Natra

Presentation of Results Q1 2018

8 May 2018

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- The Appendices hereto contain further information and enhance its transparency, including a definition of the terms used and a reconciliation between the corresponding performance indicators and the consolidated financial reporting under the IFRS.

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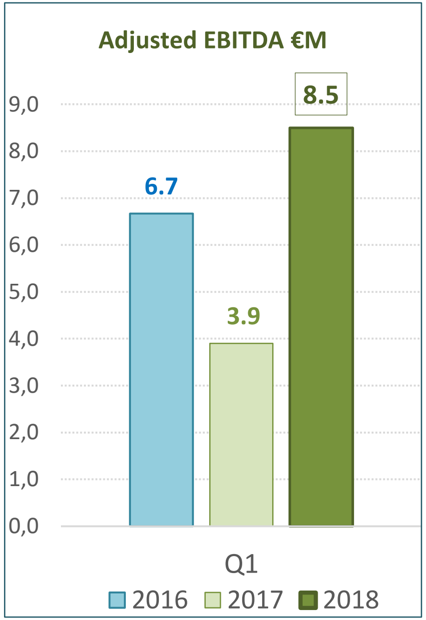
Executive Summary Q1 2018



- Business growth bolstered by **5%** year-on-year increase in sales **volume**. **Turnover** up **2%** vs 2017, smaller than the volume effect as lower raw material prices were passed on.
- Earnings improved in this first quarter of 2018 thanks to the **growth in sales volumes**, the overall improvement in margins thanks to raw material hedging, savings in operating costs and portfolio optimisation.
- Very positive result in Q1 2018, with an **EBITDA** of **€8.5m**, far higher than in the past two years.
  No adjustments were made to EBITDA in the first quarter of 2018. *(*)*
- Pushed up by the growth in EBITDA, Natra made a **Net Profit** of **€2.0m**, €1.8m of which corresponded to revaluation of the financial investment portfolio.

(*) See section 4 of this document for definitions and details of Adjusted EBITDA

Executive Summary

Executive Summary Q1 2018

- **Net Debt was down €10.7m** vs the first quarter of 2017, thanks to the generation of cash, used to repay debt, increase the cash balance and offset the effect of recognising the debt at amortised cost.
- The **Financial Structure** is sound in both the **Long Term**, as 85% of the syndicated loan of €145m is not due until 2022, and structurally in the **Short Term**, since at the end of March 2018, for example, our liquidity exceeded average operating cash flow requirements by €15m (see details in section 2).
- We expect to **continue throughout 2018 amply exceeding the positive financial results of 2017** (see details in section 3).

NATRA CONSOLIDATED EARNINGS

	2018					2017					Evolution 18 v 17				
€M	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
Turnover	87.8					86.4	85.8	95.5	104.8	**372.5**	2%				
EBITDA	8.5					3.9	5.2	5.7	8.0	**22.7**	120%				
Adjusted EBITDA	8.5					3.9	5.3	8.6	8.4	**26.2**	114%				
NET INCOME	2.0					-2.0	-1.5	-0.5	-5.9	**-9.9**	201%				
ADJUSTED NET INCOME	2.0					-1.9	-1.3	2.4	-5.5	**-6.4**	206%				
Net Debt	141.3					152.0	150.5	150.3	141.6		7%				

Favourable variations are positive

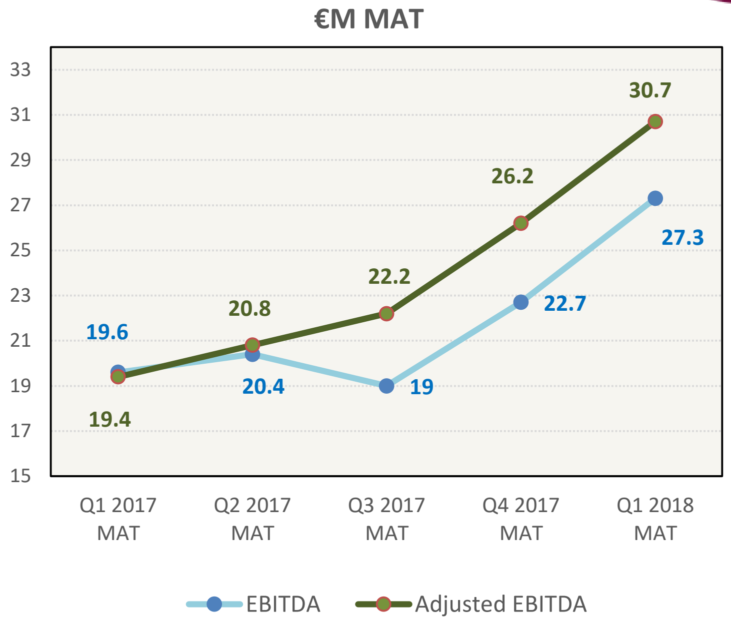
Natra and business performance

- **EBITDA** has grown steadily over the past four quarters. The EBITDA over the Moving Annual Total (**MAT**) period up to March 2018 - i.e. the EBITDA posted in the twelve months from April 2017 to March 2018, inclusive, was **€27.3m**, compared to €19.6m at March 2017.
  The **adjusted EBITDA** had a MAT at March 2018 of **€30.7m**, compared to €19.4m at March 2017.

- By arranging long-term **raw material** hedging and sourcing contracts, we were able to improve current margins, reducing volatility.

- The new **management team**, renovated during 2017, is now fully operational and ready to achieve the ambitious goals set for 2018 and subsequent years. The **Transformation Plan**, designed and implemented as from last year, based on a customer-centric model, tapping into synergies and enhancing operating and production efficiency, is generating tangible gains in all the financial metrics.

- During 2018, we continue optimising processes and channelling funds to measures aimed at becoming more **competitive** in the future. In 2017, we made an extraordinary budget allocation of €3.2m for improving competitiveness, which is now bearing fruit.




2. Financial
Results
Q1 2018

Consolidated Income Statement

(thousand euros)	March 2018	*Adjust-ments*	March 2018 Adjusted	March 2017	*Adjust-ments*	March 2017 Adjusted
Continuing operations:						
Net turnover	87,771		87,771	86,387		86,387
Procurements and Stock Movement	-52,226		-52,226	-59,089		-59,089
Employee benefits	-13,275		-13,275	-11,546		-11,546
Other operating income and expense	-13,801		-13,801	-11,897	*94*	-11,803
EBITDA	**8,469**	**0**	**8,469**	**3,855**	***94***	**3,949**
Depreciation/amortisation	-2,424		-2,424	-2,510		-2,510
Impairment of non-current assets	-1,740		-1,740	0		0
NET OPERATING INCOME/(LOSS)	**4,305**	**0**	**4,305**	**1,345**	***94***	**1,439**
Interest income and expense. Exchange differences	-3,108		-3,108	-2,855		-2,855
Change in fair value of financial instruments	1,831		1,831	0		0
PROFIT/(LOSS) BEFORE TAX	**3,028**	***0***	**3,028**	**-1,510**	***94***	**-1,416**
Corporate income tax	-993		-993	-501		-501
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**2,035**	***0***	**2,035**	**-2,011**	***94***	**-1,917**
PROFIT/(LOSS) FOR THE YEAR	**2,035**	***0***	**2,035**	**-2,011**	***94***	**-1,917**
Attributable to:						
Shareholders of the parent company	2,035	*0*	2,035	-2,011	*94*	-1,917

- ✓ **Turnover** is up 2% year on year, smaller than the volume effect (+5%) due to passing on lower raw material prices.
- ✓ **Procurements** were reduced owing to the lower raw material prices obtained through hedging.
- ✓ The growth in **Other Operating Income and Expense** corresponds mainly to increased machinery maintenance costs, a higher value of shipping costs and provisions for penalties.
- ✓ The increase in **Employee Benefits** is mainly due to the provision for bonuses for meeting objectives.
- ✓ The **Impairment of Non-Current Assets** corresponds to a building and a production line.
- ✓ The Change in the **Fair Value of Financial Instruments** corresponds to the change in value of the interest held in Laboratorios Reig Jofre.
- ✓ The greater **Corporate Income Tax** expense corresponds to the companies situated in Belgium and deferred tax adjustments.

NB: Details and explanations of Adjustments can be found in sections 4.1 and 4.2 of this document.

Consolidated Balance Sheet
March 2018 v March 2017

(thousand euros)	March 2018	March 2017
ASSETS		
Property, plant & equipment	53,182	56,946
Intangible assets	58,678	58,220
Deferred tax assets	9,416	9,036
Other non-current financial assets	103	232
TOTAL NON-CURRENT ASSETS	**121,379**	**124,434**
Inventories	55,356	53,829
Trade and other receivables	27,345	28,525
Financial Assets held-for-sale	19,848	27,433
Derivatives	3,215	118
Current tax assets	5,799	4,451
Other financial assets	1,035	5,503
Other current assets	270	626
Cash and cash equivalents	9,819	5,862
TOTAL CURRENT ASSETS	**122,687**	**126,347**
TOTAL ASSETS	**244,066**	**250,781**

(thousand euros)	March 2018	March 2017
EQUITY AND LIABILITIES		
Capital	7,922	6,324
Other reserves	17,952	23,644
TOTAL EQUITY	**25,874**	**29,968**
Bonds	8,938	9,877
Financial debt	122,925	127,552
Derivatives	3,932	3,293
Deferred tax liabilities	14,755	11,719
Other financial liabilities	2,374	3,145
Other liabilities and grants	1,431	1,280
Provisions for other liabilities & charges	703	774
TOTAL NON-CURRENT LIABILITIES	**155,058**	**157,640**
Trade and other payables	30,687	35,768
Current tax liabilities	7,662	7,176
Financial debt	13,065	10,612
Derivatives	0	3,057
Other financial liabilities	3,135	488
Other current liabilities	8,585	6,072
TOTAL CURRENT LIABILITIES	**63,134**	**63,173**
TOTAL EQUITY AND LIABILITIES	**244,066**	**250,781**

- ✓ Reduction of **Non-Current Assets**, due to impairment recognised in Q1 2018.
- ✓ Within **Current Assets**, the value of the *Financial Assets held-for-sale* has fallen, owing to the lower value of the company's interest in Laboratorios Reig Jofre in respect of its value in March 2017.
- ✓ *Equity* has fallen, mainly due to the losses from the previous year.
  Capital increase for the conversion of bonds in the first window (Q1 2018).
- ✓ In Non-Current Liabilities, **Financial Debt** has been reduced through repayments and the transfer to short term of amounts due in 2018 (€3.5m), partly offset by the effect of recognising the debt at amortised cost.
- ✓ Within **Current Liabilities**, certain *Derivatives* changed sign and were moved to Current Assets.

Evolution of Net Debt

The net debt can be calculated by extracting the information from the consolidated balance sheet included in this document.

(thousand euros)	March 2018	March 2017
Non-current debt		
Bonds	8,938	9,877
Long-term financial debt	122,925	127,552
Derivatives	3,932	3,293
Other financial liabilities	2,374	3,145
Current debt		
Short-term financial debt	13,065	10,612
Derivatives	0	3,057
Other financial liabilities	3,134	488
Financial debt	**154,368**	**158,024**
Cash and cash equivalents	-9,819	-5,862
Derivatives	-3,215	-118
Net Debt	**141,334**	**152,044**

- ✓ At 31 March 2018 and 2017, Natra recognised a Net Debt of **€141.3m** and **€152.0m**, respectively.
- ✓ The items *Long-Term Financial Debt* and *Bonds* include an increase of €3.5m in debt due to the financial restructuring at amortised cost, in pursuance of the reporting standards and as explained in the Annual Accounts 2017. This effect does not entail any movement of cash.
- ✓ Bonds were redeemed in a sum of €1.6m.
- ✓ The **reduction** in Net Debt by **€10.7m** over 2017 is due to the generation of cash during the year, which was used to reduce debt, increase the cash balance and offset the effect of recognising the debt at amortised cost, as mentioned above.

NB: Net Debt is defined in section 4.1

Sound Long-term Financial Structure

Amounts in €m	Debt March 2018
Nominal Value: Syndicated Loan	**144.7**
Syndicated Loan Binding Maturities Jan-18 to 2021	22.0
Syndicated Loan Maturities 2022	122.7
Nominal Value: Convertible Bonds	**13.2**
Nominal Value: Other Debts	**19.0**
Cash & Banks	**(9.8)**
Total Net Nominal Debt	**167.1**
Deferral of Amortised Cost Syndicated Loan & Convertible Bonds [No cash outflow]	**(25.8)**
Total Net Debt	**141.3**

Syndicated Loan €144.7m

- **85% of the binding maturities fall in 2022 [€122.7m]**
- **Reduction of the Nominal Value of the Syndicated Loan for the last 12 months [€4m]:** Through Repayment of the Revolving Credit (currently available to meet needs deriving from the seasonal nature of the business), Mandatory Repayments and Cash Sweep, offset by Interest Capitalisation (€1m) of one tranche.
- **Cash Sweeps:** The surplus cash generated each year during the effective period of the Syndicated Loan will be used to prepay amounts due in 2022.
- Average cost of the debt 3.3%
- Average amount of repayments 2018 - 2021: €5.5m

- The first conversion period for the company's **Convertible Bonds** was closed in January 2018. The equivalent nominal value of €1.6 million was converted, 11% of the total bonds issued. There is a conversion window every 6 months for the remainder, up to maturity in 2023.

Flexible, efficient Short-term Financial Structure

€M	March 2018
a) Total Liquidity Available	**21.2**
=> Available: Cash at March-18	9.8
=> Available: Undrawn Syndicated Loan	6.4
=> Available: Undrawn Syndicated Revolving Credit Facility	5.0
b) Average Operating Cash Flow Needed	**6.0**
a - b) Excess Short-Term Liquidity Available	**15.2**

- Natra has **more than enough structural liquidity to meet its short-term obligations** (**€15m** at end-March).
- At 31 March 2018, Natra still had €5m available from the syndicated revolving credit facility to meet seasonal cash requirements, plus a further €6.4m on tap as the undrawn part of its syndicated loan and other local credit facilities not fully drawn down.

3. Outlook for 2018

Outlook for 2018

€M	Actual 2016	Actual 2017	Outlook 2018 v 2017
Turnover	365.9	372.5	Increase
Adjusted EBITDA	22.1	26.2	Double-Digit Growth
EBITDA	22.4	22.7	Double-Digit Growth
Net Income	-12.2	-9.9	Profit
Net Debt	150.5	141.6	Reduction

The results obtained in the first quarter of 2018 confirm the positive outlook previously reported by Natra. We did not have to wait for the second half of the year to see a positive net profit, thanks to the good performance of sales volumes, exceeding the plan forecasts, and the improved margins.

TURNOVER

- Increase over 2017 due to larger volume of sales, partly offset by sales indexed to the raw material, the cost of which is lower than in 2017.

ADJUSTED EBITDA

- Earnings will improve over 2017 throughout the entire year, thanks to both the increased volume of sales and the efficiency programmes.

EBITDA

- EBITDA was hit in 2017 by the €3.2m extraordinary investment in competitiveness.

NET INCOME

- We trust that Natra will maintain net profits throughout 2018 and after.
- Key assumptions: No material changes in legislation during 2018 affecting Advance / Deferred Tax; and no significant depreciation in *Held-for-sale assets*.

NET DEBT

- Net Debt will continue to be lowered, thanks to repayment schedules and the use of cash surpluses for prepayment.

4.1 Appendix: Glossary

Glossary

Appendix 1

- **EBITDA**: Earnings before tax, interest, depreciation and amortisation. The company uses this metric to draw up its budget and monitor the extent to which it is met. It is also used for comparison with the previous year and as a measure of the company's ability to generate cash flows considering only its production and commercial activity.
- **Adjustments to EBITDA**: These are items not directly related with the company's normal production and commercial activities (Restructuring and Transformation plans; non-trade receipts from clients), which Natra considers hinder the comparison of EBITDA across different periods, affecting consistent generation of EBITDA and decision-making.
- **Adjusted EBITDA**: EBITDA plus/less Adjustments to EBITDA .
- **Adjusted Net Income**: Net Income plus/less Adjustments to Net Income. The Adjustments to Net Income are the samd as the Adjustments to EBITDA.
- **Net Debt** is the sum of the short and long-term financial debts of the company less the value of cash and derivative financial assets.

4.2 Appendix: Reconciliation of Alternative Performance Measures

Reconciliation alternative performance measures: Adjustments to EBITDA and Adjusted EBITDA

Appendix 2

(thousand euros)	March 2018	March 2017
EBITDA	**8,469**	**3,855**
Adjustments to EBITDA	-	**94**
- Restructuring plan		-
- Non-trade receipts from clients		
- Transformation plan		
- Other services rendered		94
Adjusted EBITDA	**8,469**	**3,949**

*NB: The breakdown of **EBITDA** and the Profit for the Year are shown in the Consolidated Profit and Loss Account (see section 2).*

Thank you for your attention