Results
January-September2020

29 October 2020

Free translation from the original in Spanish, in event of discrepancy, the Spanish-language version prevails)

Results note

Main highlights of the January-September 2020 results:

José Domingo de Ampuero y Osma, Chairman of the Viscofan Group: "We've been able to meet the increase in demand thanks to the increase in the range of products in the different technologies, the flexibility to adapt to the new world context, the industrial excellence in our production centres, the savings generated in the new cellulose and fibrous plant in Spain, and the good work of the entire Viscofan team. Thus, our financial results outperform initial expectations despite a more adverse scenario than expected in the main commercial currencies. Unfortunately, not everything has been positive and we have to mourn the death of two people from our team in the fire that started in the office area of our facilities in Serbia last July. "

- €671.9 million in revenue, 7.4% higher than the previous year, and 7.2% in like-for-like terms[1].
- €169.0 million in EBITDA[2], a growth of 18.0% compared to the previous year and 23.9% in like-for-like terms.
- Growth of 2.2 p.p. in the EBITDA margin, which stands at 25.1%, and 3.6 p.p. in like-for-like terms.
- €87.9 million in Net Profit, 20.9% higher than the previous year.
- €14.7 million of net bank debt[3] at September 2020, a decrease of 65.3% compared to €42.5 million at December 2019 thanks to the strength of operating results.

Implications of the COVID-19 pandemic in Viscofan

Given the situation caused by the COVID-19 pandemic, the Viscofan Group has focused on three main areas: protecting the health of workers, ensuring the supply of our products to the food chain and contributing to preventing and combating the expansion of COVID-19 and its effects.

In protecting health, hygiene measures have been reinforced, the mandatory use of face masks, distance measures and the frequency of cleaning and disinfection has increased. In addition, we have increased the health services, carried out frequent temperature measurements, implemented teleworking when possible, limited access to facilities, modified working hours and maintenance stoppages, maintained close communication with the staff and carried out awareness campaigns to avoid contagion both at work and in the home, among other measures.

These measures, together with the commitment of the professional team working at Viscofan are enabling the Group to fulfil its greatest responsibility as an essential food company. In this respect, there have been no interruptions in production in any plant due to the pandemic, thus ensuring supply to all our customers around the world, and even allowing us to meet certain increases in demand that are occurring in some countries.

In an environment of uncertainty and volatility, which has affected consumer behaviour around the world, there has been a global increase in demand for casings.

[1] Like-for-like: Comparable growth excludes the impact of the variation of the different exchange rates in 2020, changes in the scope of consolidation and non-recurring results of the business.
[2] EBITDA = Operating profit (EBIT) + Depreciation of property, plant and equipment and amortization.
[3] Net bank debt= Current and non-current bank debt - Cash and cash equivalents.

In this respect, the COVID-19 pandemic has not entailed changes in the strategic orientation, or revision of objectives, operations, financial results, economic situation and cash flows that put at risk the objectives presented to the market for the year as a whole.

Additionally, protection material has been purchased for our employees around the world, and more than 200,000 face masks have been donated to various institutions to protect people who have been more exposed to this new virus and food donations for the most vulnerable groups.

Performance of the business

On December 2019, the Viscofan Group incorporated the collagen casing companies in the United States and Canada, which were acquired from Nitta Gelatin Inc. (renamed as Viscofan Collagen USA Inc. and Viscofan Collagen Canada Inc.) improving customer proximity and completing the productive portfolio with this technology in North America. In 9M20, the acquired companies have contributed with €23.0 million to revenue and with €0.3 million to EBITDA.

In a year marked by the global expansion of the pandemic, the casings market has grown in the first nine months of the year, showing that casings are an essential ingredient for the production of basic food for millions of households around the world.

Prevention measures against COVID have also affected eating habits in many countries around the world. In this respect, during March and April there was higher demand for products intended for applications that generally tend to be consumed more in the home. Conversely, there was a decrease in demand for products intended for applications that are generally consumed outside or in restaurants. Volumes have continued to grow in the summer months, although the lifting of restrictions in the western northern hemisphere has reduced the tension in demand in this region while growth has been reactivated in the emerging regions.

To meet this demand, the Viscofan Group has increased the capacity utilization of its production centres while generating a safety stock that could deal with contingencies derived from restrictions on movement, or capacity closures caused by the COVID-19 pandemic.

Customers have valued the breadth of our portfolio, geographic proximity, and speed of response and security of supply as fundamental factors for Viscofan to have grown in market share in a context of high volatility and global uncertainty.

Thus, from an operational point of view, the Group has combined sales growth with a higher level of production and utilization of the installed capacity, and improved plant efficiency, especially in the case of the new cellulose and fibrous technology of the Plant 4 in Cáseda.

Unfortunately, in July a fire broke out at our production facilities located in Serbia in which two of our employees died. The fire that originated in the office area affected the auxiliary facilities of the plant and brought the production activity to a halt, which was completely resumed in August. Operating expenses associated with this incident amounted to €1.0 million. This amount is expected to be covered within the company's insurance policies.

Main financial figures

Selected figures. Viscofan Group income statement ('000 €)

	Jan-Sep' 20	Jan-Sep' 19	*Change*	*Like- for - like**	Jul-Sep' 20	Jul-Sep' 19	*Change*	*Like- for - like**
Revenue	671,891	625,840	7.4%	7.2%	224,864	215,949	4.1%	6.4%
EBITDA	168,970	143,226	18.0%	23.9%	58,703	50,329	16.6%	31.9%
EBITDA Margin	*25.1%*	*22.9%*	2.2 p.p.	3.6 p.p.	*26.1%*	*23.3%*	2.8 p.p.	5.7 p.p.
Operating profit	114,717	89,743	27.8%		41,156	32,377	27.1%	
Net profit	87,864	72,669	20.9%		30,520	26,981	13.1%	

*Like-for-like figure exclude the impact of the variation of the different exchange rates in 2020, changes in the scope of consolidation and non-recurring results of €2.3 million expenses related with the strike in the US facilities in 2019.

Revenue:

In a context of strong growth in the casings market, in the period up to September Viscofan has reinforced its global leadership by combining higher sales in all reporting geographic areas and in all product families.

Consequently, revenue in 9M20 amounted to €671.9 million, a growth of 7.4% vs. 9M19, +8.0 p.p. of which correspond to comparable casings sales thanks to volume growth and the improvement in the sales price mix, and +3.7 p.p. are due to the incorporation of Nitta Casings, compared to a decrease of -0.8 p.p. due to lower comparable sales of co-generation and -3.5 p.p. due to the variation in exchange rates, mainly BRL. In comparable terms, revenues for 9M20 grew 7.2% vs. 9M19 once the change in the scope of consolidation and the variation in exchange rates are excluded.

Of the total revenue, €643.7 million correspond to casing sales (+8.6% vs. 9M19), and €28.2 million to revenues from the sale of co-generation energy, which decreased by -14.9% vs. 9M19 due to lower energy remuneration in Spain.

In the first nine months, all reporting regions contributed positively to revenue growth. The geographical[4] breakdown of revenue in 9M20 is as follows:

- Europe and Asia (53.9% of the total): Revenues reached €362.3 million, 3.7% higher than 9M19 and 4.2% in like-for-like terms.

- North America (31.5% of the total): Revenue amounted to €211.4 million, revealing a growth of 16.1% on 9M19 and of 3.9% in like-for-like terms.

- Latin America (14.6% of the total): Revenues rose to €98.2 million, a growth of 4.1% compared to 9M19, and of 25.0% in like-for-like terms.

In the third quarter, revenue was €224.9 million, driven by higher volumes, the improvement in the sales price mix and the incorporation of Nitta Casings, which offset a more negative impact of exchange rate fluctuations mainly derived from the depreciation of the BRL and the USD against the EUR.

Quarterly revenue growth stands at 4.1% vs. 3Q19, +7.9 p.p. of which correspond to comparable casing sales, and +4.4 p.p. to the incorporation of Nitta Casings, while comparable co-generation sales eroded growth by -1.5 p.p. and exchange rate fluctuations by -6.7 p.p. In like-for-like terms, third quarter revenue grew 6.4% compared to the previous year

Of the total amount of the quarterly revenue, €216.3 million correspond to casing sales (+5.8% vs. 3Q19) which reaches a new quarterly all-time high, and €8.5 million to revenue from the sale of co-generation energy (-26.0% vs. 3Q19) due to the decrease in the price of energy in Spain and the lower electricity produced as a consequence of the shutdown of engines carried out to install the new co-generation engines that have greater efficiency and the possibility of partially using hydrogen as fuel.

[4] Revenue per origin of sales.

The geographical breakdown of revenue in 3Q20 is as follows:

- Europe and Asia (54.3% of the total): Revenue amounted to €122.0 million, 0.6% higher than 3Q19. Of the same, the sales of casings grew 2.8% vs. 3Q19, while revenues from the sale of electricity from co-generation fell by 24.7% vs. 3Q19. In like-for-like terms, revenues grew 2.1% compared to the previous year.

- North America (31.5% of the total): Revenue amounted to €70.9 million, revealing a growth of 13.1% on 3Q19 and of 3.0% in like-for-like terms.

- Latin America (14.2% of the total): Revenue amounted to €32.0 million, a decrease of 0.1% compared to 3Q19, while in like-for-like terms revenue grew 29.2%.

Operating expenses

In the first nine months, cost of consumption[5] grew 0.1% to €195.5 million, giving rise to a gross margin[6] of 70.9% (+2.1 p.p. vs. 9M19). In the third quarter, cost of consumption decreased by 2.3% to €71.4 million, placing the gross margin at 68.2% (+2.0 p.p. vs. 3Q19).

The highest output in all technologies coupled with high production efficiencies in the manufacturing centres has contributed to this performance. In addition, the production of cellulosic and fibrous under the new technology that was installed in Plant 4 in Cáseda (Spain) is allowing significant production savings in a period of high demand. On the other hand, the shortage of hides has increased the cost of the main collagen raw material, offset by the lower cost of some auxiliary raw materials, such as caustic soda or glycerine.

The accumulated average workforce at September 2020 stood at 4,936 people, showing an increase of 6.4% compared to the previous year, mainly due to the incorporation of Nitta Casings staff in the United States and Canada. Without taking into account the Nitta Casings staff, the average workforce grew by 2.3% compared to the previous year.

Personnel expenses increased by 10.9% in 9M20 vs. 9M19 to €167.6 million and by 7.9% in 3Q20 vs. 3Q19 to reach €53.4 million. This increase is mainly due to the incorporation of Nitta Casings staff in the United States and Canada, and also includes the extraordinary bonuses for presence paid in the second quarter, coinciding with the period of greatest global lockdown. Excluding Nitta Casings personnel in the United States and Canada, personnel expenses grew 3.7% in 9M20 vs. 9M19 and 1.7% in 3Q20 vs. 3Q19.

Other operating expenses grew 3.1% in 9M20 compared to 9M19 to €144.9 million. The increase in plant expenses, including cleaning and other expenses, and in transportation expenses, has been largely offset by the 8.5% decrease in energy supply expenses, and lower travel expenses as a result of the restrictions imposed on the movement of people due to the pandemic. In quarterly terms, Other operating expenses in 3Q20 stood at €44.2 million, 1.0% below 3Q19, with energy supply expenses decreasing 8.0% compared to 3Q19.

Operating profit

Revenue growth in a context of high productive activity, the productive efficiencies achieved and the savings from the new cellulose and fibrous technology in Spain translate into higher EBITDA and improved operating profitability in both reported and like-for-like terms.

Accumulated EBITDA in 9M20 grew 18.0% vs. 9M19 to €169.0 million, with an EBITDA margin of 25.1% (+2.2 p.p. vs. 9M19), while in like-for-like terms the EBITDA for 9M20 grew 23.9% compared to 9M19, with a comparable EBITDA margin of 26.9% (+3.6 p.p. vs. 9M19).

[5] Cost of consumption = Net purchases +/- Changes in inventory of finished goods and work in progress.
[6] Gross margin = (Revenue - Consumption costs) / Revenue.

In the third quarter, EBITDA grew by 16.6% to €58.7 million, leading EBITDA margin to 26.1% (+2.8 p.p. vs. 3Q19). In like-for-like terms, the quarterly EBITDA rose 31.9% with an EBITDA margin of 29.2% (+5.7 p.p. vs. 3Q19).

The lower need for investments in recent years is reflected in the amortisation expense, which in 9M20 stood at €54.3 million, 1.4% higher than 9M19, while in 3Q20 it stood at €17.5 million, -2.3% lower compared to 3Q19.

Consequently, the Group obtained an Operating Profit of €114.7 million in the first nine months of the year (+27.8% vs. 9M19), with the third quarter contributing €41.2 million (+27.1% vs. 3Q19).

Financial result

In the 9M20 accumulated period, the net financial result has been positive with +€1.9 million (+€1.6 million in 9M19).

This performance contrasts with the net financial results of the third quarter, with a negative net financial result of -€0.5 million, compared to the positive net financial result of €1.5 million in 3Q19. The variation is mainly due to exchange differences, where currency weakness in the third quarter implies negative exchange differences of €0.3 million against positive exchange differences of €1.9 million at 3Q19.

Net profit

The Profit before tax accumulated at September 2020 reached €116.6 million (+27.6% vs. 9M19). From this figure, €28.7 million of corporate income tax expense is deducted, which increased by 53.4% compared to the same period of the previous year due to higher growth in countries with a higher effective tax rate. Consequently, the effective tax rate at 9M20 is 24.6% versus 20.5% at 9M19.

In the third quarter, the Profit before tax is €40.6 million (+19.8% vs. 3Q19) with a corporate income tax expense of €10.1 million that places the effective tax rate of the quarter at 24.9% (20.4% in 3Q19).

Finally, Net profit stands at €87.9 million, a growth of 20.9% vs. 9M19. In the third quarter, the net profit was €30.5 million, a growth of 13.1% vs. 3Q19.

Investment

In the first nine months of the year, a total of €27.2 million have been invested, 26.8% less than the €37.1 million invested in 9M19. An implementation level equivalent to 50% of the expected investment for the year, reflecting the difficulty of carrying out ambitious investment projects in the current environment.

In a context of growth and in line with the MORE TO BE strategic plan, none of the significant investment projects planned for this year have been cancelled, so those that are not fully implemented will be carried out in the 2021 financial year.

Financial liabilities

As part of the action plan against COVID-19, Viscofan has increased the cash item to €79.3 million with the aim of having greater guarantees against contingencies that may arise in an environment of such uncertainty as we are currently experiencing.

In addition, the strength of the results has resulted in a solid generation of cash flow placing net bank debt at the end of September 2020 at €14.7 million, a decrease of 65.3% compared to €42.5 million recorded in

December 2019. Net financial debt[7] at the end of September 2020 stood at €53.6 million, 40.0% less than €89.4 million in December 2019.

Dividends paid in 2020

On 4 June 2020, as per the distribution of profit from 2019 approved by the General Shareholders' Meeting, the final dividend of €0.96 gross per share was paid out (total of €44.5 million). This final dividend, coupled with the interim dividend paid in December 2019 and the bonus for attending the Shareholders' Meeting, makes for a total of €1.62 per share, 1.3% more than in the previous year.

[7] Net financial debt = Current and non-current bank debt + Current and non-current financial liabilities - Current financial assets - Cash and cash equivalents

Viscofan Group profit and loss account. 9M20 ('000 €)

	Jan-Sep' 20	Jan-Sep' 19	*Change*
Revenues	671,891	625,840	7.4%
Other operating income	4,845	3,655	32.6%
Self-constructed assets	226	192	17.7%
Variation in stocks of finished products and work-in-progress	11,741	1,078	989.1%
Net purchases	-207,268	-196,397	5.5%
Personnel expenses	-167,642	-151,208	10.9%
Other operating expenses	-144,872	-140,468	3.1%
Capital grants	387	449	-13.8%
Impairments	-21	-72	-70.8%
Results coming from disposals of non-current assets	-317	157	c.s
Other results	0	0	n.s.
Recurring EBITDA	168,970	145,547	16.1%
Recurring EBITDA margin	*25.1%*	*23.3%*	*1.8 p.p.*
Non-recurring results	0	-2,321	n.s.
EBITDA	168,970	143,226	18.0%
EBITDA margin	*25.1%*	*22.9%*	*2.2 p.p.*
Amortization and depreciation	-54,253	-53,483	1.4%
Operating profit	114,717	89,743	27.8%
Operating profit margin	*17.1%*	*14.3%*	*2.8 p.p.*
Financial incomes	461	198	132.8%
Financial expenditures	-1,228	-1,431	-14.2%
Changes in reasonable value of financial instruments	0	0	n.s.
Exchange differences	2,625	2,880	-8.9%
Impairment and results coming from disposals of financials assets	0	0	n.s.
Financial results	1,858	1,647	12.8%
Profit from associated companies	0	0	n.s.
Profit before taxes	116,575	91,390	27.6%
Taxes	-28,711	-18,721	53.4%
Profit after taxes from continued operations	87,864	72,669	20.9%
Profit after taxes from interrupted operations	0	0	n.s.
Net profit	87,864	72,669	20.9%
a) Net profit attributable to the parent comany	87,864	72,688	20.9%
b) Net profit attributable to minority interests	0	-19	n.s.

Viscofan Group Profit and loss account. 3Q20 ('000 €)

	Jul-Sep' 20	Jul-Sep' 19	*Change*
Revenues	224,864	215,949	4.1%
Other operating income	2,712	1,350	100.9%
Self-constructed assets	79	64	23.4%
Variation in stocks of finished products and work-in-progress	-6,570	-11,044	-40.5%
Net purchases	-64,825	-62,023	4.5%
Personnel expenses	-53,394	-49,485	7.9%
Other operating expenses	-44,232	-44,695	-1.0%
Capital grants	127	150	-15.3%
Impairments	157	-7	c.s
Results coming from disposals of non-current assets	-215	70	c.s
Other results	0	0	n.s.
Recurring EBITDA	58,703	50,791	15.6%
Recurring EBITDA margin	*26.1%*	*23.5%*	*2.6 p.p.*
Non-recurring results	0	-462	n.s.
EBITDA	58,703	50,329	16.6%
EBITDA margin	*26.1%*	*23.3%*	*2.8 p.p.*
Amortization and depreciation	-17,547	-17,952	-2.3%
Operating profit	41,156	32,377	27.1%
Operating profit margin	*18.3%*	*15.0%*	*3.3 p.p.*
Financial incomes	235	97	142.3%
Financial expenditures	-486	-483	0.6%
Changes in reasonable value of financial instruments	0	0	n.s.
Exchange differences	-277	1,909	c.s
Impairment and results coming from disposals of financials assets	0	0	n.s.
Financial results	-528	1,523	c.s
Profit from associated companies	0	0	n.s.
Profit before taxes	40,628	33,900	19.8%
Taxes	-10,108	-6,919	46.1%
Profit after taxes from continued operations	30,520	26,981	13.1%
Profit after taxes from interrupted operations	0	0	n.s.
Net profit	30,520	26,981	13.1%
a) Net profit attributable to the parent comany	30,520	26,988	13.1%
b) Net profit attributable to minority interests	0	-7	n.s.

Consolidated balance sheets ('000 €) - ASSETS

	Sep'20	Dec '19	*Change*
Intangible assets	18,603	19,635	-5.3%
Goodwill	2,639	2,671	-1.2%
Others intangible asset	15,964	16,964	-5.9%
Tangible assets	462,713	514,326	-10.0%
Real state investments	0	0	n.s.
Investment accounting ussing the equity method	0	0	n.s.
Non-current financial assets	1,969	2,376	-17.1%
a) At fair value through profit and loss	633	633	0.0%
Of which "Designated upon initial recognition"	633	633	0.0%
b) At fair value with changes in other comprehensive income	0	0	n.s.
Of which "Designated upon initial recognition"	0	0	n.s.
c) At amortized cost	1,336	1,743	-23.4%
Non-current derivatives	0	96	n.s.
Cash flow hedges	0	96	n.s.
Others	0	0	n.s.
Deferred tax assets	25,330	28,432	-10.9%
Other non-current assets	0	0	n.s.
NON-CURRENT ASSETS	508,615	564,865	-10.0%
Non-current assets held for sale	0	0	n.s.
Inventories	279,575	277,390	0.8%
Trade and other receivables	181,745	184,347	-1.4%
Trade debtors	159,443	167,341	-4.7%
Other debtors	17,613	15,484	13.7%
Current tax assets	4,689	1,522	208.1%
Current financial assets	821	815	0.7%
a) At fair value through profit and loss	746	746	0.0%
Of which "Designated upon initial recognition"	746	746	0.0%
b) At fair value with changes in other comprehensive income	0	0	n.s.
Of which "Designated upon initial recognition"	0	0	n.s.
c) At amortized cost	75	69	8.7%
Current derivatives	1,893	2,768	-31.6%
Cash flow hedges	1,530	2,721	-43.8%
Others	363	47	672.3%
Other current assets	4,665	3,454	35.1%
Cash and cash equivalents	79,312	51,370	54.4%
CURRENT ASSETS	548,011	520,144	5.4%
TOTAL ASSETS	1,056,626	1,085,009	-2.6%

Consolidated balance sheets ('000 €) - EQUITY AND LIABILITIES

	Sep'20	Dec '19	*Change*
Share capital	32,550	32,550	0.0%
Share issue premium	12	12	0.0%
Reserves	766,201	737,899	3.8%
Treasury shares	-6,031	-6,487	-7.0%
Profit for previous years	0	0	n.s.
Received from associates	0	0	n.s.
Net profit of the period attributable to the parent company	87,864	105,577	-16.8%
Less: Interim dividend	0	-30,127	n.s.
Other equity instruments	262	262	0.0%
SHAREHOLDER´S FUNDS	**880,858**	**839,686**	**4.9%**
Items that are not reclassified to profit or loss for the period	0	0	n.s.
Equity instruments through other comprehensive income	0	0	n.s.
Others	0	0	n.s.
Items that may subsequently be reclassified to profit or loss for the period	-128,859	-55,320	132.9%
Hedge transactions	-2,795	1,662	c.s.
Currency translation differences	-126,064	-56,982	121.2%
Share in other comprehensive income for investments in joint ventures and others	0	0	n.s.
Debt instruments at fair value through other comprehensive income	0	0	n.s.
Others	0	0	n.s.
ACCUMULATED OTHER COMPREHENSIVE INCOME	-128,859	-55,320	132.9%
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	751,999	784,366	-4.1%
Non-controlling interests	0	0	n.s.
EQUITY	751,999	784,366	-4.1%
Grants	1,317	1,551	-15.1%
Non-current provision	38,701	33,602	15.2%
Non-current financial liabilities	83,294	86,301	-3.5%
Bank debt	52,963	55,234	-4.1%
Other financial liabilities	30,331	31,067	-2.4%
Deferred tax liabilities	16,210	23,669	-31.5%
Non-current derivatives	2,950	0	n.s.
Cash flow hedges	2,950	0	n.s.
Others	0	0	n.s.
Other non-current liabilities	0	0	n.s.
NON-CURRENT LIABILITIES	142,472	145,123	-1.8%
Liabilities linked to non-current assets held for sale	0	0	n.s.
Current provisions	8,132	8,959	-9.2%
Current financial liabilities	50,482	55,331	-8.8%
Bank debt	41,096	38,677	6.3%
Other financial liabilities	9,386	16,654	-43.6%
Trade and other payable accounts	100,481	90,893	10.5%
Trade creditors	59,141	58,393	1.3%
Other creditors	26,772	27,342	-2.1%
Current tax liabilities	14,568	5,158	182.4%
Current derivatives	2,155	125	1624.0%
Cash flow hedges	1,993	40	4882.5%
Others	162	85	90.6%
Other current liabilities	905	212	326.9%
CURRENT LIABILITIES	162,155	155,520	4.3%
TOTAL EQUITY AND LIABILITIES	1,056,626	1,085,009	-2.6%

Reporting exchange rates (Currency/€)

Average exchange rates (Currency/€) | End period (Currency/€)

	9M20	9M19	% Change	Sep 20	Dec 19	% Change
Euro	1.000	1.000	0.0%	1.000	1.000	0.0%
US Dollar	1.124	1.124	0.0%	1.171	1.123	-4.0%
Canadian Dollar	1.521	1.494	-1.8%	1.568	1.460	-6.9%
Mexican Peso	24.513	21.633	-11.7%	26.185	21.220	-19.0%
Brazilian real	5.705	4.367	-23.5%	6.604	4.528	-31.4%
Czech crown	26.381	25.702	-2.6%	27.210	25.408	-6.6%
British Pound	0.884	0.883	-0.2%	0.912	0.851	-6.8%
Serbian Dinar	117.578	117.970	0.3%	117.580	117.593	0.0%
Chinesse yuan remminbi	7.858	7.700	-2.0%	7.994	7.816	-2.2%
Uruguayan Peso	47.021	38.757	-17.6%	49.847	41.912	-15.9%
Australian Dollar	1.663	1.607	-3.4%	1.647	1.603	-2.7%
New Zealand Dollar	1.763	1.692	-4.0%	1.773	1.668	-5.9%

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All results information can be consulted on Viscofan Group website.

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This document may contain additional non-compulsory forward-looking statements on intentions or expectations of the Company as of the date of its publication whose only purpose is to provide further information on perspectives on future performance.

Such forward-looking statements do not constitute any guarantee of future performance and involve risks and uncertainties as well as other important factors that could cause actual developments or results to differ essentially from those expressed in our forward-looking statements.

Analysts and investors in particular as well as any other persons or entities who must take decisions or give advise on investments in the Company should not place undue reliance on those forward-looking statements.

The financial information contained in this document has been prepared under International Financial Reporting Standards (IFRS). This financial information is unaudited and, therefore, subject to potential future modifications.

Alternative Performance Measures

The Viscofan Group has included in this report various Alternative Performance Measures (hereinafter APMs), as established in APM Guidelines published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es) and adopted by the National Securities Market Commission (the CNMV).

This involves a series of measures designed using the financial information of Viscofan, S.A. and its subsidiary companies, and they are complementary to the financial information drawn up in agreement with International Financial Reporting Standards (IFRS). Under no circumstance should they be assessed separately or considered a substitute.

They are measures used internally in decision making processes and which the Board of Directors decides to report externally as it considers they provide additional information that is useful in the analysis and assessment of the Viscofan Group's results and its financial situation.

The APMs included in this report are as follows:

- The EBITDA, or operating profit before depreciation and amortisation, is calculated excluding depreciation and amortisation costs from the operating profit. The EBITDA is a measure that is commonly reported and widespread among analysts, investors and other stakeholders in the casing industry. The Viscofan Group uses this measure to monitor the business' development and to establish operational and strategic objectives in Group companies. However, it is not a defined indicator in IFRS and, therefore, it may not be compared with other similar indicators employed by other companies in their reports.

- Cost of consumption: This is calculated as the net amount of supplies plus the change in finished and unfinished products. Management monitors cost of consumption as one of the main cost components for Viscofan. The weight of net revenue for this cost component on revenue or gross margin is also analysed to study the operating margin's development. However, it is not a defined indicator in IFRS and consumption costs must not be considered a substitute for the different items in the profit and loss account that comprise them. Furthermore, it may not be compared with other similar indicators employed by other companies in their reports.

- Net bank debt: This is calculated as non-current borrowings plus current borrowings netted from cash and cash equivalents. Management considers net bank debt to be relevant to shareholders and other stakeholders as it provides an analysis of the Group's solvency. However, net bank debt should not be considered a substitute for gross bank debt in the consolidated balance sheet, nor other liability or asset items that may affect the Group's solvency.

- Net financial debt: This is calculated as non-current and current bank debt plus non-current and current other financial liabilities netted from current financial assets, cash and cash equivalents. Management considers net financial debt to be relevant to shareholders and other stakeholders as it provides an analysis of the Group's solvency. However, net financial debt should not be considered a substitute for gross financial debt in the consolidated balance sheet, nor other liability or asset items that may affect the Group's solvency.

- Like-for-like revenue and EBITDA: This measure excludes the impact of exchange rate variations on the comparable previous period, the change in the scope of consolidation and the non-recurring impacts of the business in order to present a homogeneous comparison of the Viscofan Group's development. However, like-for-like revenue and EBITDA are not defined indicators in IFRS and, therefore, they may not be compared with other similar indicators employed by other companies in their reports, nor may they be considered a substitute for the business development indicators defined in IFRS.