Presentation of Results Q4 2018

28 February 2019

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- In addition to the financial information prepared in accordance with the International Financial Reporting Standards ("IFRS"), this presentation includes certain Alternative Performance Measures ("*APMs*"), as defined in the Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415en), and certain *Non-IFRS financial measures*. The *APMs* and the *Non-IFRS financial measures* are financial performance measures based on Natra's financial reporting, but not defined or described within the applicable financial reporting regulations, so they have not been audited and are not entirely subject to audit.
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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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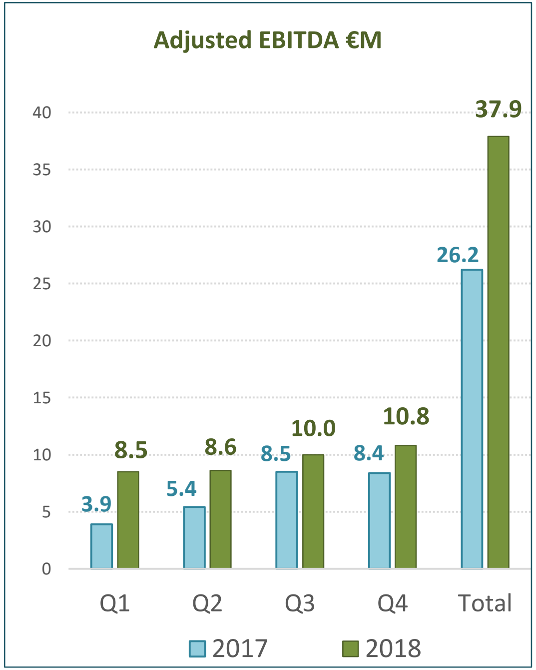
1. Executive Summary Q4 2018

Executive Summary Q4 2018



- Business growth at December 2018 was bolstered by a **7%** year-on-year increase in sales **volume**. **Turnover** was up **3%** vs 2017, trailing behind the volume effect as lower raw material prices were passed on.
- The 2018 earnings were fueled by the **growth in sales volumes** in the Consumer Division, coupled with the general improvement in margins thanks to raw material hedging and a favourable environment of those, portfolio optimisation and reduction of operating costs.
- Very positive results in all quarters of 2018, with an **Adjusted EBITDA** at December 2018 of **€37.9m**, a significant year-on-year growth.

  EBITDA was adjusted in the fourth quarter of 2017 and 2018 by €0.4m and €3.5m, respectively. *(*)*
- Buoyed by the EBITDA growth, Natra chalked up an **Adjusted Net Income** of **€14.3m** at December 2018. Adding in the income of €12.8m from the recognition of tax credits, the Adjustments to EBITDA and expenses of -€4.1m deriving from valuation adjustments to the financial portfolio, gives a Net Income of €23m. *(*)*

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

Executive Summary Q4 2018

- **Net Debt was reduced by €9.2m** year on year, thanks to the generation of cash during the year, which was applied to reducing debt and offsetting the effect of recognising debt at amortised cost, and to the conversion of bonds.
- The **Financial Structure** is sound both in the **Long Term**, as 86% of the syndicated loan of €137.1m 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 (see details in section 2)
- During 2018, Natra improved all its financial metrics by exploiting its ability to capture value in all product categories and trends, through a strong focus on customers.
- We expect to **continue throughout 2019 improving on the positive financial results of 2018,** following the trend of the Strategic Plan (see details in section 3).

CONSOLIDATED NATRA															
	2018					2017					Evolution 18 vs 17				
€M	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
Turnover	87,2	86,2	96,6	109,0	**379,0**	85,7	85,1	95,0	103,9	**369,7**	2%	1%	2%	5%	**3%**
EBITDA	8,5	8,5	10,0	7,3	**34,3**	3,9	5,1	5,7	8,0	**22,7**	118%	67%	75%	-9%	**51%**
Adjusted EBITDA	8,5	8,6	10,0	10,8	**37,9**	3,9	5,4	8,5	8,4	**26,2**	118%	59%	18%	29%	**45%**
NET INCOME	2,0	8,5	1,8	10,7	**23,0**	-2,0	-1,5	-0,5	-5,9	**-9,9**	200%	667%	460%	282%	**333%**
ADJUSTED NET INCOME	0,1	4,1	3,4	6,7	**14,3**	-1,9	-1,3	2,4	0,4	**-0,4**	105%	405%	42%	1465%	**3457%**
Net Debt	141,3	135,1	134,6	**129,6**		147,6	149,6	150,0	**138,8**		4%	10%	10%	7%	

Favourable variations are positive

NB: For ease of comprehension of the financial reporting: (i) certain items have been reclassified from Turnover to Expenses; (ii) two adjustments have been made to Net Income (Reig Jofre and utilisation of Deferred Tax Credits, see sections 4.1 and 4.2); and (iii) Net Debt includes the debit balances of cocoa bean deposits.
The same criteria has been applied for all items in the prior periods to facilitate comparison.

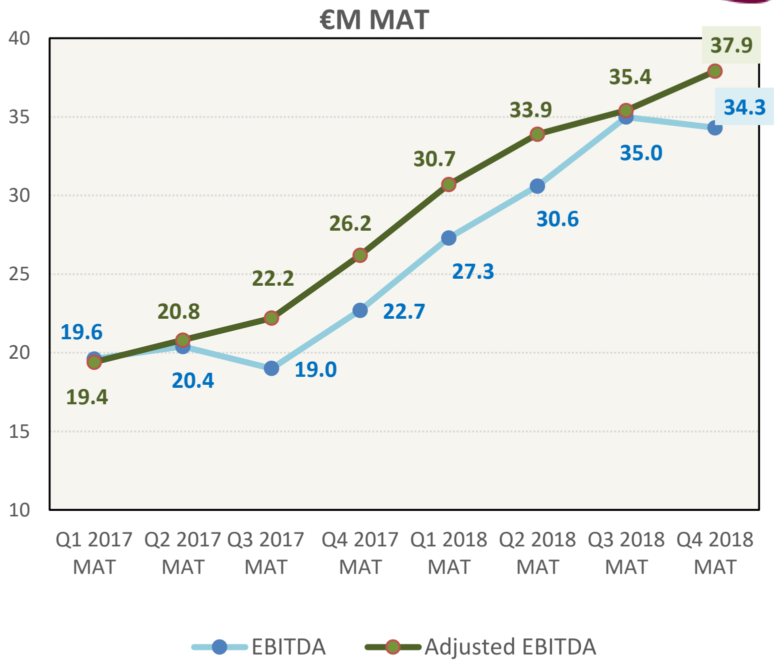
Natra and business performance

- **EBITDA** maintained steady growth throughout 2018. The Moving Annual Total (**MAT**) at December 2018 - *i.e. the EBITDA posted in the twelve months from January 2018 to December 2018, inclusive* - was **€34.3m**, compared to €22.7m at December 2017.
  The **Adjusted EBITDA** over the past 12 months, had a MAT of **€37.9m** at December 2018, compared to €26.2m at December 2017.

- By arranging long-term **raw material** hedging and sourcing contracts, Natra was able to improve current margins, reducing volatility and exploiting the favourable environment.

- 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 profits in all the financial metrics.

- During 2018, Natra continues optimising processes and channelling funds to measures aimed at becoming more **competitive** in the future.



2. Financial Results Q4 2018

Consolidated Income Statement

(thousand euros)	December 2018	*Adjust-ments*	December 2018 Adjusted	December 2017	*Adjust-ments*	December 2017 Adjusted
Continuing operations:						
Net turnover	379,010		379,010	369,656		369,656
Procurements and Stock Movement	-223,605		-223,605	-243,596		-243,596
Employee benefits	-55,860	*95*	-55,765	-52,866	*2,354*	-50,512
Other operating income and expense	-65,287	3,534	-61,753	-50,511	*1,150*	-49,361
EBITDA	**34,258**	***3,629***	**37,887**	**22,683**	***3,504***	**26,187**
Depreciation/amortisation	-9,276		-9,276	-9,911		-9,911
Impairment of non-current assets	-2,127		-2,127	0		0
NET OPERATING INCOME/(LOSS)	**22,855**	***3,629***	**26,484**	**12,772**	***3,504***	**16,276**
Interest income and expense. Exchange differences	-11,761		-11,761	-13,386		-13,386
instruments and change in fair value	-477	*477*	0	-5,937	*5,937*	0
PROFIT/(LOSS) BEFORE TAX	**10,617**	***4,106***	**14,723**	**-6,551**	***9,441***	**2,890**
Corporate income tax	12,393	-12,817	-424	-3,338		-3,338
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**23,010**	***-8,711***	**14,299**	**-9,889**	***9,441***	**-448**
NET INCOME/(LOSS)	**23,010**	***-8,711***	**14,299**	**-9,889**	***9,441***	**-448**
Attributable to:						
Shareholders of the parent company	23,010	*-8,711*	14,299	-9,889	*9,441*	-448

- ✓ **Turnover** is up 3% year on year, trailing behind the volume effect (+7%) due to passing on lower raw material prices.
- ✓ **Procurements** were reduced owing to the lower raw material prices obtained through hedging.
- ✓ The increase in **Employee Benefits** is due to the bonus for achieving results outperforming the objectives, for which a provision had been recognised, a larger amount of termination benefits and a provision for hand-over contracts.
- ✓ The increase in **Other Operating Expenses** corresponds mainly to extraordinary maintenance costs, higher shipping costs, expenses related with the takeover bid and a provision for obsolete assets.
- ✓ The **Impairment of Non-Current Assets** corresponds to a building and a production line.
- ✓ The **Impairment and Gains/(Losses) on disposals of Financial Instruments and change in fair value through profit or loss** corresponds to the change in value of the interest held in Laboratorios Reig Jofre.
- ✓ The **Income Tax** includes €12.8m of income from the recognition of tax credits, which does not affect the cash for the year.

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

Consolidated Balance Sheet
December 2018 vs December 2017

(thousand euros)	December 2018	December 2017
ASSETS		
Property, plant & equipment	53.372	56.825
Intangible assets	58.462	58.453
Financial assets at fair value through profit or loss	17.540	0
Deferred tax assets	22.309	9.810
Other non-current financial assets	104	177
TOTAL NON-CURRENT ASSETS	**151.787**	**125.265**
Inventories	57.134	56.887
Trade and other receivables	41.221	28.864
Financial assets at fair value through profit or loss	0	18.017
Current tax assets	6.911	4.970
Cocoa bean deposits	894	2.786
Other financial assets	3.104	1.095
Other current assets	419	143
Cash and cash equivalents	10.209	11.882
TOTAL CURRENT ASSETS	**119.892**	**124.644**
TOTAL ASSETS	**271.679**	**249.909**

(thousand euros)	December 2018	December 2017
EQUITY AND LIABILITIES		
Capital	7.988	6.324
Other reserves	37.863	13.035
TOTAL EQUITY	**45.851**	**19.359**
Bonds	8.993	9.988
Financial debt	114.014	120.973
Derivatives	4.116	4.078
Deferred tax liabilities	13.064	13.956
Other financial liabilities	1.839	2.445
Other liabilities and grants	1.148	1.485
Provisions for other liabilities & charges	2.682	706
TOTAL NON-CURRENT LIABILITIES	**145.856**	**153.631**
Provisions	3.874	
Trade and other payables	46.451	48.589
Current tax liabilities	5.825	5.990
Financial debt	12.873	13.822
Derivatives	96	1.361
Other financial liabilities	805	773
Other current liabilities	10.048	6.384
TOTAL CURRENT LIABILITIES	**79.972**	**76.919**
TOTAL EQUITY AND LIABILITIES	**271.679**	**249.909**

- Increase in **Non-Current Assets**, due to the recognition of tax credits and the reclassification to long-term of the shares in Laboratorios Reig Jofre.
- Within **Current Assets** there is an increase in trade receivables due to the smaller use of the factoring without recourse facility and the reclassification of the shares mentioned in the previous point to long term.
- In **Non-Current Liabilities**, financial debt has been reduced through repayments made during the year.
- **Current Liabilities** have increased due to the increase in trade payables, and provisions for bonuses and some costs related to the takeover bid, and other expenses.

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)	December 2018	December 2017
Non-current debt		
Bonds	8,993	9,988
Long-term financial debt	114,014	120,973
Derivatives	4,116	4,078
Other financial liabilities	1,839	2,445
Current debt		
Short-term financial debt	12,873	13,822
Derivatives	96	1,361
Other financial liabilities	805	773
Financial debt	**142,736**	**153,440**
Cash and cash equivalents	-10,209	-11,882
Cocoa bean deposits	-894	-2,786
Derivatives	-2,049	0
Net Debt	**129,584**	**138,772**

- ✓ At 31 December 2018 and 2017 Natra recognised a Net Debt of **€129.6m** and **€138.8m**, respectively.
- ✓ The items *Long-Term Financial Debt* and *Bonds* include an increase of €5m in debt due to the financial restructuring at amortised cost, in pursuance of the reporting standards and as explained in the Annual Accounts 2018. This effect does not entail any movement of cash.
- ✓ The **reduction** in Net Debt by €9.2m vs December 2017 was due to the generation of cash during the year, which was used to reduce debt and offset the above-mentioned effect of recognising the debt at amortised cost, and to the conversion of bonds.

NB: Net Debt is defined in section 4.1

Sound Long-term Financial Structure

Amounts in €m	Debt December 2018
Nominal Value: Syndicated Loan	**137.1**
Syndicated Loan Binding Maturities Jan. 2019 to 2021	18.5
Syndicated Loan Maturities 2022	118.6
Nominal Value: Convertible Bonds (maturity 2023)	**13.1**
Nominal Value: Other Debts	**13.8**
Cash & Banks	**(10.2)**
Total Net Nominal Debt	**153.8**
Deferral of Amortised Cost (Syndicated Loan & Convertible Bonds, etc. [No cash outflow]	**(24.2)**
Total Net Debt	**129.6**

Syndicated Loan €137.1m

- **86%** of **binding maturities** fall in **2022 [€118.6m]**.
- **Reduction** of the **Nominal Value of the Syndicated Loan** up to Q4 2018 **[€7.6m]:** Through Mandatory Repayments and Cash Sweep, partially offset by Interest Capitalisation of one of the tranches.
- **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: 3.07%
- Average amount of mandatory repayments 2019 - 2021: €6.1m.

- The first two conversion periods for the company's **Convertible Bonds** was closed in 2018. The equivalent nominal value of €1.7 million was converted, 11.3% of the total bonds issued in 2016.
- The third conversion window was still open at end-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.

Flexible, efficient Short-term Financial Structure

€M	December 2018
a) Total Liquidity Available	**37.8**
=> Available: Cash at December-18	10.2
=> Available: Undrawn Syndicated Loan	6.4
=> Available: Undrawn Syndicated Revolving Credit Facility	5.0
=> Available: Factoring available for discount	16.2
b) Average Operating Cash Flow Needed	**5.0**
a - b) Excess Short-Term Liquidity Available	**32.8**

- Natra has **more than enough structural liquidity to meet its short-term obligations** (**€32.8m** at end-December).
- At 31 December 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, together with €16.2m in commercial paper qualifying for discount.

3. Outlook for 2019

Outlook for 2019

€M	2017	2018	Outlook 2019 vs 2018
Turnover	369.7	379.0	Increase
Adjusted EBITDA	26.2	37.9	Increase
EBITDA	22.7	34.3	Increase
Net Income	-9.9	23.0	Profit
Net Debt	138.8	129.6	Reduction

Overall improvement in the financial dimensions in 2019, following the trend of the Strategic Plan

TURNOVER

- Increase over 2018, mainly due to larger volume of sales.

ADJUSTED EBITDA

- Earnings will improve over 2018 thanks to both the increased volume of sales and the efficiency programmes.

EBITDA

- EBITDA will improve, mainly due to the increase in Adjusted EBITDA.

NET INCOME

- Natra will continue to post profits.
  Although the growth in EBITDA during 2019 will directly affect Net Income, the effect of tax credits recognition is not expected to be so great as in the previous year (€12.8m in 2018).
- Key assumptions: No material changes in legislation during 2019 affecting Advance / Deferred Tax; and no significant depreciation in *Available-for-sale non-operating assets* or in *amortised cost.*

NET DEBT

- Net Debt will continue to be lowered, thanks to repayment schedules and the use of surplus cash to repay debt.

4.1 Appendix 1: 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; some costs related with the initiation of the takeover bid), 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: (i) the Adjustments to EBITDA, plus (ii) as from the H1 2018 Report and for the historical periods included for comparison, elimination of the impact reflected in *Impairment and Gains/Losses from Disposal of Financial Instruments* of changes in the value of Natra's interest in Laboratorios Reig Jofre to reduce the impact of volatility in that item on the net income, as Natra has no influence in those changes; plus (iii) as from Q4 2018 and for the historical periods included for comparison, elimination of the impact on Income Tax of the recognition of tax credits generated in prior years.
- **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 and cocoa deposits.

4.2 Appendix 2: Reconciliation of Alternative Performance Measures

Reconciliation alternative performance measures: Adjustments to EBITDA and Adjusted EBITDA

Appendix 2a

(thousand euros)	December 2018	December 2017
EBITDA	**34,258**	**22,683**
Adjustments to EBITDA	**3,629**	**3,504**
- Restructuring plan	95	2,354
- Non-trade receipts from clients		
- Transformation plan		900
- Other services rendered & takeover bid	3,534	250
Adjusted EBITDA	**37,887**	**26,187**

*NB: The breakdown of **EBITDA** is shown in the Consolidated Income Statement (see section 2).*

Reconciliation alternative performance measures:
Adjustments to Net Income and Adjusted Net Income

Appendix 2b

(thousand euros)	December 2018	December 2017
NET INCOME	**23,010**	**-9,889**
Adjustments to Net Income	**(8,711)**	**9,441**
-Adjustments to EBITDA	3,629	3,504
- Changes in fair value of interest in Laboratorios Relg Jofre	477	5,937
- Deferred tax	(12,817)	
Adjusted NET INCOME	**14,299**	**-448**

*NB: The breakdown of **Net Income** is shown in the Consolidated Income Statement (see section 2).*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