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nutrition and
weight
management



1H 2020 Results

September 28th 2020



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Naturhouse keeps generating profits and cash despite COVID-19 crisis impact

Naturhouse is prepared to face the economic impact of the pandemic thanks to its solid Balance Sheet and excellent Cash Position (€ 12.8 mn of Net Cash Position)**

Implementation of the ONLINE channel in the main markets

	2Q20	2Q20	Variation
Sales	64.713	43.079	-21.634
EBITDA	19.055	14.281	-4.773
<i>EBITDA Margin</i>	29,4%	33,2%	
Net Income	11.716	7.470	-4.246
Centres	2.250	1.938	-312
Countries	32	28	-4
Net Cash Position*	-114	15.228	15.342
Net Cash Position**	8.324	18.342	10.018

In Thousand of euros

*net cash position 31/12/2019 ** isolated IFRS 16 impact

(1) Calculated according to the Naturhouse closing price December 31st 2019 (1,996€/share) and taking as reference the four interim dividends for 2019 (total amount 0,24€/share).

	2Q20	2Q20	Variation
Total Sales	64.713	43.079	-21.634
Procurements	-19.331	-12.524	6.808
Gross profit	45.382	30.555	-14.826
<i>Gross profit margin</i>	<i>70,1%</i>	<i>70,9%</i>	<i>0,0%</i>
Personnel	-14.668	-8.888	5.781
Other operating expenses	-12.410	-8.056	4.354
Other Income	752	670	-81
EBITDA	19.055	14.281	-4.773
<i>EBITDA Margin</i>	<i>29,4%</i>	<i>33,2%</i>	<i>0,0%</i>
Amortization & Impairments	-2.833	-3.624	-791
EBIT	16.222	10.658	-5.564
<i>EBIT Margin</i>	<i>25,1%</i>	<i>24,7%</i>	<i>0,0%</i>
Financial results	-186	-20	166
Share of profit (loss) of associated (Ichem)	358	222	-136
EBT	16.394	10.860	-5.534
Taxes	-4.691	-3.395	1.296
Minorities	13	5	-7
Net profit	11.716	7.470	-4.246
<i>Net profit margin</i>	<i>18,1%</i>	<i>17,3%</i>	

In thousands of euros

□ Implementation of actions to mitigate the economic and financial impact of COVID-19;

□ Significant reduction of the operating and general costs from the second half of March.

□ Temporary suspensión of 85% of employees who will Benefit from the government aids.

□ Mantain finalcial strenght by maximizing cash Flow. Suspensión of the dividend payment to shareholders is agreed until the health crisis and its final economic impact are over.

□ Note that 861 thousand euros have been included in Amortizations and Impairments, due to impairment of rental rights of Naturhouse centers, which have seen their profitability reduced by COVID-19.

□ Isolating the above mentioned impairment, Net Income would amount 8,29 thusand euros. Which would mean an increase in the Net Profit Margin up to 19%, just 2 points above Q3 of 2019. Proof of the great work done by the company to reduce operating costs and minimize the negative impact that COVID-19 has had on sales.

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

Recovery of business after a quarter market by COVID-19 Health Crisis
 Constraint Operational Cost measures applied improved Q3 2020 EBITDA up to +23% despite to decreasing 20% of sales

SALES			
	jun.19	jun.20	var %
France	18.265	10.553	-42,22%
Spain	9.710	5.719	-41,10%
Italy	11.104	7.407	-33,29%
Poland	5.680	3.669	-35,40%
Rest	1.363	877	-35,66%
Total	46.122	28.225	-38,80%
International Segment	36.412	22.506	-38,2%

In Thousand of euros

EBITDA			
	jun.19	jun.20	var %
France	7.387	4.074	-44,8%
Spain	2.454	1.406	-42,7%
Italy	3.210	1.885	-41,3%
Poland	1.116	637	-42,9%
Rest	-57	33	-157,9%
Total	14.110	8.035	-43,1%
International Segment	11.656	6.629	-43,1%

In Thousand of euros

QUARTER EVOLUTION							
	Sep.19	Sep.20	var %		Sep.19	Sep.20	var %
France	7.531	5.610	-25,5%	France	3.085	2.635	-14,6%
Spain	3.757	2.873	-23,5%	Spain	420	1.358	223,3%
Italy	4.287	3.781	-11,8%	Italy	899	1.532	70,4%
Poland	2.461	2.047	-16,8%	Poland	464	576	-24,1%
Rest	554	543	-2,0%	Rest	77	-6	107,8%
Total	18.590	14.854	-20,1%	Total	4.945	6.095	23,3%
International Segment	14.833	11.981	-19,2%	International Segment	4.525	4.737	4,7%

In Thousand of euros

In Thousand of euros

Sales according to country

	2Q20	2Q20	%
France	25.795	16.163	-37,3%
Spain	13.467	8.592	-36,2%
Italy	15.391	11.188	-27,3%
Poland	8.141	5.716	-29,8%
Rest countries	1.919	1.420	-26,0%
Total	64.712	43.079	-33,4%
International Segmen	51.245	34.487	-32,7%

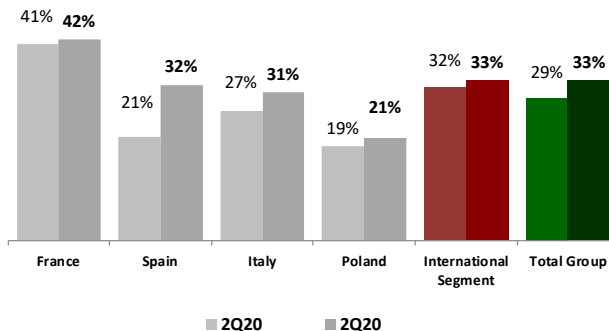
In thousands of euros

EBITDA development according to country

	2Q20	2Q20	%	Margen EBITDA
France	10.472	6.709	-35,9%	42%
Spain	2.874	2.764	-3,8%	32%
Italy	4.109	3.417	-16,8%	31%
Poland	1.580	1.213	-23,2%	21%
Rest	20	27	-35,0%	33%
TOTAL	19.055	14.130	-25,8%	33,2%
International Segm	16.181	11.366	-29,8%	33,0%

In Thousands of euros

EBITDA margin development according to country (%)



☐ Turnover at the end of 3Q 2020 stands at €43.08m.

✓ The decrease in the total sales figure, is consequence of the COVID-19 crisis, affecting our four main markets since mid-March. The company's strategy is to supply the current market through online sales. In March the online channel was launched in Italy and in April in France and Poland.

✓ Revenues had its lowest moment in April's month when the containment measures were tougher. Since May we are seeing a monthly recovery on the path of previous years revenues.

✓ Naturhouse has recovered it's business during Q3 despite of the Covis-19 and constrain measures applied. Mayor decrease of sales is linked to closing 112 own centres having a great impact on EBITDA by increasing it.

☐ EBITDA has reached €14.13m.

✓ EBITDA is growing again as it did in Q3 & Q4 of 2019 before COVID-19 impact.

✓ Since mid-March, the company has been working to reduce fixed costs as much as possible and thus be prepared to overcome the current crisis and resume activity as quickly as possible;

✓ Rent negotiation with landlord of our own centers, seeking to forgive rents while the alert state lasts or a cost reduction.

✓ Temporary suspension of 85% of workers who will benefit from government aid.

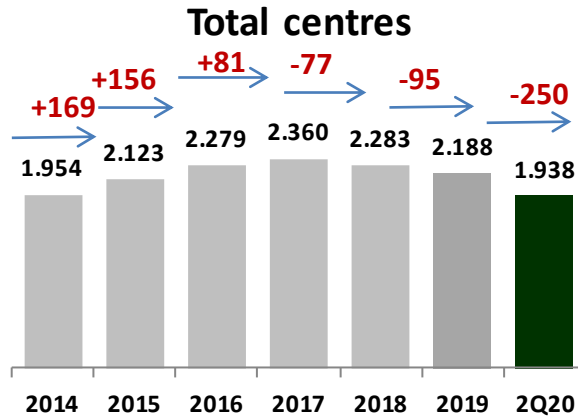
✓ Stopped Advertising investments.

✓ From the beginning of the project in 2019 to date, the group has invested € 0.68 million in the Naturhouse model digitization project.

☐ The Net Result reached € 7.47 million, as a consequence of the impact of the COVID-19 crisis. Isolating the previous mentioned impairment, the Net Result would amount to 8.29 million euros. Which would mean an increase in the margin on net profit to 19%, only 1 point above of Q3 of the year 2019. Proof of the great work done by the company to reduce operating costs and minimize the negative impact that COVID-19 has had on sales.

1.928 centres in 28 countries

-250 net closes in Q3 2020 as part of the company's business optimisation plan to improve the average revenue per store



Net openings:

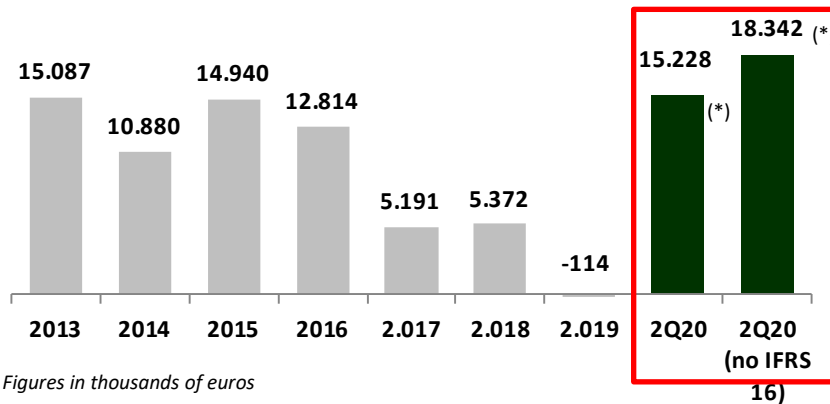
- 178
 - 138 franchises mainly due to the company's business optimisation plan in the markets with more centres (France, Poland and Spain)
 - 112 directly-operated stores: We have the strategy to cover these empty spots through the online channel, reducing operating costs associated to the physical stores.

1,563 centres are franchises, 129 directly-operated stores and 247 are master franchises

	2019			2Q20			2019 Net Openings		
	Total	DOS	Franchise	Total	DOS	Franchise	Total	DOS	Franchise
France	584	25	559	561	22	539	-23	-3	-20
Spain	531	84	447	447	46	401	-84	-38	-46
Italy	454	45	409	475	21	378	21	-24	-31
Poland	287	67	220	221	20	201	-66	-47	-19
Rest of Countries	66	20	46	63	20	43	-3	0	-3
Masterfranchise Countries	266	0	266	247	0	247	-19	0	-19
Total	2,188	241	1,947	1,938	129	1,809	-250	-112	-138

Naturhouse maintains a solid financial position and an attractive shareholder remuneration policy

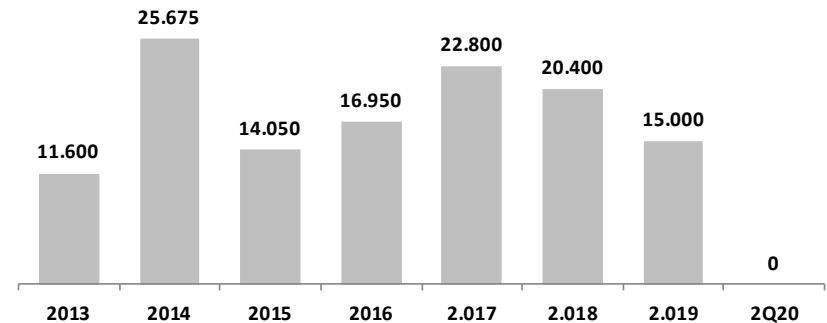
Net cash position ⁽¹⁾



Figures in thousands of euros

(*) This does not include the €1m pending repayment by the Spanish Tax Administration.

Dividends



Figures in thousands of euros

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

Our net cash position at the end of Q- 2020 stands at €15.23m, despite awaiting the repayment of €1,12m from the Spanish Tax Authority. Including this pending amount, net cash position at the end of Q3 2020 raises up to €16.35m.

Net cash position has IFRS 16 accounting policy introduction impact. Current borrowings has been increased in €3.11m due to contract financial rents. If we take off IFRS 16 impact, so is comparable with previous periods, Net Cash position rises up to €18.34m

Naturhouse is in position to reactivate its dividend payment policy to its shareholders, but regulations established by the Spanish authorities to the companies that have take Benefit of ERTE exemptions, prohibit dividend payments during 2020 year.

(1) Definition of Net Cash position: *cash and equivalents – current debt – non-current debt*

(2) Based on Naturhouse's closing price on December 31st 2019 (€1.996/share) and taking the three 2019 interim dividends and last dividend proposal for 2019 results (total 0.24€/share)

	2019	2Q20
Intangible assets	1.296	1.173
Property, plant & equipment	9.618	7.049
Non current financial assets	828	717
Investment in associated companies	3.152	3.155
Deferred tax assets	138	132
Non current Assets	15.032	12.226
Inventories	4.124	3.147
Trade receivables	3.506	3.903
Current tax assets	3.639	2.687
Other current assets (anticipated spendings)	955	332
investment in related companies	0	0
Cash & equivalents	10.305	22.472
Current assets	22.529	32.541
TOTAL ASSETS	37.561	44.767
Equity	16.514	25.943
Non current provisions	1.107	828
Non current borrowings	7.757	6.752
Long term accrued expenses	9	0
Non current liabilities	8.873	7.580
Current borrowings	2.577	492
Financial liabilities with related companies	85	0
Suppliers	5.091	4.174
Suppliers related companies	3.243	4.213
Current tax liabilities and other payables	1.178	2.365
Current liabilities	12.174	11.244
TOTAL LIABILITIES	37.561	44.767

In Thousands of euros

□ Property, plant and equipment has been reduced due to Naturhouse strategy of closing some of its direct operating stores to optimize operating costs, in accordance with IFRS 16 regulation.

□ Property, plant and equipment has had an impact of 861 thousand euros due to the impairment of the right-of use assets of Naturhouse direct operating stores. This deterioration is a consequence of the impact on the profitability of some of our stores due to COVID-19.

□ Cash and equivalents grew 50% despite the decrease in sales due to company's cost containment policy, achieving positive cash flows throughout the COVID-19 crisis. As soon as the Spanish regulation allows us, we will revert the cash to our shareholders, as we use to do the past years as dividend policy.

We are focusing on growth, discipline in terms of our spending and the goal of maintaining our leading position in the Spanish Stock Exchange in terms of our dividend policy

Strategy

- ✓ After the experience in the development of the digital business in the British and North American market, the group has decided to implement this strategy in its main four markets. In January, tests began in the Spanish market, in March it was implemented in the Italian market and in the second quarter of 2020 it has been implemented in the French and Polish markets. The current COVID-19 crisis reaffirms the importance of the decision made in 2019 to digitize the Naturhouse business model.
- ✓ Optimisation plan within its commercial structure to improve the average revenue per store in a mid term and addressing the service in areas where Naturhouse has no physical store with online channel.
- ✓ Change centres image towards a format we call *Tienda 2.0*, where customers can head directly for products not linked to weight loss without requiring advice, given that said products are all categorised. All this will allow us to increase the profitability per store as a result of the sale of products not linked to overweight and attract younger clients.

Goals

- ✓ Increase sales in main countries and new markets.
- ✓ Increase international presence and digital sales.
- ✓ Ensure EBITDA margin of more than 30%.
- ✓ Maintain solid balance sheet and cash generating ability.

We will maintain the strength of our balance sheet and our considerable cash generating ability.

Material facts for the period

- ❑ January 31, 2020: Annulment of the Liquidity Contract with Renta 4 and third Quarter Liquidity Contract balance and movements
- ❑ February 28, 2020: 2019 Final Ordinary Dividend
- ❑ February 28, 2020: Annual Corporate Governance Report
- ❑ February 28, 2020: Board Members' Compensation Report
- ❑ February 28, 2020: Corporate Social Responsibility Report
- ❑ February 28, 2020: 2019 Results
- ❑ March 13, 2020: Communication of stores closes in the Italian market due to COVID-19 crisis
- ❑ March 23, 2020: Communication of stores closes in the French and Spanish markets due to COVID-19 crisis
- ❑ March 24, 2020: Postponement of General Shareholder's Meeting Call
- ❑ March 25, 2020: Communication of ERTE's presentation
- ❑ March 30, 2020: Extension of the dividend payment until the Shareholder's Meeting is held
- ❑ May 12, 2020: Call for 2020 General Shareholders Meeting
- ❑ June 12, 2020: Complementary Announcement of the 2020 General Shareholder's Meeting Call
- ❑ June 22, 2020: Result of the votes on the proposals from the General Shareholders' Meeting 2020
- ❑ June 22, 2020: Interim Statement of results for the First Quarter of 2020
- ❑ September 28, 2020 : H1 – 2020 Financial Statements



CONTACT

Hugo Campillo Pinazo

CFO

Tel: +34 914323953

Email: accionista@naturhouse.com