

## VIDRALA, S.A. BUSINESS PERFORMANCE H1 2020

### MAIN FIGURES (SIX MONTHS ENDED)

	June 2020	June 2019	Change	Change on constant currency basis
<b>Sales</b> (EUR million)	<b>474.4</b>	507.5	-6.5%	-6.5%
<b>EBITDA</b> (EUR million)	<b>122.4</b>	131.2	-6.7%	-6.6%
<b>Earnings per share</b> (EUR)	<b>2.30</b>	2.48	-7.2%	
<b>Debt / LTM EBITDA</b> (multiple)	<b>1.1x</b>	1.6x	-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 2019.

- ✓ Sales during the first six months 2020 amounted to EUR 474.4 million, showing an organic decline of 6.5%.
- ✓ Operating profit, EBITDA, was EUR 122.4 million representing an operating margin of 25.8%.
- ✓ Earnings reached EUR 2.30 per share, a decrease of 7.2% over the previous year.
- ✓ Net debt at June 30, 2020 stood at 1.1 times last twelve months EBITDA, reflecting a year-on-year reduction of 27%.



**Vidrala is a consumer packaging company.** We make glass containers for food and beverages and offer a variety of packaging services that include logistic solutions and filling activities. Our products and services are part of the food and drinks value chain, contribute to maintain our customers' activities and support them to secure essential supplies to consumers around different regions in the globe.

Consumer packaging is a crucial part of modern societies. It protects, preserves and enables efficient distribution of products connecting origins of production with end consumers. The consumption habits we experience today are possible, in part, thanks to the existence of a sustainable packaging supply chain.

Particularly during this time, the packaging industry plays a critical role to make available food and beverages products. Therefore, glass container manufacturing has been widely recognised as an essential activity given its importance to support the food and beverages supply chain.

Our people's health and safety is always a top priority and remains in the heart of what we do and how we operate. Amid CoVid, we in Vidrala have successfully implemented measures to protect all employees in alignment with the recommendations defined by the different health authorities. As a result, all our eight sites have always remained under operation, continuously supporting our customers' activities.

***While the planet reaches unprecedented levels of pollution, glass provides a 100% sustainable packaging solution. Glass is environmentally unique, circular by nature, fully recyclable endlessly without loss in quality or purity in a perfectly closed loop. Glass is the definitive sustainable packaging material.***

***Under the pandemic, glass packaging provides the healthiest solution. Glass is inert, nonporous and impermeable. It protects and preserves securing quality and freshness of food and beverages under the highest hygienic standards. Glass provides the healthy choice for consumers.***

***During this time, glass packaging manufacturing is essential to support the food and drinks supply chain.***

***It is crucial we all continue to recycle so that glass does not become a waste and can be reused, over and over again.***

***Choose glass. Recycle glass. Help us shape the future of sustainable packaging.***



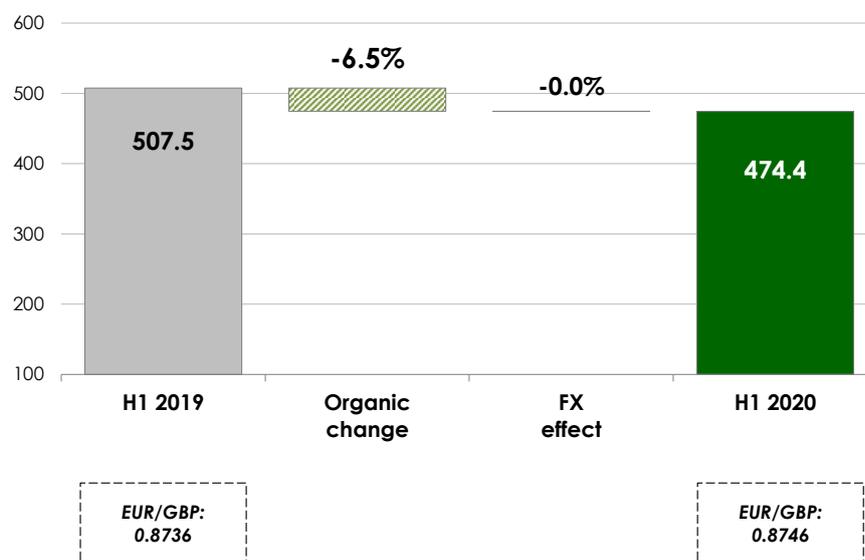
## Earnings performance

### Sales

Net sales reported by Vidrala during the first six months 2020 amounted to EUR 474.4 million, a decline of 6.5% over the previous year.

#### SALES YEAR OVER YEAR CHANGE

EUR million



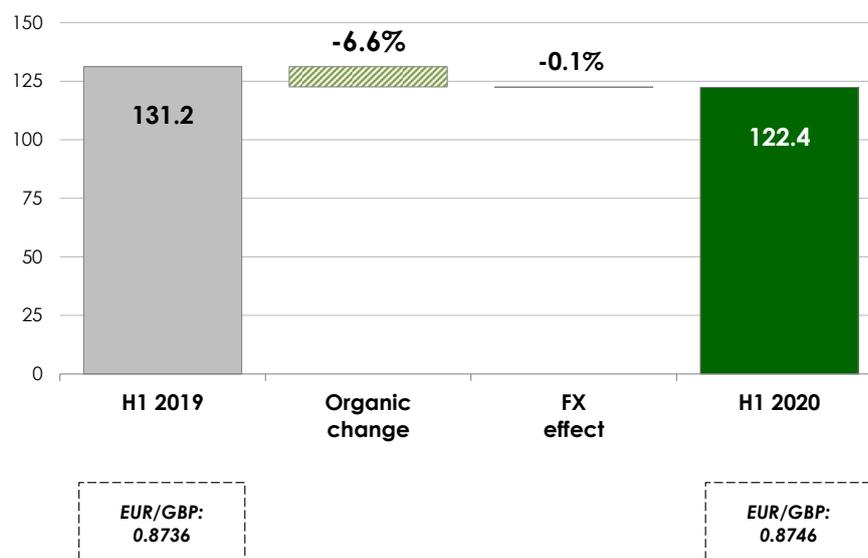
## Operating results

Operating profit –EBITDA– obtained in the first six months 2020 reached EUR 122.4 million, a decrease of 6.7% over the figure reported last year. On a constant currency basis, EBITDA reflected an organic decline of 6.6%.

Over sales, EBITDA margin stood at 25.8%.

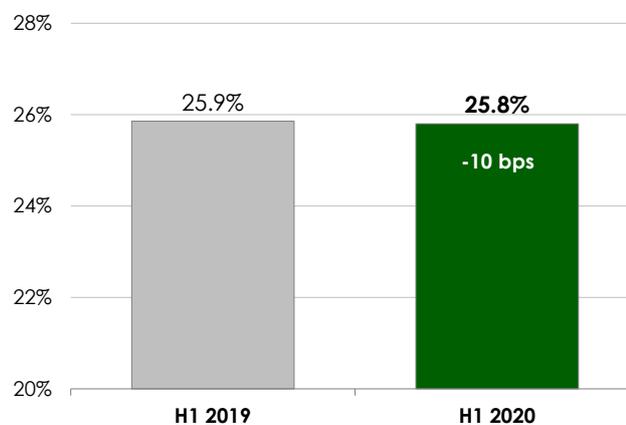
### EBITDA YEAR OVER YEAR CHANGE

EUR million



### OPERATING MARGINS EBITDA YEAR OVER YEAR CHANGE

As percentage of sales



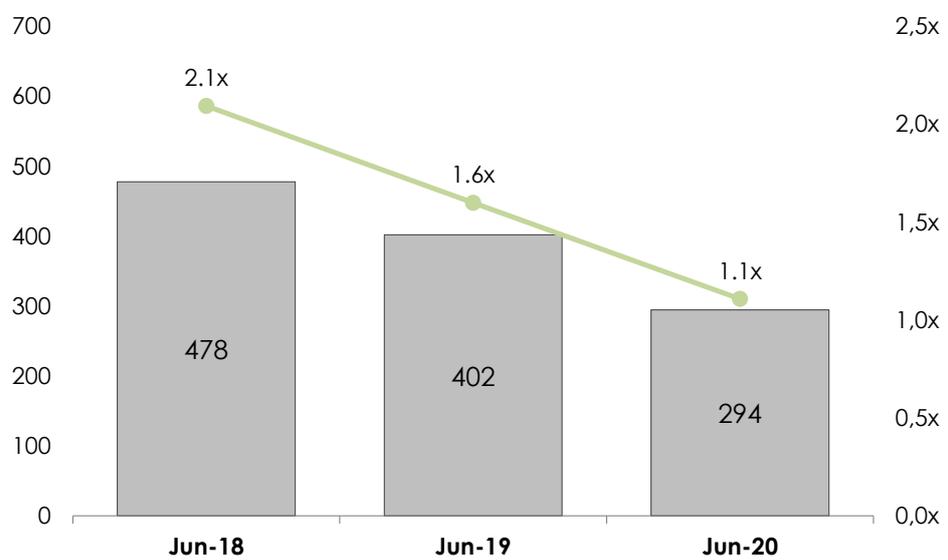
## Results and financial position

Net profit in the first half 2020 amounted to EUR 62.2 million. As a result, earnings reached EUR 2.30 per share, a decrease of 7.2% over the previous year.

Net debt at June 30, 2020 stood at EUR 294.5 million, reflecting a leverage ratio of 1.1 times last twelve months EBITDA.

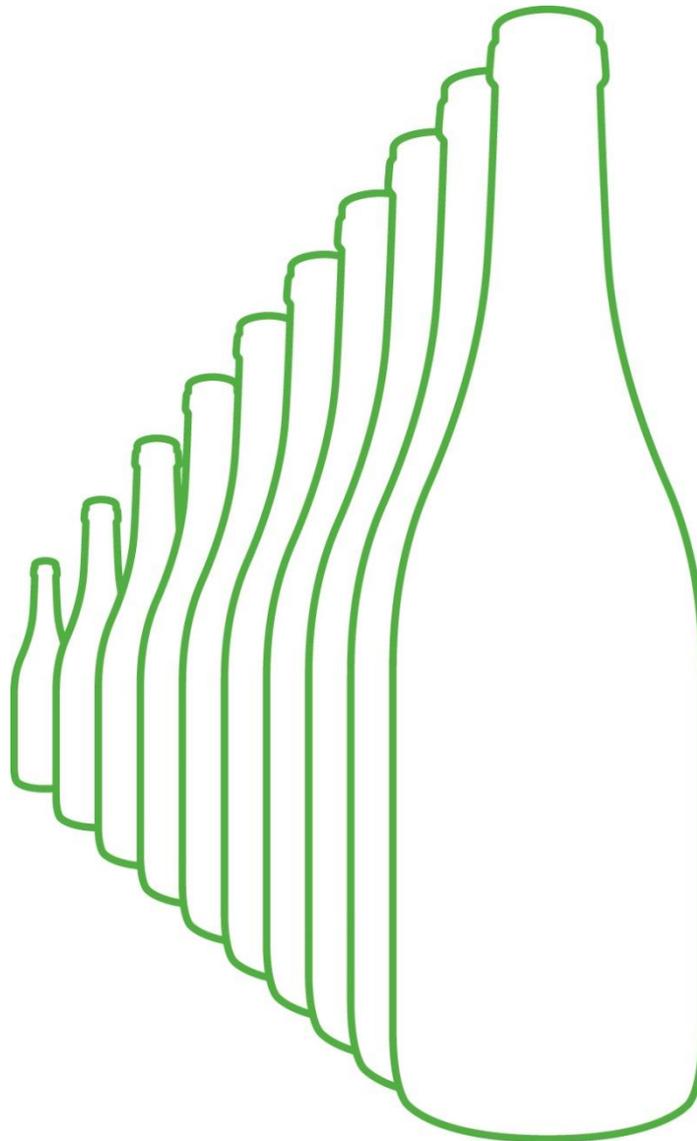
### DEBT YEAR OVER YEAR EVOLUTION SINCE JUNE 2018

Debt in EUR million and times EBITDA



## Key figures

	June 2020	June 2019
<b>Sales</b> (EUR million)	474.4	507.5
<b>EBITDA</b> (EUR million)	122.4	131.2
<b>EBITDA margin</b> (as percentage of sales)	25.8%	25.9%
<b>EBIT</b> (EUR million)	76.9	84.5
<b>EBIT margin</b> (as percentage of sales)	16.2%	16.6%
<b>Net profit</b> (EUR million)	62.2	67.4
<b>Earnings per share</b> (euros)	2.30	2.60
<b>Debt</b> (EUR million)	294.5	402.1
<b>Debt / EBITDA</b> (multiple)	1.1x	1.6x



## **Business outlook**

The measures to contain the pandemic and its consequences over economic activities and normal social habits are damaging the economy and unavoidably affecting demand for packaging products.

As expected, our second quarter was negatively impacted by lower sales volumes levels. Despite this unprecedented business context, as social lockdowns relaxed, business activities began to reopen and economies started to recover some minimal level of normality, demand conditions gradually improved from the lows seen at the start of the second quarter.

In any event, uncertainty is still high and trading conditions remain far from normal. Under this context, Vidrala will actively manage the business in response to the evolving dynamics around the pandemic, firmly focused on securing supply and customer service. At the same time, we will progressively align production and demand with discipline to protect the business.

Having said that, the benefits of our reassured ambitious investment plan and the solid operating performance resulting from the action plans on track, will contribute to enhance our competitiveness, further strengthening our market positioning and, at certain degree, mitigate impacts in our profitability.

As a result of the above, understanding the still unpredictable and changing business conditions, Vidrala now expect full year 2020 volumes to decline in a range of 5 to 10 percent and operating margins to consolidate above 25% EBITDA over sales.

In any case, the long-term strategic guidelines inside Vidrala will remain intact, firmly committed to our three priorities: customer, cost and capital. We will maintain a strict capital discipline, a solid financial position and a strong focus on long term returns.



## Relevant information for shareholders

In accordance with the agreement of the last Annual General Meeting, a complementary cash dividend from 2019 results was paid on July 14, 2020 for a gross amount of EUR 32.09 cents per share.

Overall, cash dividends received by the Shareholders during 2020, including AGM attendance bonus, amounted to EUR 1.2039 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 2019.

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.

### 2020 cash remuneration

*EXPECTED 2020 DIVIDEND PAYMENTS, WITH CHARGE TO FULL YEAR 2019 RESULTS  
PROPOSAL FOR APPROVAL BY THE ANNUAL GENERAL MEETING (AGM)*

<b>Interim dividend (February 2020)</b>	EUR 0.8430 per share
<b>Complementary dividend (July 2020)</b>	EUR 0.3209 per share
<b>AGM attendance bonus</b>	EUR 0.0400 per share

**EUR 1.2039 per share**  
*2020 total remuneration*

**+15% vs PREVIOUS YEAR**

*considering the effect of the bonus share  
issue completed in December 2019.*

## 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. 2020 events calendar.****Past events**

February 14, 2020

Payment of a first interim cash dividend from 2019 results

February 27, 2020

FY 2019 Earnings Release (8:00h CET)

April 23, 2020

Q1 2020 Earnings Release (8:00h CET)

July 2, 2020

Annual General Meeting (12:00h CET)

July 14, 2020

Payment of a complementary cash dividend from 2019 results

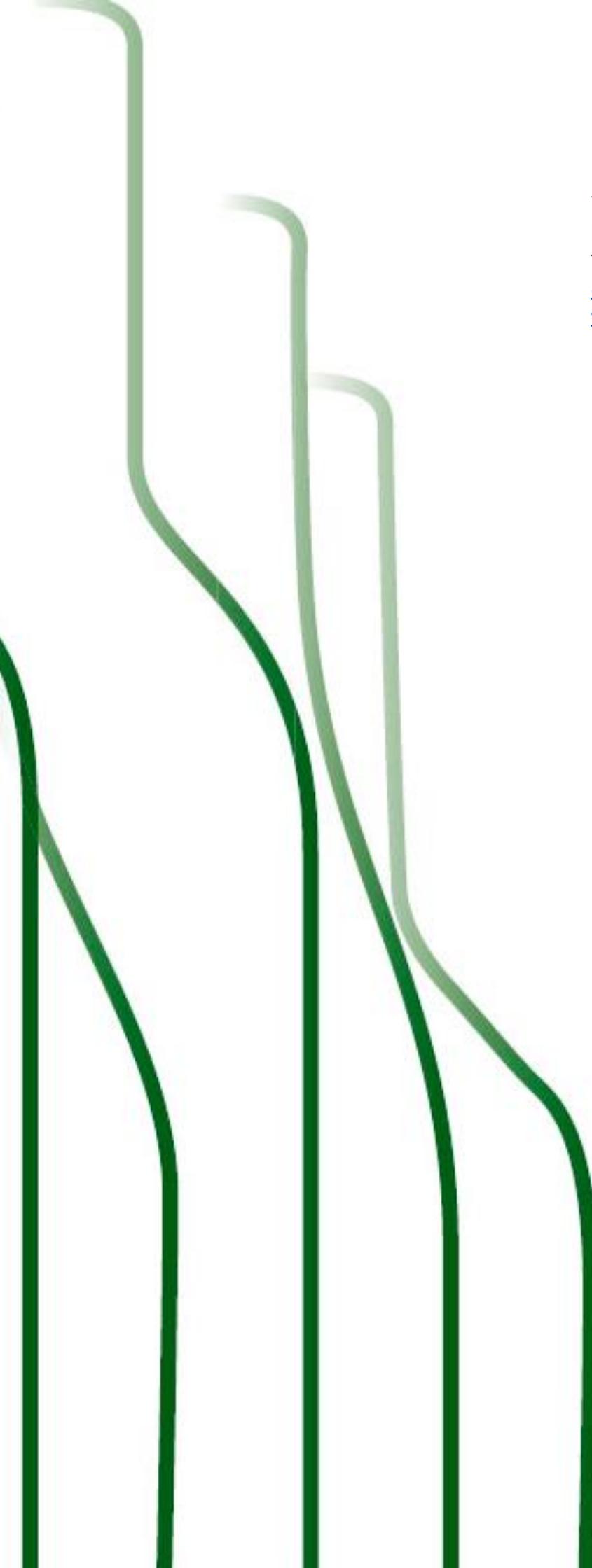
July 24, 2020

Q2 2020 Earnings Release (8:00h CET)

**Upcoming events**

October 21, 2020

Q3 2020 Earnings Release (8:00h CET)



**VIDRALA, S.A.**

**Investor relations**

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