Natra's adjusted EBITDA up 19% in 2017 to €26.2 million

- **The company reduced its adjusted losses by 49% to €6.4 million**
- **Heavy investments made in 2017 to improve long-term competitiveness involved costs of €3.3 million, reported as adjustments to EBITDA**
- **Net debt was reduced by €8.9 million through the generation of cash during the year**
- **The company expects double-digit EBITDA growth in 2018, putting its accounts back in the black**

Madrid, 28 February 2018. Natra, a Spanish multinational and one of the leading European producers of chocolate confectionery and cocoa products, posted an adjusted EBITDA of €26.2 million in 2017, up 19% year on year and fulfilling the best estimates made in November. Without the adjustments made in this period, the EBITDA would have grown 1% to €22.7 million.

At the same time, adjusted net losses were cut by 49% to €6.4 million, contrasting with the €12.6 million losses sustained in 2016. Adding in the adjusted expenses would give the company a net loss of €9.9 million, a year-on-year reduction of 19%.

Adjustments of €3.5 million

By adjusting EBITDA, it is easier to compare the EBITDA of different periods and make a more realistic assessment of the evolution of business. Those adjustments are items not directly related with the company's normal production and commercial activities.

The items taken into account to calculate the adjusted EBITDA in 2017 totalled €3.5 million, of which €3.3 million was invested in making the company more competitive in the long term (€2.4 million in the restructuring plan and €0.9 million in the implementation of the group's new transformation plan).

Evolution of net earnings

The positive trend of EBITDA, posting year-on-year growth for the third quarter in succession, clearly indicates an improvement in the business yield, which is also reflected in the adjusted EBITDA margin, up one point to 7%. Sales grew 2% to €372.5 million.

Natra expects to continue improving all its financial metrics during 2018, in sales, costs and EBITDA margin and in reduction of its net debt. The company anticipates double-digit growth in EBITDA, returning to profits in the second half of the year, considering the seasonal nature of its business.

Financial structure

The company's net debt was reduced by €8.9 million (6%). This reduction was achieved mainly through the generation of cash during the year, used to repay debt and increase the cash balance.

Natra also has a sound long-term financial structure, as 85% of the syndicated loan of €145 million (nominal value) falls due in 2022 and thanks to its flexible terms, any surplus cash generated in each year can be used to prepay that loan.

In addition, the company has structural surplus cash available. At year-end 2017, it had a cash balance of €11.9 million, which, combined with other available credit facilities, gave it an available cash surplus of €17 million to meet its short-term obligations.

The first conversion period for its convertible debentures was still open in December 2017. The equivalent nominal value of €1.6 million was converted in Q1 2018, 11% of the total debentures issued. There is a conversion window every 6 months for the remainder, up to maturity in 2023.

Transformation Plan

During 2017, Natra devised a Transformation Plan to boost its sustainable growth, with some basic strategic lines: a customer-centric model to capture value in all product categories and trends, with greater cost and operating efficiencies.

This transformation began with the appointment of a new management team, commencing with the recruitment in March 2017 of a new CEO, Dominique Luna, and followed by the incorporation of new directors in other key areas.

Over the past few months, Natra has commenced implementation of its Transformation Plan, seizing business opportunities with customers and putting into practice its cost-saving and efficiency plan.

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 worldwide. 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 Madrid stock exchange since 1991.