



Results
January – June 2019
31 July 2019

2Q19 results highlights

€208.6Mn

Quarterly revenue was up 5.4% setting a **new all-time high**.

Revenue growth driven by **the strength of North America and Latam**.



€48.9Mn

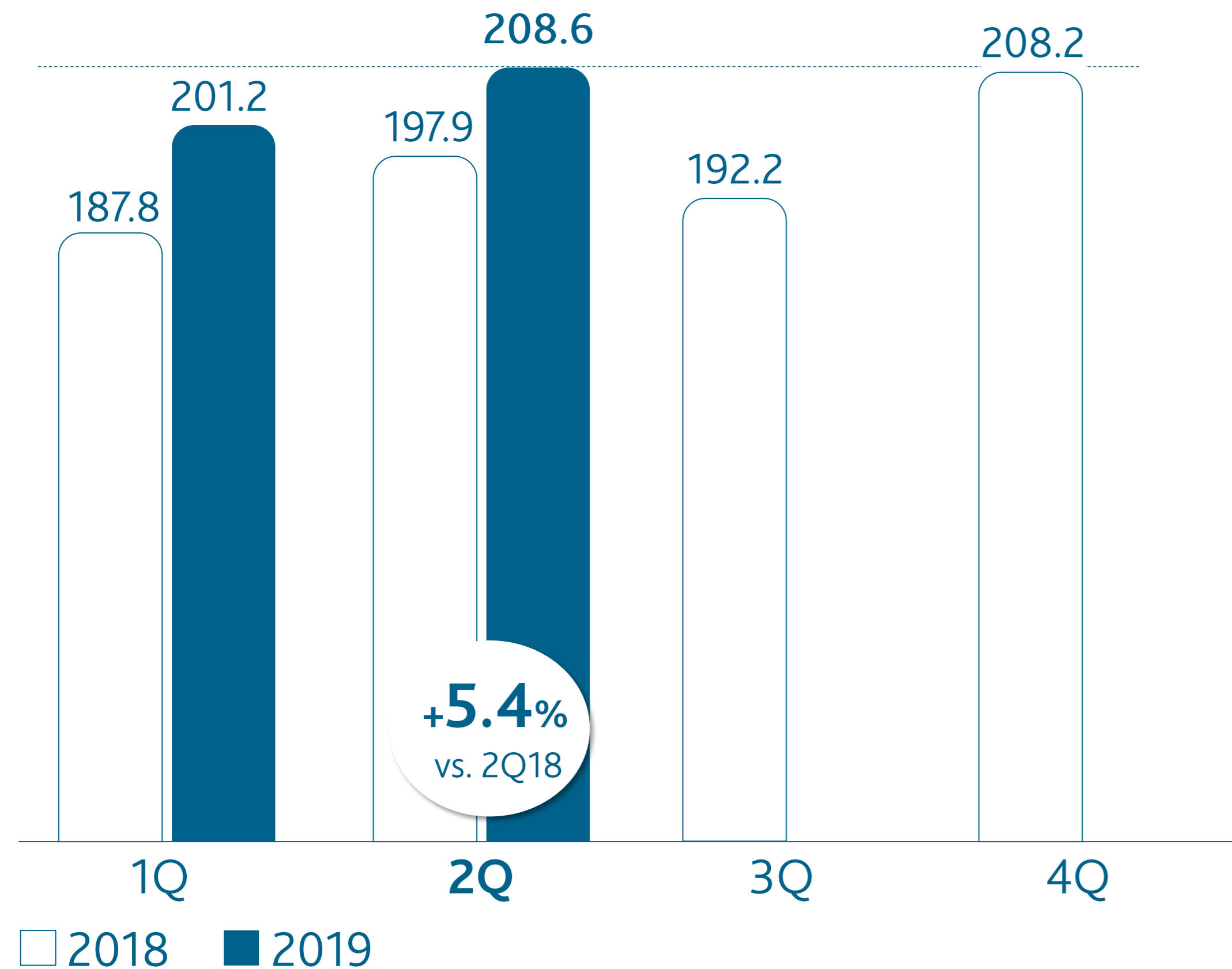
Recurring EBITDA grew by 0.7% against a backdrop of **higher energy costs and wage inflation**. If we include in 2018 the non-recurring impact in the form of compensation for patent infringement and in 2019 the non-recurring impact related to the strike in the US, reported EBITDA was down 14.2% on the previous year.

Start-up of new production modules of the **new technology in Cáteda**. This milestone will enable to **generate savings** in the second half of the year.

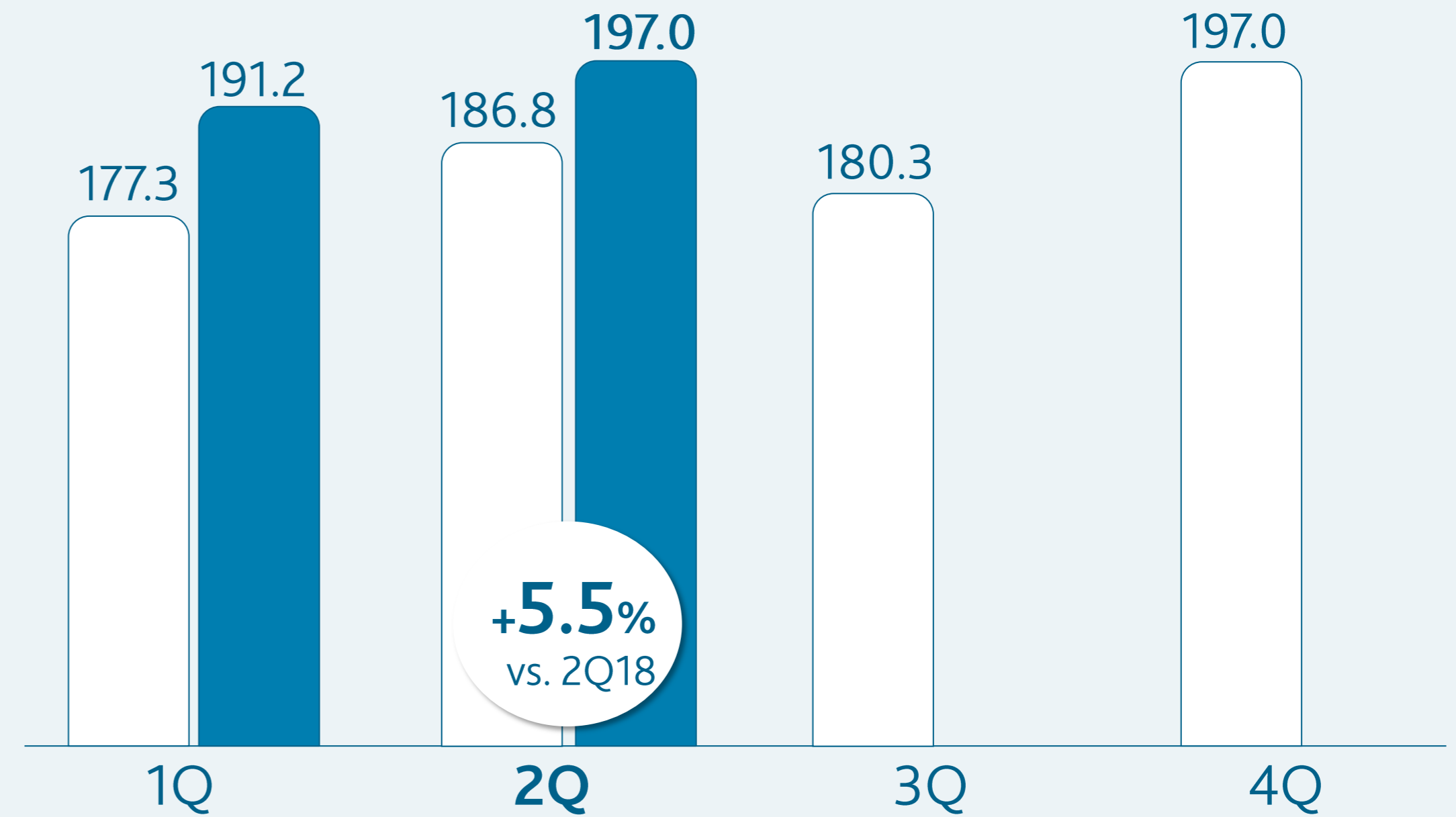


New all-time high in quarterly revenue...

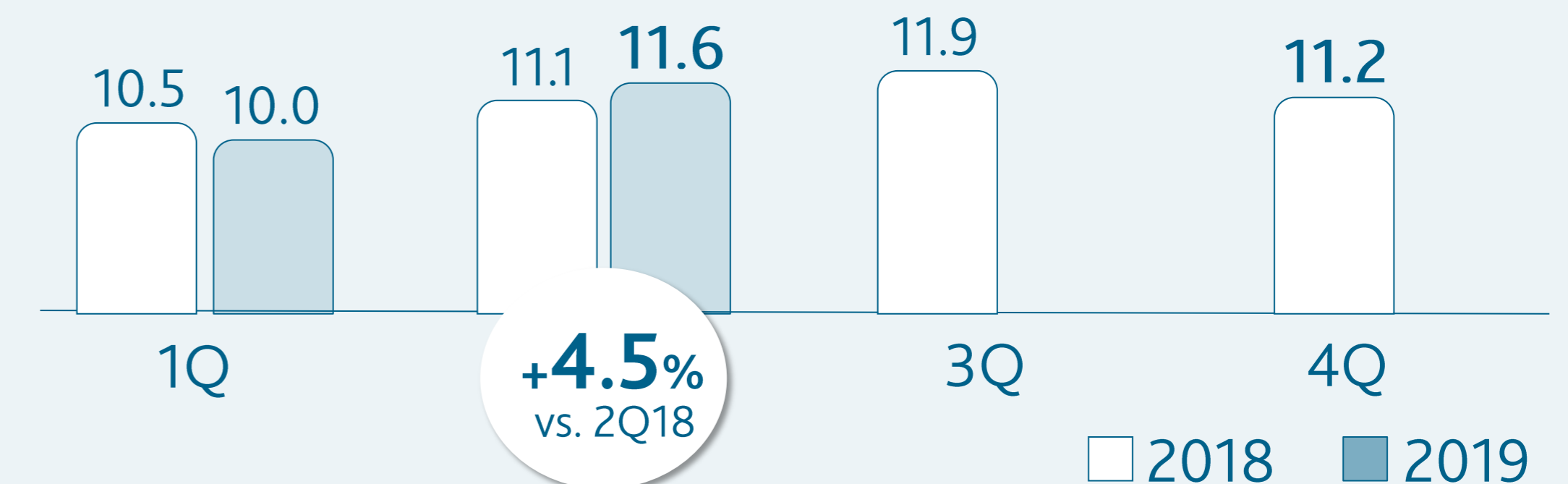
REVENUE. Viscofan Group (€ million)



CASING SALES (€ million)

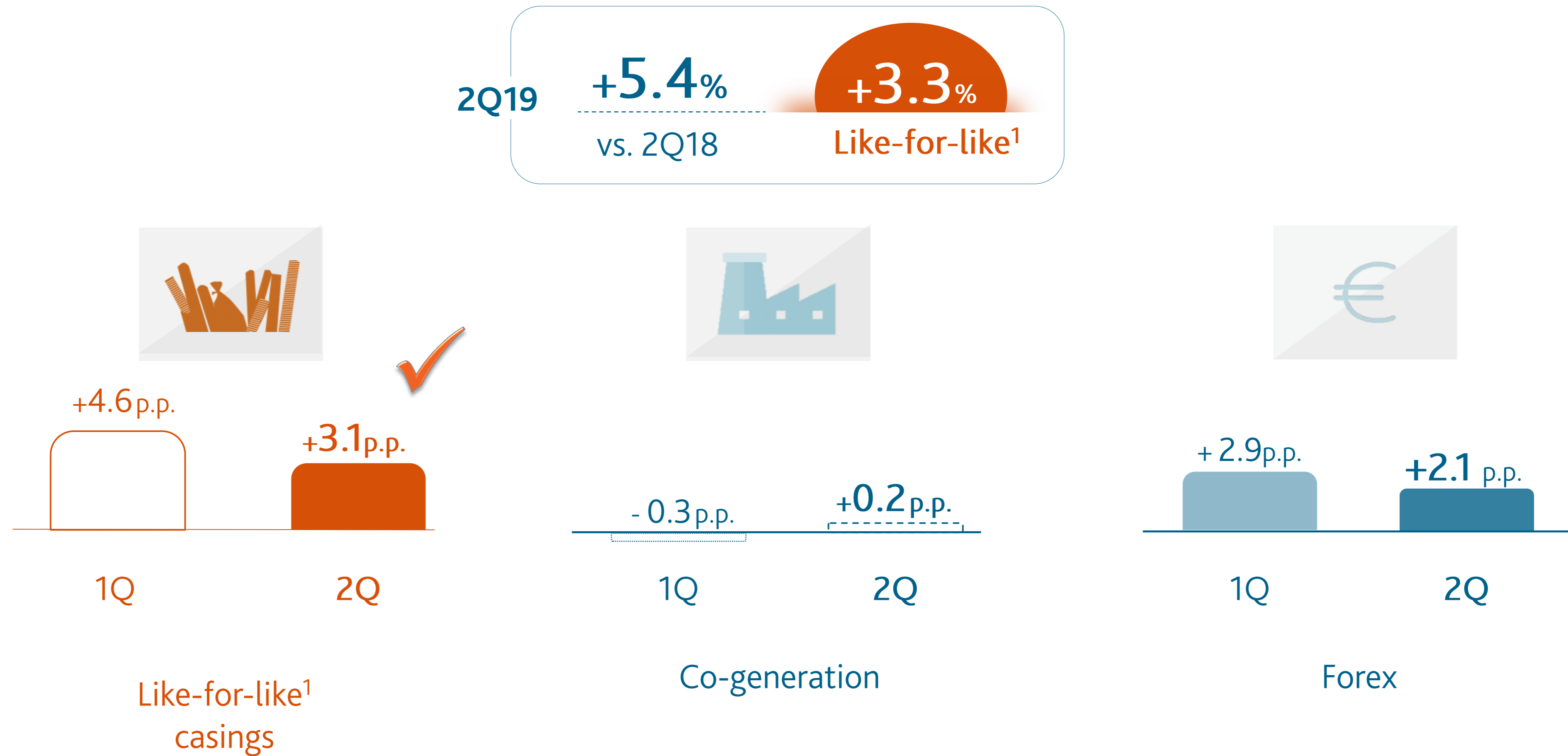


CO-GENERATION REVENUE (€ million)



...driven by better price mix and forex.

REVENUE. Quarterly growth contribution

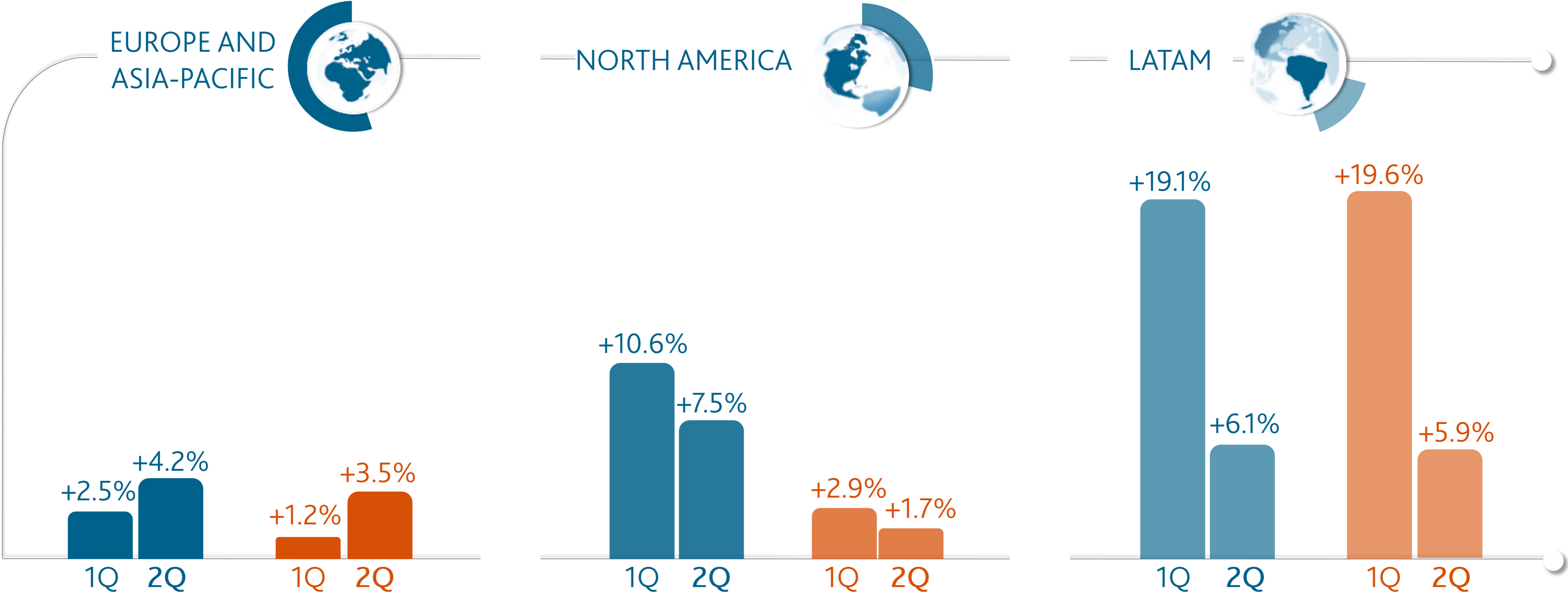


¹ Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2019 and non-recurring impacts.

Growth in all reporting areas against a backdrop of market weakness, primarily on the Europe and Asia region.

REVENUE. Quarterly change

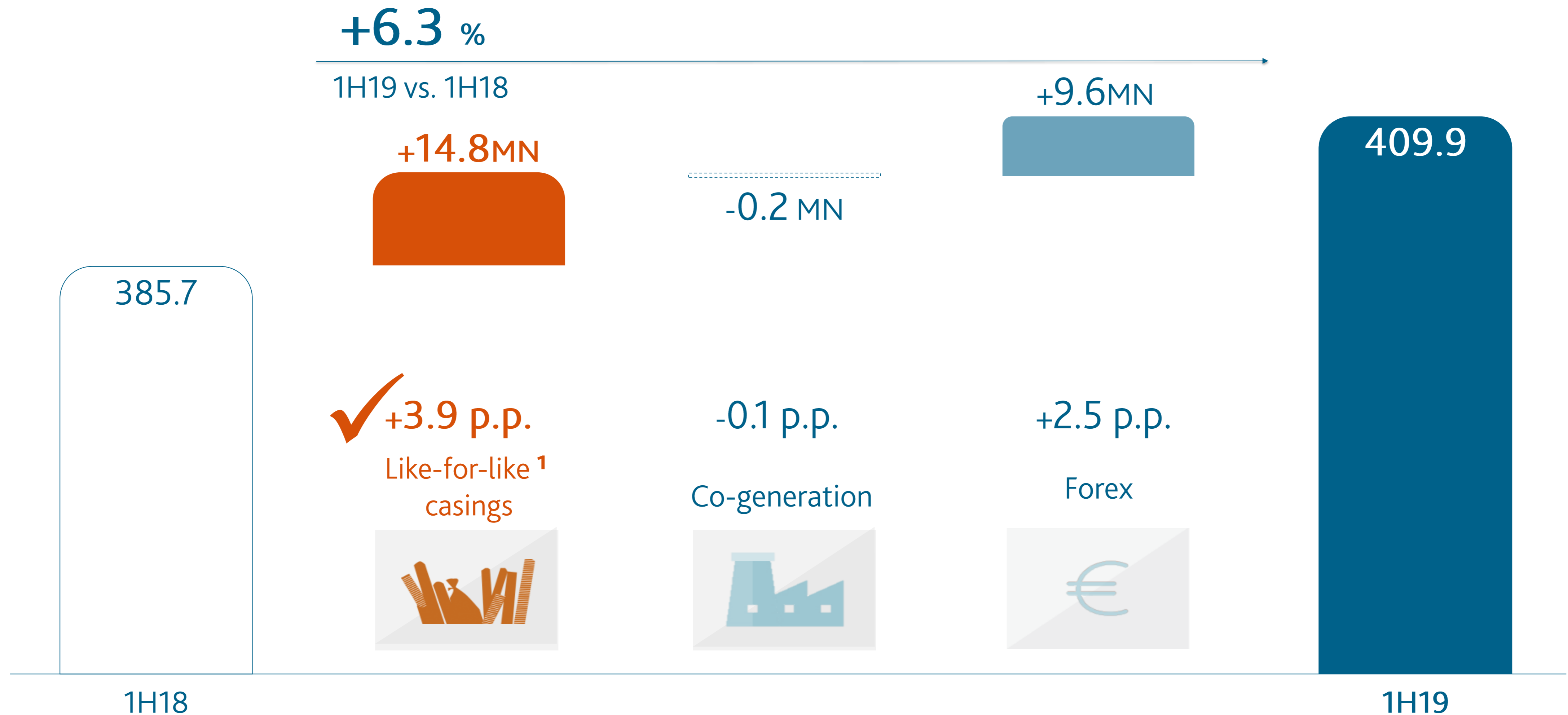
■ Reported ■ Like-for-like¹



¹ Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2019 and non-recurring impacts.

Revenue growth driven by price/mix, forex and Globus acquisition

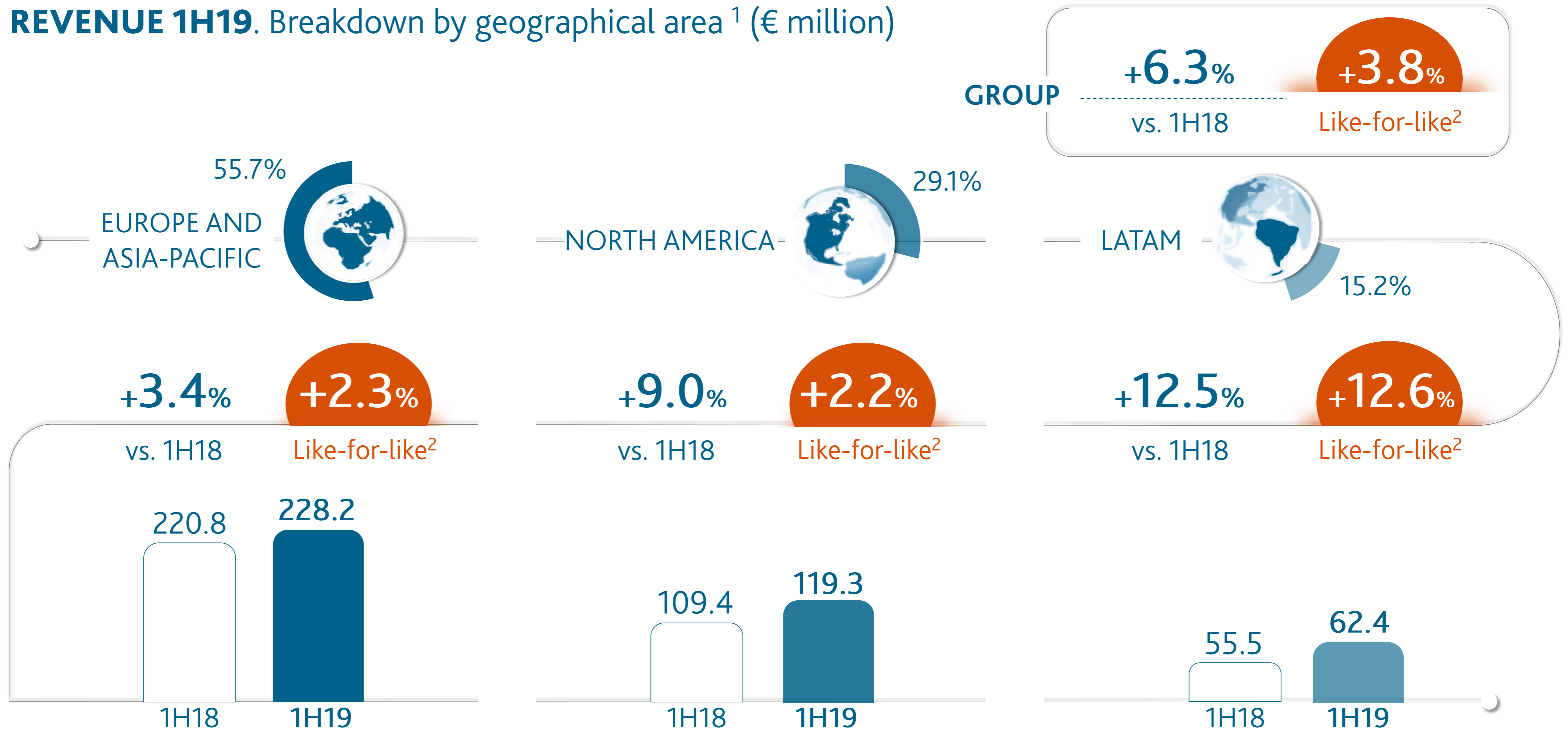
REVENUE. Growth contribution (€ million)



¹ Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2019 and non-recurring impacts.

Strengthening our competitive position in all reporting areas.

REVENUE 1H19. Breakdown by geographical area ¹ (€ million)

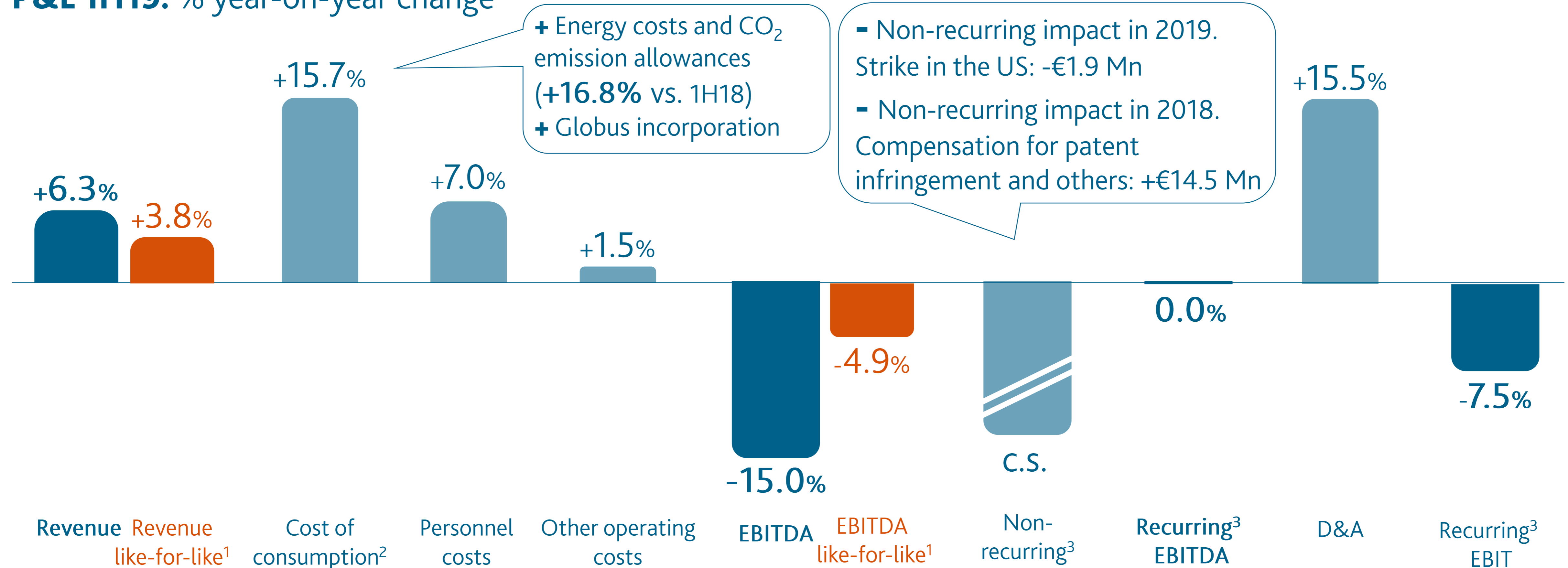


¹ Revenue per origin of sales.

² Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2019 and non-recurring impacts.

Top line growth against a backdrop of higher energy costs and wage inflation, and non-recurring impacts.

P&L 1H19. % year-on-year change



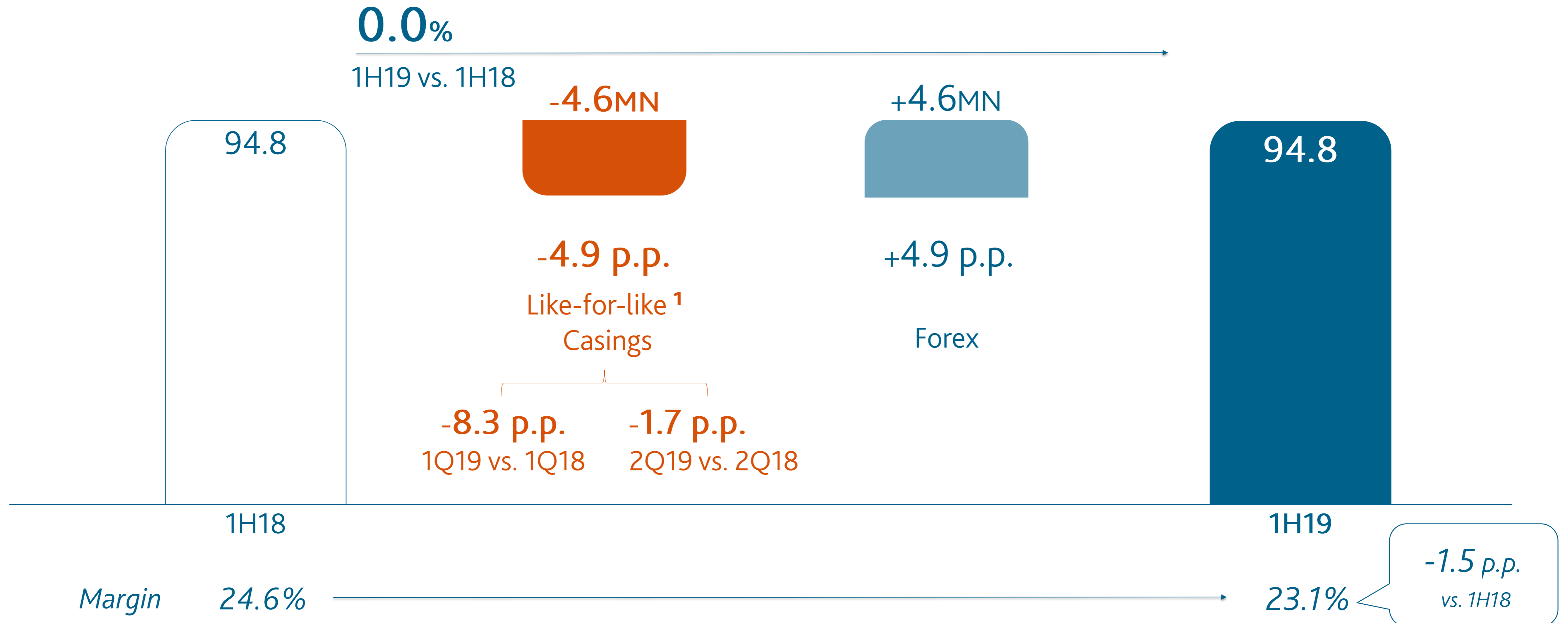
¹ Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2019 and non-recurring impacts.

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

³ Recurring results: a) In 2019 the amount excludes €1.9 million of non-recurring expenses related with the strike at the Danville plant (EEUU). b) In 2018, the amount excludes the impact recorded in Other operating income of €15.4 million corresponding to the compensation received in 2018 for a dispute against Mivisa Envases S.A.U. due to patent infringement, netted at €0.9 million recorded in Other operating expenses corresponding to this dispute and the acquisition of companies. Of the net total of €14.5 million, €8.2 million correspond to 1Q18 and €6.3 million to 2Q18.

Costs headwinds offset by forex tailwinds.

Recurring¹ EBITDA 1H19. y-o-y growth contribution(€ million)

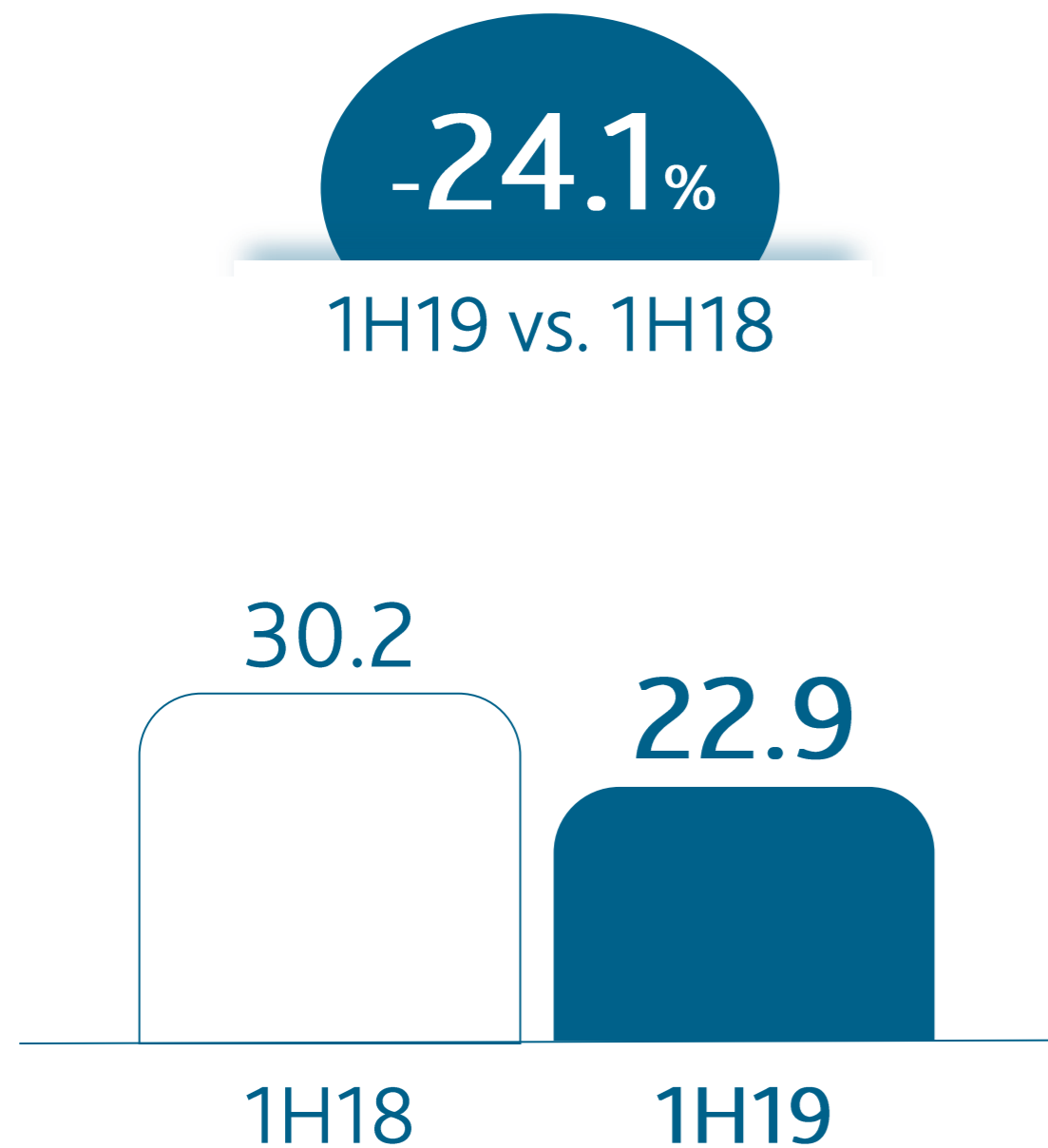


¹ Recurring results: a) In 2019 the amount excludes €1.9 million of non-recurring expenses related with the strike at the Danville plant (EEUU). b) In 2018, the amount excludes the impact recorded in Other operating income of €15.4 million corresponding to the compensation received in 2018 for a dispute against Mivisa Envases S.A.U. due to patent infringement, netted at €0.9 million recorded in Other operating expenses corresponding to this dispute and the acquisition of companies. Of the net total of € 14.5 million, € 8.2 million correspond to 1Q18 and € 6.3 million to 2Q18.

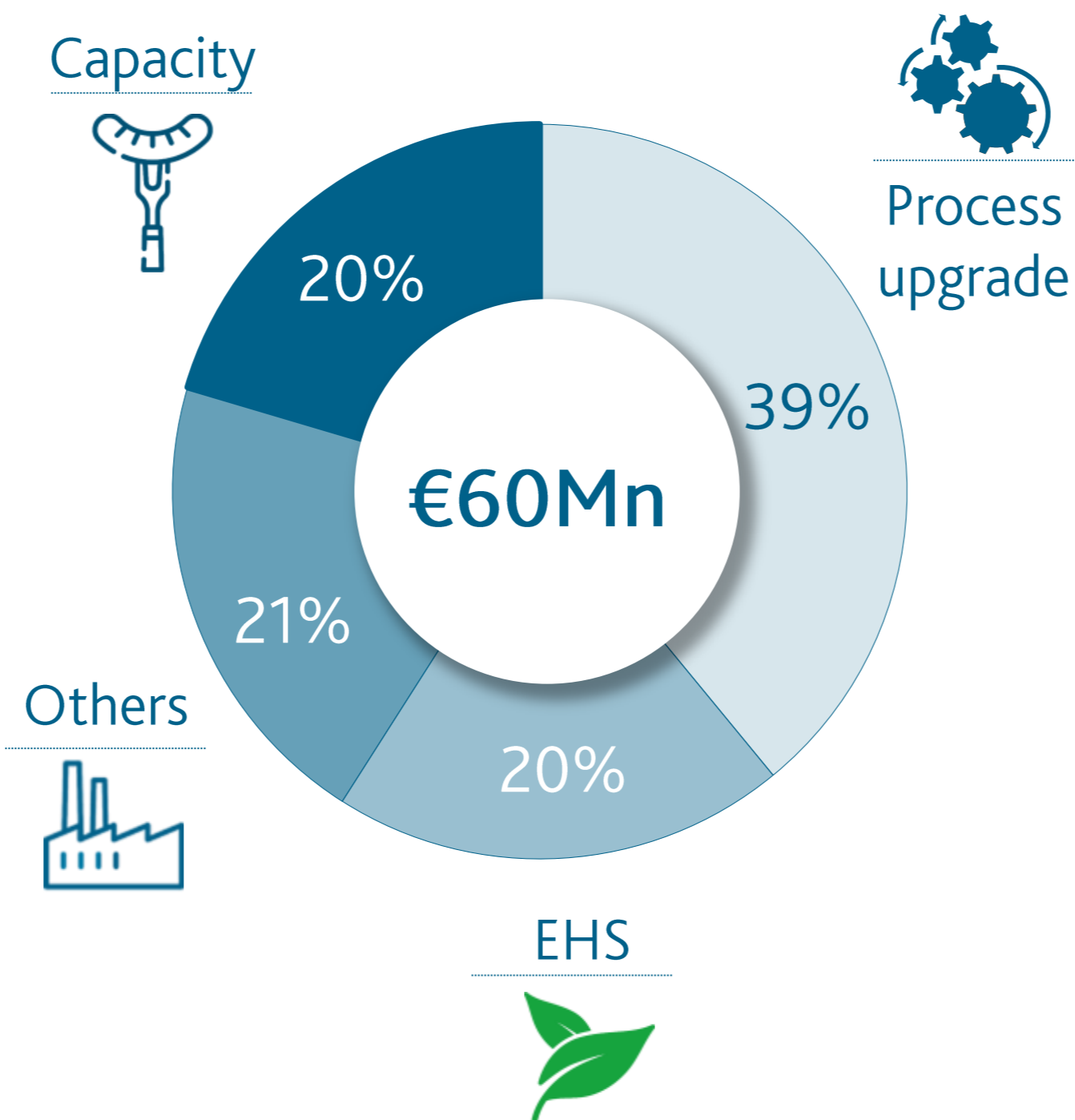
² Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2019 and non-recurring impacts.

Capex requirements reduced significantly after upgraded assets...

CAPEX 1H19 (€ million)



CAPEX 2019e. Breakdown by type

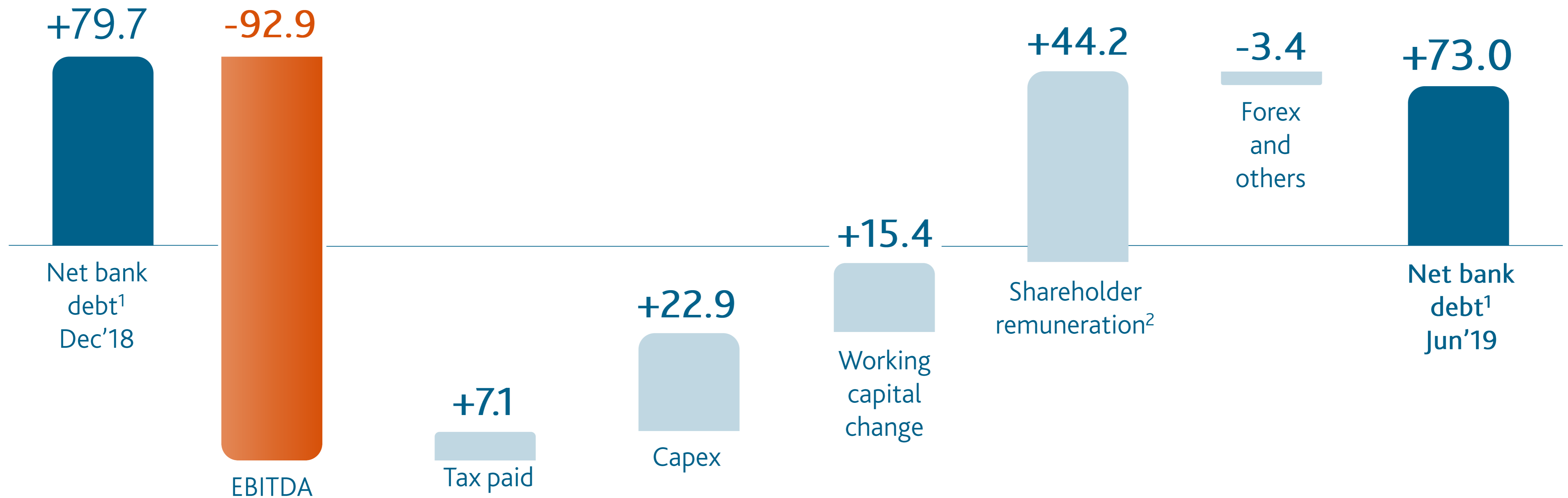


New cellulose technology in Cáteda.

- ✓ New production modules installed in April and June 2019. 70% of the project
- ✓ Learning curve according to expectations
- ✓ Higher production speed and cost reduction
- ✓ The plant has enough scale to lower the cost of production per unit since 1H19

... financed with operating cash flow while increasing shareholder remuneration.

NET BANK DEBT¹ bridge (€ Million)

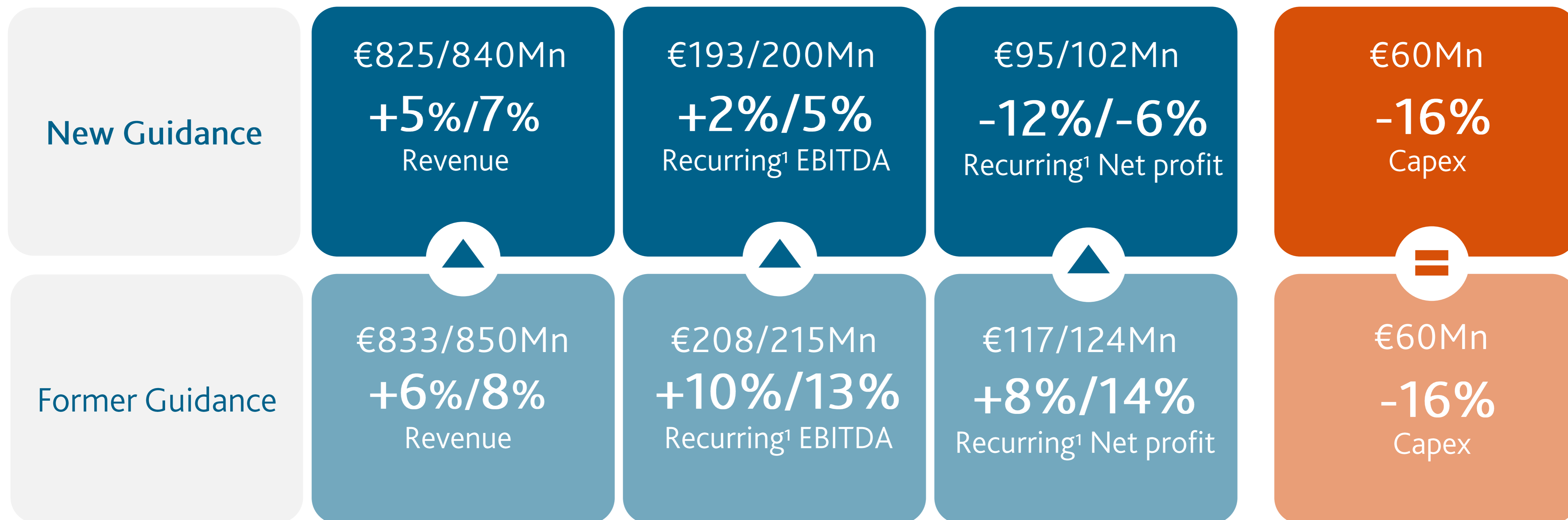


¹ Net bank debt = Non-current bank borrowings + Current bank borrowings – Cash and equivalents.

² Remuneration related with 2018 final dividend of €0.95 paid in June 2019.

Guidance update (€ million)

2019e



¹ Recurring results: a) In 2019 the amount excludes €1.9 million of non-recurring expenses related with the strike at the Danville plant (EEUU). b) In 2018, the amount excludes the impact recorded in Other operating income of €15.4 million corresponding to the compensation received in 2018 for a dispute against Mivisa Envases S.A.U. due to patent infringement, netted at €0.9 million recorded in Other operating expenses corresponding to this dispute and the acquisition of companies.

To wrap-up

- ✓ Revenue growth in all reporting areas, highlighting the strength in Latam and North America, but with lower growth in Europe and Asia due to market weakness (ASF, competitive environment).
- ✓ Higher operating costs driven by Globus incorporation, energy costs and wages, and the strike in the US.
- ✓ The investment plan and the start-up of the new technology are performing in line with the strategy plan.
- ✓ Savings from new production modules in Spain and volume acceleration are expected for the second half of 2019.
- ✓ Guidance update to adjust to a market environment in which Viscofan keeps reinforcing its leadership and growth outlook.

Appendix. 2Q19. Main financial figures (€ million)

	Recurring ¹		% y-o-y Like-for-like ²	Reported	
	2Q19	% y-o-y		2Q19	% y-o-y
Revenue	208.6	+5.4%	+3.3%	208.6	+5.4%
EBITDA	48.9	+0.7%	-1.7%	47.0	-14.2%
EBITDA margin	23.4%	-1.1 p.p.	-1.1 p.p.	22.5%	-5.2p.p.
Operating profit	31.2	-5.0%		29.3	-25.0%
Net profit	24.3	-17.6%		22.9	-32.6%

¹ Recurring results: a) In 2019 the amount excludes €1.9 million of non-recurring expenses related with the strike at the Danville plant (EEUU). b) In 2018, the amount excludes the impact recorded in Other operating income of €15.4 million corresponding to the compensation received in 2018 for a dispute against Mivisa Envases S.A.U. due to patent infringement, netted at €0.9 million recorded in Other operating expenses corresponding to this dispute and the acquisition of companies. Of the net total of € 14.5 million, € 8.2 million correspond to 1Q18 and € 6.3 million to 2Q18.

² Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2019 and non-recurring impacts.

Appendix. 1H19. Main financial figures (€ million)

	Recurring ¹		% y-o-y Like-for-like ²	Reported	
	1H19	% y-o-y		1H19	% y-o-y
Revenue	409.9	+6.3%	+3.8%	409.9	+6.3%
EBITDA	94.8	0.0%	-4.9 %	92.9	-15.0%
EBITDA margin	23.1%	-1.5 p.p.	-2.1 p.p.	22.7%	-5.6p.p.
Operating profit	59.2	-7.5%		57.4	-26.9%
Net profit	47.1	-14.8%		45.7	-30.5%

¹ Recurring results: a) In 2019 the amount excludes €1.9 million of non-recurring expenses related with the strike at the Danville plant (EEUU). b) In 2018, the amount excludes the impact recorded in Other operating income of €15.4 million corresponding to the compensation received in 2018 for a dispute against Mivisa Envases S.A.U. due to patent infringement, netted at €0.9 million recorded in Other operating expenses corresponding to this dispute and the acquisition of companies. Of the net total of € 14.5 million, € 8.2 million correspond to 1Q18 and € 6.3 million to 2Q18.

² Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2019 and non-recurring impacts.

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

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

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.

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