



vidrala

COMPANY PRESENTATION

MAY 2023

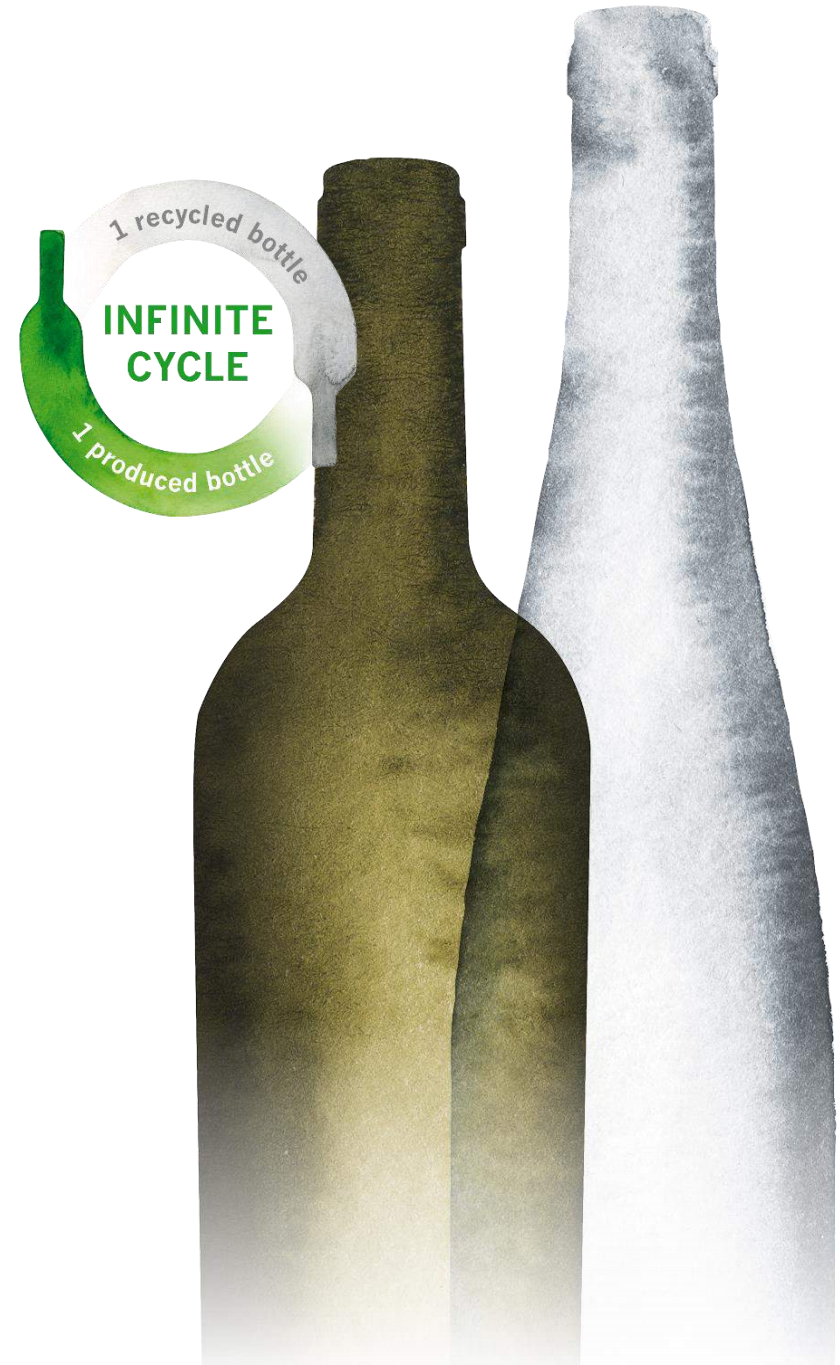


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- 1. GENERAL OVERVIEW**
- 2. BUSINESS FUNDAMENTALS**
- 3. FINANCIALS**
- 4. ANNEXES**



VIDRALA, AT A GLANCE

vidrala

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 capitalisation over EUR 2.5 billion.

OVER
3,600
EMPLOYEES



49%
USE OF
RECYCLED
GLASS



8
MANUFACTURING
SITES



19
FURNACES

ANNUAL PRODUCTION
>8.0 BILLION
CONTAINERS



OVER
1,600
CUSTOMERS



PEOPLE
PLACE
PLANET
PROSPERITY

Factsheet



SALES

1,345.6

EUR million
+23.9% YoY organic

EARNINGS

4.97

EUR per share
+6.9% YoY



vidrala

EBITDA

270.4

EUR million
20.1% EBITDA margin

NET DEBT

167.2

EUR million
0.6x leverage ratio

CREATING VALUE AND FUTURE IN A SUSTAINABLE WAY

1965 **The origin of Vidrala**
1965 - Vidrala begins operations in Alava (Spain)

1980 **Vidrala goes public**
1985 - IPO Madrid and Bilbao stock exchanges

1990 **Domestic expansion**
1989 - Second greenfield in Albacete (Spain)

2000 **Internationalisation**
2003 - Acquisition of one plant in Portugal
2005 - Acquisition of two plants: Barcelona (Spain) and Italy
2007 - Acquisition of one plant in Belgium

2010 **Transformational acquisitions**
2015 - Acquisition of Encirc (UK and Ireland)
2017 - Acquisition of Santos Barosa (Portugal)

2020 **Strategic divestment**
2019 - Sale of our manufacturing activity in Belgium

Differentiation & Diversification
2023 - Acquisition of 'The Park' (UK) filling & logistics business
2023 - Acquisition of a non-controlling stake in Vidroporto (Brazil)

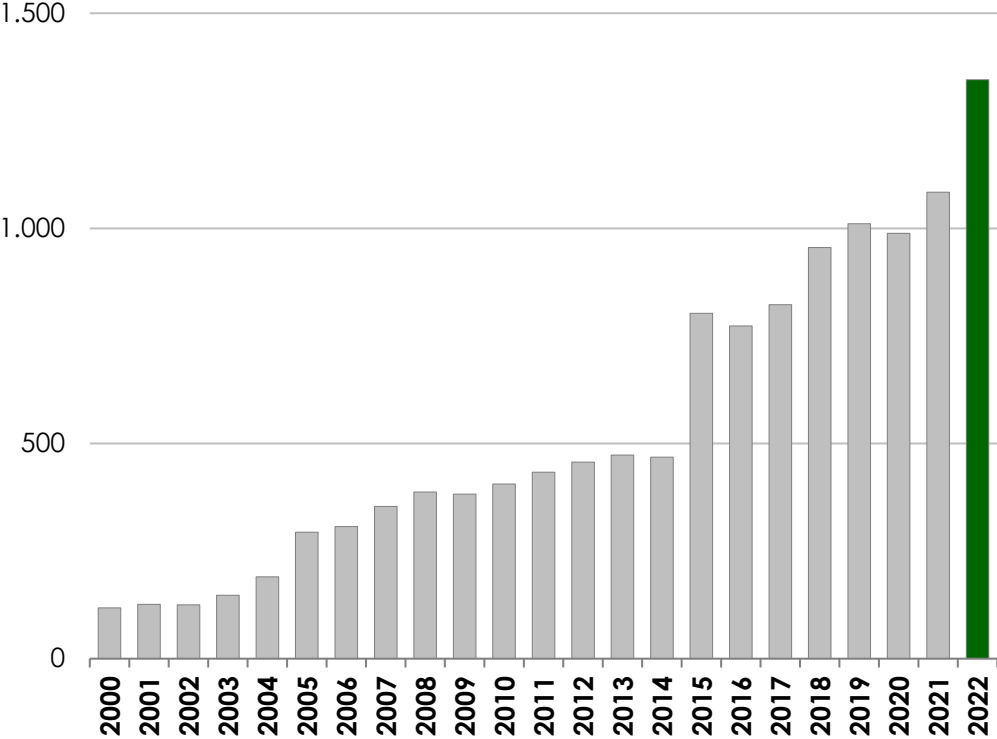
CUSTOMER, COMPETITIVENESS & CAPITAL
THE GUIDELINES ON WHICH WILL BE SUSTAINED OUR AMBITIOUS FUTURE

The map displays the geographical distribution of Vidrala's manufacturing plants across Europe. The plants are marked with green location pins and labeled with their respective names and the Vidrala logo. The locations include:

- encirc vidrala (UK and Ireland)
- aiala vidrio vidrala (Spain)
- sb vidros vidrala (Portugal)
- gallo vidro vidrala (Spain)
- crisnova vidrio vidrala (Spain)
- castellar vidrio vidrala (Spain)

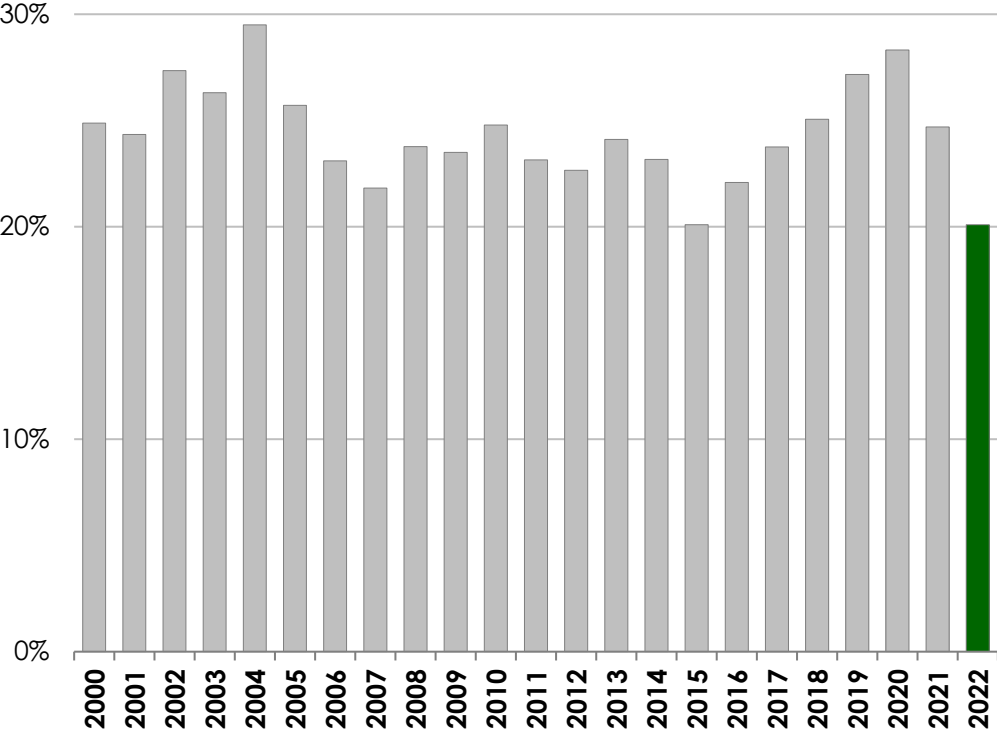
NET SALES.

Since 2000, EUR million.



EBITDA MARGIN.

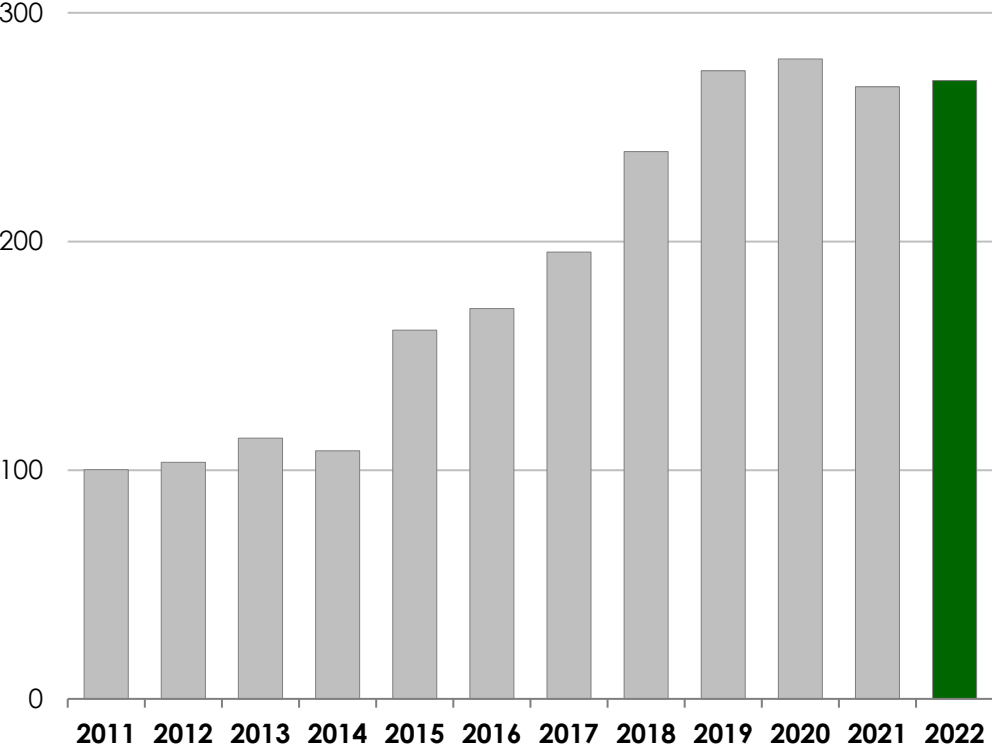
Since 2000, as percentage of sales.



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

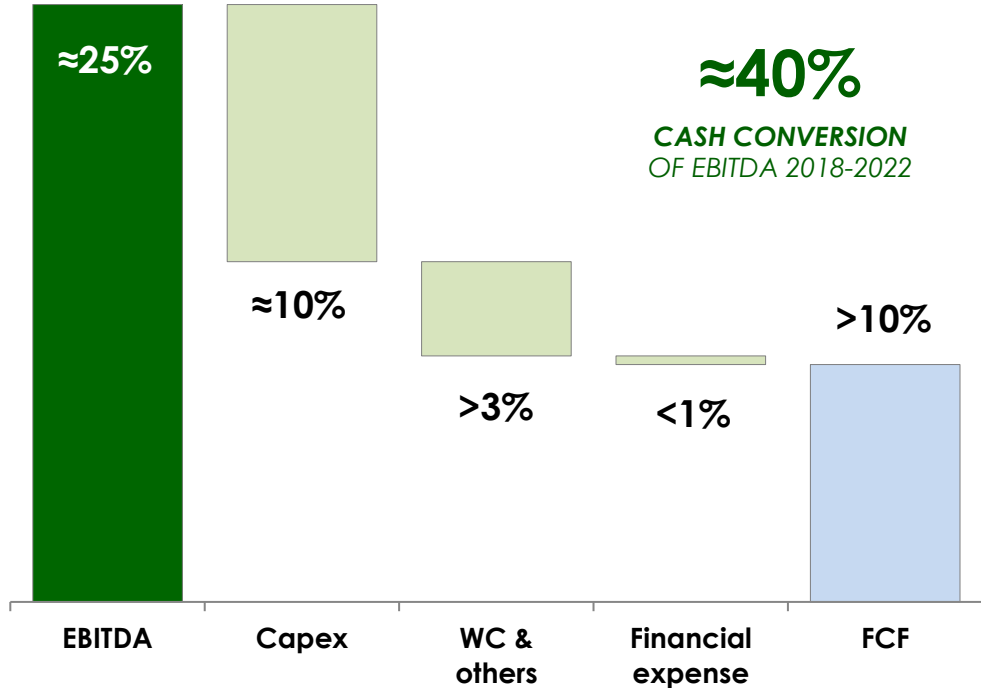
EBITDA.

Since 2011, EUR million.



FREE CASH FLOW.

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

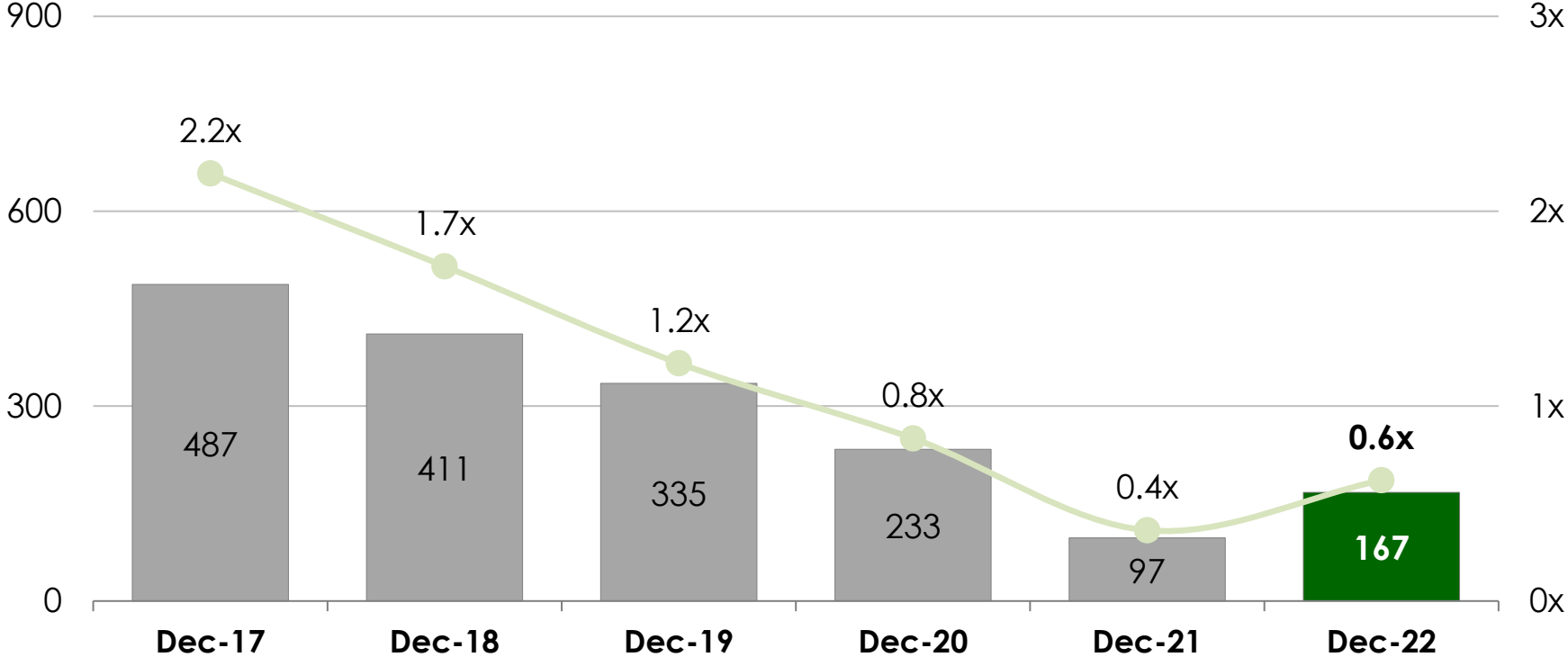


VALUE CREATION, MATERIALISED IN A
SUSTAINED CASH GENERATION

Free cash flow figures exclude M&A.

FINANCIAL SOLVENCY.

Year-over-year evolution of debt since 2017, EUR million and times EBITDA.



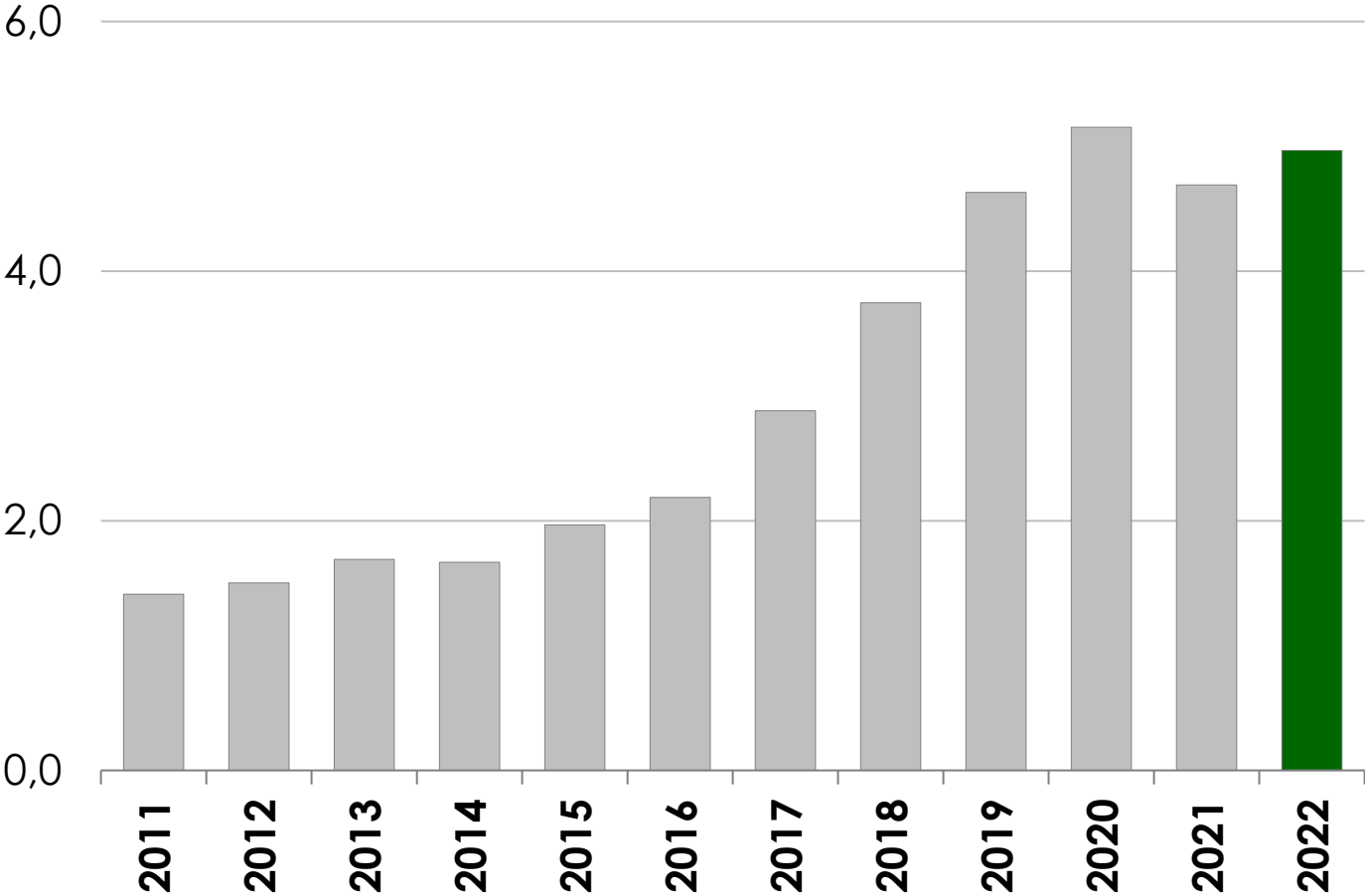
ON THE BASIS OF A
SOLVENT FINANCIAL STRUCTURE

Debt/EBITDA ratio is calculated on pro-forma basis. 2022 debt figure and leverage ratio exclude the effect of IFRS 16 Leases.



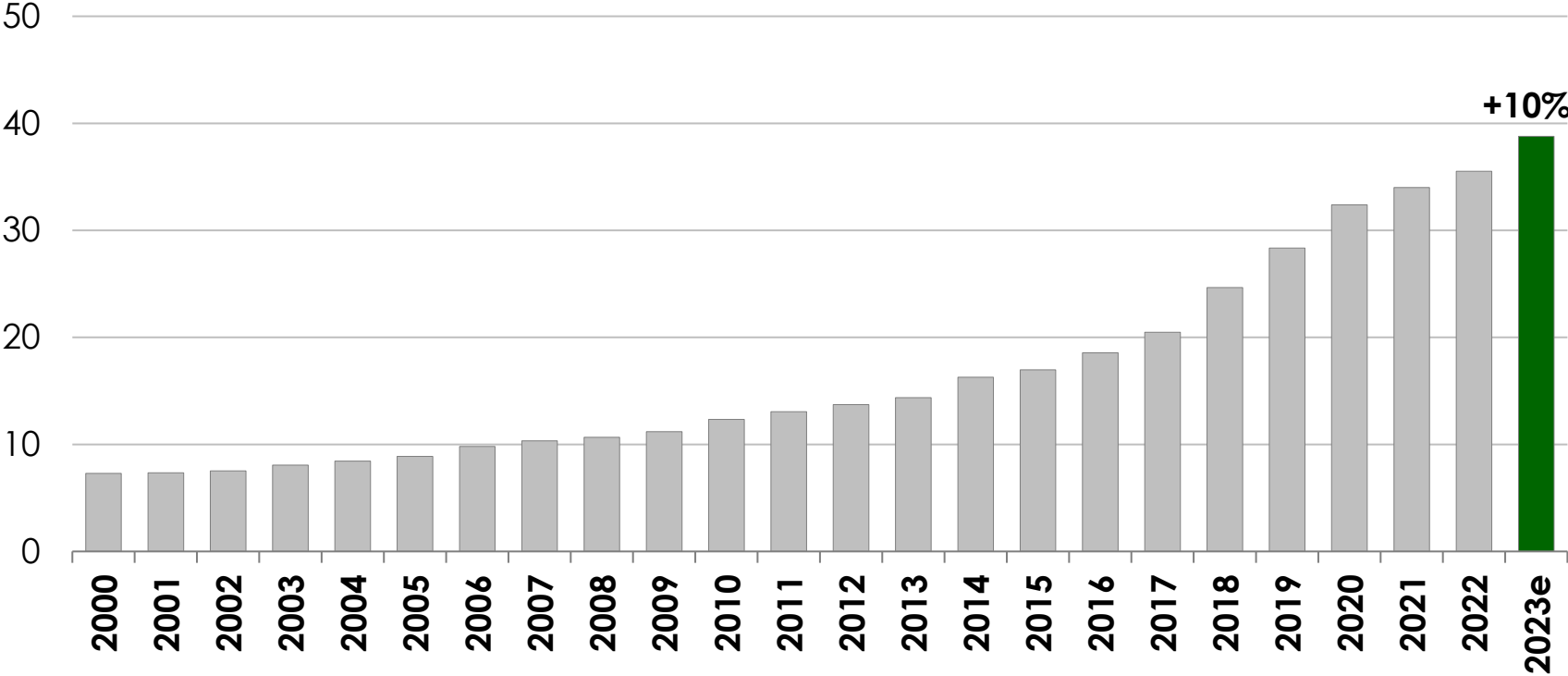
EARNINGS PER SHARE.

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 2023 DIVIDEND PAYMENTS

Proposed FY 2022 results distribution

February 15th, 2023

Interim dividend

EUR 88.52 cents per share

July 14th, 2023

Complementary dividend

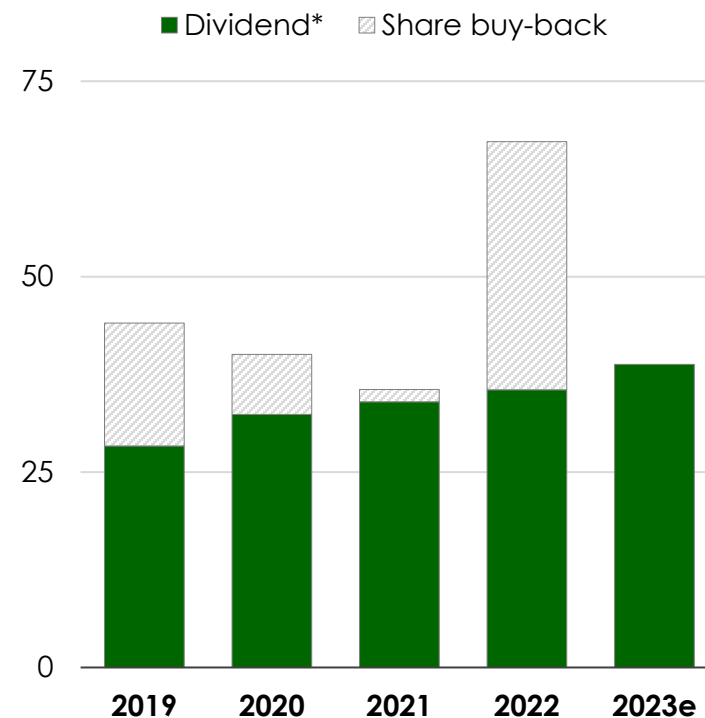
EUR 33.69 cents per share

EUR 4.00 cents per share

as attendance bonus to the shareholders' annual general meeting

SHAREHOLDER REMUNERATION

Since 2019, EUR million



DIVIDEND PAYMENTS REPRESENT AN INCREASE OF +10%**

SHARE BUY-BACK PROGRAMS TO REMAIN AS AN EXTRAORDINARY, COMPLEMENTARY MEASURE

*Including cash dividends and AGM attendance bonuses. **Considering the effect of the bonus share issue completed in December 2022.



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.

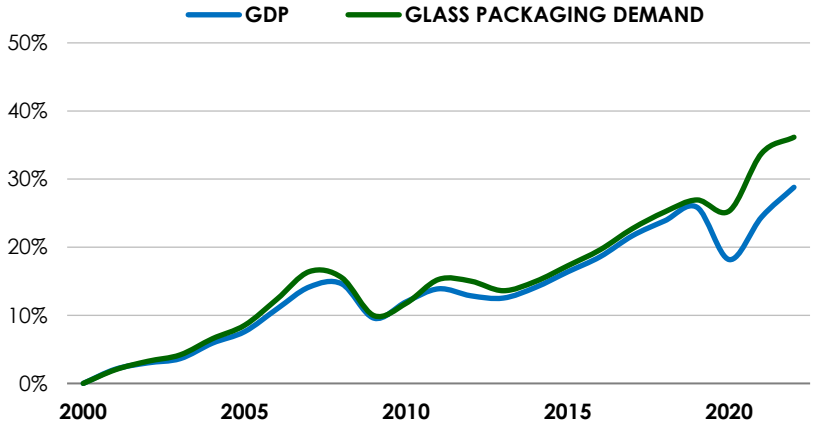
- ✓ Cost and capital intensity creates a high level of operating leverage.
- ✓ High utilization rates are crucial for profitability.

NOTEWORTHY ENTRY BARRIERS

The glass packaging market in Europe
SOLID AND STABLE



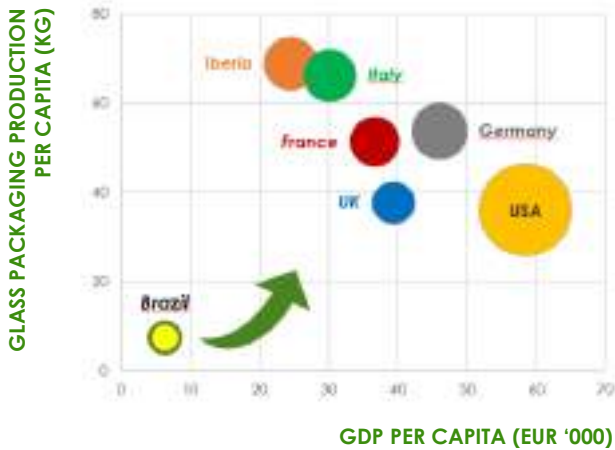
Glass containers demand in Europe vs GDP.
Annual variation (accumulated), base year 2000.



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.



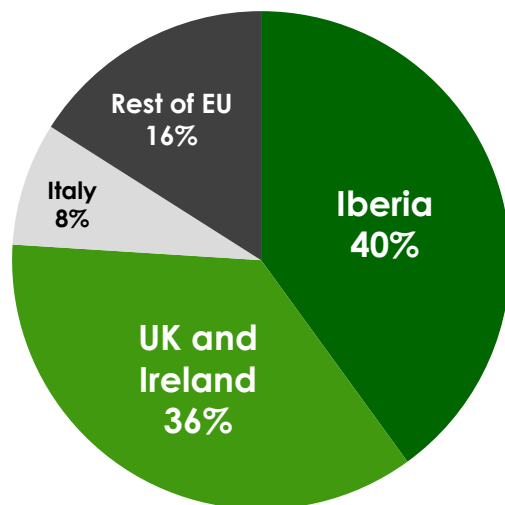
GLASS, THE PREFERRED MATERIAL

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.

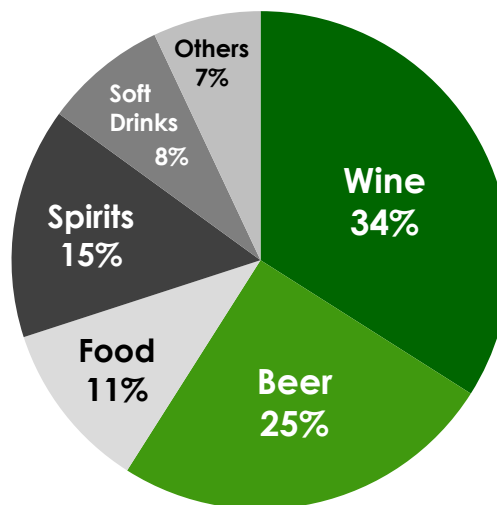
2022 SALES BREAKDOWN.

By geography.



2022 SALES BREAKDOWN.

By segment.



More than **1,600**
active customers

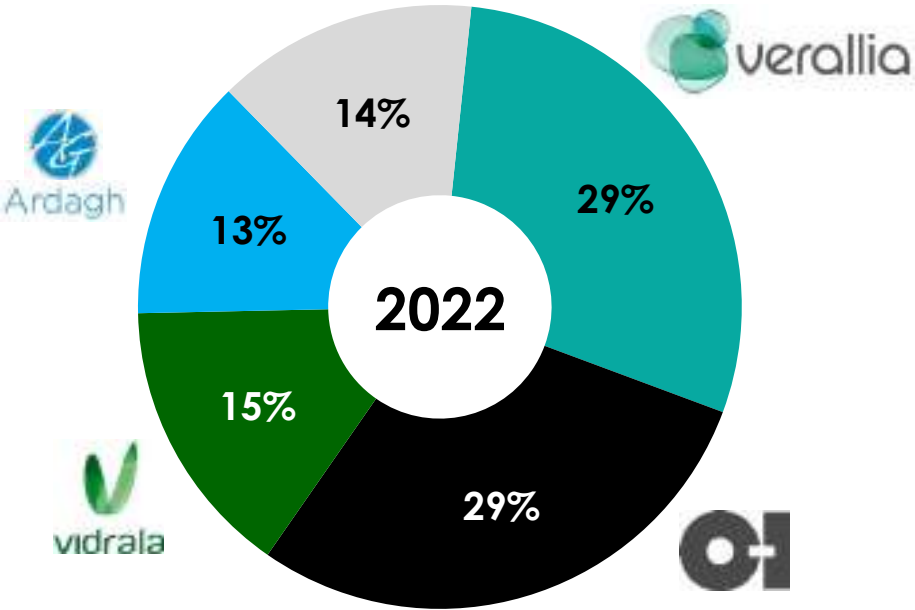
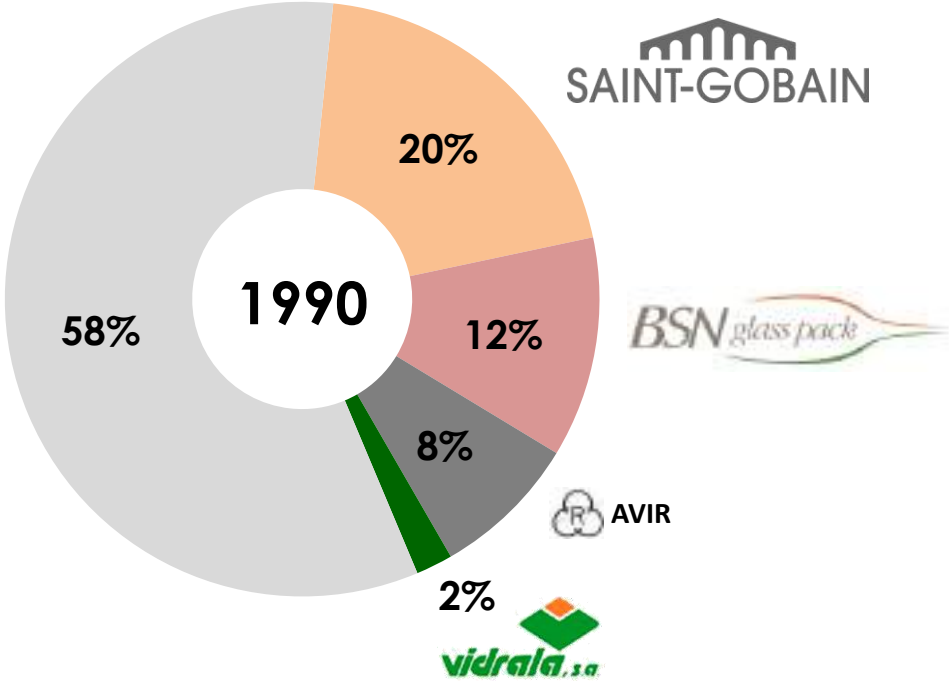
Top10 customers stand
for **≈30% of revenue**

50% of sales made
up by **≈25 customers**

TOWARDS A STRATEGIC POSITIONING IN OUR KEY MARKETS

COMPETITIVE LANDSCAPE

EVOLUTION OF MARKET SHARES IN WESTERN EUROPE. 1990 vs 2022.



A DYNAMIC ATTITUDE TOWARDS CONSOLIDATION

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



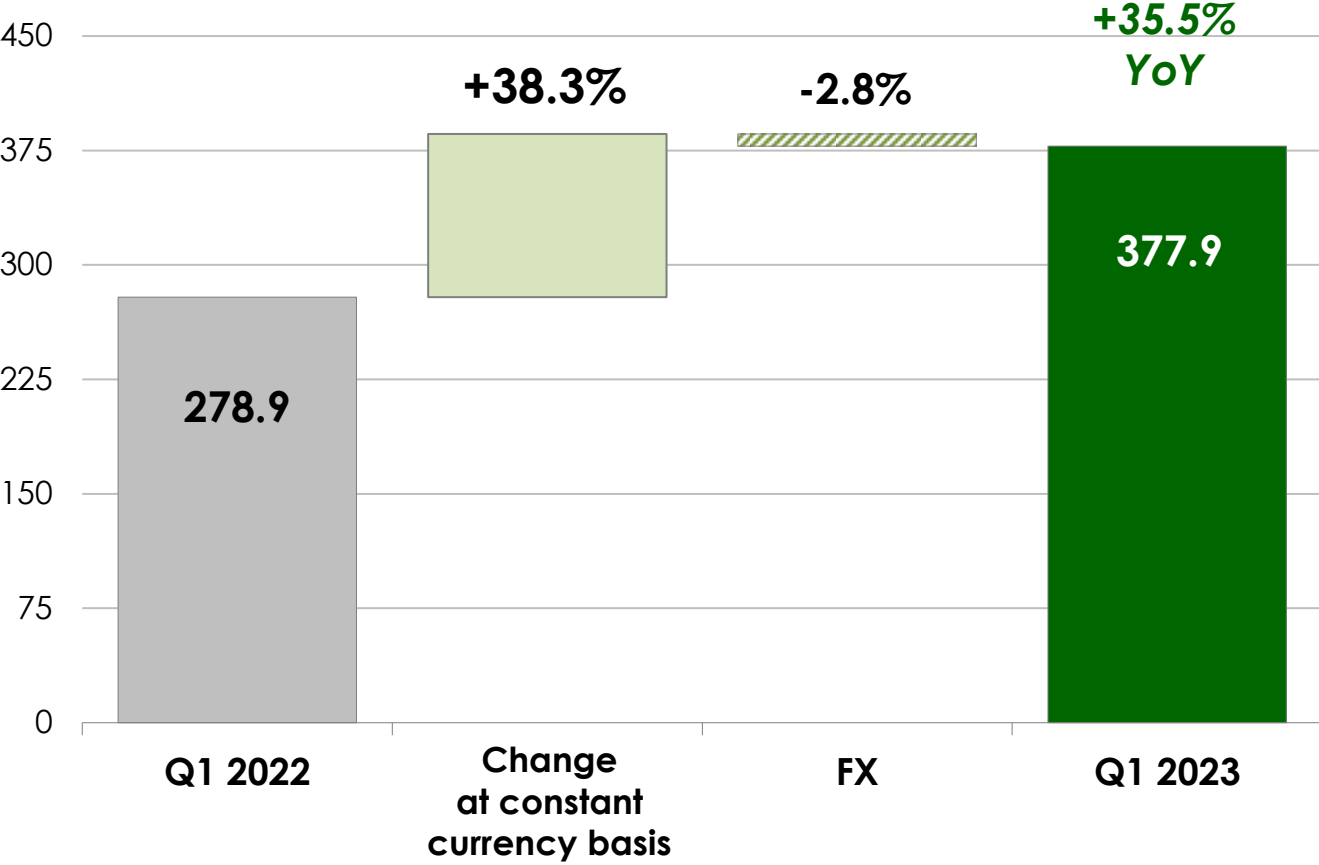
FINANCIALS

Latest earnings release



SALES.

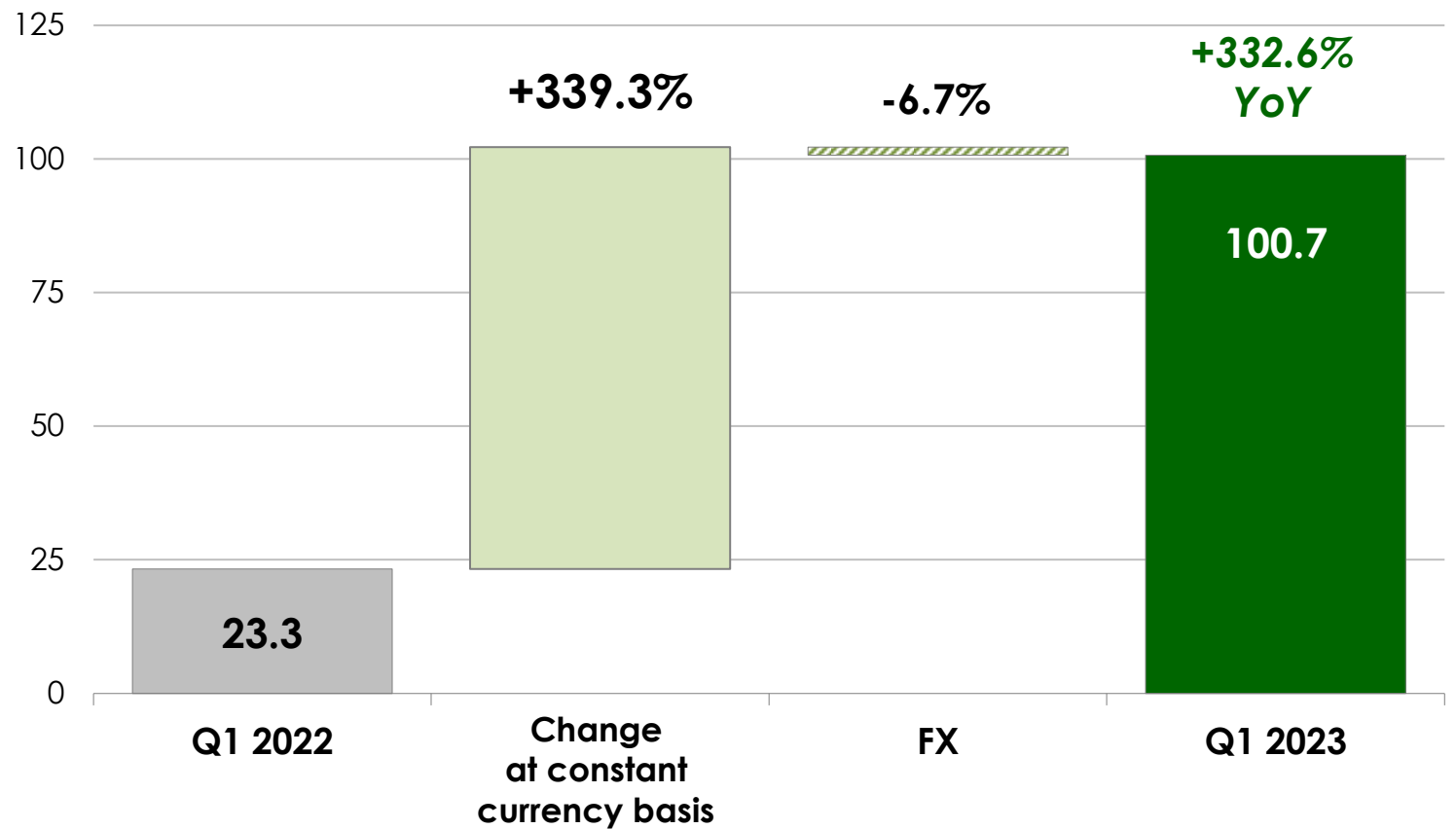
YoY change, EUR million.





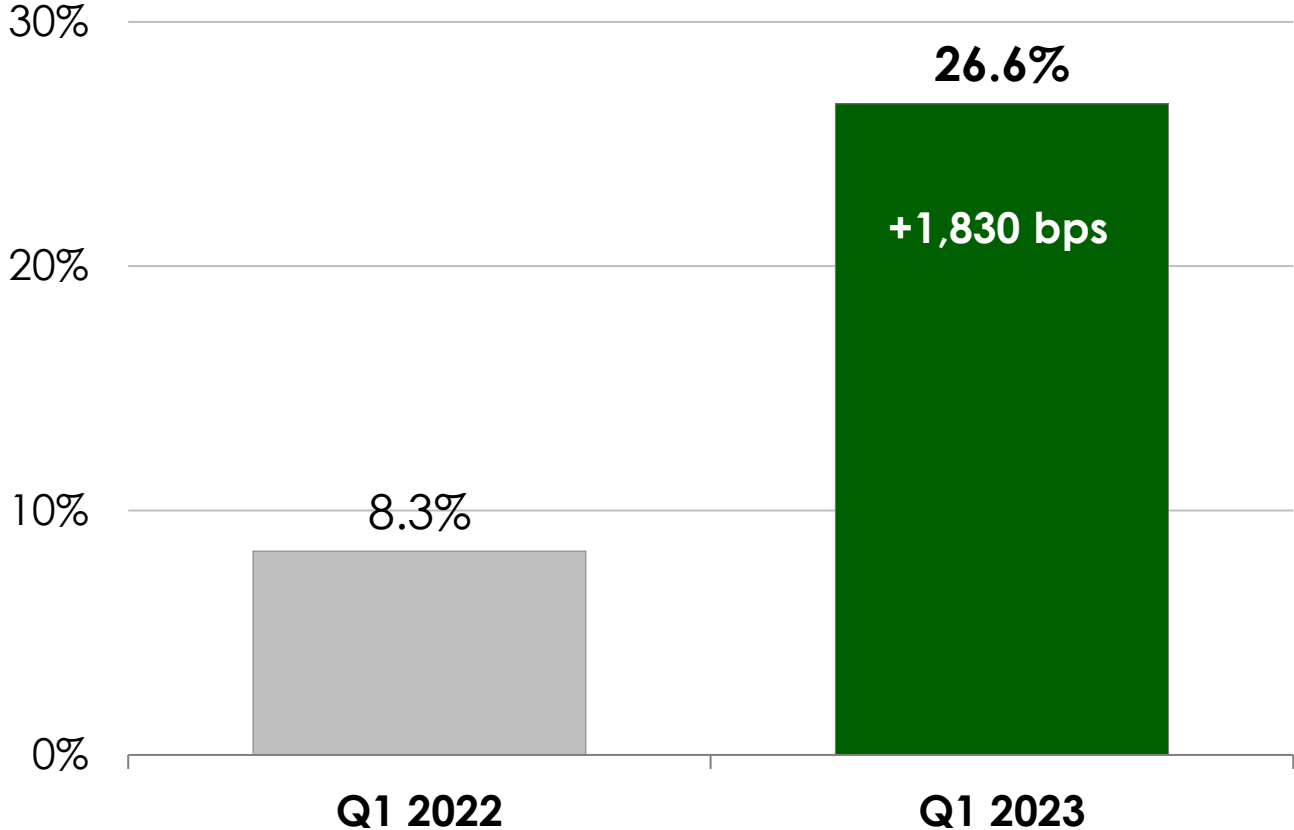
EBITDA.

YoY change, EUR million.



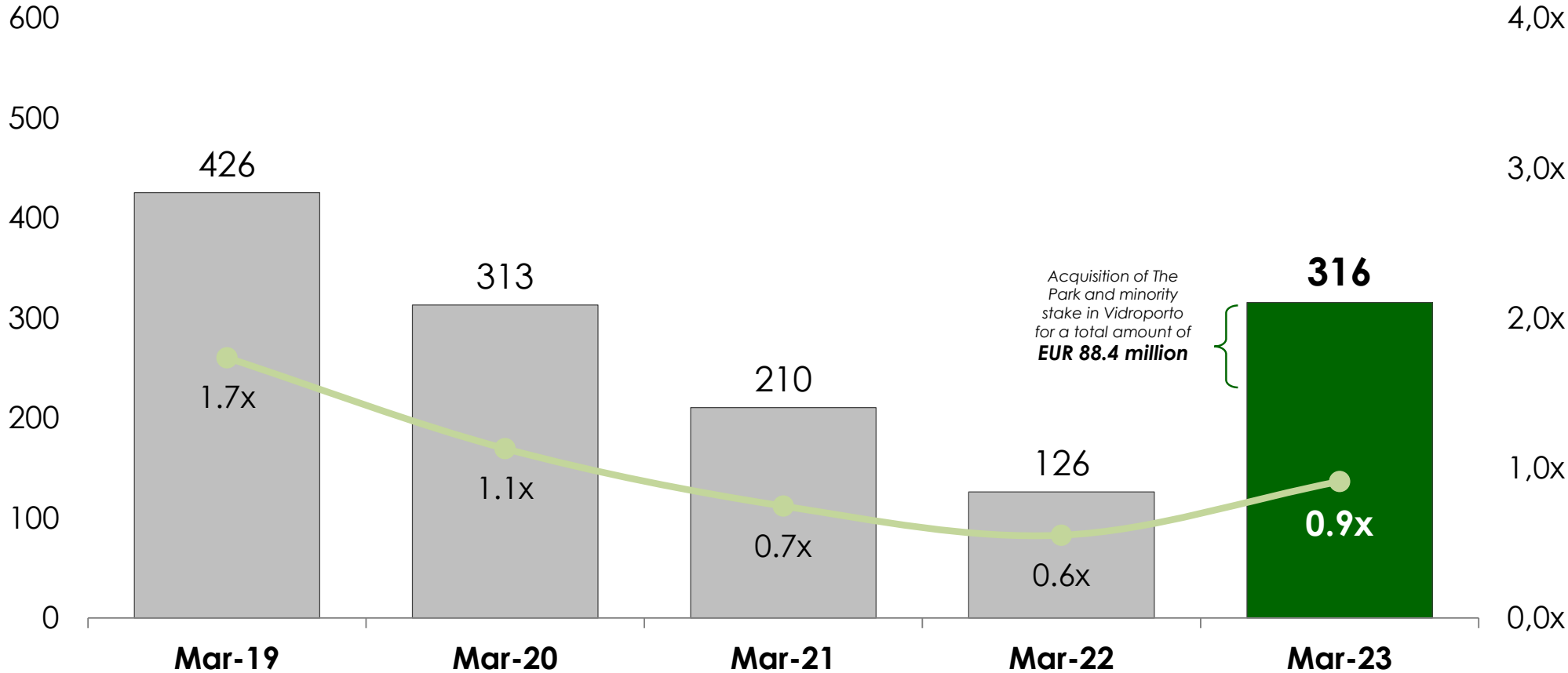
EBITDA MARGIN.

YoY change, as percentage of sales.



NET DEBT.

Year over year evolution since 2019, in EUR million and times EBITDA.



*Important: Debt figure and leverage ratio do not include the effect of IFRS 16 Leases.



✓ **TOP-LINE GROWTH OF 35.5%**

Sales during the first three months 2023 amounted to EUR 377.9 million, showing a growth of 38.3% at constant currency

✓ **OPERATING MARGIN OF 26.6%**

Operating profit, EBITDA, was EUR 100.7 million representing an operating margin of 26.6%

✓ **LEVERAGE AT 0.9x EBITDA**

Net debt at March 31, 2023 stood at EUR 315.7 million, reflecting a leverage ratio of 0.9 times last twelve months EBITDA

✓ **RECENT M&A**

Acquisition of 'The Park' bottling and logistic facilities (UK) and a non-controlling minority stake of 29.36% in Vidroporto (Brazil)

	Actuals FY 2022	Last Twelve Months as of March 2023	FY 2023 Trends
Sales variation	+23.9% YoY organic	+29.5% YoY organic	<i>Sustained double-digit revenue growth driven by price/mix effect, despite progressively lower contribution mostly due to higher comparable base.</i>
EBITDA margin	20.1% EBITDA/sales	24.1% EBITDA/sales	<i>EBITDA margin consolidated at levels above 25% over sales, supported on benefits from recent investments, cost actions and internal efficiencies.</i>
Earnings	EUR 4.97 per share	EUR 6.88 per share	<i>FY 2023 earnings to exceed EUR 7.00 per share, following the above-mentioned operational profits recovery and recent M&A.</i>
Leverage ratio	0.6x debt/EBITDA	0.9x debt/EBITDA	<i>Leverage to remain below 0.8x net debt-to-EBITDA, excluding pending M&A. FY 2023 free cash flow to exceed EUR 150 million.</i>





ANNEXES

A general overview of the most recent acquisitions





Since January 31, 2023 our subsidiary in the UK Encirc Ltd. owns the **beverages filling facilities and the logistic infrastructure** in Bristol, known as **'The Park'** that were acquired to the renowned global wine producer Accolade Wines.

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**.



'The Park' beverages filling and logistics facilities in Bristol, England.



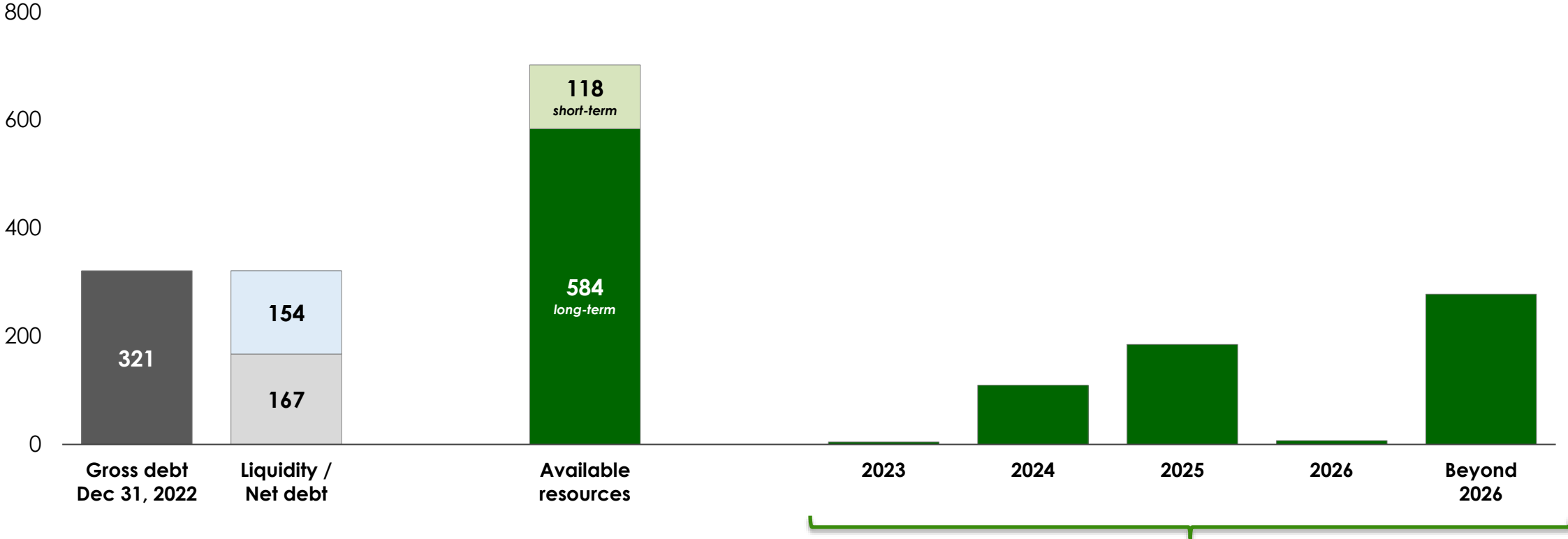
In early February 2023, Vidrala announced the acquisition of a minority stake of 29.36% in the Brazilian company **Vidroporto, S.A.**, a **renowned competitive Brazilian manufacturer of glass containers that operates two high quality sites** from where it serves some of the main brands in Brazil in segments like beer, spirits or soft drinks.

This acquisition represents a **first step in the Vidrala's long term strategic path**, 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**.



Manufacturing facilities of Vidroporto in Porto Ferreria, state of São Paulo.

ANNEX III. Financing structure.



Maturity profile of long-term available resources.
Per year, EUR million.



Current financing structure As at December 31, 2022	Debt / EBITDA ratio ≈0.6x	Average maturity ≈3.5 years	Estimated cost, all-in <1.0% annual
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choose
tomorrow,
today

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