Viscofan
The casing company

January - September 2021
Results

28 October 2021



Sound performance in the main financial figures driven by top line growth

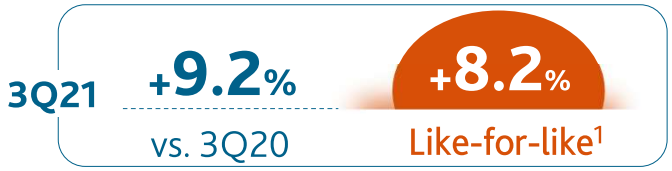
€ million	3Q21	% y-o-y	*Like-for-like[1] % y-o-y*	9M21	% y-o-y	*Like-for-like[1] % y-o-y*
Revenue	245.6	+9.2%	***+8.2%***	711.4	+5.9%	***+9.3%***
EBITDA	64.1	+9.2%	***+7.2%***	185.5	+9.8%	***+17.4%***
EBITDA margin	26.1%	0.0 p.p.	***-0.2 p.p.***	26.1%	+1.0 p.p.	***+1.9 p.p.***
Operating profit	46.2	+12.3%		131.3	+14.4%	
Profit before taxes	47.3	+16.5%		131.3	+12.6%	
Taxes	-11.7	+15.6%		-31.5	+9.8%	
Net profit	35.6	+16.7%		99.8	+13.5%	

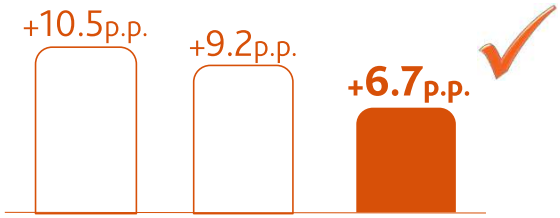
[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2021.

Maintaining volumes strength together with price mix, which in this quarter also had a positive contribution from energy sales and forex

Quarterly revenue

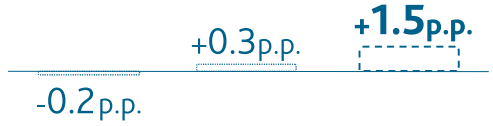
Growth contribution (p.p.)





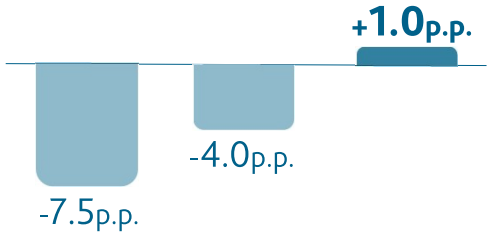
Like-for-like[1] casings

1Q 2Q 3Q



Like-for-like[1] energy

1Q 2Q 3Q

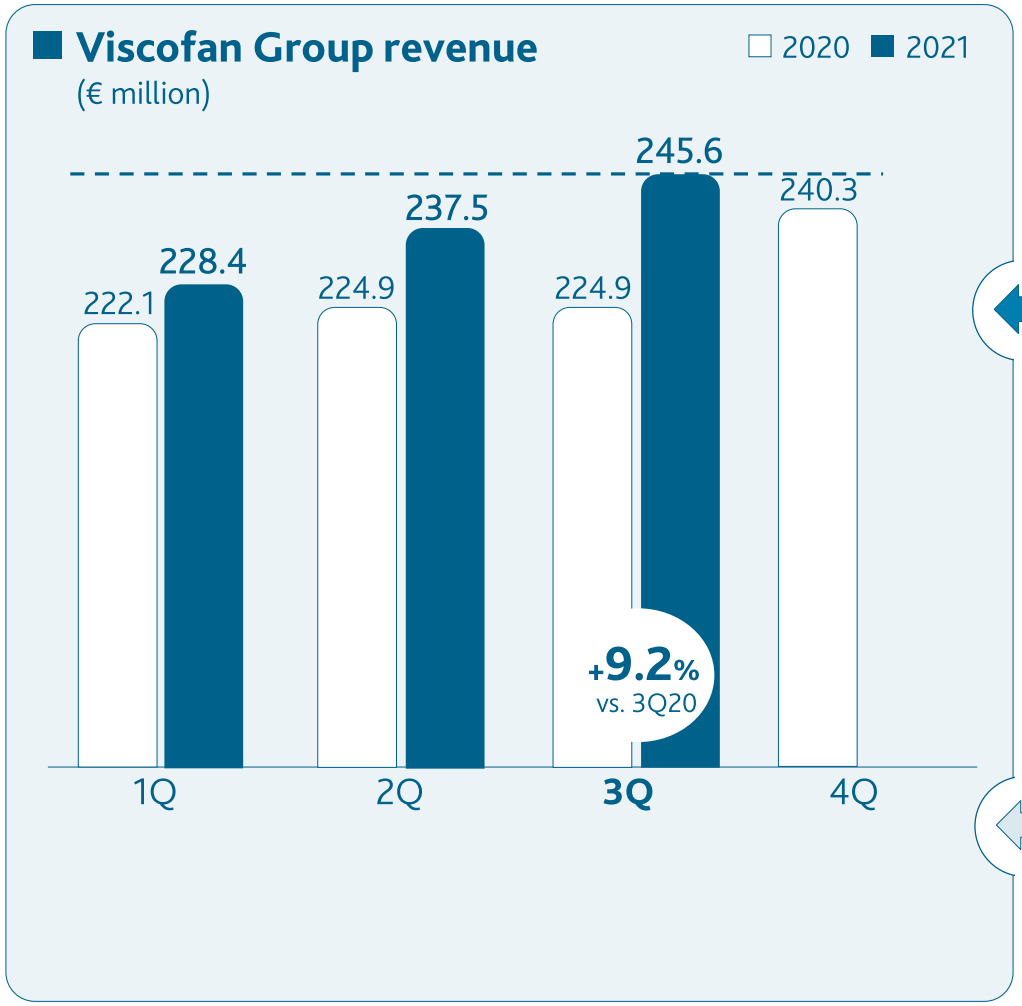


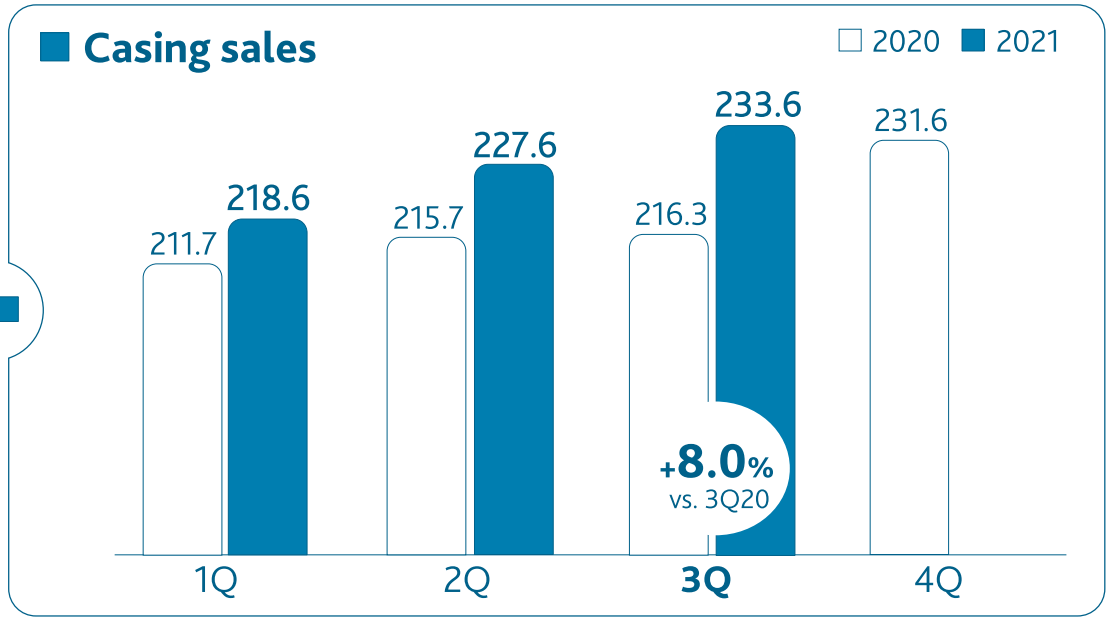
Forex

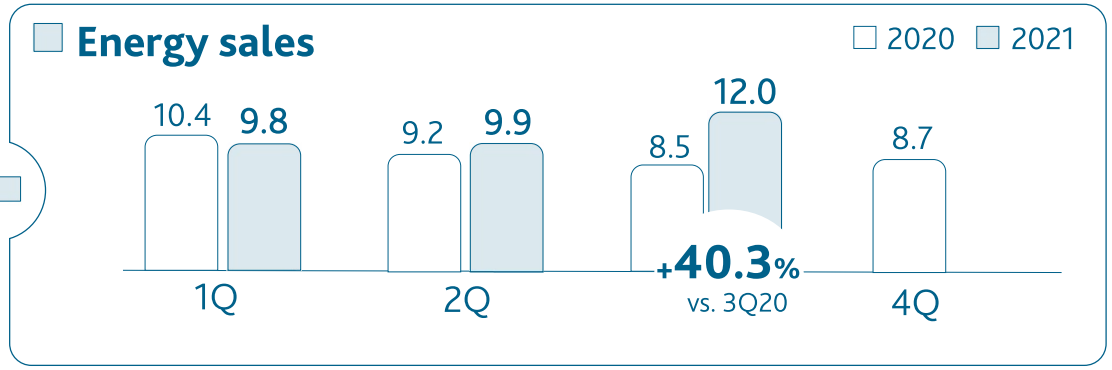
1Q 2Q 3Q

[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2021.

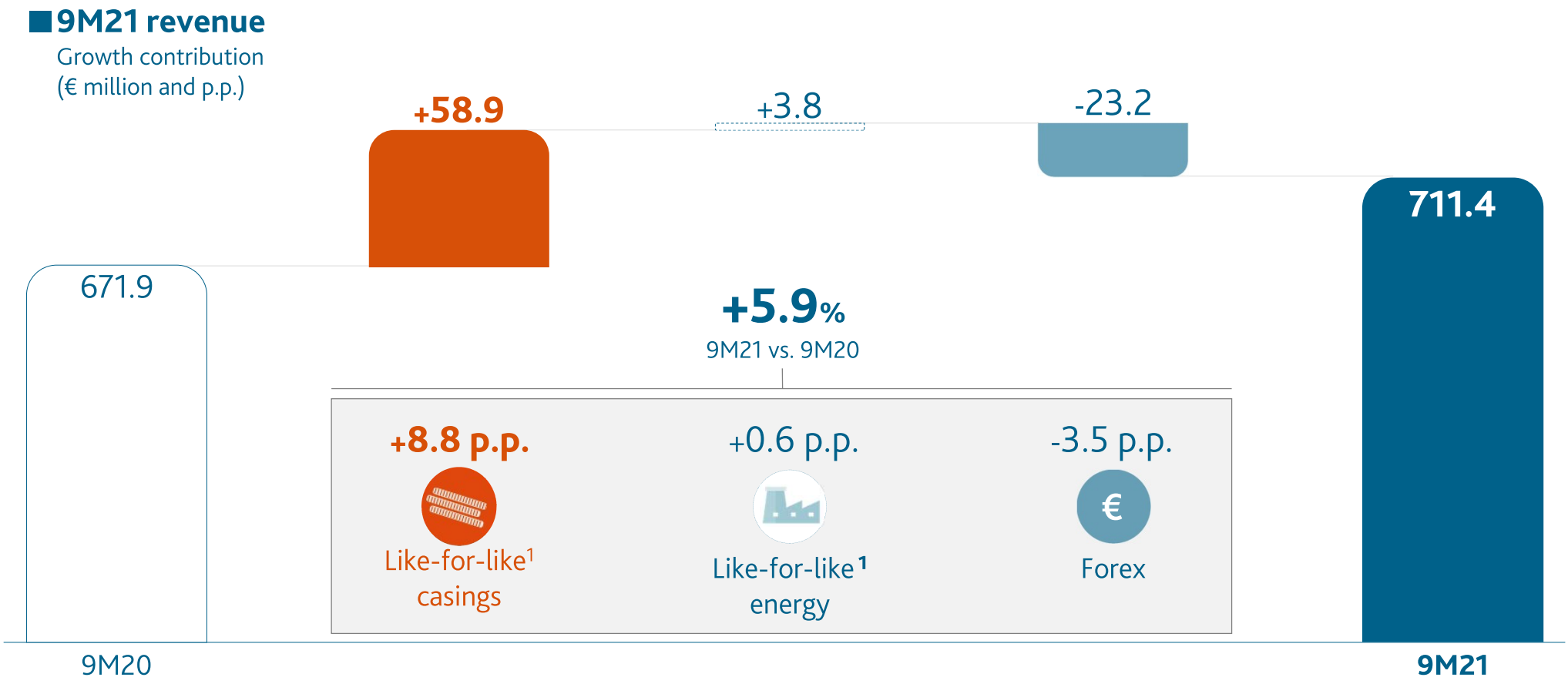
All-time high in quarterly revenue







Like-for-like growth above the historical average supported by volume and price mix offsetting an adverse forex environment in 9M21



[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2021.

Like-for-like growth in all reporting areas driven by the strength in China, Southeast Asia, and the recovery in Europe

9M21 Revenue

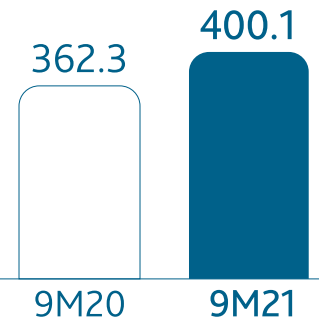
Breakdown by geographical area[1]
(€ million)

€711.4 Mn
VISCOFAN GROUP

+5.9%	+9.3%
vs. 9M20	Like-for-like[2]

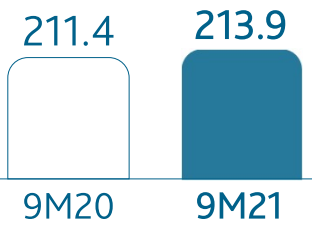
56.2%
EUROPE AND ASIA PACIFIC

+10.4%	+11.1%
vs. 9M20	Like-for-like[2]



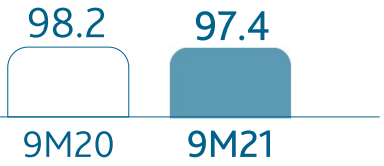
30.1%
NORTH AMERICA

+1.2%	+6.5%
vs. 9M20	Like-for-like[2]



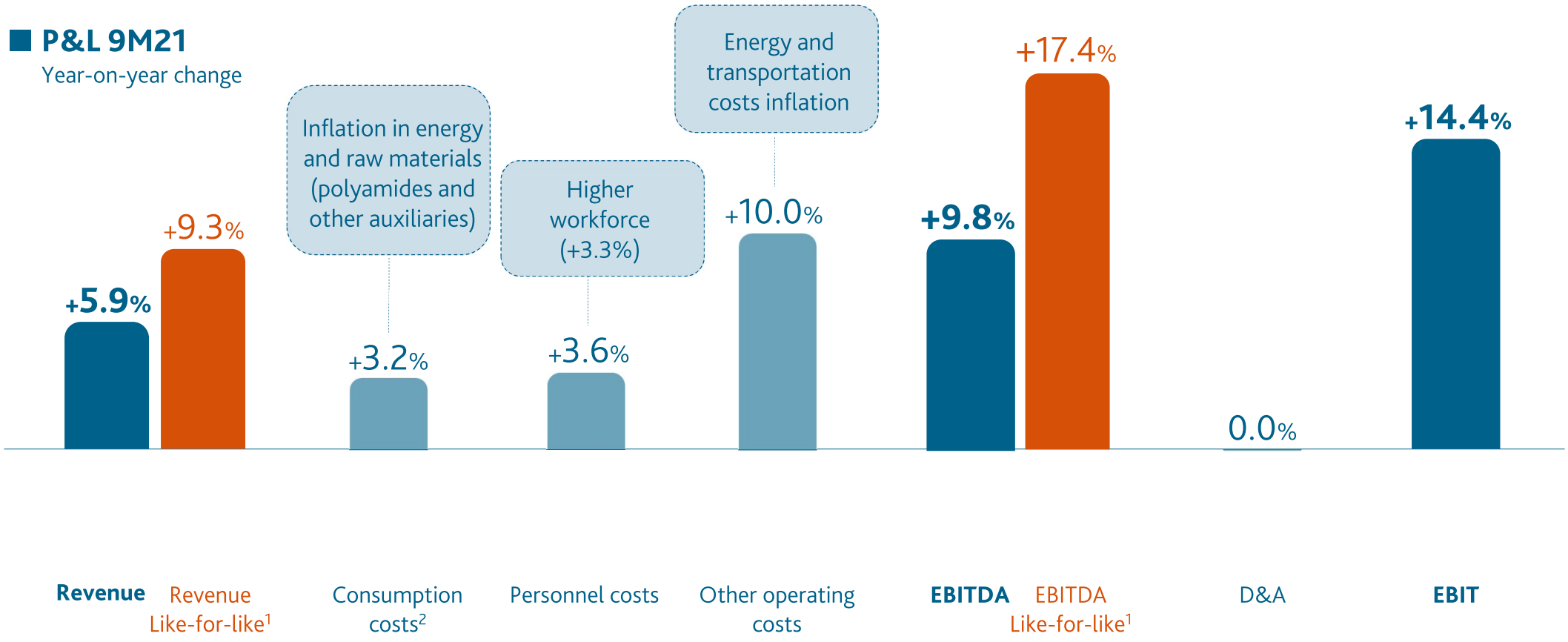
13.7%
SOUTH AMERICA

-0.8%	+8.9%
vs. 9M20	Like-for-like[2]



[1] Revenues per origin of sales.
[2] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2021.

Energy cost inflation is offset by the operating leverage due to higher volumes, commercial discipline and production efficiencies …



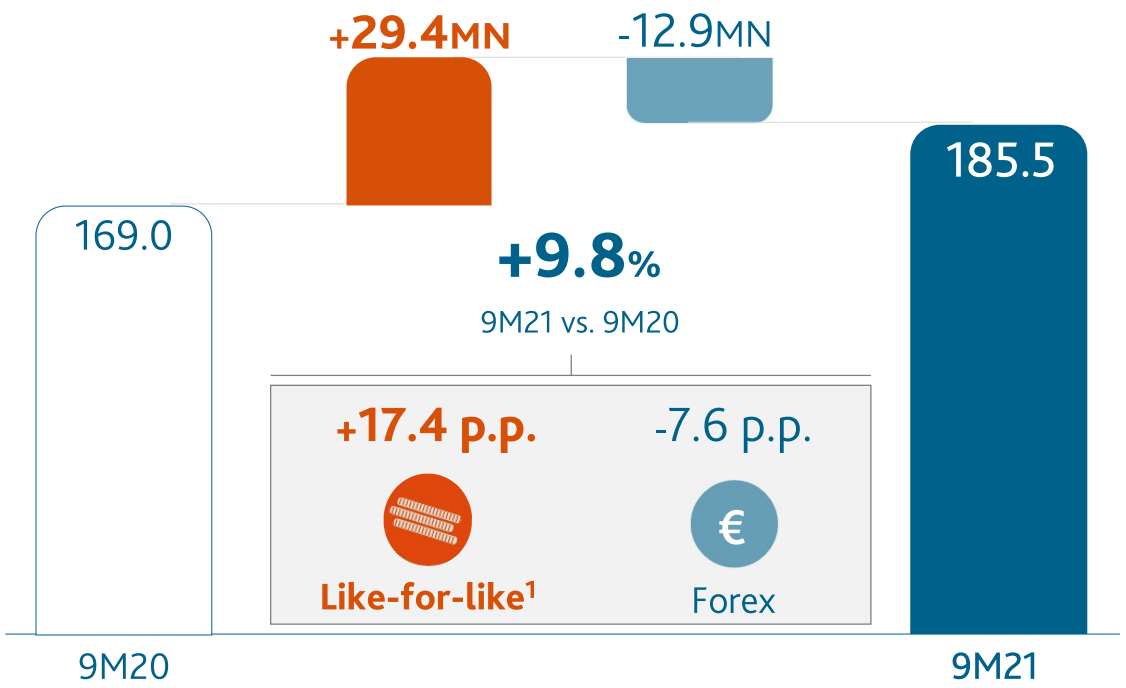
[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2021.

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

...leading to EBITDA growth and margin improvement in cummulative terms

EBITDA 9M21

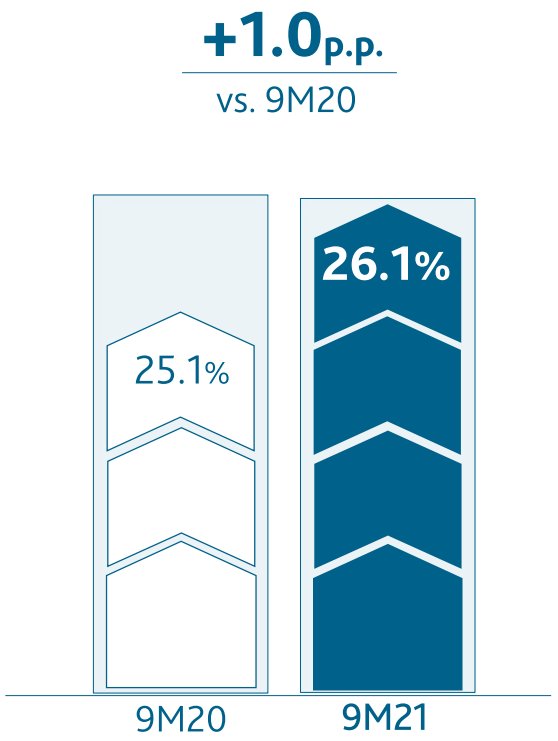
Growth contribution
(€ million and p.p.)



[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2021.

9M EBITDA margin

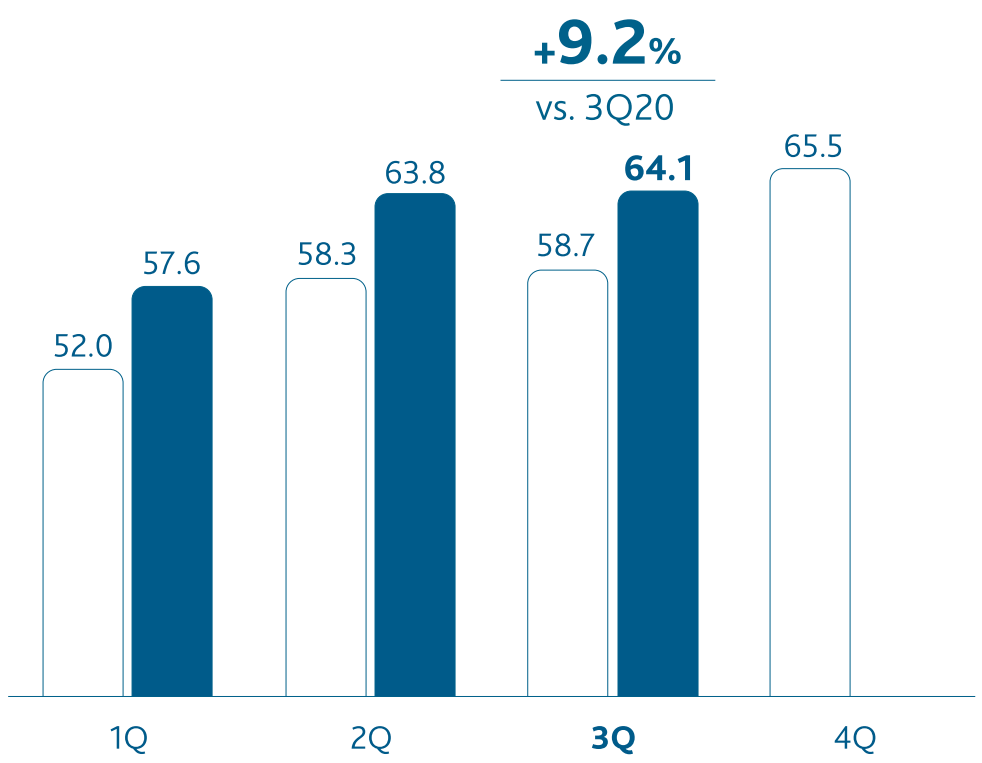
Reported (in percentage)



Quarterly EBITDA maintains an upward trend despite a context of higher cost inflation

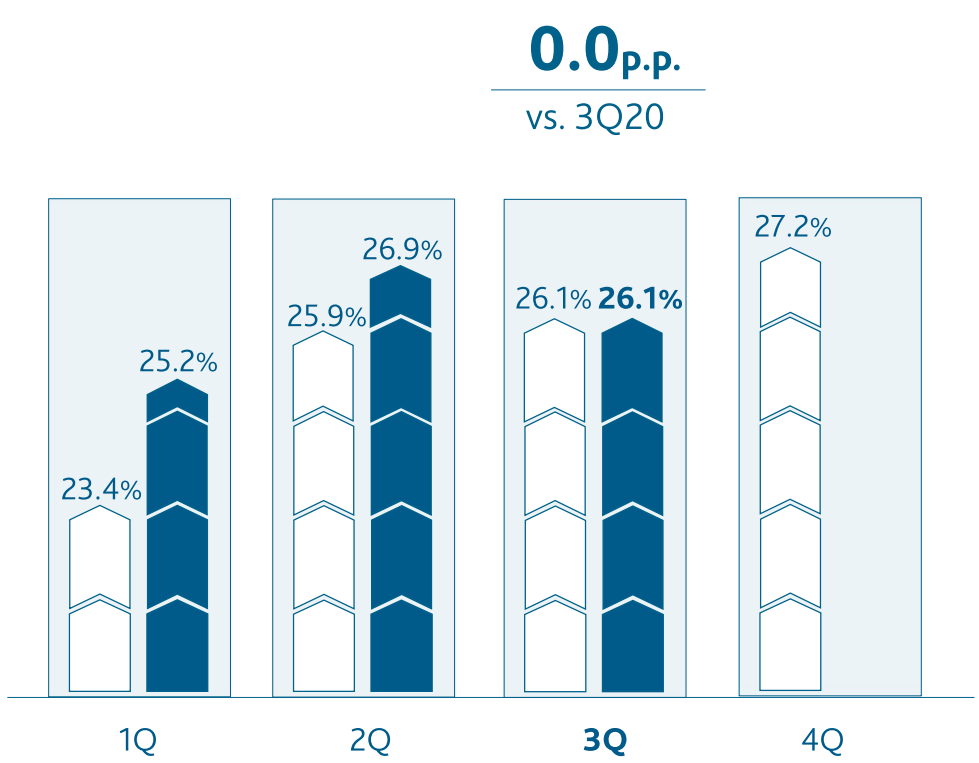
Quarterly EBITDA

Reported (€ million)



Quarterly EBITDA

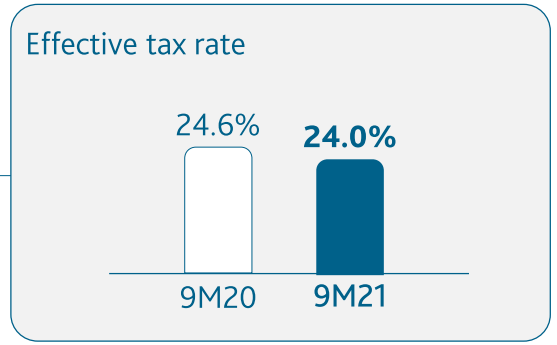
Reported (in percentage)



Operational improvements are carried through Net profit, which grows at double digit rate

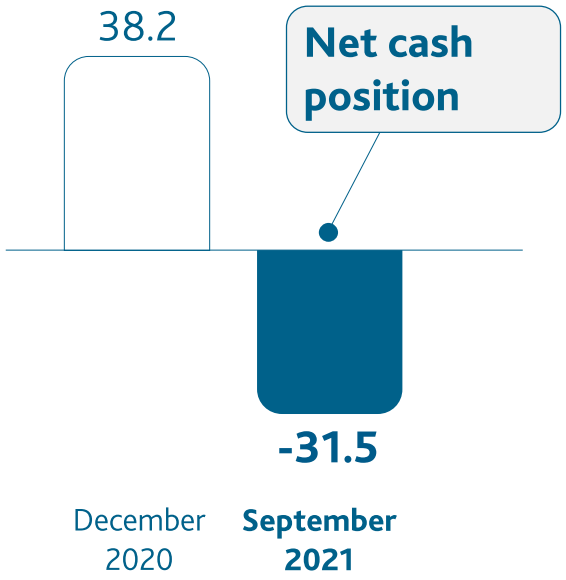
EBIT TO NET PROFIT
Reported (€ million)

€ million	9M21	9M20	% y-o-y
Reported EBIT	131.3	114.7	+14.4%
Financial result	+0.02	+1.9	-98.8%
Taxes	-31.5	-28.7	+9.8%
Net profit	99.8	87.9	+13.5%

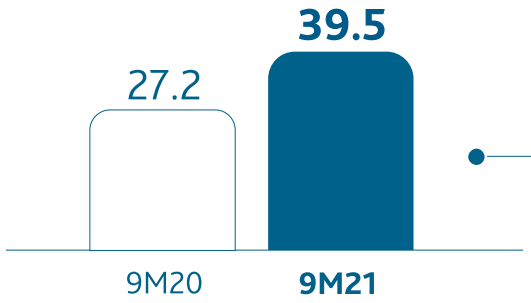


Solid cash generation that allows Viscofan to continue strengthening its balance sheet and to have enough flexibility to carry out current and future growth projects

Net bank debt[1]
(€ million)



Capex 9M21
(€ million)




Fibrous capacity increase in Cáseda


Co-generation engine with green hydrogen capacity


Collagen capacity increase in China


Collagen technology improvement in North America

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

To wrap-up

- Growth strength **driven by the Asian continent and based on a unique business model that combines a wide technological range with global geographic positioning.**
- **Higher volumes, improvement in price mix, production efficiencies and cost control** counteract an adverse inflation environment.
- **Cash generation translates into a net cash position** while investment projects are accelerated to support expected and future growth.
- **Given these results, we expect to slightly outperform the guidance for the year** despite a more adverse scenario of energy cost inflation than expected.
- Viscofan has announced to its customer base **price increases from 2022** in order to **offset the impact of cost inflation** throughout its global supply chain.



Appendix. Disclaimer

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.

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.

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 analyzed 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.