



vidrala

COMPANY PRESENTATION

June 2016

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- General overview

- Acquisition of Encirc

- Business fundamentals

- Financials

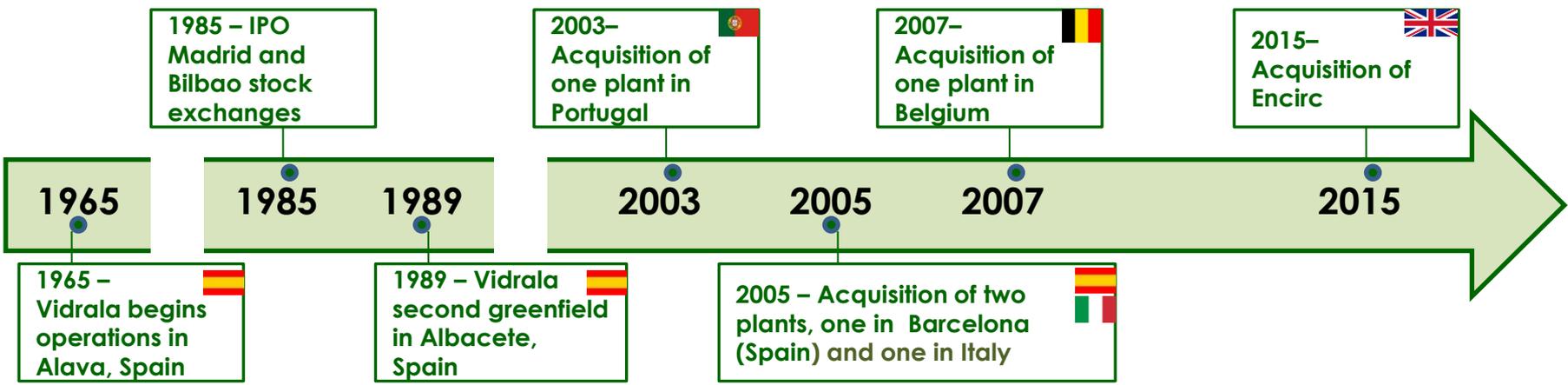


VIDRALA GROUP - Overview

- ✓ **Vidrala is Western Europe's fourth glass container manufacturer** through eight complementary sites located in five countries (Spain, Portugal, Italy, Belgium and the United Kingdom).
- ✓ **Vidrala supplies** glass containers for a wide variety of products in the **beverage and food industry**, selling **more than 6 billion bottles and jars per year to more than 1,500 clients** and managing an **annual turnover of approx. EUR 800 million**.
- ✓ Vidrala is a **public listed company**. The Company has a **market capitalisation of over EUR 1bn**.
- ✓ **Vidrala acquired in 2015 ENCIRC**, a leading glass packaging manufacturer with operations **in the United Kingdom and Ireland**.



OUR HISTORY: KEY MILESTONES



VIDRALA IN BRIEF

MAIN FIGURES IN 2015

803

million euros in **sales**



6,114

million **glass containers**
sold

1,560

customers

vidrala

161

million euros in **EBITDA**

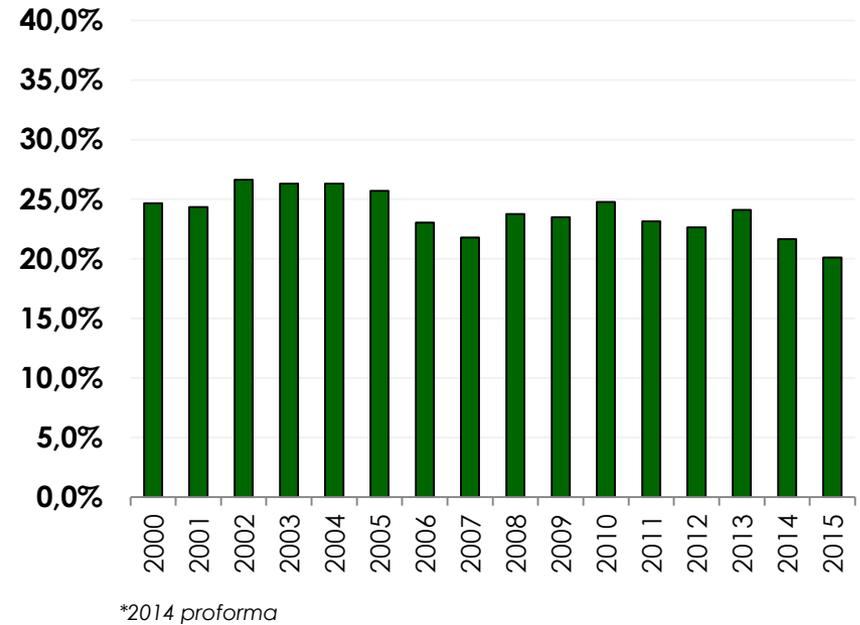


OPERATING PROFILE

SALES (EUR in millions)

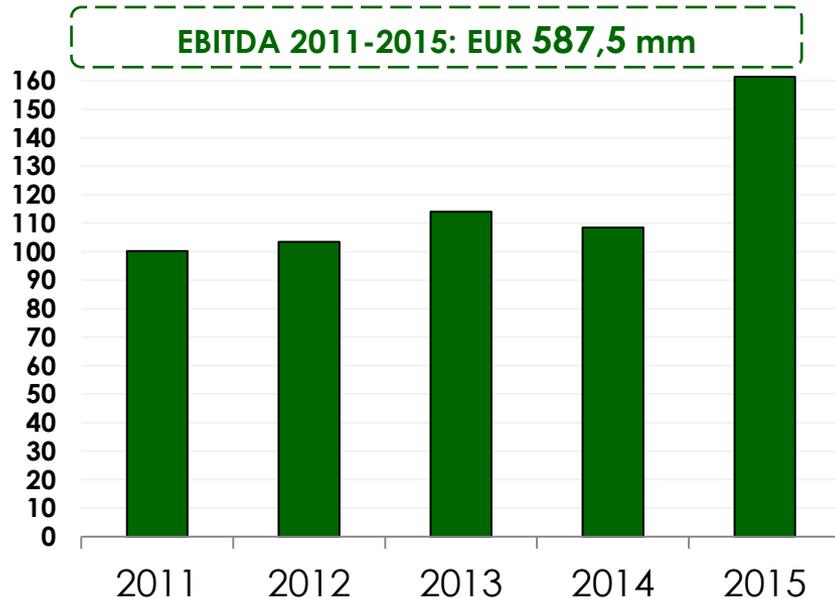


OPERATING MARGINS (EBITDA over sales)

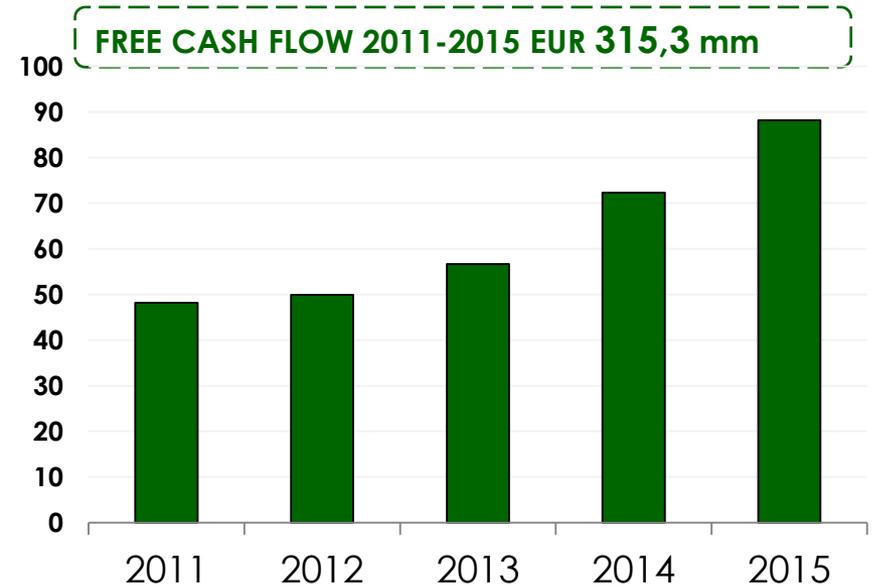


CASH PROFILE

EBITDA (EUR in millions)



FREE CASH FLOW (EUR in millions)



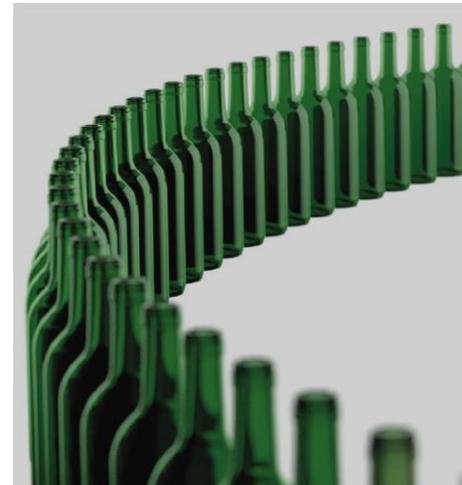
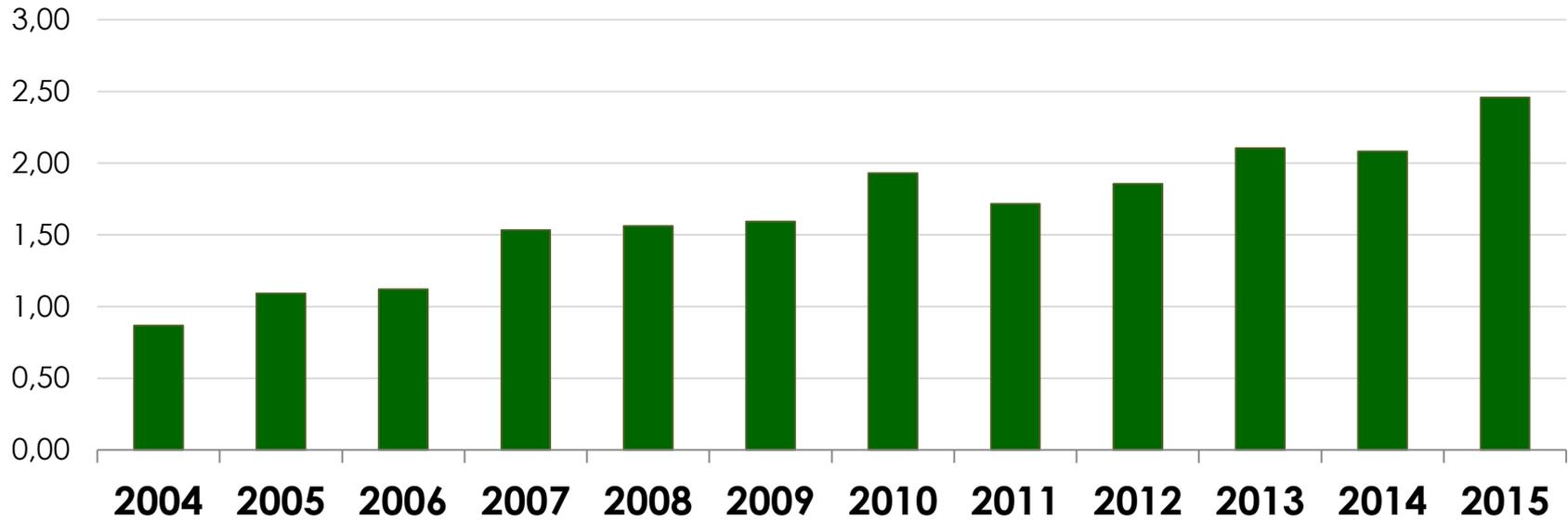
CASH CONVERSION OF
EBITDA
2011-2015

CASH
CONVERSION

54%

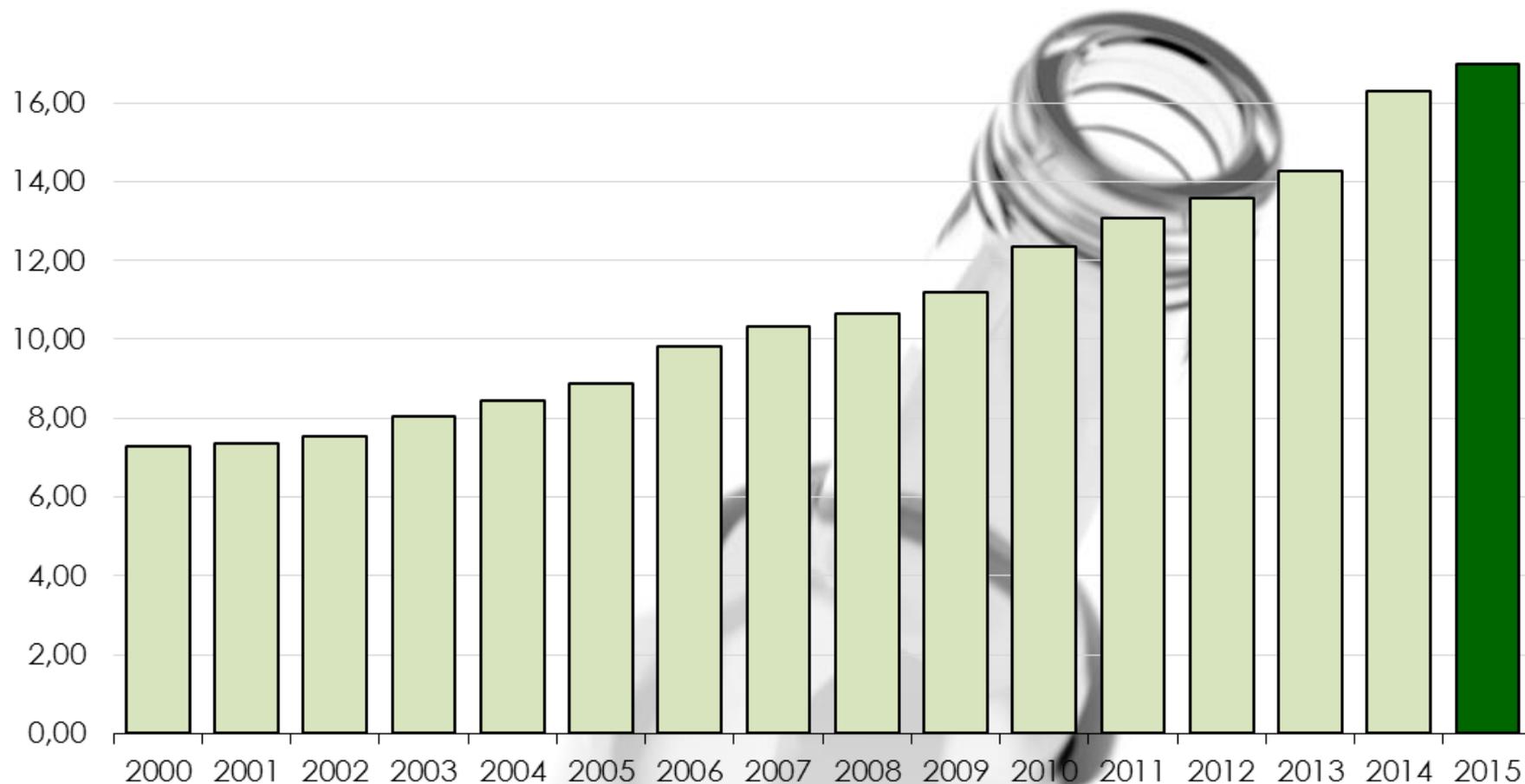
EARNINGS

EARNINGS PER SHARE (EUR per share)



SHAREHOLDER REMUNERATION

CASH DIVIDENDS (INCLUDES AGM ATTENDANCE BONUSES) EUR in millions



Business figures – FY 2015 KEY FIGURES



EUR in millions	FY 2015	Change (yoy)
Sales	802.6	+71.4%
EBITDA	161.3	+48.6%
EBIT	86.3	+24.1%
Net income	60.9	+18.0%
EPS (EUR/share)	2.46	+18.0%
Free cash flow *	88.2	+22.0%
Debt **	404.3	-15.0%

* Free cash flow ex-acquisition of Encirc, as detailed in this document.

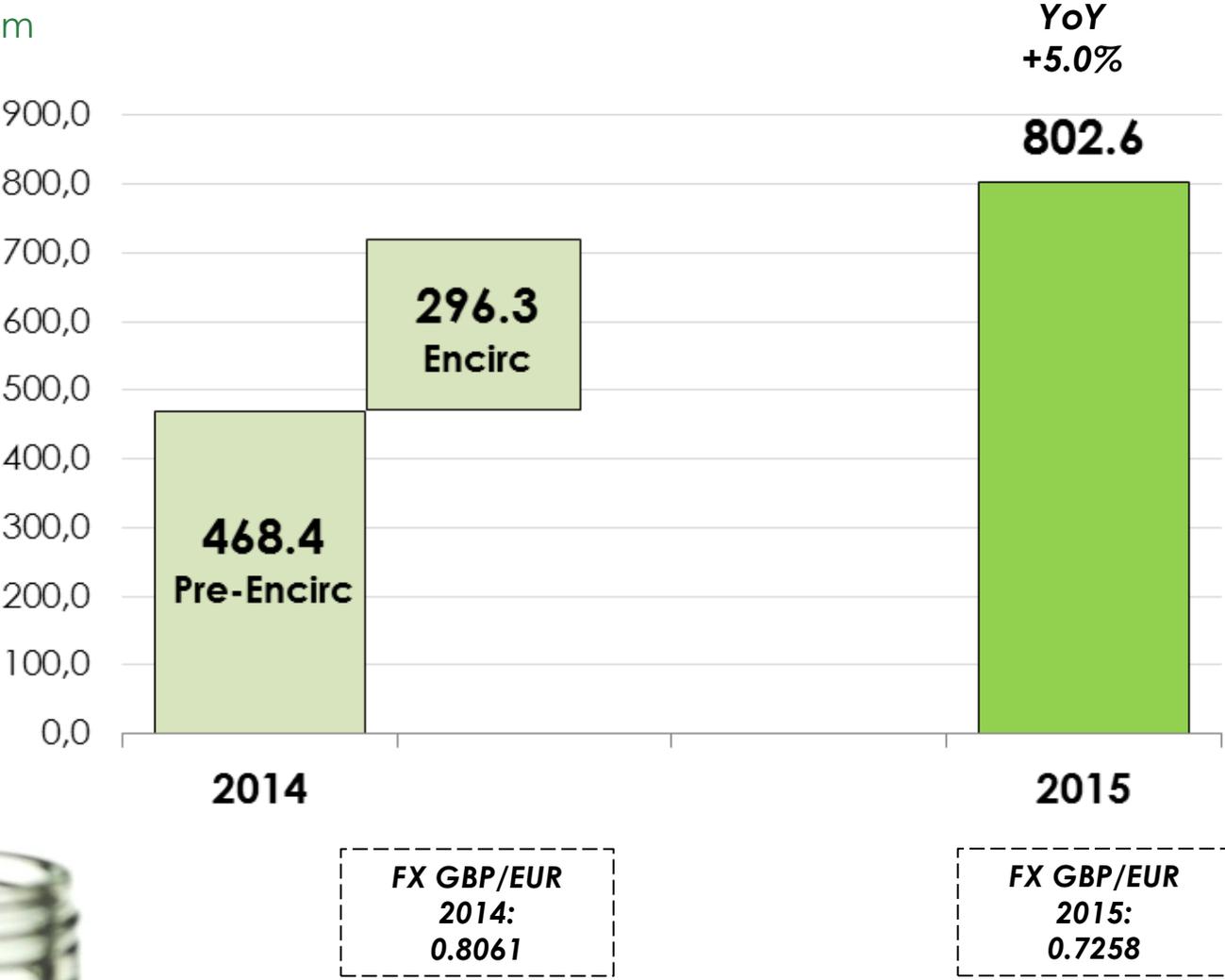
** Net debt variation year over year over net debt proforma at the start of the year after the acquisition of Encirc Ltd.

Business figures – FY 2015

SALES

YEAR OVER YEAR CHANGE

EUR mm

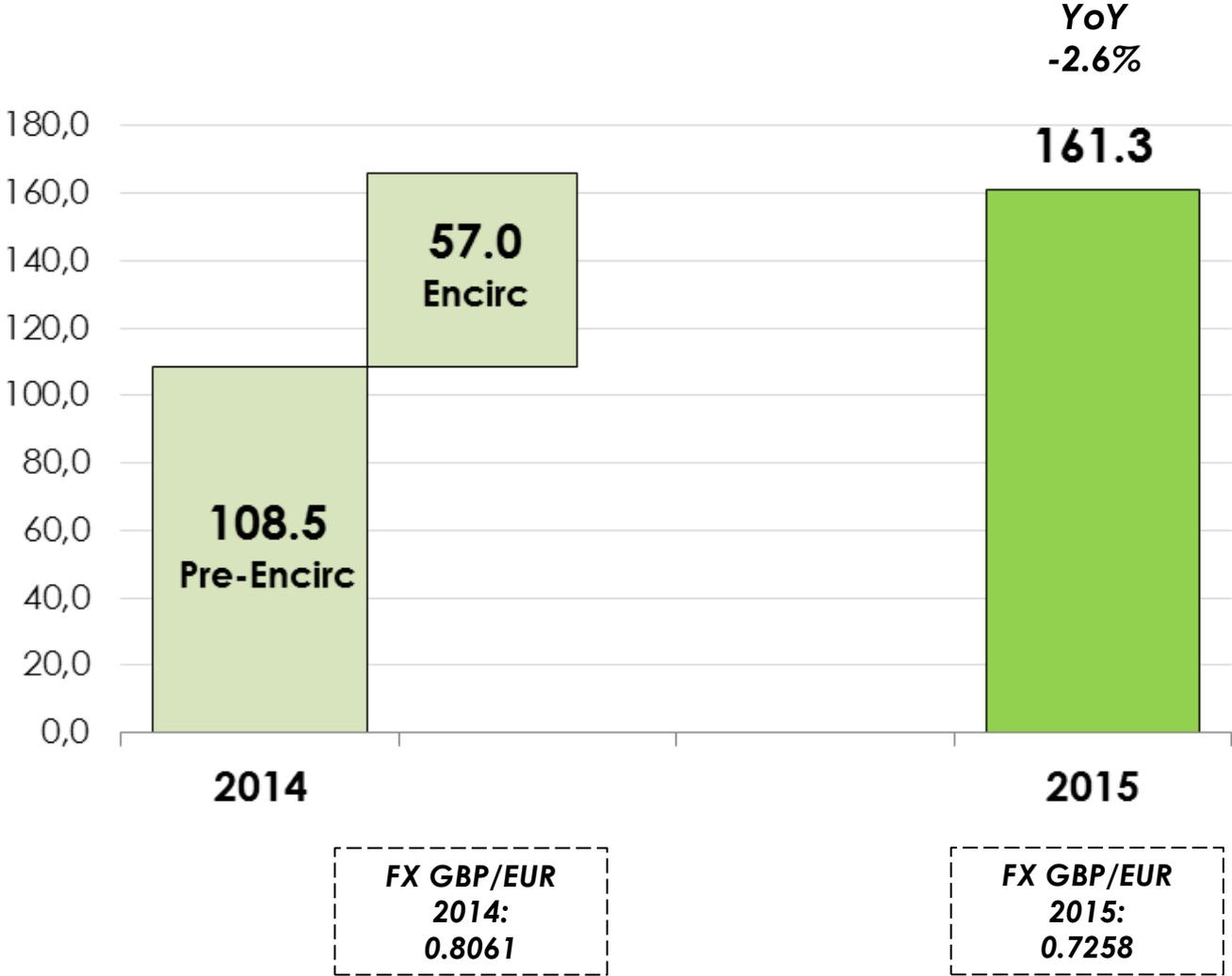


Business figures – FY 2015

OPERATING PROFIT (EBITDA)

YEAR OVER YEAR CHANGE

EUR mm

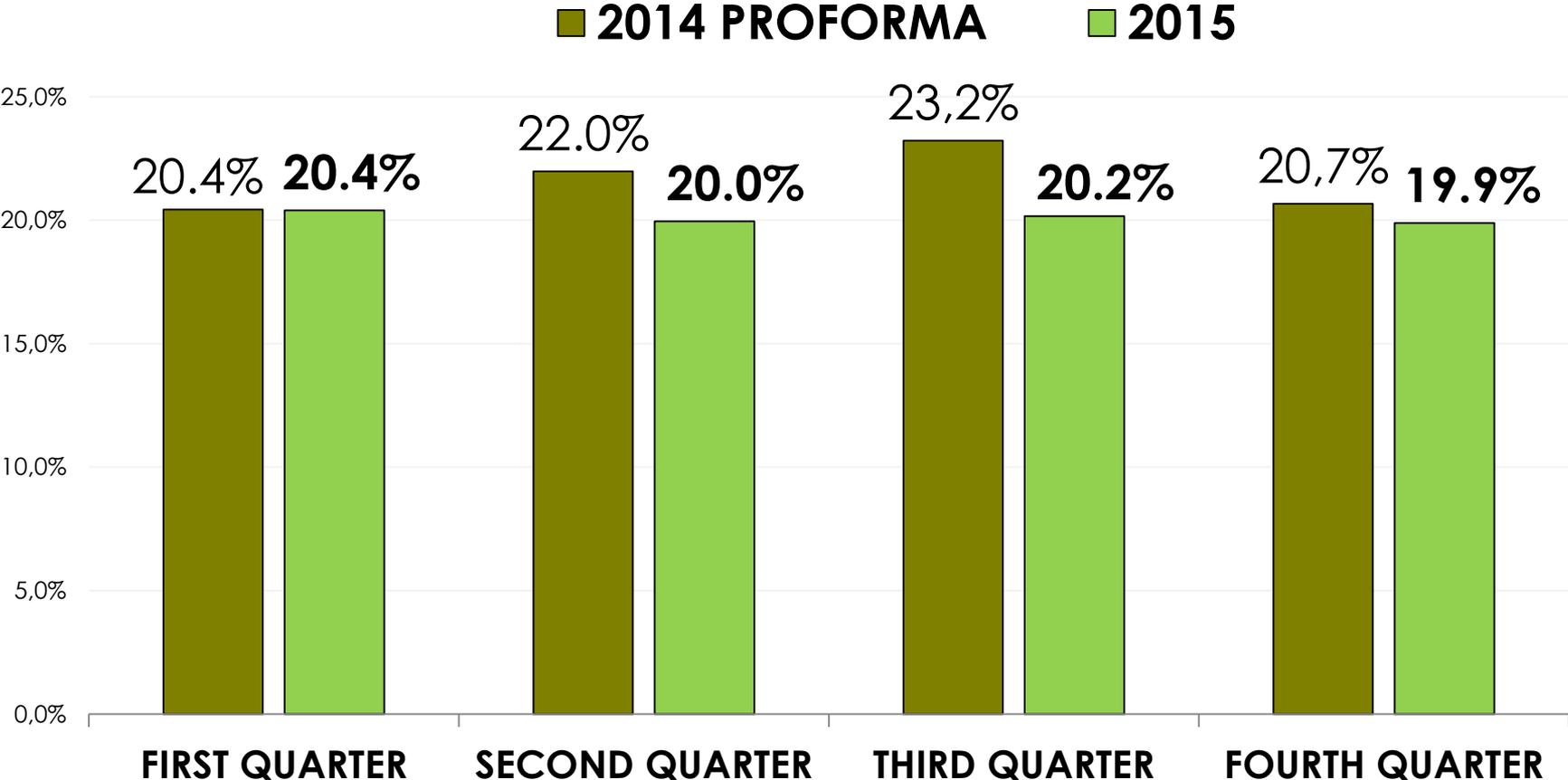


Business figures – FY 2015

OPERATING MARGINS (EBITDA/SALES)

QUARTER BY QUARTER CHANGE

As a percentage of sales

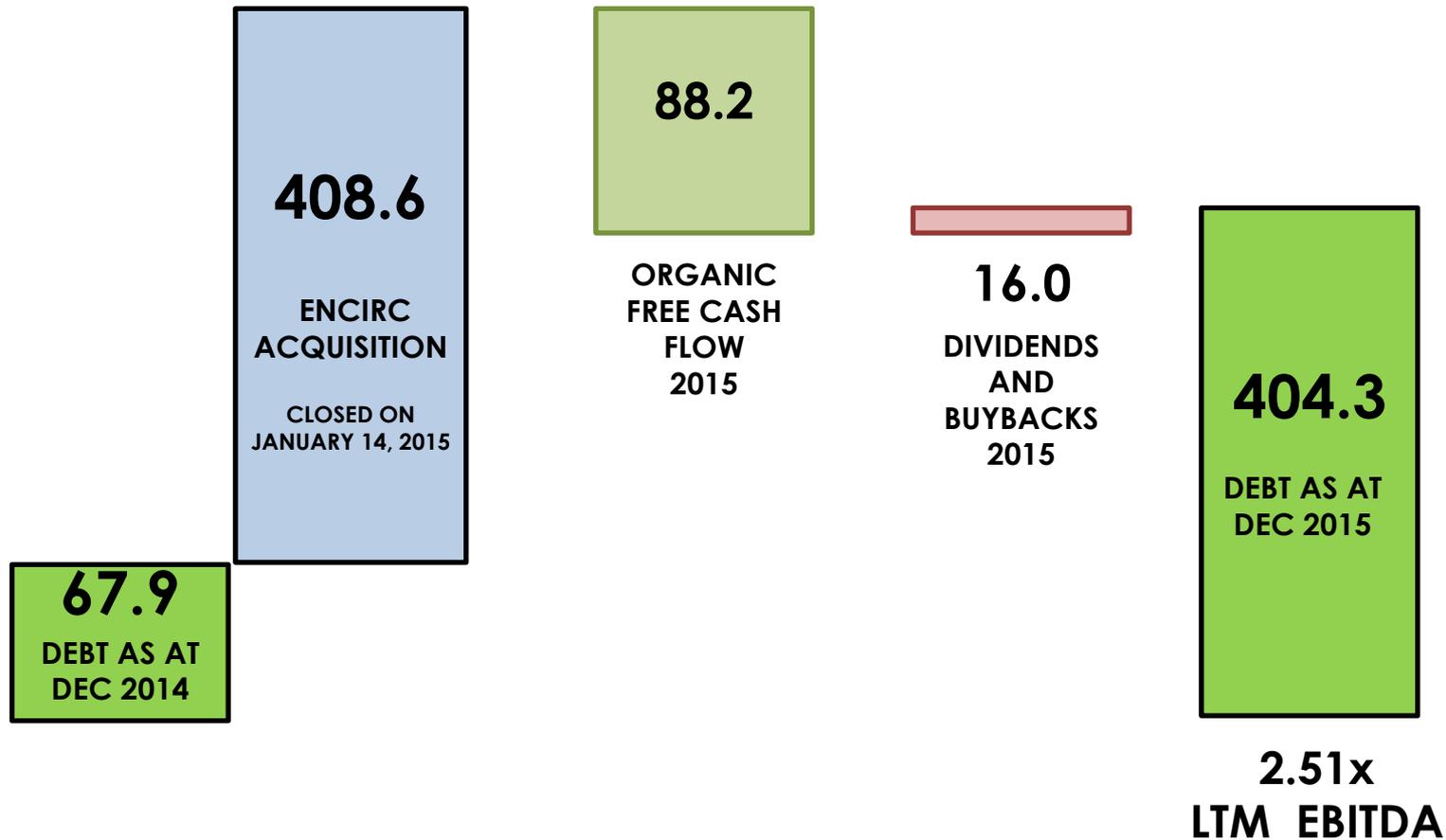


Business figures – FY 2015

CASH ALLOCATION

USE OF CASH FULL YEAR 2015

EUR in millions

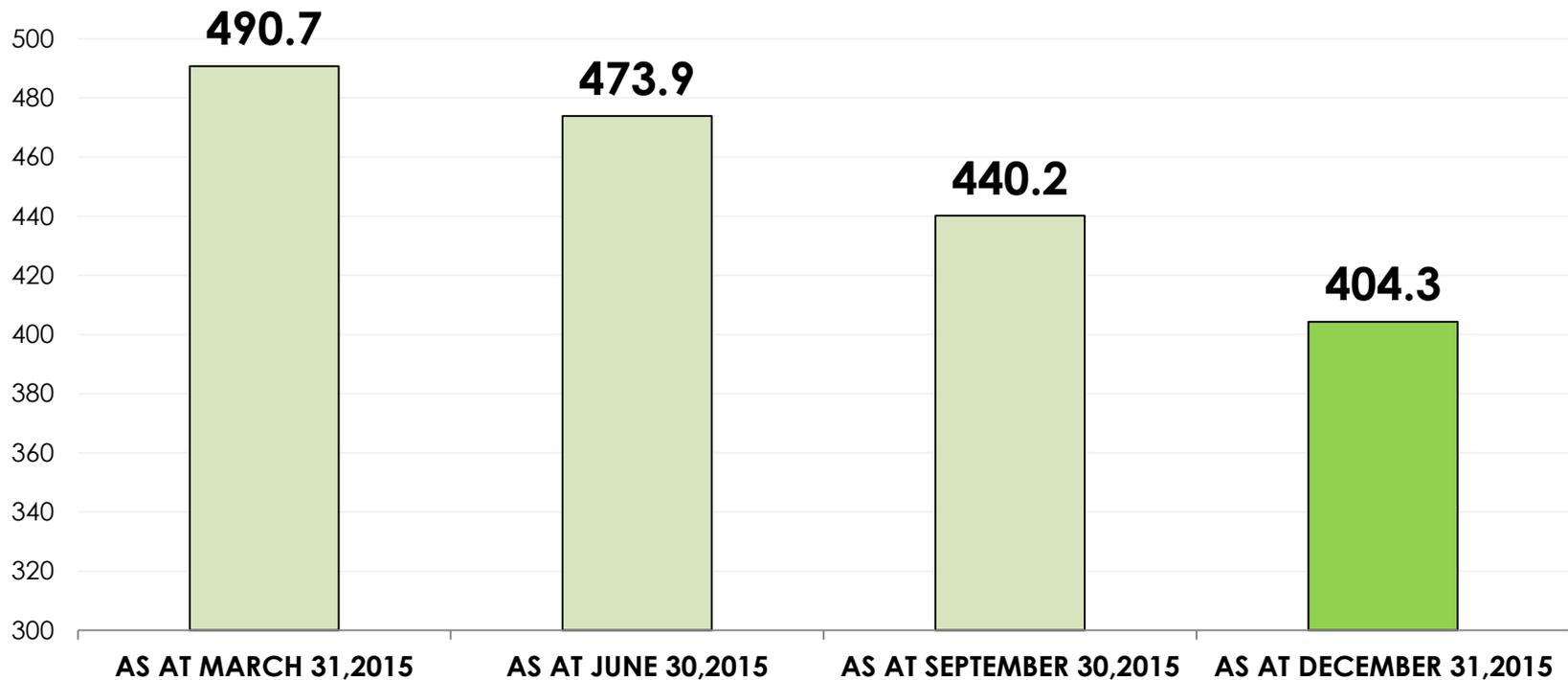


Business figures – FY 2015

DEBT EVOLUTION

QUARTER BY QUARTER CHANGE 2015

EUR in millions



**DEBT/
EBITDA**

2.94x

2.87x

2.72x

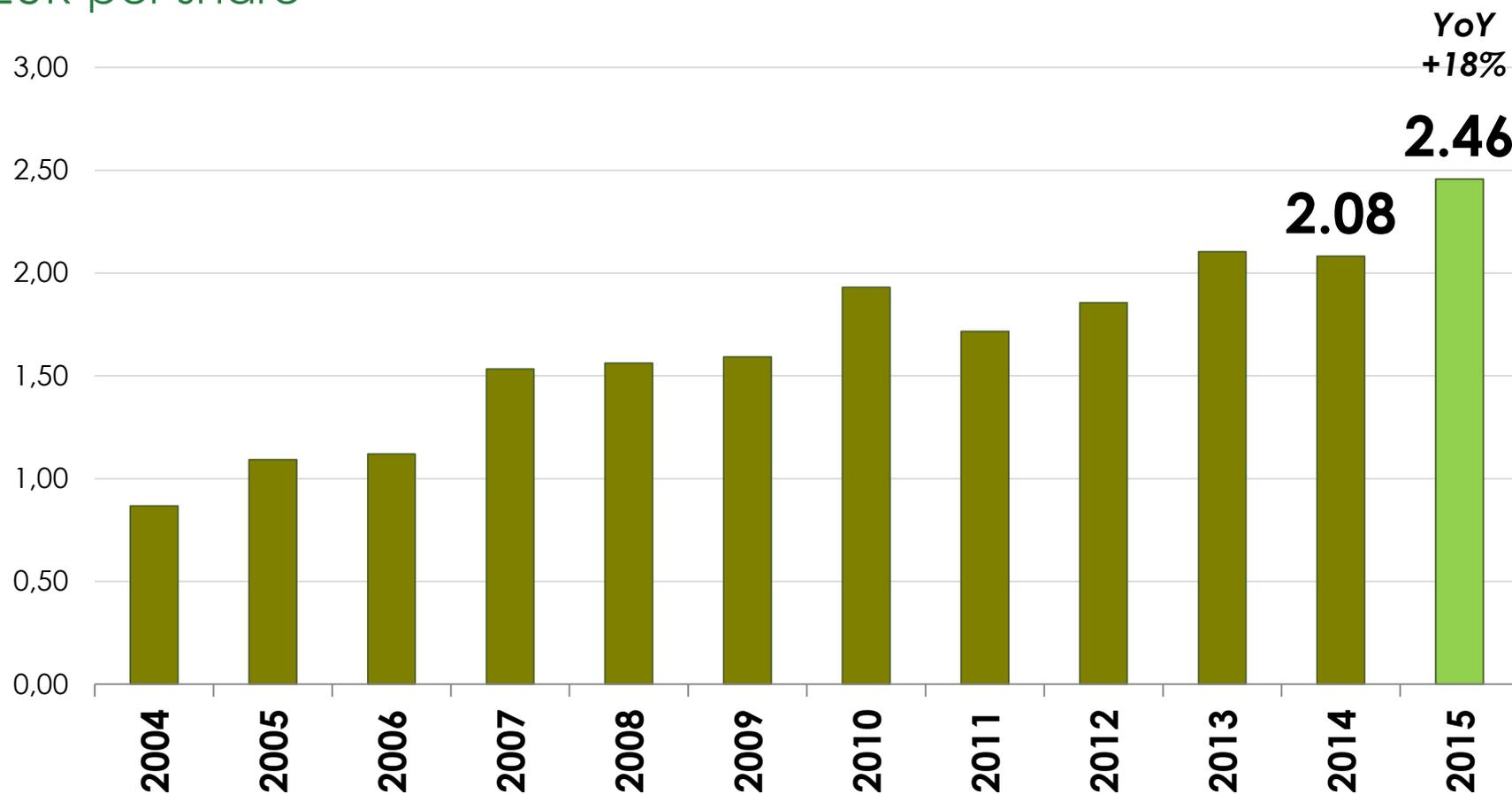
2.51x

Business figures – FY 2015

EARNINGS PER SHARE

SINCE 2004

EUR per share



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TRANSACTION FUNDAMENTALS

ENCIRC - FOOTPRINT

- Encirc Glass is a glass packaging manufacturer for the food and beverage markets in UK and Ireland.
- It operates two sites: Derrylin in Northern Ireland and Elton in England.
- It is the sole player in Ireland and the second player within the UK (roughly 27% market share).

DERRYLIN

- County Fermanagh, Northern Ireland, UK
- Built in 1998
- The only glass container plant in Ireland



ELTON

- County Chesire, England, UK
- Built in 2005
- Largest glass container plant in Europe
- Includes filling and logistics facilities



TRANSACTION FUNDAMENTALS

ENCIRC – QUALITY OF ASSETS

1. Largest furnaces
in container
glass industry



2. Triple gob and quad
gob
flexibility



3. Highly modern
inspection
machines



4. Filling capabilities



5. Fully automated warehouse



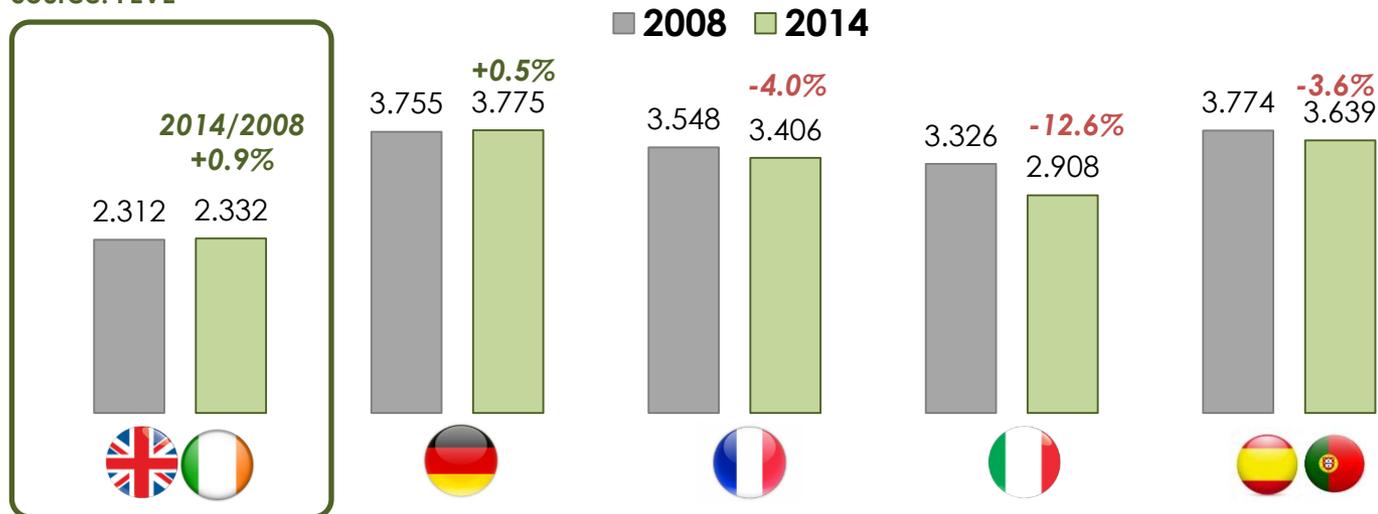
TRANSACTION FUNDAMENTALS

THE UK AND IRELAND MARKET

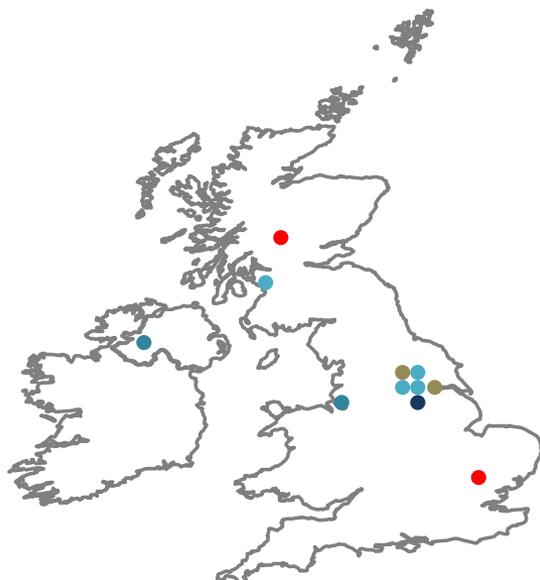
MAIN GLASS
PACKAGING
MARKETS
IN EUROPE

SALES BY GEOGRAPHIC MARKET 2008-2014 (IN THOUSAND TONNES)

Source: FEVE



PLAYERS IN
UK AND
IRELAND

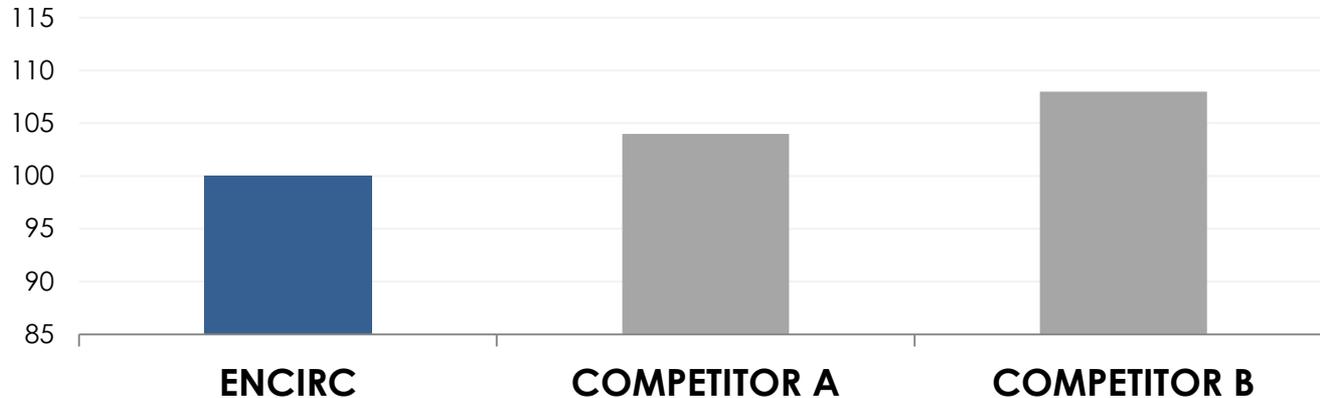


- 
 - Market share (est.): 41%
 - #2 worldwide, #3 in Europe
- 
 - Market share (est.): 32%
 - Sole player in Ireland
- 
 - Market share (est.): 12%
 - #1 worldwide, #1 in Europe
- 
 - Market share (est.): 11%
 - Niche player in premium spirits
- 
 - Market share (est.): 5%
 - Niche player in food and pharma

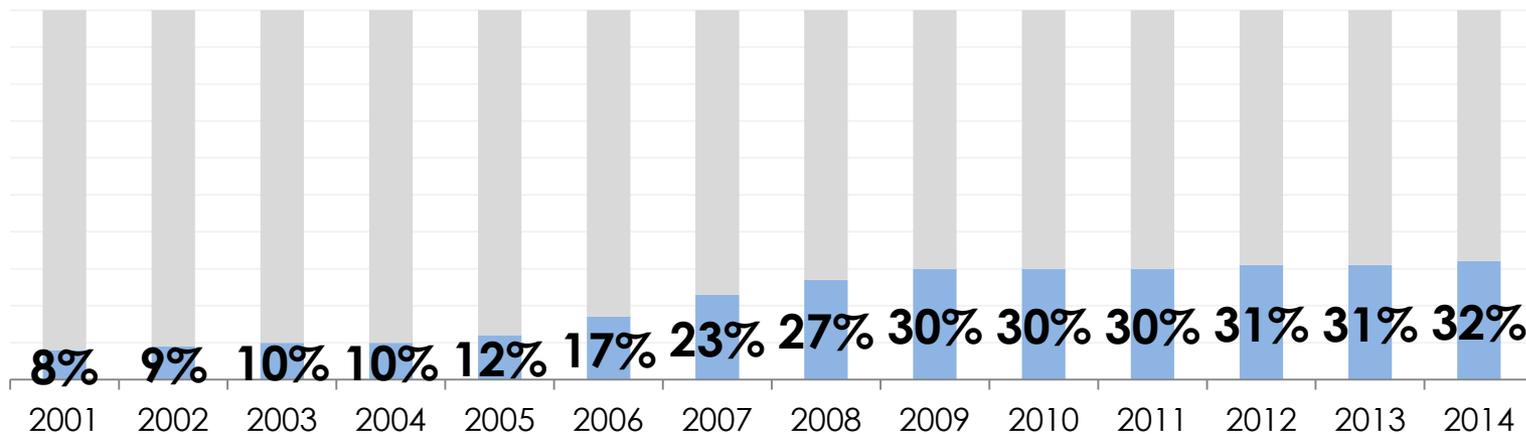
TRANSACTION FUNDAMENTALS

ENCIRC – COMPETITIVE PROFILE

COMPETITIVE PROFILE. ESTIMATED COMPETITOR COST STRUCTURE . BASE 100 ENCIRC.



ENCIRC'S MARKET SHARE OVER TIME.

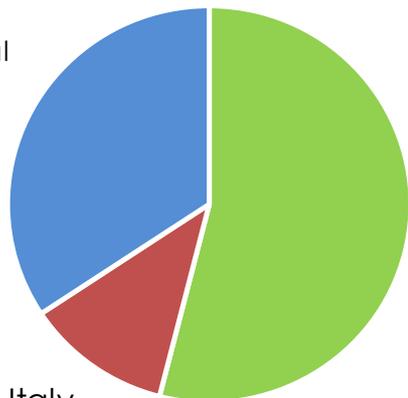


TRANSACTION FUNDAMENTALS

DIVERSIFICATION: SALES BY GEOGRAPHY (2014A)



Rest of continental Europe
34%

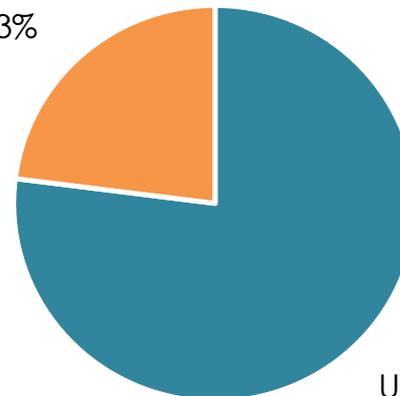


Italy
12%

Iberia
54%



encirc Ireland
23%

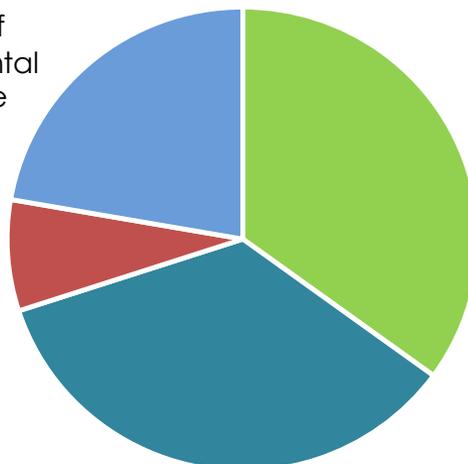


UK
77%



Rest of continental Europe
22%

Italy
8%



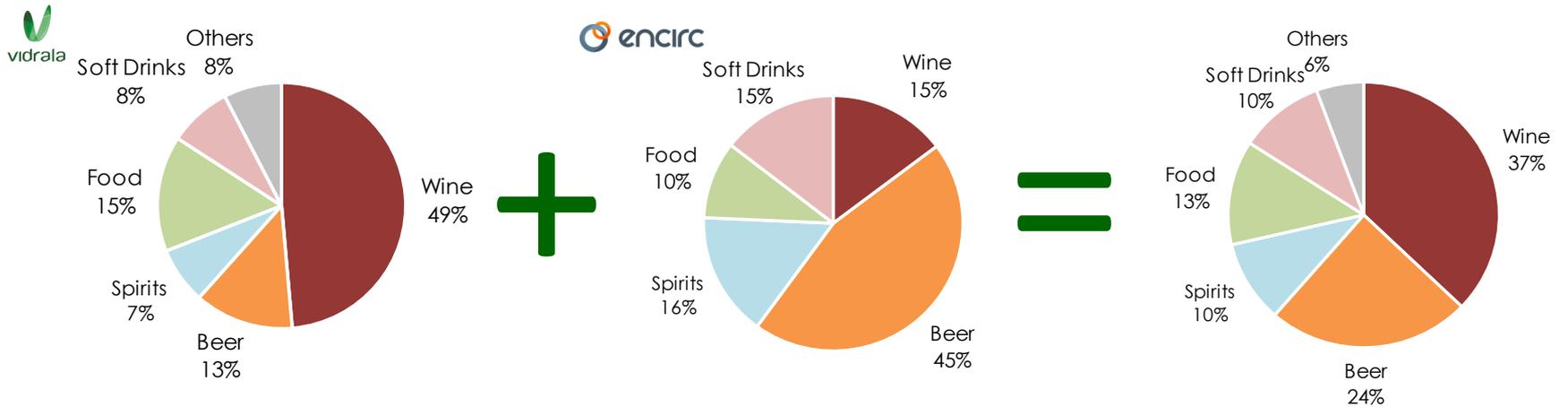
UK&Ireland
35%

Iberia
35%

TRANSACTION FUNDAMENTALS

DIVERSIFICATION: SALES BY PRODUCT-MIX (2014A)

PRODUCT-MIX BREAKDOWN (2014A)



VIDRALA TOP CUSTOMERS

ENCIRC TOP CUSTOMERS



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INDUSTRY FUNDAMENTALS

GLASS PACKAGING INDUSTRY: A COMPETITIVELY SOLID INDUSTRY

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.

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 ADAPTATION.

OPERATING GEARING: UTILIZATION RATES

- ✓ COST AND CAPITAL INTENSIVITY CREATES A HIGH LEVEL OF OPERATING LEVERAGE.
- ✓ HIGH UTILIZATION RATES ARE CRUCIAL FOR PROFITABILITY.

ENTRY BARRIERS

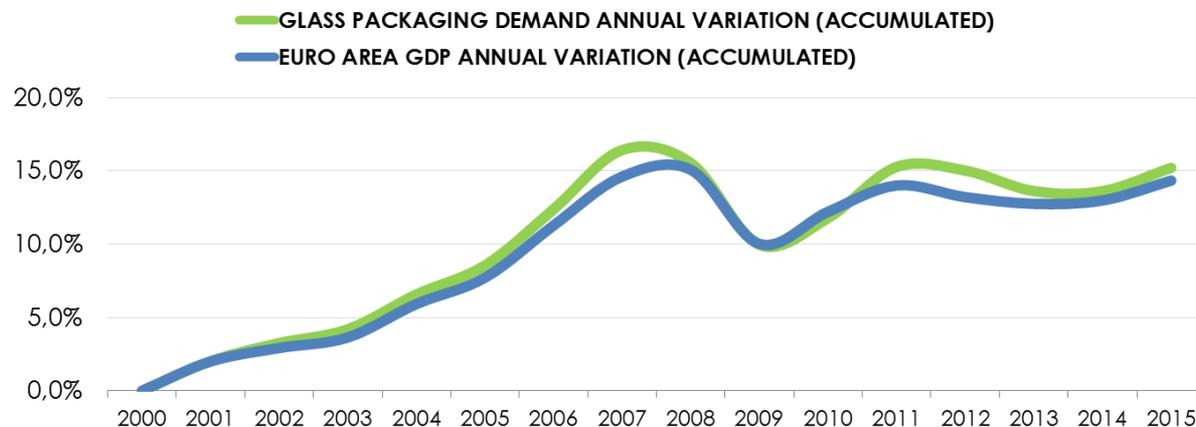
MARKET FUNDAMENTALS

GLASS PACKAGING MARKET: A MATURE AND STABLE MARKET

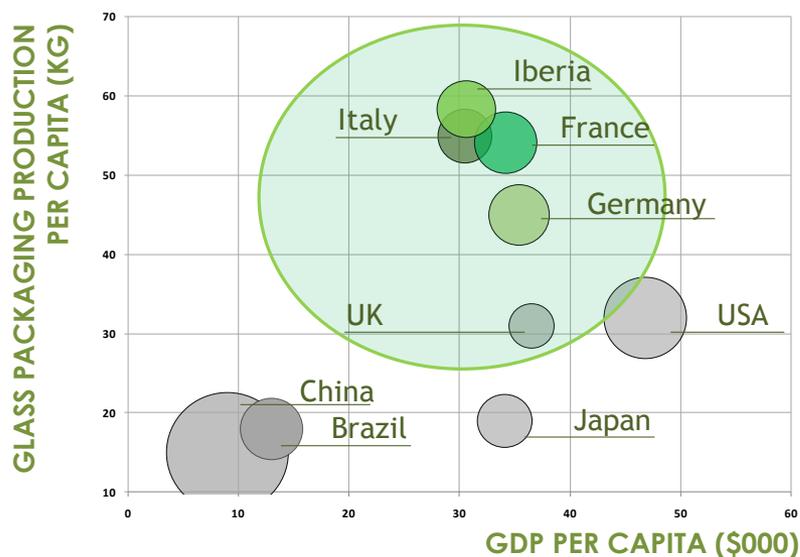
The glass packaging market in Europe: a solid and stable market

Our key geographical markets, the leading glass packaging producers

Evolution of demand for glass packaging in Western Europe (2000-2015)
In percentage terms since 2000



Glass packaging production vs. GDP per capita



VIDRALA FUNDAMENTALS

VIDRALA POSITIONING: STABLE AND DIVERSIFIED

STABLE MARKET:

Glass containers demand, mature market, less cyclical

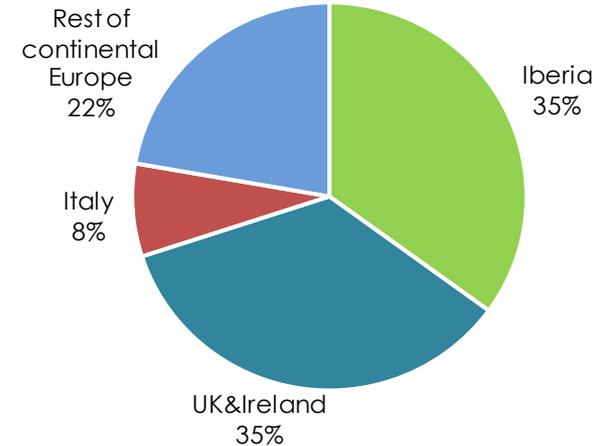
- ✓ **GLASS PACKAGING MARKET: A MATURE AND FEWLY DIFFERENTIATED MARKET, BUT STABLE AND MORE DEFENSIVE.**
- ✓ **VIDRALA MARKET: GEOGRAPHICAL DIFFERENTIATION TOWARDS STRATEGIC HIGH VALUE SEGMENTS.**

DIVERSIFIED DEMAND:

Glass containers demand, mature market, less cyclical

- ✓ **MORE THAN 1,500 ACTIVE CUSTOMERS. TOP 10 CUSTOMERS STAND FOR 30% OF SALES. TOP 50 CLIENTS STAND FOR 60% OF SALES.**

2015 SALES BY GEOGRAPHICAL REGION



MAIN CUSTOMERS

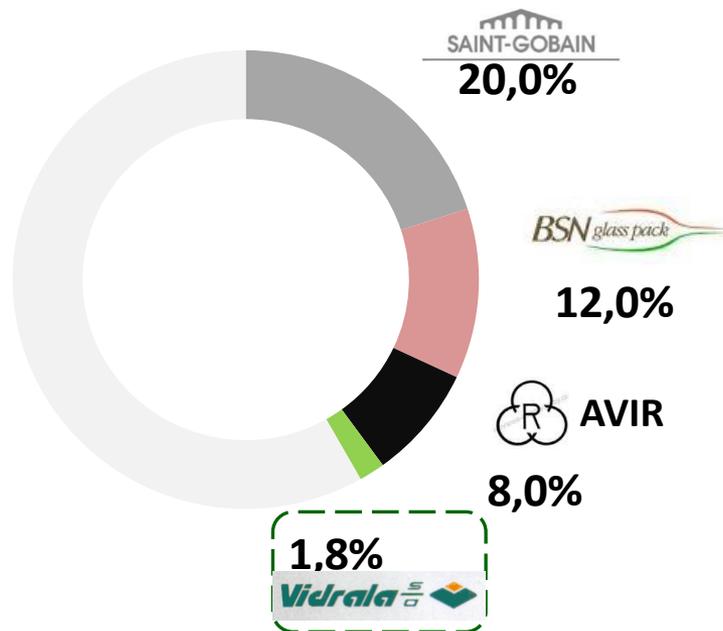


EUROPEAN GLASS PACKAGING INDUSTRY

SUPPLY CONTEXT: EVOLUTION OF MARKET SHARES

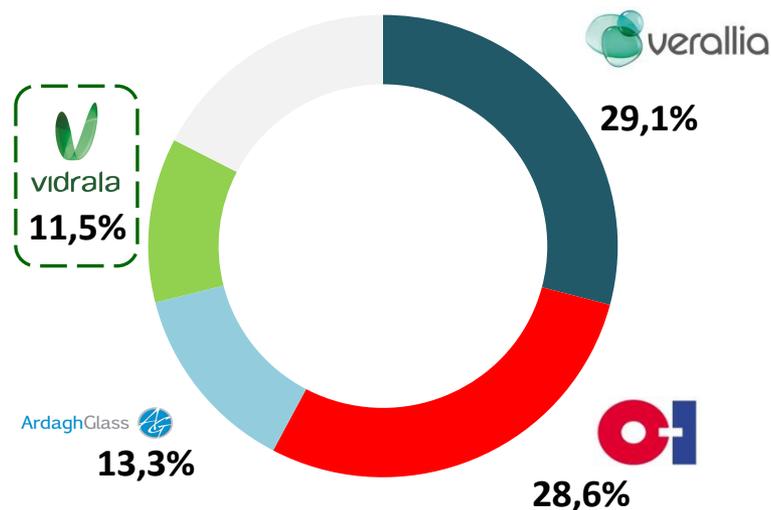
2015 vs 1990

TOP 4 PLAYERS 1990



TOP 4 PLAYERS: **41,8%**

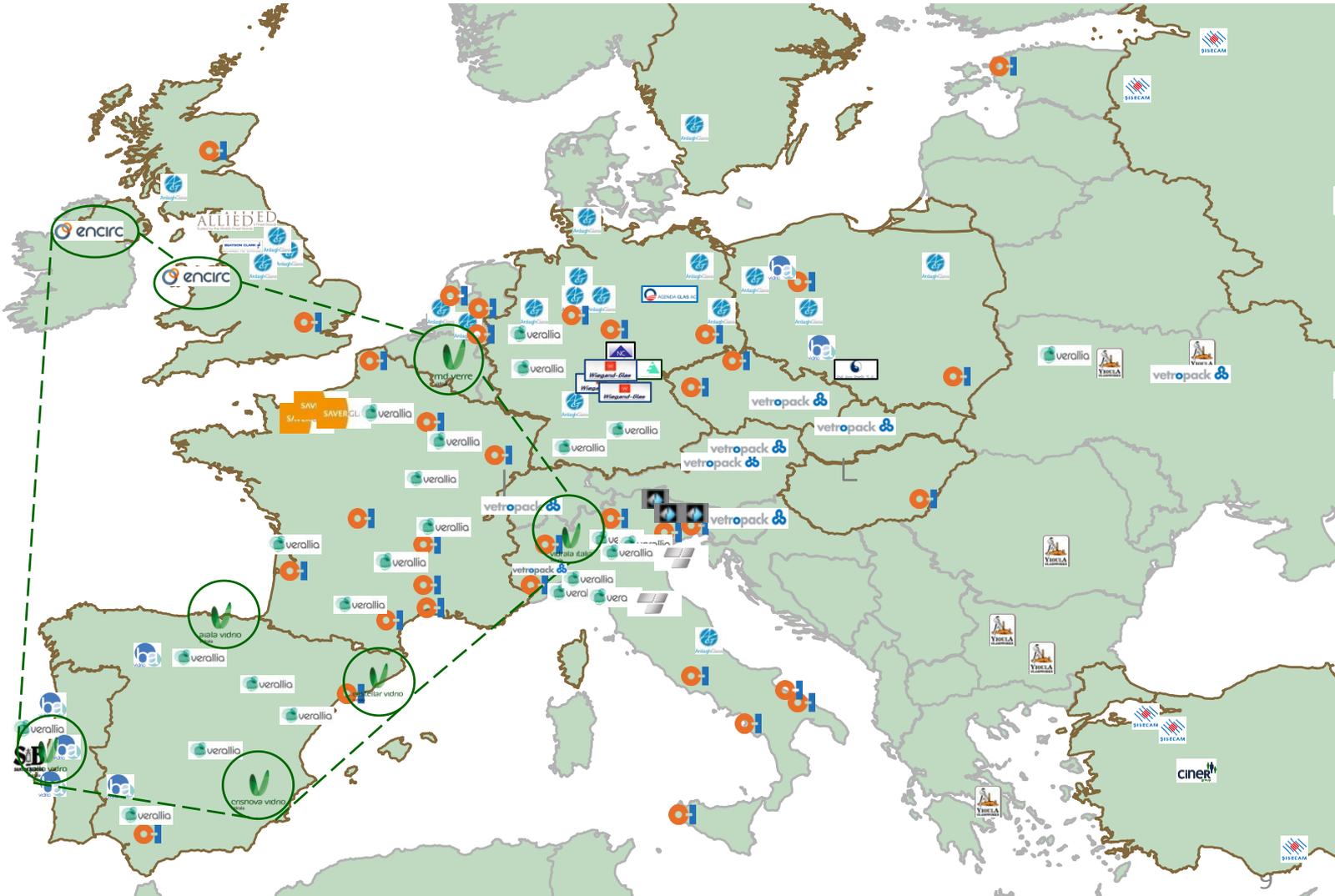
TOP 4 PLAYERS 2015



TOP 4 PLAYERS: **82,6%**

EUROPEAN GLASS PACKAGING INDUSTRY

LOCATION OF PLANTS



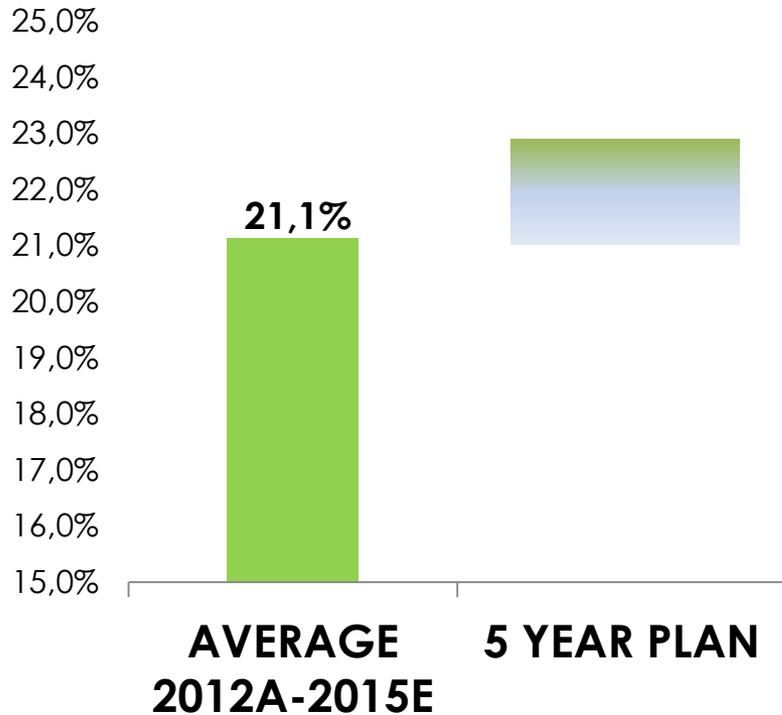
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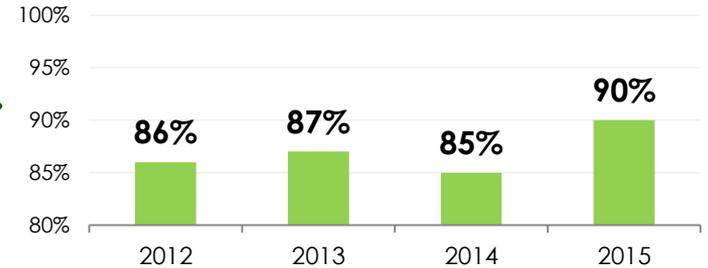


FINANCIALS

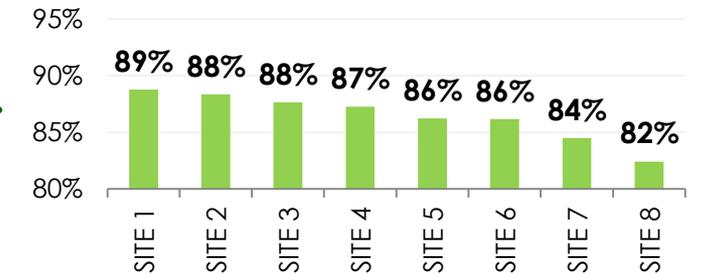
a. OPERATING MARGINS (EBITDA over sales)



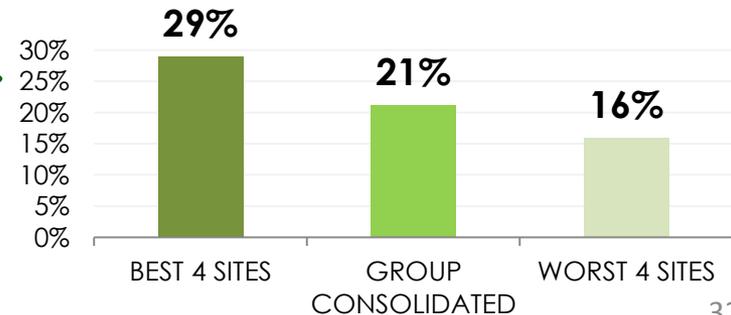
1. CAPACITY UTILIZATION



2. PACK-TO-MELT RATIO



3. EBITDA MARGINS



FINANCIALS

b. CAPEX

2015-2019
CAPEX PLAN

<8% of sales on average

MAXIMUM CAPEX
IN 5 YEARS

≈ EUR 350 million

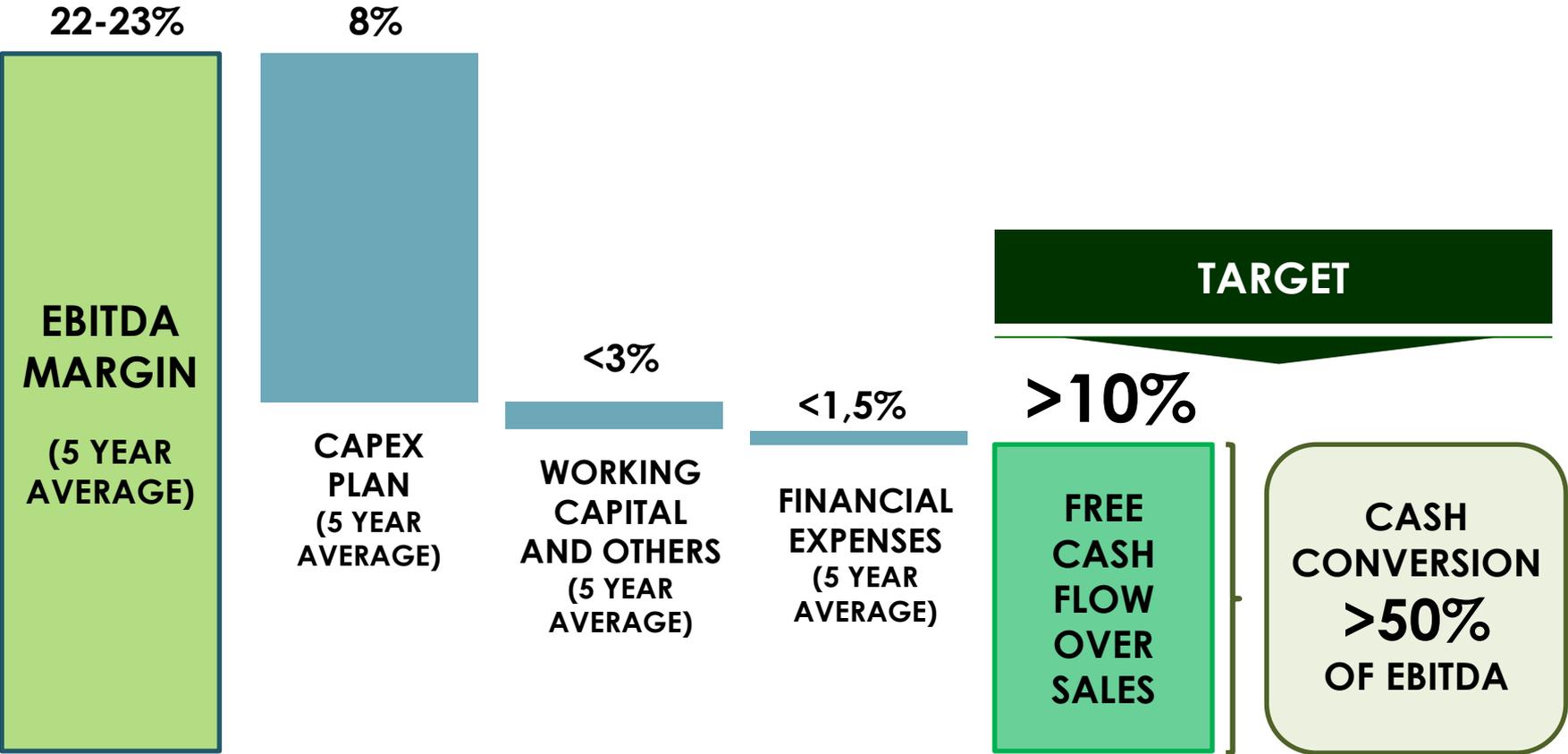
** Capex over sales ratio to approximate depreciation rate*



FINANCIALS

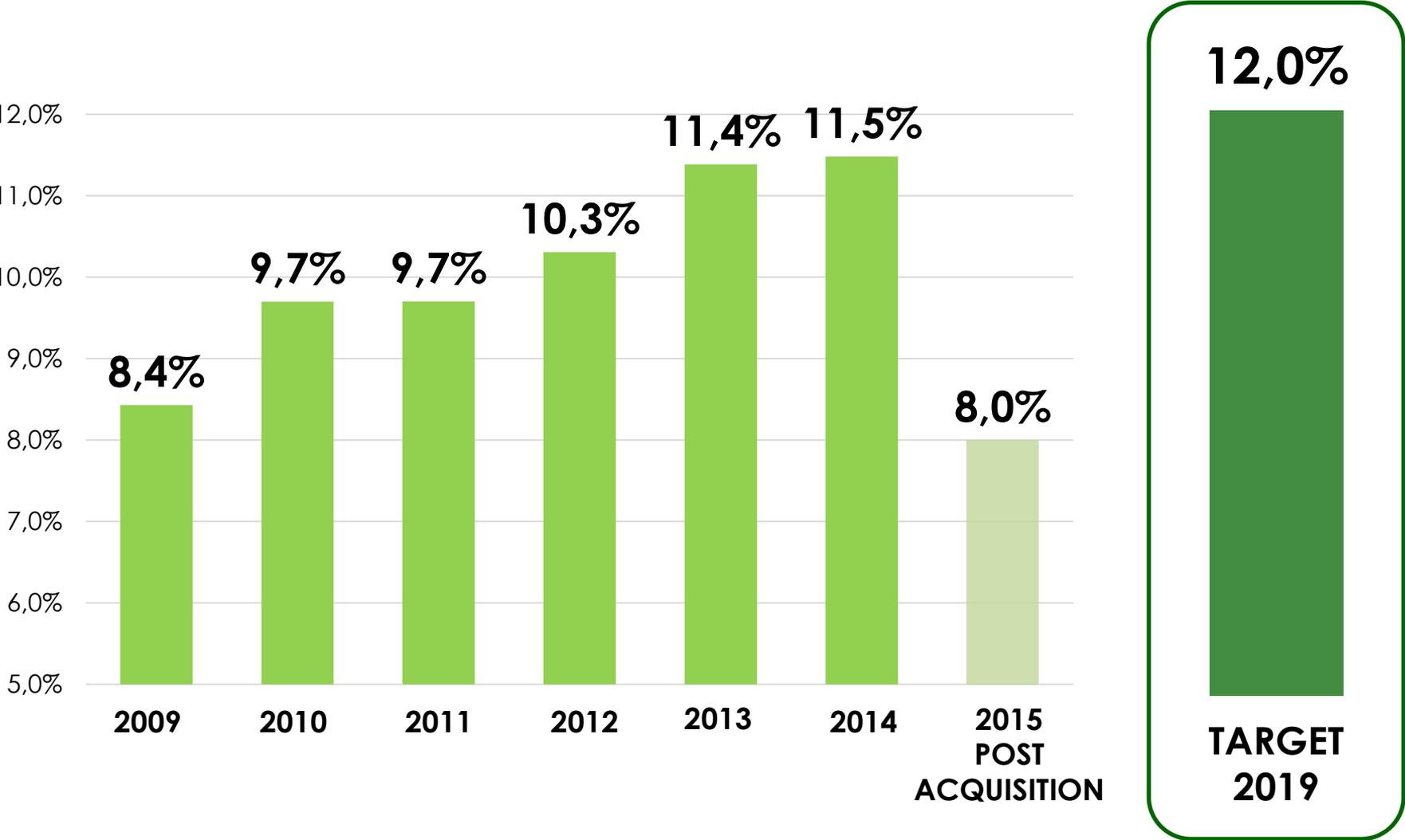
c. CASH FLOW

As a percentage of sales



FINANCIALS

d. CONCLUSION: RETURN ON CAPITAL EMPLOYED





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