Natra cut its losses by 68% in the first nine months of the year, posting an adjusted net income of -€0.9 million

- **The adjusted EBITDA grew 1% year on year by September to €17.8 million**

- **The adjustments were mainly due to the company's restructuring plan and new transformation plan, accounting for €3.1 million overall**

- **The debt remained more or less on a par with 2016, with €8.5 million in cash**

Madrid, 14 November 2017. Natra, a Spanish multinational and one of the leading European producers of chocolate confectionery and cocoa products, cut its adjusted losses by 68% in the first nine months of the year, bringing them down to €0.9 million from the €2.7 million loss recognised in 2016. Adding in the adjusted expenses would give the company a net loss of €4 million.

The adjusted EBITDA was up 1% to €17.8 million. Without the adjustments made in this period, the EBITDA would have been reduced by 19% to €14.7 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.

In this period, the items taken into account to calculate the adjusted EBITDA derive mainly from the restructuring plan, which entailed costs of €2.3 million in redundancy pay, and the cost of preparing and implementing the company's new transformation plan, amounting to €0.8 million. Overall, these costs totalled €3.1 million.

Another indicator showing that the business yield has improved is the adjusted EBITDA margin, which grew to 9% in the third quarter, from 7.4% in the third quarter of 2016.

The net debt remained practically at the same level as in September 2016, at €150.3 million, just €0.7 million higher than last year. This was due to the accounting of the amortised cost of certain liabilities and involved no cash flows. Stripping out these costs, the net debt would have been reduced by €2.5 million in this period. At September 2017, the company complies with all its financial covenants.

Natra has a sound long-term financial structure too, since 85% of the syndicated loan of a nominal €151 million is due in 2022 and it has the flexibility of being able to apply the surplus cash generated each year to prepayment of the loan. The company also has €8.5 million in cash, with a further €10.5 million on top in unused liquidity facilities.

Transformation Plan: a new business vision

The evolution of the market means that businesses must adapt to meet the changing demands of their clients. Natra has started implementing a Transformation Plan that will help to boost its sustainable growth, with some basic strategic lines: a customer-centric model, focusing on categories with a higher value added and enhancing cost and operating efficiency.

This transformation began with the appointment of a new management team. A new CEO, Dominique Luna, was appointed in March this year and new directors have since been incorporated in the commercial, finance, human resources and procurement areas. They are all professionals with considerable experience in multinationals of the food and beverages sector, so their work will be crucial for boosting Natra's growth.

In recent months, Natra has worked on a first strategic review of the company. Business opportunities are being identified in new markets and a cost-savings and efficiency plan has been devised and is being implemented, leading to the restructuring of a plant in Spain.

Full-year 2017 outlook

Natra expects a significant improvement in its business in the final quarter of the year, outstripping the 2016 earnings thanks to the consolidation of existing businesses and the new initiatives generated by the Transformation Plan.

Accordingly, EBITDA is expected to be around €21-23 million by year-end. Stripping out the adjusted costs of restructuring and launching the Transformation Plan, that figure would be €24-27 million, pointing to a very positive evolution of yield. Turnover is expected to remain in the order of €360-370 million and the net financial debt would remain stable.

About Natra

Natra is a Spanish multinational founded in Valencia in 1943. It is one of the leading European producers of chocolate and cocoa-derived products for private label and branded food companies and sells 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.