

VISTA ALEGRE

1824

**COMPANY PRESENTATION
AFTER REORGANIZATION
PROCESS**

SEPTEMBER 2018

VISTA ALEGRE

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1.

COMPANY OVERVIEW

EXPERIENCED MANAGEMENT TEAM



**NUNO
MARQUES**

CHAIRMAN

18 years of experience

- Degree in Electrotechnical Engineering
- Master in Business Administration
- Specialization in Management Control & Performance Evaluation
- Previously CEO of Visabeira Global and Managing Director at Constructel France and Constructel Belgique



**PAULO
PIRES**

CEO

23 years of experience

- Responsibility: production manager
- Works for VAA since 1997
- Previously General Manager for Ria Stone
- Previously worked at General Electric - Continuous Improvement Manager
- Degree in Manufacturing Engineering
- Advanced Management Program for Executives



**PAULO
SOARES**

**EXECUTIVE
BOARD MEMBER**

21 years of experience

- Responsibility: Head Of International Sales & Expansion
- Previously VAA Commercial Director responsible for the Retail, Horeca and B2B channels
- Previously Commercial Director at Cristal de Sèvres
- Previously Export Sales Director at Crisal
- Degree in Business, Specialization in Marketing



**NUNO
BARRA**

**EXECUTIVE
BOARD MEMBER**

21 years of experience

- Responsibility: Marketing & Design management
- Previously CMO at Visabeira Group
- Prior to that, worked as consultant at KPMG and PwC
- Degree in Economics, MBA with Marketing and international business specialization



**ALEXANDRA
LOPES**

**EXECUTIVE
BOARD MEMBER**

19 years of experience

- Responsibility: Financial, Accounting, Tax, Legal and HR management
- Works for VAA since 2014
- Works for Visabeira Group since 1999
- Previously Manager for Operational Efficiency and Cost Reduction
- Degree in Economics
- Post-graduation in Management



**ALDA
COSTA**

**EXECUTIVE
BOARD MEMBER**

27 years of experience

- Responsibility: Internal audit, Process improvement
- Works for VAA since 1994
- Previously Financial Manager
- Degree in Business Organisation and Management, MBA

VAA GROUP BEFORE REORGANIZATION

- **Vista Alegre Atlantis Group** (“VAA”) produces, distributes and sells a variety of products within the sector of ceramic and crystal, both retail and hotel sectors, operating in four different productions areas
- The essential values of the company are: quality of excellence, innovation, design, universality, the connection to art and culture, and always combining tradition and modernity



Porcelain and other products is the segment for fine and high-end tableware. Porcelain is a non-porous, extremely resistant and durable material that allows the production of thin and translucent products

Such business area, under which VAA is acknowledged as one of the most prestigious brands, constitutes around 51% of VAA’s revenues (FY2017)



Stoneware Tableware is a product with good mechanical resistance, allowing good performance in daily use. It is thicker than porcelain and allows for a great variety of colors and textures. Because it is single fired, it is very eco-friendly.

This business area has allowed the company to sell to large retailers, most notably IKEA, which subsequently has helped propel VAA’s products internationally across Europe and Asian countries

By 2017, VAA’s revenues were 22% provided by this business area.



Stoneware Oven-to-Tableware include products resistant to oven, freezer and microwave, the material of which has an opaque and darker body.

VAA Group produces for this business area, which accounts for 14% of VAA’s revenues (FY2017)



Crystal and Glass comprise products of high and prestigious quality that result from the incandescent finest raw minerals that are luminous, resonating and very transparent. Includes tableware, barware, giftware, decorative products, limited editions and luxury bottles to prestigious beverage producers

Member of the strict group of brands who produce the best crystal in the world

The company positions itself in the high-end segment of the market, which accounted for 14% of VAA’s sales in 2017

VAA GROUP REORGANIZATION

- In 2017, VAA executed a capital increase of €51.5M that included the conversion of shareholders' loans into equity, strengthening VAA's capital structure, following which the company expressed the interest to increase its free float under terms and conditions to be disclosed to the market in due time
- In 2018, the VAA continued the group reorganization with the acquisition of Cerutil and Bordalo Pinheiro and the sale of VA Grupo - Vista Alegre Participações

REASONS FOR GROUP REORGANIZATION

- Concentrate all participations in the ceramics sector in VAA, SGPS
- Provide Vista Alegre Group with greater financial and economic strength
- Strengthen Vista Alegre's position as a leader in the sector

BRIEF OVERVIEW OF THE COMPANIES INVOLVED IN THE TRANSACTION

- **Cerutil** is a modern factory specializing in the design and production of stoneware oven-to-tableware. It can offer tailor-made solutions for the specific needs of each market



- **Bordalo Pinheiro** began producing ceramics in 1884 at Fábrica de Faianças in Caldas, with pieces of great technical, artistic and creative quality, including "azulejos" (blue tiles), tile panels, vases, table centrepieces, fountain basins, jugs, plates, perfume bottles, vases and gigantic animals. Thanks to a modern entrepreneurial approach, Bordalo Pinheiro plays a fundamental role in the revival of Portuguese ceramics, both at a national and international level



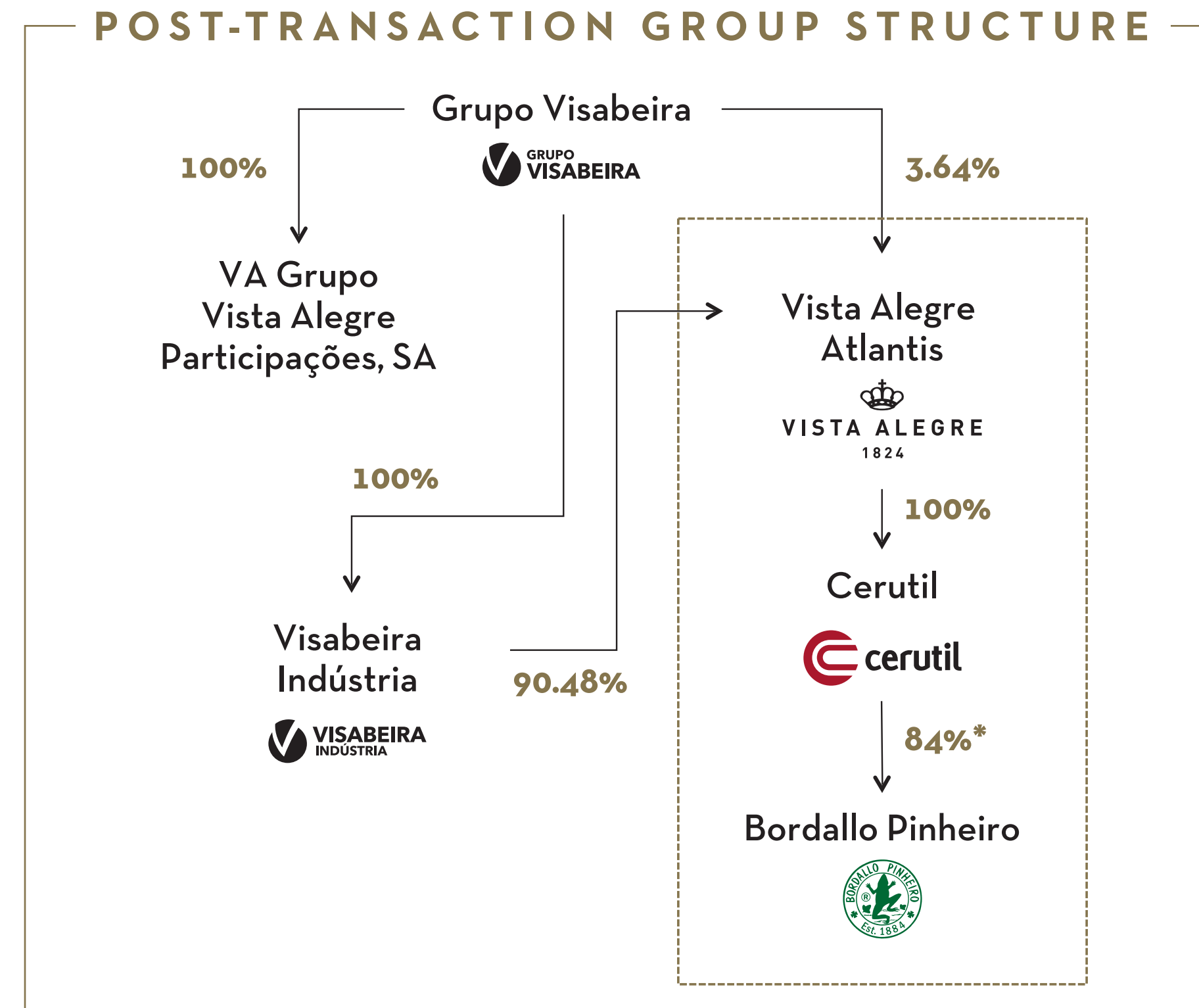
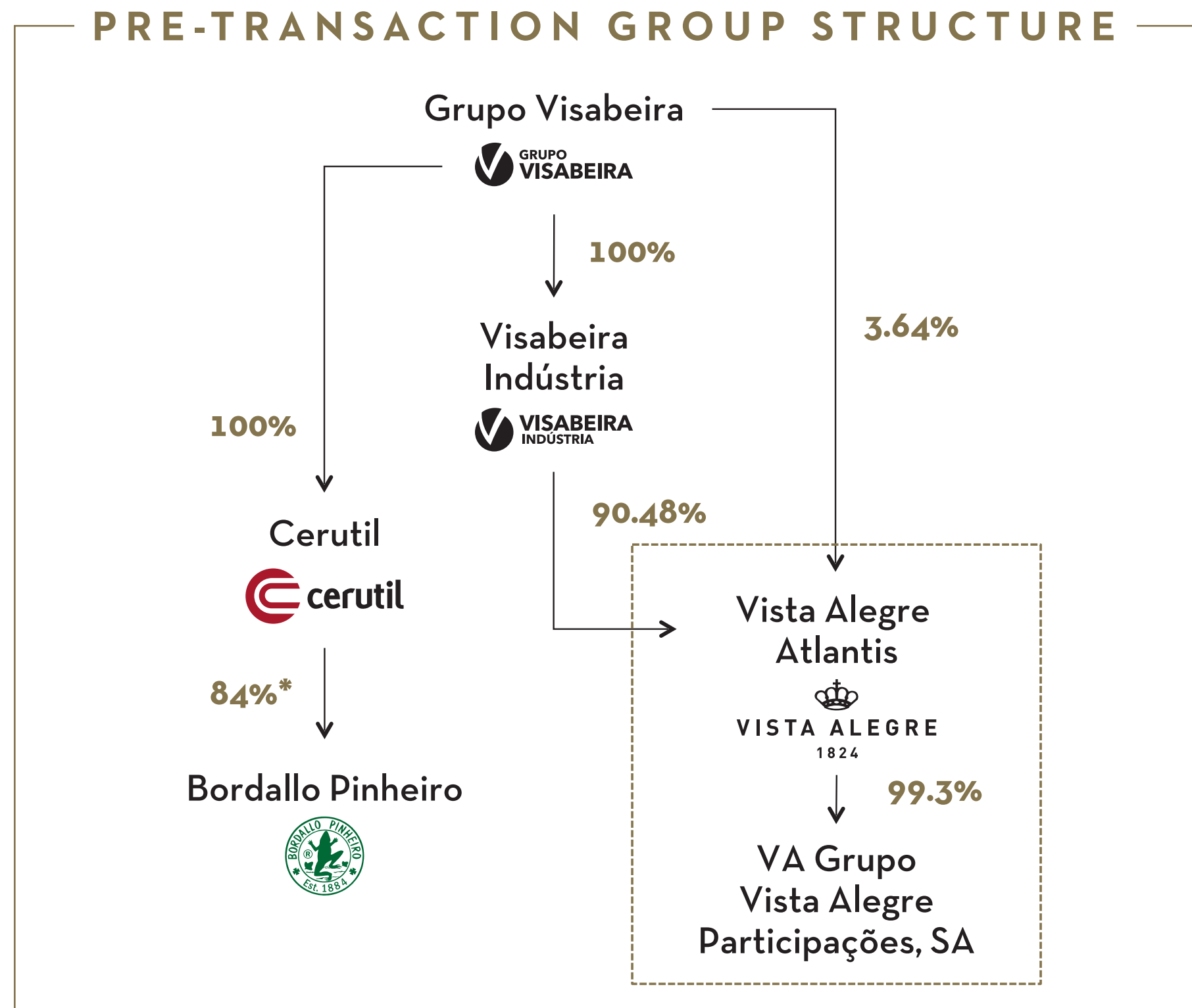
TRANSACTION FINANCIALS

- Cerutil and Bordalo Pinheiro were transferred to VAA and "VA Grupo Vista Alegre Participações, SA" - the company that holds the non-operating real estate assets - was transferred to Grupo Visabeira. This transaction involves a net payable of €26.8M to Grupo Visabeira, with no additional debt to VAA

1. COMPANY OVERVIEW

VAA GROUP REORGANIZATION (RECENT TRANSACTIONS)

- **Grupo VAA** has concluded a restructuring process involving the acquisition of Cerutil and Bordallo Pinheiro (formerly held by Visabeira Indústria), thereby concentrating the ceramics and crystal/glass product lines under VAA and strengthening its position as market leader, and the sale of the company that holds the Group's Real Estate assets (VA Grupo)



* Cerutil owns 100% of Bordalgest which in turn owns 83.99% of Bordallo Pinheiro

2.

PRODUCTS AND MARKETS

BUSINESS AREAS AFTER REORGANIZATION

With Bordallo Pinheiro, a new business area was added - EARTHENWARE

PORCELAIN & OTHER PRODUCTS

SALES '17: €40.0 M



Tableware
Home Decor / Giftware / Special Editions
Hotelware
Cutlery

CRYSTAL & GLASS

SALES '17: €11.5 M



Crystalware
Home Decor
Glassware

STONEWARE / TABLEWARE

SALES '17: €18.4 M



Tableware

STONEWARE / OVEN-TO-TABLEWARE

SALES '17: €16.7 M



Tableware
Hotelware

EARTHENWARE

SALES '17: €6.1 M



Tableware
Giftware
Special Editions

VAA GROUP 2017/2018 AWARDS

Vista Alegre has been awarded with 19 international prizes, including Red Dot Awards, Good Design Awards (Chicago), German Design Awards, among others.



GERMAN DESIGN AWARD WINNER 2018
Calçada Portuguesa
by Manoela Medeiros
Garland by VA Studio



GOOD DESIGN AWARD 2017
Gazelle VA Studio
Lavish VA Studio
Poison VA Studio



GERMAN DESIGN AWARD SPECIAL MENTION 2018
Frosty VA Studio
Oz VA Studio
Piet VA Studio
Precious by Mendel Heit



WINNER ICONIC AWARDS - INNOVATIVE INTERIOR 2018
Midnight by Mendel Heit
Printemps by Carsten Gollnick



GERMAN DESIGN AWARD NOMINEE 2018
Fénix by VA Studio
Folkifunki by Jaime Hayon
Utopia by VA Studio



WINNER EUROPEAN PRODUCT DESIGN AWARD 2018
Hryb by Ross Lovegrove
Bicos Bicolor by VA Studio



reddot award 2018 winner

RED DOT AWARD WINNER 2018
Utopia by VA Studio



HONORABLE MENTION EUROPEAN PRODUCT DESIGN AWARD 2018
Maya by VA Studio
Cannaregio by VA Studio



reddot award 2017 winner

RED DOT AWARD WINNER 2017
Carrara by Coline le Corre
Calçada Portuguesa
by Manoela Medeiros



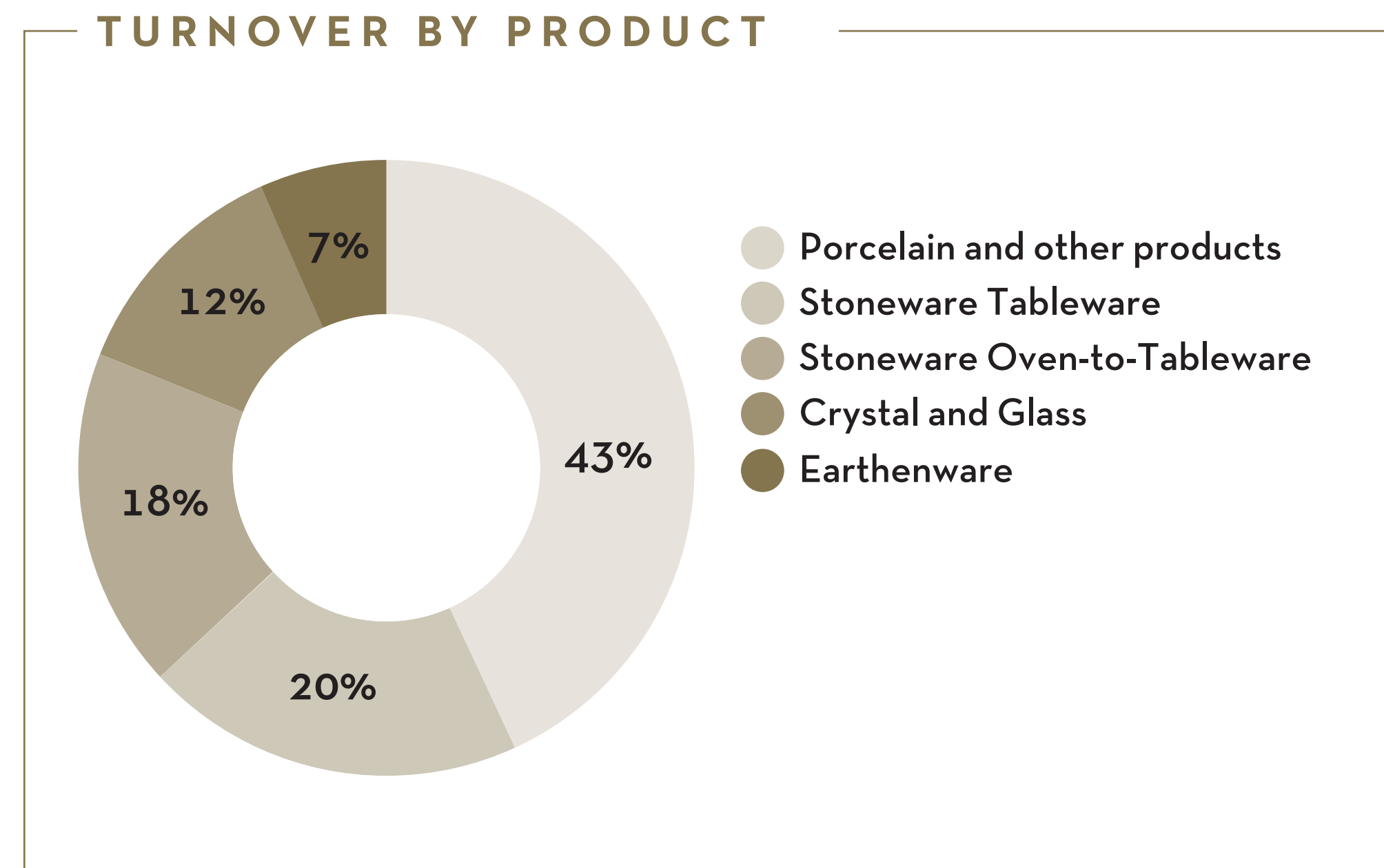
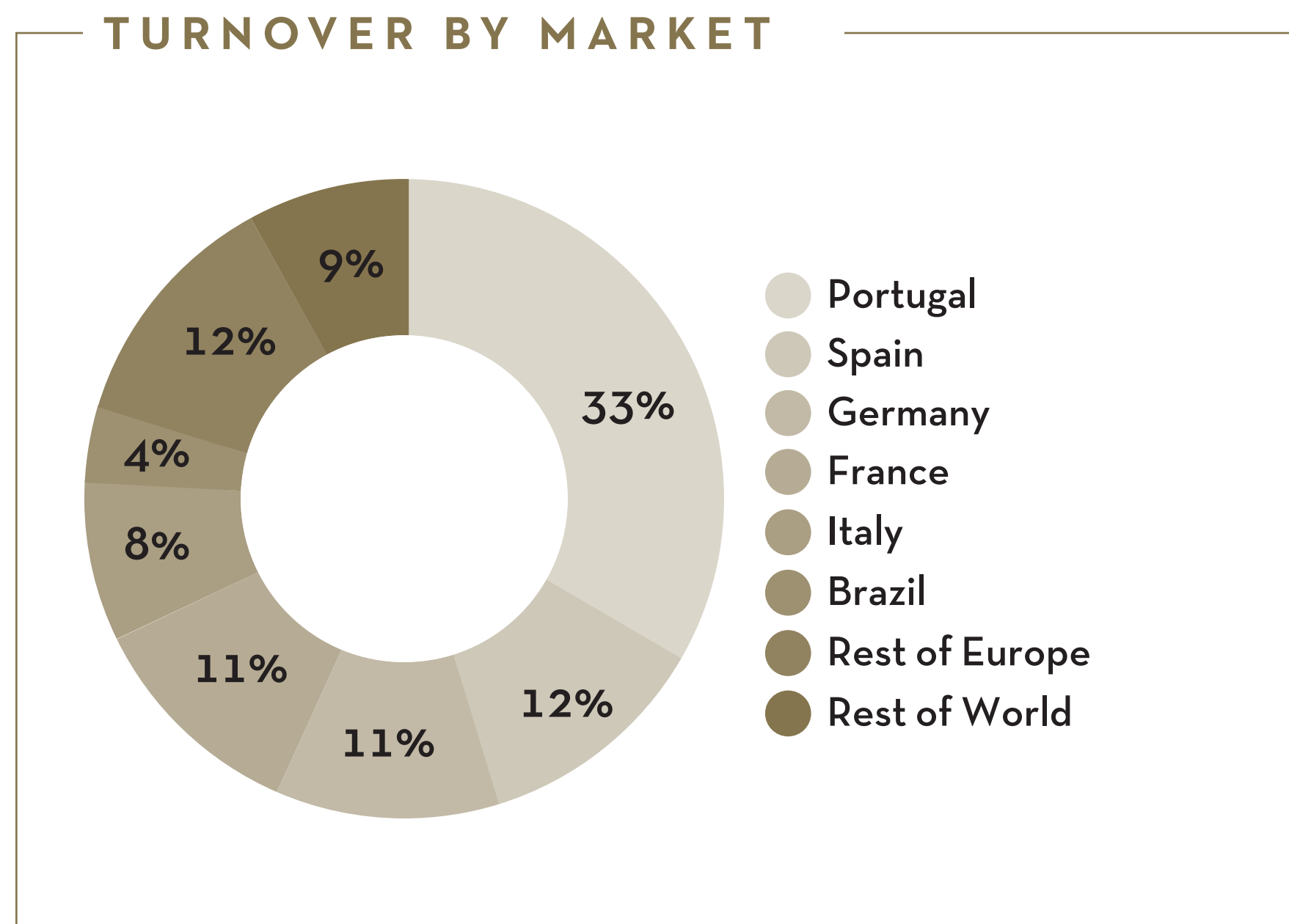
FUERA DE SERIE AWARD 2017
Folkifunki by Jaime Hayon



TABLEWARE INTERNATIONAL AWARDS OF EXCELLENCE NOMINEE 2018
Folkifunki by Jaime Hayon

MARKETS (FY2017 TOTAL TURNOVER BY MARKET AND PRODUCT)

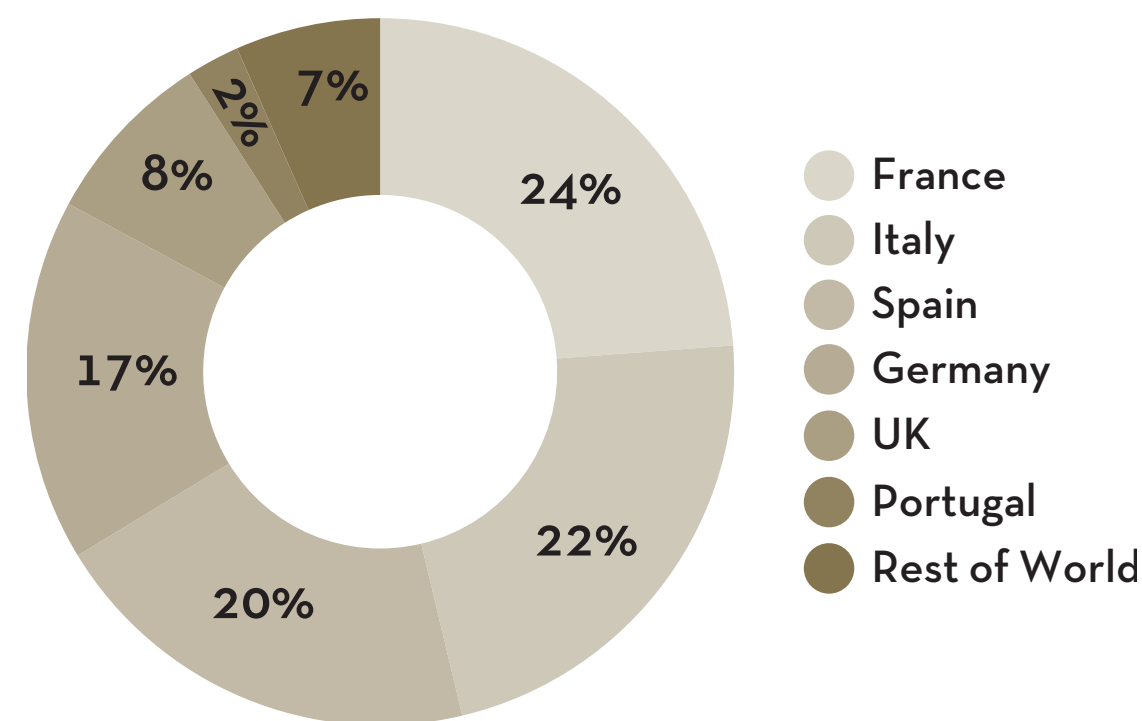
- VAA is strongly export-oriented with a focus on European markets but with sales in such diverse countries as Brazil, USA, India and Mozambique, among others. External markets account for 67% of VAA's total sales
- The Porcelain segment is the greatest contributor to VAA's total turnover (43%), followed by Stoneware Tableware (20%) and Stoneware Oven-to-Tableware (18%)



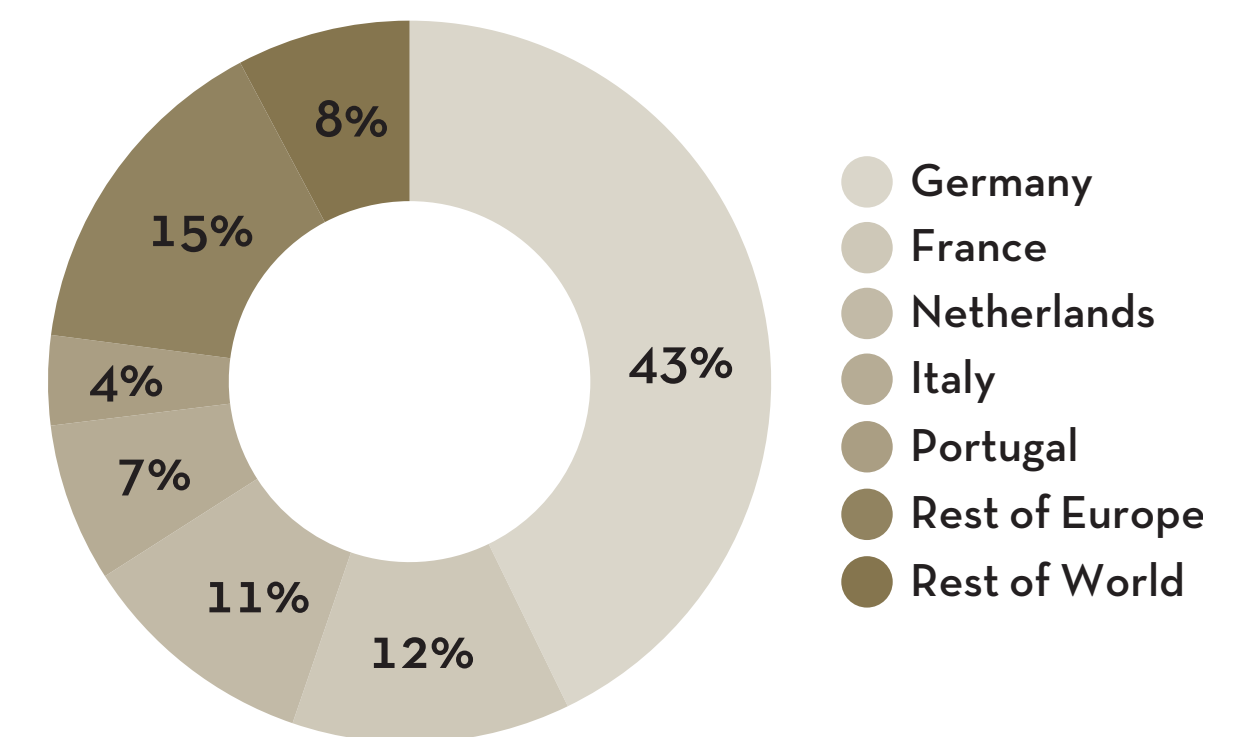
MARKETS (FY2017 TURNOVER BY PRODUCT)

- While Portugal is VAA's main market in the Porcelain, Earthenware and Crystal & Glass segments, stoneware production is essentially directed towards external markets. Spain (12%), Germany (11%), France (11%) and Italy (8%) are VAA's main external markets

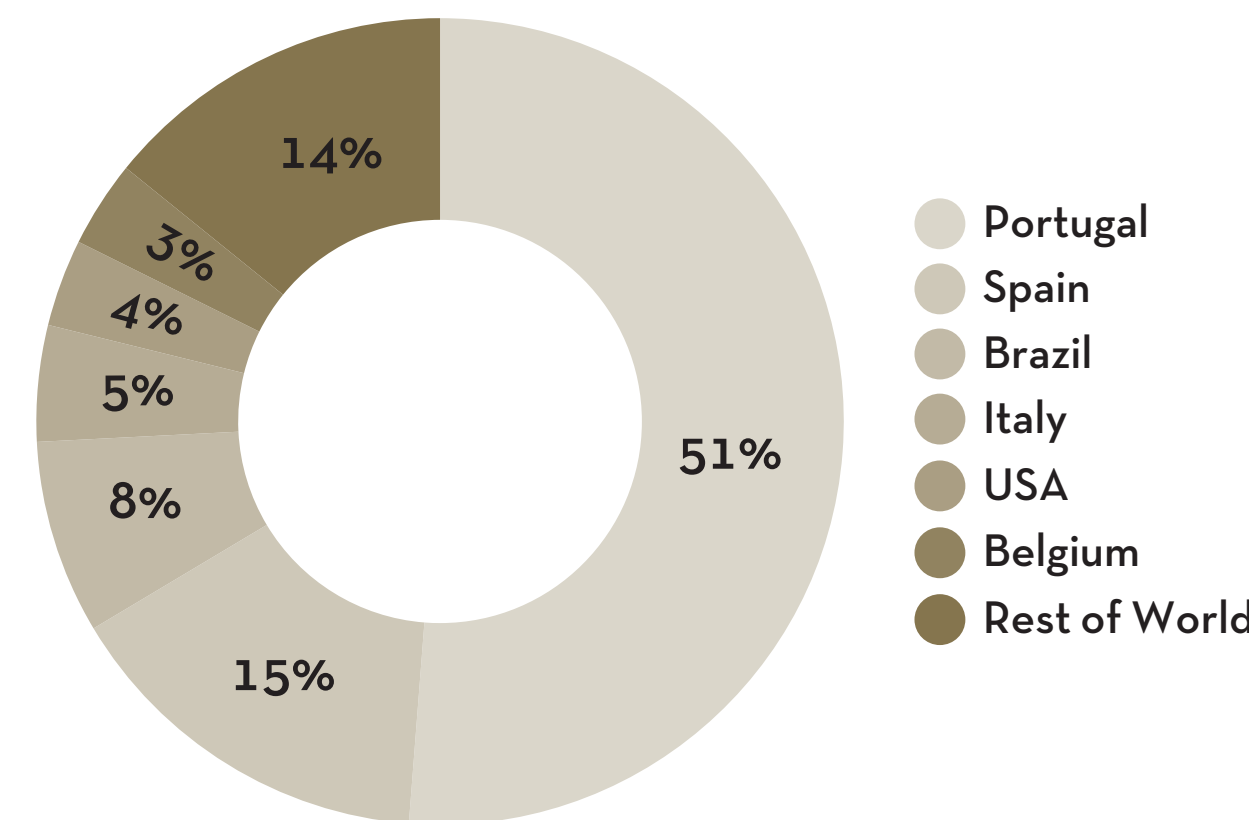
STONEWARE / TABLEWARE



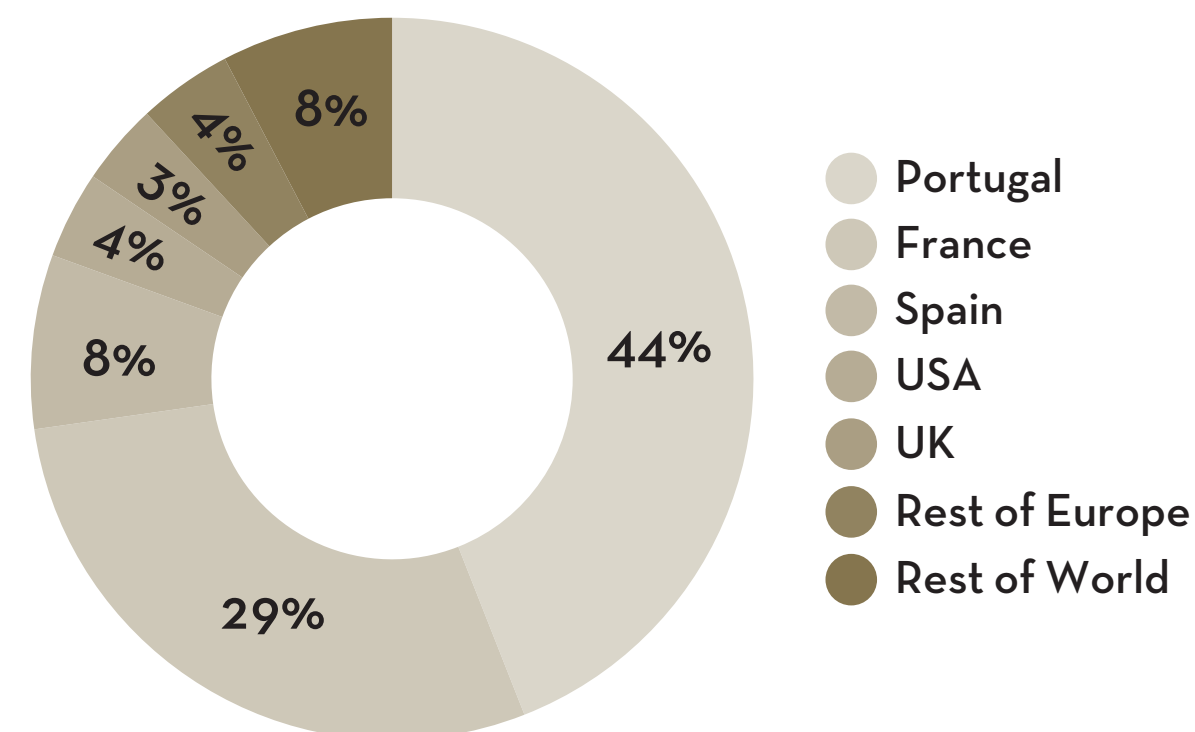
STONEWARE / OVEN TO TABLEWARE



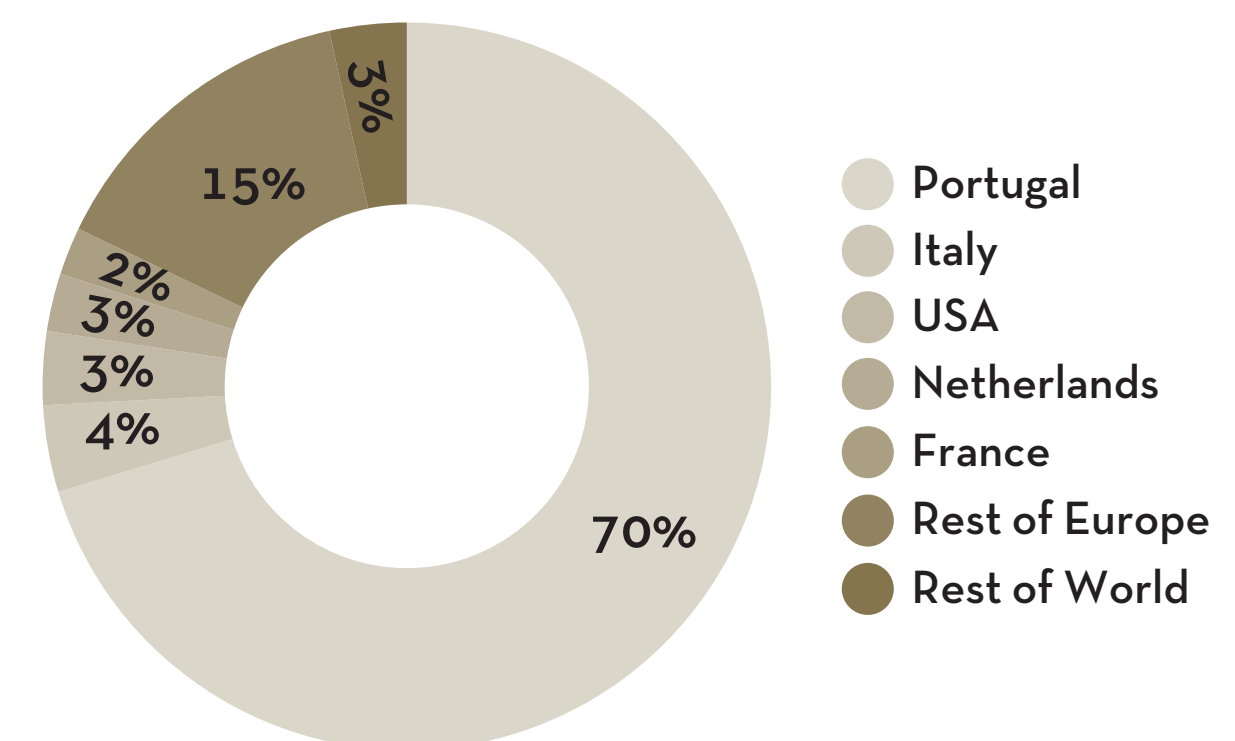
PORCELAIN & OTHER PRODUCTS



CRYSTAL & GLASS



EARTHENWARE



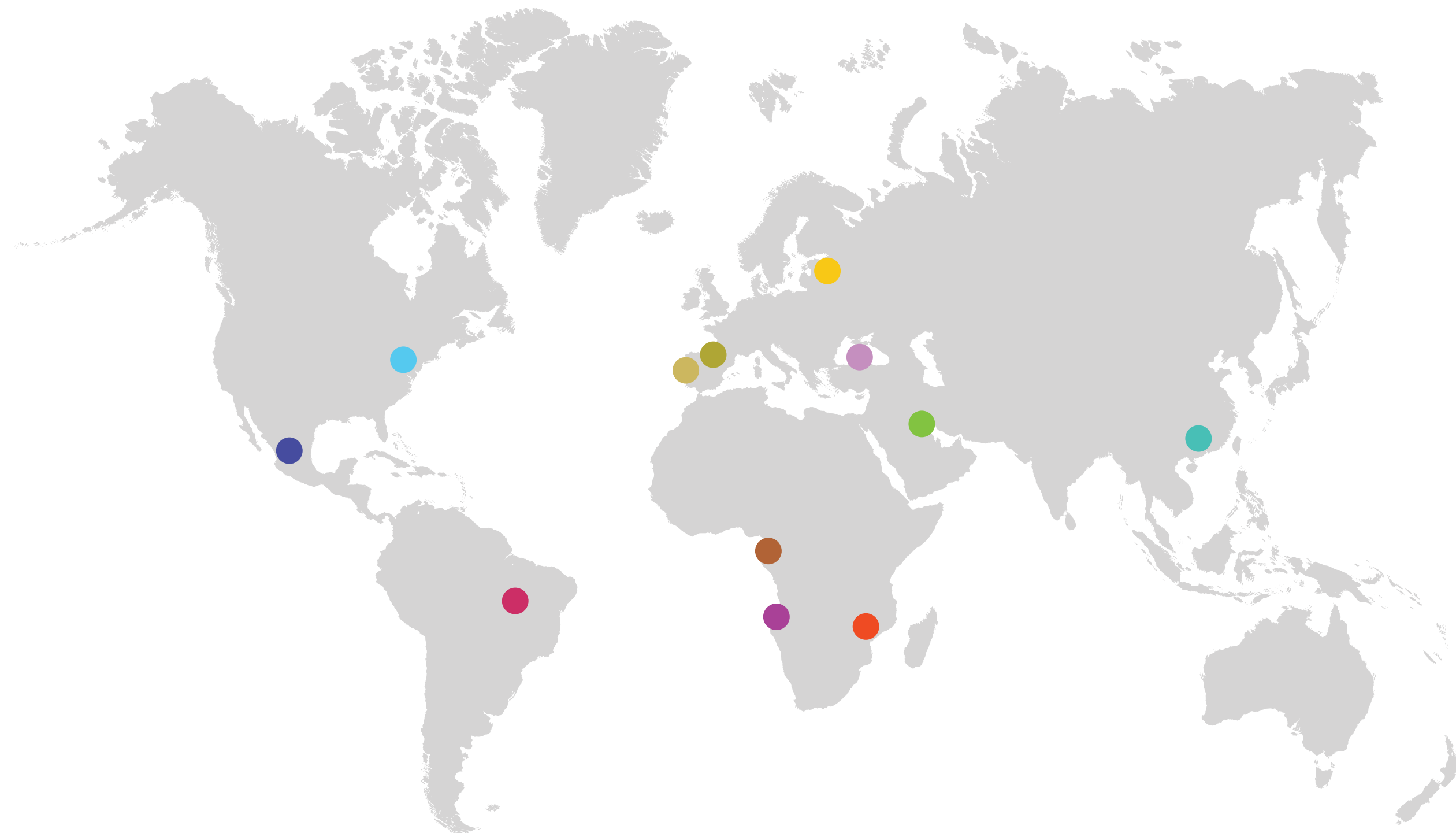
VAA IN THE WORLD

Most notably, VAA sells and has operations in USA, Brazil, Mexico, India, Spain and France, but also across other European countries, South America, Middle East, Asia Pacific and CIS.

Vista Alegre operates in three main areas - retail, Horeca and private label -, covering own stores, corners, SIS, independent stores, online, corporate business, decorators, hotels, restaurants, airlines, yacht and cruise ships

GLOBAL BRAND

- SPAIN | 2 Stores, 44 ECI's
- U.S.A. | 1 Showroom (New York)
- BYELORUSSIA | 1 Store
- BRAZIL | 1 Store, 250 Premium Retail Sales
- LUANDA | 1 Store
- KUWAIT | 1 Store
- MAPUTO | 2 Stores
- MEXICO | 2 Corners
- NAMIBIA | 1 Store
- BEIJING | 1 Corner
- PORTUGAL | 32 Stores
- TURKEY | 1 Store



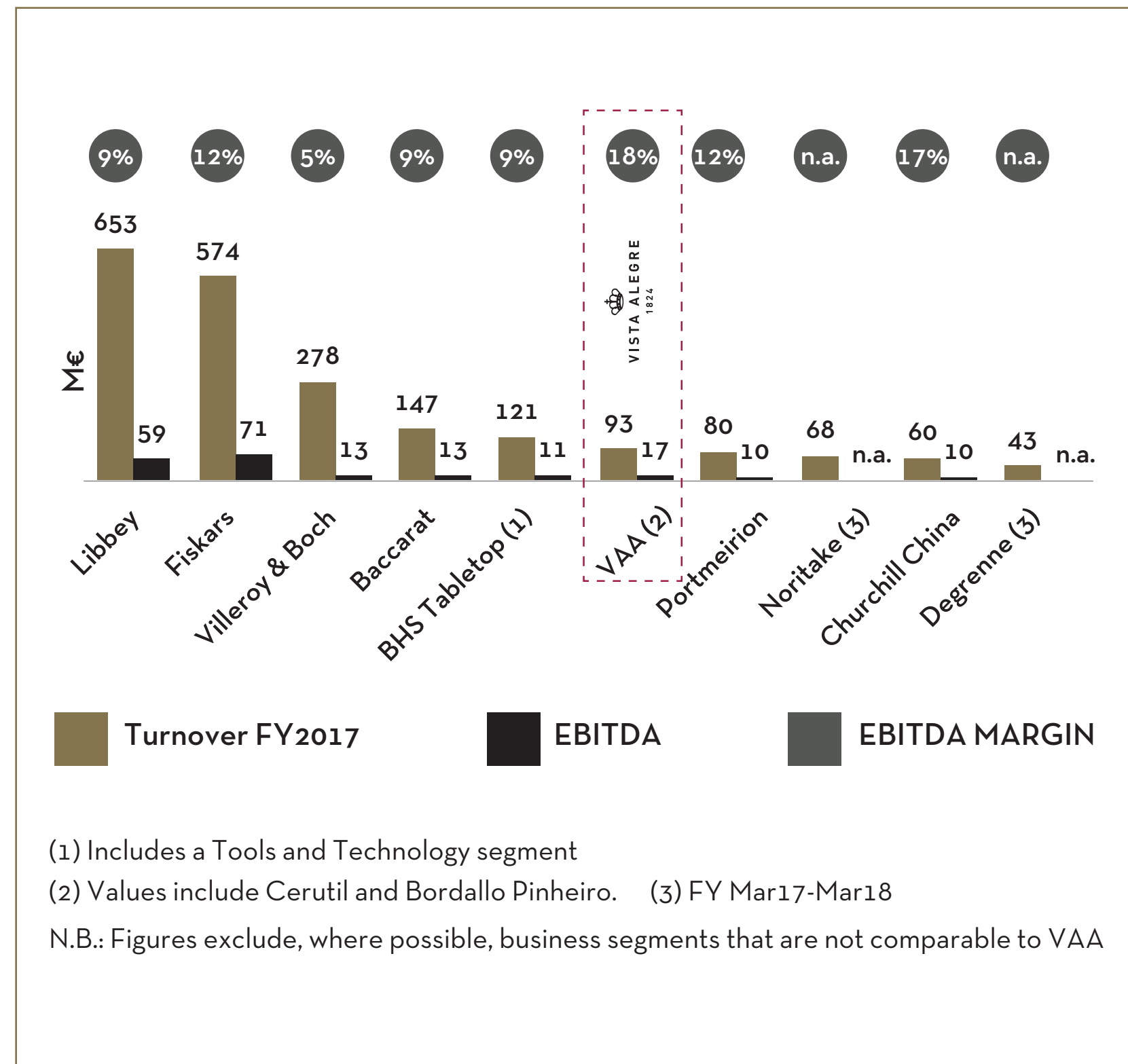
3.

THE INDUSTRY

3. THE INDUSTRY

MARKET POSITION

- VAA's strong international presence makes it one of the leading players worldwide within the segments in which it operates, and its EBITDA margin is one of the highest amongst its main listed peers



	Tableware	Glassware	Cutlery	Home Decor	Giftware	Horeca	Home accessories	Cookware	Textiles	Lighting
VAA	•	•	•	•	•	•	•	•	•	•
Libbey	•	•				•				
Fiskars	•	•	•	•	•					
Villeroy & Boch	•	•	•	•	•					
Baccarat		•		•	•					•
BHS Tabletop	•	•	•			•				
Portmeirion	•			•		•	•	•		
Noritake	•	•	•	•	•	•	•		•	
Churchill China	•	•				•	•	•		
Degrenne	•	•	•	•	•	•	•	•		

BRANDS

Sources: Bloomberg, Companies Reports and websites.

MARKET TRENDS

- Expected high growth in ceramics market of around 6,6% CAGR until 2021 is accompanied by more complex and demanding customer preferences

MAIN TRENDS

Demand:

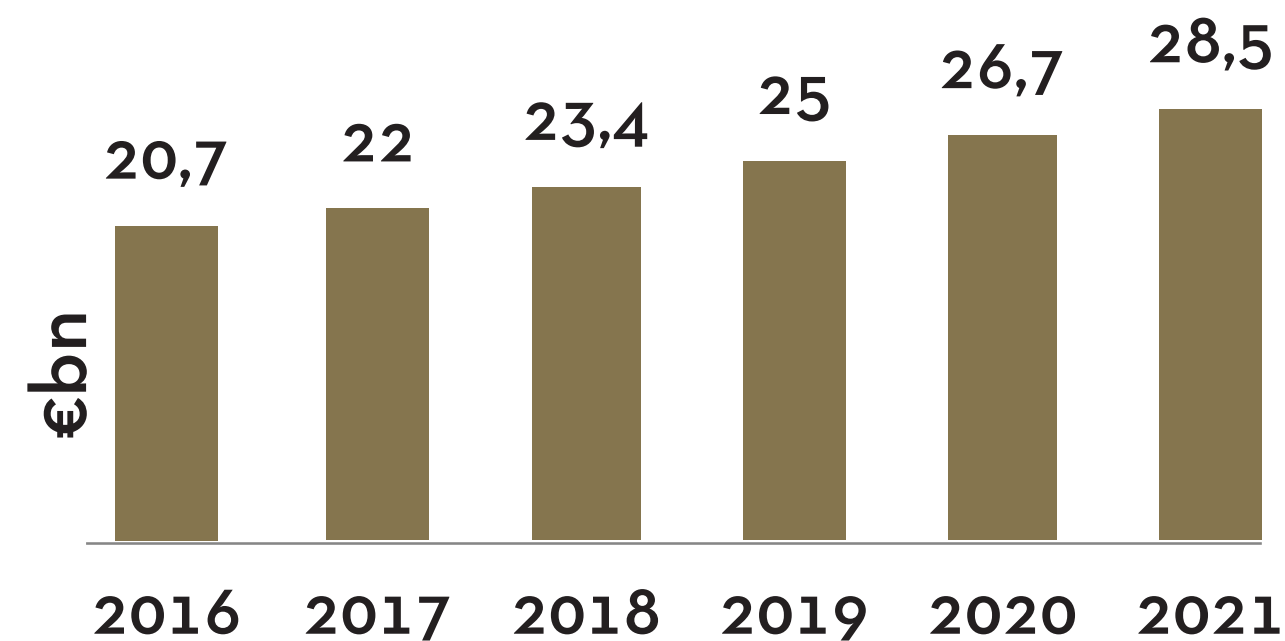
- Increasing demand most noticeable for home decoration and giftware products
- Growing disposition from consumers to follow recent and ever-changing trends for interior design and to purchase unique pieces
- Increasing demand in the hotelware tableware goods

Preferences:

- Consumer preferences shifting towards more sophisticated products, namely in terms of design
- Top Design is a “must have” to compete against the price focused companies /countries and products/brands must tell a consistent story

GLOBAL OUTLOOK

Global tableware and ornamental ceramic market



Source: Global Ceramics Market: 2017-2021 (Technavio)

- The global market is expected to grow at a **6.6% CAGR until 2021**, whereas production in Europe is expected to grow at approximately 1.4% per year until 2020
- The USA (amongst the countries in which VAA operates) is the main importer of such products with 45% of global imports (2016), while China takes the lead in exports with 58%
- Portugal has been increasing its exports at around 12% per year from 2012 to 2016

4.

STRENGTHS AND STRATEGY

STRENGTHS



*Sources: Bloomberg, Companies Reports and websites.

STRATEGIC PLAN

- VAA's strategic plan going forward lies on three distinct complementary vectors that ultimately work towards **strengthening the company's market position** and **making Vista Alegre a brand of reference** within its segments

1

COMMERCIAL

VAA's commercial agenda follows its vision to further expand the brand internationally, develop the HORECA sector and leverage sales via an online channel and an increased product portfolio.

At focus are the already established markets and recently-entered countries.

2

OPERATIONAL

VAA has several R&D investments that are transversal to all segments and aim to increase operational skills and energy efficiency, enhance production quality and productivity.

VAA's operational efforts are threefold: innovation on products, processes and management.

VAA has signed a strategic cooperation with university of Aveiro.

3

PARTNERSHIPS/DESIGN

As part of VAA's strategy, the company will maintain a strong bet on partnerships, both with clients and artists, to promote the position of the brand as a reference in the lifestyle segment.

STRATEGIC PLAN

1 COMMERCIAL

Consolidate presence in Spain, Brazil and the USA, while simultaneously focusing on recently-entered areas such as Mexico, India, Italy and France

- **Open flagship stores** in main cities: Paris, New York, Milan, London, Dubai, Hong Kong and Toquio
- **Enhance local commercial teams** to better manage/understand the markets and expand commercial and sales relationships
- **Improve communication and brand awareness** by hiring local PR firms and increasing social network activity

Develop the HORECA sector

- **Partnerships with luxury restaurants and hotel chains**, such as the recent contract with Club Med

Other actions

- **Increase product portfolio and enter new market segments**, namely high-end lighting
- Develop the **online sales channel**

2 OPERATIONAL

Product innovation

- R&D projects with suppliers, knowledge centers and designers to deliver innovative products (Design, Image, elegance, functionality and sustainability)

Process innovation

- Development and introduction state of art equipment in efficient layouts in order to improve: Quality, Productivity, Energy Efficiency, Safety and Environmental Sustainability

Management innovation

- Develop the principle of **Continuous Improvement** mindset - Kaizen (Everybody, Everyday, Everywhere), an inside culture that covers industrial, commercial and supported areas
- **HR Management:** HR global programs to create, strong team building, well trained, skilled and committed workers.
- **Industry 4.0 Program:**
 - Continuous monitoring of equipment and processes in order to have on-line and reliable information
 - Monitoring the main KPIs and targets through interactive dashboards, as - Quality, Productivity, Output and Energy Efficiency
 - This information in real-time, support the management to take fast decision in order to improve operational performance and create predictive models to avoid potential issues

3 PARTNERSHIPS/DESIGN

Maintain and expand relevant **partnerships with:**

- **Luxury brands** in fashion, watches, decoration and furniture, such as Oscar de la Renta, Lacroix, Pineda Covalin, amongst others
- **Renowned designers** such as Ross Lovegrove, Marcel Wanders, Jaime Hayon and others, as well as **visual artists, architects, writers** and others
- **Clients** such as IKEA, Henessy and Rémy Martin

STRATEGIC PLAN

- Together with its plan that is transversal to all segments, VAA has defined individual **strategic plans product-wise**

PORCELAIN AND OTHER PRODUCTS

- Rebranding with a focus on the luxury segment
- Segregation of top-end product array to evoke brand awareness, and build accessibility via mid-end portfolio
- Partnerships with contemporary design artists within the painting, sculpture, architecture, and literature areas as well as other art forms, to differentiate its products when entering new markets
- Focus on Home accessories, by selling all table products including textiles, glasses, candles, cutlery and limited edition furniture
- Brand extension to Lifestyle products

STONEWARE OVEN-TO-TABLEWARE

- Bet on impulsive shopping by opening small-sized stores in high customer influx areas, specialized in selling pieces with larger added-value
- Develop lines of Kitchen accessories

EARTHENWARE

- Increase the portfolio of Bordallo's products to hotelware

TABLE STONEWARE

- Preserve the partnership with IKEA via the Ria Stone subsidiary with the recently extended contract until 2026

CRYSTAL & GLASS

- Diversify luxury segment by introducing new elements, namely illumination and mixtures with silver, gold and porcelain
- Develop the segment of corporate business
- Develop the B2B partnership with global luxury brands

INVESTMENT PROJECTS

- VAA's strategic plan and investments intend to increase the company's competitiveness and brand awareness by producing increased value-added products that shall lead to greater sales at lower costs

- New stores (porcelain and Earthenware)
- New kilns for production (Earthenware, Oven stoneware and crystal/glass segments)
- New technologies and methodologies
- New contracts/partnerships (IKEA, Henessy, Rémy Martin, Martell)
- Automation of production process
- Increase brand awareness

- Higher product differentiation
- Improve product quality and resistance
- Increase capacity
- Increase efficiency
- Waste reduction and recycling, circular economy
- Economies of scale
- Lower production cycle time
- Increase competitiveness
- Increase added-value

Relevant contracts:

- IKEA: extended until 2026, worth €250m. Increase in units supplied from 32.5m to 48.5m pieces a year, increasing related sales by approximately more 57%
- Henessy: new pluriannual contract worth €16m to supply luxury crystal cognac bottles
- Remy Martin: new pluriannual contract worth €12m to supply luxury crystal cognac bottles
- Club Med: tableware supply across 40 resorts, 26 countries and 3 years

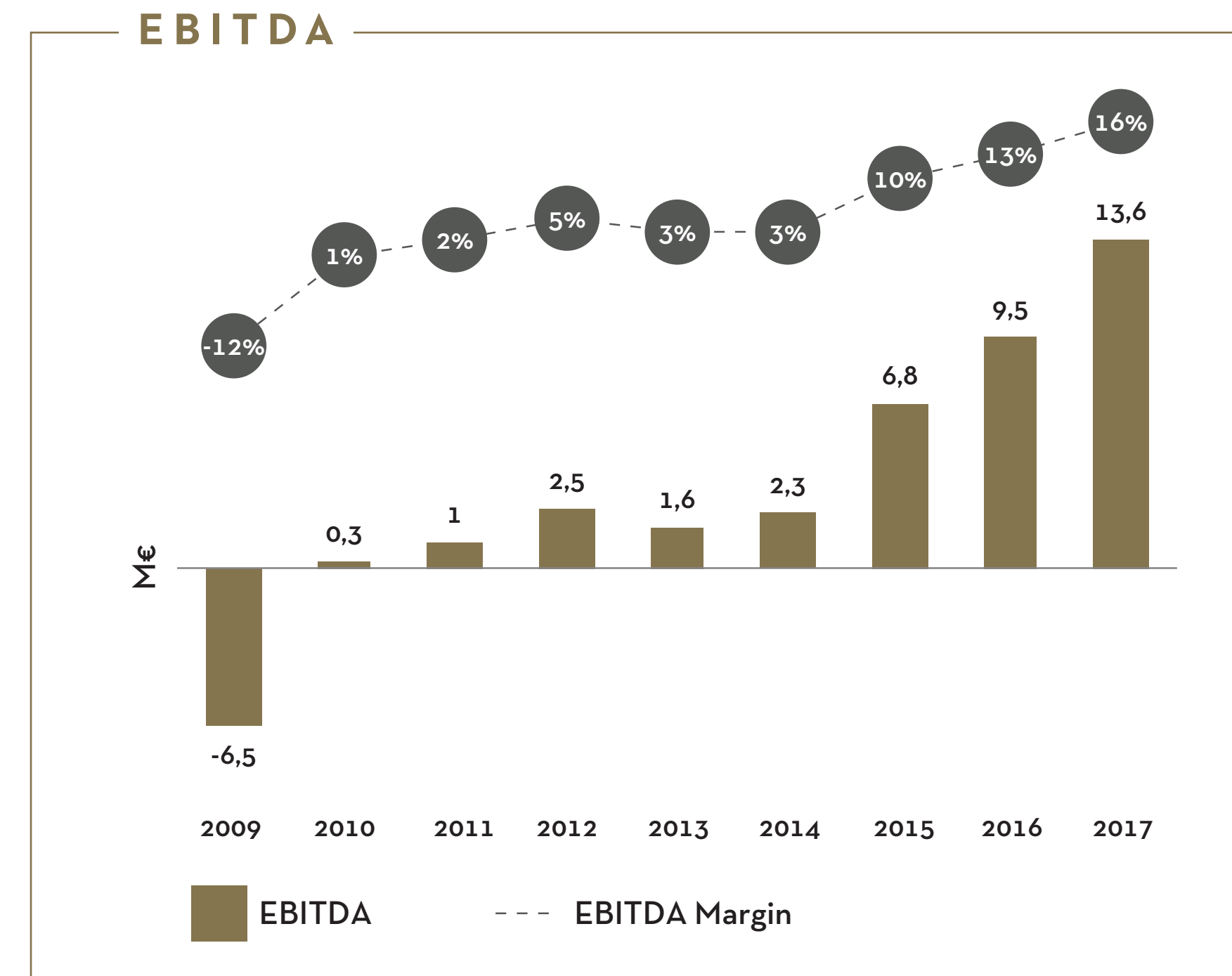
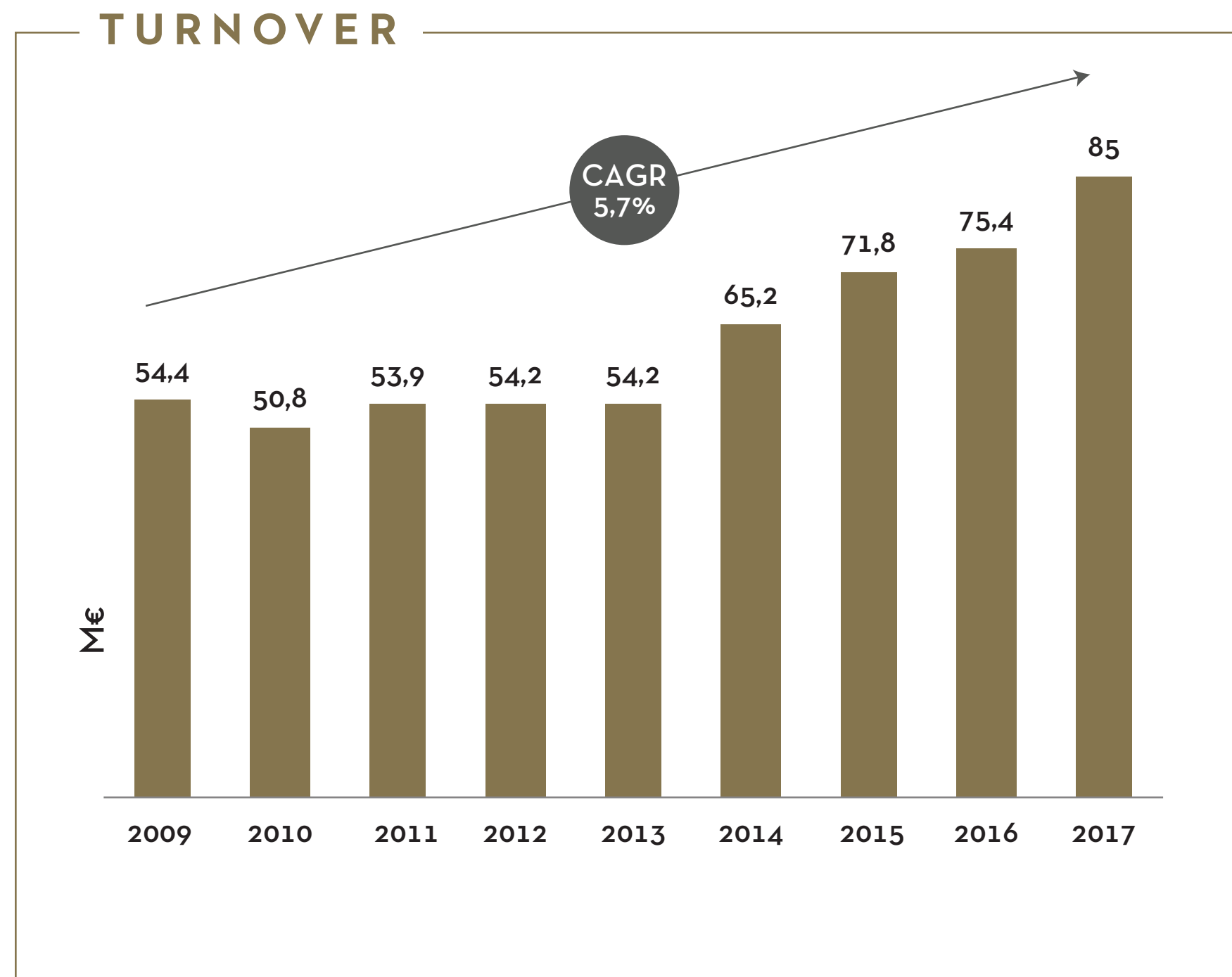
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FINANCIAL PERFORMANCE

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FINANCIAL PERFORMANCE

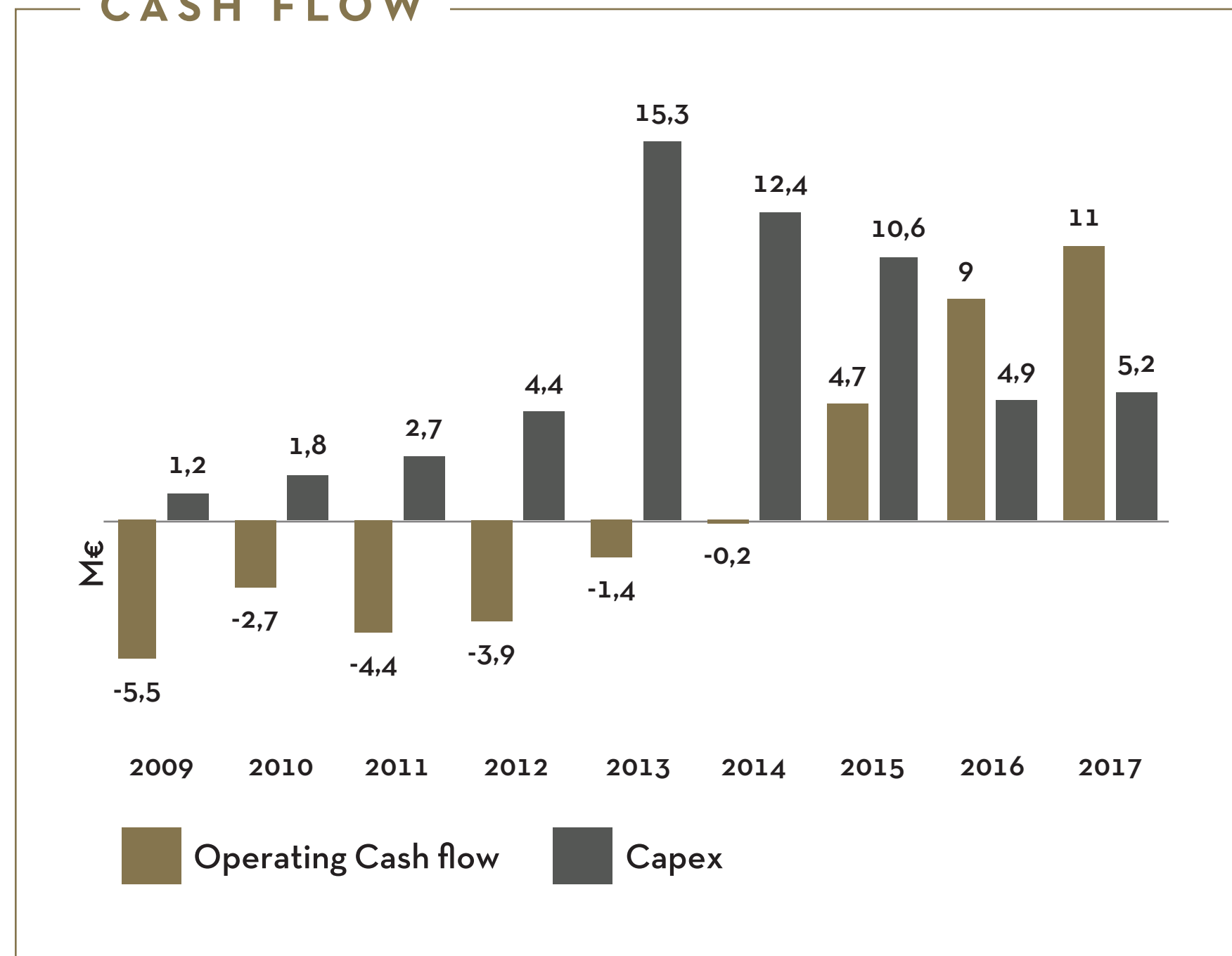
- With the acquisition of VAA by Grupo Visabeira in 2009, the company's financial performance recorded a significant improvement
- Despite adverse market conditions, the company showed strong sustained turnover growth, particularly since 2014
- Improvements in VAA's operational efficiency and management resulted in outstanding growth in both EBITDA and EBITDA margins



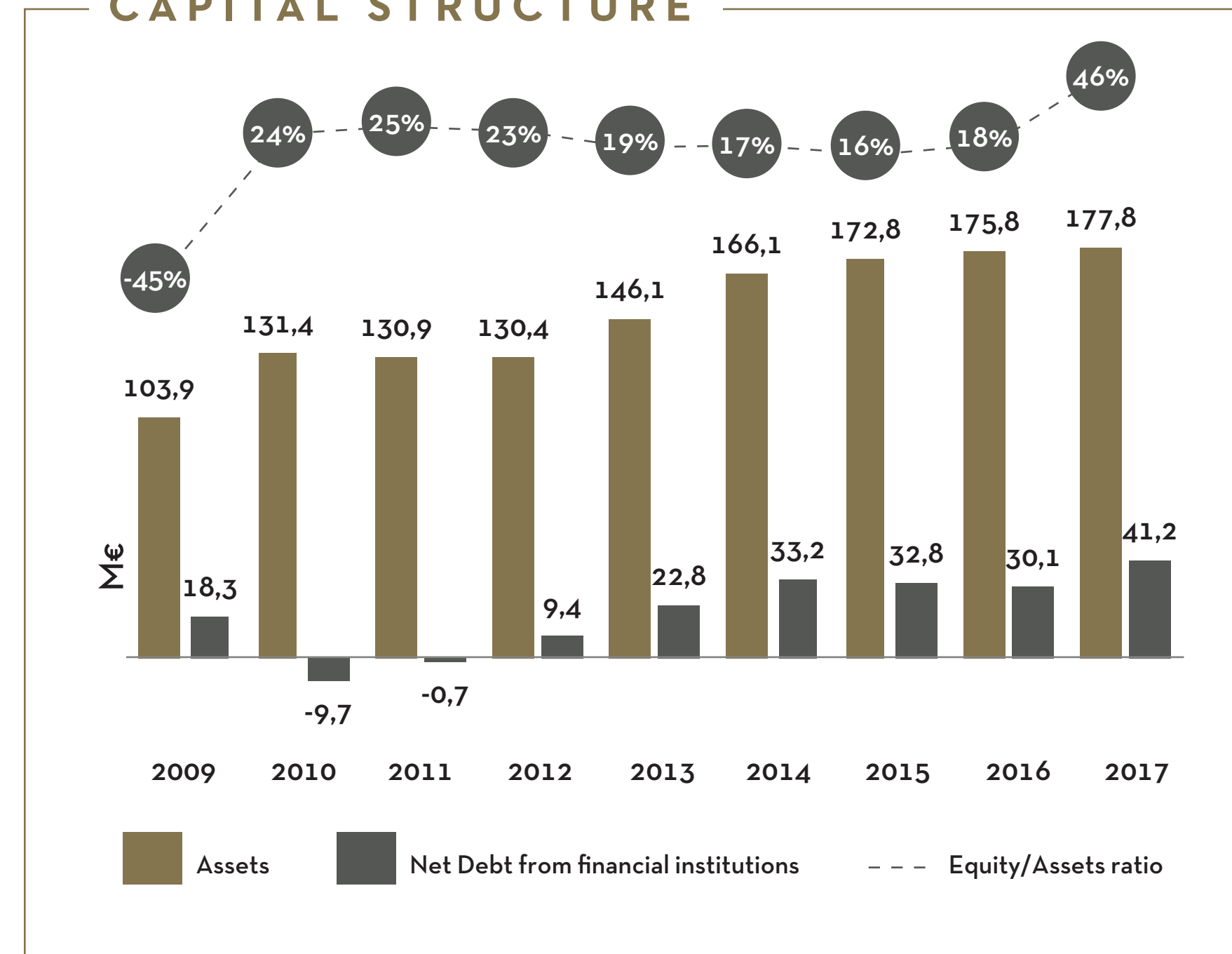
FINANCIAL PERFORMANCE

- VAA's significant growth in sales and improved operational efficiency led to enhanced operating cash flows
- The company's constant effort to enhance productivity and product quality, as well as to expand to new markets, implied significant investments over this period
- In 2017, VAA issued 367,743,189 shares for a total amount of €51.5M, of which €50M were converted from shareholders' loans into equity

CASH FLOW

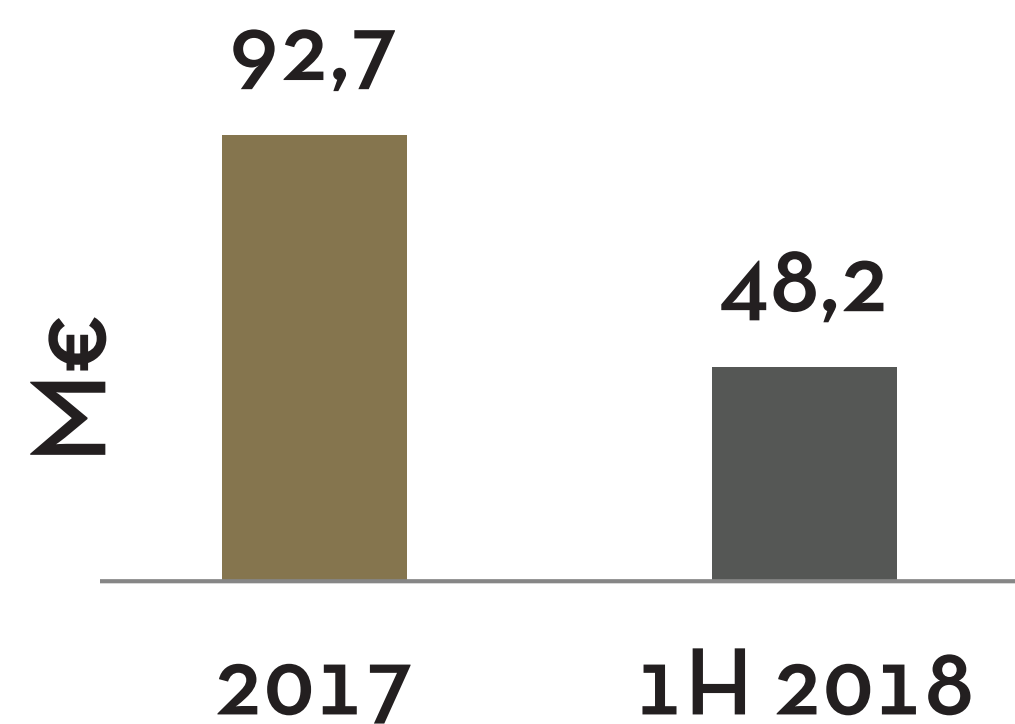


CAPITAL STRUCTURE

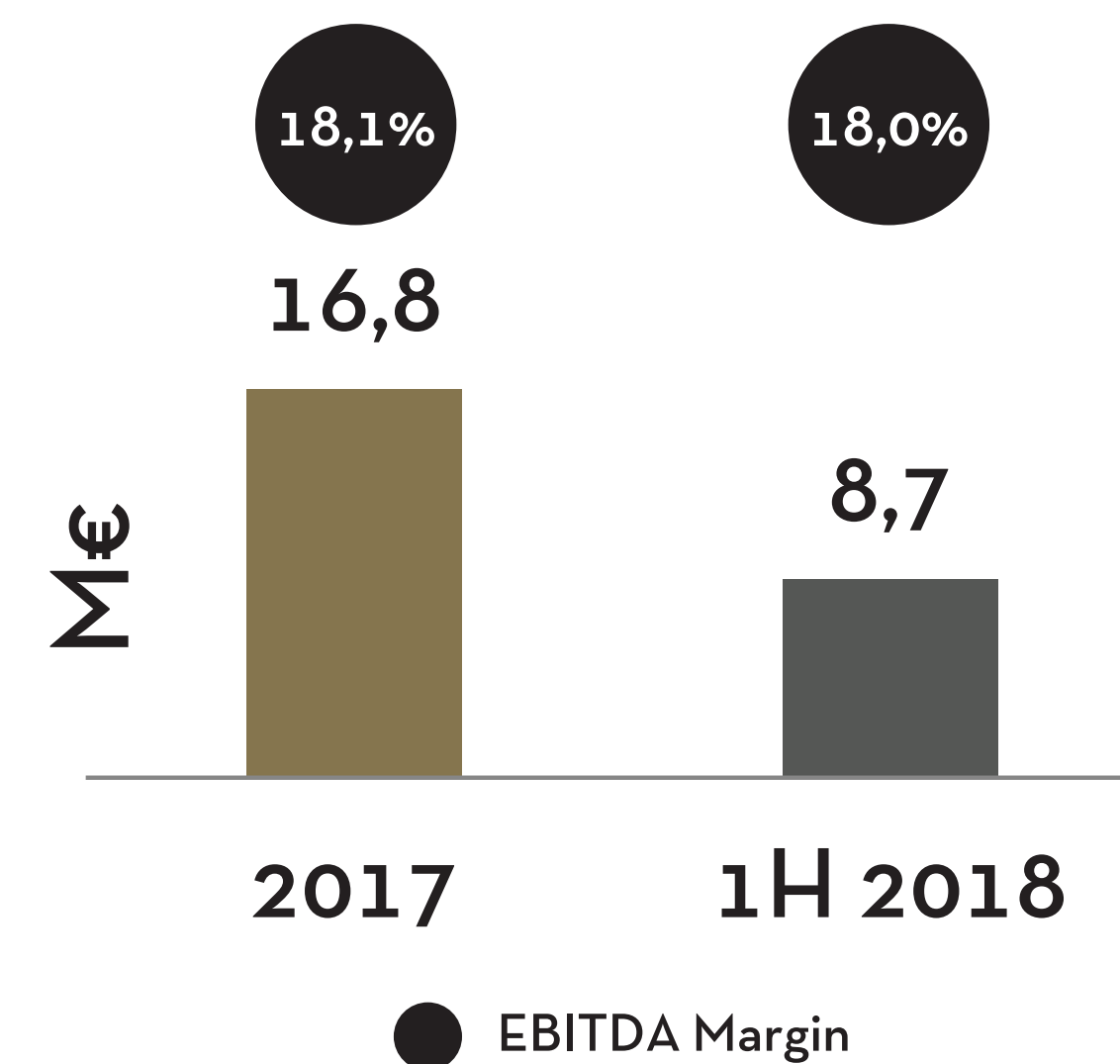


PRO FORMA FINANCIALS

TURNOVER



EBITDA



The values presented for VAA are estimates (unaudited/not official) that combine figures from Cerutil and Bordallo Pinheiro.
The 2017 values of VAA does not include transaction costs or funding costs, do not represent any consolidation of accounts and are for illustration purposes only



FINAL REMARKS

FINAL REMARKS



- Vista Alegre produces a **wide range of products that are differentiated by their unique design and build quality**
- The company's **internationally-driven business plan** has been propelling the brand abroad, which now is selling in 82 countries
- VAA enjoys strong brand awareness in Portugal and increasing prestige internationally, making it a **market leader in its home country* and a major player globally**
- VAA's **financial performance has been greatly improving**, with revenue growing at a fast pace and EBITDA margin jumping 6 percentage points over the last three periods
- The company is committed to its expansion and enhancement, focusing on **innovation to consistently expand capacity and introduce more efficient and pioneering production processes**
- VAA's **strategic plan moving forward is threefold**, focusing on commercial, operational and partnerships/design areas
- **Current and upcoming investments ultimately aim to strengthen market position and making VAA a brand of reference**, by increasing competitiveness, product added-value, growing sales and achieving cost efficiencies

* Sources: Bloomberg, Companies Reports and websites.

ANNEX

LANDMARKS

- With **194 years of existence**, Vista Alegre Atlantis has experienced a rich history, starting from a porcelain-only factory to a global brand of reference for the ceramic and crystal/glass markets



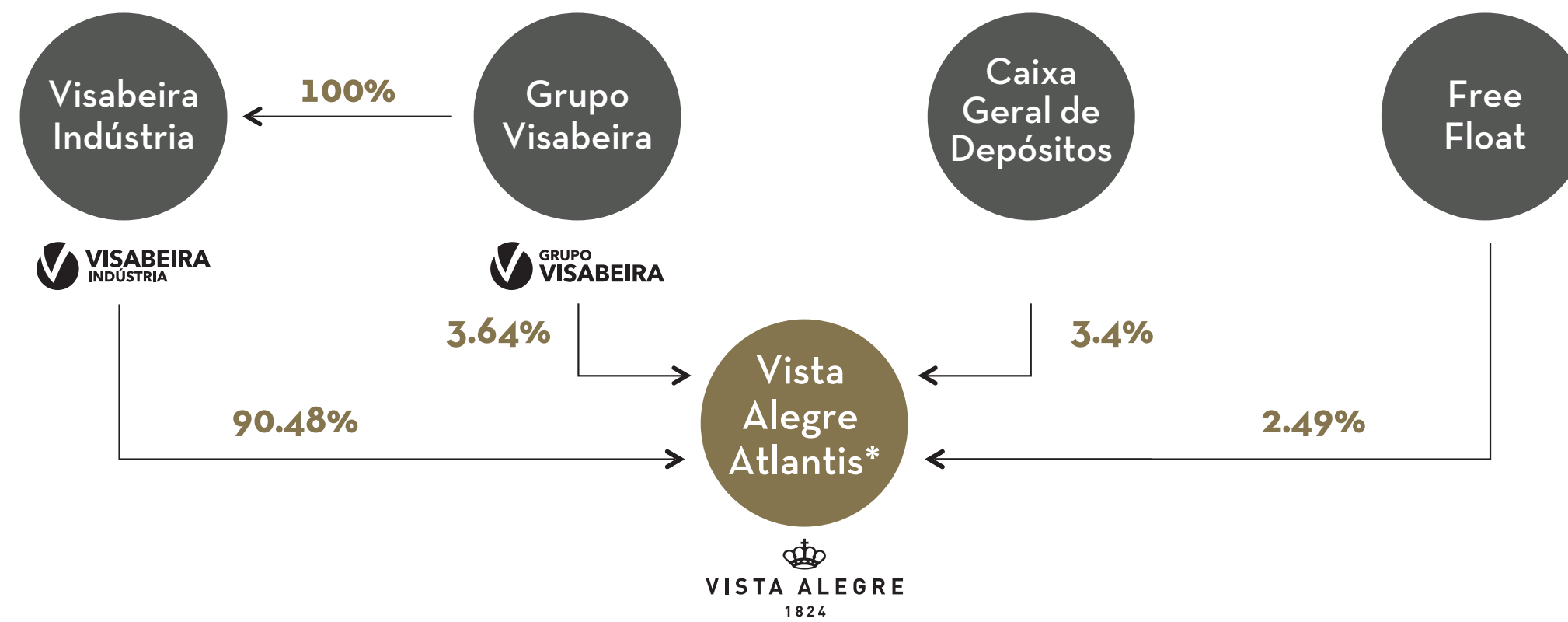
LANDMARKS

- More recently, the merger between Vista Alegre and Atlantis as well as a series of consolidating restructurings have made VAA **the largest Portuguese group in its segments and one of the largest worldwide**



SHAREHOLDER STRUCTURE AND GOVERNANCE

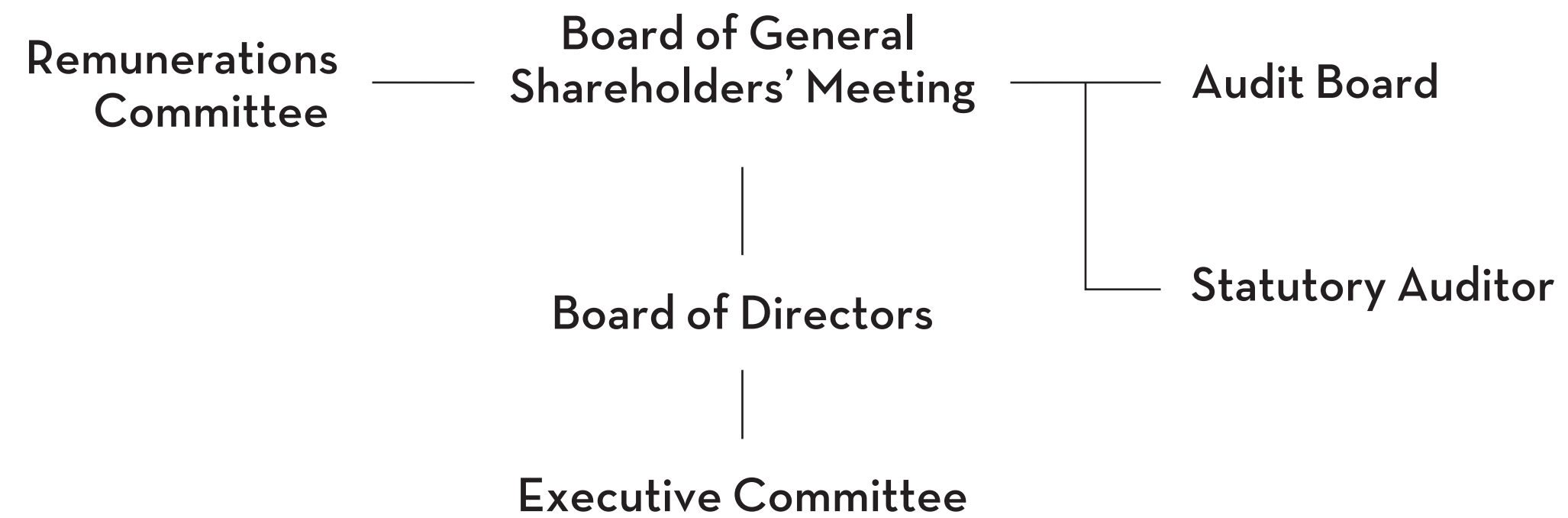
SHAREHOLDER STRUCTURE



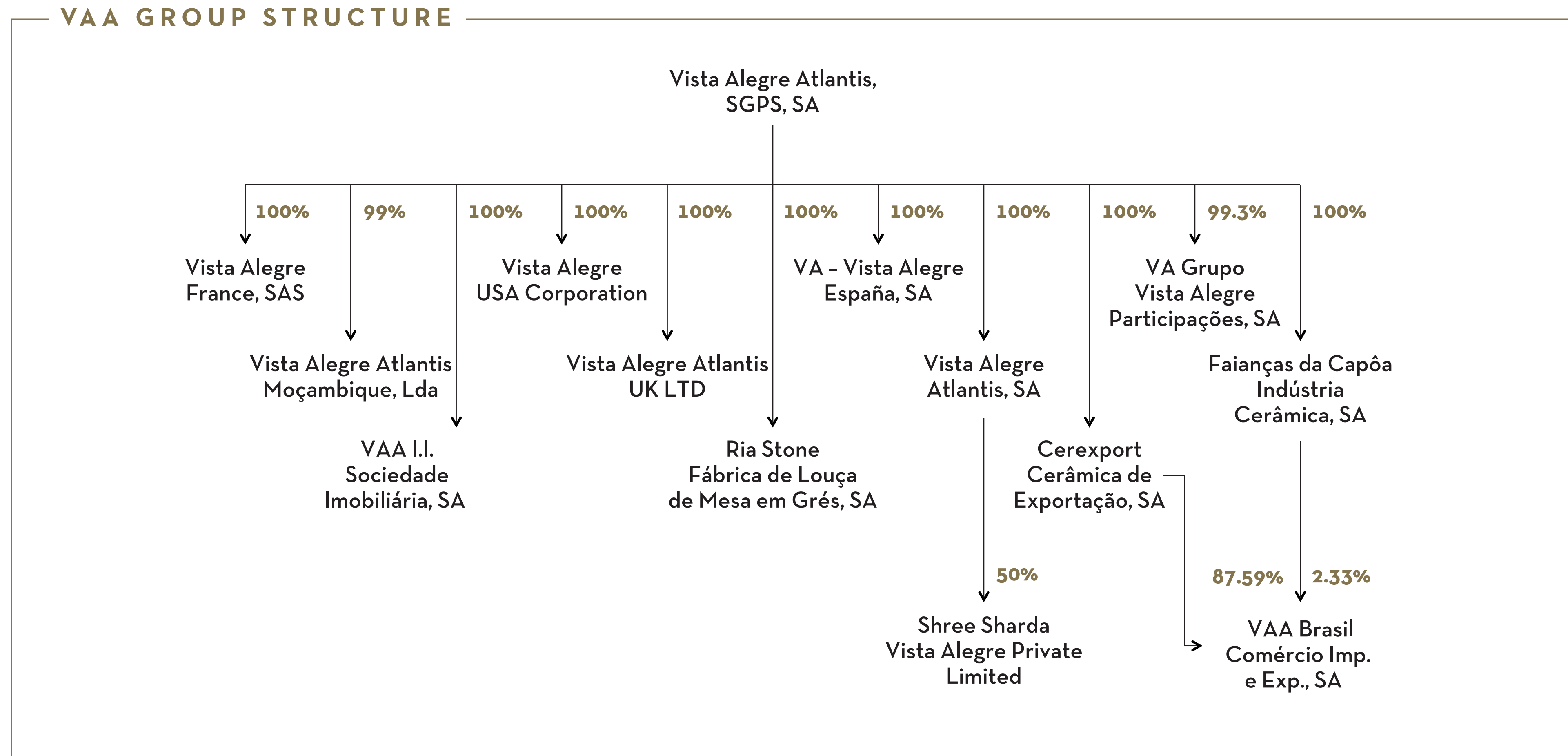
*Vista Alegre owns 1,099 treasury shares at of 30 June, 2018

GOVERNANCE

- VAA's Board of Directors is composed of a minimum of 5 and a maximum of 11 members
- As of 18th May 2018, the Board of Directors comprised 10 members and the Executive Committee 5 members
- The Statutory Auditor is independent from the Audit Board

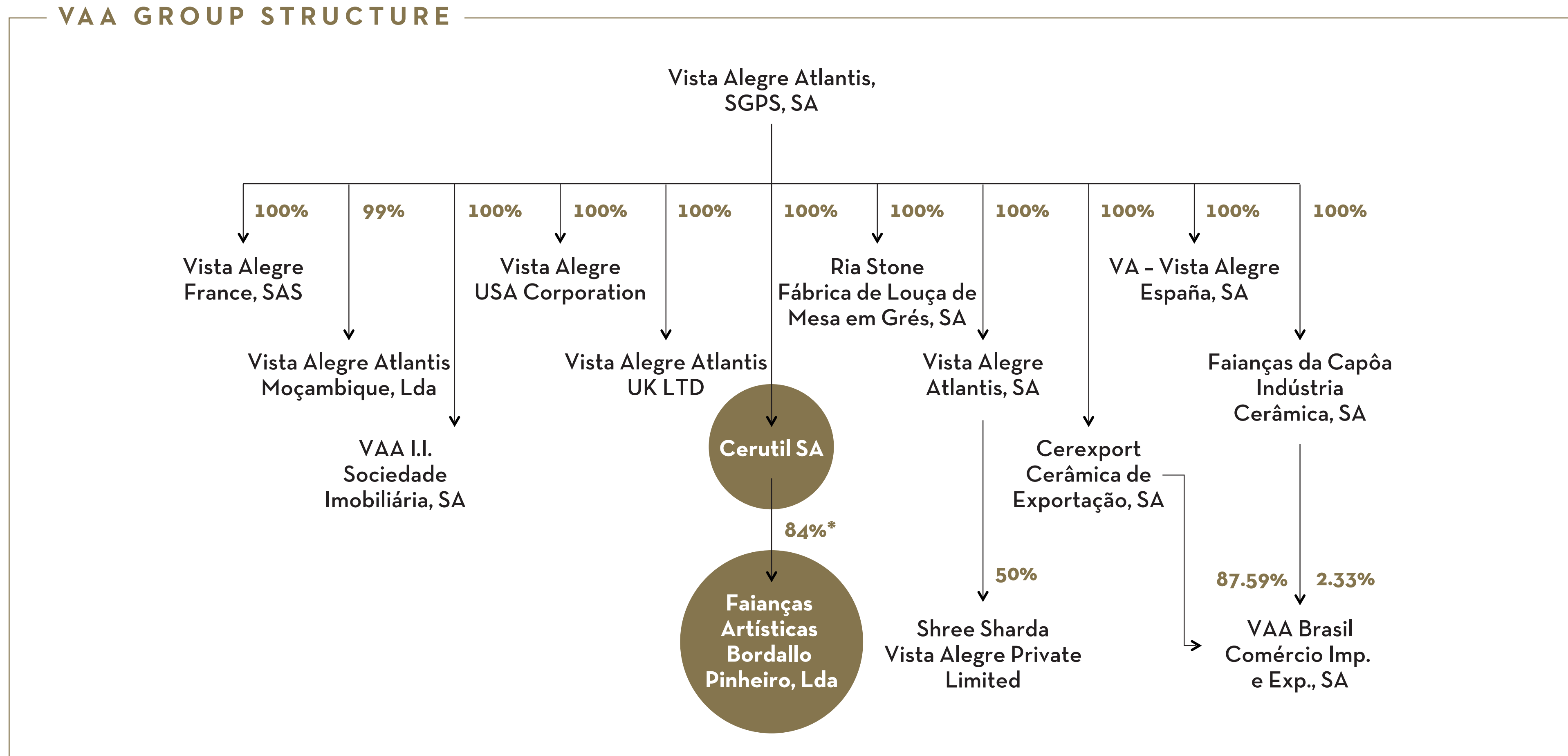


ORIGINAL VAA GROUP STRUCTURE ¹



¹ Group structure as of 30th June 2018, prior to Cerutil Transaction

FINAL VAA GROUP STRUCTURE



* Cerutil owns 100% of Bordalgest which in turn owns 83.99% of Bordallo Pinheiro

PRODUCTS – PORCELAIN AND OTHER PRODUCTS

- Vista Alegre has been producing porcelain for almost two centuries and its high-class luxury products enjoy deep-rooted recognition both in Portugal and worldwide. With over €40M in sales, **porcelain remains VAA's primary business segment**, at 31st December 2017
- VAA promotes partnerships with renowned designers and is engaged in **strategic partnerships with Christian Lacroix, Oscar de la Renta and Pineda Covalin**
- It also cooperates with design schools and young designers worldwide, by sponsoring artistic residences (ID-Pool)
- VAA's premium porcelain has been recognised with various **prestigious international design awards**, be it for its tableware, hotelware or home décor items
- In complement to its porcelain, VAA has also developed its own cutlery lines, including both traditional and modern designs

TABLEWARE



“CALÇADA PORTUGUESA”



HOTELWARE



“UTOPIA”



HOME DECOR



“PRINTEMPS”



“GÁRGULAS”



“CARRARA”



“PRECIOUS”



“POISON”



PRODUCTS – CRYSTAL AND GLASS

- VAA's **superior lead crystal** (30% PbO) is one of the best in the world. Its premium quality and design have been recognised on numerous occasions with the most distinguished **international awards**. VAA is currently investing in the luxury bottle segment with a contract with Hennessy for the supply of luxury crystal cognac bottles and strategic partnerships with Remy Martin and Martell
- The Group's glassware is commercialised under the "Vista Alegre" and "Casa Alegre" brand names

TABLE AND BAR CRYSTALWARE



"FROSTY"



"OZ"



"BLUE MING"



"GAZELLE"



CRYSTAL HOME DECOR



"GARLAND"



"PIET"



GLASSWARE



"ÚNICA"

(VISTA ALEGRE - CRYSTAL AND GLASS)



"CHEERFUL"

(CASA ALEGRE)

PRODUCTS - STONEWARE TABLEWARE

- Stoneware tableware is produced mainly by Ria Stone, a company founded by VAA in 2012 with the main objective of producing tableware for the **Swedish Group IKEA.**, which enables direct exports mostly to European Countries such as Germany, Spain, France and Italy
- VAA is currently expanding Ria Stone's production capacity and is introducing new additional technologies to improve productivity and quality

STONEWARE TABLEWARE



“DINERA”



“FARARIK”



“FINSTILT”

PRODUCTS – STONWARE OVEN-TO-TABLEWARE

- The Group’s ovenware is produced mainly at Cerexport and Cerutil, with a strong focus on the European market
- Cerexport began producing tableware and stoneware oven-to-tableware two years ago, with significant customers including large American retail stores, such as William Sonoma, Crate & Barrel, Anthropologie and House of Fraser
- Cerutil is a modern factory specializing in the production of oven-to-tableware; it is highly specialized in Design and Production of stoneware crockery and, because it controls the entire process, it can offer specific solutions tailored to each market’s needs
- Plans for product diversification, increased production capacity and circular economy measures are being considered by VAA in this segment

OVEN TO TABLEWARE



“FESTIVAL”



“FRUITS”



“SIENA”

STONEWARE



BRONZE



WHISPER



“TERRA AZUL”

PRODUCTS – EARTHENWARE

- Most of VAA's earthenware is produced by Bordallo Pinheiro, a company that was acquired by Visabeira Group in 2009 but whose origins date back to the 19th century
- Bordallo Pinheiro is deeply rooted in Portuguese culture and embodies the creativity and critical thinking of its founder Rafael Bordallo Pinheiro. Its utilitarian and decorative pieces reflect such diverse influences as the Renaissance, Naturalism, Art Nouveau and the Spanish and Arab legacies

- Thanks to a modern entrepreneurial approach, Bordallo Pinheiro plays a fundamental role in the revival of Portuguese ceramics, both at a national and international level
- While Bordallo Pinheiro remains faithful to its heritage through the use of ancestral manufacturing techniques and nature-inspired motifs, it also adopts contemporary excellence standards and a continuously innovative approach, both in aesthetic and technical terms

TABLEWARE



"MELANCIA"



"ANANÁS"



"ABÓBORA"



"COUVE"



"ALCACHOFRA"



HOME DECOR



"FIGURAS EM MOVIMENTO"



"SARDINHA"



"GATO ASSANHADO"



"JARRO COM LAGARTIXA"



"ANDORINHAS"

STRENGTHS



TOP PRODUCT PORTFOLIO

- In line with ever-changing preferences and consumers' shift towards more sophisticated purchases that value more design and quality, VAA has remained faithful to its core values and principles to deliver high quality products, combining tradition and modernity

DESIGN

- Awarded numerous international prizes. In 2017 alone, it has been awarded 19 prizes
- Limited editions pieces for museums and VAA's Collectors' Club. Pieces/ exhibitions are displayed in various venues (NY MoMA, London's Victoria and Albert Museum, amongst others)
- Pieces often showcased in lifestyle media publications such as AD, Architectural Design, Elle Décor and many prestigious others globally
- Ever more frequent partnerships with contemporary artists have gained international recognition, such as: Christian Lacroix, Marcel Wanders, Oscar de La Renta, Pineda Covalin, Sam Baron and others

QUALITY

- The Quality Management System of the company is certified by an independent entity - Certification ISO 9001
- Quality control examines products across the various production stages, with tests in laboratories, control of product's characteristics and audit to products' shipments
- VAA is certified by some of its major clients as a requisite for the continuity of the contracts, spanning environmental, social, hygienic and safety concerns
- **Recognized by customers as a Superbrand**

DIVERSIFICATION

VAA's product portfolio spans across several different offerings, namely;

- Tableware
- Bar and wine items
- Decoration
- Giftware
- Cookware
- Lighting
- Cutlery
- Artistic and design pieces

High potential for a brand extension to lifestyle complementary products

STRENGTHS



BROAD INTERNATIONAL PRESENCE

- VAA's exports in 2017 correspond to around 64% of total revenue and cover 82 countries – a clear reflection of VAA's internationally-driven business plan

GLOBAL BRAND



Most notably, VAA sells and has operations in USA, Brazil, Mexico, India, Spain and France, but also across other European countries, South America, Middle East, Asia Pacific and CIS

Vista Alegre operates in three main areas – retail, Horeca and private label –, covering own stores, corners, SIS, independent stores, online, corporate business, decorators, hotels, restaurants, airlines, yacht and cruise ships

FUTURE

VAA plans to further increase its international presence by:

- Consolidating its position in markets where it is already established
- Opening new flagship stores in main cities
- Enhancing local commercial teams
- Creating great consumer experiences and social network activity
- Increasing product portfolio and entering new segments
- Developing the online sales channel
- Partnering with luxury restaurants and hotel chains
- VAA is re-enforcing commercial efforts South Korea, China, Russia and the Middle East

STRENGTHS



MARKET LEADERSHIP

- The brand has received domestic and international recognition awarded for its build quality and design, being acknowledged as one of the most prestigious brands within its business areas. This has proven highly crucial to position VAA as a top global player in the ceramics and glass markets

MAIN COMPETITORS



FISKARS

Noritake



Baccarat

PORTMEIRION®



MARKET POSITIONING

- Across all business areas and offerings, VAA's main competitors are both local and international players, with an increasing presence from Asian producers
- VAA has maintained a long-standing market leading position in Portugal. As for the international market, revenue growth has propelled the company, now placed among the largest international players both in revenue and EBITDA. Specifically, VAA ranks eighth worldwide in turnover against its listed comparables
- Vista Alegre operates in three main areas - retail, Horeca and private label -, covering own stores, corners, SIS, independent stores, online, corporate business, decorators, hotels, restaurants, airlines, yacht and cruise ships.

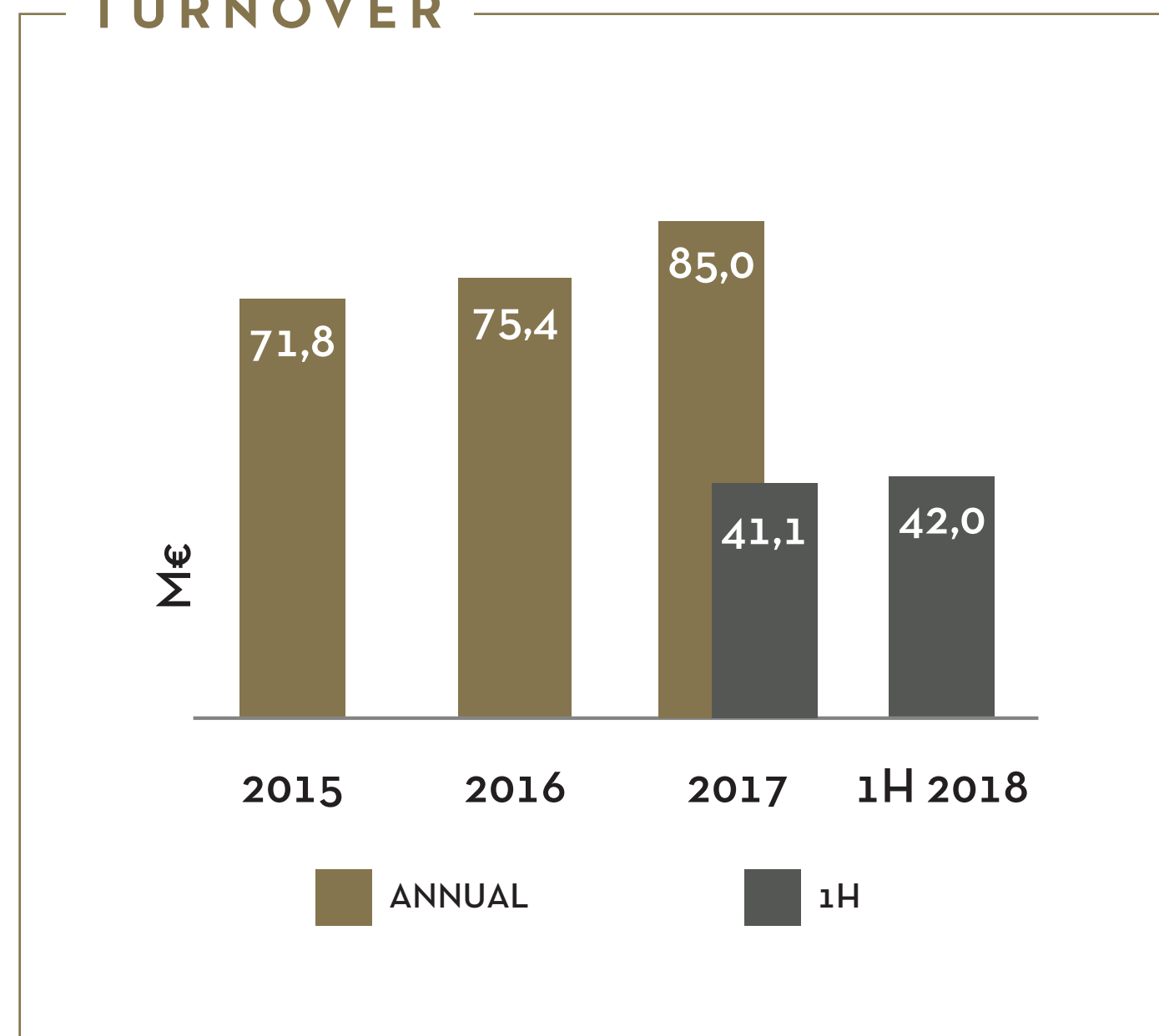
STRENGTHS



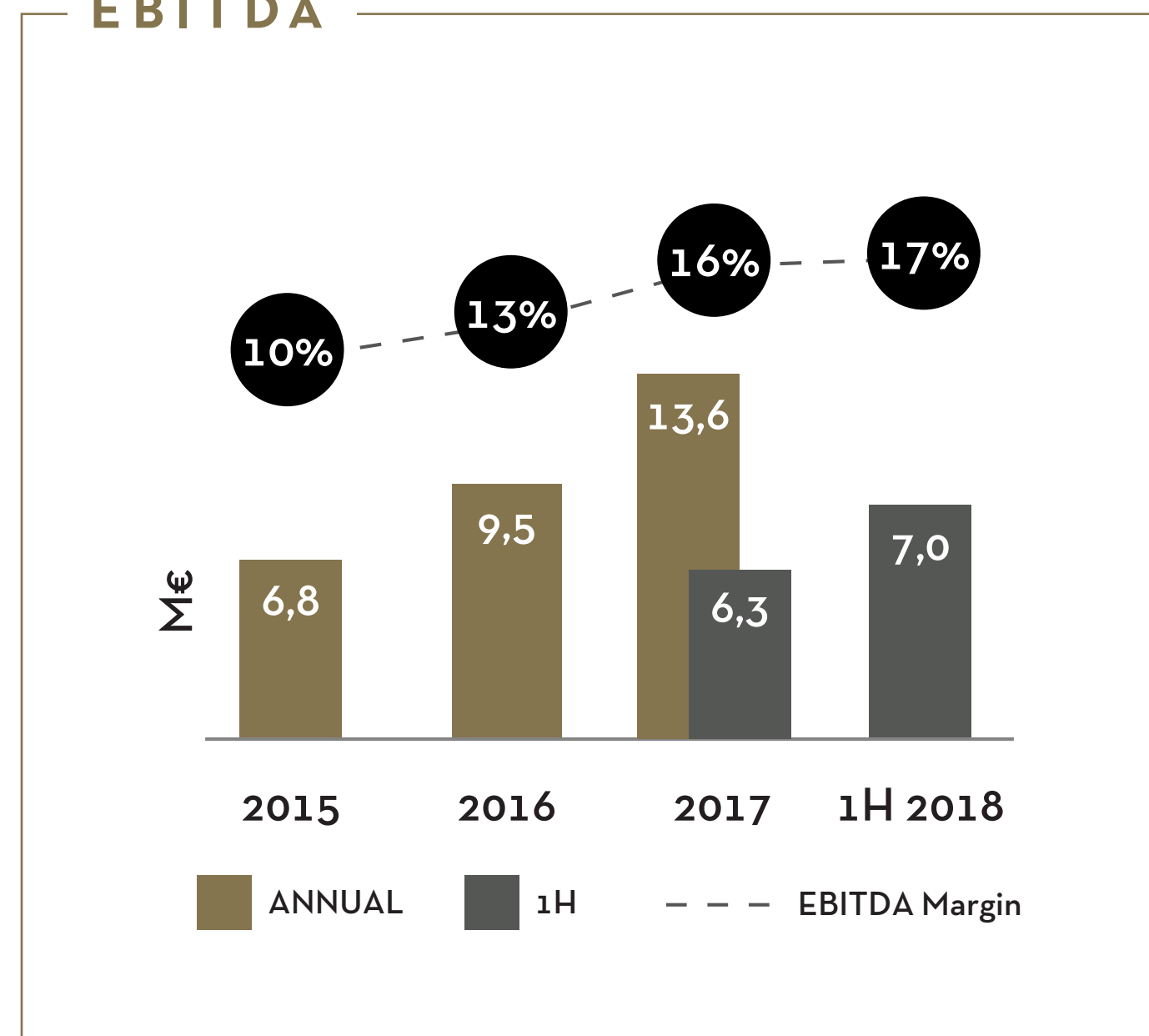
STRONG FINANCIAL PERFORMANCE

- VAA's efforts to deliver an increasingly more diverse offering of high quality products, increase its brand awareness, intensify its international presence, expand its partnerships and invest in innovation and efficiency have allowed the company to enjoy a strong financial performance over the last few years.

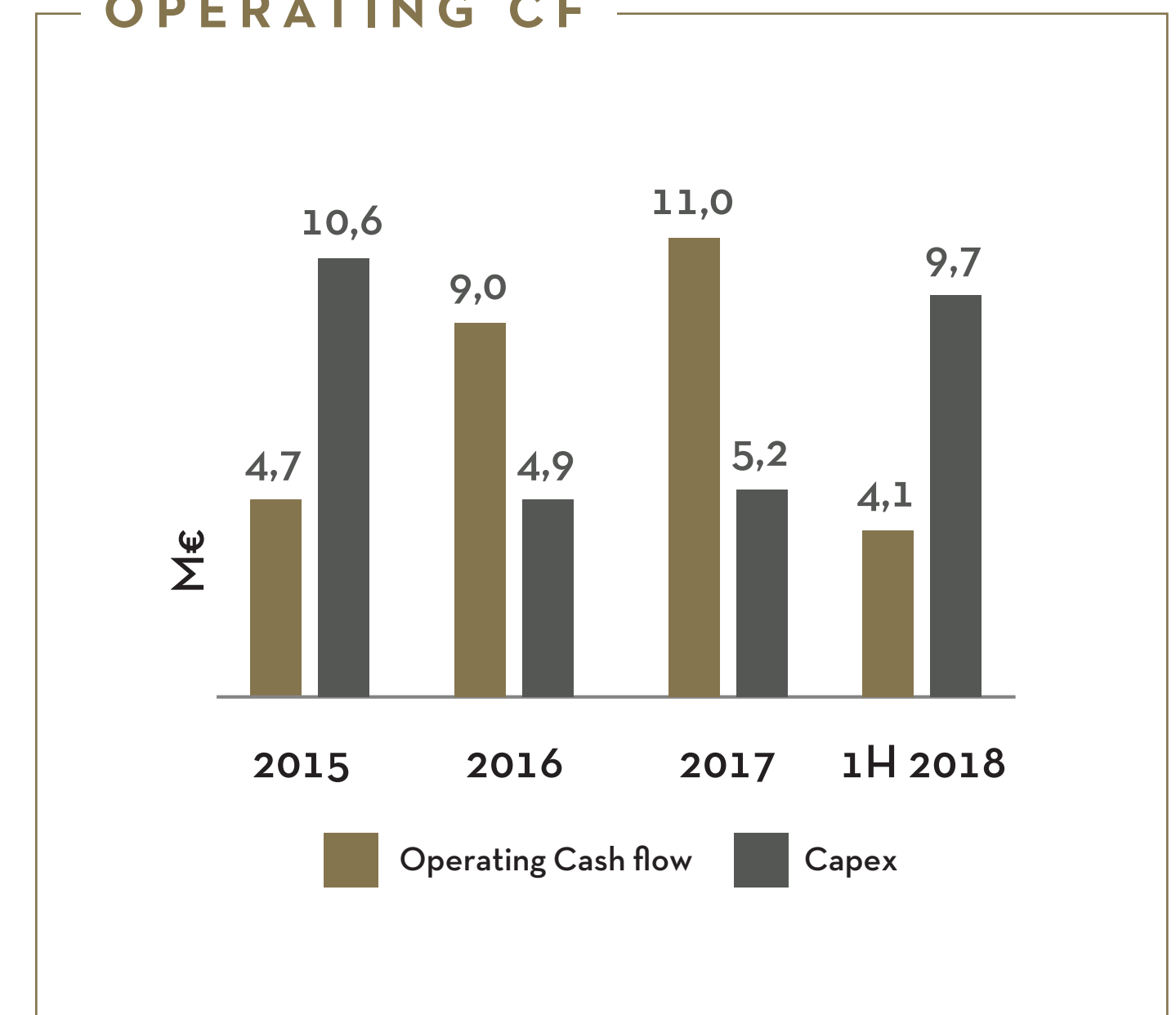
TURNOVER



EBITDA



OPERATING CF



Values before the reorganization process

STRENGTHS



INNOVATION

- Under an increasingly competitive environment, VAA has been continuously investing with a specific focus on innovation in order to improve its production processes and sustain a standard of quality and design that tries to one up other market participants
- VAA emphasizes a great commitment on merging artisanal methods with state-of-the-art production technology, for which it invests in Research and Development projects, as exemplified below



INVESTMENT PROJECTS

- VAA has been implementing a series of investments to promote its strategic objectives **totaling €49.6M**, of which **€41.9M is still outstanding**. These are expected to be entirely concluded until 2021 and partially financed through **subsidies adding to €15.7M**, of which 50% may be converted into a grant
- **Next 4** aim to expand VAA's product portfolio and do it efficiently by altering every stage of the production process
- **Cerexcor** and **Cristalux** focus on increasing competitiveness by introducing new technology that promotes productivity and efficiency

COMPANY	SEGMENT	PROJECT	OBJECTIVES	TOTAL INVESTMENT	OUTSTANDING INVESTMENT*	SUBSIDY
Vista Alegre	Porcelain	Next 4	<p>Process innovation:</p> <ul style="list-style-type: none"> • Reduce manual labor and waste • Increase added-value through design differentiation • Increase quality and resistance • Introducing <i>Isocup</i> and <i>Digital Print</i> technologies that allow for the manufacturing of cups and handles in a single operation and the non-manual decal of the pieces, respectively 	€5.3M	€5.3M	€2.1M
	Stoneware Oven-to- Tableware	Cerexcor	<ul style="list-style-type: none"> • Redevelopment of the old <i>Faianças de Capoa</i> factory • Introduction of a new segment <i>Casa Alegre</i> 	€1.9M	€0.7M	€0.3M
	Glass and Crystal	Cristalux	<ul style="list-style-type: none"> • Capacity increase with a new furnace • Process innovation via automation of manual labor • Introduction of new technology <i>singlepass</i> to allow for the creation of unique geometrical shapes and thickness 	€10.2M	€7.0M	€3.2M

Approximate values

* Amounts referring to December 2017

INVESTMENT PROJECTS

- **DecorRia** intends to expand production output, while allowing for the development of new products in partnership with IKEA
- Both **New Shapping Stoneware** and **InovBordallo** target optimized production processes, thus allowing for more efficient and larger output to expand internationally

COMPANY	SEGMENT	PROJECT	OBJECTIVES	TOTAL INVESTMENT	OUTSTANDING INVESTMENT*	SUBSIDY
Ria Stone	Stoneware Tableware	DecorRia	<ul style="list-style-type: none"> • Capacity increase (+60%) by enlarging the factory unit and the acquisition of a new klin Process innovation: <ul style="list-style-type: none"> • Automation using Digital Print • Increase added-value (single-firing processes) • Increase product quality (mechanical resistance, dishwasher durability and metal marking resistance) 	€20.3M	€17.7M	€5.7M
Cerutil	Stoneware Oven-to-Tableware	New Shapping Stoneware	<ul style="list-style-type: none"> • Capacity increase (+30%) and modernization by introducing new technology isostatic pressing Process innovation: <ul style="list-style-type: none"> • Waste reduction (from 50% to 5-10%), recycling of chips and introduction of circular economy efficiencies 	€3.8M	€3.8M	€1.5M
Bordallo Pinheiro	Earthenware	Inov Bordallo	<ul style="list-style-type: none"> • Capacity increase (+50%) using new ovens and adjacent lines Process innovation: <ul style="list-style-type: none"> • Further process automation and energy efficiency 	€8.3M	€7.5M	€2.9M

Approximate values

* Amounts referring to December 2017



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