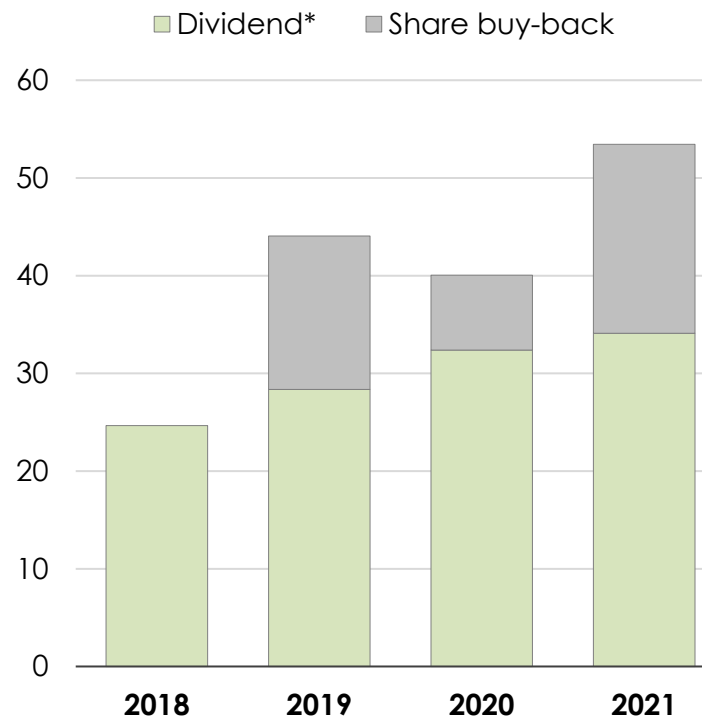
EUR 32.09 cents per share

EUR 4.00 cents per share

as attendance bonus to the shareholders' annual general meeting

SHAREHOLDER REMUNERATION

Since 2018, EUR million



DIVIDEND PAYMENTS REPRESENT AN INCREASE OF +5%**

+33% IN TOTAL REMUNERATION, INCLUDING THE SHARE BUY-BACK PROGRAM ON TRACK

**Including cash dividends and AGM attendance bonuses. **Considering the effect of the bonus share issue completed in December 2020.*



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.

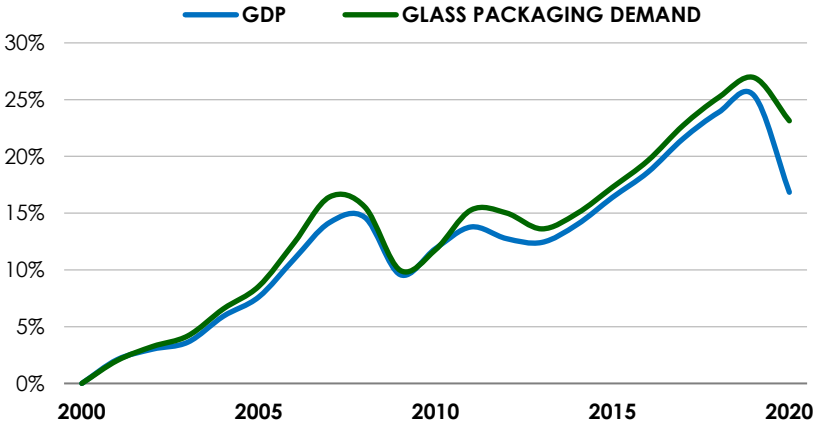
NOTEWORTHY ENTRY BARRIERS



The glass packaging market in Europe
SOLID AND STABLE



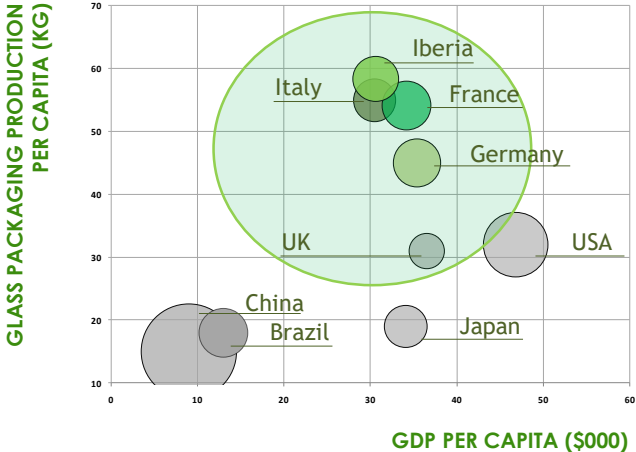
Glass containers demand in Europe vs GDP.
Annual variation (accumulated), base year 2000.



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



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.

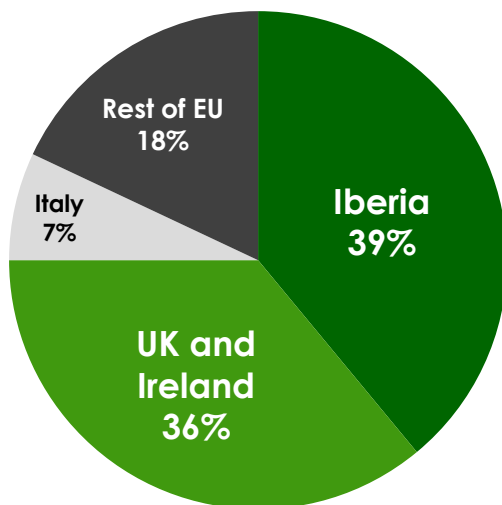
GLASS, THE PREFERRED MATERIAL

ENVIRONMENTAL, HEALTHY & BRAND PERCEPTION BENEFITS

- ✓ Vidrala'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.

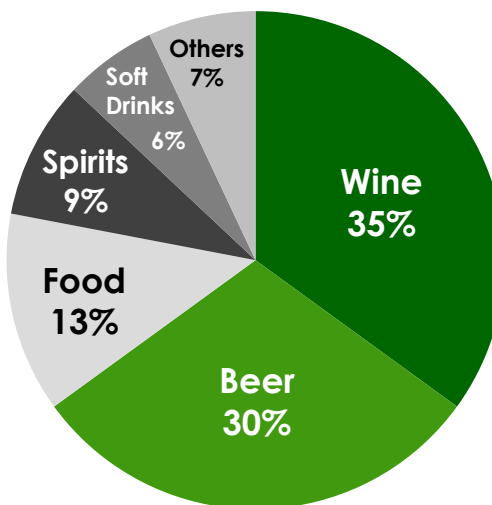
2020 SALES BREAKDOWN.

By geography.



2020 SALES BREAKDOWN.

By segment.



More than **1,600**
active customers

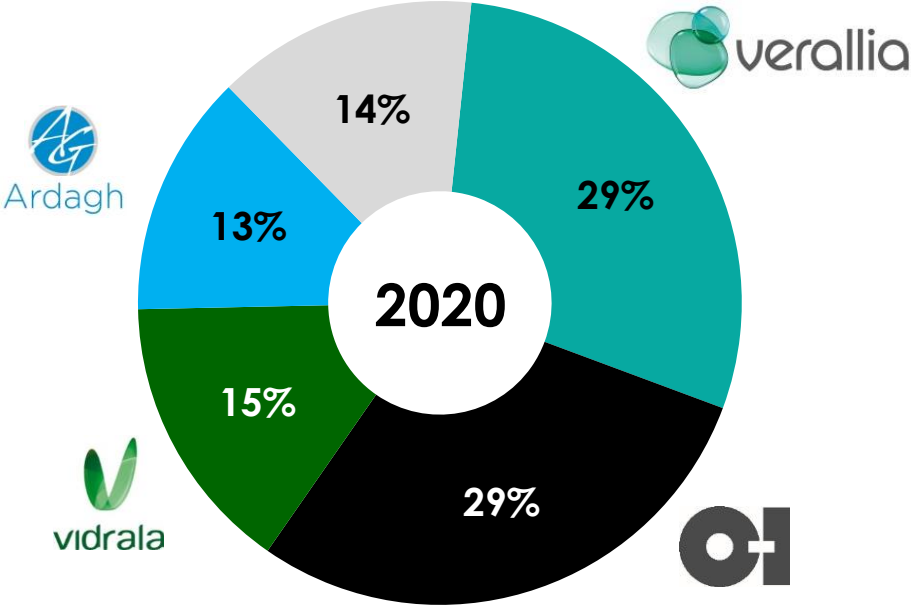
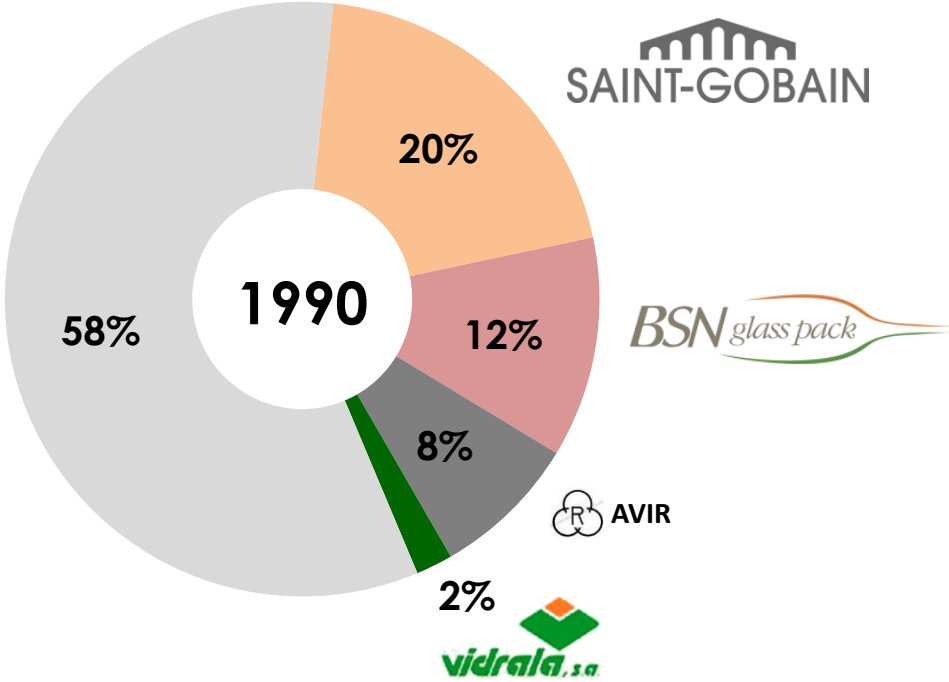
Top10 customers stand
for **≈30% of revenue**

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

TOWARDS A STRATEGIC POSITIONING IN OUR KEY MARKETS

COMPETITIVE LANDSCAPE (1)

EVOLUTION OF MARKET SHARES IN WESTERN EUROPE. 1990 vs 2020.

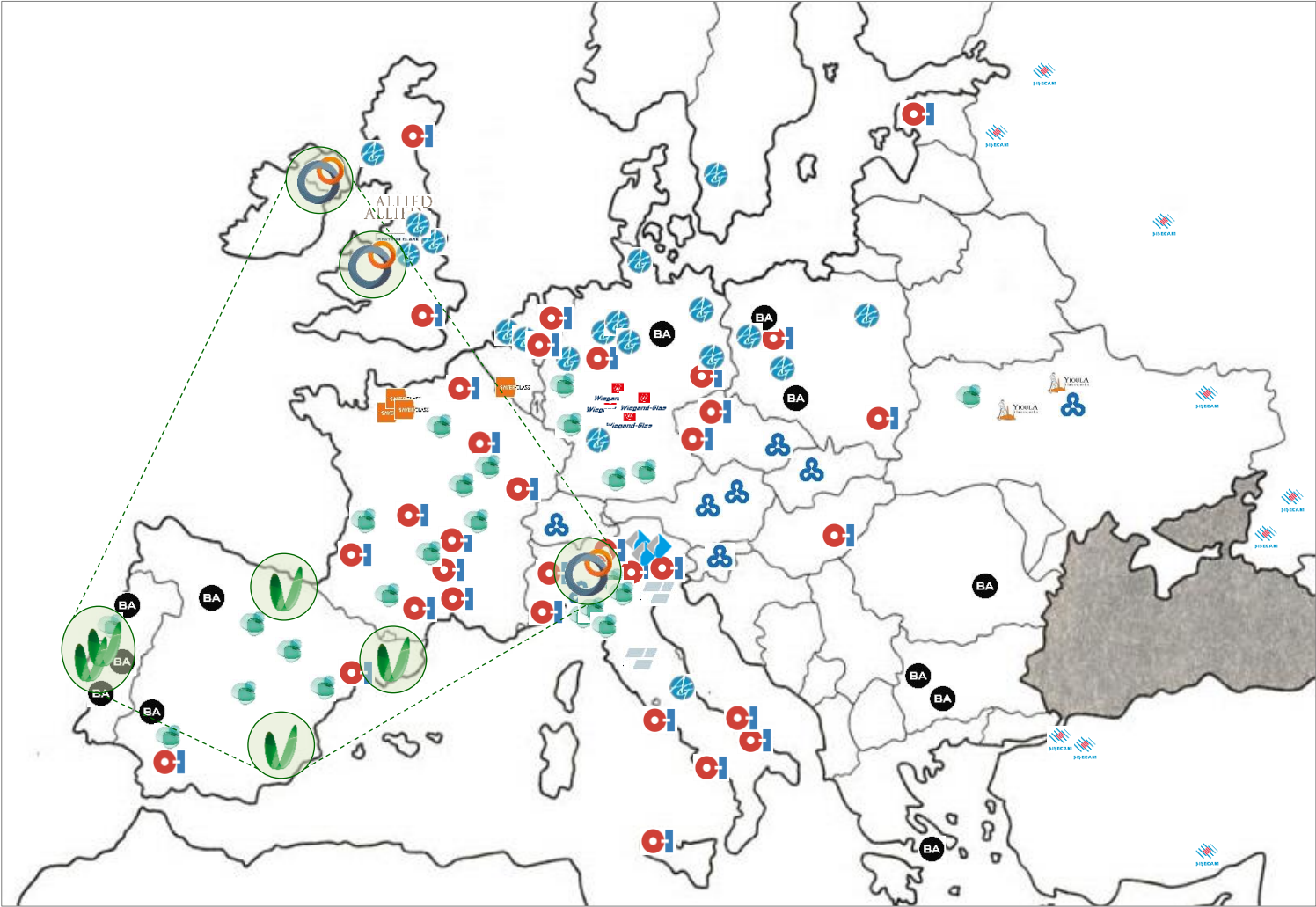


A DYNAMIC ATTITUDE TOWARDS CONSOLIDATION

Internal sources. Figures include Spain, Portugal, Italy, France, Germany, Benelux, UK and Ireland.

COMPETITIVE LANDSCAPE (2)

LOCATION OF PRODUCTION SITES



Internal sources. Some facilities, especially in Eastern Europe, are not identified in the map.



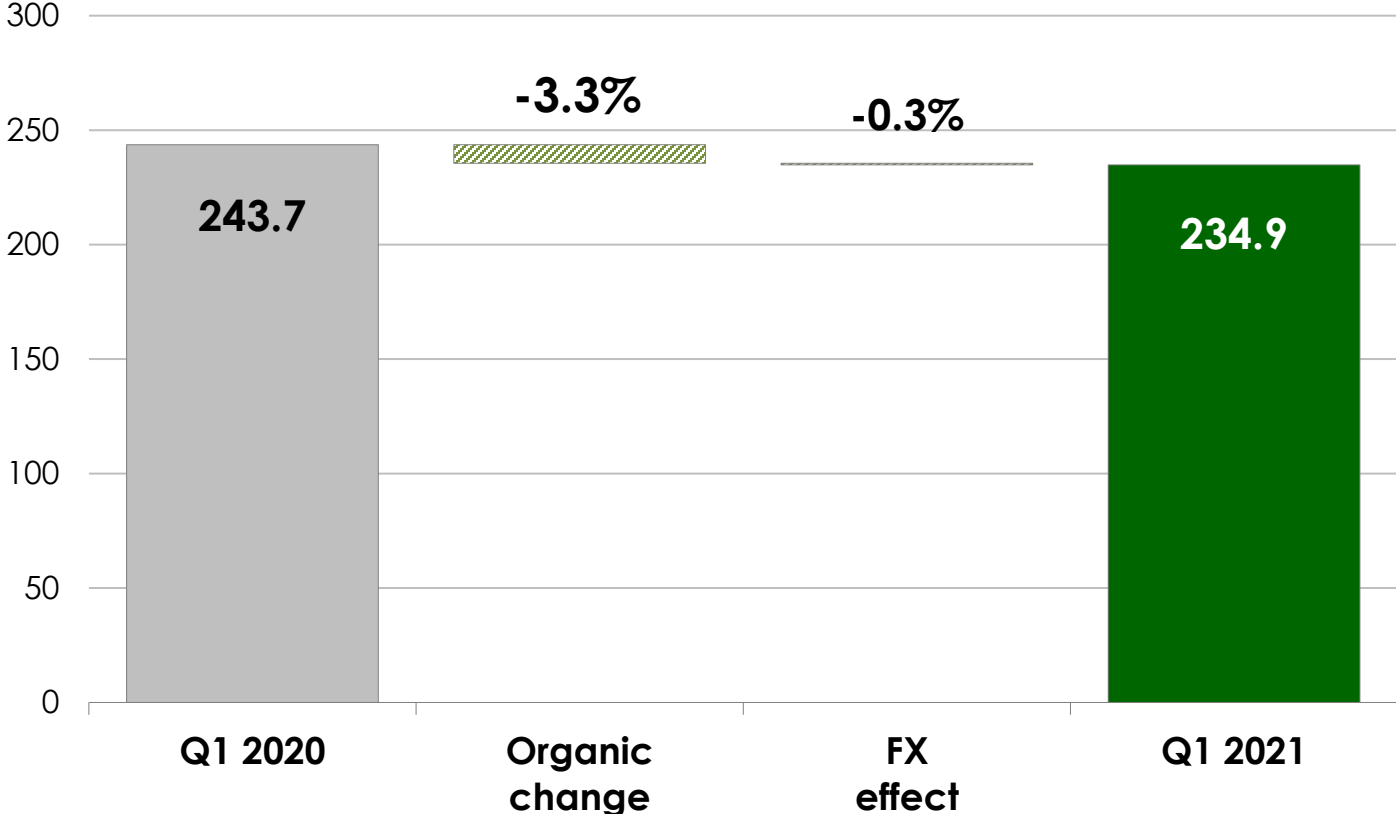
FINANCIALS

Latest earnings release



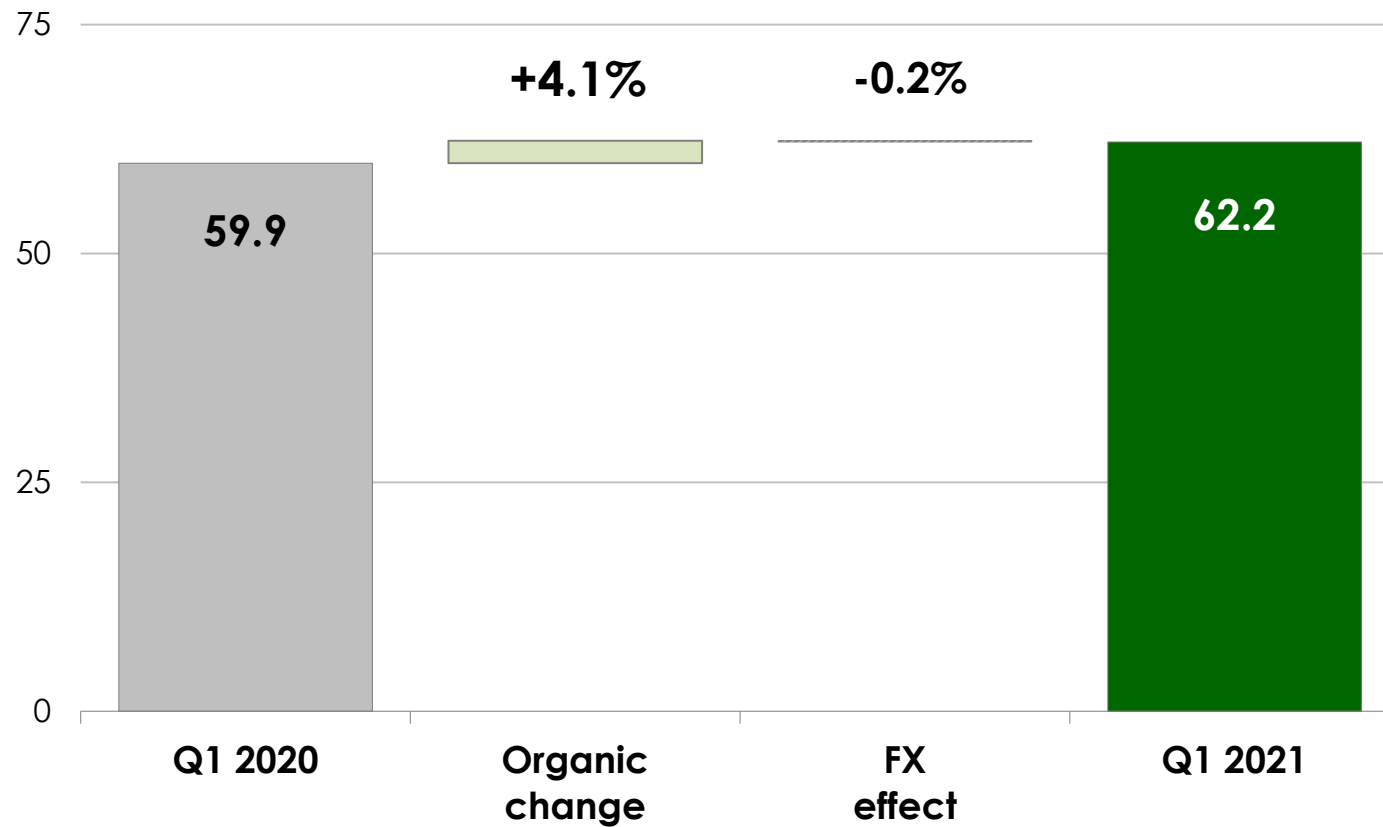


SALES.
YoY change, EUR million.



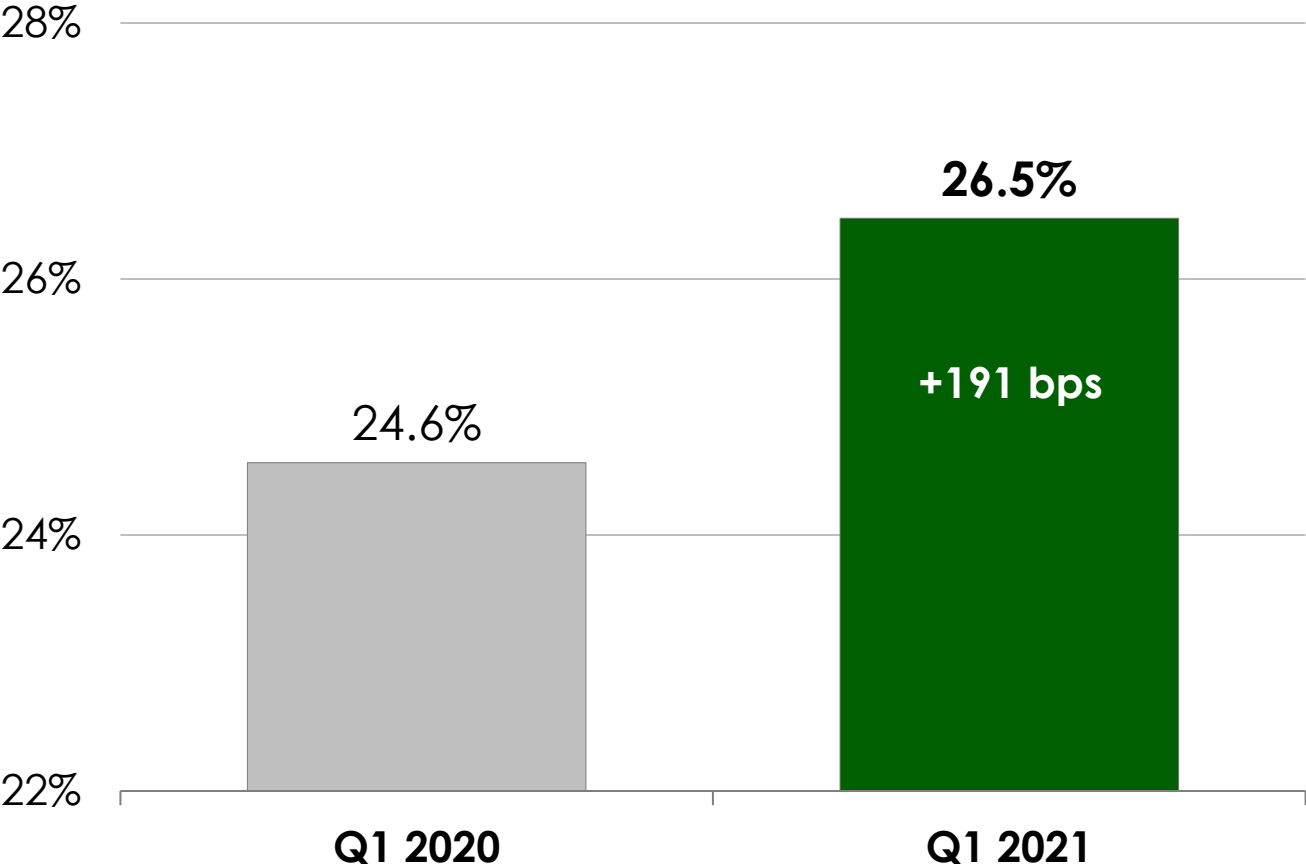
EBITDA.

YoY change, EUR million.



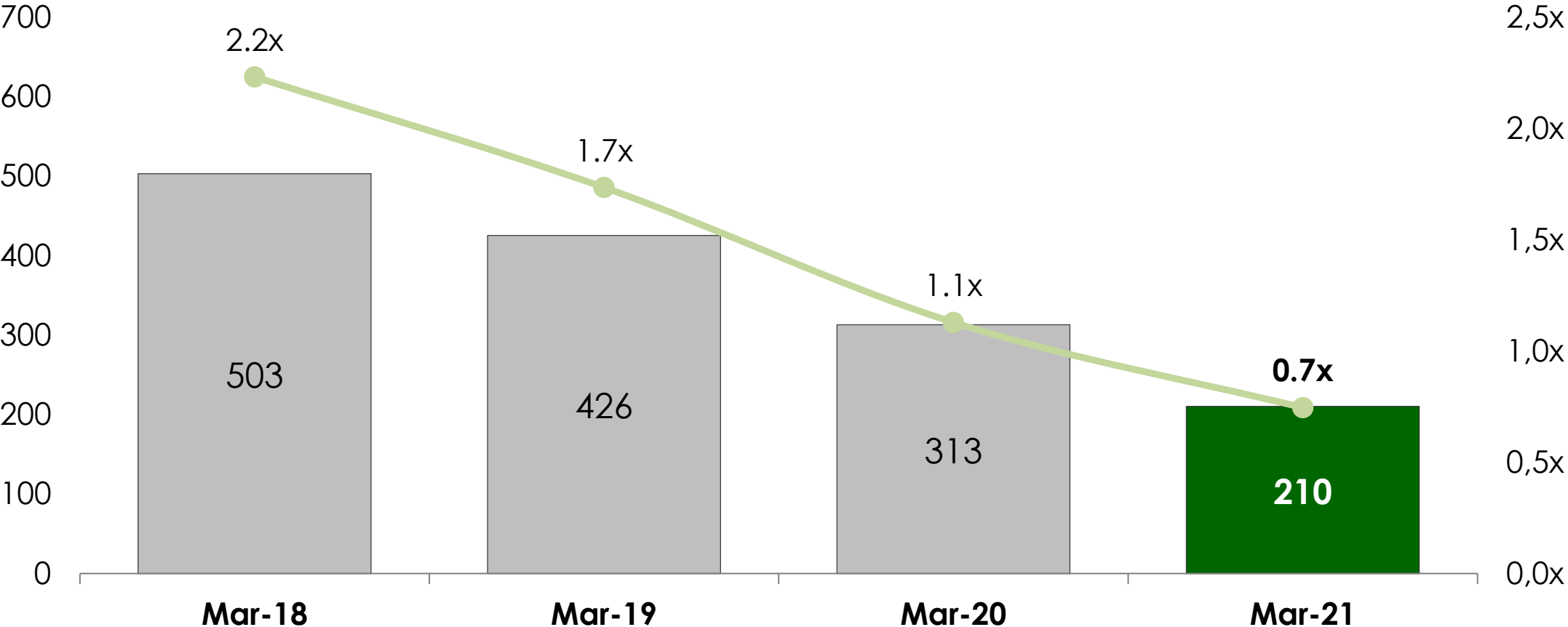
EBITDA MARGIN.

YoY change, as percentage of sales.







NET DEBT.

YoY evolution since 2018, in EUR million and times EBITDA.



FY 2021 OUTLOOK

	Actuals Full Year 2020	Last Twelve Months at March 2021	Full Year 2021 Trends
Sales variation	-1.7% YoY <i>organic</i>	-2.5% YoY <i>organic</i>	 <p><i>Modest volume growth, more intense in Q2 due to the low comparison basis. Full recovery still depending on the evolution of the pandemic and the path of reopening of the on-trade.</i></p>
Operating margins	28.3% <i>EBITDA/sales</i>	28.8% <i>EBITDA/sales</i>	 <p><i>FY 2021 expected operational margins to be broadly in line with FY 2020 levels as growing cost inflationary pressures are to be offset by top line growth and internal efficiencies.</i></p>
Earnings	EUR 5.62 <i>per share</i>	EUR 5.71 <i>per share</i>	 <p><i>FY 2021 expected earnings per share to grow low-single digit from FY 2020, supported on operational profits.</i></p>
FCF <i>Free Cash Flow</i>	140.0 <i>EUR million</i> 14.2% FCF/sales	139.8 <i>EUR million</i> 14.3% FCF/sales	 <p><i>FY 2021 expected free cash generation to be in line with FY 2020 levels as the planned intense capex program will be aligned with expected operational cash generation.</i></p>





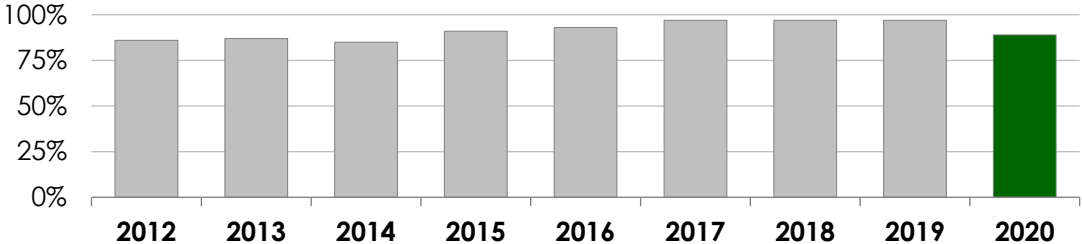
TARGETS

Business profitability and cash generation



OPERATIONAL TARGETS

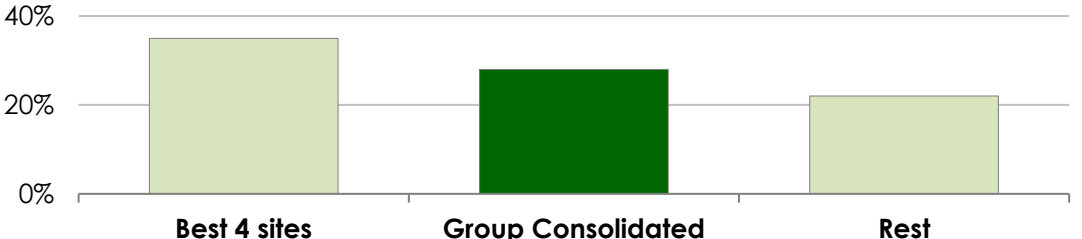
Capacity utilization.



Pack-to-melt ratio.



EBITDA margins.

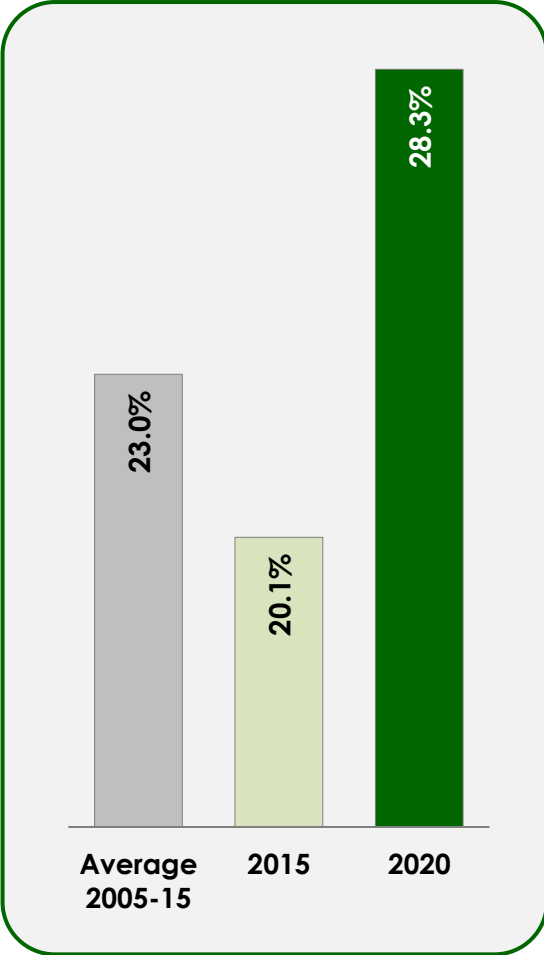


Operational leverage

Internal efficiency

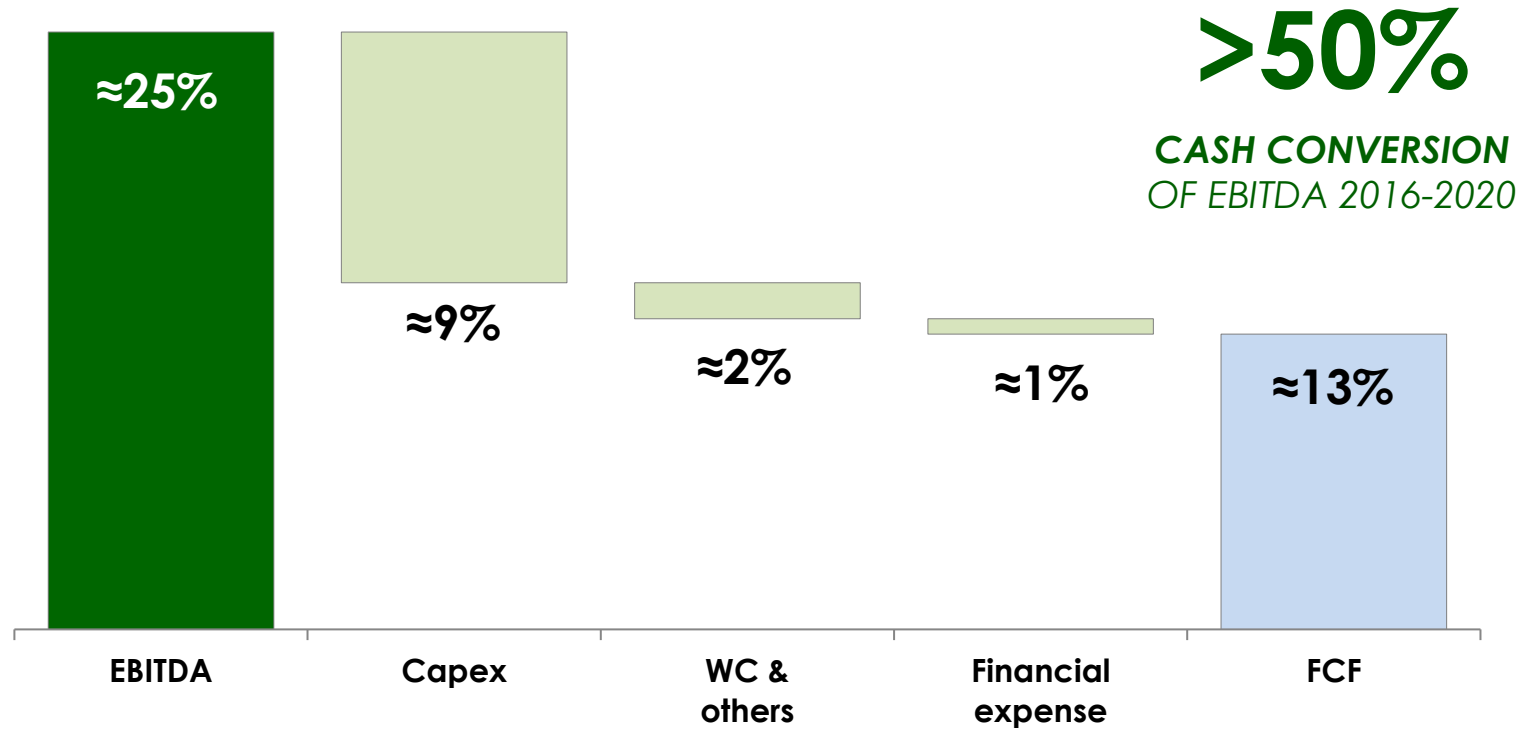
Integration

EBITDA margin



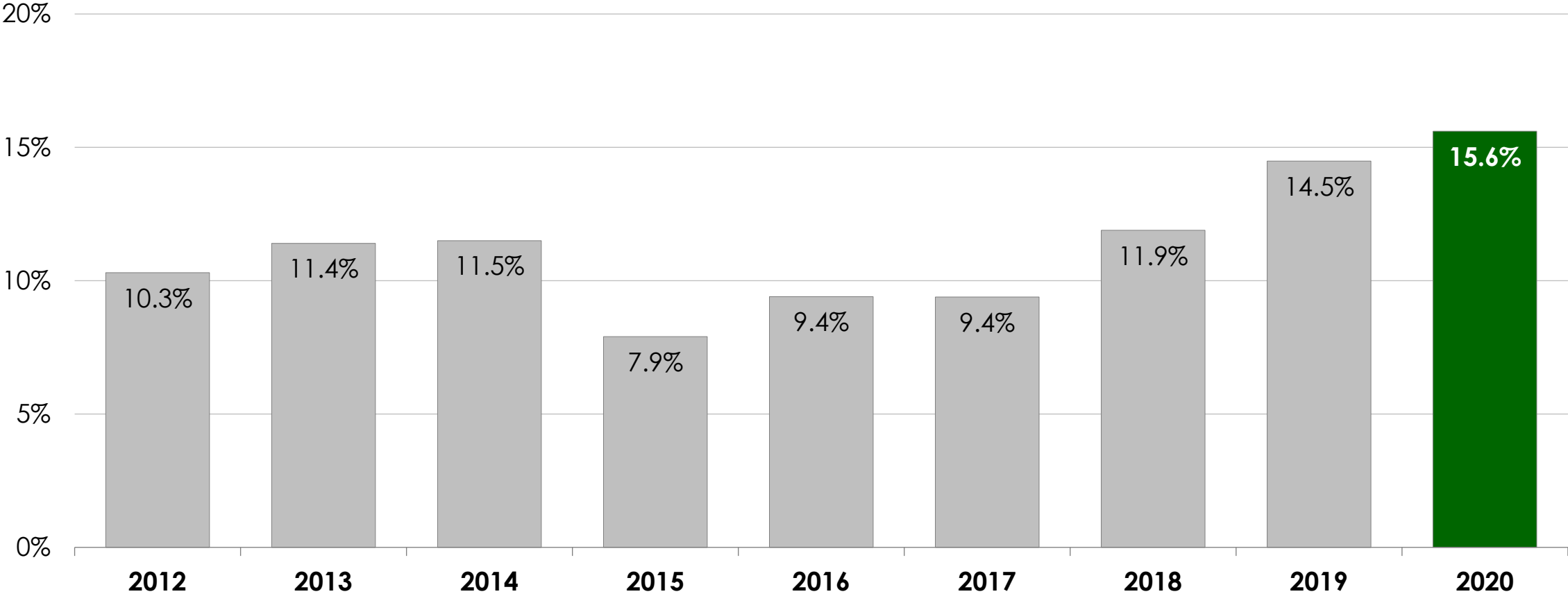
Historical cash profile.

5-year accumulated average rates, as percentage of sales.



CASH GENERATION
MATERIALISATION OF VALUE

RETURN ON CAPITAL EMPLOYED



FOCUS ON BUSINESS PROFITABILITY

RoCE is calculated as EBIT post-tax divided by capital employed. See used formula: $[EBIT * (1-t)] / (equity + net\ debt)$



ANNEXES

A general overview of the most recent acquisitions





Encirc Glass is a **glass packaging manufacturer** for the food and beverage markets in UK and Ireland. It is the sole player in Ireland and the second player within the UK (market share >30%).

The **DERRYLIN** plant (Northern Ireland), built in 1998, is the only glass container plant in Ireland. The **ELTON** plant (England), built in 2005, is the largest glass container plant in Europe and includes filling and logistics facilities.



ANNEX I. Acquisition of Encirc (2015).

QUALITY OF ASSETS

- ✓ High-scale facilities
- ✓ Triple gob and quad gob flexibility
- ✓ Highly modern inspection machines
- ✓ Filling capabilities
- ✓ Fully automated warehouse



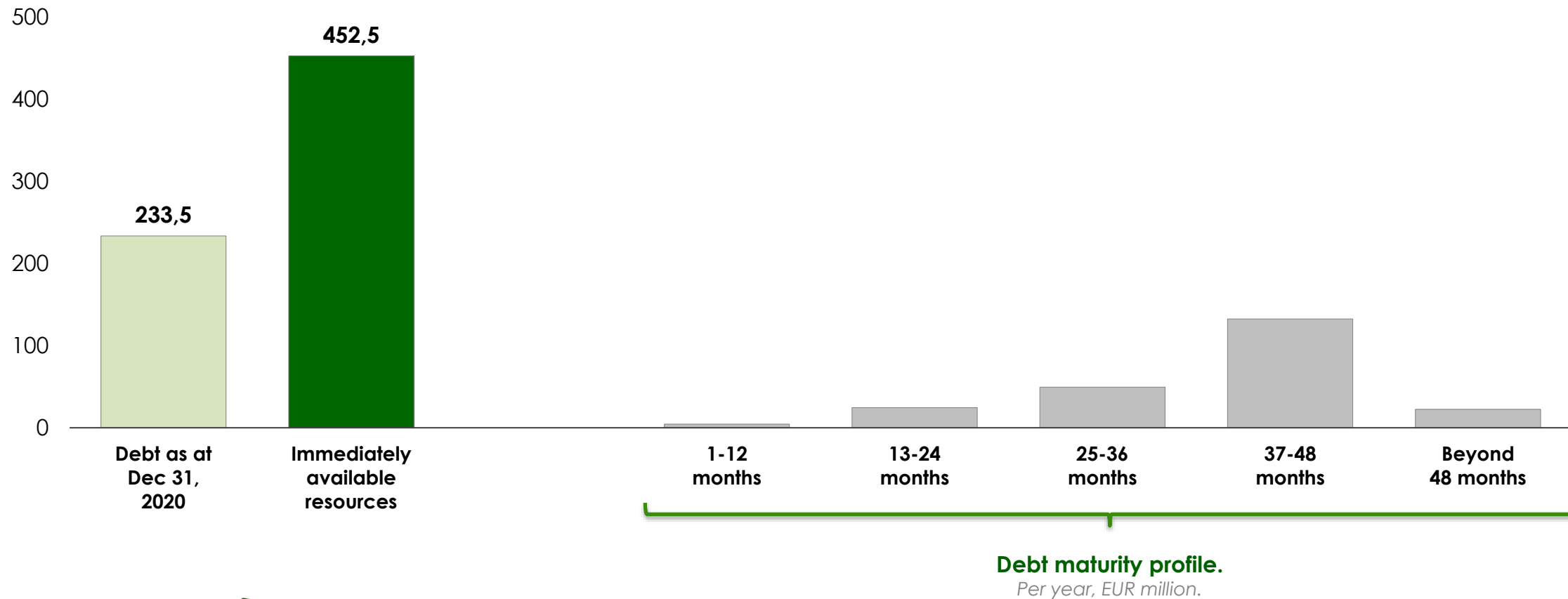
ANNEX II. Acquisition of Santos Barosa (2017).



Santos Barosa manufactures and commercialises glass containers. It operates a major production facility located in **Marinha Grande**, Portugal. The company produces around **400,000 glass tons** per year.

The agreed transaction price amounts to an **enterprise value** equivalent to EUR 252.7 million. Through this acquisition, Vidrala becomes the **leader of the attractive Iberian market**.

ANNEX III. Financing structure.



Current financing structure As at December 31, 2020	Debt / EBITDA ratio ≈0.8x	Average maturity ≈3.5 years	Estimated cost, all-in <1.0% annual
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choose
tomorrow,
today

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