



January-September 2020

Results

29 October 2020



9M20 results. Highlights

+7.4%

Revenue grew in 9M20 to **€671.9 million**, +7.2% in like-for-like terms.

+18.0%

EBITDA grew in 9M20 to **€169.0 million**, +23.9% in like-for-like terms.

+2.2 p.p.

EBITDA margin rose to **25.1%**, +3.6 p.p. in like-for-like terms.

+20.9%

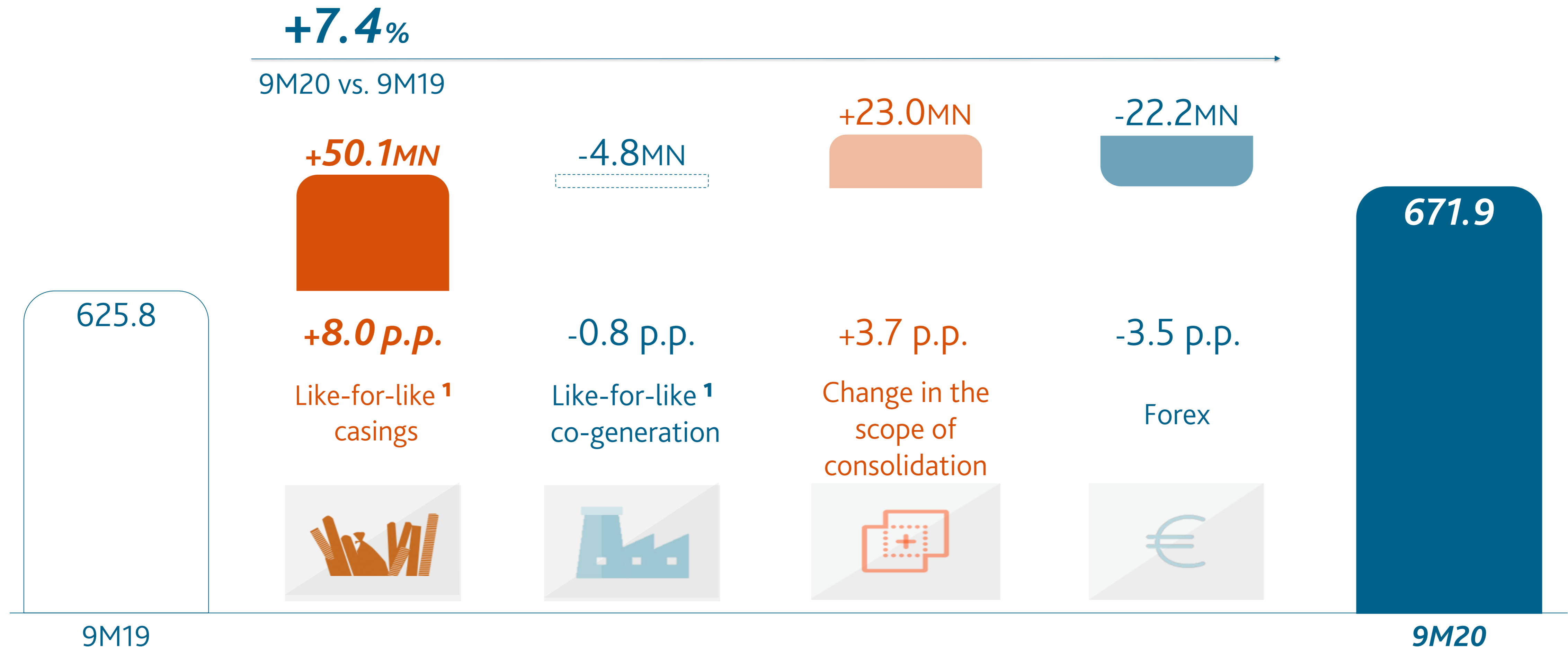
Net profit in 9M20 grew to **€87.9 million**.

-65.3%

Net bank debt at September 2020 **was reduced to €14.7 million** from €42.5 million at December 2019 thanks to the strength of the operating results.

Higher revenue driven by volume growth, price mix improvement and Nitta Casings contribution against an adverse forex environment

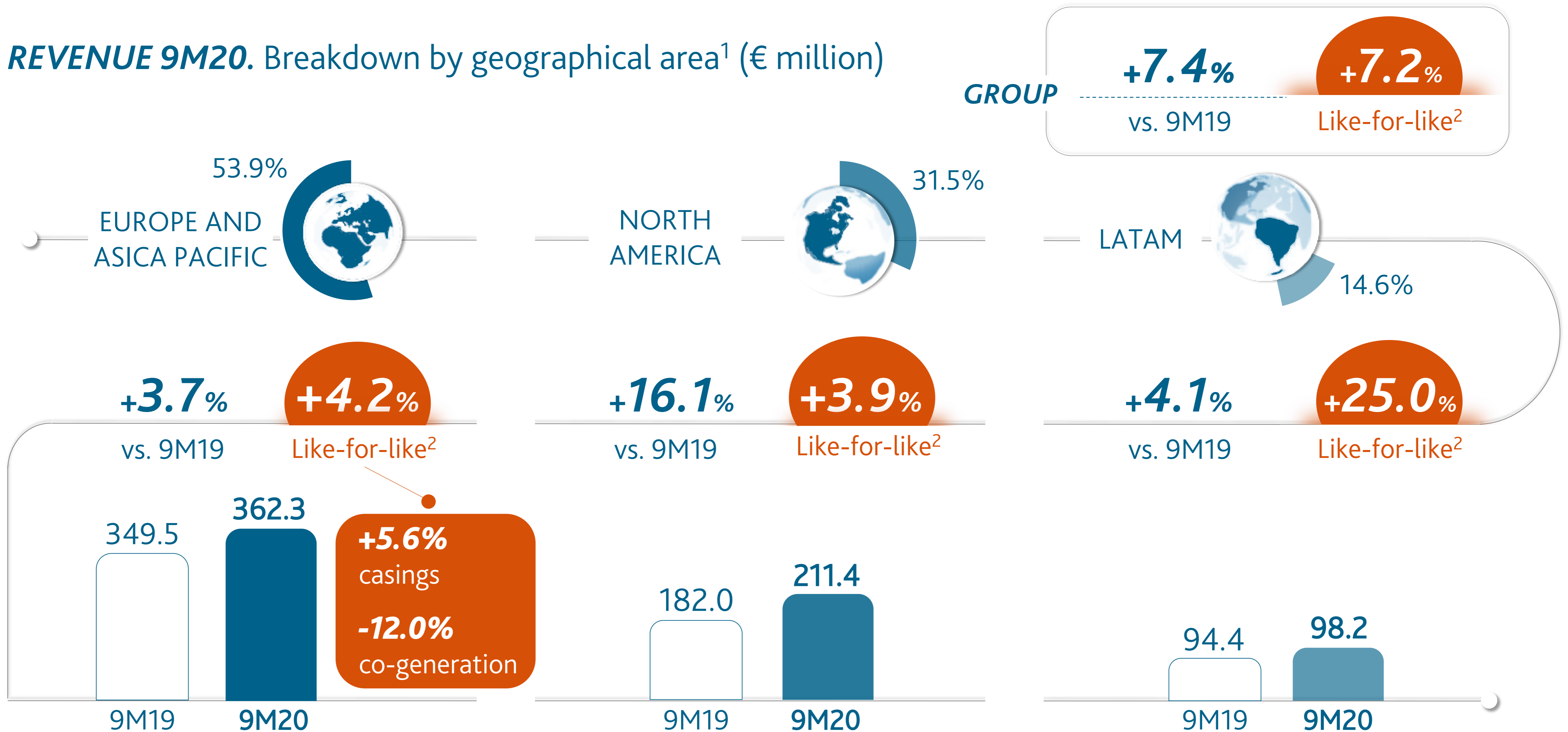
REVENUE 9M20. Growth contribution (€ million)



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.

Growth in all reporting areas

REVENUE 9M20. Breakdown by geographical area¹ (€ million)

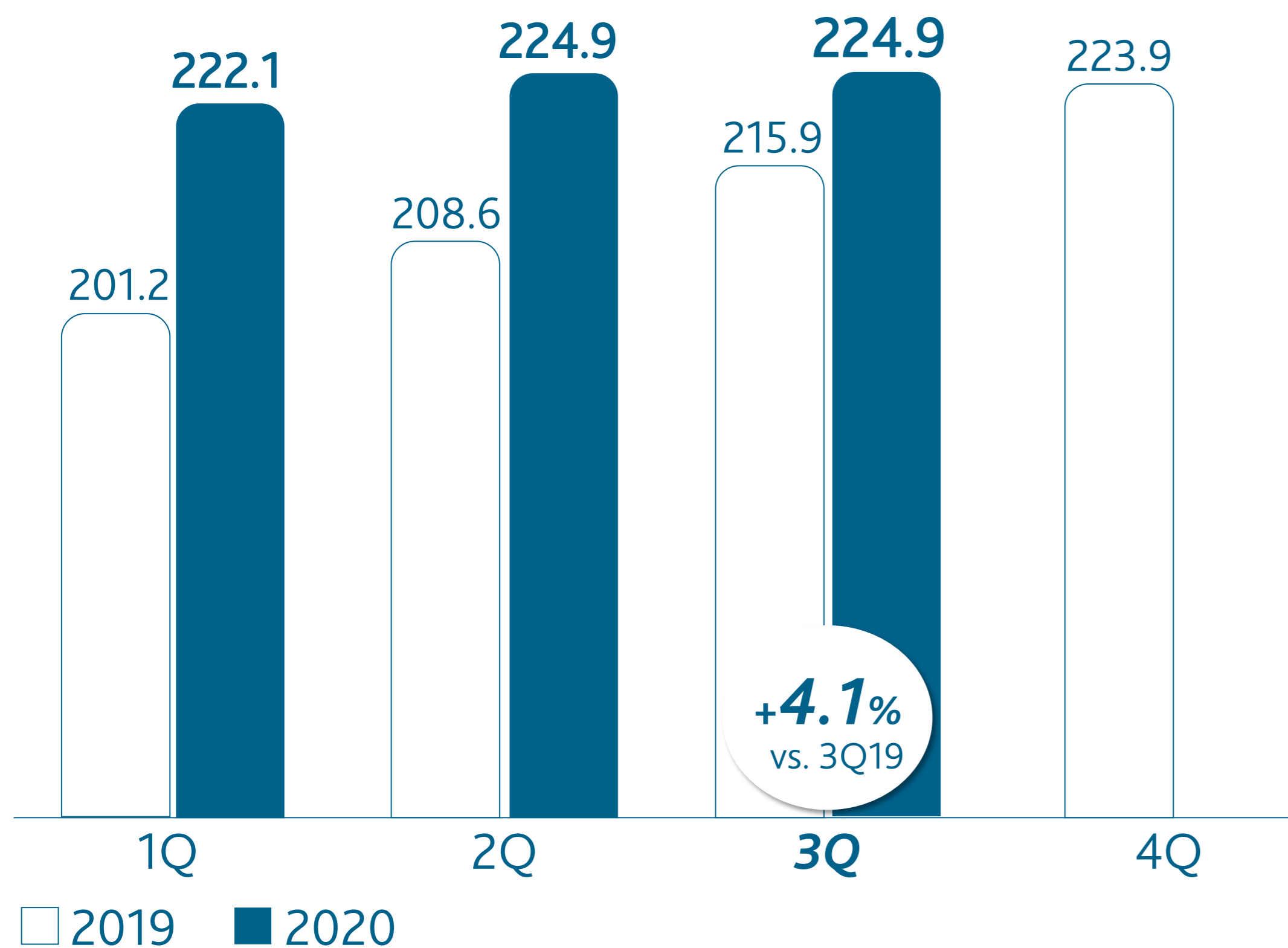


¹ Revenue per origin of sales.

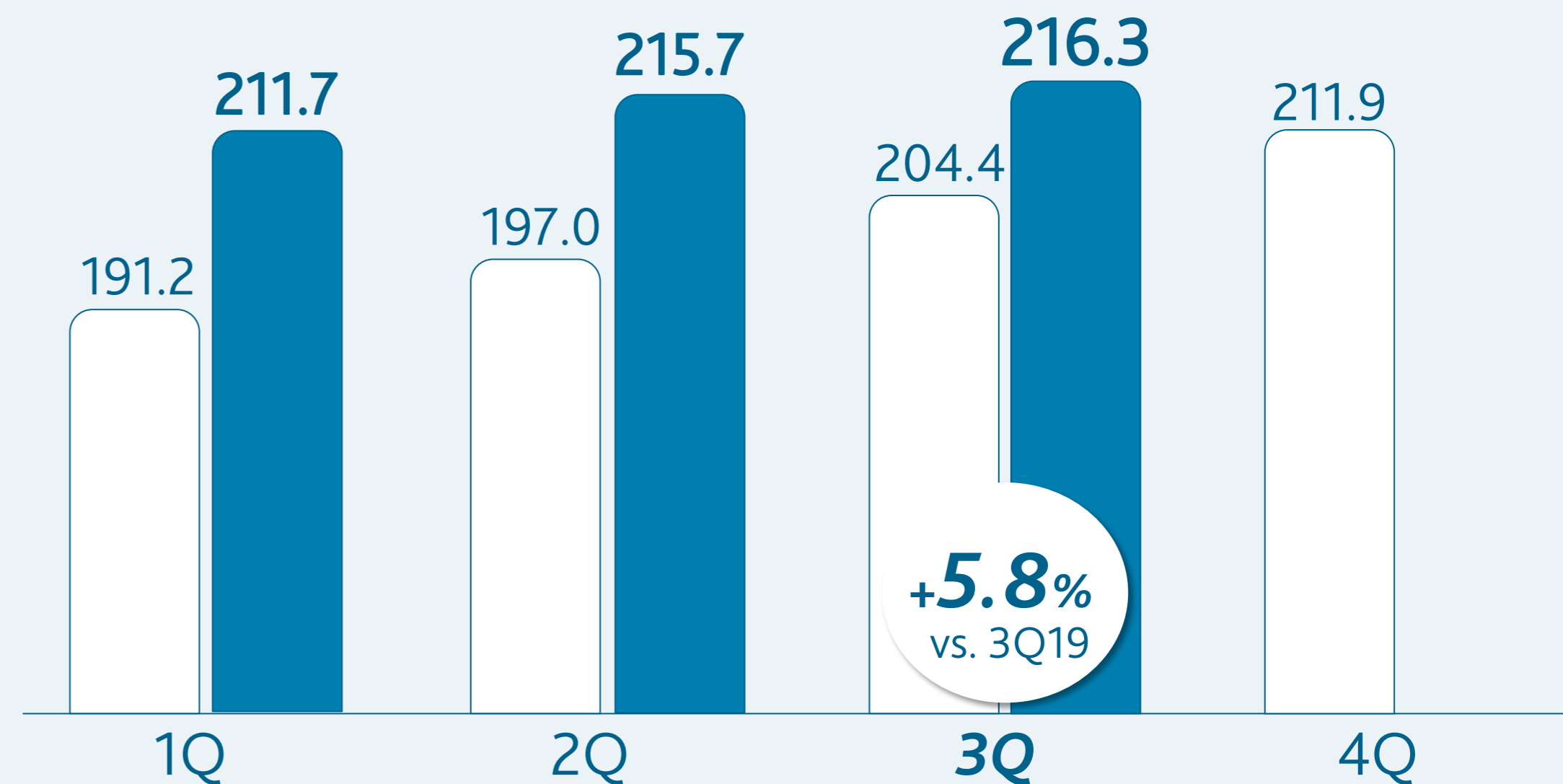
Viscofan ² Like-for-like: Excludes the impact of the different exchange rates in 2020, the change in the scope of consolidation and non-recurring impacts.

All-time high in casings quarterly revenue...
 ... in contrast to the decline in co-generation revenue

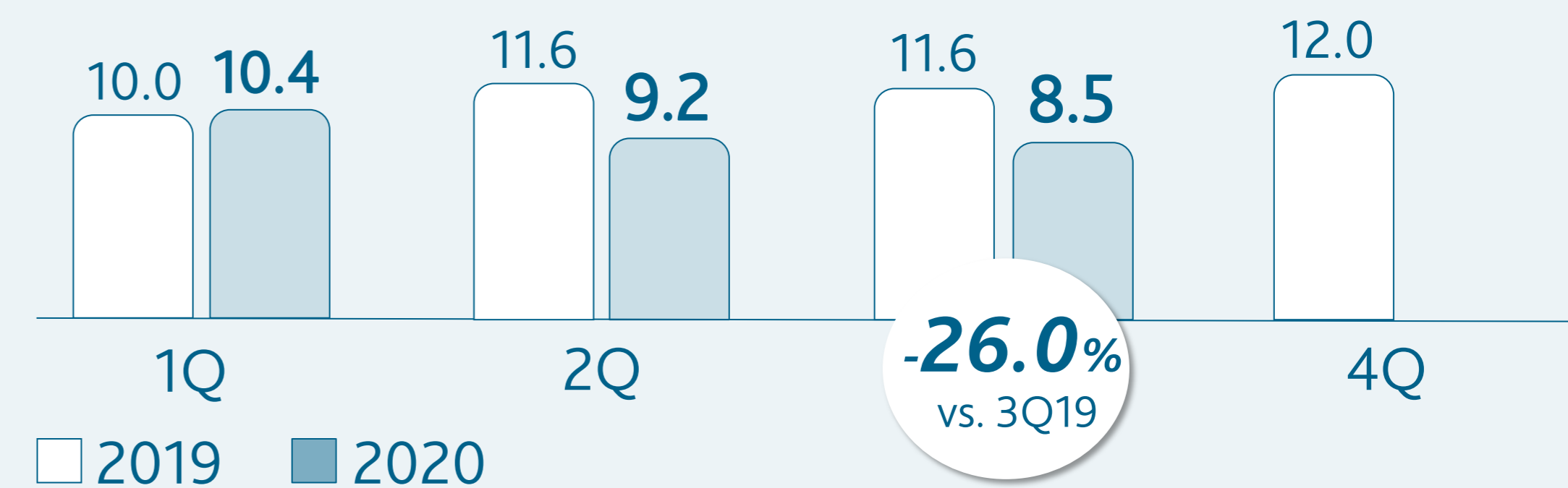
REVENUE. Viscofan Group (€ million)



CASINGS SALES (€ million)

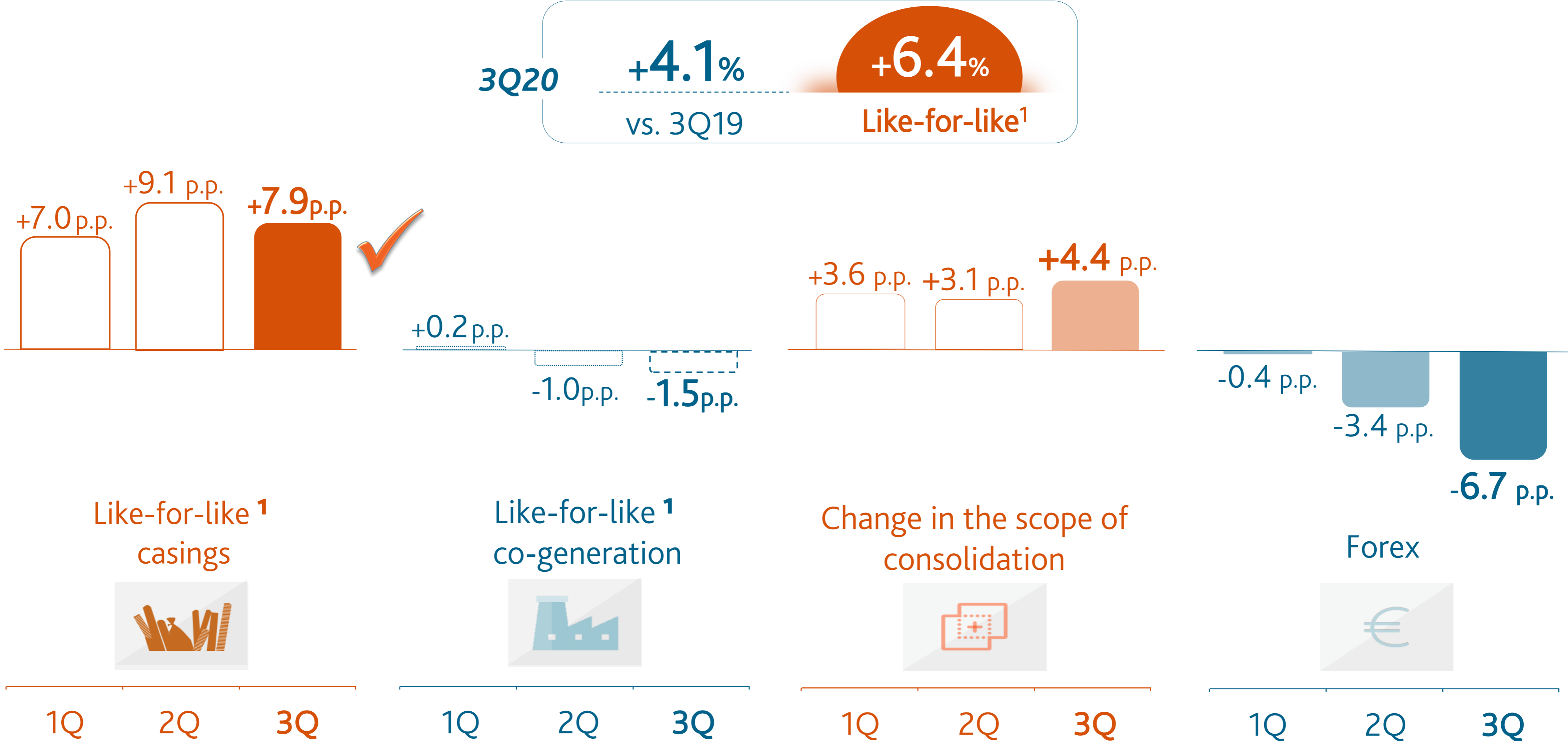


CO-GENERATION REVENUE (€ million)



Volume strength in all technologies and commercial discipline are maintained in the third quarter

REVENUE. Quarterly growth contribution

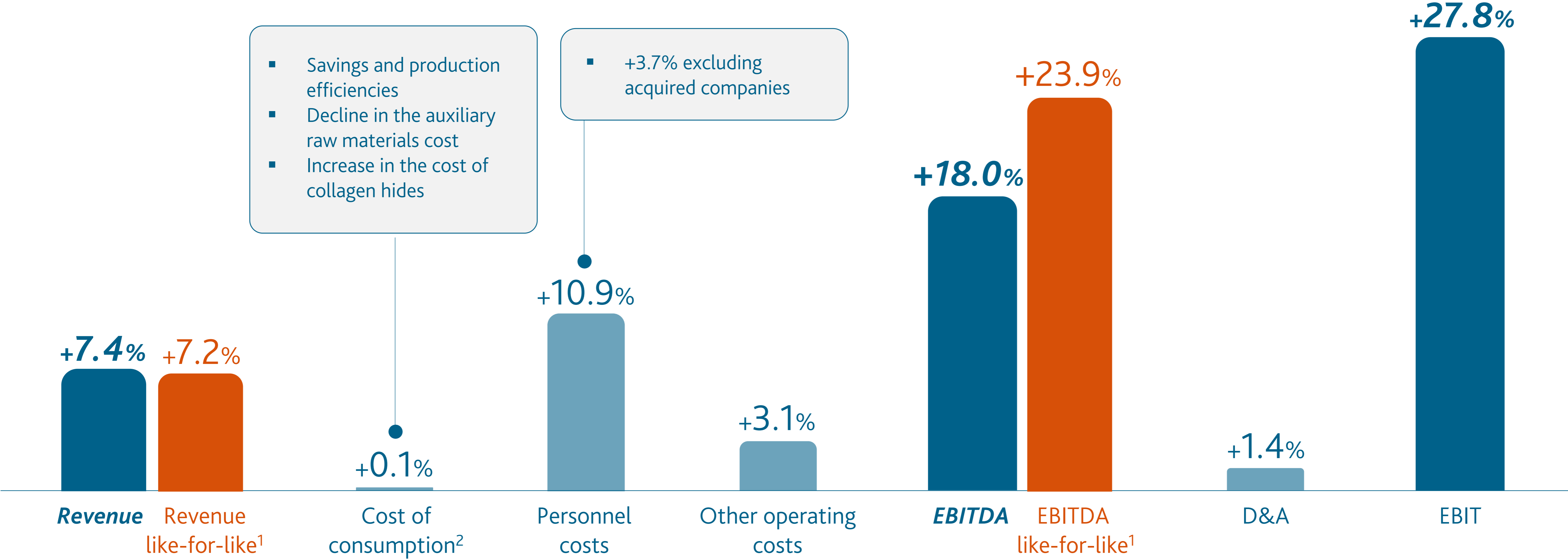


3Q20 **+4.1%** vs. 3Q19 **+6.4%** Like-for-like¹

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.

Operating results are boosted by revenue growth, high production capacity, efficiencies and savings from the new technology

P&L 9M20. Year-on-year change

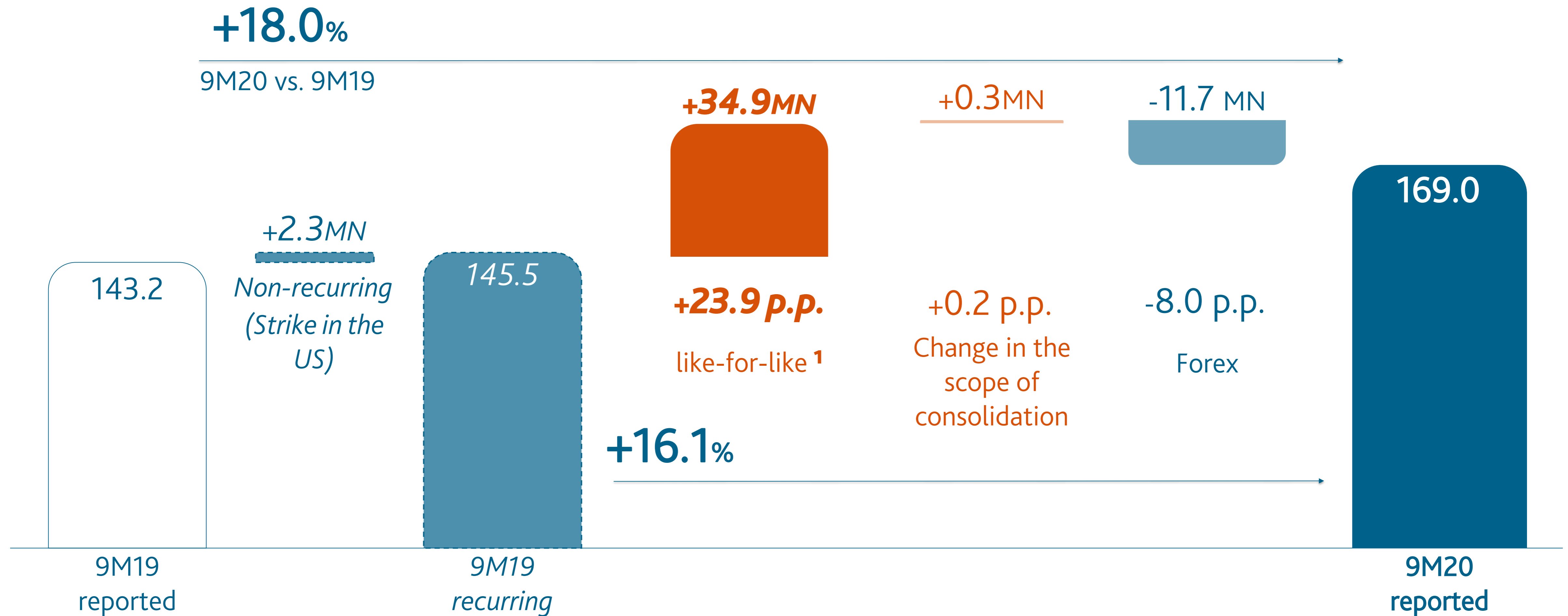


¹ Like-for-like: Comparable growth excludes the impact of the variation of the different exchange rates in 2020, changes in the scope of consolidation and non-recurring results of the business.

² Cost of consumption = Net purchases +/- Change in inventories of finished and unfinished products.

Double digit growth in EBITDA

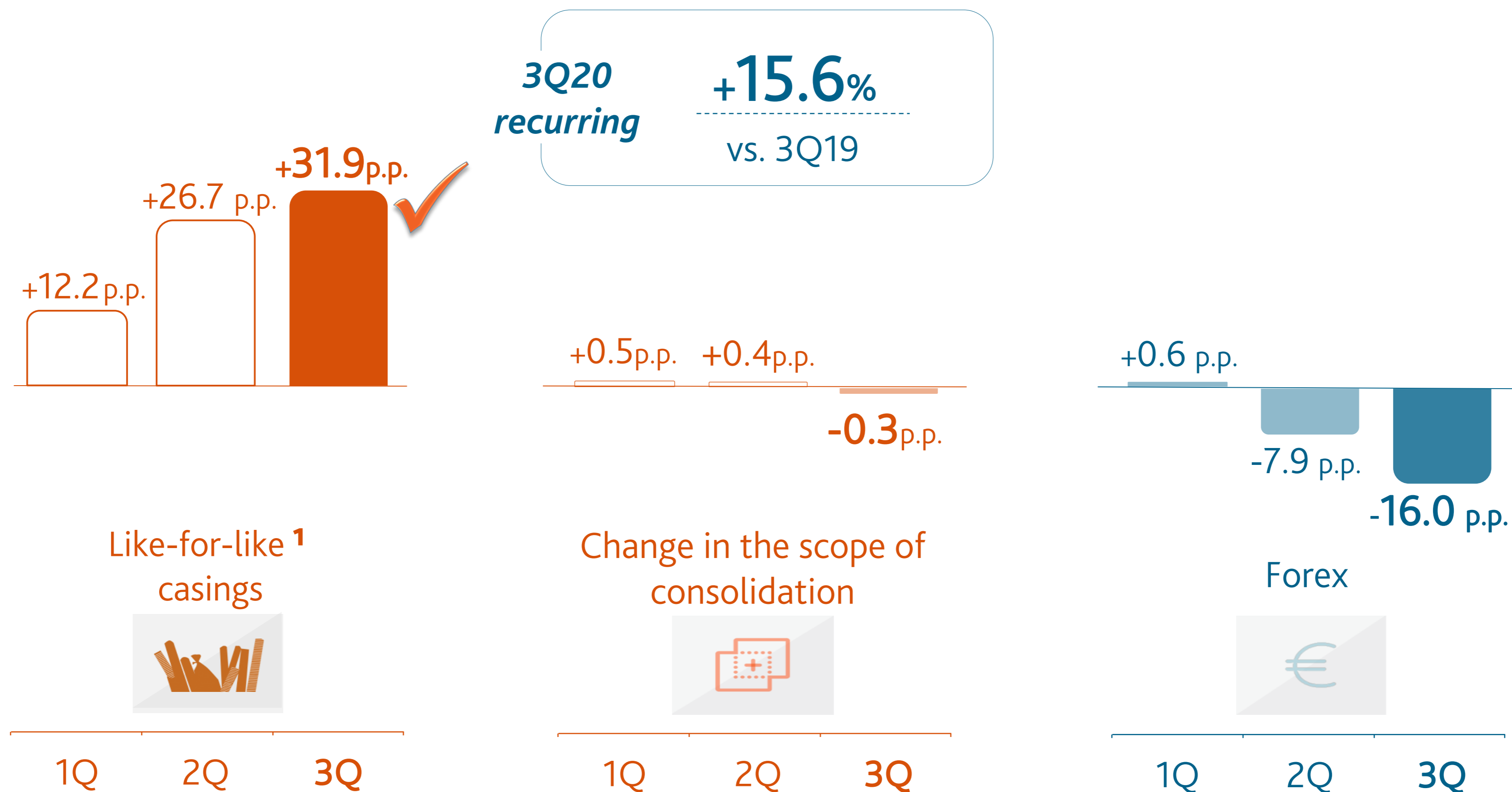
EBITDA 9M20. Growth contribution (€ million)



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.

Like-for-like growth in Q3 offsets the strong forex erosion

Recurring EBITDA¹. Quarterly growth contribution

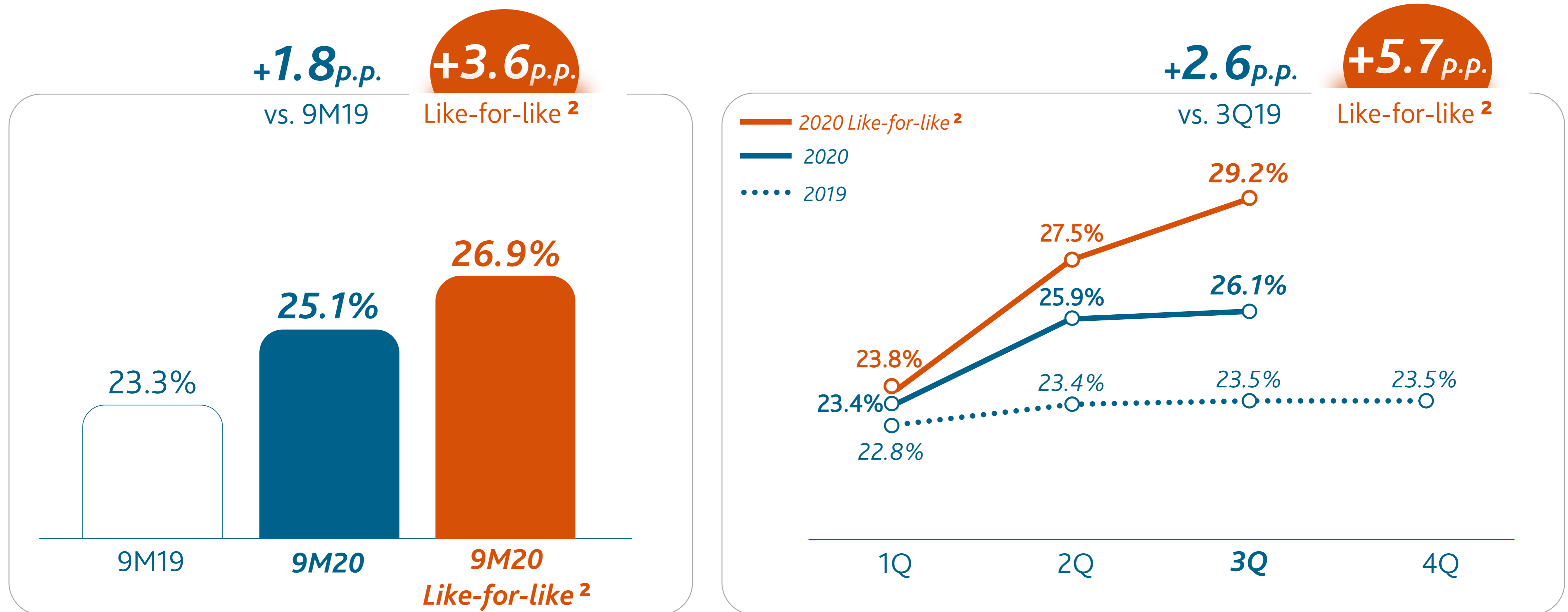


¹ Recurring. This figure excludes €2.3 million expenses related with the strike in the US in 2019. €1.9 million in 2Q19 and €0.4 million in 3Q19.

² 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.

Improving the profitability of our operations

RECURRING¹ EBITDA MARGIN (In %)



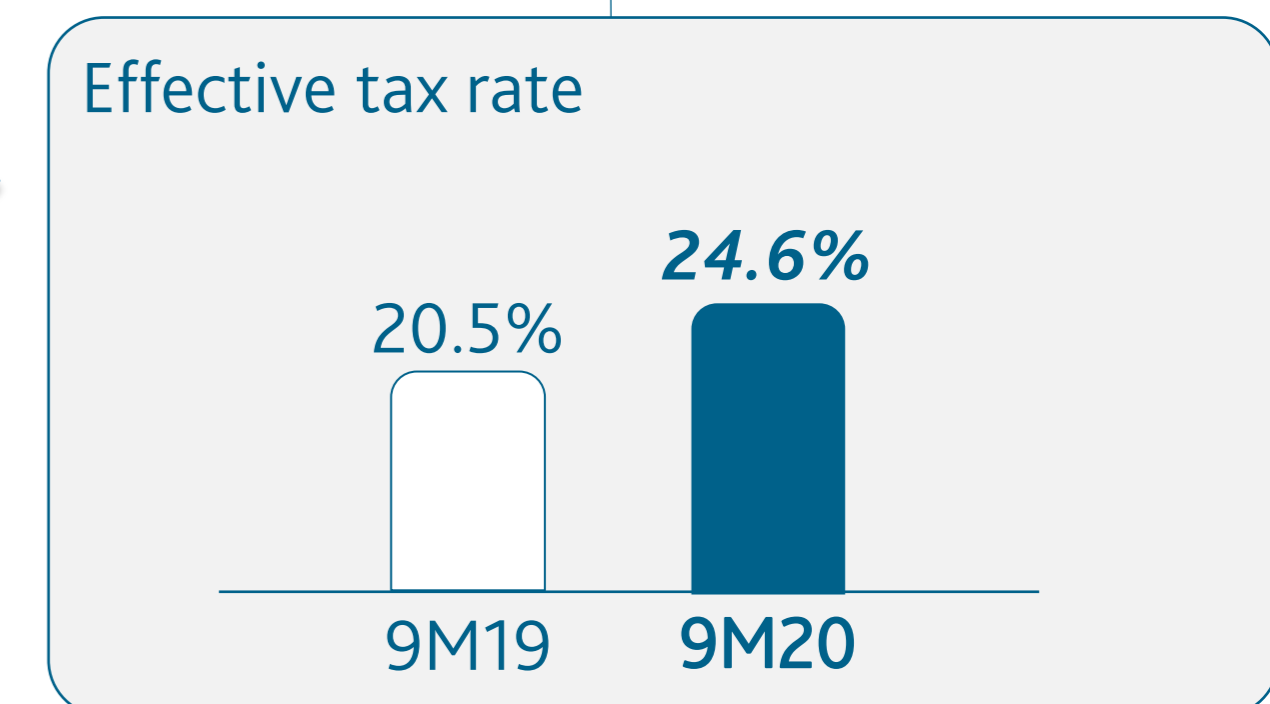
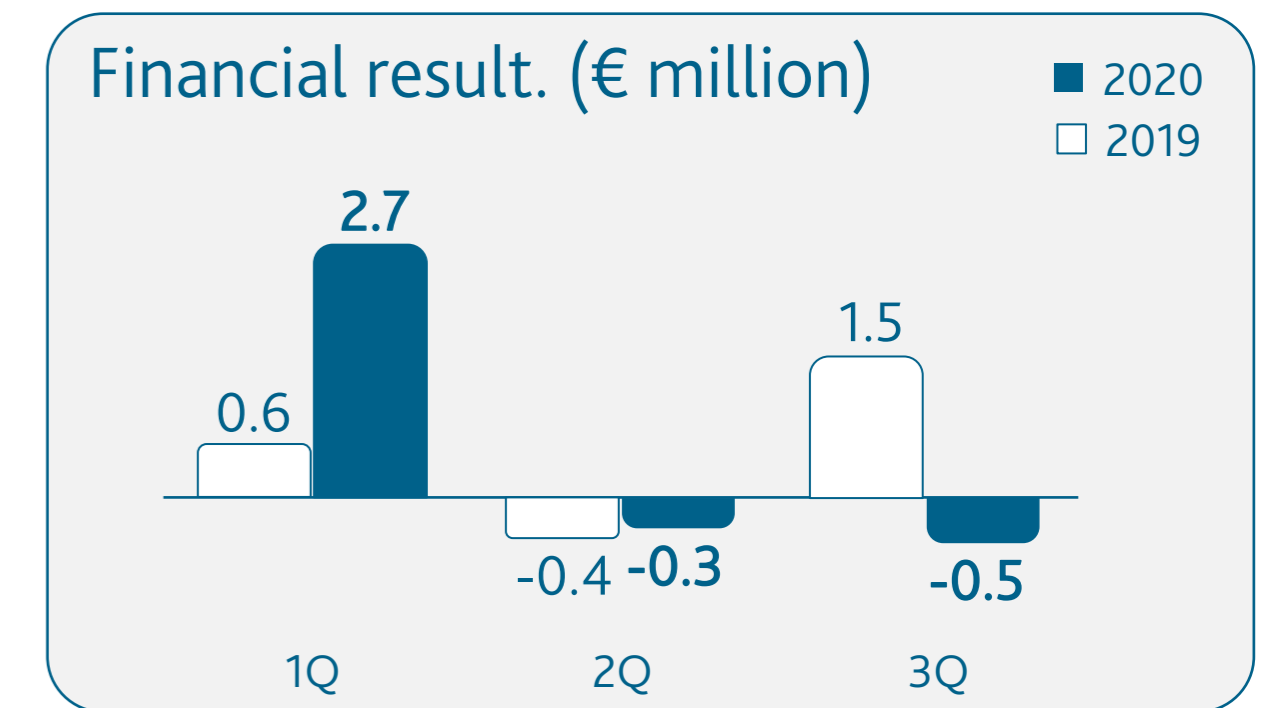
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Double-digit growth in Net Profit even with higher tax rate

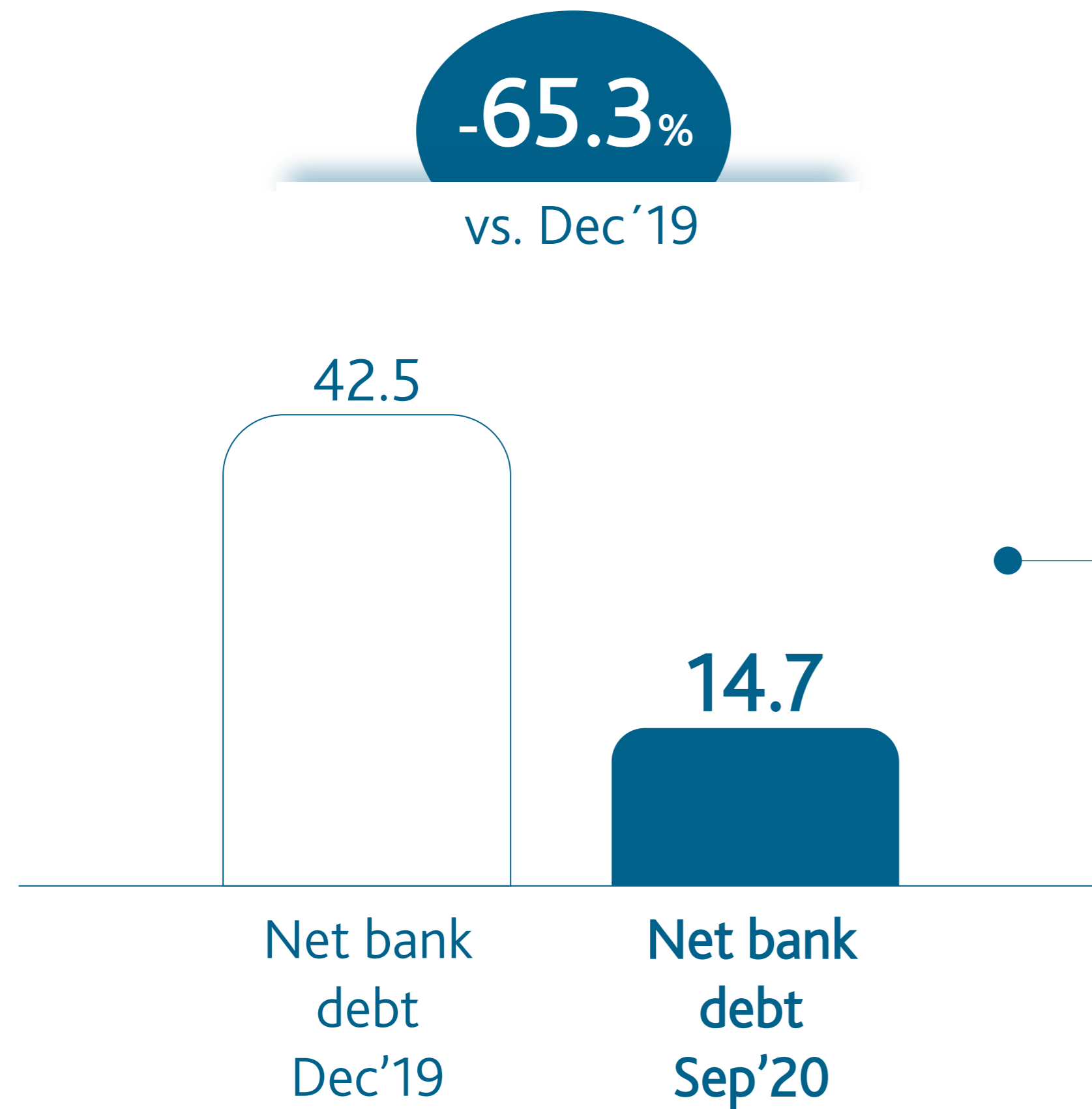
EBIT to NET PROFIT. REPORTED (€ million)

Million €	9M20	9M19	% y-o-y
Reported EBIT	+114.7	+89.7	+27.8%
Financial result	+1.9	+1.6	+12.8%
Taxes	-28.7	-18.7	+53.4%
Reported Net Profit	+87.9	+72.7	+20.9%



Strong cash flow generation and debt reduction

NET BANK DEBT¹ (€ million)



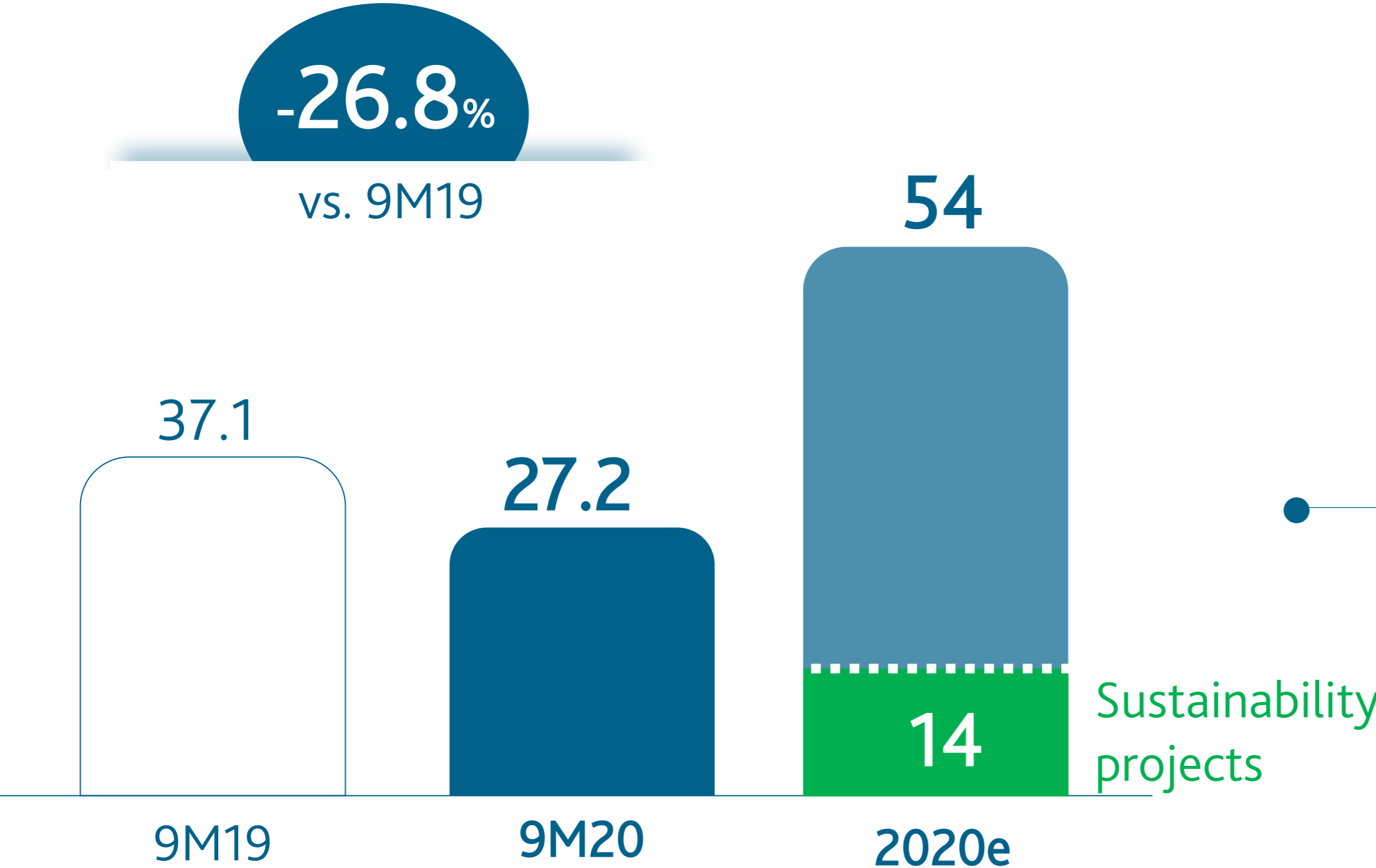
Healthy financial position

- **Cash increases to** €79.3 million at September 2020 from €51.4 million at December 2019
- **Long-term gross bank debt represents 56%** of total gross bank debt
- **Net bank debt below 0.1 times expected EBITDA** for 2020

¹Net bank debt = Non-current bank borrowings + Current bank borrowings – Cash and equivalents.

Facing challenges to carry out ambitious investment projects

CAPEX 9M20 (€ million)



- **50.4% executed of the capex planned for the whole year**
- Mobility restrictions are **delaying the execution of investment projects**
- **Sustainability projects represent 26% of total expected capex for 2020** including the project to install new sustainable co-generation engines (efficiency+hydrogen) in Cáteda, scheduled for 4Q20.

To wrap up

- Covid-19: The commitment of the more than 4,900 people who make up Viscofan, our solid production model, our global footprint and product portfolio allow us to **maintain an essential activity** such as the production of casings for the food industry.
- **Growth in the main financial figures** of the profit and loss account driven by volume strength, our commercial discipline, and our focus on customer service.
- **Viscofan achieved higher production efficiencies and savings** in a very demanding context in operational terms.
- Sound cash flow generation together with a **healthy balance sheet**.
- **9M20 results above our full year perspectives** for growth announced in February.

Appendix



Appendix. *Main financial figures*

€ million	9M20	% y-o-y	Like-for-like ¹ % y-o-y	3Q20	% y-o-y	Like-for-like ¹ % y-o-y
Revenue	671.9	+7.4%	+7.2%	224.9	+4.1%	+6.4%
EBITDA	169.0	+18.0%	+23.9%	58.7	+16.6%	+31.9%
EBITDA margin	25.1%	+2.2 p.p.	+3.6p.p.	26.1%	+2.8 p.p.	+5.7p.p.
Operating profit	114.7	+27.8%		41.2	+27.1%	
Profit before taxes	116.6	+27.6%		40.6	+19.8%	
Taxes	-28.7	+53.4%		-10.1	+46.1%	
Net profit	87.9	+20.9%		30.5	+13.1%	

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.

Appendix. *Alternative Performance Measures*

The Alternative Performance Measures 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 cost of consumption 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.
- Like-for-like revenue and EBITDA: This measure excludes the impact of exchange rate variations on the comparable previous period 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.

Appendix. *Disclaimer*

This document may include statements about intentions, expectations or forecasts of the Company additional to the mandatory financial reporting whose sole purpose is to provide information more accurately about the perspectives of future behaviours.

Such intentions, expectations or forecasts do not constitute any guaranties of compliance and involve risks, uncertainties and other relevant factors that could cause actual developments and results to differ materially from those states in such forward-looking statements.

This circumstance must be taken into account mainly for all persons or entities that may have to take decision, develop or spread opinions relative to values issued by the Company and particularly by analysts and investors that handle this document.

The financial statements contained in this document have been prepared under International Financial Reporting Standards (IFRS). This financial statements has not been audited and consequently is susceptible to potential future modifications.