



Presentation of Results 9M 2016

26 October 2016

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Improvement in results thanks to the management despite a fall in kraft paper prices below those of last year and an increase in the price of the raw materials, recovered paper

+10.2% growth in consolidated EBITDA thanks to higher production volumes and improvements in commercial and operational management

+92.2% growth in EBITDA in Packaging, with contribution of over €6.2m in the third quarter, leading to a total of €15m in 9M 2016.

Paper EBITDA improves thanks to higher production and improved management

23% fall in the net finance expense in 9M 2016 vs 9M 2015

+53.1% growth in Net Profit in 9M 2016 vs 9M 2015

EBITDA grew by 10.2% compared with the first 9 months of 2015

3Q 2016	3Q 2015	% diff.
263.6	274.1	-3.8%
197.8	203.8	-2.9%
30.6	30.1	+1.7%
29.6	30.1	-1.7%
15.0%	14.8%	+0.2pp
18.1	18.1	0%
14.9	13.5	+10.4%
11.1	9.0	+23.3%
0.12	0.10	+18.5%*

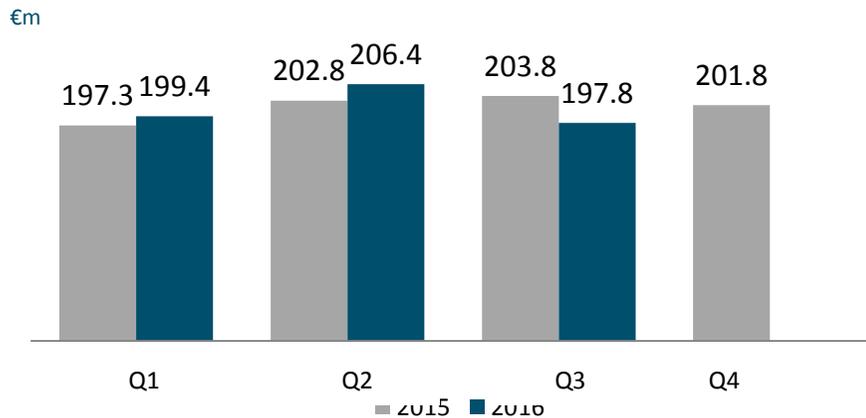
€m
Aggregate Revenue
Consolidated Revenue
Recurring EBITDA
Consolidated EBITDA
Consolidated EBITDA Margin
Consolidated EBIT
EBT
Net Profit
EPS

9M 2016	9M 2015	% diff.
799.2	814.9	-1.9%
603.6	603.9	-0.05%
93.1	85.5	+8.9%
89.9	81.5	+10.2%
14.9%	13.5%	+1.4pp
53.9	45.5	+18.5%
43.5	31.7	+37.2%
32.0	20.9	+53.1%
0.34	0.23	+47.2%*

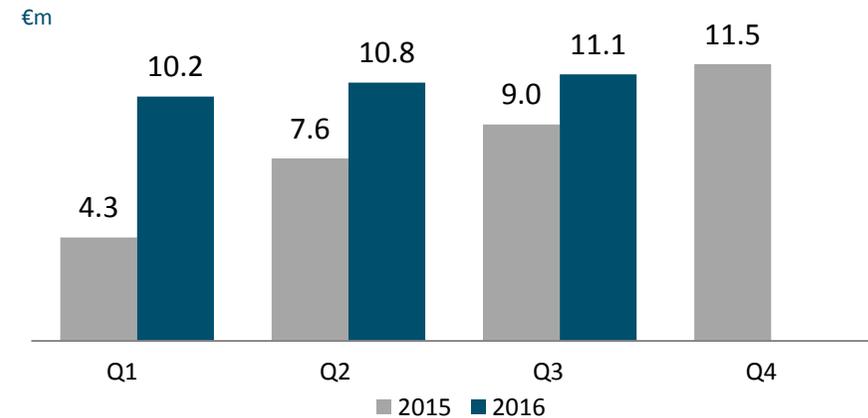
*The growth in EPS is lower than the growth in net profit due to the bonus issue in November 2015

The quarterly results show that we are on track for achieving the targets of the 2018 plan

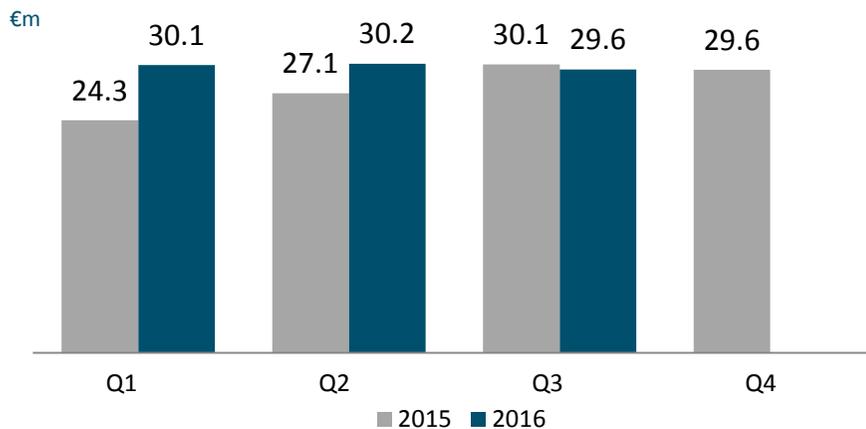
QoQ Sales Performance



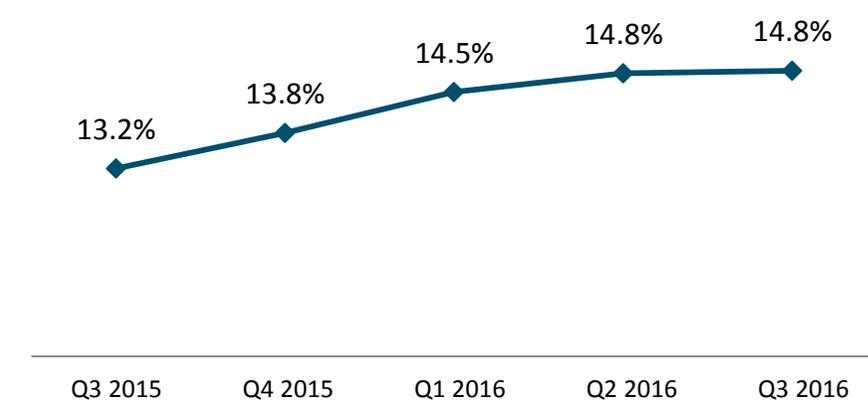
QoQ Net Profit Performance



QoQ EBITDA Performance



YoY EBITDA Margin Performance



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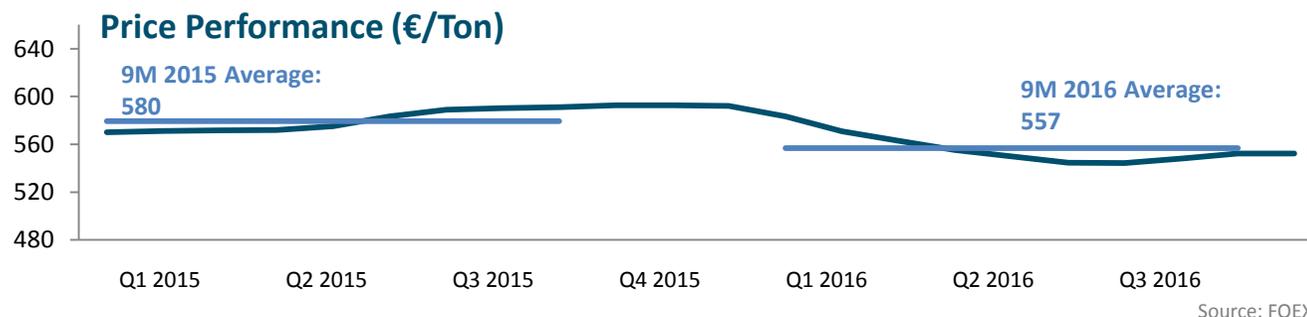
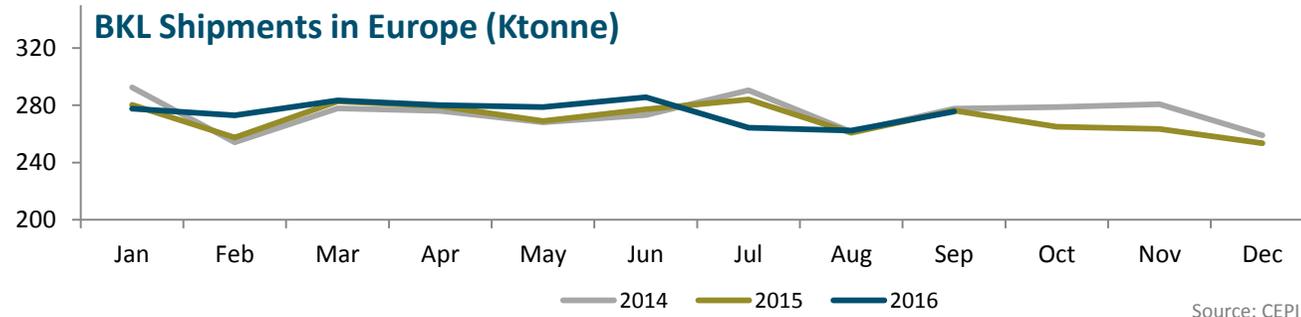
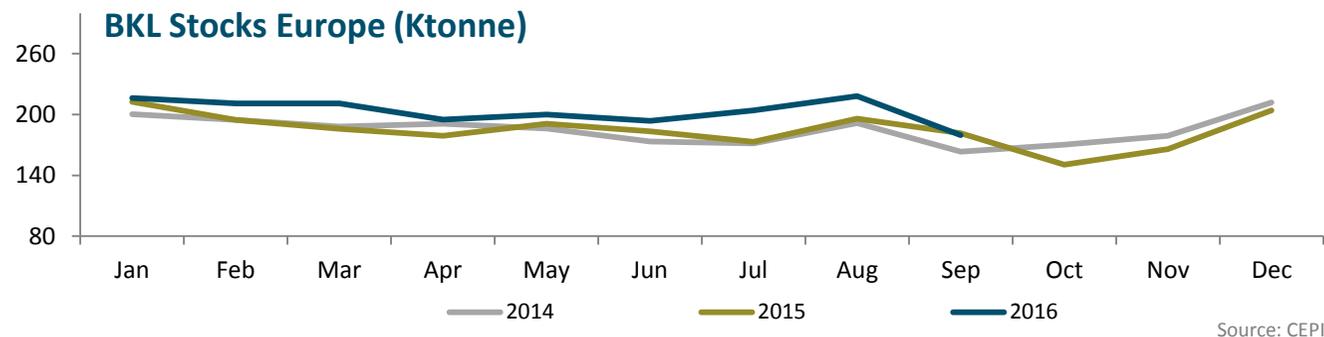
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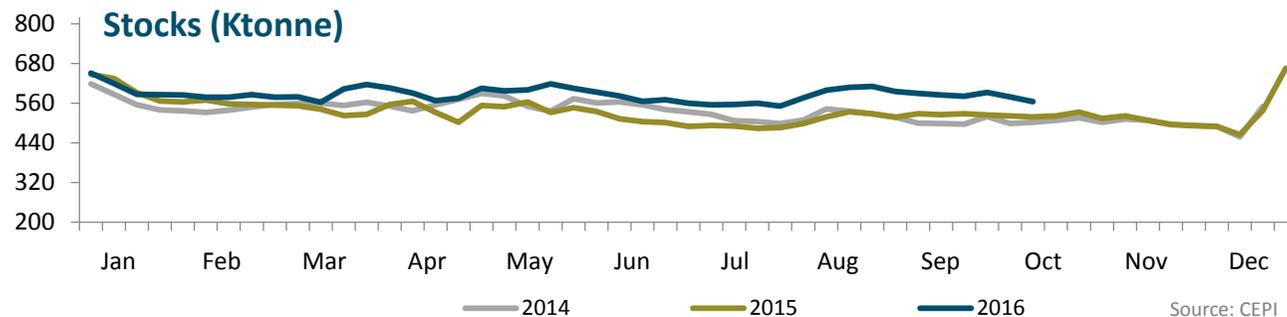
Kraft paper market

- The **stocks** in Europe have been higher than last year in this quarter, mainly due to a lower number of working days in July. In the last few weeks, they have been restored to normal levels with the purpose of continuing with their usual seasonality characteristics
- The **demand** for Kraft paper in Europe remains strong
- There is upward price tension: the circumstances are favourable for an additional rise in Europe. In the US, a 50 USD/ton price rise was announced in September.

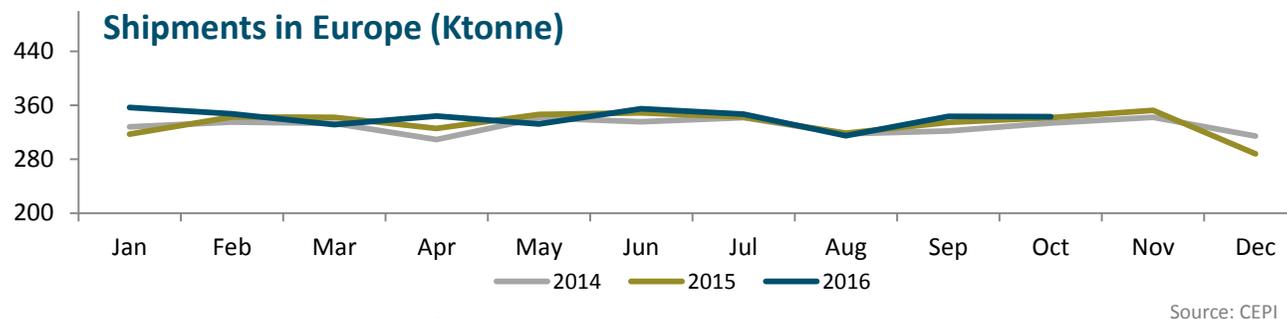


Recycled paper market

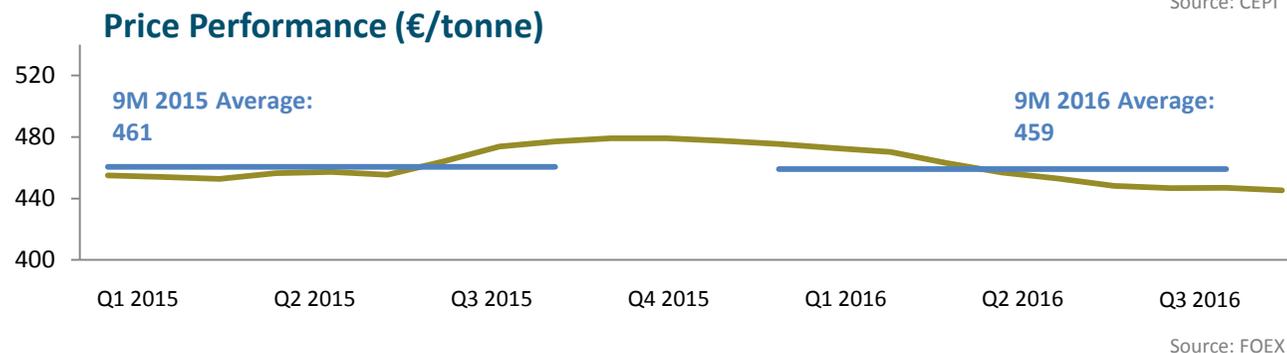
➤ Stocks remain at controlled levels although higher than the levels recorded last year



➤ Demand remains solid with shipments similar to those recorded in previous years

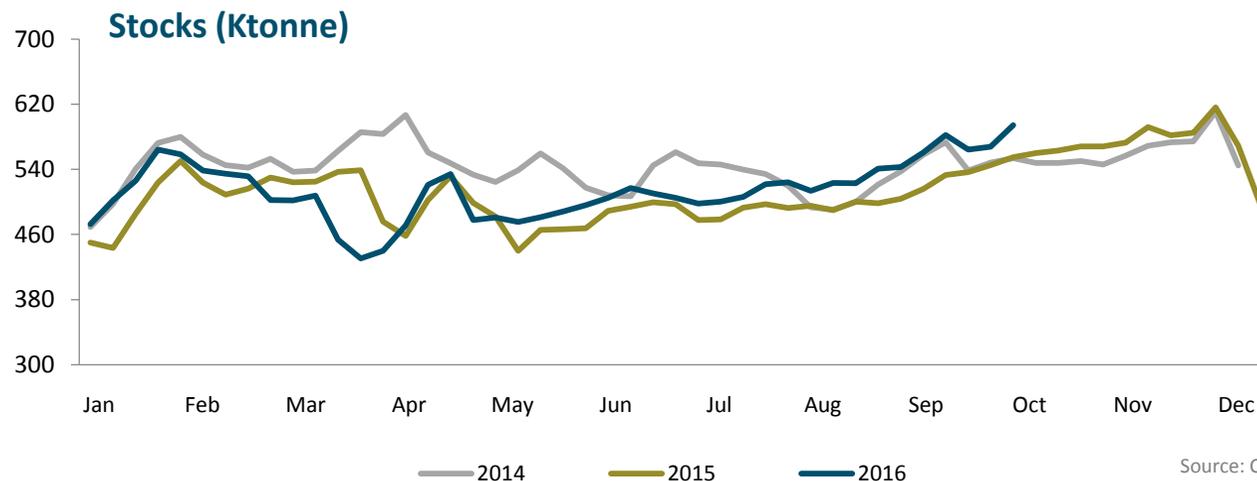


➤ Average prices similar over the 9 months to last year

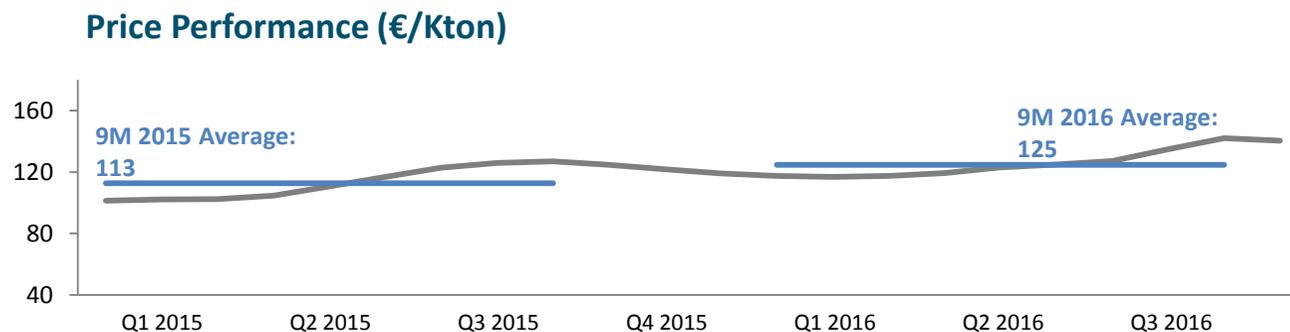


Recovered paper market

➤ The stocks of recovered paper have increased from minimum levels, registering higher levels than previous years as of August



➤ We have suffered a price rise in raw material over the quarter, but we have seen a fall of 5 euros in September and another fall in October of 10 euros in Spain, France and Portugal

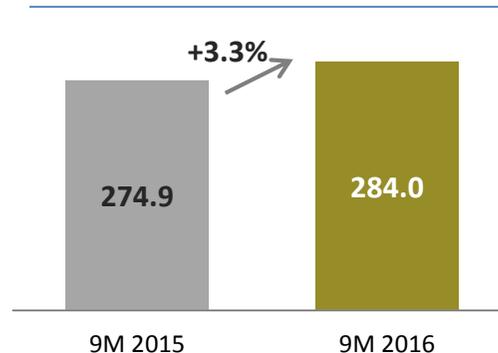


➤ **Raw material** prices with downward pressure

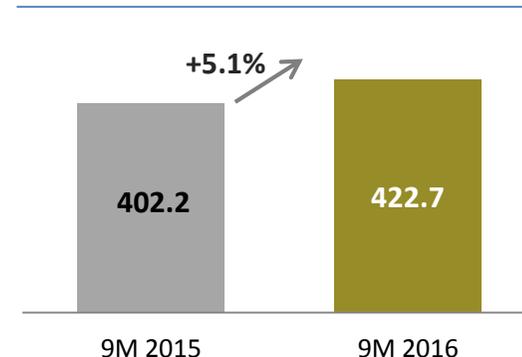
Paper Revenue

- Rise in **Kraft and recycled volumes** vs 9M15 due to the improvement in productivity
- Increase in levels of **efficiency** achieved by paper machines

Kraft Volume Sales (Kton)

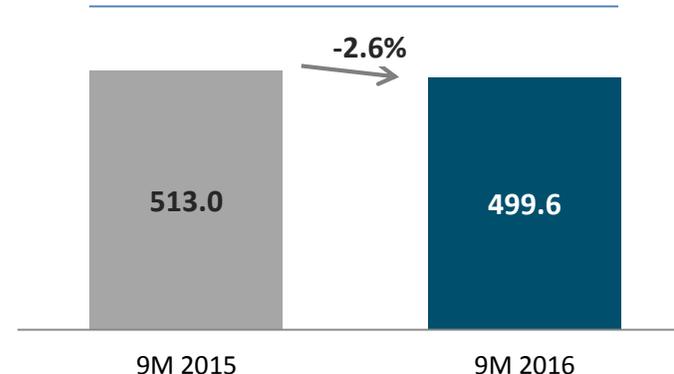


Recycled Volume Sales (Kton)



- **Paper sales** fell by 2.6% as a result of the performance of prices, which were partially offset by the increase in volumes.
- If we exclude the falls in energy prices, paper sales rose by 2.5%.

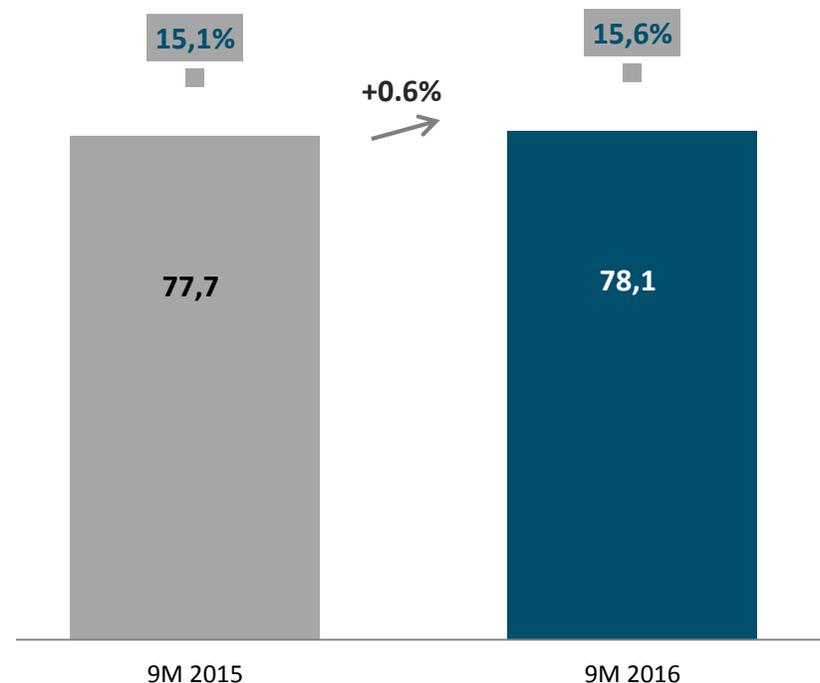
Paper Sales (€M)



Paper EBITDA

- **The increase in volumes and improvements in management** have led to growth in EBITDA of 0.6%, in a context of price and raw materials pressure.
- **The management projects under EOS** (Europac Operations System) and **ESS** (Europac Sales System) continue to have a positive impact on operational efficiency and margins, offsetting the effect of prices
- Reduction in unit costs as a result of the improvement in operations and lower energy costs

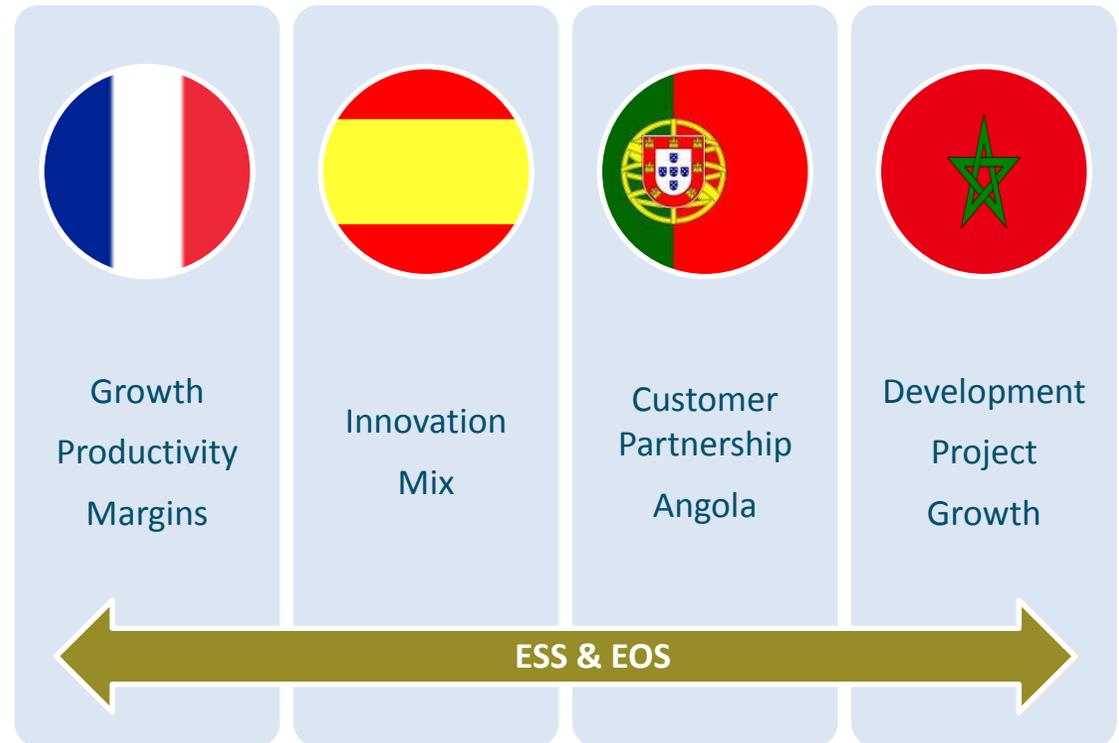
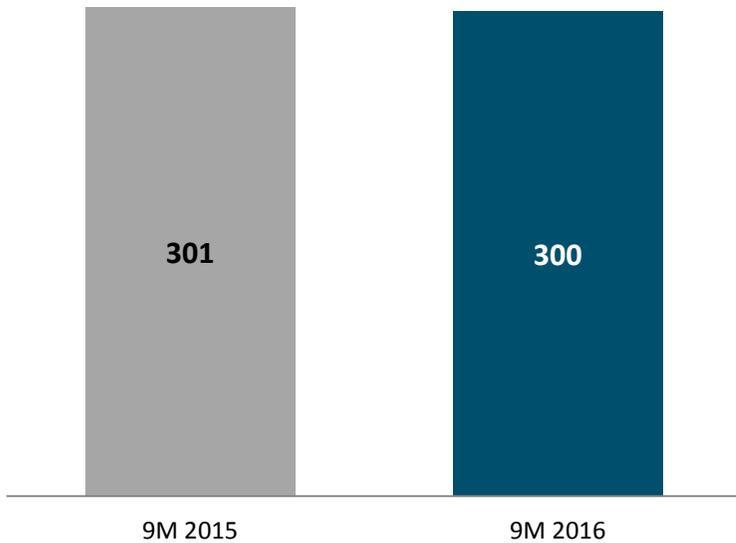
Paper EBITDA (€m) and Margins (%)



MARKET AND ACTIVITIES

Packaging Revenue

Packaging Sales (€m)

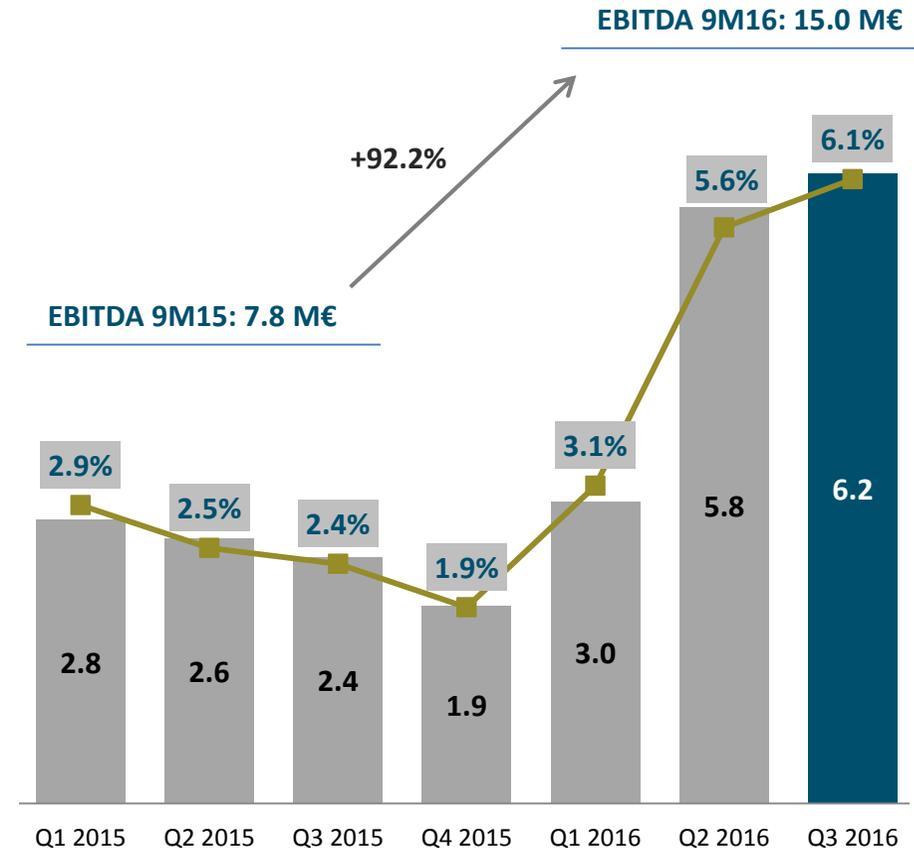


MARKET AND ACTIVITIES

Packaging EBITDA

- Growth in EBITDA of 92.2% vs 9M 2015
- Margin rises to 6.1% in 3Q 2016
- Improvement in management using the ESS and EOS programmes, focused on commercial and operating efficiency
- Strategy of changing customer mix
- Priority in executing added value projects to improve the margin, such as high-quality printing, logistics solutions and specialised structural design

Packaging EBITDA (€M) and Margin (%) Performance



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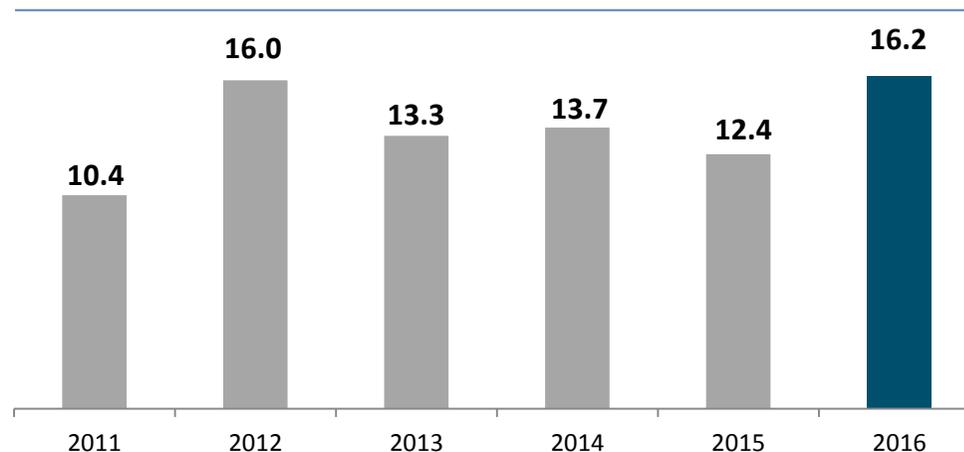
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Bonus issue

- Board approval of the **1x25 bonus issue** in November 2016
- **Dividend per share paid in 2016: €0.18**
- Dividend: **€16.2m**
 - Interim dividend paid on 26 February: **€4.8m**
 - Dividend paid on 12 July: **€11.4m**

Dividend Performance (€m)



Pay-Out%



*Dividend yield calculated at 30 June 2016

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