

VAA – VISTA ALEGRE ATLANTIS, SGPS, S.A.

Public Company
Head Office: Lugar da Vista Alegre
District: Aveiro, Municipality: Ílhavo
Parish: Ílhavo (São Salvador)
3830 292 ILHAVO
Registered with the C.R.C. [Commercial Registry] of Ílhavo
Share Capital: 134,120,048 Euros
NIPC [Legal Person No.] and Registry No: 500.978.654

VISTA ALEGRE MORE THAN DOUBLES ITS TURNOVER IN APRIL 2021 COMPARED TO THE SAME PERIOD A YEAR EARLIER

Grupo Vista Alegre turnover during April 2021 was **7.4 million euros**, an increase, compared to the same month in 2020, of **116% (+4 million euros)**, thus marking an expected recovery in sales.

It is to be expected, with the progressive deconfinement in Portugal in May, that the growing trend in sales in the coming months will continue.

In accumulated terms, the Grupo Vista Alegre reached a turnover of **26.3 million euros**, in April 2021, with a decrease of **5%** compared to the same period in 2020.

Segments	January 2021	February 2021	March 2021	2021 1st trimester	April 2021	2021 April Acum.
Porcelain and other products	1,993	2,639	2,504	7,136	2,631	9,767
Earthenware	550	791	941	2,282	1,052	3,334
Stoneware	2,543	2,314	2,732	7,590	3,010	10,600
Crystal and Glass	567	732	664	1,962	666	2,628
Total	5,653	6,476	6,841	18,970	7,359	26,328
Variation 2021/2020	-36.3%	-32.8%	17.9%	-22.0%	116.3%	-5.0%

Segments	January 2020	February 2020	March 2020	2020 1st trimester	April 2020	2020 April Acum.
Porcelain and other products	2,678	2,833	500	6,011	873	6,885
Earthenware	815	736	675	2,226	32	2,259
Stoneware	4,328	4,964	4,400	13,692	1,817	15,509
Crystal and Glass	1,049	1,099	229	2,377	680	3,057
Total	8,871	9,632	5,805	24,307	3,402	27,709

In addition to the reopening of physical stores in Portugal, which had a positive impact on the recovery of sales in the domestic market, sales in the online channel were noteworthy, continuing to show excellent performance. It is worthy to note that Ria Stone, a unit that manufactures for Ikea, continues to produce at 100% capacity.

Results of the 1st Trimester 2021

Highlights

>> Turnover reaches **19 million euros**, a decrease of **22%** compared to the previous year;

>> Vista Alegre grows by **1 million euros** in turnover in March 2021 compared to the same period a year earlier (**+18%**)

>> EBITDA **1.2 million euros** represents a decrease of **63%** compared to the same period last year, but it means **an improvement of 29% compared to EBITDA reached in the 2nd quarter of 2020** when the strongest peak of the pandemic occurred causing the generalized closure of retail network;

>> Foreign markets represent **87%** of turnover;

Activity

During the first quarter of 2021, economic activity in Portugal and the rest of the world was profoundly affected by the spread of the SARS-CoV-2 virus, by measures to contain the pandemic and by the impact on the behaviour of economic agents. The closure of the entire physical retail network in Portugal and strong limitations in its international retail network had a negative impact on the company's activity in the 1st quarter of 2020, leading the company's management to undertake different measures in order to mitigate the negative impact of the pandemic, aiming to protect its employees and preserving its business.

Grupo Vista Alegre turnover during March 2021 was **6.8 million euros**, an increase, compared to the same month in 2020, of **17.9% (+1 million euros)**, thus marking an expected recovery in sales with deconfinement measures in Portugal in April, starting a growing trend in sales during the 2nd quarter.

In accumulated terms, the Grupo Vista Alegre reached a turnover of **19 million euros** during the first quarter of 2021, with a decrease of **22%** compared to the same period in 2020.

Segments	Jan to Mar 2021	Jan to Mar 2020	Variation (%)
	Total	Total	Total
Porcelain and related products	7.136	6.011	19%
Crystal and Glass	1.962	2.377	-17%
Stoneware	7.590	13.692	-45%
Earthenware	2.282	2.226	3%
Total	18.970	24.307	-22%

Vista Alegre has already secured new supply contracts totalling more than **20 million euros** for the second, third and fourth quarters of 2021. These values add to the existing and dynamic order portfolio of its vast distribution network, which has shown a lot of activity.

Europe is the main destination for these new supplies, with emphasis on France, Germany and the Scandinavian countries, but it should also be noted that a significant part (**25%**) goes to the Asian continent.

These new supply contracts, together with the normal order portfolio, represent an important basis for the Grupo to be able to maintain an activity with good occupancy levels.

The current epidemic status of the country continues to determine the maintenance, by some of the VAA subsidiaries, of measures to prevent and respond to the pandemic situation.

Results

Consolidated results for the first quarter of 2021 of the Vista Alegre Group revealed performance below that seen in the same period of 2020, with turnover in the amount of **19 million euros** and EBITDA standing at **1.2 million euros**, representing an improvement of **29%** compared to EBITDA reached in the 2nd quarter of 2020 when the strongest peak of the pandemic occurred causing the general closure of its retail network.

Consolidated Results

Headings	31/03/2021 31/03/2020		Variation	
			Amount	%
Turnover	19.0	24.3	-5.3	-22%
E B I T D A	1.2	3.2	-2.0	-63%
<i>EBITDA Margin</i>	<i>6.2%</i>	<i>13.0%</i>		
Operating Income	-2.1	0.2	-2.2	-1436%
<i>Operating Margin</i>	<i>-10.9%</i>	<i>0.6%</i>		
Income before taxes	-3.4	-1.3	-2.1	169%
Income tax	1.1	0.5	0.6	
Net income	-2.3	-0.8	-1.5	191%

M€

The company recorded a negative operating result of **2.1 million euros** and the net result was negative at **2.3 million euros**.

Despite the uncertainty that still exists in terms of the duration of the Pandemic caused by COVID-19 and in terms of the continued effect on the global economy, Grupo Vista Alegre has clearly positive perspectives regarding the evolution of its business, taking into account existing contracts in the portfolio and the reopening of its entire physical retail network and with the progressive increase in people's level of confidence due to the increasing level of vaccination that will help the progressive return to normality.

Debt

Consolidated debt remained stable vis-à-vis 2020, while cash and cash equivalents decreased by 7 million euros due to the increase in working capital needs, typically more demanding in the first quarter of the year, further aggravated by the pandemic crisis.

T€	2020-12-31	2021-03-31	Variation
Financial debt (bank loans, bond and leasing)	84.566	89.426	4.861
Operating debt (export remittances, confirming and factoring)	13.588	9.432	-4.156
Operating lease (IFRS 16)	7.640	7.337	-303
Consolidated debt	105.794	106.195	401
Availabilities	-17.501	-10.335	7.166
Consolidated net debt	88.293	95.860	7.568
Incentives to convert into prizes	-8.470	-8.470	0
Consolidated net debt after converted prizes	79.822	87.390	7.568

Consolidated Financial Statements On 31st March 2021 and 2020

T €

Headings	31/03/2020	31/03/2021
Sales and services provided	24,307	18,970
Cost of goods sold and material consumed	-10,344	-7,405
Production variation	4,549	2,929
Gross margin	18,512	14,494
Works for the company itself	396	0
Supplies and external services	-4,875	-4,991
Personnel costs	-10,834	-10,280
Amortizations	-3,050	-3,280
Impairments	7	0
Other operating expenses and losses	-366	-144
Impairment of depreciable tangible fixed assets	37	37
Other profit and operating income	328	2,103
Operating income	154	-2,061
Interest and similar expenses incurred	-1,432	-1,386
Interest and similar income obtained	9	32
Financial result	-1,423	-1,353
Result before taxes	-1,269	-3,415
Income tax	473	1,097
Consolidated income for the financial year	-796	-2,317

Ílhavo, 05th May 2021

VAA – Vista Alegre Atlantis, SGPS, SA