Results

9M 2023

Viscofan

Reshaping food and wellbeing.
For many, for long.

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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 behaviors.

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 9M23

€926.2 million

Revenue

+6.1%

+7.9% Like-for-like[1]

€192.6 million

EBITDA

+1.1%

+8.9% Like-for-like[1]

€100.8 million

Net profit

-4.1%

€108.6 million

Net Bank Debt

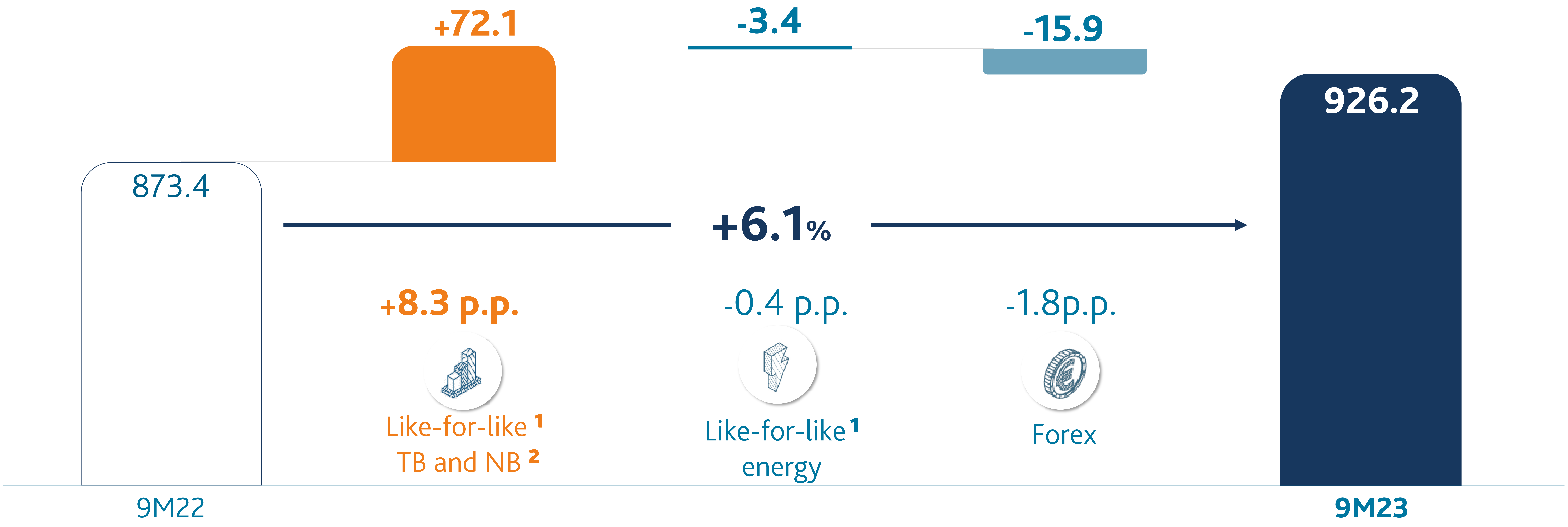
-24.7% vs. June23

[1] Like-for-like: Excludes the variation of the different exchange rates in 2023, and the non-recurring expense in operating profit of €1.9 million in 3Q23 due to electrical outages caused by the supply company that led to production stoppages at the Danville plant (US).

Revenue driven by the improvement in price mix

Against the negative fx impact and the lower co-generation remuneration

Revenue 9M23
€ million



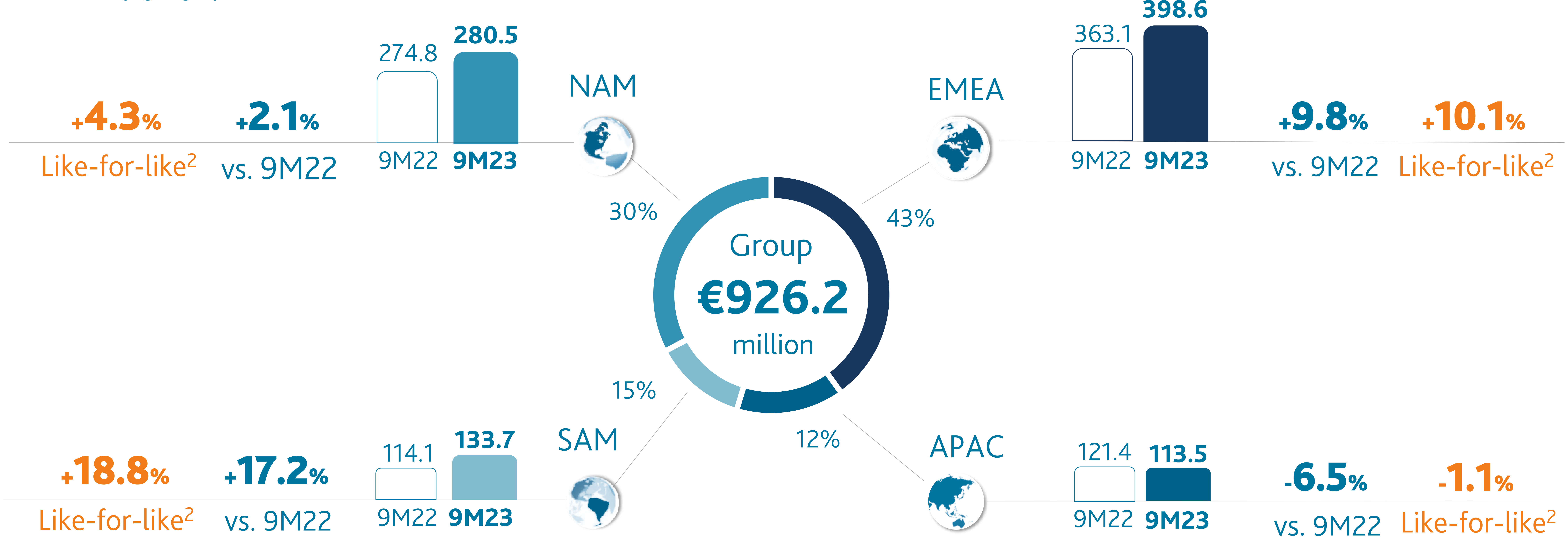
[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2023.
[2] TB: Traditional Business, NB: New Business.

Revenue growth in SAM, EMEA and NAM

Weaker than expected volume performance in China and South East Asia

Revenue 9M23

Breakdown by geographical area [1]



[1] 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).

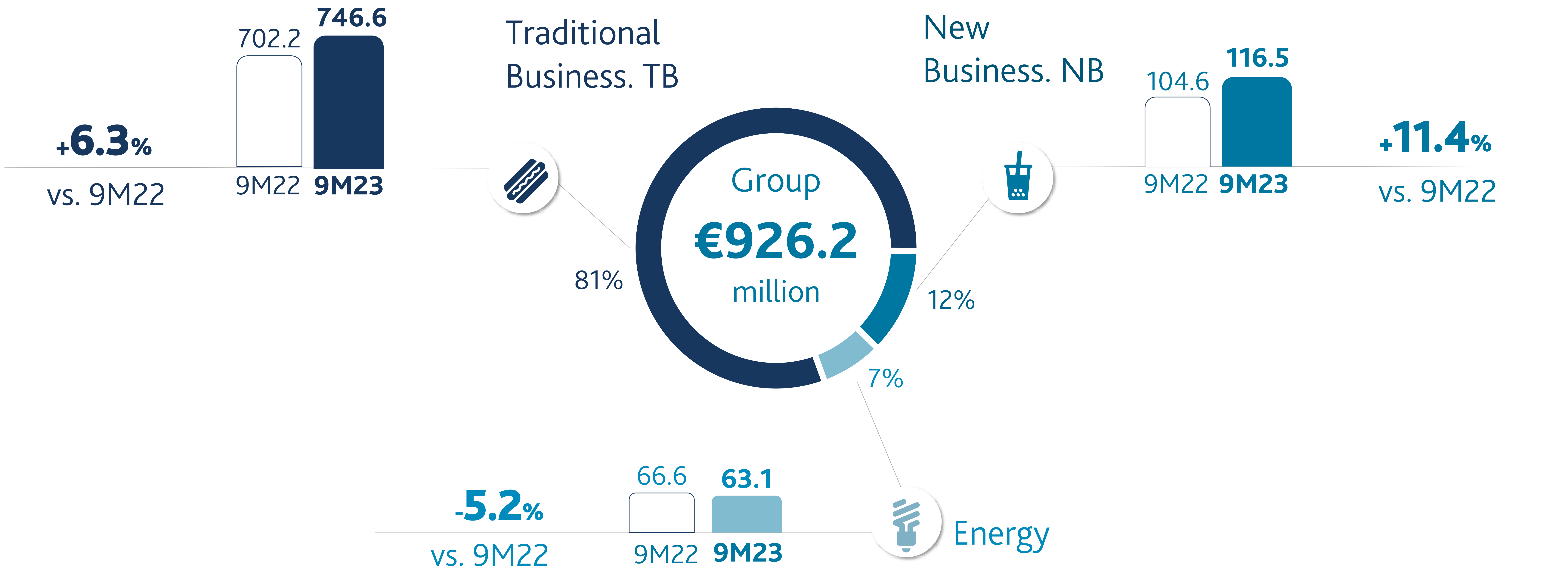
[2] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2023.

Revenue growth in main businesses

Compared with the drop in co-generation electricity sales

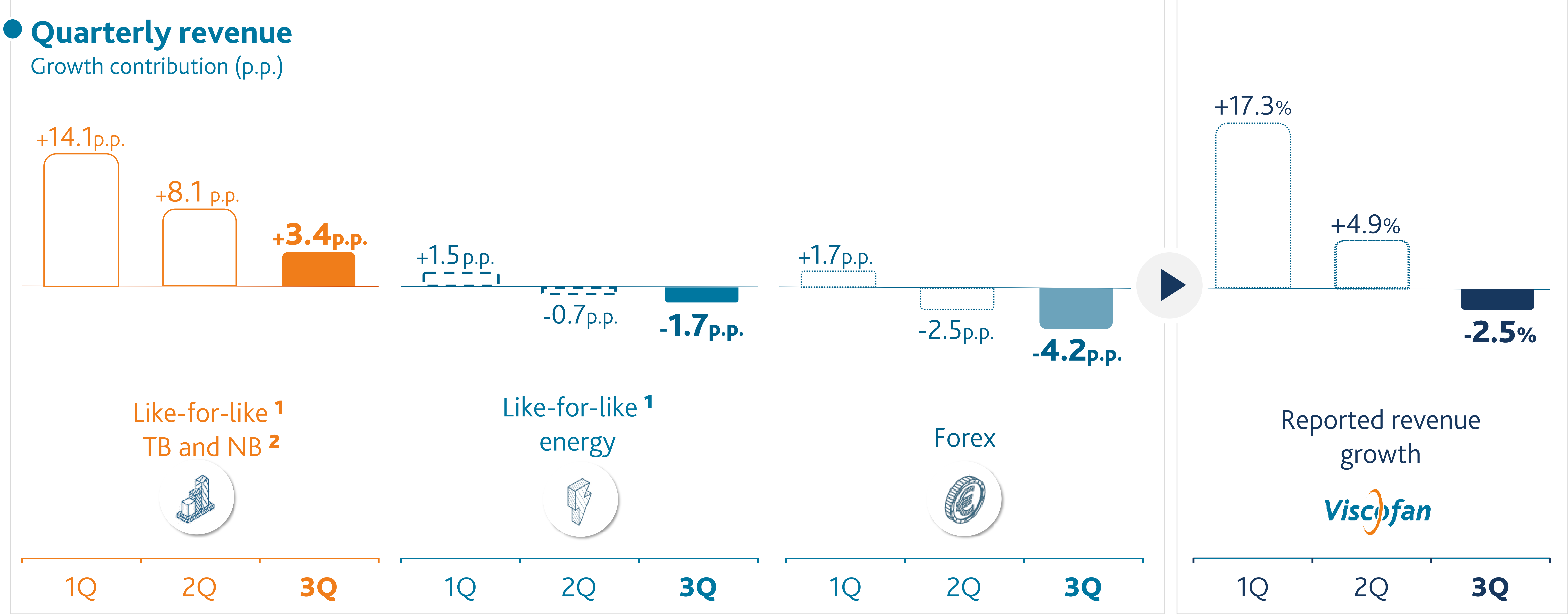
Revenue 9M23

Breakdown by business division



Quarterly revenue growth in like-for-like terms

3Q impacted by the adjustment in customers´ inventories , fx erosión, and energy

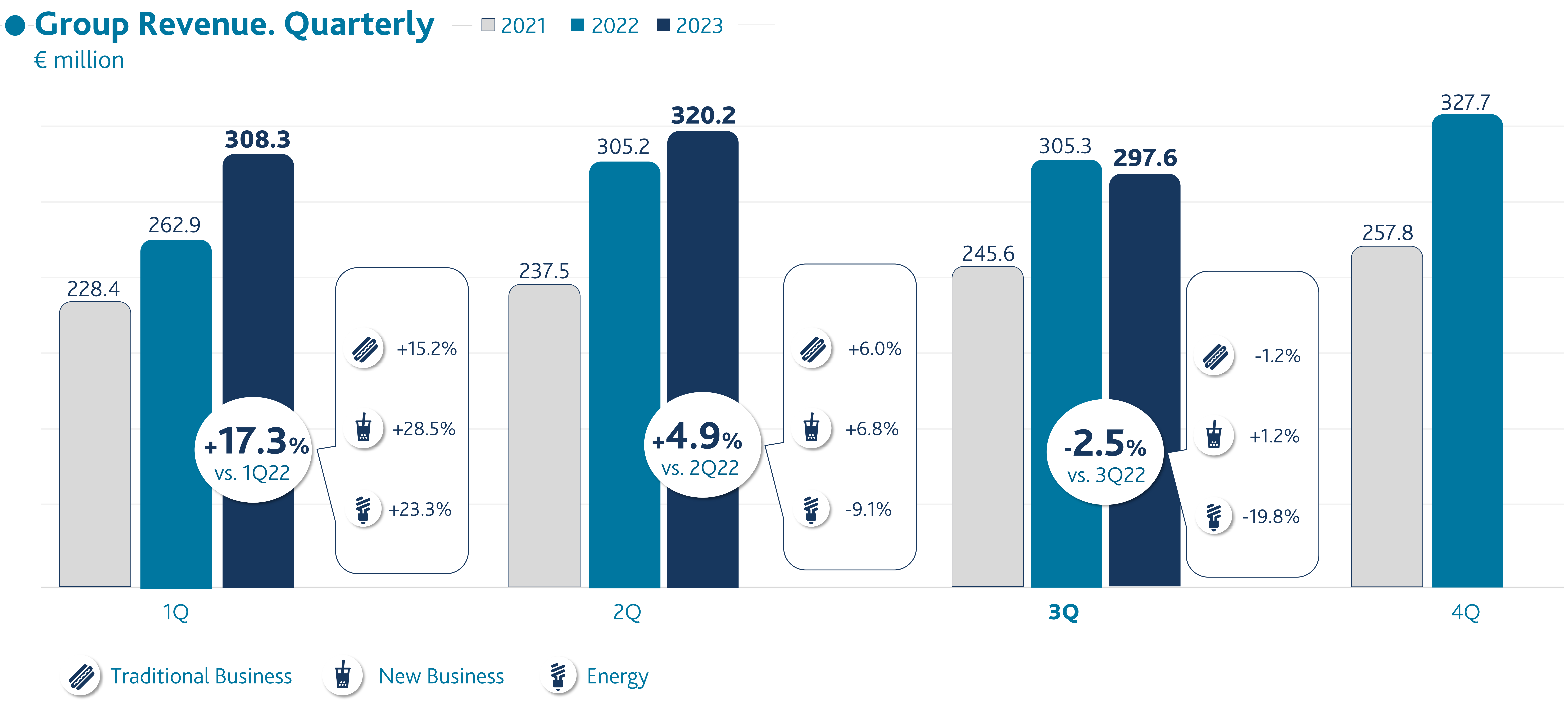


[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2023.

[2] TB: Traditional Business, NB: New Business.

Quarterly revenue evolution

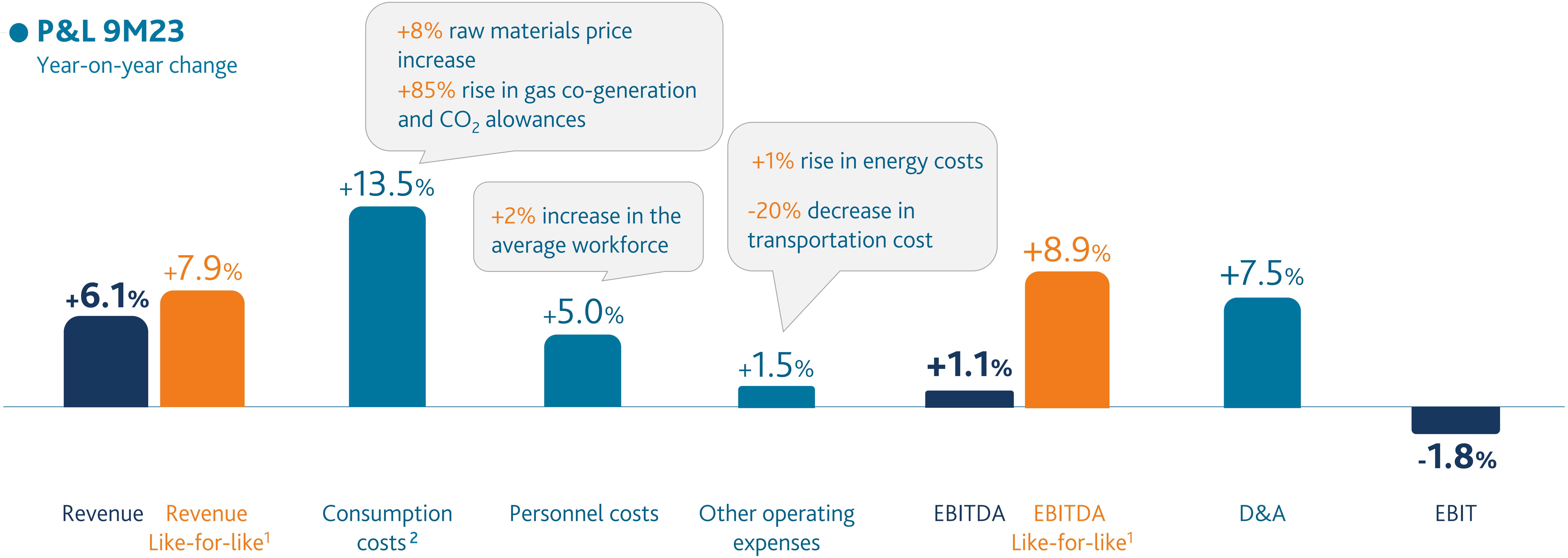
2.5% decline year-on-year in Q3



Growth in EBITDA

Revenue strength, efficiencies and cost savings to offset energy inflation in Spain and forex

P&L 9M23
Year-on-year change



[1] Like-for-like: Excludes the variation of the different exchange rates in 2023, and the non-recurring expense in operating profit of €1.9 million in 3Q23 due to electrical outages caused by the supply company that led to production stoppages at the Danville plant (US).

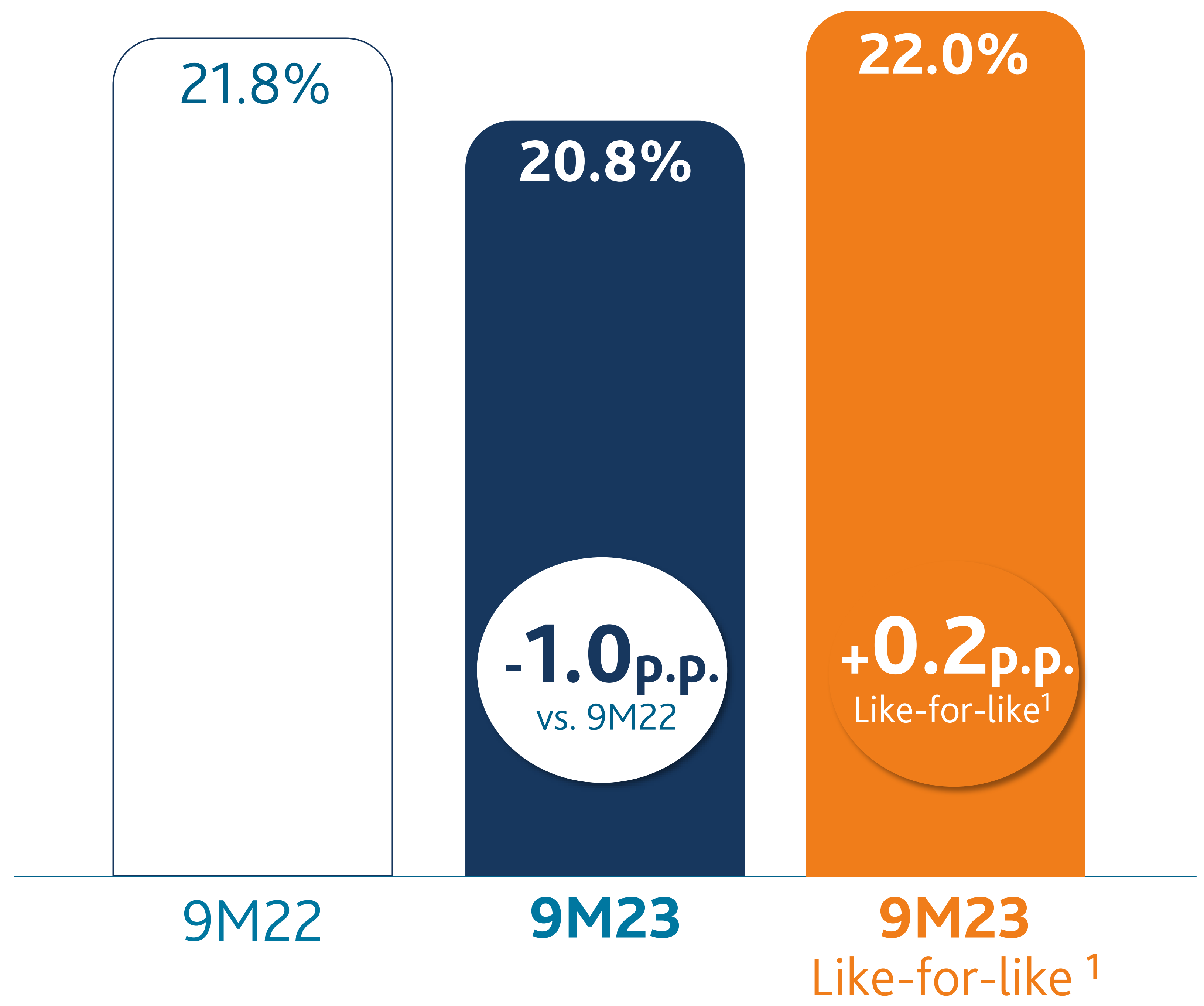
[2] Cost of consumption = Net purchases +/- Change in inventories of finished and unfinished products.

Higher EBITDA in reported and like-for-like terms

Commercial and operational discipline offset a negative cost environment

EBITDA 9M23
Like-for-like and forex breakdown

EBITDA margin 9M23
Percentage



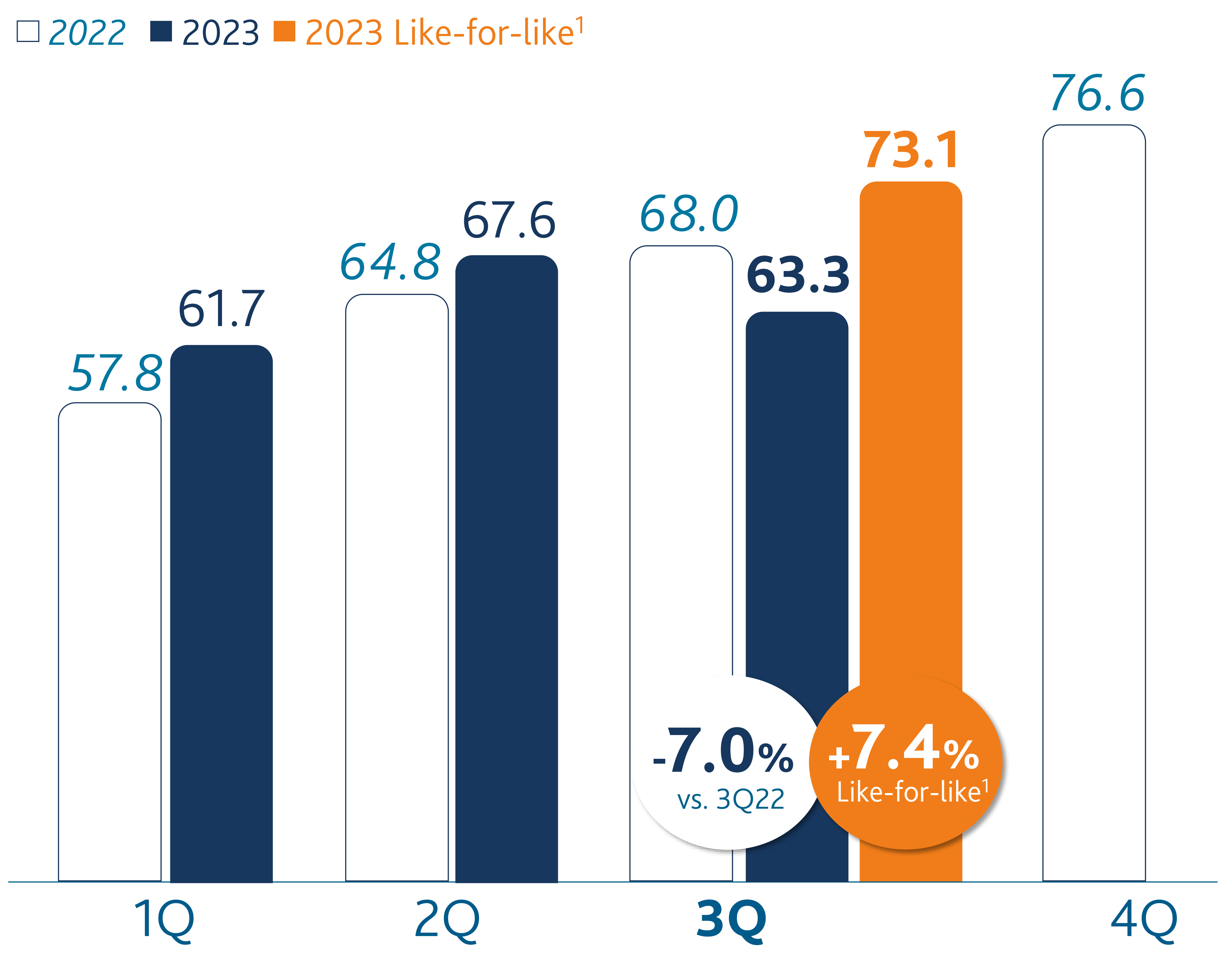
[1] Like-for-like: Excludes the variation of the different exchange rates in 2023, and the non-recurring expense in operating profit of €1.9 million in 3Q23 due to electrical outages caused by the supply company that led to production stoppages at the Danville plant (US).

Focusing on margin recovery

In a quarter negatively impacted by forex

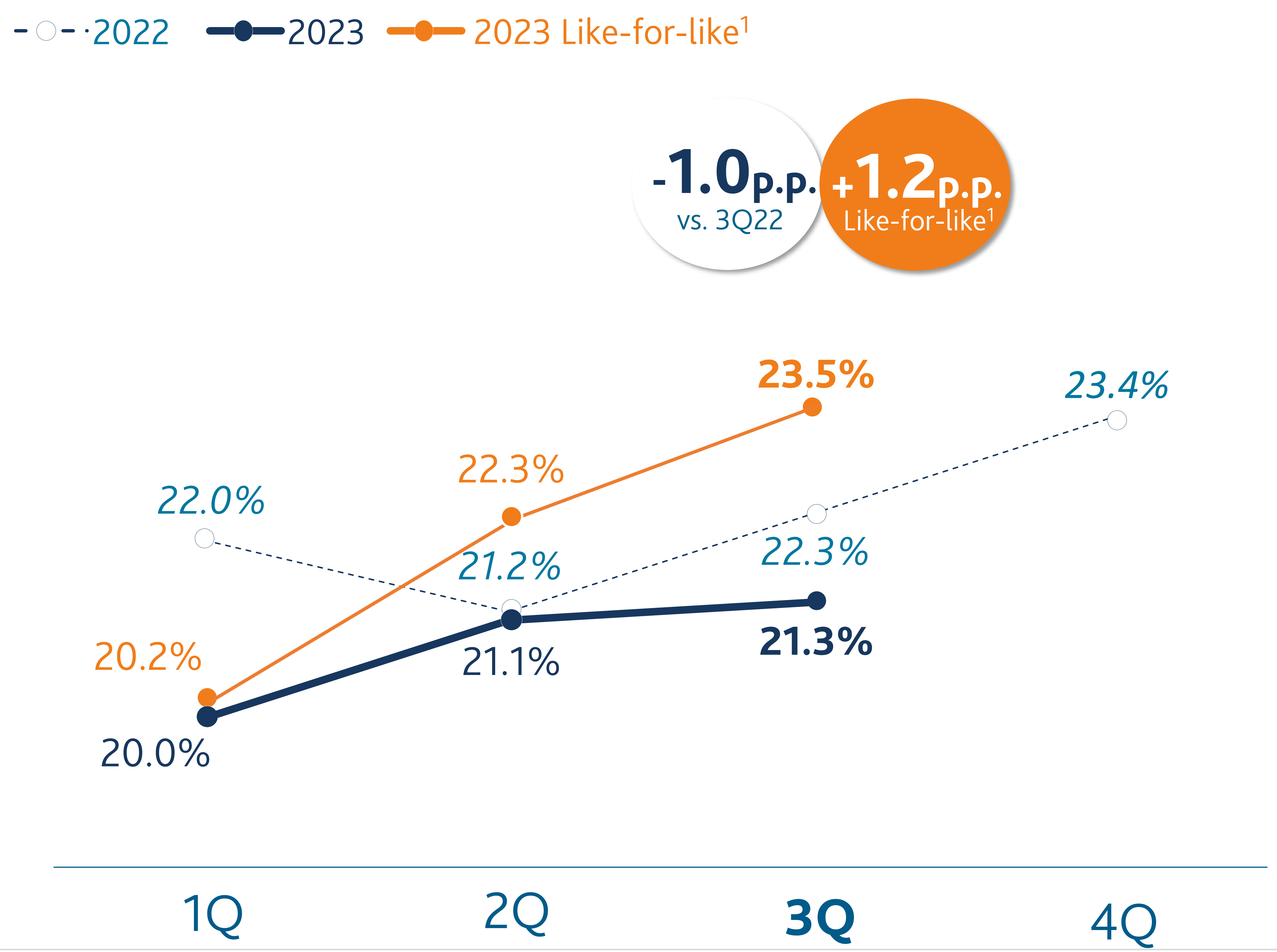
Quarterly EBITDA

€ million



Quarterly EBITDA margin

Percentage



[1] Like-for-like: Excludes the variation of the different exchange rates in 2023, and the non-recurring expense in operating profit of €1.9 million in 3Q23 coming from electrical outages caused by the the supply company that led to production stoppages at the Danville plant (US).

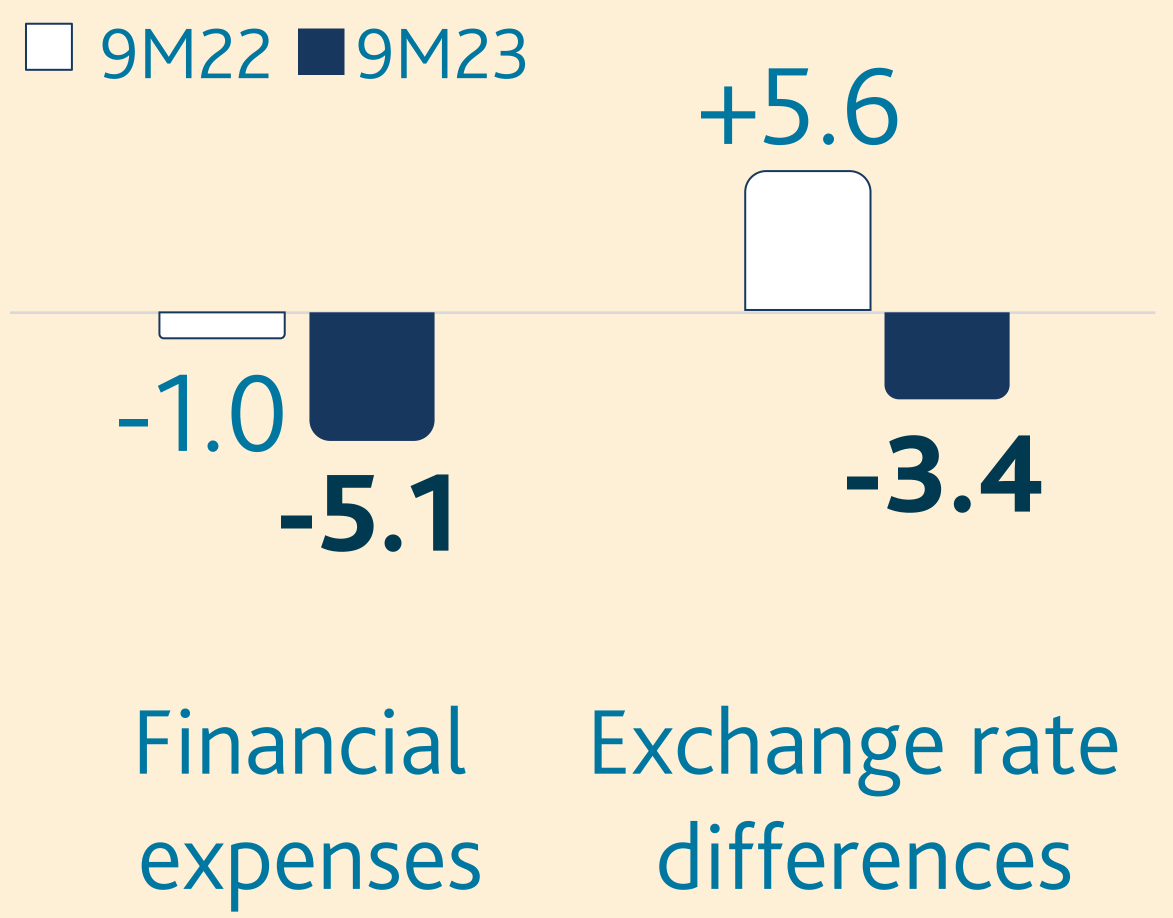
Negative impact of exchange differences on the evolution of Net Profit

EBIT-Net Profit evolution

€ million

€ million	9M23	9M22	% y-o-y
Reported EBIT	**130.5**	132.8	-1.8%
Financial result	**-7.9**	+5.5	c.s.
Taxes	**-21.8**	-33.2	-34.5%
Net profit	**100.8**	105.1	-4.1%

Main components of financial results

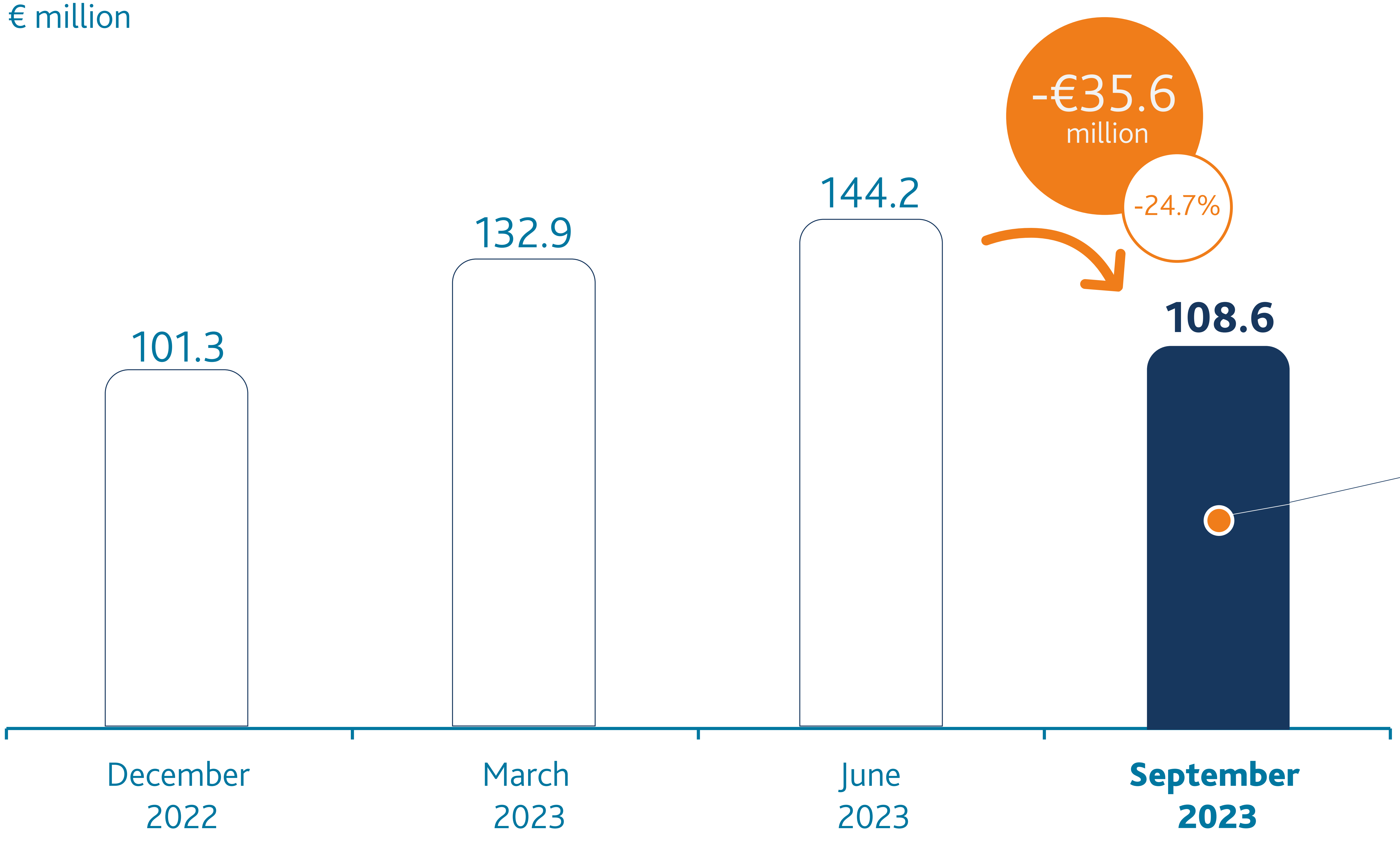


Improving operating cash flow generation

With lower investment needs and working capital optimization

Net Bank Debt[1] Evolution

€ million



- Implementing a strategy aiming at reducing inventories
- <0.5x EBITDA
- Maintaining a strong balance sheet against a tough environment

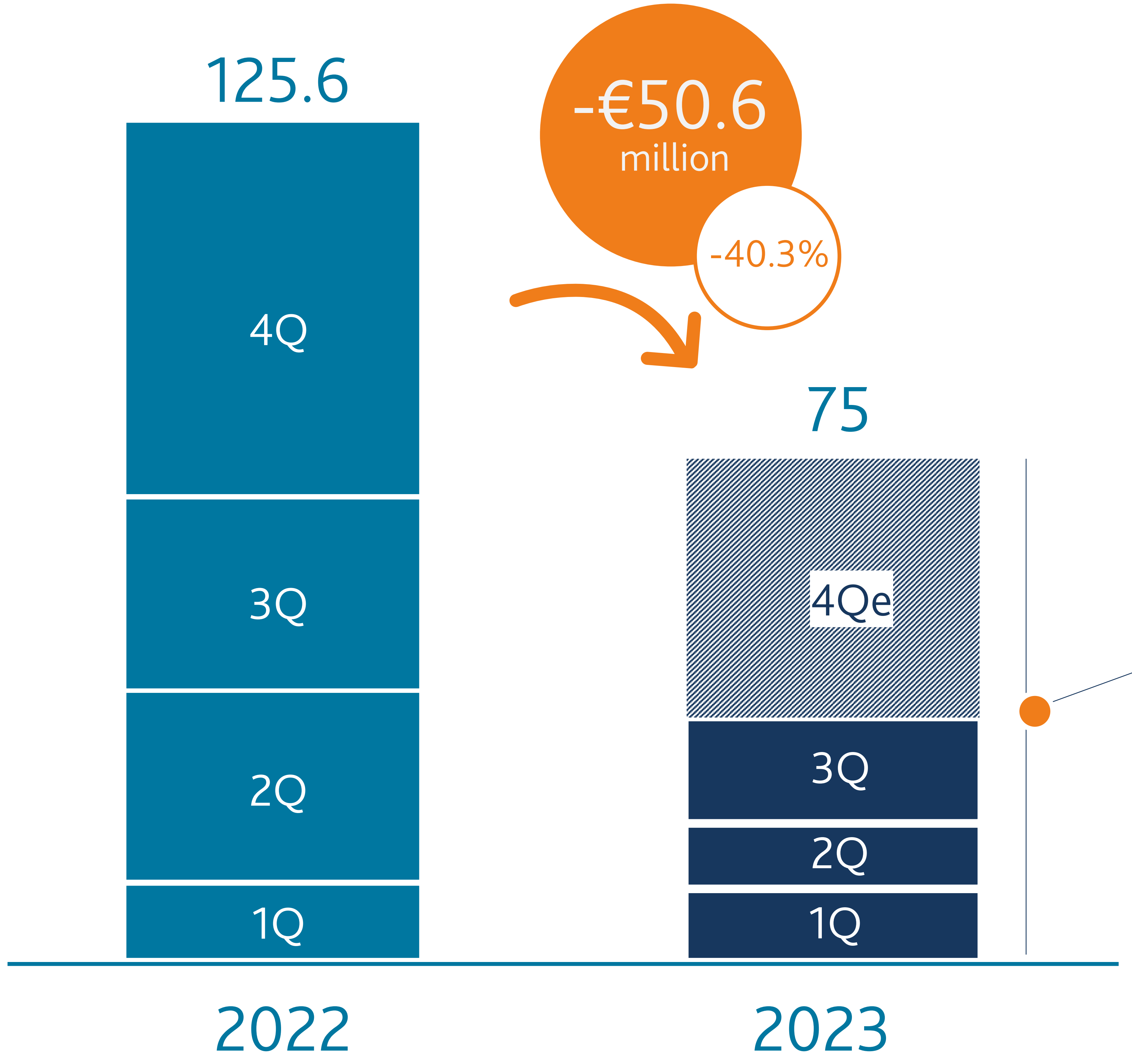
[1] Net Bank Debt= Non-current bank borrowings + Current bank borrowings - Cash and cash equivalents.

Lower capex needs

Adapting investments to capacity requirements and to the market context

Quarterly capex evolution

€ million



- Recurring maintenance investments
- Progress in construction of a new converting plant in Thailand
- Investments in converting in the Czech Republic

Guidance 2023

US$/€: 1.07

€ million	Guidance February23 y-o-y change	Update 9M23 y-o-y change
Revenue	+9% / +12%	+4% / +5%
EBITDA	+6% / +9%	+2% / +4%
Net profit	+10% / +15%	+4% / +7%
Capex	€75 Mn	€75 Mn

9M23. To wrap-up

1

Customers` strategies aiming at inventory adjustment are lasting longer than expected impacting the casings market

2

Revenue and EBITDA growth driven by commercial and operational discipline, and by efficiency improvements.

3

The greater focus in profitability and resources optimization in the second half of the year leads to higher operational margins and debt reduction

4

The key strategic projects have achieved better-than-expected performance, setting the stage for margin improvement in 2024

Appendix. P&L. 9 Months

€ million	9M23	9M22	% y-o-y	Like-for-like[1] % y-o-y
Revenue	**926.2**	873.4	**+6.1%**	**+7.9%**
EBITDA	**192.6**	190.6	**+1.1%**	**+8.9%**
EBITDA margin	**20.8%**	21.8%	**-1.0p.p.**	**+0.2p.p.**
Operating profit	**130.5**	132.8	**-1.8%**	
Profit before taxes	**122.6**	138.3	**-11.4%**	
Taxes	**-21.8**	-33.2	**-34.5%**	
Net profit	**100.8**	105.1	**-4.1%**	

[1] Like-for-like: Excludes the variation of the different exchange rates in 2023, and the non-recurring expense in operating profit of €1.9 million in 3Q23 due to electrical outages caused by the supply company that led to production stoppages at the Danville plant (US).

Appendix. P&L. Third Quarter

€ million	3Q23	3Q22	% y-o-y	Like-for-like[1] % y-o-y
Revenue	**297.6**	305.3	**-2.5%**	**+1.7%**
EBITDA	**63.3**	68.0	**-7.0%**	**+7.4%**
EBITDA margin	**21.3%**	22.3%	**-1.0 p.p.**	**+1.2 p.p.**
Operating profit	**42.4**	48.5	**-12.6%**	
Profit before taxes	**45.2**	49.8	**-9.3%**	
Taxes	**-7.2**	-9.6	**-24.5%**	
Net profit	**37.9**	40.2	**-5.7%**	

[1] Like-for-like: Excludes the variation of the different exchange rates in 2023, and the non-recurring expense in operating profit of €1.9 million in 3Q23 due to electrical outages caused by the supply company that led to production stoppages at the Danville plant (US).

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.