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# Natra Latest Estimate 2018

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Latest Estimate 2018 prepared  
in Q3.2018



# Important Information

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# Important Information

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- These APMs and Non-IFRS financial measures are used to enable a better understanding of Natra’s financial and business performance , but they are intended merely to provide additional information and may not by any means be considered a substitute for the financial information prepared under the IFRS.
- Furthermore, Natra’s approach to defining and calculating these APMs and Non-IFRS financial measures may differ from that of other undertakings that use similar measures, so they may not be comparable.
- The Appendix hereto contain further information and enhance its transparency, including a definition of the terms used

**NOTE :**

***This Latest Estimate 2018 was prepared in Q3.2018***



# Latest Estimate 2018 : Consolidated EBITDA

€M

P&L main lines

		NATRA CONSOLIDATED TOTAL 2018			LE(8+4)2018 VAR.		% VAR.	
		LE8+4 2018	Budget 2018	Actual 2017	Vs budget	Vs 2017	Vs budget	Vs 2017
Gross Sales (GS)		381,9	388,0	374,6	-6,1	7,4	-2%	2%
Net Sales (NS)		372,3	379,6	365,3	-7,3	7,0	-2%	2%
Gross Margin	% GS	151,1 39,6%	131,7 33,9%	122,5 32,7%	19,4 5,6 pp	28,7 6,9 pp	15%	23%
Contribution Margin	% GS	91,6 24,0%	74,9 19,3%	67,7 18,1%	16,6 4,7 pp	23,9 5,9 pp	22%	35%
Total Fixed Costs	% GS	-54,9 14,4%	-44,2 11,4%	-41,5 11,1%	-10,7 -3,0 pp	-13,4 -3,3 pp	-24%	-32%
Adjusted EBITDA	% GS	36,7 9,6%	30,7 7,9%	26,2 7,0%	5,9 1,7 pp	10,5 2,6 pp	19%	40%
Adjustments		-0,1	-0,5	-3,5	0,4	3,4	-82%	-97%
EBITDA	% GS	36,6 9,6%	30,2 7,8%	22,7 6,1%	6,3 1,8 pp	13,9 3,5 pp	21%	61%



# High level Normalised 2018 Adjusted EBITDA

## High Level estimation of normalised Adjusted EBITDA 2018

	€M	
<b>Adj. EBITDA Budget 2018</b>	<b>30,7</b>	(a)
Extra volume Consumer	1,9	(b)
Lower Volume Industry	-1,1	(c)
Savings Operations	0,5	(d)
Raw Material Savings	2,0	(e)
<b>Adj. EBITDA Normalised</b>	<b>34,0</b>	

Note : We have not considered within the normalized EBITDA

- The profit in Industry from infrequent high positive Ratio x Liffe Actuals in 2018; The Budget 2018 levels are considered the valid ones for long term recurring extrapolations.
- The One-Off Competitive Projects to prepare 2019 and onwards, as it is a reinvestment of abnormally high profit in 2018 to help build competitiveness going forward; These Projects would not exist without the other.

(a)	The starting point for the normalised EBITDA is the <b>Budget 2018</b> , at <b>30,7 M€</b> . The Budget 2018 represented the record EBITDA in Natra, and It is in line with the Transformation Plan prepared last year.
(b)	<b>Volume Consumer</b> above Budget, recurring gain
(c)	<b>Volume Industry</b> above last year (recurring), but below Budget
(d)	<b>Operations savings</b> above Budget 2018
(e)	<b>Raw Materials</b> : In a rough estimation we could consider savings in the range of 2 M€ as recurrent in coming years due to the efficiency in procurement and adequate coverage practices



## Latest Estimate 2018 : Consolidated Net Profit

	LE8+4 2018	Actual 2017
<b>EBITDA</b>	<b>36,6</b>	<b>22,7</b>
Depreciation / amortisation	(9,8)	(9,9)
Impairment of non-current assets	(1,5)	
Interest income and expense. Exchange differences	(11,8)	(13,5)
Impairment Losses / Income Disp. Financ. Instruments	2,2	(5,9)
<b>PROFIT / (LOSS) BEFORE TAX</b>	<b>15,6</b>	<b>(6,6)</b>
Corporate Income tax	8,2	(3,3)
<b>NET PROFIT / (LOSS)</b>	<b>23,8</b>	<b>(9,9)</b>

We do not expect negative deviations in **EBITDA**.

However the Net Profit can be impacted substantially by :

- Valuation **Reig Jofre** at year end, positively or negatively, posted in the line *Impairment Losses/Inc Financial Instruments*. Valuation in LE2018 at 2.60 €/share (20 M€).  
The recent volatility has dropped the valuation of our participation, however no negative communications (the opposite) or fundamentals in Reig Jofre seems to be behind this devaluation. No cash impact in/out in Natra from these swings in valuation.
- Recognition of **Tax Assets** : 8 M€ have been recognised in the Latest Estimate Q4.2018 on this concept, against income on Corporate Tax. The final amount is being assessed and could be higher.

# Cash Flow Latest Estimate 2018 - summary K€

K€	LE(8+4) 2018 vs				
	LE 2018 8+4	B'2018	A'2017	Vs BGT	Vs 2017
EBITDA	36.559	30.294	22.683	6.265	13.876
Changes in working capital	3.338	(258)	8.554	3.596	(5.216)
Other cash movements	(9.985)	(11.381)	(13.256)	1.396	3.271
<b>Cash flow for debt service</b>	<b>29.912</b>	<b>18.655</b>	<b>17.981</b>	<b>11.257</b>	<b>11.931</b>
Interest/Fees expenses (Syndicated Incl.)	(6.607)	(6.698)	(6.771)	92	164
Net Factoring lines drawdown (Factoring Off-Bce)	(8.845)	(171)	2.197	(8.673)	(11.042)
Debt drawings/repayment (Syndicated Incl.)	(11.513)	(9.322)	(7.976)	(2.191)	(3.537)
<b>Net cash movement</b>	<b>2.947</b>	<b>2.463</b>	<b>5.432</b>	<b>484</b>	<b>(2.484)</b>

# Net Financial Debt development (K€)

K€	LE8+4	Actual	Actual	Actual
	Dec-18	Sep-18	Jun-18	Mar-18
Synd. TA	20.695	22.331	22.331	24.051
Synd. TB	63.846	65.246	65.246	69.190
Synd. TC	52.530	52.007	52.007	51.486
<b>Synd.Loan (Gross)</b>	<b>137.071</b>	<b>139.584</b>	<b>139.584</b>	<b>144.727</b>
Leasings	3.474	3.577	3.828	4.061
Subsidised Loans	3.097	3.404	3.519	3.628
Other	112	173	238	223
ST Facilities (On Bce) - Credit Line	2.047	2.396	1.550	1.201
Canada	5.661	5.069	6.110	6.526
Medici	3.920	3.920	3.791	3.932
Constituted Deposits	-	(3.389)	(338)	2.446
Derivatives	1.074	2.060	(1.357)	(3.215)
Factoring on balance	476	373	564	956
<b>Other Debt</b>	<b>19.860</b>	<b>17.583</b>	<b>17.906</b>	<b>19.757</b>
<b>Convertible Bonds</b>	<b>13.068</b>	<b>13.166</b>	<b>13.166</b>	<b>13.166</b>
<b>Gross Debt</b>	<b>169.999</b>	<b>170.333</b>	<b>170.657</b>	<b>177.650</b>
<b>Amortised Cost</b>	<b>(24.170)</b>	<b>(25.203)</b>	<b>(26.515)</b>	<b>(26.529)</b>
<b>Cash</b>	<b>(14.829)</b>	<b>(10.550)</b>	<b>(9.054)</b>	<b>(9.819)</b>
<b>Net Financial Debt</b>	<b>131.000</b>	<b>134.581</b>	<b>135.088</b>	<b>141.301</b>

Note : Net Financial debt according to Natra reporting criteria. It excludes Reig Jofre participation and it includes the obligations.  
 Natra also finances the working capital through Factoring Off Balance, not included above.  
 Same reporting criteria applied throughout all the periods above.

# APPENDIX : ALTERNATIVE PERFORMANCE MEASURES



## Glossary - Alternative Performance Measures

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- ▶ **Sales** : It follows the Management criteria in this document, that allocates some operations with customers in different lines than IFRS accounting (Sales vs Fixed cost), with no material effect and not changing any conclusion
- ▶ **EBITDA**: Earnings before tax, interest, depreciation and amortisation. The company uses this metric to draw up its budget and monitor the extent to which it is met. It is also used for comparison with the previous year and as a measure of the company's ability to generate cash flows considering only its production and commercial activity.
- ▶ **Adjustments to EBITDA**: These are items not directly related with the company's normal production and commercial activities (Restructuring and Transformation plans; non-trade receipts from clients), which Natra considers hinder the comparison of EBITDA across different periods, affecting consistent generation of EBITDA and decision-making.
- ▶ **Adjusted EBITDA**: EBITDA plus/less Adjustments to EBITDA.
- ▶ **Net Debt** is the sum of the short and long-term financial debts of the company less the value of cash and derivative financial assets.

The image features a variety of chocolates and candies scattered around a central logo. In the top left, there are dark chocolate bars with geometric patterns and some with nuts. To the right, there are more dark chocolate pieces, some with white stripes, and a round chocolate with a textured surface. In the bottom left, there are several wrapped candies in purple, white, and pink foil, along with a gold-wrapped one. At the bottom, there are more dark chocolate pieces, some with intricate designs, and a large piece of white chocolate with a fan-like pattern. The background is a plain, light color.

  
**Natra**