

VIDRALA, S.A. BUSINESS PERFORMANCE 2020

ACCUMULATED FIGURES

	Full Year 2020	Full Year 2019	Reported change	Change on a constant currency basis
Sales (EUR million)	988.4	1,010.8	-2.2%	-1.7%
EBITDA (EUR million)	279.8	274.6	+1.9%	+2.5%
Earnings per share adjusted (EUR)	5.62	5.02	+12.0%	
Debt / EBITDA (multiple)	0.8x	1.2x	-0.4x	

Important: In order to improve comparability, earnings per share has been adjusted for the effect of the bonus share issue carried out in December 2020.

- ✓ Sales in the year 2020 amounted to EUR 988.4 million, showing an organic change of -1.7%.
- ✓ Operating profit, EBITDA, amounted to EUR 279.8 million representing an operating margin of 28.3%.
- ✓ Earnings per share rose 12% over the same period last year, to EUR 5.62 per share.
- ✓ Debt at year end stood at EUR 233.5 million, equivalent to 0.8 times last twelve months EBITDA.



Introduction

Vidrala is a consumer packaging company. We make glass containers for food and beverages products and offer a variety of packaging services that include logistic solutions and beverages filling operations. Our industrial knowledge, glass manufacturing skills, range of services and understanding of market needs make us a partner for many favourite food and beverages brands. Our aim is to make glass, the ultimate fully recyclable material, and to serve packaging services as efficiently, profitably, and sustainably as possible, ensuring the safety and wellbeing of our people and meeting the expectations of our customers.

Sustainable packaging for a sustainable modern world



**choose
tomorrow,
today**

Across the globe, people are arising concerns about the future of the planet and our impact in it. Unavoidably, the consumer industry is reacting, deploying efforts to improve the sustainability of the things we do and the products we consume.

Packaging plays an essential role in modern day living, protecting, preserving, and enabling distributions of products that are only available thanks to the existence of an efficient packaging supply chain. As demographics progress and middle classes evolve worldwide, demand for packaging rises. At the same time, the modern consumer is refocusing its habits towards quality, health, sustainability and on-the-go purchasing. Living in urban areas, more and smaller households create demand for more units of product in individual packaging. Consequently, the food and beverages industry will increasingly require optimal packaging solutions that provide the best preservation conditions on a recyclable material. The challenge we all face is big. And Vidrala accepts it.

Under this changing consumer world, glass arises as the optimal packaging of choice. The glass container secures the highest protection and the most optimal preservation enabling efficient distribution of products that require to be consumed in optimal conditions. Glass packaging is safe, healthy and inert. Glass is appealing and helps brand owners to connect with end consumers, identifying and promoting their goods, acting as a marketing tool and an iconic representation of the product inside. More important, glass can be recycled forever. It's the ultimate sustainable packaging. Surveys across the developed world show that consumers and packagers increasingly prefer glass as the packaging material. The glass container is an efficient choice for packagers, brand owners and consumers and contributes to a sustainable economy helping reduce wastes from spoilage securing longer periods of preservations for food and beverages products.

Responding to the CoVid pandemic

The CoVid pandemic abruptly distorted the business context in early 2020 placing risks rarely seen before. The challenge has been big for intensive industries like ours, which manage 24/7 industrial activities that involve complex glass making operations and intricate logistic processes.

From its early stage, soon after all complexities started and people and businesses were put on lockdowns, glass container manufacturing was widely recognised by governments in our regions as an essential activity, given its importance to support the critical food and beverages supply chain. This helped avoid major sudden interruptions and organize internal responsive actions orderly.

Immediately after, we defined and implemented a number of measures to secure we were providing accurate protecting for our people. This included strict health and safety measures to minimize virus transmission and maintain the business operational. As a result of these actions, all our eight sites remained active at every moment across the year.

Simultaneously, we further strengthened our logistic processes to secure critical supplies and maintain customer deliveries. And we did it in regular communication with our customer, to enhance our awareness of their situations, understand their expectations and, finally, execute an appropriate production planning with our level of service in mind. In result of this, Vidrala's customer service across the abnormal year of the pandemic was recognized by its high level, supported by continuously effective product availability and fluent logistics. In conclusion, the experience after such an unprecedented period, will further strengthen our long terms commercial relationships with customers that are the basics of the business we make.

At Vidrala we met the challenge, firmly committed since the very beginning to serve our customers and protect our people. The results obtained under the complexities suffered in 2020, outline the strenght of our businesses, the adaptability of our people, the extent of our customer-centric culture and the perspectives for the sustainable products we make.



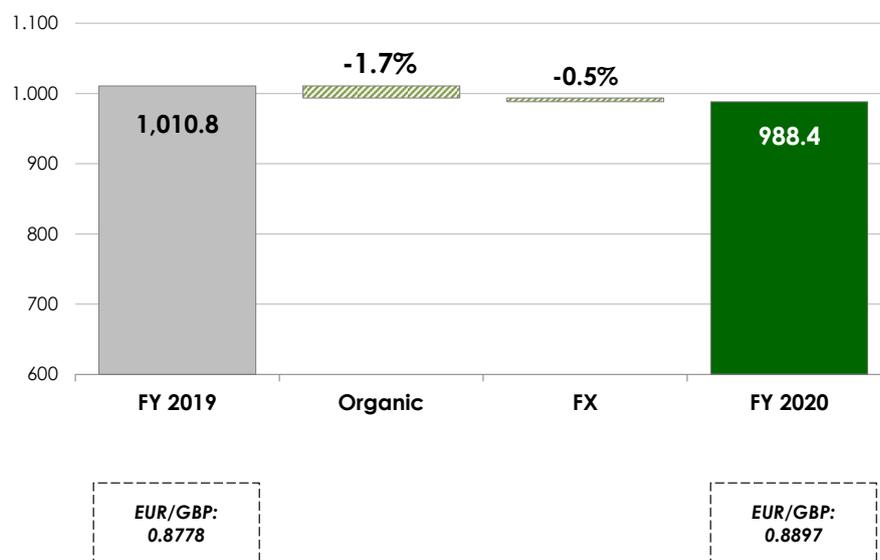
Earnings performance

Sales

Net sales registered by Vidrala during the full year 2020 amounted to EUR 988.4 million, representing a change of -2.2% over the previous year. On a constant currency basis, sales declined organically -1.7%.

**SALES
YEAR OVER YEAR CHANGE**

EUR million



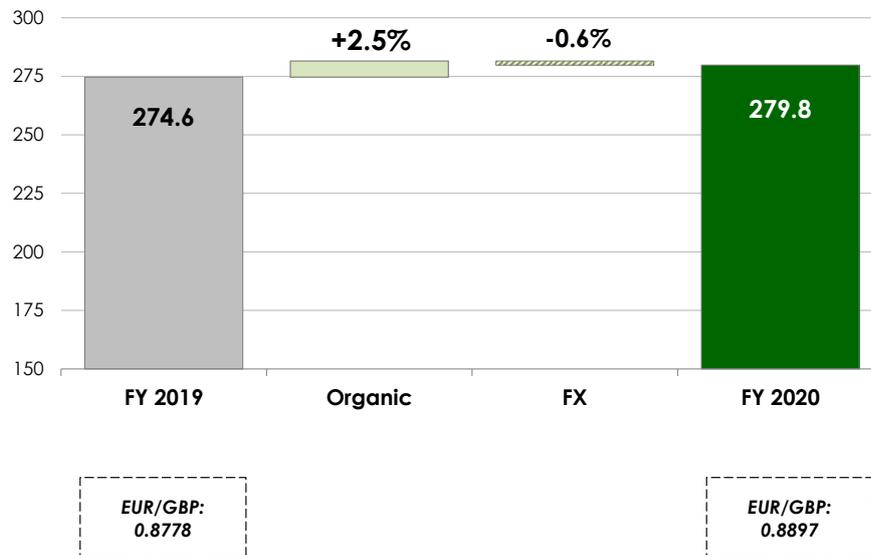
Operating results

Operating profit –EBITDA– obtained over 2020 reached EUR 279.8 million. This represents an increase of 1.9% over the figure reported last year reflecting an organic growth, on a constant currency basis, of 2.5%.

EBITDA margins reached 28.3% representing an expansion of 110 basis points over the previous year.

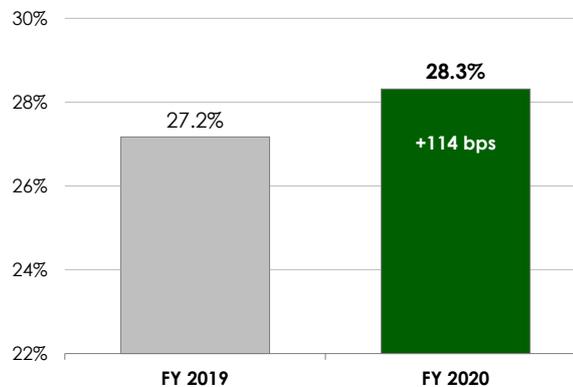
EBITDA YEAR OVER YEAR CHANGE

EUR million



OPERATING MARGINS EBITDA YEAR OVER YEAR CHANGE

As percentage of sales



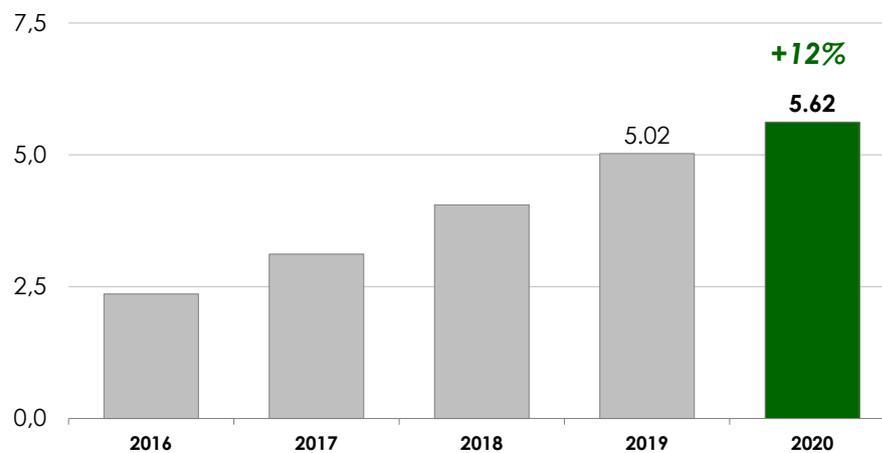
Results and financial position

Net profit for the full year 2020 amounted to EUR 159.5 million. As a result, earnings per share during the period reached EUR 5.62 per share. This represents an increase of 12.0% over the previous period.

Net debt at December 31, 2020 stood at EUR 233.5 million. Leverage ratio stood at 0.8 times twelve months EBITDA.

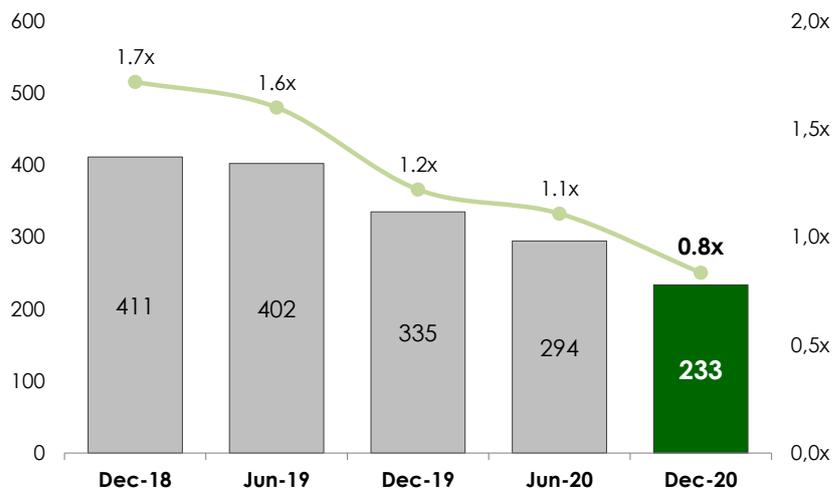
EARNINGS PER SHARE SINCE 2016

EUR per share



DEBT SIX-MONTHLY EVOLUTION SINCE 2018

Debt in EUR million and times EBITDA



Key figures

	Full Year 2020	Full Year 2019
Sales (EUR million)	988.4	1,010.8
EBITDA (EUR million)	279.8	274.6
EBITDA margin (as percentage of sales)	28.3%	27.2%
EBIT (EUR million)	194.3	177.5
Net profit (EUR million)	159.5	143.3
Free cash flow (EUR million)	140.0	121.1
Debt (EUR million)	233.5	334.9
Debt / EBITDA (multiple)	0.8x	1.2x
Debt / shareholders' equity (multiple)	0.3x	0.5x
EBITDA / net financial expenses (multiple)	50.74x	59.5x
Total assets (EUR million)	1,521.4	1,457.9
Shareholders' equity (EUR million)	816.2	723.4



Conclusions and outlook

The year 2020 was fully different than planned. The pandemic abruptly changed the context and heavily affected people and impacted businesses across the globe. For intensive industries like ours, that need to run under unstopped continuous processes to serve the essential food and beverages supply chain, the challenge has been huge since.

Yet under this complex environment, markets stabilised after the sudden drop occurred in the second quarter and our sales progressively showed a more rational performance during the second half of the year.

Some relevant conclusions lie behind the behaviour of our business seen in such an unprecedented year. First, consumption of food and beverages products remained strong amid the extremely restricted social conditions and demand for glass packaging quickly stabilised despite the shift between on and off-trade channels, proving that glass is gaining momentum for consumers worldwide that increasingly appreciate quality products in healthy packaging that secures the most sanitary preservation conditions through a sustainable material. This was a big proof of future for the industry. Our product is resilient. Second, Vidrala's structure was stress tested as never before. And we met the challenge, managing to maintain high operational levels, serving our customers efficiently without any major interruption. This validated recent strategic actions. Our business profile today is agile, competitive and prepared for the future.

Looking at 2021, the context is still today far from normal and activity remains widely affected by the virus spread and the consequent social lockdowns. Demand conditions are volatile and short-term trends uncertain, constrained by the evolution of the pandemic. But markets should soon normalise as activities gradually reopen. Our sales performance along the next months will reflect actual market conditions and progressively follow the rate of economic recovery.

Above this, despite these challenging times, Vidrala's business competitiveness will remain strong. The operational margins achieved last year should be consolidated in 2021, as they are the result of our internal actions to capture manufacturing efficiencies, the capacity realignment strategy executed last years and, above all, our ambitious investment plan defined with our customer and our future in mind.

In any event, the long-term strategic guidelines in Vidrala will remain intact, firmly committed to our three priorities: customer, cost and capital. We will maintain a strict focus on serving optimally our customers, investing with particular industrial ambition for the long-term sustainability of the business and, always, securing a strict capital discipline.

Relevant information for shareholders

The shareholder remuneration policy implemented by Vidrala is based on the gradual growth in cash dividends as the main way of distributing benefits. The shareholder remuneration policy implemented by Vidrala is based on the gradual growth in cash dividends as the main way of distributing benefits. Annual payments are typically increased by attendance bonuses to the shareholders' annual general meeting. In addition, Vidrala tries to define complementary tools for shareholder remuneration that are considered efficient and consistent with prevailing business conditions.

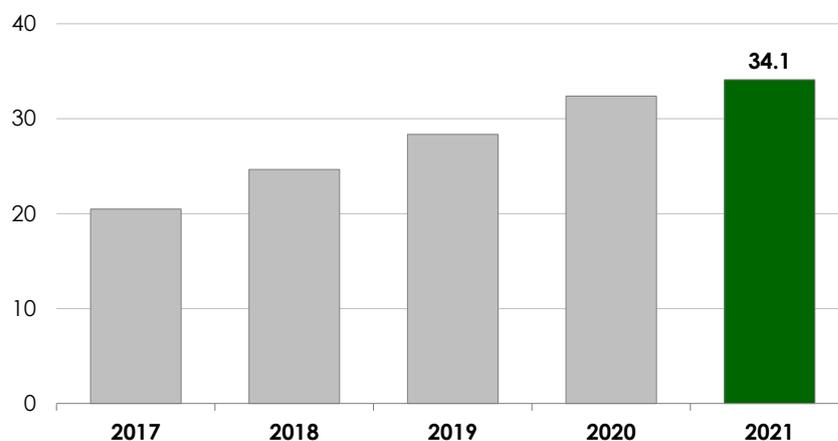
Consistent with that policy, cash dividends distributed during the year 2020 amounted to EUR 1.1639 per share, and EUR 4.00 cents per share were offered as attendance bonus to the general meeting, accumulating an annual cash distribution of EUR 1.2039 per share. This represents an increase of 9.6% over the prior year.

Likewise, during November 2020, Vidrala executed a free share capital increase in a proportion of one new share for every twenty existing shares to be freely allocated between all shareholders. All outstanding company shares, without distinction, were fully granted for this 5% bonus share issue.

Regarding the dividend payments for 2021, Vidrala has proposed a results distribution that represents –considering the effect of the new shares assigned free of charge after the bonus share issue completed in December 2020– an increase in the annual dividend of 5%. The first interim payment was paid on February 15, 2021 for EUR 84.30 cents per share. A second complementary payment is proposed to be paid on July 14, 2021 for an amount EUR 32.09 cents per share. Additionally, EUR 4.00 cents per share will be offered as attendance bonus to the general meeting. Overall, cash remuneration during 2021 would accumulate EUR 1.2039 per share.

SHAREHOLDERS' REMUNERATION CASH DIVIDENDS AND AGM ATTENDANCE BONUSES

EUR million, since 2017



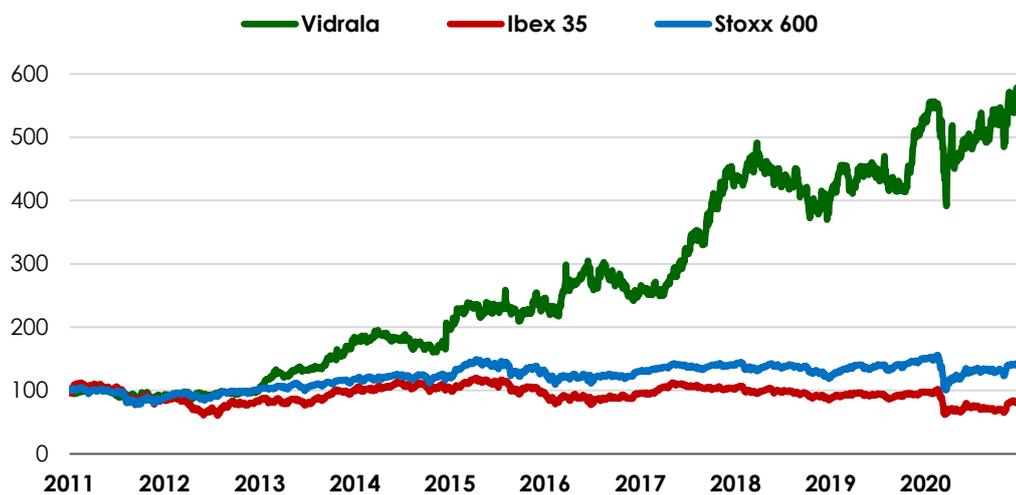
As an additional extraordinary measure, on December 18, 2020, the Company announced the extension of the previous share buy-back program, through which up to a maximum of 270,000 shares will be acquired for a maximum cash amount of EUR 27 million. The purpose of the programme is to reduce the share capital of Vidrala by the redemption of own shares, with the aim of contributing to the shareholders' remuneration policy through the increase in earnings per share.

Share performance

The share price closed 2020 at EUR 94.90, equivalent to a market capitalisation at the end of the year of EUR 2,697 million.

SHARE PRICE PERFORMANCE

Comparative performance in percentage terms, base 2011



	Full Year 2020
Price at the end of the period (EUR)	94.90
Market capitalisation (EUR million)	2,697
Cash remuneration (EUR per share)	1.2039
Interim (Feb-2020)	0.8430
Complementary (Jul-2020)	0.3209
AGM attendance bonus (Jul-2020)	0.0400

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. 2021 events calendar.

Past events

February 15, 2021

Payment of a first interim cash dividend from 2020 results

February 26, 2021

FY 2020 Earnings Release (8:00h CET)

Upcoming events

April 27, 2021

Annual General Meeting (12:00h CET)

April 28, 2021

Q1 2021 Earnings Release (8:00h CET)

July 14, 2021

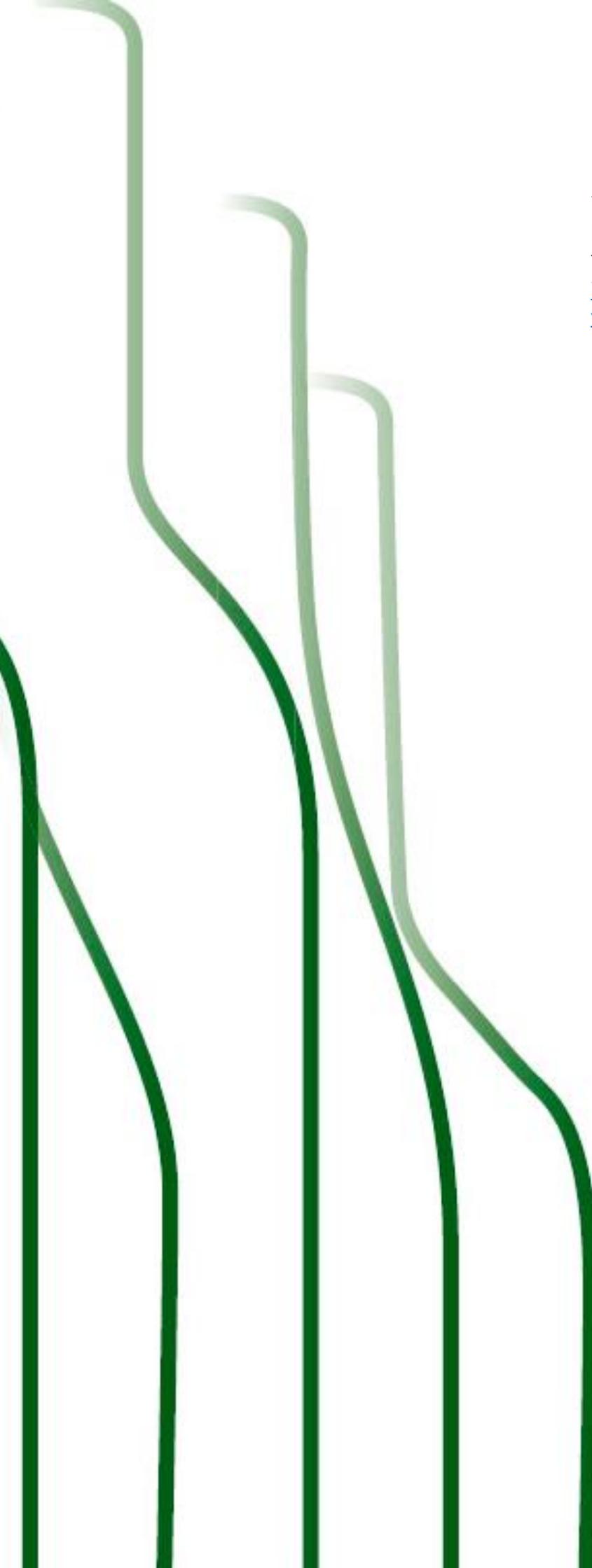
Payment of a complementary cash dividend from 2020 results

July 23, 2021

Q2 2021 Earnings Release (8:00h CET)

October 29, 2021

Q3 2021 Earnings Release (8:00h CET)



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