

## VIDRALA, S.A. BUSINESS PERFORMANCE H1 2023

### MAIN FIGURES (SIX MONTHS ENDED)

	June 2023	June 2022	Change	Change on constant currency basis
<b>Sales</b> (EUR million)	<b>794.8</b>	650.8	+22.1%	+23.9%
<b>EBITDA</b> (EUR million)	<b>215.2</b>	112.0	+92.2%	+94.0%
<b>Earnings per share</b> (EUR)	<b>4.19</b>	1.81	+131.6%	
<b>Debt / LTM EBITDA</b> (multiple)	<b>0.8x</b>	0.9x	-0.1x	

**Important:** In order to improve comparability, earnings per share has been adjusted for the effect of the bonus share issue carried out in December 2022. For the purpose of calculating the leverage ratio, debt and EBITDA figures exclude the IFRS 16 Leases impact. For further detail, please see the explanatory annex on alternative performance measures (APM).

- ✓ Sales during the first six months 2023 amounted to EUR 794.8 million, showing a growth of 23.9% on a constant currency basis.
- ✓ Operating profit, EBITDA, was EUR 215.2 million representing an operating margin of 27.1%.
- ✓ Earnings reached EUR 4.19 per share in the period.
- ✓ Net debt as of June 30, 2023 stood at 0.8 times last twelve months EBITDA.



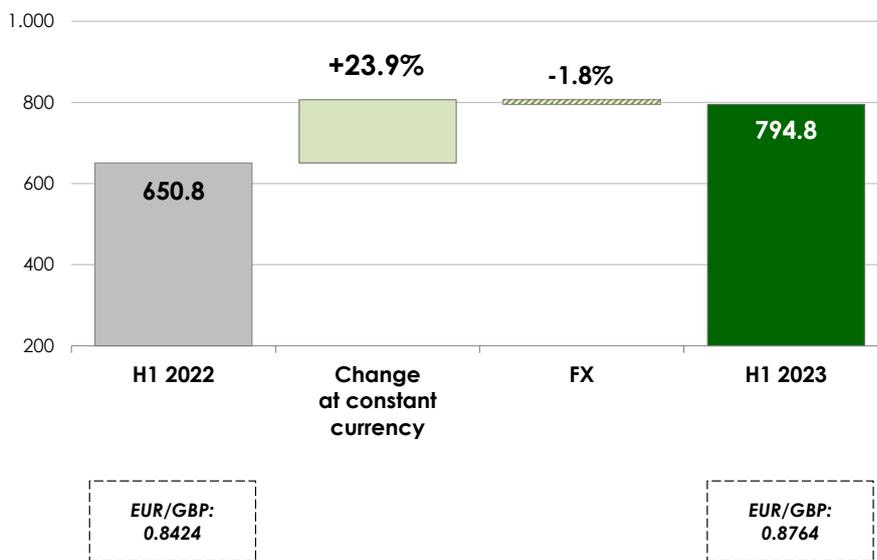
**Earnings performance**

**Sales**

Net sales reported by Vidrala during the first six months 2023 amounted to EUR 794.8 million, representing a reported change of 22.1% over the previous year. On a constant currency basis, sales increased 23.9%.

**SALES  
YEAR OVER YEAR CHANGE**

EUR million



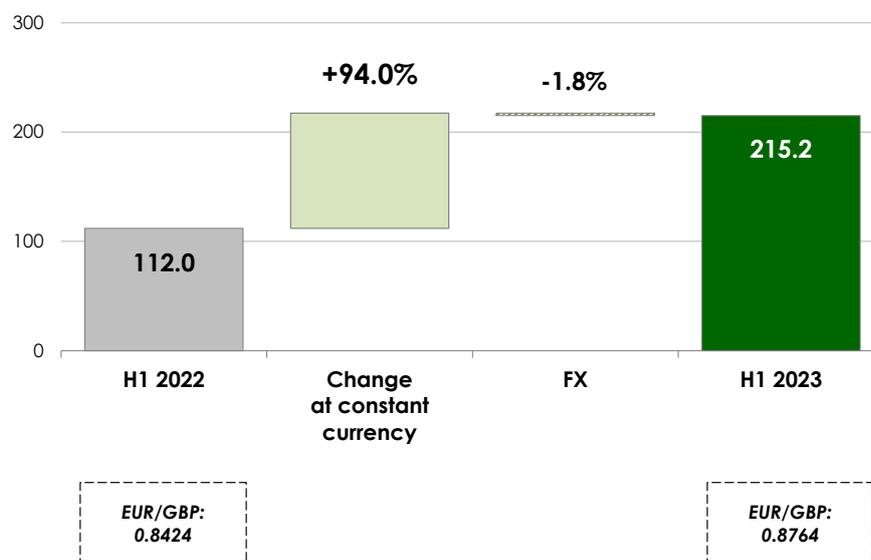
### Operating results

Operating profit –EBITDA– obtained in the first six months 2023 reached EUR 215.2 million, an increase of 92.2% over the figure reported last year. This represents a recovery, on a constant currency basis, of 94.0%.

Over sales, EBITDA margin stood at 27.1%.

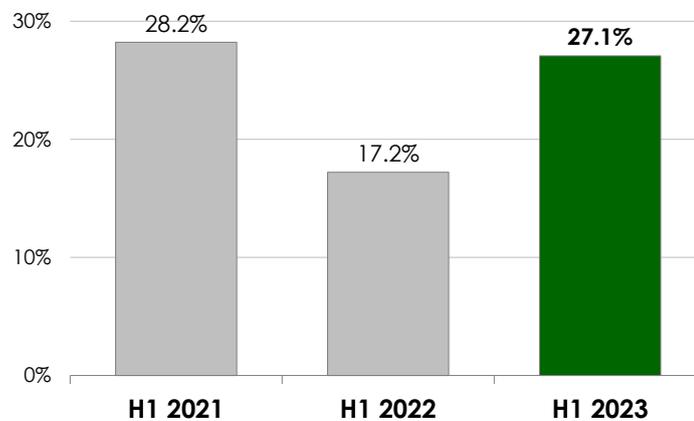
#### EBITDA YEAR OVER YEAR CHANGE

EUR million



#### OPERATING MARGINS EBITDA YEAR OVER YEAR CHANGE SINCE JUNE 2021

As percentage of sales



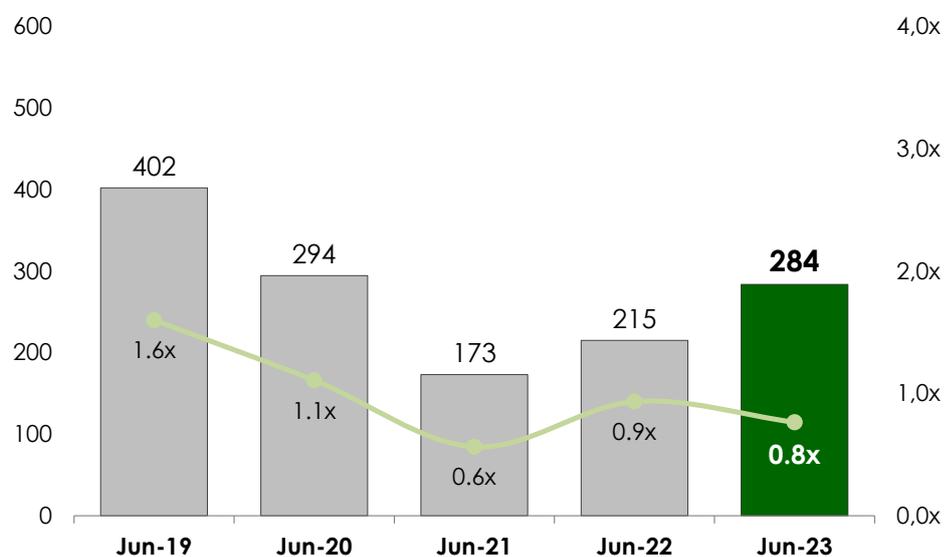
## Results and financial position

Net profit in the first half 2023 amounted to EUR 128.7 million. As a result, earnings reached EUR 4.19 per share, an increase of 131.6% over the previous year.

Net debt as of June 30, 2023 stood at EUR 283.8 million, reflecting a leverage ratio of 0.8 times last twelve months EBITDA.

### DEBT YEAR OVER YEAR EVOLUTION SINCE JUNE 2019

Debt in EUR million and times EBITDA



Debt figure and leverage ratio do not include the effect of IFRS 16 Leases, which entails a liability of EUR 47.6 million in debt and an effect of EUR 2.7 million in consolidated EBITDA (EUR 0.6 and 0.2 million, respectively, in H1 2022). The data does include the amounts of sale and leaseback contracts (see Note 18 – Financial liabilities). June 2023 debt figure is affected by the payment of EUR 87.2 million for the acquisition of The Park and the non-controlling minority stake of 29.36% in the share capital of Vidroporto.



## Key figures

	June 2023	June 2022
<b>Sales</b> (EUR million)	794.8	650.8
<b>EBITDA</b> (EUR million)	215.2	112.0
<b>EBITDA margin</b> (as percentage of sales)	27.1%	17.2%
<b>EBIT</b> (EUR million)	163.5	67.3
<b>EBIT margin</b> (as percentage of sales)	20.6%	10.3%
<b>Net profit</b> (EUR million)	128.7	56.3
<b>Earnings per share</b> (euros)	4.19	1.81
<b>Debt</b> (EUR million)	283.8	215.0
<b>Debt / EBITDA</b> (multiple)	0.8x	0.9x



## Business outlook

Demand for glass packaging in our regions of activity remains showing strong underlying fundamentals, despite recent softening that mostly reflects high previous year basis of comparison, impacts from macroeconomic factors, and temporary destocking effects. Glass, as the ultimate sustainable packaging material, will keep on receiving a continuous support from consumers, brand owners and packagers.

Besides a more modest demand context seen during the first half of the year, our business profitability levels maintained a solid path of recovery that results from operational cost improvements and the first benefits of our capex program. Particularly, our strategic investment plan directed to grow and diversify the business, better serve our customers, offer differential services and selectively enhance our manufacturing facilities, evidences that our industrial footprint and the way we serve our customers is today stronger than ever.

Therefore, despite the evident macroeconomic uncertainties that could affect general trading conditions, the recent improvements seen in our operating margins are expected to be consolidated during the remainder of the year 2023. Consequently, our guidance for the full year 2023 is reiterated at double-digit revenue growth, EBITDA margin above 25% over sales, earnings to exceed EUR 7.00 per share, and more than EUR 150 million free cash flow generation.

In any case, looking beyond 2023, the basics of our strategic guidelines and the fundamentals of our business profile will remain firmly committed to our long-term priorities: customer, cost and capital. We will invest to create future, grow the business and diversify our operations, with our customers in mind and the aim to supply our services and make our products in the most competitive and sustainable way. And we will do it securing a strict capital discipline.

*As evidence of the above, Vidrala this year completed **two significant corporate transactions**.*

*Our subsidiary in the UK Encirc Ltd. has integrated the beverages filling facilities and the logistic infrastructure in Bristol, known as **'The Park'**. The business purchased further improves the range of services we provide in the UK market, securing glass volumes, helping our existing customers to grow, improving logistics, increasing flexibility, minimising carbon footprint and reinforcing Encirc's unparalleled fundamentals as the only company to offer a full 360 approach to the beverage supply chain.*

*Moreover, in early February 2023, Vidrala announced the acquisition of a 29.36% stake in y **Vidroporto, S.A.**, a renowned competitive Brazilian manufacturer of glass containers that operates two high quality sites from where it serves some of the main brands in Brazil in segments like beer, spirits or soft drinks. This first step remarkably represents for Vidrala a very deliberate strategic development, diversifying the business towards the growing Brazilian market, creating a driver for future growth in regions that will offer interesting opportunities with an aim of reinforcing long-term partnerships with some of the main global beer customers.*

## Relevant information for shareholders

In accordance with the agreement of the last Annual General Meeting, a complementary cash dividend from 2022 results was paid on July 14, 2023 for a gross amount of EUR 33.69 cents per share.

Overall, cash dividends received by the Shareholders during 2023, including AGM attendance bonus, amounted to EUR 1.2621 per share. This annual distribution represents an approximate increase of 10% 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 2022.

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.

	<b>2023</b>
<i>Interim dividend (Feb-2023)</i>	0.8852
<i>AGM attendace bonus (May-2023)</i>	0.0400
<i>Complementary dividend (Jul-2023)</i>	0.3369
<b>Cash remuneration (EUR per share)</b>	<b>1.2621</b>

### **+10% vs PREVIOUS YEAR**

*considering the effect of the bonus share issue completed in December 2022.*



## 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). Reported net debt excludes the impact of IFRS 16 Leases (see note 18 of the consolidated financial statements for further details).

**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.

**EBITDA**

<i>EUR '000</i>	<b>H1 2023</b>	<b>H1 2022</b>	<b>Source of data</b>
Profit before income tax from continuing operations	163,362	70,593	<i>Consolidated Income Statement</i>
Amortisation and depreciation	+50,787	+43,950	<i>Consolidated Income Statement</i>
Finance income	-3,142	-249	<i>Consolidated Income Statement</i>
Finance costs	+6,170	+1,609	<i>Consolidated Income Statement</i>
Impairment of non-current assets	+907	+723	<i>Consolidated Income Statement</i>
Change in fair value of financial instruments	+0	-4,638	<i>Consolidated Income Statement</i>
Participation accounted through equity method	-2,888	+0	<i>Consolidated Income Statement</i>
<b>Reported EBITDA</b>	<b>215,196</b>	<b>111,988</b>	/

**NET DEBT**

<i>EUR '000</i>	<b>H1 2023</b>	<b>H1 2022</b>	<b>Source of data</b>
Loans and borrowings (non-current liabilities)	355,296	256,055	<i>Consolidated Balance Sheet</i>
Loans and borrowings (current liabilities)	+38,622	+74,241	<i>Consolidated Balance Sheet</i>
Cash and cash equivalents	-62,558	-115,267	<i>Consolidated Balance Sheet</i>
IFRS 16 Leases impact	-47,590	-571	<i>Note 18 – Financial Liabilities</i>
<b>Reported consolidated net debt</b>	<b>283,770</b>	<b>214,458</b>	/

## Annex II. 2023 events calendar.

### **Past events**

February 15, 2023

Payment of a first interim cash dividend from 2022 results

February 28, 2023

FY 2022 Earnings Release (21:00h CET)

April 27, 2023

Q1 2023 Earnings Release (10:00h CET)

April 27, 2023

Annual General Meeting (12:00h CET)

July 14, 2023

Payment of a complementary cash dividend from 2022 results

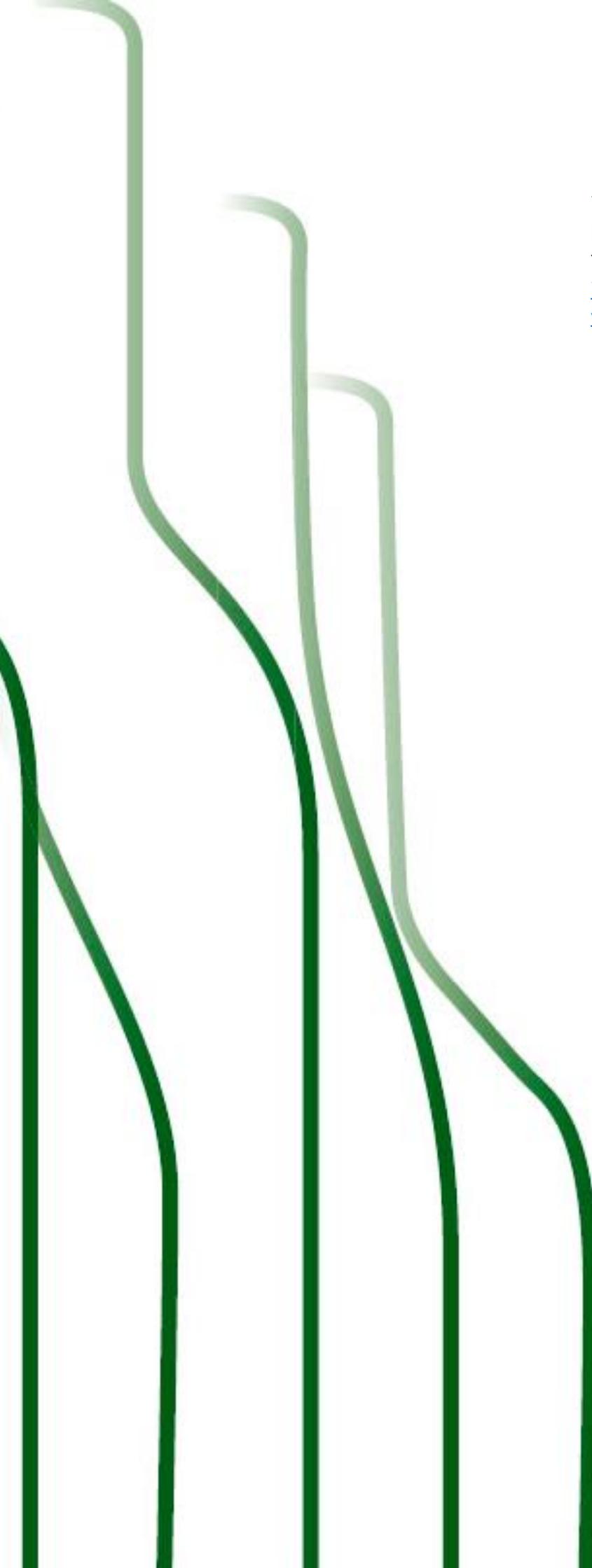
July 19, 2023

Q2 2023 Earnings Release (8:00h CET)

### **Upcoming events**

October 18, 2023

Q3 2023 Earnings Release (8:00h CET)

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**VIDRALA, S.A.**

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