

Viscofan
The casing company

January – March 2019
Results

7 May 2019

1Q19. Main financial figures (€ million)

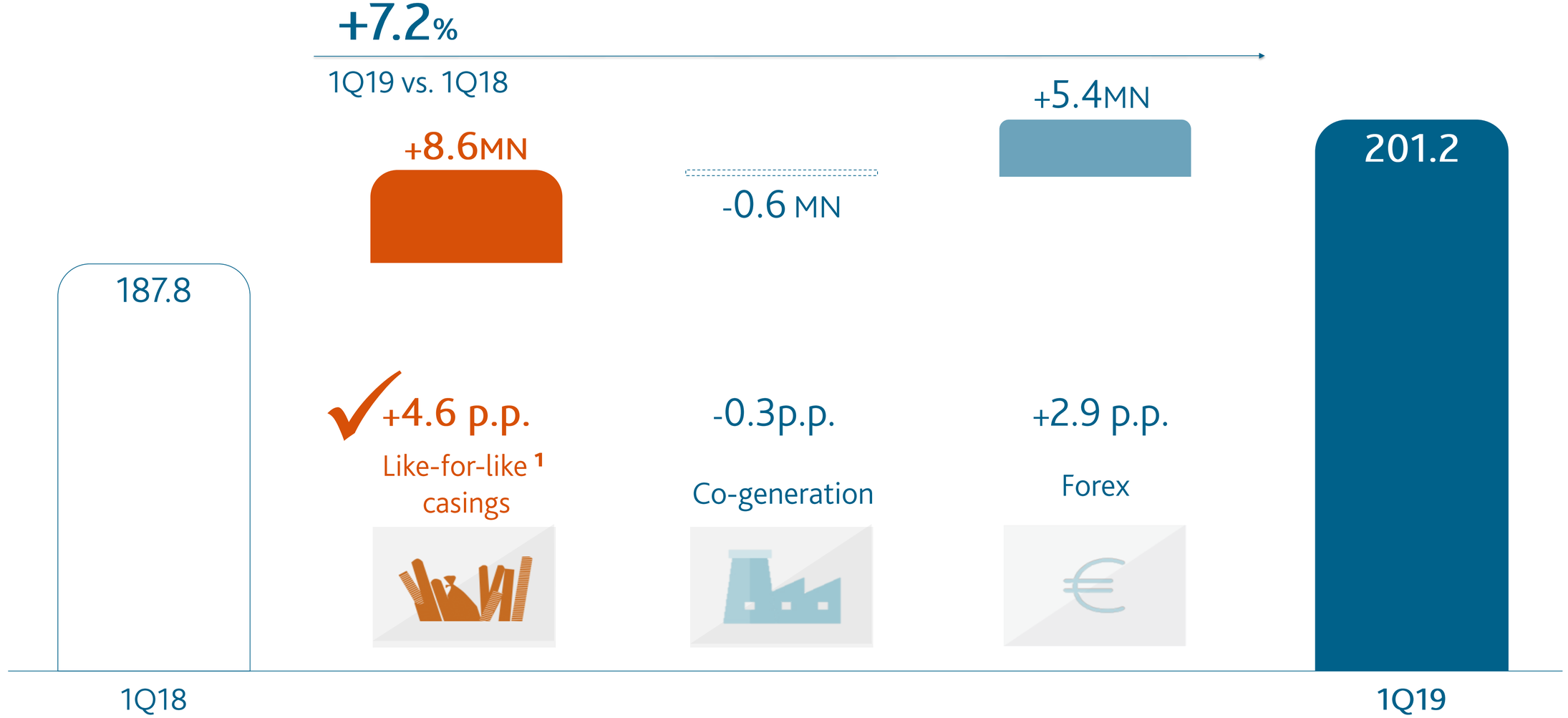
	Recurring [1]		% y-o-y Like-for-like [2]	*Reported*	
	1Q19	% y-o-y		*1Q19*	*% y-o-y*
Revenue	201.2	+7.2%	+4.3%	*201.2*	*+7.2%*
EBITDA	45.9	-0.8%	-8.3%	*45.9*	*-15.8%*
EBITDA margin	22.8%	-1.8 p.p.	-2.9 p.p.	*22.8%*	*-6.2p.p.*
Operating profit	28.1	-10.2%		*28.1*	*-28.9%*
Net profit	22.8	-11.6%		*22.8*	*-28.1%*

[1] Recurring results: In 2018, the amount excludes the impact recorded in Other operating income of €8.5 million corresponding to the compensation received in 2018 for a dispute against Mivisa Envases S.A.U. due to patent infringement, netted at €0.3 million recorded in Other operating expenses related with this dispute and the acquisition of companies.

[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.

Revenue growth driven by price, 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.

Growth in all reporting areas, highlighting the strength in Latam and North America

REVENUE 1Q19. Breakdown by geographical area [1] (€ million)

GROUP

+7.2% vs. 1Q18

+4.3% Like-for-like[2]

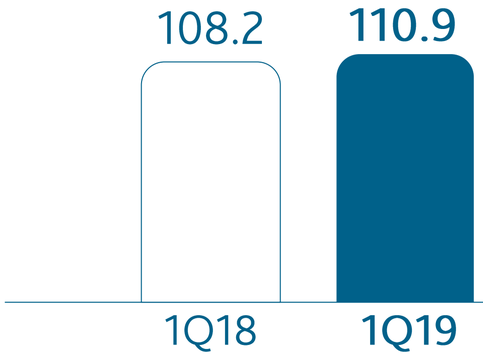
EUROPE AND ASIA

55.1%



+2.5% vs. 1Q18

+1.2% Like-for-like[2]



NORTH AMERICA

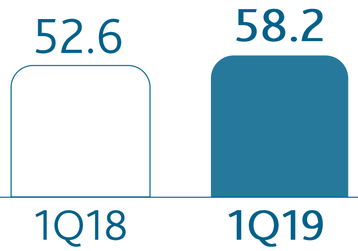
28.9%



+10.6% vs. 1Q18

+2.9% Like-for-like[2]





LATAM

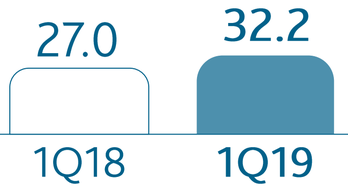
16.0%



+19.1% vs. 1Q18

+19.6% Like-for-like[2]



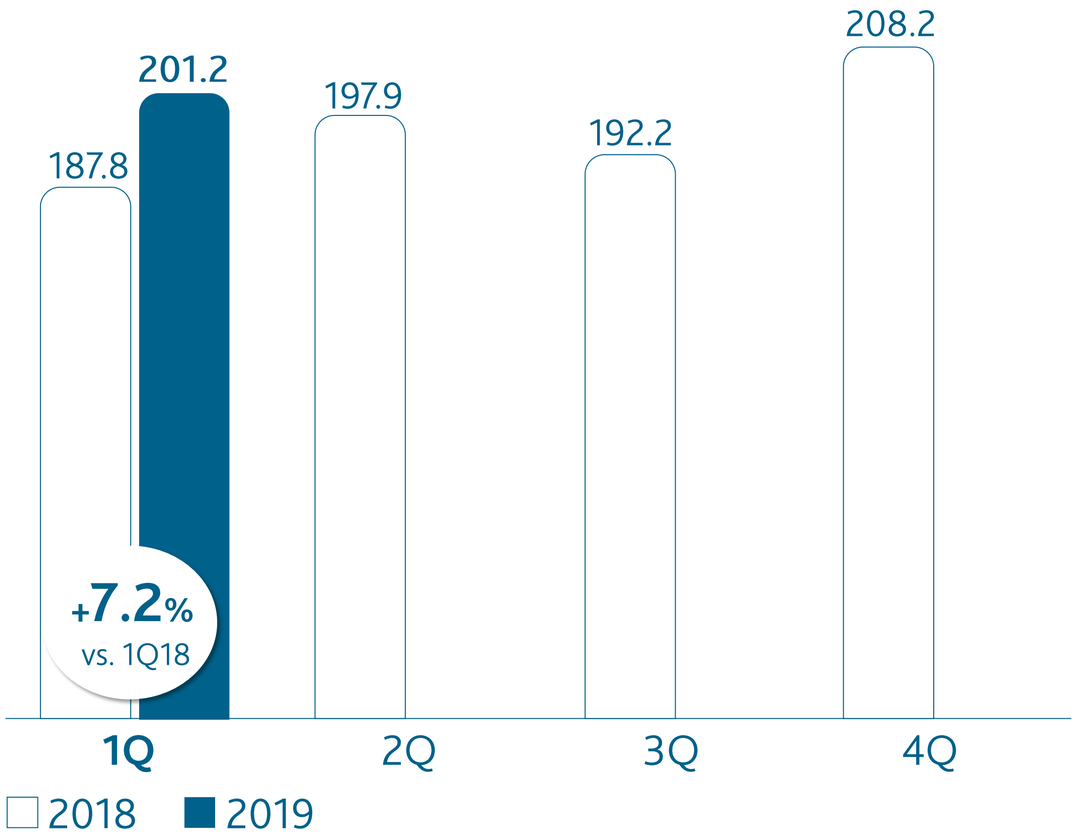


[1] Revenue per origin of sales.

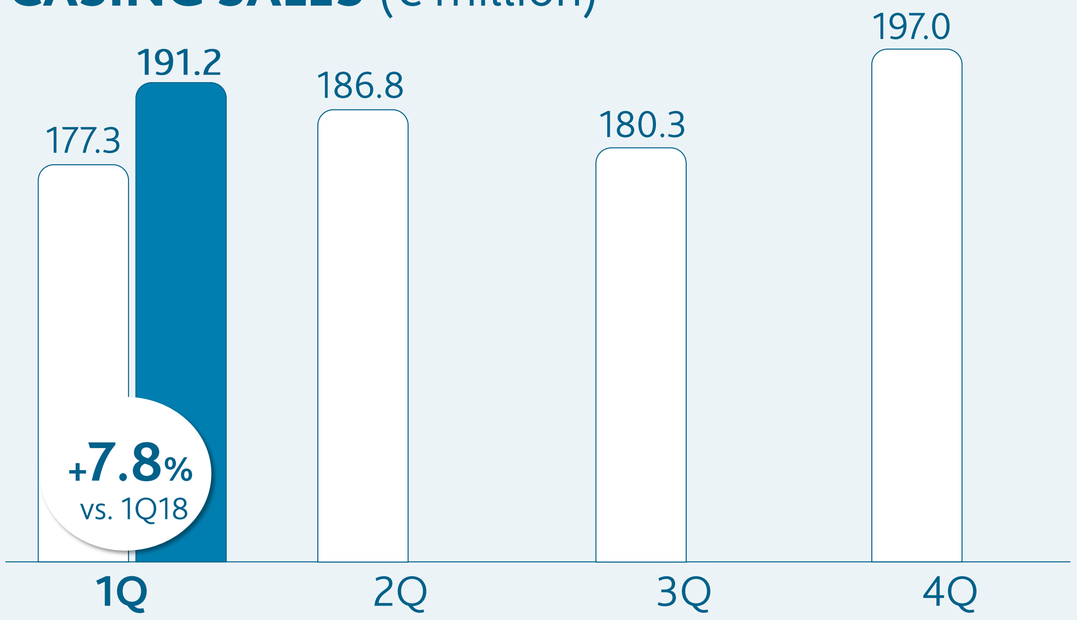
[2] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2019 and non-recurring impacts.

Growth led by casings sales compared with a lower co-generation revenue

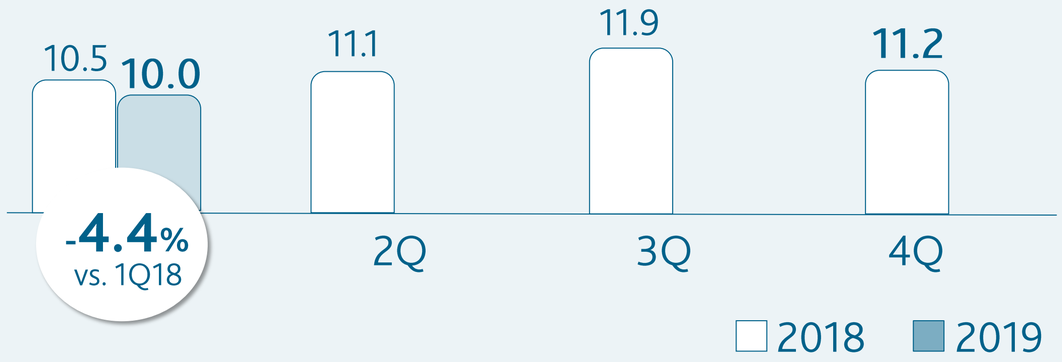
REVENUE. Viscofan Group (€ million)



CASING SALES (€ million)

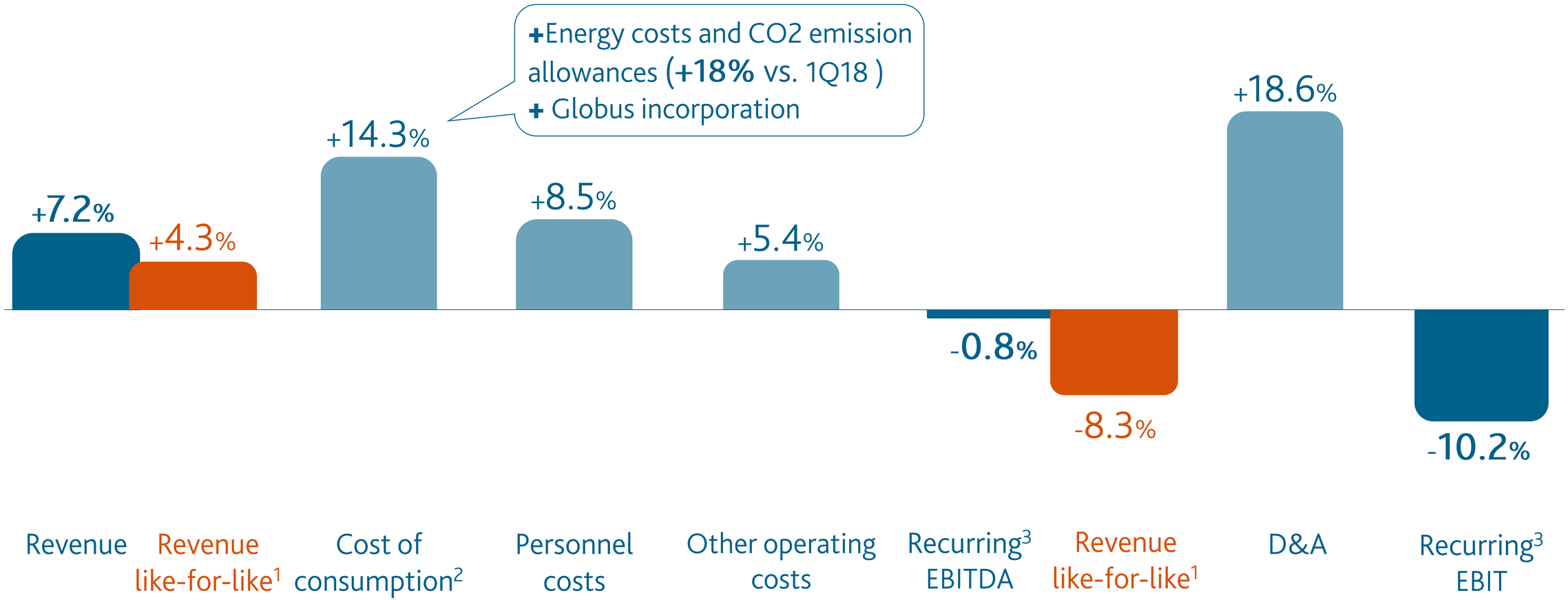


CO-GENERATION REVENUE (€ million)



Revenue growth against a backdrop of higher energy costs and wage inflation

P&L 1Q19. % year-on-year change



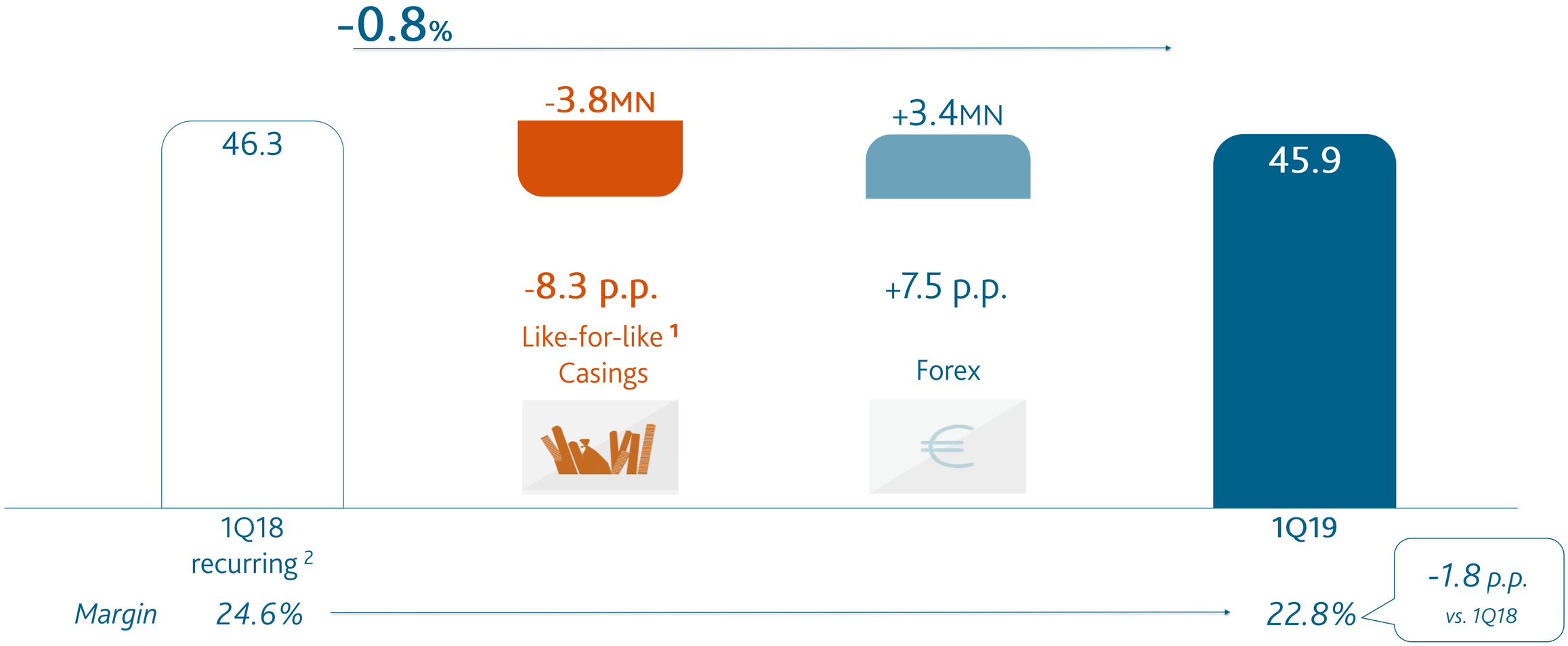
[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2019 and non-recurring impacts.

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

[3] Recurring results: In 2018, the amount excludes the impact recorded in Other operating income of €8.5 million corresponding to the compensation received in 2018 for a dispute against Mivisa Envases S.A.U. due to patent infringement, netted at €0.3 million recorded in Other operating expenses related with this dispute and the acquisition of companies.

Costs headwinds partially offset by forex tailwinds.

EBITDA 1Q19. y-o-y bridge (€ million)



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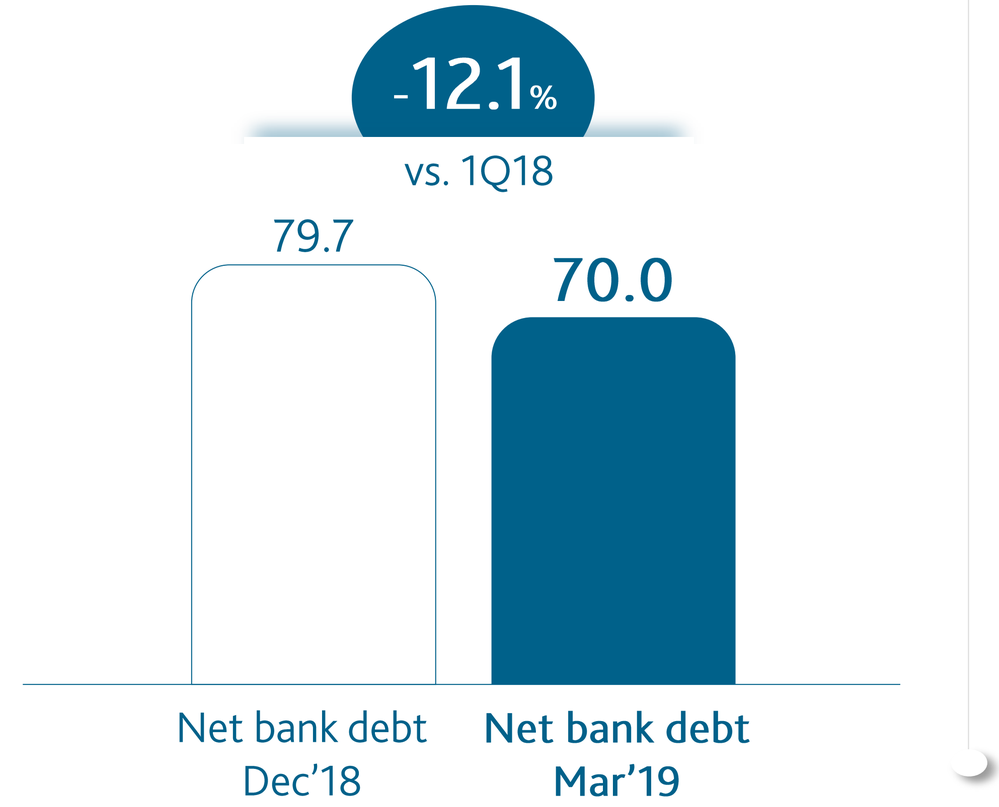
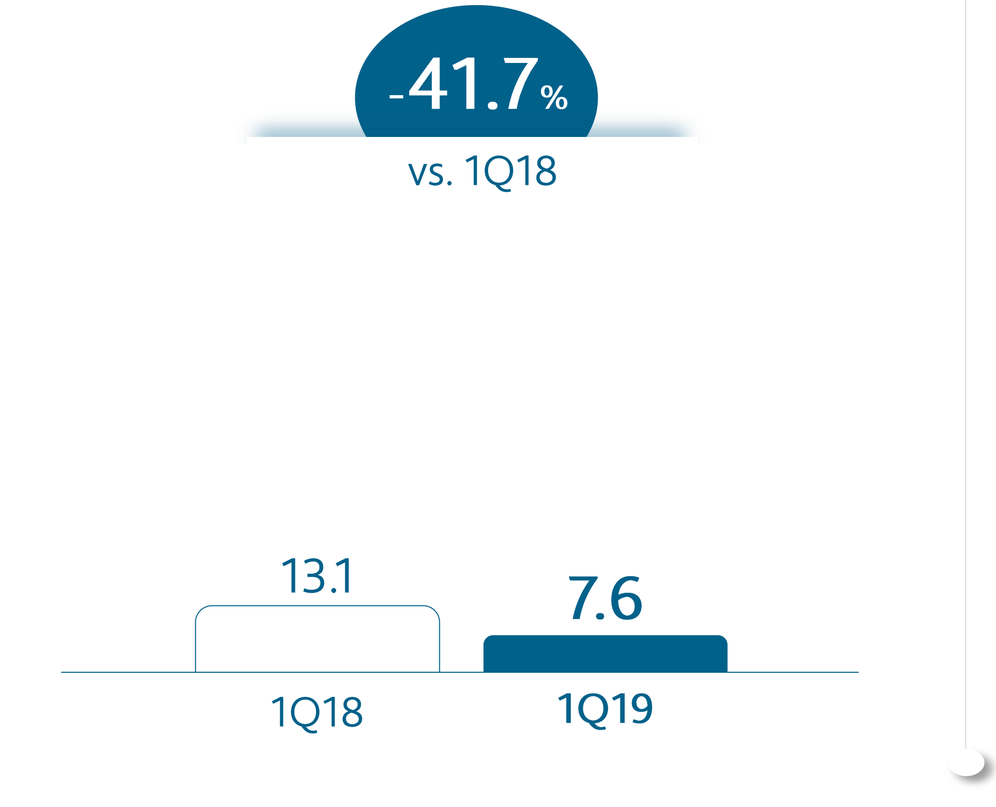
Lower debt and lower capex requirements.

NET BANK DEBT[1] (€ million)



CAPEX 1Q19 (€ million)



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

NEW PRODUCTS AT IFFA TRADE FAIR 2019.
The highest product portfolio to meet new demands from the market



FIBROUS TITANIUM
The next generation of fibrous casing



NATUR: NEW CASINGS FOR FRESH SAUSAGES
Casings with extra glossy appearance and superior productivity.



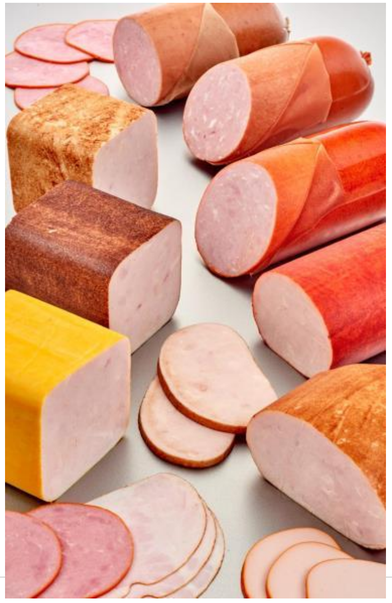
MARATHON LINE
Take production yields to the next level with extra-long sticks



VISCOFAN VEGGIE CASING
A natural, edible choice



VISPICE
A world of new solutions to transfer more value to your products



TRANSFER PLASTIC CASINGS
Coat your products with the benefits of a "cook-in" casing

To wrap-up

- ✓Growth in all reporting areas, highlighting the strength in Latam and North America, but with lower growth in Europe and Asia.
- ✓Positive forex environment.
- ✓Sharp increase in energy costs, and wage inflation.
- ✓The investment plan and the start-up of the new technology are performing in line with the strategy plan.
- ✓The improvements introduced and the launch of new products at IFFA trade fair in Germany in May will lead to growth in volumes and higher production savings during the second half of the year, in line with growth plans.

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, the effect of the change in the consolidation scope, 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.

The financial statements contained in this document have been prepared under International Financial Reporting Standards (IFRS). This financial statements has not been audited and consequently is susceptible to potential future modifications.