

# COMPANY PRESENTATION

MARCH 2020



vidrala





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# VIDRALA, AT A GLANCE



## SUPPLIER OF REFERENCE IN THE PACKAGING INDUSTRY

- ✓ Vidrala manufactures glass containers for a wide variety of products in the **food and beverage industry**.
- ✓ We are one of the main **glass container manufacturer** in Western Europe, leaders in the Iberian market, co-leaders in the British market and supplier of reference in Italy and France, through **eight complementary sites** located in five different countries.
- ✓ We sell more than **8.3 billion bottles and jars** per year, among more than 1,600 customers.
- ✓ Vidrala is a **public listed company**, with a market capitalisation of around EUR 2.5 billion.

OVER  
**3,500**  
EMPLOYEES



**48%**  
USE OF  
RECYCLED  
GLASS



**8**  
MANUFACTURING  
SITES



**19**  
FURNACES

ANNUAL PRODUCTION  
**8.3 BILLION**  
CONTAINERS



OVER  
**1,600**  
CUSTOMERS



[Click here for  
ESG credentials](#)

# OUR HISTORY



1965

## The origin of Vidrala

1965 - Vidrala begins operations in Alava (Spain)

1975

1985

## Vidrala goes public

1985 - IPO Madrid and Bilbao stock exchanges

## Domestic expansion

1989 - Second greenfield in Albacete (Spain)

1995

## Internationalisation

2003 - Acquisition of one plant in Portugal

2005

2005 - Acquisition of two plants: Barcelona (Spain) and Italy

2007 - Acquisition of one plant in Belgium

2015

## 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



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



## 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.

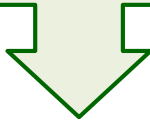


NOTEWORTHY ENTRY BARRIERS

# DEMAND FUNDAMENTALS

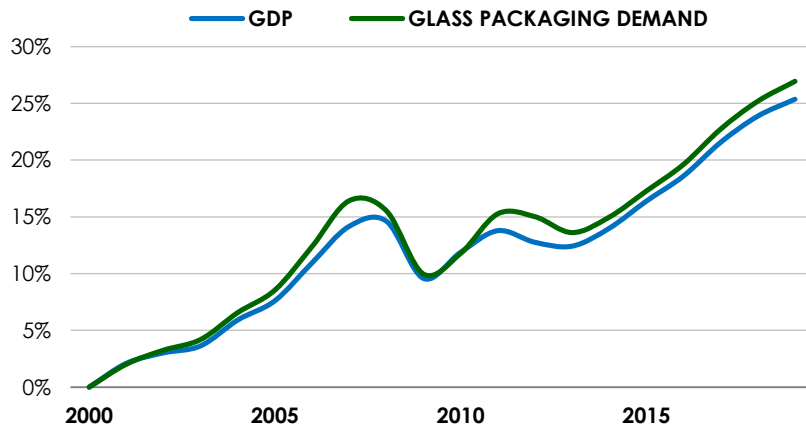


The glass packaging market in Europe  
**SOLID AND STABLE**



## Glass containers demand in Europe vs GDP.

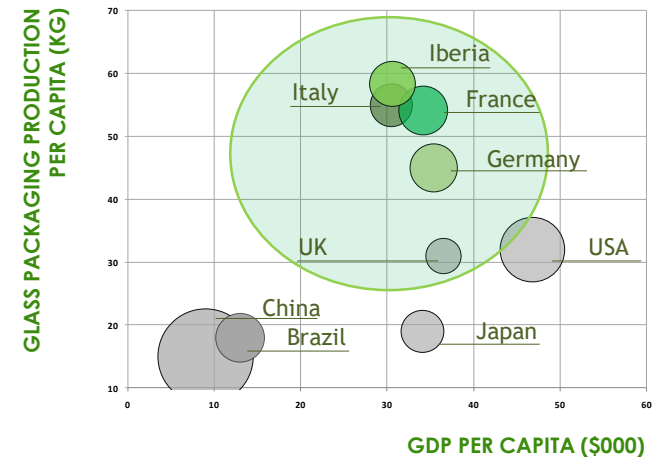
Annual variation (accumulated), base year 2000.



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





## **GLASS, THE BEST OPTION**

### **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

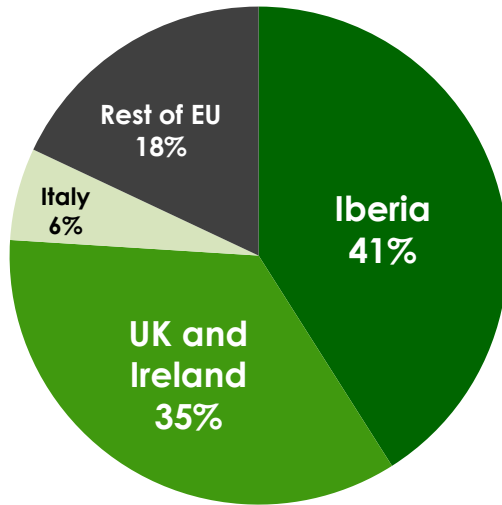
# VIDRALA FUNDAMENTALS



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.

## 2019 SALES BREAKDOWN.

By geography.



## 2019 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

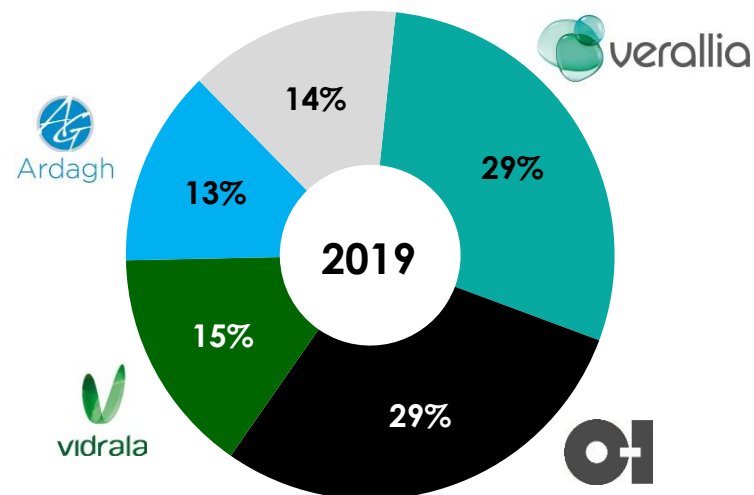
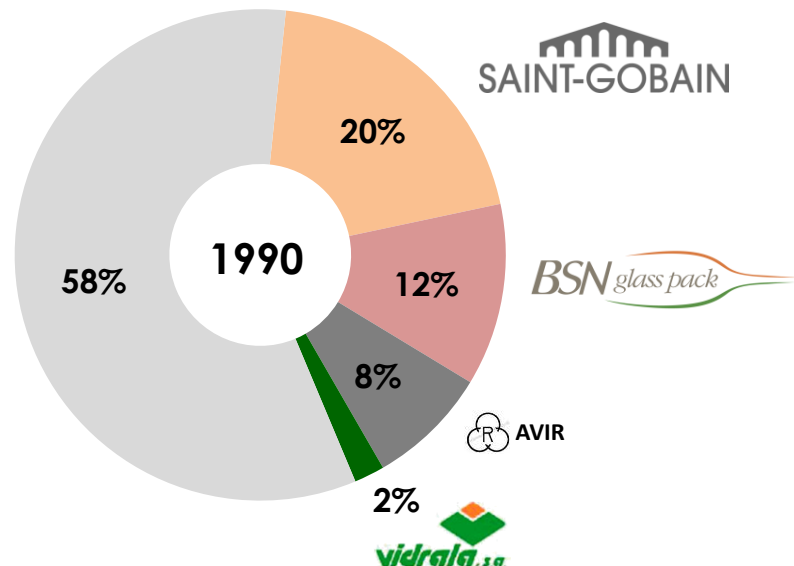


# COMPETITIVE LANDSCAPE



## EVOLUTION OF MARKET SHARES IN WESTERN EUROPE.

2019 vs 1990.



A DYNAMIC ATTITUDE TOWARDS CONSOLIDATION

# MAIN FIGURES FY 2019



## SALES

**1,010.8**

EUR million  
+5.5% YoY organic

## EARNINGS

**5.27**

EUR per share  
+24.0% YoY



**vidrala**

## EBITDA

**274.6**

EUR million  
27.2% EBITDA margin

## FREE CASH FLOW

**121.1**

EUR million  
12.0% FCF over sales

CREATING VALUE AND FUTURE IN A SUSTAINABLE WAY



# **ANNEXES**

*A general overview of the most recent acquisitions*



# ANNEX I. Acquisition of Encirc (2015).



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.

Trough this acquisition, Vidrala becomes the **leader of the attractive Iberian market**.







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SUSTAINALYTICS



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