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## 2016 Results

*24 February 2017*



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***We have fulfilled all our commitments for 2015 and 2016***

***+156 NET OPENINGS IN 2016, SURPASSING THE GUIDANCE BY 85 CENTRES***

***EBITDA MARGIN AT 33.4% IN 2016, IN THE UPPER PART OF THE FORECAST RANGE (30%-35%)***

***101% PAYOUT IN 2016, SIGNIFICANTLY HIGHER THAN THE 80% TARGET***

***We increased sales by 2.1% to €97.82m***

***The payment of a record final dividend for 2016 of €10.8m (€0.18/share) has been proposed<sup>(1)</sup>, to be paid on 5<sup>th</sup> May. This is a total dividend based on 2016 results of €0.38/share, reaching a payout of 101% and placing per-dividend yield at 7.84%<sup>(2)</sup>***

	2015	2016	%
Sales	95,792	97,815	2.1%
EBITDA	33,790	32,622	-3.5%
<i>EBITDA Margin</i>	35.3%	33.4%	
Net Income	22,860	22,504	-1.6%
Centres	2,123	2,279	156
Countries	29	32	3*
Net Cash Position	14,940	12,814	-14.2%
Payout	83.0%	101%	22.1%

In Thousand of euros

\*Malta, Hungary & India masterfranchises

(1) This dividend will be presented for approval at the next General Shareholders' Meeting planned for April.

(2) Calculated based on Naturhouse's closing price on 31 December 2016 (€4.85/share) and taking the two 2016 interim dividends as a reference (total amount €0.38/share).

	2015	2016	Growth (%)
<b>Total Sales</b>	<b>95,792</b>	<b>97,815</b>	<b>2.1%</b>
<b>Procurements</b>	<b>-27,832</b>	<b>-28,638</b>	<b>2.9%</b>
<b>Gross profit</b>	<b>67,960</b>	<b>69,177</b>	<b>1.8%</b>
<i>Gross profit margin</i>	<i>70.9%</i>	<i>70.7%</i>	
<b>Personnel</b>	<b>-17,970</b>	<b>-19,268</b>	<b>7.2%</b>
<b>Other operating expenses</b>	<b>-17,008</b>	<b>-17,764</b>	<b>4.4%</b>
<b>Other Income</b>	<b>808</b>	<b>477</b>	<b>-41.0%</b>
<b>EBITDA</b>	<b>33,790</b>	<b>32,622</b>	<b>-3.5%</b>
<i>EBITDA Margin</i>	<i>35.3%</i>	<i>33.4%</i>	
<b>Amortization &amp; Impairments</b>	<b>-1,316</b>	<b>-1,247</b>	<b>-5.2%</b>
<b>EBIT</b>	<b>32,474</b>	<b>31,375</b>	<b>-3.4%</b>
<i>EBIT Margin</i>	<i>33.9%</i>	<i>32.1%</i>	<i>-160%</i>
<b>Financial results</b>	<b>-261</b>	<b>-91</b>	<b>-65%</b>
<b>Share of profit (loss) of associated (Ichem)</b>	<b>926</b>	<b>820</b>	<b>-11.4%</b>
<b>EBT</b>	<b>33,139</b>	<b>32,104</b>	<b>-3.1%</b>
<b>Taxes</b>	<b>-10,376</b>	<b>-9,622</b>	<b>-7.3%</b>
<b>Minorities</b>	<b>97</b>	<b>22</b>	<b>-77.3%</b>
<b>Net profit</b>	<b>22,860</b>	<b>22,504</b>	<b>-1.6%</b>
<i>Net profit margin</i>	<i>23.9%</i>	<i>23.0%</i>	

*In thousands of euros*

**Note 1:** EBITDA definition: *operational result + amortisation of fixed assets + impairment and results due to disposal of fixed assets.*

## Sales according to country

	2015	2016	Growth (%)
France	41,522	<b>41,074</b>	-1.1%
Spain	18,944	<b>19,181</b>	1.2%
Italy	21,384	<b>22,473</b>	5.1%
Poland	11,287	<b>12,501</b>	10.8%
Rest countries	2,655	<b>2,587</b>	-2.6%
<b>Total</b>	<b>95,791</b>	<b>97,815</b>	<b>2.1%</b>
<b>International Segment</b>	<b>76,847</b>	<b>78,635</b>	<b>2.3%</b>

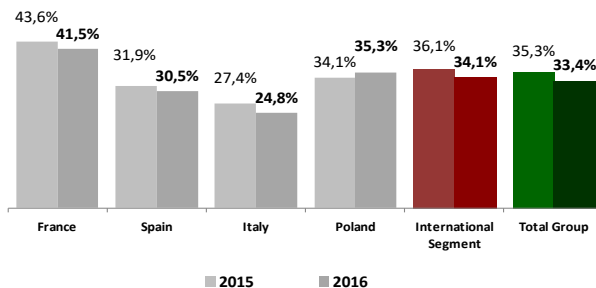
In thousands of euros

## EBITDA development according to country

	2015	2016	Growth (%)
France	18,097	<b>17,044</b>	-6%
Spain	6,035	<b>5,844</b>	-3%
Italy	5,852	<b>5,569</b>	-5%
Poland	3,845	<b>4,418</b>	15%
Rest	-38	<b>-253</b>	-567%
<b>TOTAL</b>	<b>33,790</b>	<b>32,622</b>	<b>-3.5%</b>
<b>International Segment</b>	<b>27,756</b>	<b>26,778</b>	<b>-3.5%</b>

In Thousands of euros

## EBITDA margin development according to country (%)



☐ Sales came to €97.82m, which is a 2.1% increase vs 2015. This positive performance responds to the recovery of the Spanish and Italian markets (+1.2% and +5.1%, respectively) and the good progress being made in Poland, which continues to show double-digit growth (+10.8% vs 2015 and +15% in local currency). France has shown weakness in 2016, due to the attacks and strikes, but we trust this situation will turn around in the coming months.

Based on centre type, both sales to franchised stores and those of directly-operated stores have increased.

☐ EBITDA stands at €32.62m, having been affected by:

- ✓ **Growth in new countries, especially in the USA and the United Kingdom.** The total effect on EBITDA was €-0.7m.
- ✓ **The weakness of the French market,** due to the aforementioned point, and costs deriving from the strategy of increasing the number of directly-operated stores.
- ✓ **Increase in staff costs,** due to:
  - The opening of directly-operated stores in shopping centres
  - Strengthening our main countries' commercial departments with senior profiles, in order to boost sales, and
  - The compensation arising from staff restructuring (mainly €0.16m, deriving from staff restructuring in Italy)
- ✓ **Increase in operational costs deriving from the increase in rental and transport items (mainly from outsourcing the logistics service in Spain for €0.18m) and commercial costs.**

☐ **Net profit comes to €22.5m (-1.6% vs 2015),** as a result of the aforementioned issues. The improved financial result and a reduced contribution from Ichem, due to the negative effect of the euro zloty exchange rate

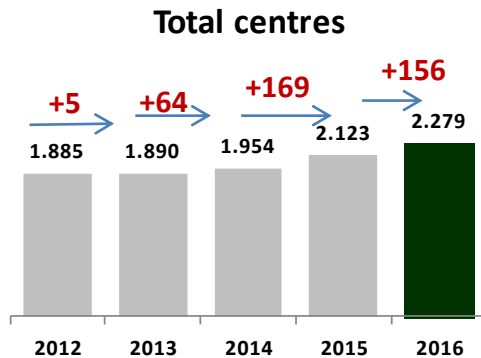
## 2016 HUMAN RESOURCES EVOLUTION

Average personnel	France		Spain		Italy		Poland		Others		Total		Growth
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
<b>Management &amp; Administration</b>	26	26	30	35	15	14	8	14	13	14	92	103	-11
<b>Commercial Area</b>	59	45	148	125	118	102	25	15	48	47	398	334	64
<b>Total</b>	<b>85</b>	<b>71</b>	<b>178</b>	<b>160</b>	<b>133</b>	<b>116</b>	<b>33</b>	<b>29</b>	<b>61</b>	<b>61</b>	<b>490</b>	<b>437</b>	<b>53</b>

☐ Significant reduction in admin staff (-12%).

**2,279 centres, fulfilling and surpassing the guidance for 2015-16 by 85 centres**  
**+ 156 net openings in 2016, and 41 in 4Q16**

**We continue to grow thanks to the opening of new franchises/master franchises (+148 vs 8 directly-operated stores)**



**Breakdown of net openings:**

**+156** {  
+125 new franchises  
+23 new master franchises  
+8 directly-operated stores

74.4% of centres are located outside Spain

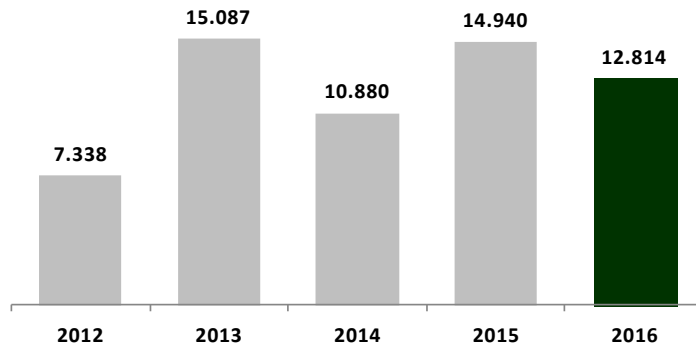
- ✓ France (+58) and Poland (+61) once again lead net centre openings
- ✓ Italy opened 24 stores in 2016 and 5 in 4Q16
- ✓ Spain had 11 fewer stores than at the end of 2015, recovering 3 vs 3Q16
- ✓ 23 new master franchise stores, reaching 200 worldwide

**1,908 centres are franchises, 171 directly-operated stores and 200 master franchises**

	2015			2016			2016 Net Openings		
	Total	DOS	Franchise	Total	DOS	Franchise	Total	DOS	Franchise
France	538	21	517	596	28	568	58	7	51
Spain	594	70	524	583	69	514	-11	-1	-10
Italy	435	46	389	459	47	412	24	1	23
Rest of Countries	89	23	66	90	19	71	1	-4	5
Masterfranchise Countries	177	0	177	200	0	200	23	0	23
<b>Total</b>	<b>2,123</b>	<b>163</b>	<b>1,960</b>	<b>2,279</b>	<b>171</b>	<b>2,108</b>	<b>156</b>	<b>8</b>	<b>148</b>

*We lead the Spanish stock exchange in terms of per-dividend yield once again this year*

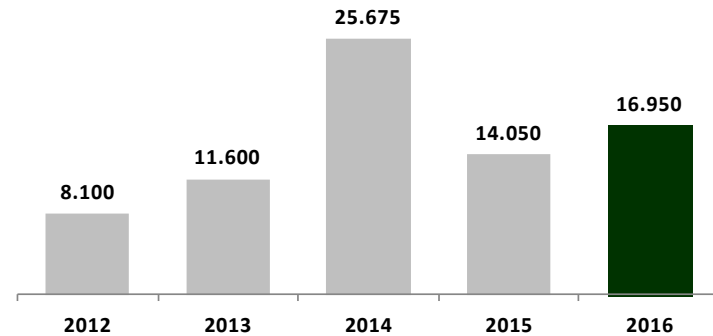
## Net cash position



Figures in thousands of euros

**1) This does not include the €4.5m pending repayment from the Spanish Tax Authority**

## Dividends



Figures in thousands of euros

Note 1: Data from 2012, 2013 and 2014 include SAS Naturhouse in all periods

Net cash position at the end of 2016 came to €12.81m vs end of 2015, after paying out €17m in dividends, reducing the financial debt by €1.6m and awaiting the payment of €4.5m from the Spanish Tax Authority. **If this latter figure were included, our net cash position at the end of 2016 would have stood at €17.31m (+16% vs 2015).**



	2015	2016
Intangible assets	2,193	1,897
Property, plant & equipment	5,025	4,869
Non current financial assets	813	992
Investment in associated companies	3,140	3,208
Deferred tax assets	369	272
<b>Non current Assets</b>	<b>11,540</b>	<b>11,238</b>
Inventories	3,541	4,231
Trade receivables	4,973	4,806
Current tax assets	569	5,921
Other current assets	876	922
investment in related companies	0	49
Financial assets	42	0
Cash & equivalents	19,830	16,081
<b>Current assets</b>	<b>29,831</b>	<b>32,010</b>
<b>TOTAL ASSETS</b>	<b>41,371</b>	<b>43,248</b>
<b>Equity</b>	<b>22,016</b>	<b>27,146</b>
Non current provisions	1,044	1,030
Non current borrowings	2,930	3,177
Long term accrued expenses	478	401
<b>Non current liabilities</b>	<b>4,452</b>	<b>4,608</b>
Current borrowings	1,960	90
Financial liabilities with related companies	1,445	0
Suppliers	4,776	5,281
Suppliers related companies	4,424	4,418
Current tax liabilities and other payables	2,298	1,705
<b>Current liabilities</b>	<b>14,903</b>	<b>11,494</b>
<b>TOTAL LIABILITIES</b>	<b>41,371</b>	<b>43,248</b>

*In Thousands of euros*

## GUIDANCE FOR 2017

**Payout: >85%**

**Centres at end of 2017: 2,400**  
**Planned Net Openings: 121**

**EBITDA margin: 30%-35%**

**Our strategy does not change in essence; rather, it adapts to the market's new demands:**

**□ Main countries: France, Italy, Spain and Poland**

- ✓ New centre openings to 2,400 at end of 2017, thus confirming our goal of maintaining the proportion of directly-operated stores at no more than 10% of the total.
- ✓ New franchises as the main path towards growth, continuing to increase our presence in shopping centres.
- ✓ Increase the products on offer in order to attract new customer profiles and deal with the impact of the competition with a stronger position.
- ✓ Increase the average per-customer ticket.
- ✓ Strengthen the sales department to boost sales: maintain recovery of Italy and Spain and return France to growth.
- ✓ Increase spending on online advertising, without this leading to an overall marketing spend of more than 5% of sales.

**□ Reinforce international growth: Impact on estimated net profit for 2017 from growth in other subsidiary countries\* (except for Portugal) of €-1.6m. Most of this will correspond to the USA and the United Kingdom.**

- ✓ **United Kingdom:** We hope to gradually increase the number of centres, both directly-operated (*to 5, including existing ones*) and franchises.
- ✓ **USA:** Expected to end 2017 with between 2 and 5 directly-operated stores. The sales offering will be adapted, covering both online sales and advice. In the USA, more products vs the average for other countries will be added to respond to the demand of the US market.
- ✓ **Germany, Lithuania and Croatia:** New openings planned.
- ✓ **New master franchises:** Negotiating with new countries.

**□ Keep EBITDA margin within 30%-35% range.** To do this, we will continue to apply a strict cost containment policy.

**□ Without renouncing the strength of our balance sheet and maintaining the payout level above 85% for 2017.**

**Our main goal is to continue to create value for our shareholders and remain at the top of the Spanish stock exchange in terms of shareholder remuneration.**

\*Germany, Belgium, Mexico, Croatia, Lithuania, USA and the United Kingdom.

## Material Facts for the period

- ❑ 20 January 2016: Net openings 2015
- ❑ 26 February 2016: Publication of 2015 results
- ❑ 26 February 2016: Publication of final dividend 2015
- ❑ 26 February 2016: The company issues its Annual Corporate Governance Report for 2015
- ❑ 26 February 2016: The company issues the Annual Report on Board Members' Remuneration for 2015
- ❑ 15 March 2016: Announcement of General Shareholders' Meeting 2016
- ❑ 16 March 2016: Liquidity contract 15-12-2015 to 15-3-2016
- ❑ 21 April 2016: Agreements adopted by the General Shareholders' Meeting 2016
- ❑ 22 April 2016: Publication of first quarter 2016 results
- ❑ 16 June 2016: Liquidity contract 15-3-2015 to 15-6-2016
- ❑ 20 July 2016: Net openings 1H16
- ❑ 26 July 2016: Publication of interim dividend for 2016
- ❑ 26 July 2016: Publication of results for the first half of 2016
- ❑ 26 July 2016: Changes in the Board of Directors
- ❑ 16 September 2016: Liquidity contract for the period 15-6-2015 to 15-9-2016
- ❑ 31 October 2016: Internal code of conduct
- ❑ 31 October 2016: Results for the third quarter of 2016
- ❑ 14 November 2016: Net openings October 2016
- ❑ 16 November 2016: Appointment of new Independent Board Member
- ❑ 16 December 2016: Operations for the period and ending of liquidity contract

## Material facts after the end of the period

- ❑ 18 January 2017: Net openings for 2016



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