

# Results

January-June 2023

**Viscofan** *Reshaping food and wellbeing.  
For many, for long.*



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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.

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This document is a free translation from the original in Spanish, in event of discrepancy, the Spanish-language version prevails.

# Highlights 1H23

€628.6

million

Revenue

+10.7%

€129.4

million

EBITDA

+5.6%

€62.9

million

Net profit

-3.1%

€19.4

million

Capex 1H23

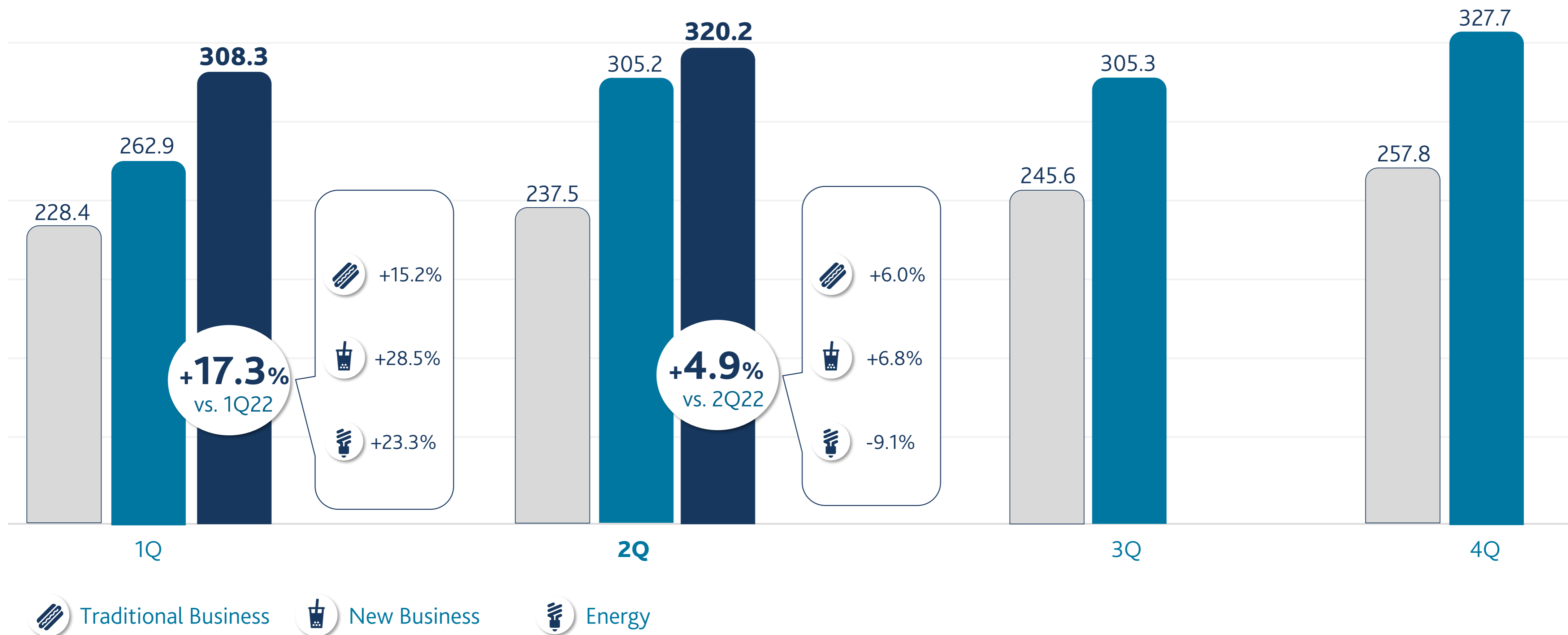
-52.4%

# Revenue growth for another quarter yet

## Combining growth in Traditional Business and New Business

● **Group Revenue. Quarterly** — 2021 2022 2023

€ million

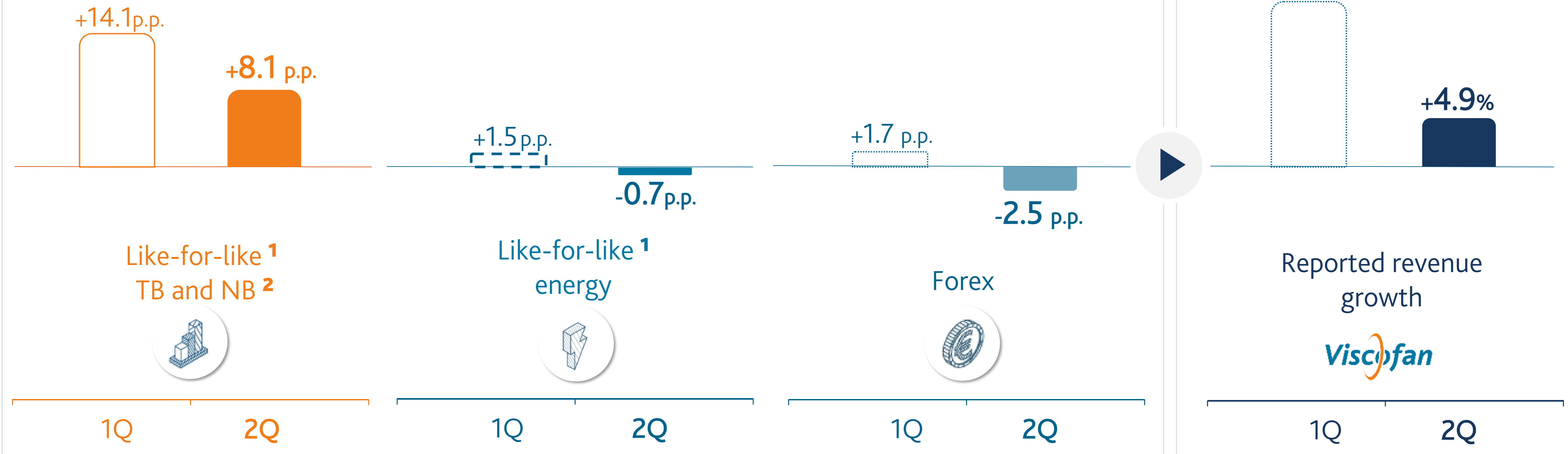


# Strength in like-for-like growth

Driven by higher prices against lower energy revenue and a negative forex impact

## Quarterly revenue

Growth contribution (p.p.)



<sup>1</sup> Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2023.

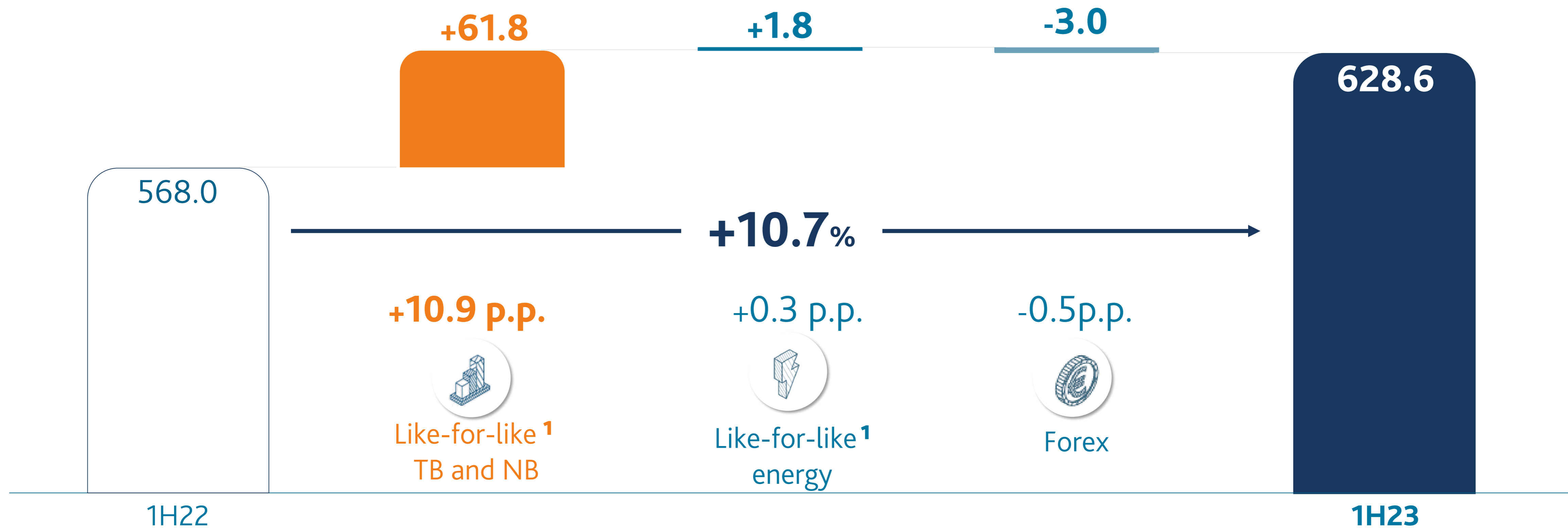
<sup>2</sup> TB: Traditional Business, NB: New Business

# Double-digit growth in revenue in 1H23

In line with the objectives set for the year

## ● Revenue 1H23

€ million



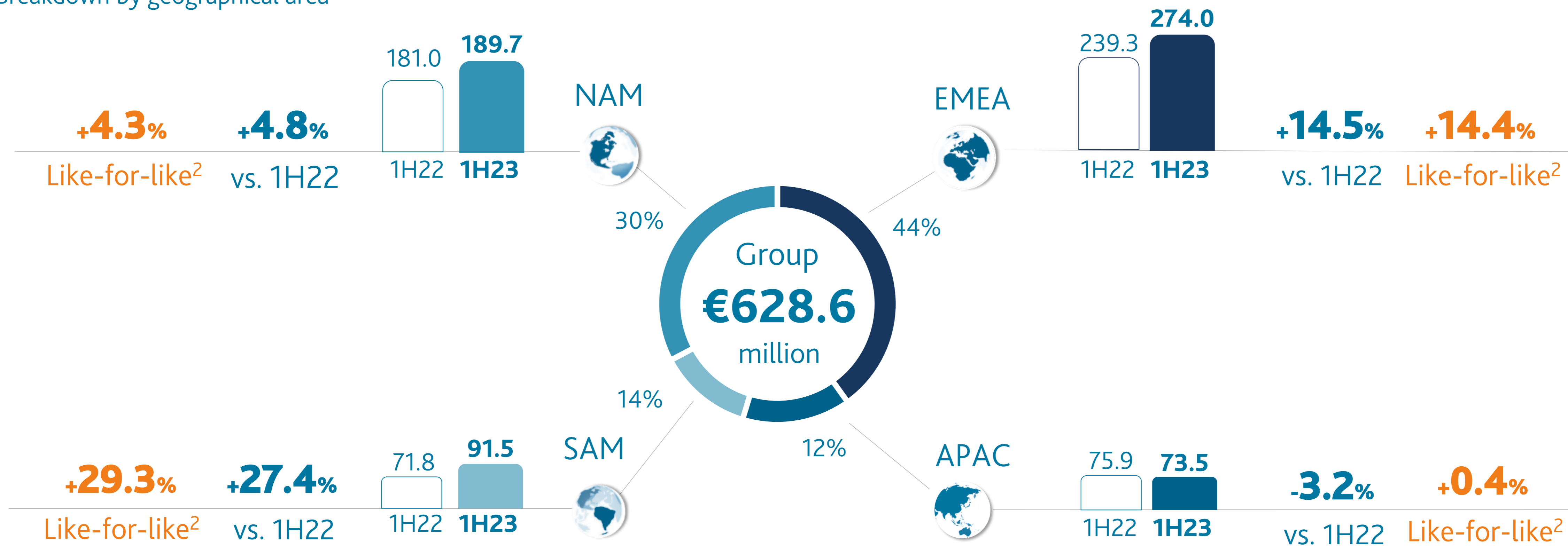
<sup>1</sup> Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2023.

# SAM and EMEA engine of growth

Against a weakest than expected performance in the U.S. and in China

## ● Revenue 1H23

Breakdown by geographical area <sup>1</sup>



<sup>1</sup> Revenue per origin of sales: EMEA (European companies), North America NAM (Canada, Costa Rica, Mexico, and EE.UU), APAC (Australia, China, Japan, New Zealand, and Thailand), South America SAM (Brazil and Uruguay).

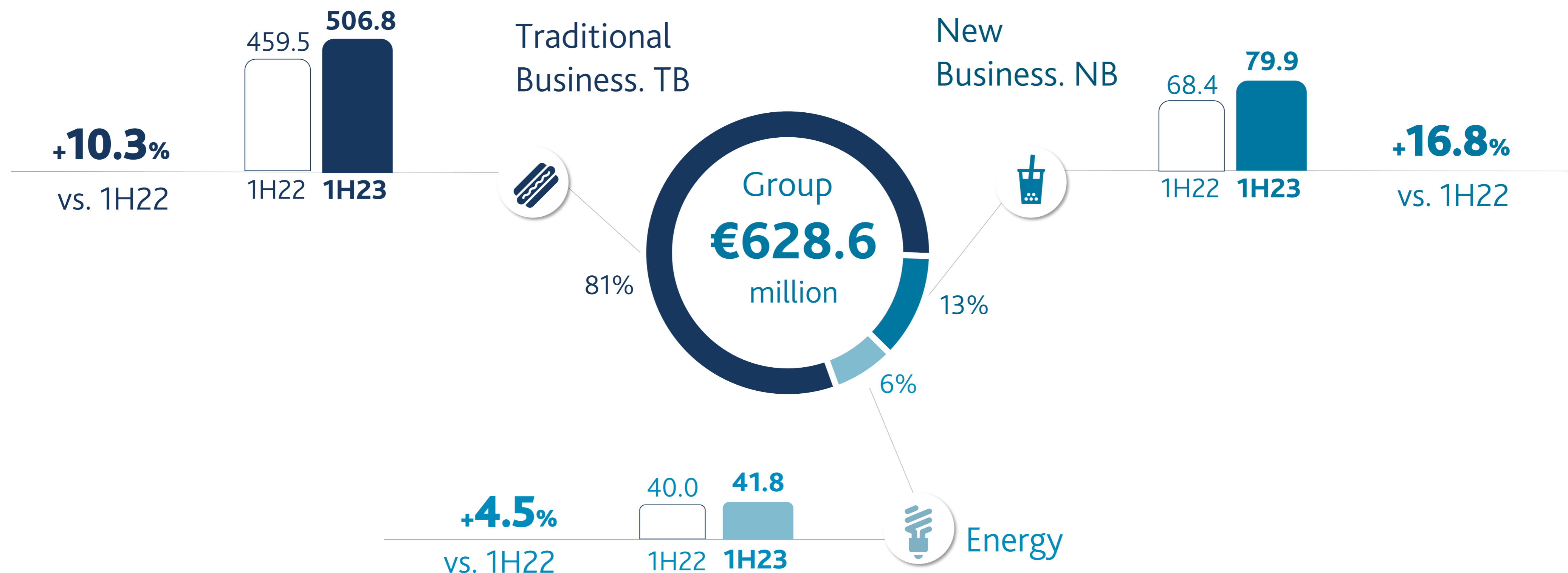
<sup>2</sup> Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2023.

# Doble-digit growth in main business

With a negative outlook in the remuneration of co-generation electricity

## ● Revenue 1H23

Breakdown by business division



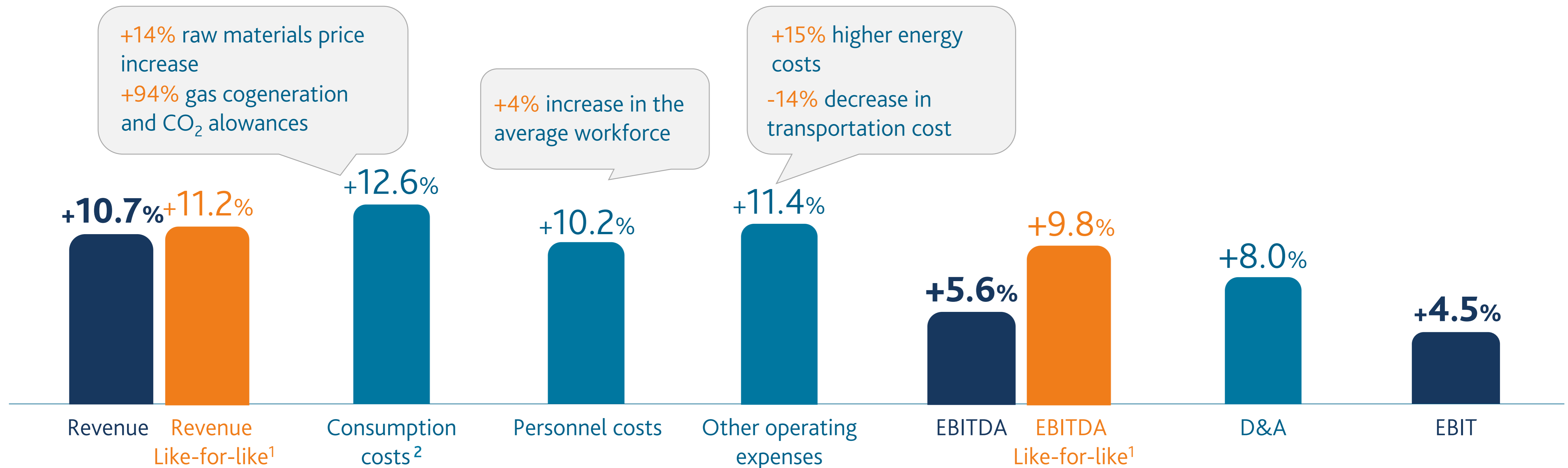


# Growth in operating results

Strong revenues to offset higher energy, raw material and personnel costs

## ● P&L 1H23

Year-on-year change



<sup>1</sup> Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2023.

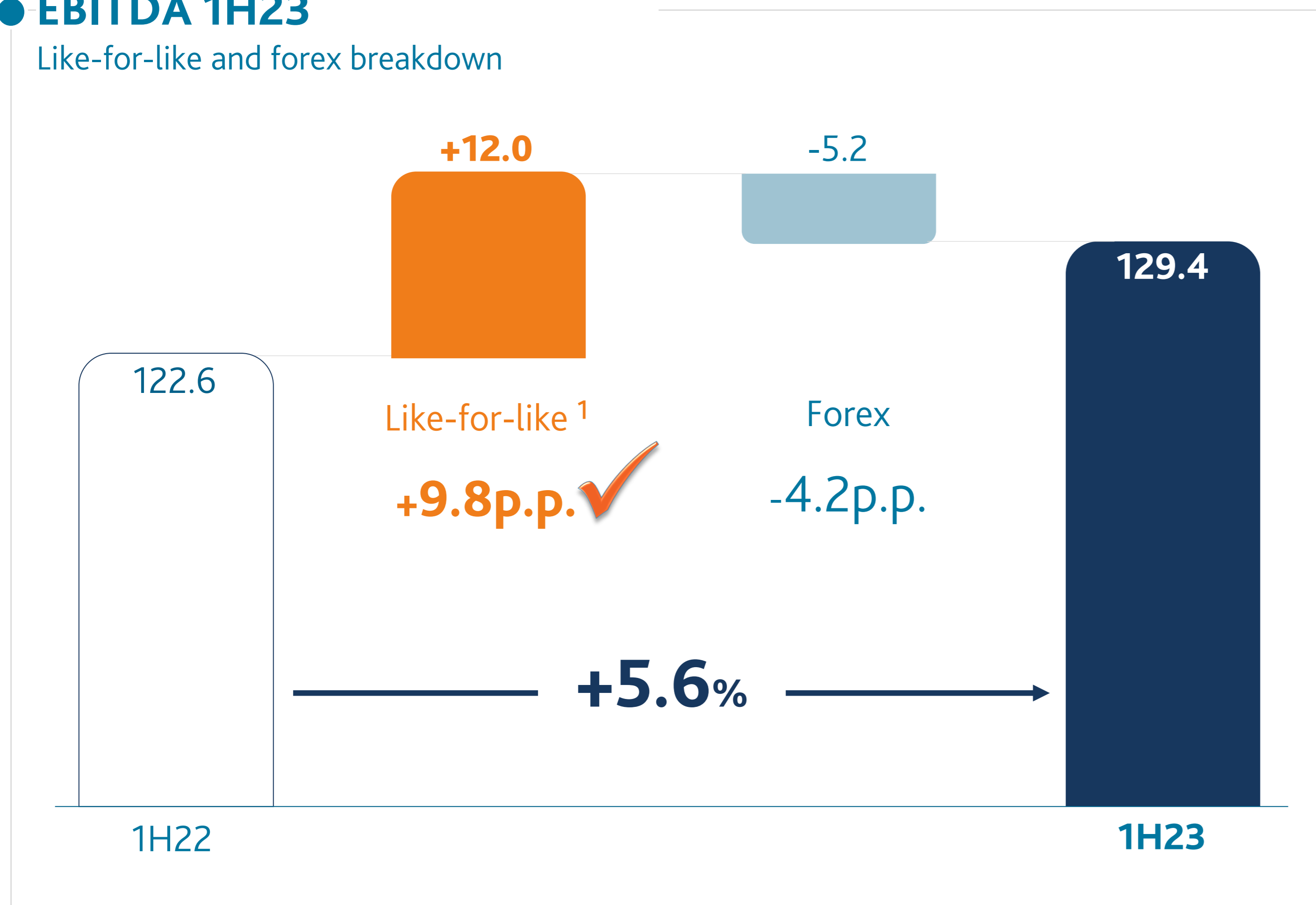
<sup>2</sup> Cost of consumption = Net purchases +/- Change in inventories of finished and unfinished products.

# Like-for-like growth

## Offsetting inflation and the start-up of US investments in Q1

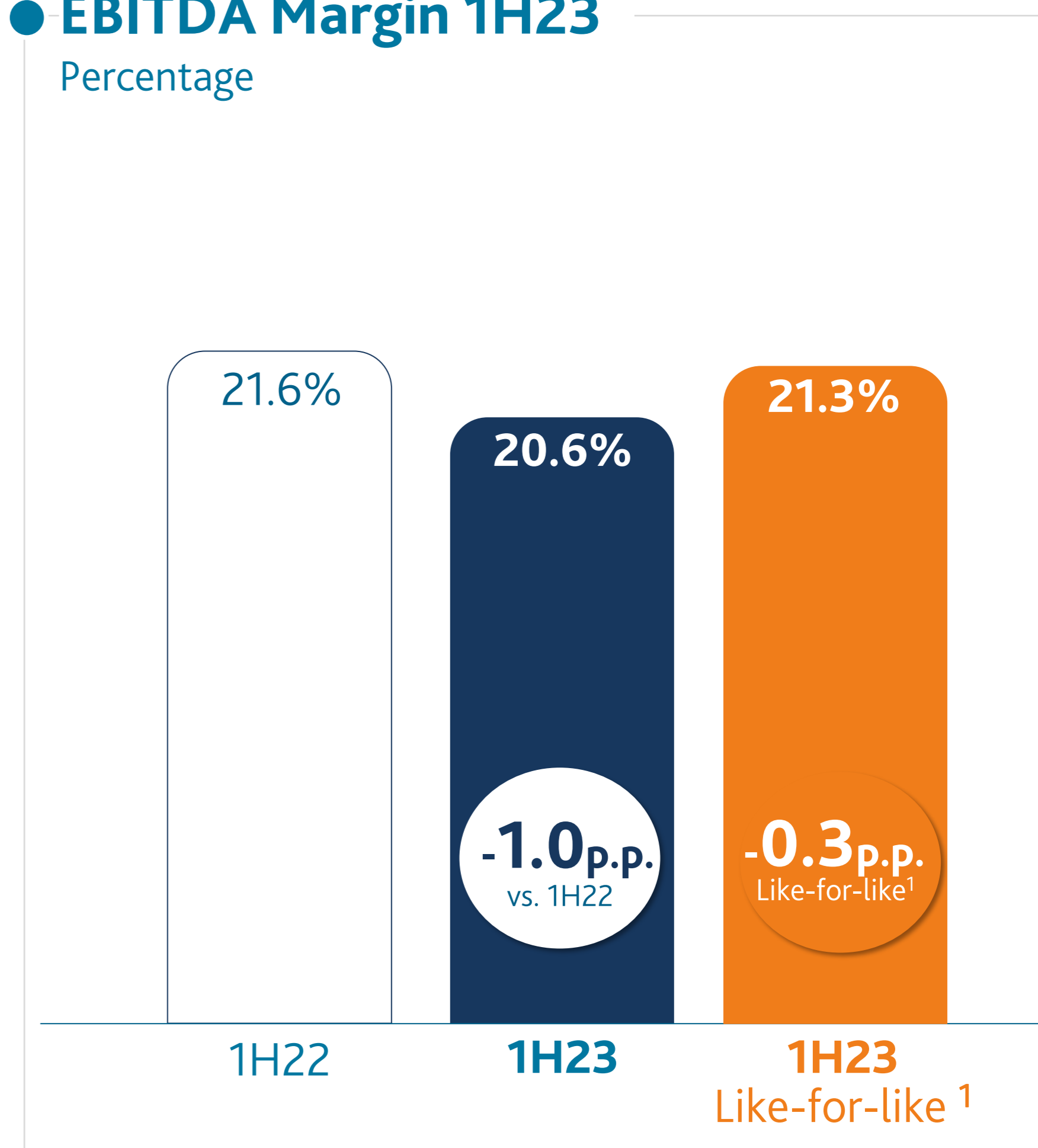
### EBITDA 1H23

Like-for-like and forex breakdown



### EBITDA Margin 1H23

Percentage



<sup>1</sup> Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2023.

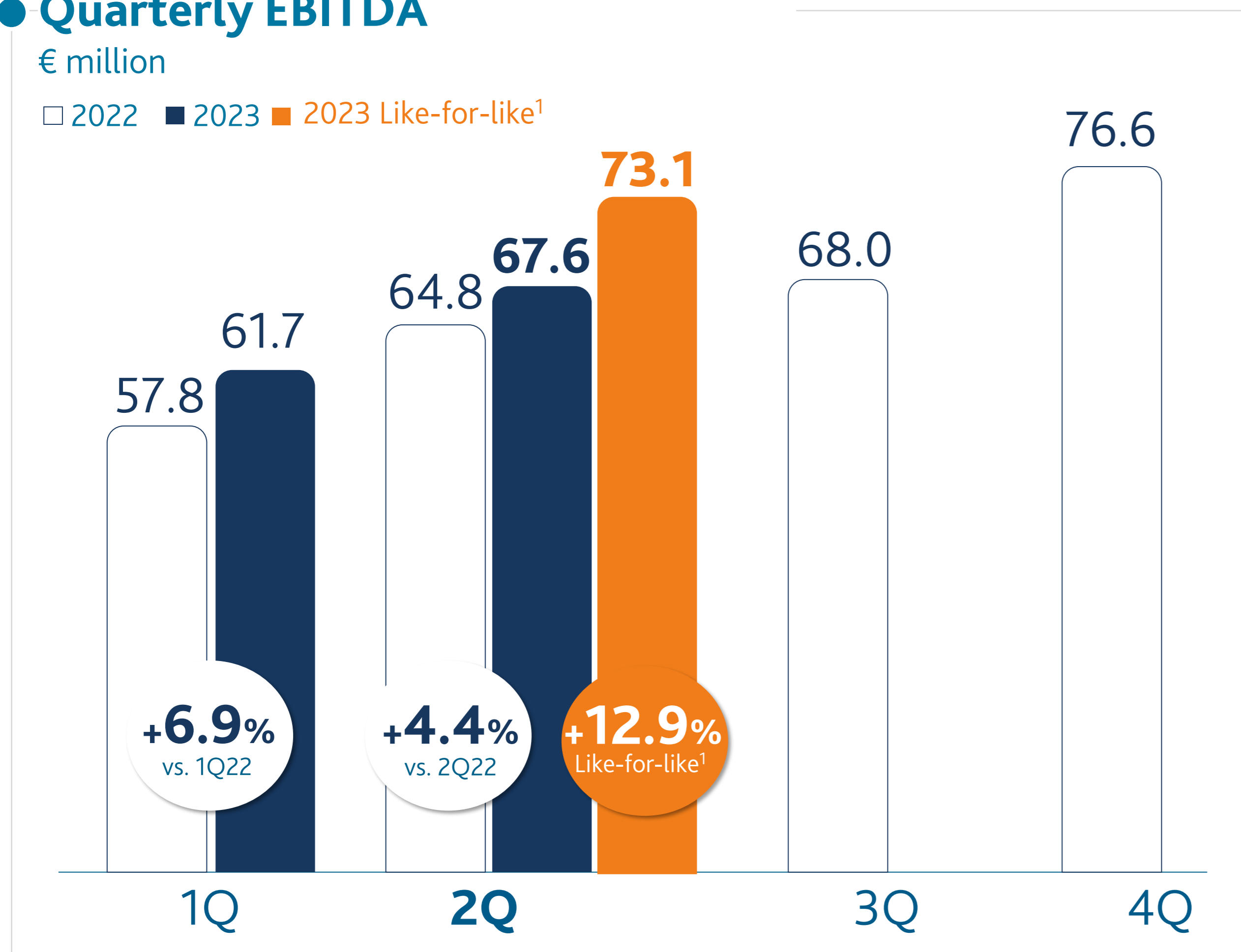
# Quarterly EBITDA growth is maintained

## Recovering profitability

### Quarterly EBITDA

€ million

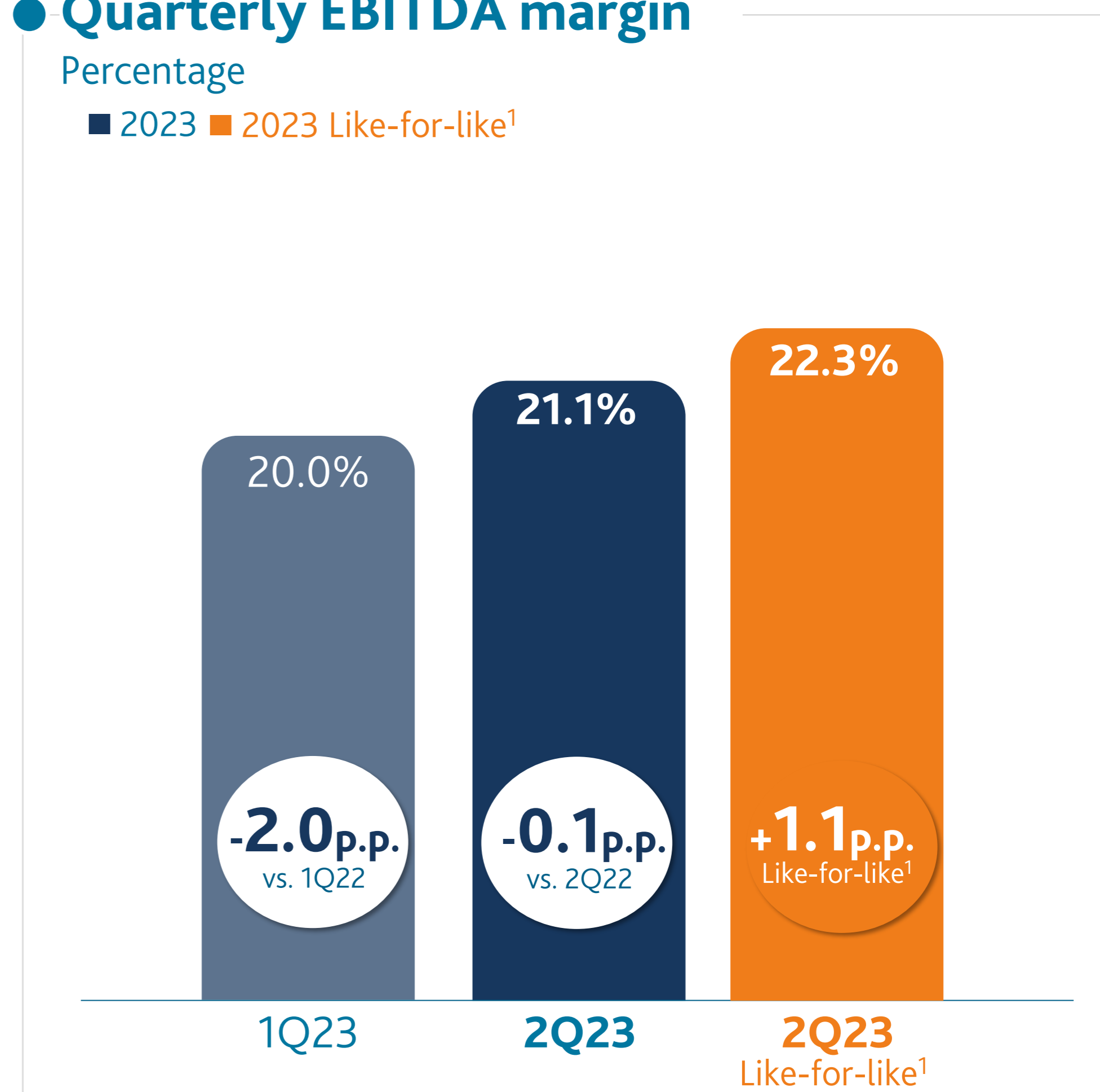
□ 2022 ■ 2023 ■ 2023 Like-for-like<sup>1</sup>



### Quarterly EBITDA margin

Percentage

■ 2023 ■ 2023 Like-for-like<sup>1</sup>



<sup>1</sup> Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2023.

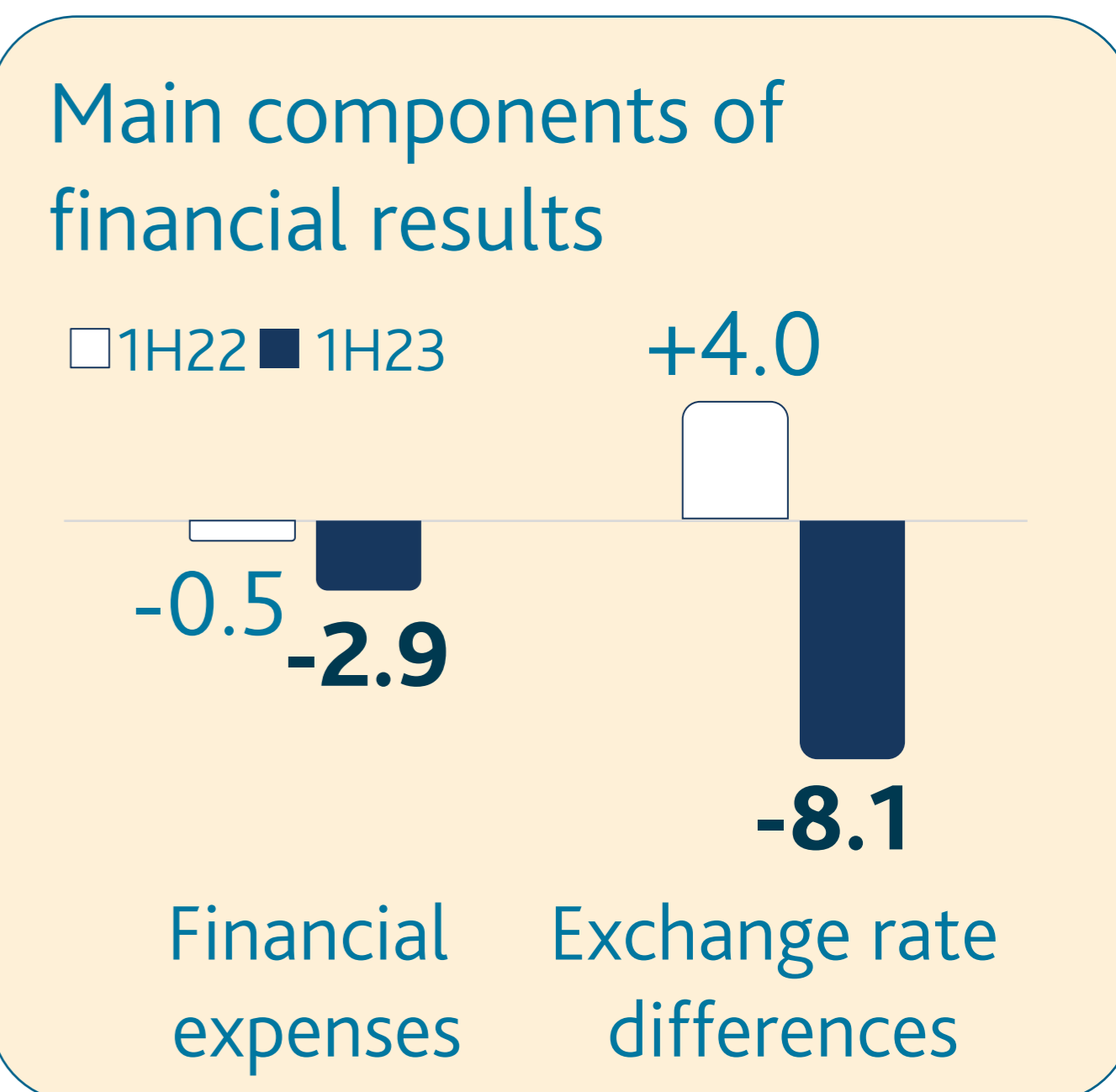
# Operating growth but lower Net profit

Impacted by the sharp increase in negative exchange rate differences

## ● EBIT-Net Profit evolution

€ million

€ million	1H23	1H22	% y-o-y
Reported EBIT	88.1	84.4	+4.5%
Financial result	-10.7	+4.2	C.S.
Taxes	-14.5	-23.6	-38.6%
Net profit	62.9	64.9	-3.1%

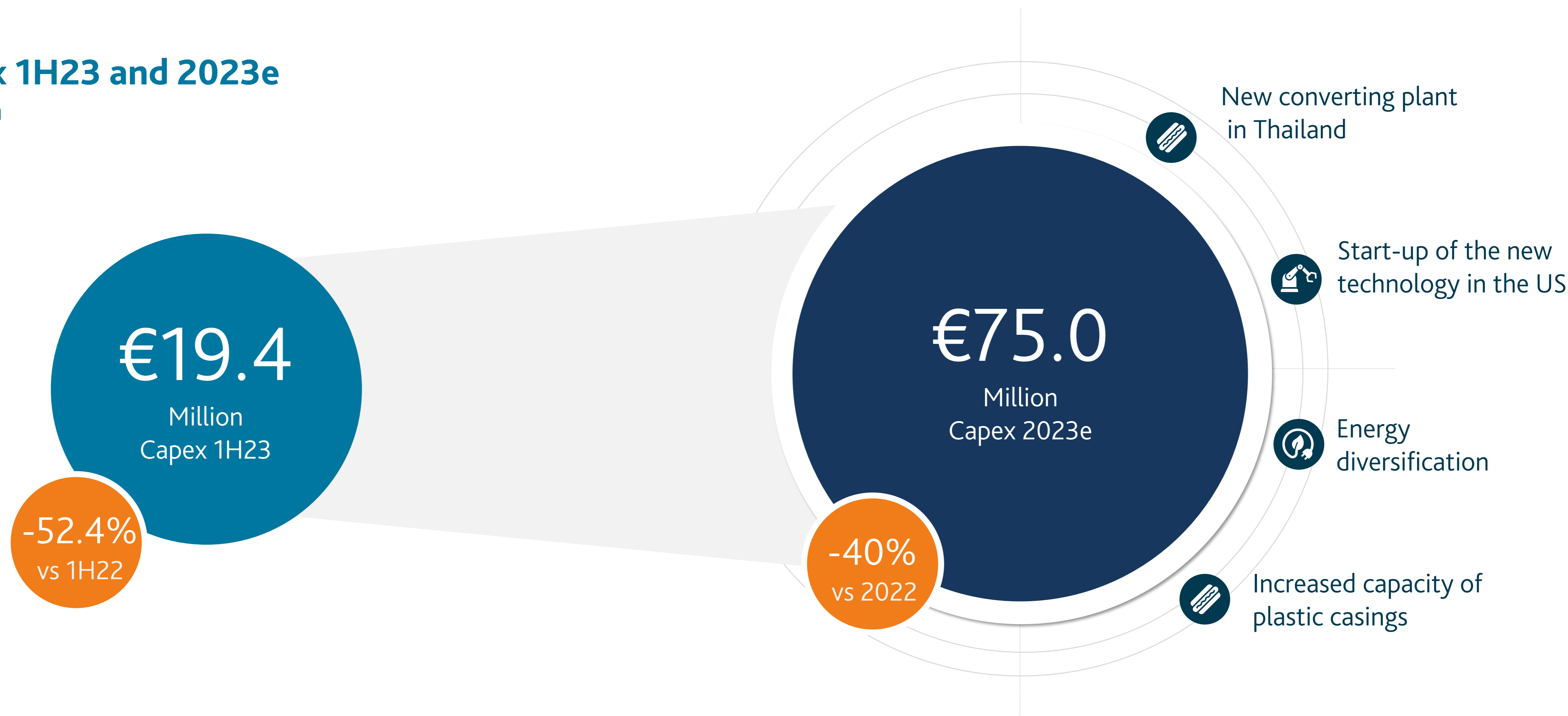


# Advancing in Beyond25 projects

In a year with lower investment needs

## ● Capex 1H23 and 2023e

€ million

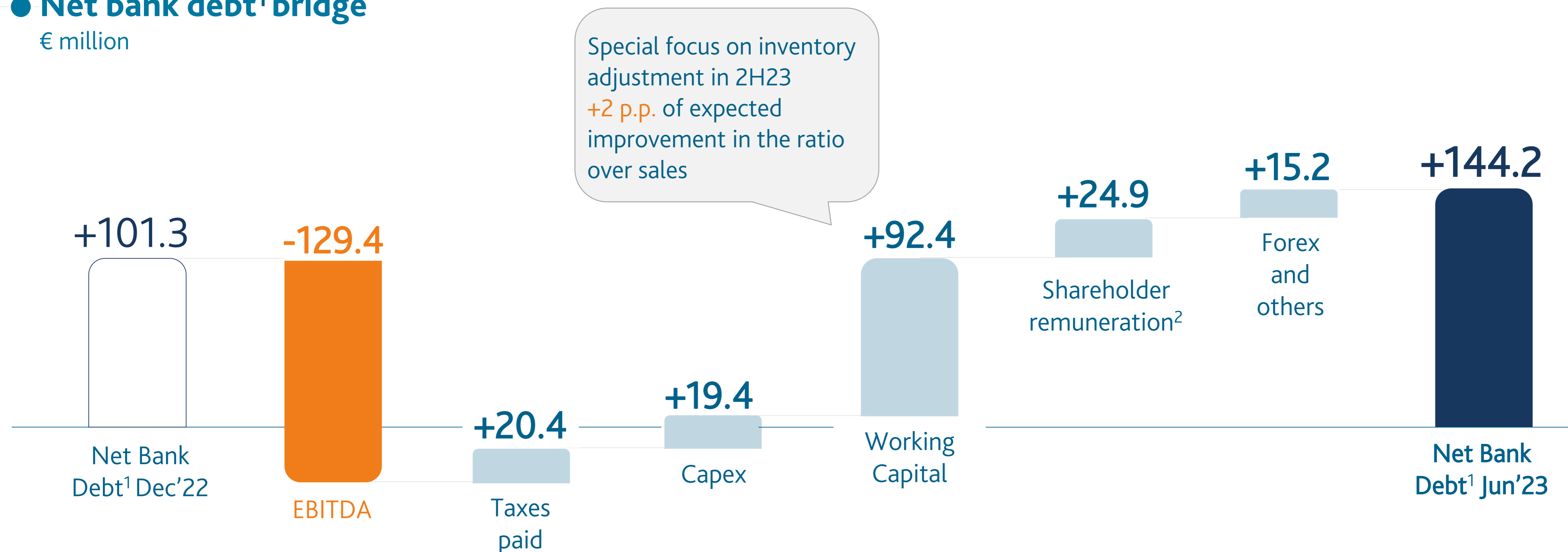


# Net bank debt change

Financing investment and working capital requirements and higher dividends

## ● Net bank debt<sup>1</sup> bridge

€ million



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

2 Corresponds to the final dividend for fiscal year 2022 of €0.54 per share paid in June 2023.

# Guidance 2023

US\$/€: 1.07

€ million	Guidance February23 y-o-y change	Update 1H23 y-o-y change
Revenue	+9% / +12%	+9% / +12%
EBITDA	6% / +9%	+6% / +9%
Net profit	+10% / +15%	+4% / +6%
Capex	€75 Mio	€75 Mio

Higher exchange  
differentes than  
expected

# Priorities 2H23

- € Forex risk
- The reduction in co-generation sales has a neutral impact in operating profit
- Volume recovery in APAC and North America
- Costs and raw materials savings together with operational improvements
- 2 p.p. reduction in the working capital over sales ratio



# To wrap-up

1

All-time high in revenue and EBITDA in a second quarter driven by commercial discipline, and the strength in EMEA and South America

2

Positive performance of the transformation projects, especially in the US, in line with planned investments for the year

3

Sound profitability improvement thanks to cost control and the trend of savings in raw materials and energy costs

4

Expectations to achieve all-time high in revenue, EBITDA and Net profit in 2023FY, in line with the low-end guidance and adjusting exchange differences

# Appendix. P&L. Second Quarter

€ million	2Q23	2Q22	% y-o-y	Like-for-like <sup>1</sup> % y-o-y
Revenue	320.2	305.2	+4.9%	+7.4%
EBITDA	67.6	64.8	+4.4%	+12.9%
EBITDA margin	21.1%	21.2%	-0.1p.p.	+1.1p.p.
Operating profit	47.0	45.5	+3.3%	
Profit before taxes	44.2	50.5	-12.5%	
Taxes	-7.1	-13.1	-45.8%	
Net profit	37.1	37.4	-0.9%	

<sup>1</sup> Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2023.

# Appendix. P&L. First Half

€ million	1H23	1H22	% y-o-y	Like-for-like <sup>1</sup> % y-o-y
Revenue	628.6	568.0	+10.7%	+11.2%
EBITDA	129.4	122.6	+5.6%	+9.8%
EBITDA margin	20.6%	21.6%	-1.0p.p.	-0.3p.p.
Operating profit	88.1	84.4	+4.5%	
Profit before taxes	77.4	88.5	-12.6%	
Taxes	-14.5	-23.6	-38.6%	
Net profit	62.9	64.9	-3.1%	

<sup>1</sup> Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2023.

# Appendix. Alternative Performance Measures

The Alternative Performance Measures included in this report are as follows:

- The EBITDA, or operating profit before depreciation and amortization, is calculated excluding depreciation and amortization 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.