Natra posts adjusted net profit of €10.4 million in the first nine months of the year, contrasting with adjusted losses of €0.6 million last year

- **Net earnings for the period totalled €12.3 million, including the impact of Natra's stake in Laboratorios Reig Jofré**

- **Adjusted EBITDA grew 52% to €27.1 million**

- **The good results posted in the first three quarters of the year can be put down to a 6% growth in volumes of sales coupled with better margins**

- **Net debt has been cut by €15.4 million since September 2017 and available liquidity outweighs the company's cash requirements for operations by €16.9 million**

Madrid, 14 November 2018. Natra, a Spanish multinational and one of the leading European producers of chocolate confectionery and cocoa products, posted an adjusted year-to-date net income of €10.4 million at 30 September 2018, contrasting with the loss of €0.6 million recorded in the same period of last year.

The company's net profit rose to €12.3 million from losses of €4 million in the same period of 2017, buoyed by increased sales, enhanced yield and the revaluation of Natra's interest in Laboratorios Reig Jofré.

The good results can be put down to the combined effect of higher sales volumes (+6%), particularly in the consumer division, improved margins -especially in the industry division-, supported by efficient hedging of raw materials and the measures implemented since 2017 to enhance efficiency and cut operating costs. Sales revenues rose 2% to €270 million, trailing behind the growth in volume due to the effect of passing on lower raw material prices.

The EBITDA at September 2018 totalled €27 million, up 84% year on year from €14.7 million, with no significant adjustments to EBITDA in the first nine months of 2018.

Financial structure

Net debt was reduced by €15.4 million year on year and €4.2 million year to date, mainly through the generation of cash, which was used to repay debt and increase the cash balance.

Natra has a sound financial structure, both in the long term, as 85% of the syndicated loan of €140 million (nominal value) is not due until 2022, and structurally in the short term, since the available liquidity in September 2018 exceeded the average operating cash flow requirements by €16.9 million.

The second conversion period for its convertible bonds closed in July 2018, during which 0.4% of the total bonds issued were converted, equivalent to €66,000. Since the beginning of the first conversion period in January 2018, 11.3% of the total bonds issued in 2016 have been converted, equivalent to €1.7 million. There is a conversion window every 6 months for the remainder, up to maturity in 2023.

Conclusions

Earnings up to September 2018 exceeded Natra's earlier forecasts. A net income was obtained in the first quarter, earlier than expected, thanks to the increased volume of consumer sales and improved margins.

The company expects to close the year with increases in the main items on its income statement, led by both the higher sales volumes and the efficiency measures it has been implementing since 2017.

About Natra

The Spanish multinational Natra, founded in Valencia in 1943, is a benchmark among European producers of chocolate and cocoa products for private label and branded food companies, 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 exchange since 1991.

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