



GRUPO VISTA ALEGRE | ATLANTIS

Results of the 1st Semester 2019





Results of the 1st Semester 2019

Highlights

>> Turnover of **57.4 million euros**, an increase of **37%** compared to the same period in 2018;

>> EBITDA of **11.5 million euros**, **65%** higher than during the same period in 2018;

>> Operating result increases **53%** reaching to **6.1 million euros**;

>> Income before taxes reaches **4.2 million euros**, **61%** higher than during the same period in 2018;

>> Foreign markets represent **75.8%** of turnover, a growth of 9% compared to the same period in 2018.



Activity

In the year that celebrates the 195 years of existence, Vista Alegre reaches the best operating performance achieved in a semester, having reached the turnover of **57.4 million euros** and EBITDA of **11.5 million euros**, continuing the excellent results achieved in the first trimester of 2019. The greater growth has been noted in the external market, which has reached **43.5 million euros** of sales, representing currently **75.8%** of Vista Alegre's turnover, with an increase of 9% compared to the same period of 2018. This increase is justified by the growth of turnover in the European markets, particularly in the Netherlands, Italy and France, countries with higher growth.

The internal market has had a result of sales of **13.9 million euros**, supported by the stores' business.

In April, the opening of the new factory of Bordallo Pinheiro, with the presence of the Prime Minister, António Costa and the Deputy Minister of Economy, Pedro Siza Vieira in this milestone of the "new" Fábrica de Faianças Bordallo Pinheiro, in Caldas da Rainha.

The company built a new industrial sector and remodelled the existent industrial facilities, giving rise to a unit with around 12000 m², equipped with new equipment and modern facilities. An investment that overcome 9 million euros and which allowed the admission of over 100 new employees.

Bordallo Pinheiro recently presented in Lisbon, in the Zambeze Restaurant, 28 new sardines to complete the iconic collection created in 2014 "Sardinha by Bordallo". Today there are 100 pieces created by a variety of national and international celebrities, who have contributed to a collection that already reached its space in the universe of decorative ceramics.

Vista Alegre has maintained the bet in partnerships with world-renowned artists and brands, promoting new partnerships. For example, in 2019 the prestigious Swiss brand Franck Muller and Vista Alegre joined to present the exclusive edition of the clock



"Atlântico" [Atlantic] which is presented a crystal dome, created specially by Vista Alegre for this product launch, limited to 20 pieces.

Recently, it was also presented in international fairs the "Amazónia" [Amazon] collection, rich in details in a surprising fusion of materials: porcelain, crystal, glass, stoneware and earthenware in various techniques, which resulted from a partnership developed between Vista Alegre and the Brazilian NGO Ecoarts Amazónia, joining two cultures, in the preservation of an environmental, cultural, social and scientific heritage for the future of mankind.

In this first semester of 2019, Vista Alegre conquer 13 international awards, having greater highlight the category Gold Awards with: "Earth to Humanity" collection (by Vista Alegre) in the German Innovation Award; the "Amazónia" collection (by Bordallo Pinheiro) and the "Única Collection" (by Vista Alegre) in the European Product Design Award; and the "Utopia" collection (by Vista Alegre) in the A' Design Award (Italy). In the German Brand Award Vista Alegre won the "Excellent Brand" award and a special mention of "Brand Innovation of the Year".

Results

Grupo Vista Alegre's consolidated income statements of the first semester of 2019 has shown a good performance compared to the same period in 2018, having the turnover increased **37%**, to **57.4 million euros** and EBITDA with **65%**, growth, amounting to **11.5 million euros**.



Consolidated Income

Items	1S-19	1S-18	M€	
			Variation Value	%
Turnover	57.4	42.0	15.4	37%
E B I T D A	11.5	7.0	4.5	65%
<i>EBITDA margin</i>	20.1%	16.7%		
Operating Result	6.1	4.0	2.1	53%
<i>Operating Margin</i>	10.7%	9.5%		
Income before taxes	4.2	2.6	1.6	61%
Corporate income tax	-0.5	-0.7	0.3	
Net Profit	3.7	1.9	1.9	99%

The company recorded an operating result of **6.1 million euros**, **53%** higher than the same period in 2018, and the net profit of the period had a **99%** growth rate, during the same period as well, amounting to **3.7 million euros**.

For the application of new accounting standard on the accounting reporting of leases (IFRS 16, which was effective from the 1st January 2019), EBITDA is positively impacted on 1.5 million euros, due to the exclusion of rents resorted to depreciation and interests.

The development of new products and collections, as well as the improvement of production procedures and facilities has been the key for the good operating performance of Vista Alegre.

Investments

In the first semester of 2019 the investments to the amount of **11 million euros**, were mainly in the stone tableware, with the conclusion of the extension of the productive capacity of the Ria Stone to the amount of 3.5 million euros. From this amount, a note to the additional investment of 2.7 million euros, with special focus on significant improvement of the final lines (selection and packaging), which began to be automated, and also a change made to the stations, to allow greater production flexibility. These two investments will help to enhance operational efficiency and strengthen the positioning of Ria Stone as the world's most advanced factory in this market segment.



In turn, in the earthenware segment stands out the conclusion of the Bordallo Pinheiro factory renovation with state-of-the-art equipment located in a major area of the factory, completely reorganised, where occurred investment changes compared to the initially predicted, in particular by the introduction of the manufacture of stoneware pieces, whose demand increased significantly in the HORECA sector (hotels and restaurants) by its superior resistance. This productive redefinition obliged the adaptation of the manufacturing lines for simultaneous production of earthenware and stoneware pieces. So we acquired specific equipment to the stoneware implying the entire production process. These changes represented a diversion of around 1.6 million euros compared to the originally planned – a factory expansion just for earthenware pieces – which allowed Bordallo Pinheiro factory to have a greater and diverse productive capacity, being more prepared for the future.



Consolidated Financial Statements

On 30th June 2019 and 2018

T €

Items	30-06-2019	30-06-2018
Sales and services provided	57,428	42,033
Cost of sold goods and consumed material	-20,767	-13,329
Production variation	4,413	1,503
Gross margin	41,074	30,206
Works for the company itself	1,028	1,435
Supplies and external services	-9,676	-9,143
Personnel costs	-21,212	-15,930
Amortisations	-5,415	-3,020
Impairments	12	24
Provisions of the financial year	0	-17
Other costs and operational losses	-949	-720
Impairment of non-amortizable assets	0	1
Increases / (reductions) of fair value	1	0
Others revenue and operating income	1,281	1,166
Operating result	6,144	4,005
Interest and similar expenses	-1,947	-1,395
Interest and similar income	5	4
Financial result	-1,942	-1,392
Income before taxes	4,201	2,613
Income tax	-484	-749
Consolidated result for the period	3,717	1,864
Attributable:		
Shareholders	3,641	1,940
Non-controlling interests	76	-76
Basic earnings per share (€)	0.0244	0.0012
Diluted earnings per share (€)	0.0244	0.0012



GRUPO VISTA ALEGRE | ATLANTIS

VISTA ALEGRE ATLANTIS, SGPS, SA

Relações com Investidores

Alexandra Lopes
alexandralopes@vaa.pt

www.vistaalegre.com
Reuters: VAF.LS e VAFe.LS
Bloomberg: VAFK:PL e VAF:PL

