

VIDRALA, S.A. BUSINESS PERFORMANCE 2022

ACCUMULATED FIGURES

	Full Year 2022	Full Year 2021	Reported change	Change on a constant currency basis
Sales (EUR million)	1,345.6	1,084.2	+24.1%	+23.9%
EBITDA (EUR million)	270.4	267.7	+1.0%	+1.1%
Earnings per share adjusted (EUR)	4.97	4.65	+6.9%	
Debt / EBITDA (multiple)	0.6x	0.4x	+0.2x	

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.

- ✓ Sales in the year 2022 amounted to EUR 1,345.6 million, showing an organic growth of 23.9%.
- ✓ Operating profit, EBITDA, amounted to EUR 270.4 million representing an operating margin of 20.1%.
- ✓ Earnings per share increased 6.9% over the same period last year, to EUR 4.97 per share.
- ✓ Net debt as of December 31, 2022 stood at 167.2 million, equivalent to 0.6 times last twelve months EBITDA.



Introduction

Vidrala is a consumer packaging company. We make glass containers for food and beverage products and offer a wide range of packaging services that include logistic solutions and beverages filling activities.

Our industrial knowledge, growing geographical presence, glass manufacturing expertise, best-in-class level of service and understanding of customers' processes, make us a business partner for many of the main food and beverages brands. Our products and our services help maintain our customers' reputation and play a role in their strategies, helping to develop the end consumers' brand experiences.

Today, we produce more than 8 billion bottles and jars per year, which are sold to over 1,600 customers. Our aim is to make glass containers, the ultimate fully recyclable material, and to serve packaging services as efficiently, profitably, and sustainably as possible, meeting the expectations of our customers whilst ensuring the safety and wellbeing of our people.

Global consumer trends are changing. It not only matters what we eat and drink but where we do it, how the experience is, as well as the impact it has on our health, social interactions and the environment. This process gives importance to the container, from which we now expect contributions above traditional expectations as a simple container. In this progress towards the modern consumer world, the glass container offers decisive advantages that will lead it to play an essential role.

Our job is to meet the needs of our customers making our glass containers and supplying our packaging services as **efficiently, profitably and sustainably** as possible, while ensuring the safety and wellbeing of our people.



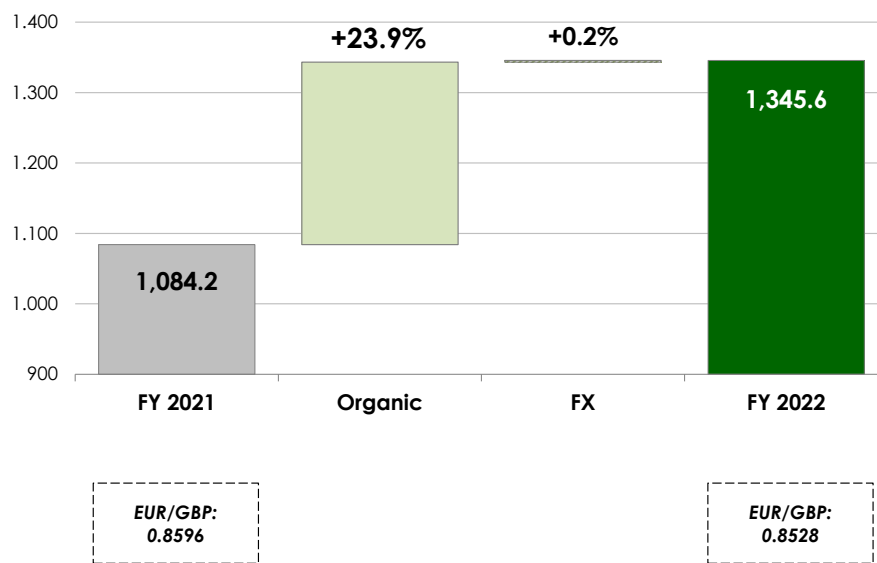
Earnings performance

Sales

Net sales registered by Vidrala during the full year 2022 amounted to EUR 1,345.6 million, representing an increase of 24.1% over the previous year. On a constant currency basis, sales grew organically 23.9%.

**SALES
YEAR OVER YEAR CHANGE**

EUR million



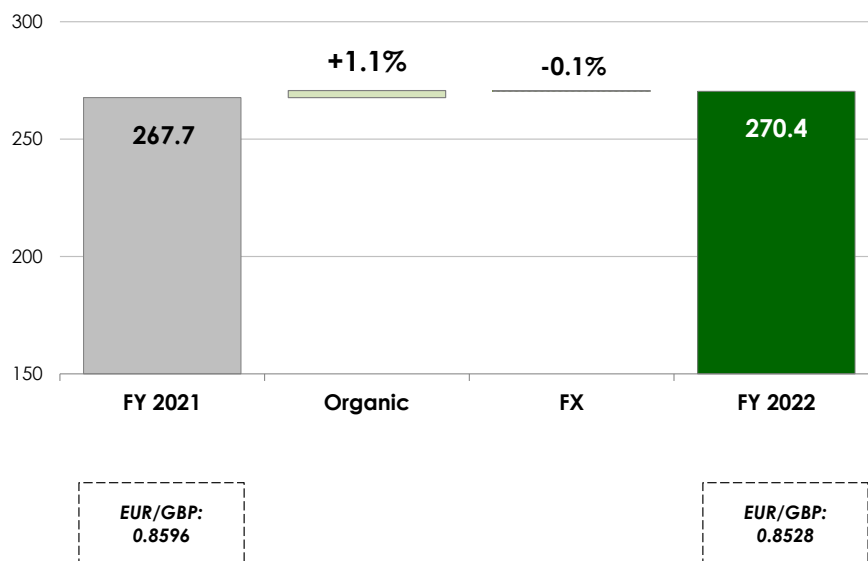
Operating results

Operating profit –EBITDA– obtained over 2022 reached EUR 270.4 million. This represents an increase of 1.0% over the figure reported last year reflecting an organic growth, on a constant currency basis, of 1.1%.

EBITDA margins reached 20.1% over sales. This represents a contraction of approximately 460 basis points over the previous year.

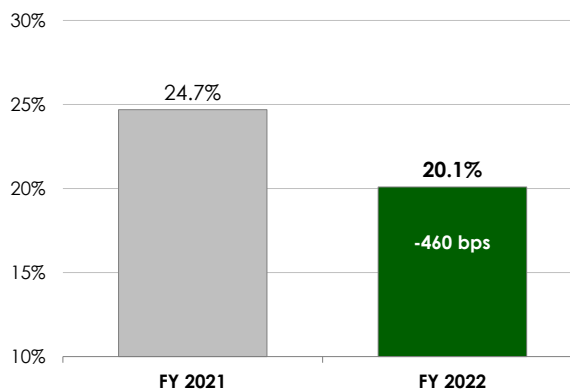
EBITDA YEAR OVER YEAR CHANGE

EUR million



OPERATING MARGINS EBITDA YEAR OVER YEAR CHANGE

As percentage of sales



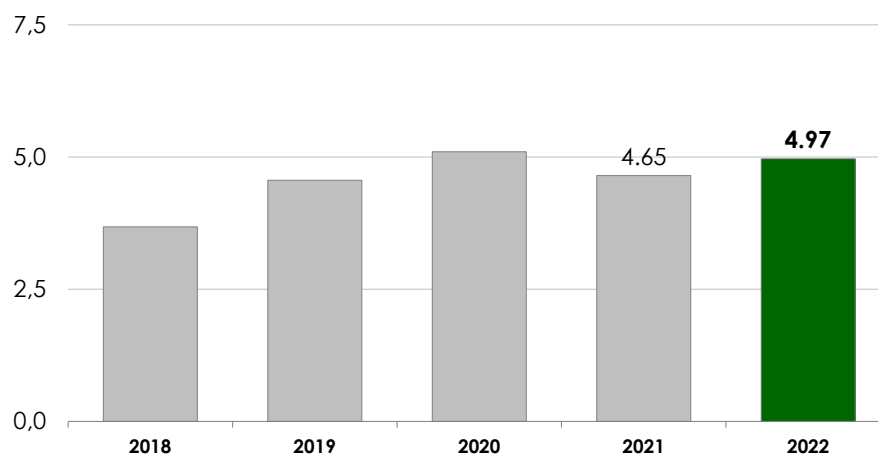
Results and financial position

Net profit for the full year 2022 amounted to EUR 153.7 million. As a result, earnings per share during the period reached EUR 4.97 per share. This represents an increase of 6.9% over the previous period.

Net debt at December 31, 2022 stood at EUR 167.2 million. This is equivalent to a leverage ratio of 0.6 times last twelve months EBITDA.

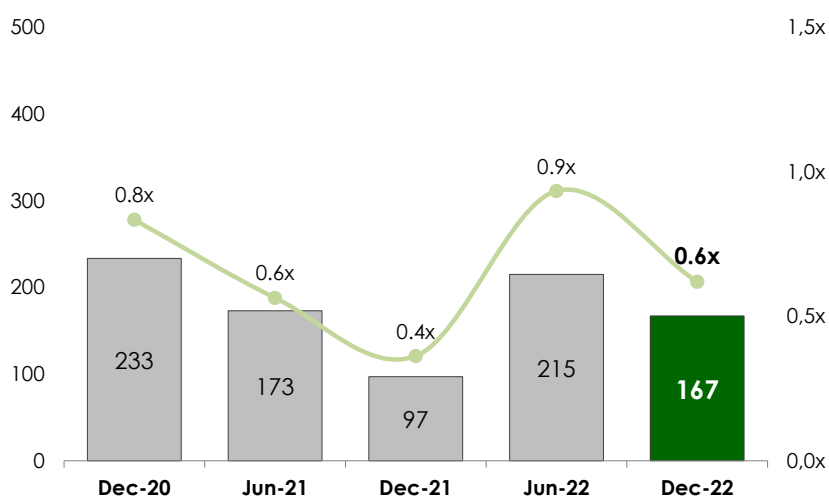
EARNINGS PER SHARE SINCE 2018

EUR per share



DEBT SIX-MONTHLY EVOLUTION SINCE 2020

Debt in EUR million and times EBITDA



Debt figure and leverage ratio do not include the effect of IFRS 16 Leases, which entails an increase of EUR 2.4 million in debt and EUR 0.6 million in consolidated EBITDA (EUR 1.1 and 0.3 million, respectively, in 2021).

Key figures

	Full Year 2022	Full Year 2021
Sales (EUR million)	1,345.6	1,084.2
EBITDA (EUR million)	270.4	267.7
EBITDA margin (as percentage of sales)	20.1%	24.7%
EBIT (EUR million)	184.2	178.6
Net profit (EUR million)	153.7	145.2
Free cash flow (EUR million)	-5.1	172.0
Debt (EUR million)	167.2	96.0
Debt / EBITDA (multiple)	0.6x	0.4x
Debt / shareholders' equity (multiple)	0.2x	0.1x
EBITDA / net financial expenses (multiple)	147.88x	79.01x
Total assets (EUR million)	1,953.5	1,703.2
Shareholders' equity (EUR million)	1,033.6	966.9



Conclusions and outlook

Global demand for glass packaging remains solid, particularly in Europe and Latin America, grounded on the strong underlying fundamentals for consumption of food and beverages and the continuous support from packagers, brand owners and consumers to glass as the ultimate sustainable packaging material.

Under this market context, our ambitious capex program initiated in 2019 is progressing well, including the specific investments directed to better serve our customers, grow the business, offer differential services, selectively enhance our manufacturing facilities and improve the sustainability of our operations. In return, our industrial footprint is today stronger and the way we serve our customers evolves at comparable good levels even though inventories are tight across the industry.

The year 2022 was affected by unprecedented cost inflationary pressures derived from distorted European energy markets, as a consequence of the conflict between Russia and Ukraine. Nevertheless, our initially deteriorated operational margins gradually recovered as a result of internal energy cost mitigation actions, a sustained solid manufacturing performance, the first effects of our ambitious investment plan and a progressive adaptation of our sales prices. Recent improvements in operating margins are expected to continue during the start of 2023.

After all, the structural fundamentals of the business stay strong and our strategic guidelines remain firmly committed to our long-term priorities: customer, competitiveness and capital. We will invest to diversify and grow the business 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 and an attractive remuneration to our shareholders.

As evidence of the above, Vidrala has recently completed two significant corporate transactions that will positively impact results from 2023.

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.

Moreover, 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 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

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.

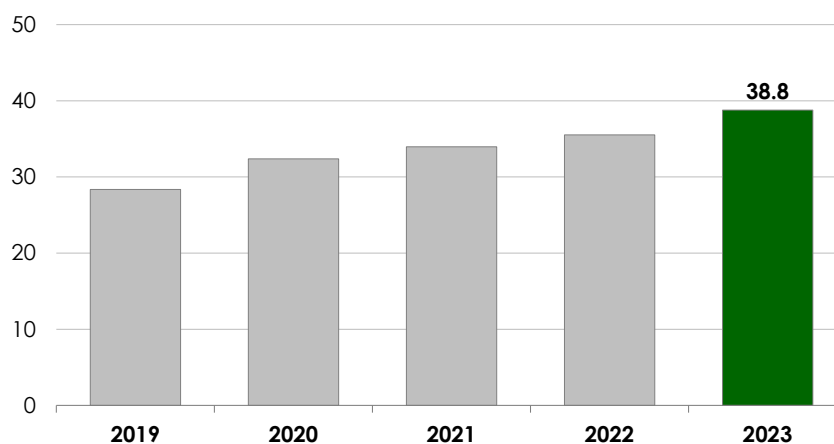
Consistent with that policy, cash dividends distributed during the year 2022 amounted to EUR 1.1639 per share, and EUR 4.00 cents per share were offered as attendance bonus to the general meeting, accumulating an annual cash distribution of EUR 1.2039 per share.

Likewise, during December 2022, 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 2023, 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 2022– an increase in the annual dividend of 10%. The first interim payment was paid on February 15, 2023 for EUR 88.52 cents per share. A second complementary payment is proposed to be paid on July 14, 2023 for an amount EUR 33.69 cents per share. Additionally, EUR 4.00 cents per share will be offered as attendance bonus to the general meeting. Overall, cash remuneration during 2023 would accumulate EUR 1.2621 per share.

SHAREHOLDERS' REMUNERATION CASH DIVIDENDS AND AGM ATTENDANCE BONUSES

EUR million, since 2019



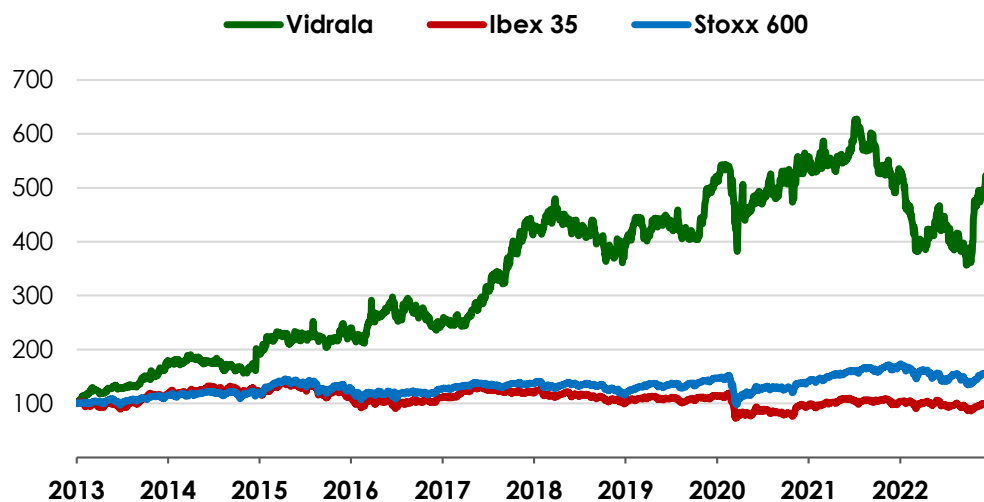
As an additional extraordinary measure, once the previous share buy-back program was completed, the Board of Directors -dated April 27, 2022- approved a new one, to acquire up to 300,000 shares for a maximum amount of EUR 30 million, which concluded in August 2022. Within the framework of the two programs carried out during 2022, a total of EUR 31.8 million has been allocated to acquire own shares, which have already been amortised, increasing the earnings per share corresponding to each shareholder.

Share performance

The share price closed 2022 at EUR 80.40, equivalent to a market capitalisation at the end of the year of EUR 2,470 million.

SHARE PRICE PERFORMANCE

Comparative performance in percentage terms, base 2013



	Full Year 2022
Price at the end of the period (EUR)	80.40
Market capitalisation (EUR million)	2,470
Cash remuneration (EUR per share)	1.2039
<i>Interim (Feb-2022)</i>	0.8430
<i>AGM attendance bonus (May-2022)</i>	0.0400
<i>Complementary (Jul-2022)</i>	0.3209

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 15 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.

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)

Upcoming events

April 27, 2023

Q1 2023 Earnings Release (8:00h 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)

October 18, 2023

Q3 2023 Earnings Release (8:00h CET)