

Natra posted a net profit of €5.4 million in the first quarter of the year

- **Adjusted earnings, after stripping out the €1.6 million income deriving from valuation of our financial portfolio, would be €3.8 million**
- **EBITDA in Q1 was €10 million, a year-on-year growth of 18%, with a 6% growth in sales**
- **Net debt was reduced by €12.4 million year on year to €128.9 million**

Madrid, 14 May 2019. Natra achieved a net profit of €5.4 million in the first quarter of the year, above the €2 million recorded in the same period of 2018. Of that sum, €1.6 million corresponded to adjustments in the valuation of our financial portfolio, so stripping out that revenue, the adjusted net profit would have been €3.8 million, versus the €0.2 million posted in 2018.

The first-quarter earnings were boosted by several factors, especially the growth in sales volumes in both the group's business divisions and the overall improvement in margins. The latter was achieved through long-term raw material hedging and sourcing contracts with local and global suppliers, helping to reduce volatility and turn an environment of favourable prices still to our advantage.

As a result, Natra's turnover grew by 6% during the period to €92.3 million; while EBITDA rose 18% to €10 million. If we include the adjustments to EBITDA, amounting to €0.4 million, the adjusted EBITDA would be €9.6 million, up from €8.6 million in Q1 2018.

Financial structure

Net Debt was reduced by €12.4 million from the same period of last year, to €128.9 million, thanks to the generation of cash during the year and the conversion of bonds.

Natra has a sound financial structure, both in the long term, as 86% of the syndicated loan of €137 million (nominal value) is not due until 2022, and structurally in the short term, since at the end-March 2019, for example, our liquidity exceeded the average operating cash flow requirements by €32.6 million.

The third conversion window for Natra's convertible bonds closed at the end of January 2019, with the conversion of bonds for a nominal value equivalent to €12.4 million, 83.5% of the total bonds issued in 2016. Since a further 11.3% of the bonds were converted in 2018, 5.2% are still pending conversion, for which there is a conversion window every six months, up to maturity in 2023.

As we have informed earlier, on 3 January 2019, World Confectionery Group (WCG) sent to the National Securities Market Commission (CNMV) the pre-announcement of a takeover bid for Natra. Subsequently, on 1 February, WCG filed an application with the CNMV for authorisation of the takeover bid, attaching the relevant prospectus. That prospectus was accepted by the CNMV for consideration on 21 February and the procedure then commenced for that consideration, which is ongoing at the date hereof. On 7 March 2019, WCG obtained authorisation from the EU anti-trust authorities so that condition has been met.

Conclusions

The improvement of all Natra's financial metrics continued throughout the first quarter of 2019, capturing value in all product categories and trends through a strong focus on customers.

This positive trend is expected to continue throughout the year and Natra will foreseeably continue generating profits.

About Natra

Natra is a benchmark among European producers of chocolate and cocoa products for private label and branded food companies. Founded in Valencia in 1943, Natra is now a multinational 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 exchanges since 1991.