Natra chalked up a net profit of €23 million in 2018, contrasting with the €9.9 million loss in the previous year

- **EBITDA rose to €34.3 million, up 51% on 2017**
- **Net debt was reduced by €9.2 million year on year to €129.6 million**
- **All the company's financial metrics improved in 2018 by capturing value in all product categories and trends, through a strong focus on customers**

Madrid, 28 February 2018. Natra, a Spanish multinational and one of the leading European producers of chocolate confectionery and cocoa products, posted a net profit of €23 million in 2018, contrasting with the loss of €9.9 million sustained in the previous year.

The 2018 earnings can be put down to growth in sales volumes, especially in the consumer division, together with a general improvement in margins achieved through efficient raw material hedging and a favourable environment of those, an optimised portfolio and reduced operating costs.

Sales revenues rose to €379 million, up 3%. Nevertheless, this did not match the 7% growth in the volume of sales, due to the effect of passing on lower raw material prices.

Consequently, EBITDA grew 51% year on year, from €22.7 million in 2017 to €34.3 million in 2018, confirming the upward trend in profitability.

Natra has been able to improve its margins and reduce volatility through long-term raw material hedging and sourcing contracts with global and local suppliers. Moreover, the Transformation Plan that the company began implementing in 2017, based on a customer-centric model to capture and enhance operating and production efficiencies, is bearing fruit and generating tangible profits in all the financial metrics.

Financial structure

Net debt was reduced by €9.2 million year on year to €129.6 million by December 2018, mainly through the generation of cash during the year, which was used to repay debts, and the conversion of bonds.

Natra has a sound financial structure, both in the long term, as 86% of the syndicated loan of €137 million (nominal value) is not due until 2022, and structurally in the short term, since at the end of December 2018, for example, our liquidity exceeded the average operating cash flow requirements by €32.8m.

The first two conversion periods for its convertible bonds closed in 2018 with the conversion of bonds for a nominal value equivalent to €1.7 million, 11.3% of the total bonds issued in 2016.

The third conversion window was still open at the end of December 2018; it closed at end-January 2019 with the conversion of bonds having a nominal value of €12.4 million, i.e. 83.5% of the total bonds issued in 2016. There is a conversion window every 6 months for the remainder, up to maturity in 2023.

On another note, on 3 January 2019, World Confectionery Group (WCG) -wholly owned by the investment fund Investindustrial- sent the National Securities Market Commission (CNMV) the pre-announcement of a takeover bid for Natra. Subsequently, on 1 February, WCG filed an application with the CNMV for authorisation of the takeover bid, attaching the relevant prospectus. That prospectus was accepted by the CNMV for consideration on 21 February and the procedure then commenced for that consideration.

Outlook for 2019

This growth trend is expected to continue throughout 2019, with increases anticipated both in turnover, mainly due to a larger volume of sales, and in EBITDA, following the trend of the Strategic Plan. The company is also expected to continue posting profits and reducing its net debt, through its repayment schedules and applying the anticipated surplus cash to repay debt.

About Natra

Natra is a benchmark among European producers of chocolate and cocoa products for private label and branded food companies. Founded in Valencia in 1943, Natra is now a multinational selling its products in 92 countries on the five continents. The company has six production plants in Spain, Belgium, France and Canada and permanent commercial presence in Europe, Canada, USA and Asia. Its shares have been listed on the Valencia and Madrid stock exchanges since 1991.