Viscofan

Reshaping food and wellbeing.
For many, for long. with you

January-December 2024

Results

27 February 2025



Results report

Main conclusions of the October-December 2024 results:

- Revenue of €305.7 million in 4Q24, an increase of 2.1% compared to the previous year, driven by growth in casings volumes. In the full year, revenue of €1,204.0 million (-1.8% vs. 2023).
- EBITDA[1] of €78.9 million in 4Q24, a growth of +4.2% compared to the previous year and with an improvement of 0.5 p.p. in the EBITDA margin to 25.8%, driving EBITDA in the full year to €285.3 million (+6.3% vs. 2023).
- Net profit of €50.7 million in 4Q24, an increase of +26.2% compared to the previous year, with a net result in the full year of €157.0 million (+11.4% vs. 2023).
- Net bank debt[2] at December 2024 was €146.9 million as compared with €138.0 million at December 2023. Higher cash generation has allowed to continue increasing ordinary shareholder remuneration, and even to distribute an additional euro of extraordinary dividend without weakening the balance sheet structure.
- An estimated shareholder remuneration is proposed for approval at the Shareholders' Meeting charged to the 2024 results of €3.10 per share, of which, €2.10 are ordinary and €1.00 of an extraordinary nature.
- In February 2025, Viscofan do Brasil Sociedade Comercial e Industrial Ltda. has acquired 51% of Pet Mania Comércio Internacional Ltda, a Brazilian company dedicated to the production and marketing of animal-based treats for pets, by a cash value of 34 million of Brazilian Real.
- José Antonio Canales, CEO of the Viscofan Group:

  "These quarterly results set new all-time highs for EBITDA and net profit thanks to the combination of volume growth and productivity improvements carried out in recent years.

  In a year that has gone from less to more due to the inventory adjustment process, the market has resumed the path of historical growth in volumes, highlighting the good momentum to replace animal guts by collagen casings that Viscofan is leading.

  Our commercial discipline, our wide product portfolio, and our geographical proximity has allowed us to quickly recover the growth path and the profitability, which, in this last quarter of the year, stood above our expectations of 25% set in our strategic plan Beyond 25.

  In parallel, we have made progress on the projects established in the Beyond25 Plan, highlighting the inauguration of the converting plant in Thailand that will allow us to improve the service of the Traditional Business in Southeast Asia, and the acquisition of Brasfibra and Master Couros in Brazil, which will boost our growth in New Business with solutions based mainly on collagen.

  A group that continues to grow and does so with higher cash generation than that forecast in the strategic plan. Thus, the Board of Directors is proposing again for approval at the General Shareholders' Meeting another extraordinary dividend of €1.00 per share, that together with €0.653 of Final dividend in June 2025, and €1.437 of Interim Dividend distributed in December 2024 drive total remuneration to €3.10.

[1] EBITDA = Operating profit (EBIT) + Amortization and Depreciation expense.
[2] Net bank debt = Non-current bank borrowings + Current bank borrowings - Cash and cash equivalents.

Viscofan is, in the year in which it celebrates its 50th anniversary, a Group with the best value proposition in terms of service, cost, technology, and sustainability in its history, with a solid balance sheet, and a human team of 5,200 people with the commitment and ambition for growth intact to capture the opportunities, both in the traditional business and in the new business that are arising, and that will achieve new all-time highs in the main financial figures in 2025, with revenue growth between 5% and 8%, EBITDA growth between 8% and 12%, and in Net profit between 6% and 10%."

Business development

In 2024, the recovery of the Traditional Business casing market was confirmed. With an estimated growth of 3% in volumes, the inventory adjustment process that began in 2023 has come to an end. The main casing technologies ended the year with growth in volumes, particularly collagen casings, whose growth has been in the high range of its historical average, reflecting the good timing of the replacement of animal casings being led by Viscofan.

For its part, the New Business division has been influenced by lower revenues in plastics technology against a backdrop of increased competition where the decrease in raw material costs has been quickly passed on to market prices. Nevertheless, is worth highlighting the good performance of spice transfer products and the recovery in the second half of the year of collagen hydrolysates and vegetable casings, where we are still far from the potential productive capacity.

The recovery in the Traditional Business and in the New Business contrasts with the weakness of revenues from the sales of co-generation energy in a context of lower prices and electricity production.

The pressure on prices in the main production inputs that occurred in 2023, together with lower sales volumes, led to operational activity focusing on improving production efficiencies, on costs control and on reducing inventories. In this way, Viscofan has been prepared to improve operating profitability in the context of the moderation in the price of raw materials and energy in Spain that occurred in 2024.

One of the catalysts for this improvement has been the greater production efficiencies achieved in North America with the new cellulose casing technology at the Danville plant and in collagen casings at the New Jersey plant, thereby reversing the trend of diminishing competitiveness that these plants were showing in recent years.

In operations, also worth highlighting are the activities aimed meeting the objective of inventory reduction implemented throughout the year, with a focus on the optimisation of production capacity, strategic allocation of inventories from the EMEA region to other geographical areas and specific projects in spare parts. Thus, the ratio of inventories at the end of December 2024 to revenue for the year decreased by 3.0 p.p. compared to the previous year. Together with the higher operating profit, this allowed for considerable increase in cash generation.

In the field of investment, Viscofan made satisfactory progress in the Beyond25 plans set for the 2024 financial year. The most significant was the construction and commissioning of a new converting plant for cellulose and collagen casings in Rayong, Thailand. This new plant allows us to gain greater proximity to and improve the service to Southeast Asia, one of the markets with the best growth prospects, encompassing a population of more than 650 million people.

As part of the organic growth plans of the New Business division, work is progressing at the San Luis de Potosi plant in Mexico on the installation of production capacity of bags for meat products to serve the North American market, the largest of this type of application.

This division also improved its capabilities in collagen-related products thanks to the acquisition in September 2024 of Brasfibra and Master Couros in Brazil, thereby reinforcing our hydrolysate proposition, the use of collagen as a food ingredient and the development of collagen products in pet food. These Companies were incorporated into the consolidation perimeter by global integration in the fourth quarter of 2024 and contributed €2.4 million to revenue and €0.9 million to EBITDA in this period.

Viscofan also made progress in the sustainability action plan, where the initiatives implemented have allowed the Group to meet by 2024 the targets set for 2030 of a 30% reduction in the intensity of scope 1 and 2 GHG emissions on extruded metres, a 10% reduction in the intensity of water withdrawal on extruded metres, and a 50% reduction in the severity index, while the other targets are on track to being fulfilled.

Thus, Viscofan has raised its ambition in the fight against climate change, and in December 2024 the Board of Directors approved a Net Zero Plan for scope 1 and 2 GHG emissions by 2050. This plan has an intermediate target in 2030 of absolute emission reductions in a range of 45% to 50%.

Despite the lower consolidated revenue in 2024 (-1.8%) due to the decline in co-generation electricity sales in Spain, the Group's operational strength has allowed it to reach new all-time highs in the year in EBITDA and Net Profit with growth of 6.3% and 11.4%, respectively.

With the completion of the main organic transformation projects foreseen in the Beyond25 plan, the results have exceeded the achievement of the initially planned operating cash flows. Thus, and taking into account the financial strength and the expected expansion of future cash flows, the Board of Directors has approved submitting to the General Shareholders' Meeting a total remuneration of €3.10 per share for the 2024 financial year, an increase of 3.1% in shareholder remuneration compared to the previous year, consisting of an extraordinary remuneration of €1.00 per share, and an ordinary remuneration of €2.10 per share, equivalent to a distribution of 62% of the net profit attributable to controlling entity.

Viscofan Group income statement ('000 €)

	Accumulated				Fourth Quarter			
	Jan-Dec' 24	Jan-Dec' 23	*Change*	*Like-for-like**	Oct-Dec' 24	Oct-Dec' 23	*Change*	*Like-for-like**
Revenue	1,203,994	1,225,787	-1.8%	-1.7%	305,742	299,579	2.1%	1.1%
EBITDA	285,334	268,400	6.3%	3.6%	78,929	75,765	4.2%	-2.3%
EBITDA margin	*23.7%*	*21.9%*	1.8 p.p.	1.1 p.p.	*25.8%*	*25.3%*	0.5 p.p.	-0.8 p.p.
Operating profit	201,540	184,686	9.1%		58,210	54,194	7.4%	
Net profit	157,019	140,962	11.4%		50,705	40,165	26.2%	

Revenue breakdown ('000 €)

	Jan-Dec' 24	Jan-Dec' 23	*Change*	Oct-Dec' 24	Oct-Dec' 23	*Change*
Traditional Business	996,610	985,305	1.1%	248,400	238,700	4.1%
New Business	147,326	151,521	-2.8%	39,396	35,038	12.4%
Other revene from energy	60,058	88,961	-32.5%	17,946	25,841	-30.6%
Revenue	1,203,994	1,225,787	-1.8%	305,742	299,579	2.1%

By geographical area	Jan-Dec' 24	Jan-Dec' 23	*Change*	Oct-Dec' 24	Oct-Dec' 23	*Change*
Europe, Middle East and Africa (EMEA)	508,479	531,317	-4.3%	127,692	132,753	-3.8%
Asia Pacific (APAC)	163,006	158,467	2.9%	47,049	44,999	4.6%
North America	373,743	369,323	1.2%	94,878	88,872	6.8%
South America	158,766	166,680	-4.7%	36,123	32,955	9.6%
Revenue	1,203,994	1,225,787	-1.8%	305,742	299,579	2.1%

* Like-for-like growth excludes the impact of the fluctuation in the different exchange rates in 2024, the incorporation of the companies Brasfibra and Master Couros in 4Q24, and the non-recurring operating profit expense of €1.9 million due to production stoppages in the U.S. in 3Q23 as a result of power cuts caused by the utility company.

Revenue:

In the fourth quarter of the year revenue amounted to €305.7 million, a growth of 2.1% versus fourth quarter of the previous year, mainly driven by higher volumes, and also due to changes in the consolidation scope and forex evolution, that offset lower co-generation revenue.

In the quarter, the change in the consolidation scope due to the incorporation of the companies Brasfibra and Master Couros contributed revenue growth with +0.8 p.p. and forex evolution with +0.2 p.p.

In the Traditional Business revenue was up by 4.1% to €248.4 million thanks to higher volume in all technologies. In the New Business revenue rose 12.4% to €39.4 million driven by the contribution of acquisitions, the strength in the added value solutions and the recovery in plastics.

Sales of co-generation electricity fell by 30.6% to €17.9 million due to lower electricity sales prices in Spain (an impact of -€5 million) and the limitation in electricity production (an impact of -€3 million).

The geographical breakdown[3] of revenue in the fourth quarter was as follows:

- EMEA (41.8% of the total): Reported revenue was €127.7 million, 3.8% below in 4Q23 due to the -33.0% decline in co-generation electricity sales in Spain, and once the capacity optimization process carried out in this period has been completed, which mainly resulted in the increase in exports to the APAC and SAM regions in the third quarter. Excluding co-generation electricity sales, reported revenue in the region grew by 2.6% and in like-for-like[4] terms by 2.4%.

[3] Revenue by origin of sales: EMEA (Spain, Germany, Czech Republic, United Kingdom, France, Belgium, Serbia, and United Kingdom), North America (Canada, Costa Rica, Mexico and the United States), APAC (Australia, China, Japan, New Zealand, Thailand), Latin America (Brazil and Uruguay).
[4] Like-for-like growth excludes the impact of the fluctuation in the different exchange rates in 2024, the incorporation of the companies Brasfibra and Master Couros in 4Q24 and the non-recurring operating profit expense of €1.9 million due to production stoppages in the U.S. in 3Q23 as a result of power cuts caused by the utility company.

- APAC (15.4% of the total): Revenue of €47.0 million, up 4.6% compared to 4Q23 and up 4.2% in like-for-like terms underpinned by the positive evolution in the Southeast Asia, and to a lesser extent, by volume growth in China.

- North America (31.0% of the total): Revenue amounted to €94.9 million showing an increase of 6.8% in both, reported and in like-for-like terms, in a context of recovery of the casing market together with a greater commercial activity and service improvement.

- South America (11.8% of the total): Revenue stood at €36.1 million, a growth of 9.6% versus 4Q23. On the one hand, the quarter incorporates the companies of Brasfibra and Master Couros in Brazil and on the other, a positive evolution of the casing market in this region has been achieved. In like-for-like terms, revenue in the region rose 1.2% compared to the fourth quarter of the previous year.

In the year 2024, revenue came to €1,204.0 million, 1.8% lower than in the same period of the previous year due to the sharp 32.5% decline in energy sales, which with €60.1 million are impacted by lower electricity sales prices (an impact of €-16 million) and lower production (an impact of €-13 million).

In the Traditional Business, revenue grew by 1.1% vs. 2023 to €996.6 million driven by the increase in volumes, and in New Business revenue decreased by -2.8% vs. 2023 to €147.3 million.

In the year 2024, the fluctuation in exchange rates eroded the growth in the consolidated revenue by -0.3 p.p. and the changes in the scope of consolidation contributed +0.2 p.p.

The geographical breakdown of revenue in 2024 was as follows:

- EMEA (42.3% of the total): Reported revenue of €508.5 million, -4.3% lower than 2023, strongly influenced by sales of co-generation electricity in Spain, which fell by -35.6%. In like-for-like terms, revenue in the region decreased by -4.3% while, excluding revenues from co-generation electricity, revenue grew by 1.3%.

- APAC: (13.5% of the total): Reported revenue was €163.0 million, +2.9% higher than in 2023 and +3.7% on a like-for-like basis.

- North America (31.0% of the total): Revenue amounted to €373.7 million, showing an increase of 1.2% and of 1.6% in like-for-like terms.

- South America (13.2% of the total): Revenue came to €158.8 million, a decrease of -4.7% compared to 2023 and of -6.2% in like-for-like terms.

Operating expenses

Consumption costs[5] in the fourth quarter were down -8.3% to €96.5 million thanks to savings from production improvements in new technologies, operational efficiencies, the decrease in the cost of natural gas in Spain and the lower purchase price of raw materials, driving up the gross margin[6] by +3.5 p.p. in 4Q24 vs. 4Q23 to 68.4%. In the year to date, gross margin improved by +1.9 p.p. vs. 2023 to 67.6% and consumption costs decreased by -7.3% to €390.4 million.

Personnel expenses in 2024 grew by 1.6% to €274.3 million. The higher costs due to wage inflation were offset by the -3.4% decrease in the average workforce to 5,163 people. The lower labor requirements compared to the same period of the previous year related to the new technology installed in the United States, the adjustment of production levels, particularly in Europe, and the measures implemented throughout the Group have enabled this workforce reduction. On the other hand, in the fourth quarter, the

[5] Consumption costs = Net purchases +/- Change in inventories of finished and work-in-progress products.
[6] Gross margin = (Revenue – Cost of Consumption) / Revenue.

higher hiring needs to respond to the recovery in demand for casings are reflected in higher personnel costs, up 3.8% vs. 4Q23 to €67.1 million.

Other operating costs in 4Q24 were €69.2 million, a growth of 13.5% versus 4Q23. Within this amount, in a context of higher productive and commercial activity, energy supply costs in the quarter increased by 14.3% compared to 4Q23 and transport expenses by 18.3% vs. 4Q23.

Other operating expenses in 2024 were €267.4 million, a decrease of -4.8% compared to 2023. Of this, energy supply costs fell by -11.8% and transport costs by 5.2% compared to 2023.

Operating profit

The 2024 financial year was characterised by an improvement in operating profitability. The strategy of commercial discipline, the increase in production efficiencies, the decrease in energy and raw material costs and the favourable trends in currencies combined with the recovery of casing volumes in the second half of the year were reflected in the margin. Thus, the EBITDA margin for 2024 amounted to 23.7%, an improvement of 1.8 p.p. compared to the previous year, and EBITDA margin in the fourth quarter was 25.8%, an improvement of 0.5 p.p. versus 4Q23.

Thus, EBITDA in 2024 grew by +6.3% to €285.3 million, and in the fourth quarter by 4.2% to €78.9 million.

In like-for-like terms, i.e. excluding the impact of exchange rate fluctuations and changes in the scope of consolidation, EBITDA in 2024 grew by +3.6% (-2.3% in 4Q24 vs. 4Q23).

Depreciation and amortization expense in 4Q24 decreased -3.9% vs. 4Q23 to €20.7 million and in 2024 remained broadly stable at €83.8 million (+0.1% vs. 2023). As a result, Operating profit (EBIT) in the fourth quarter rose +7.4% to €58.2 million, driving cumulative Operating Profit (EBIT) to €201.5 million, 9.1% above 2023.

Financial result

In the fourth quarter, the net financial result was positive at +€8.6 million, with positive exchange differences of +€10.3 million due to the impact of the variation in exchange rates on the balance sheets, mainly due to the appreciation of the US$. Financial expenses amounted to €2.1 million. This compares with a negative net financial result of -€7.8 million in 4Q23, a period in which exchange differences were negative at -€6.4 million and financial expenses stood at €1.8 million.

All in all, in cumulative terms, the net financial result was positive at +€4.9 million with positive exchange differences of +€13.0 million and financial expenses of €10.4 million. This compares with a negative net financial result in 2023 of -€15.8 million, a period in which exchange differences were negative at -€9.7 million and financial expenses amounted to €6.9 million.

Net profit

Profit before tax in 2024 was €206.4 million and the corporate income tax expense was €49.1 million, bringing the effective tax rate to 23.8%, higher than the 16.5% of 2023, a period with special tax deductions associated with the impact of COVID19 in China and the tax change in Brazil, which provided tax benefits for exporting companies.

All in all, the Net Profit attributable to the controlling entity for 2024 amounted to €157.0 million, a growth of +11.4% compared to 2023. Of the same, the fourth quarter contributed with a growth of 26.2% to €50.7 million.

Investment

Investment in 2024 amounted to €71.0 million (€77.5 million in 2023), where the construction of the new cellulose and collagen casing converting plant in Thailand stands out. This plant was opened and commissioned on time and at budgeted cost in the fourth quarter of 2024. The figure for investments for the year also includes the installation of production capacity of plastic bags for meat products at the San Luis Potosí plant in Mexico, energy equipment as part of the decarbonization strategy and consumption efficiency, and recurring plant projects.

The breakdown by type of investment in 2024 is as follows:

- 34% of the investment was earmarked for investments in capacity and machinery.
- 35% of the investment was earmarked for improvements in sustainability, including energy equipment, and the optimisation of the installations in terms of security, hygiene, and environment.
- 14% of the investment was earmarked for process improvements and new technology.
- The remaining 17% was spent on ordinary investments.

At year-end 2024, the investment commitments are €13.5 million compared to €28.9 million at year-end 2023.

Dividends and Shareholder remuneration

The Board of Directors of the Viscofan Group has resolved to submit to the General Shareholders' Meeting a profit distribution equivalent to a remuneration of €3.10 per share. Of which, €2.10 per share - equivalent to the distribution of 62% of net profit attributed to the controlling entity- is of an ordinary nature, and €1.00 per share is of an extraordinary nature arising from the generation of higher operating cash flows that were expected in the Beyond25 strategic plan.

In this way, shareholder remuneration consists of:

- An interim dividend of €1.437 per share (paid on 19 December, 2024).
- The proposed ordinary final dividend of €0.653 per share and an extraordinary final dividend of €1.00 per share under the optional dividend system in cash or shares "Viscofan Flexible Remuneration" in a lump sum payment expected in June 2025.
- A bonus of €0.01 per share for attending the General Shareholders' Meeting.

The proposed total and ordinary distribution is 3.1% higher than the previous year's total remuneration of €3.01 per share, and the proposed ordinary distribution is 4.7% higher than the previous year.

In turn, the Board of Directors has approved submitting to the General Shareholders' Meeting the possibility of flexible remuneration with which shareholders can decide whether they prefer to obtain new shares in a paid-up capital increase or cash remuneration. Furthermore, in order to avoid dilution of shareholders who do not participate in the capital increase, the Board plans to redeem the treasury shares necessary to keep the number of outstanding shares stable.

Equity

The Group's equity at 2024 year-end amounted to €938.9 million, down 2.0% on the end of the previous year, due to the increased negative translation differences originating from the consolidation of the subsidiaries whose currencies depreciated significantly against the euro in 2024 (mainly Brazil) and the distribution of an extraordinary dividend in the year.

Treasury shares

At 31 December 2024, the company had 690,795 treasury shares representing 1.49% of the voting rights for a value of €35.0 million.

During this period, the Company acquired, in use of the powers granted by the General Shareholders' Meeting, a total of 1,560,966 treasury shares.

Within the framework of the first edition of the flexible remuneration programme approved by the General Shareholders' Meeting, the Company received 37,138 own shares. Under this programme, all shares were delivered by means of a share capital increase involving 675,954 shares, and a capital reduction was carried out through the redemption of 675,954 treasury shares in order to avoid share dilution among those shareholders who did not take part in the capital increase.

Within the framework of the second edition of the flexible remuneration programme approved by the General Shareholders' Meeting, the Company received a total of 24,659 own shares. Under this programme, all shares were delivered by means of a share capital increase involving 662,369 shares, and a capital reduction was carried out through the redemption of 662,369 treasury shares in order to avoid share dilution among those shareholders who did not take part in the capital increase.

Moreover, in 2024, a total of 12,740 treasury shares were delivered to Viscofan personnel within the framework of the company's variable remuneration plans.

At 31 December 2023, Viscofan, S.A. held a total of 419,095 treasury shares representing 0.90% of its voting rights, for a value of €21.7 million.

Financial liabilities

Net bank debt[7] at the end of the 2024 financial year was €146.9 million, higher than the €138.0 million at the end of the previous year 2023 due to the increase in shareholder remuneration that includes the payment of €60.1 million in June and December to shareholders who have chosen to receive the cash dividend, and the share buyback of €90.7 million carried out within the framework of the flexible shareholder remuneration programme.

In addition, Viscofan also paid out €7.2 million within the framework of the agreement to acquire 60% of the share capital of the companies Brasfibra and Master Couros.

Based on IFRS 16, which requires most non-cancellable operating leases to be recorded on the balance sheet as an asset for the right of use and a liability for the future amounts payable, the breakdown of Net financial debt is as follows:

	`Dec 2024	`Dec 2023	*Change*
Net Bank Debt *	**146,854**	**137,963**	**6.4%**
Debts related to right-of-use assets	*11,849*	*11,541*	*2.7%*
*Other net financial liabilities***	*35,063*	*31,157*	*12.5%*
Net Financial Debt	**193,766**	**180,661**	**7.3%**

* Net bank debt = Non-current bank borrowings + Current bank borrowings - Cash and cash equivalents.
** Other net financial liabilities consisting mainly of loans with an interest rate subsidised by entities like the CDTI and the Ministry of Economy, as well as debt with netted fixed asset providers for other current financial assets.

The net financial debt is the equivalent of 20.6% of the equity, with a leverage level that is sufficient to be able to attend to all Viscofan's liquidity needs.

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

Changes in the scope of consolidation

Details on the changes in the scope of consolidation carried out during the year are available in Note 2 of the notes to the consolidated Financial Statements of the Viscofan Group.

Outlook for 2025

Viscofan expects to continue to achieve record results with growth in the main financial figures of revenue, EBITDA and net profit.

In this context, Viscofan expects to grow in revenue by between 5% and 8%, between 8% and 12% in EBITDA, and between 6% and 10% in Net Profit in 2025, with investments totalling approximately €75 million and a €-USD exchange rate of 1.05.

Appendix 1. Financial data

Viscofan Group profit and loss account. 4Q24 ('000 €)

	Oct-Dec' 24	Oct-Dec' 23	*Change*
Revenues	**305,742**	**299,579**	**2.1%**
Other operating income	5,280	6,199	-14.8%
Self-constructed assets	883	1,062	-16.9%
Variation in stocks of finished products and work-in-progress	1,195	5,294	-77.4%
Net purchases	-97,702	-110,480	-11.6%
Personnel expenses	-67,077	-64,648	3.8%
Other operating expenses	-69,169	-60,916	13.5%
Capital grants	36	33	9.1%
Impairments	-57	-287	-80.1%
Results coming from disposals of non-current assets	-202	-71	184.5%
Other results	0	0	n.s.
EBITDA	**78,929**	**75,765**	**4.2%**
EBITDA margin	*25.8%*	*25.3%*	*0.5 p.p.*
Amortization and depreciation	-20,719	-21,571	-3.9%
Operating profit	**58,210**	**54,194**	**7.4%**
Operating profit margin	*19.0%*	*18.1%*	*0.9 p.p.*
Financial incomes	710	363	95.6%
Financial expenditures	-2,138	-1,837	16.4%
Changes in reasonable value of financial instruments	0	0	n.s.
Exchange differences	10,268	-6,388	c.s
Impairment and results coming from disposals of financials assets	-248	22	c.s
Result from disposal of financial instruments	0	0	n.s.
Financial results	**8,592**	**-7,840**	**c.s**
Profit from associated companies	0	0	n.s.
Profit before taxes	**66,802**	**46,354**	**44.1%**
Taxes	-15,783	-6,189	155.0%
Profit after taxes from continued operations	**51,019**	**40,165**	**27.0%**
Profit after taxes from interrupted operations	0	0	n.s.
Net profit attributable to minority interests	314	0	n.s.
Net profit Viscofan Group	**50,705**	**40,165**	**26.2%**

Viscofan Group profit and loss account. 2024FY ('000 €)

	Jan-Dec' 24	Jan-Dec' 23	*Change*
Revenues	**1,203,994**	**1,225,787**	**-1.8%**
Other operating income	12,139	13,555	-10.4%
Self-constructed assets	1,629	1,366	19.3%
Variation in stocks of finished products and work-in-progress	-19,939	53,146	c.s
Net purchases	-370,472	-474,113	-21.9%
Personnel expenses	-274,278	-270,086	1.6%
Other operating expenses	-267,402	-280,901	-4.8%
Capital grants	82	131	-37.4%
Impairments	-78	-308	-74.7%
Results coming from disposals of non-current assets	-341	-177	92.7%
Other results	0	0	n.s.
EBITDA	**285,334**	**268,400**	**6.3%**
EBITDA margin	*23.7%*	*21.9%*	*1.8 p.p.*
Amortization and depreciation	-83,794	-83,714	0.1%
Operating profit	**201,540**	**184,686**	**9.1%**
Operating profit margin	*16.7%*	*15.1%*	*1.6 p.p.*
Financial incomes	2,535	846	199.6%
Financial expenditures	-10,370	-6,900	50.3%
Changes in reasonable value of financial instruments	0	0	n.s.
Exchange differences	12,981	-9,748	c.s
Impairment and results coming from disposals of financials assets	-248	22	c.s
Result from disposal of financial instruments	0	0	n.s.
Financial results	**4,898**	**-15,780**	**c.s**
Profit from associated companies	0	0	n.s.
Profit before taxes	**206,438**	**168,906**	**22.2%**
Taxes	-49,105	-27,944	75.7%
Profit after taxes from continued operations	**157,333**	**140,962**	**11.6%**
Profit after taxes from interrupted operations	0	0	n.s.
Net profit attributable to minority interests	314	0	n.s.
Net profit Viscofan Group	**157,019**	**140,962**	**11.4%**

Consolidated balance sheets ('000 €) - ASSETS

	Dec'24	Dec '23	Change
Intangible assets	33,139	20,562	61.2%
Goodwill	15,017	3,605	316.6%
Others intangible asset	18,122	16,957	6.9%
Tangible assets	560,757	567,718	-1.2%
Real state investments	0	0	n.s.
Investment accounting ussing the equity method	0	0	n.s.
Non-current financial assets	8,097	7,561	7.1%
a) At fair value through profit and loss	4,687	4,273	9.7%
Of which "Designated upon initial recognition"	4,687	4,273	9.7%
b) At fair value with changes in other comprehensive income	0	0	n.s.
Of which "Designated upon initial recognition"	0	0	n.s.
c) At amortized cost	3,410	3,288	3.7%
Non-current derivatives	0	0	n.s.
Cash flow hedges	0	0	n.s.
Others	0	0	n.s.
Deferred tax assets	39,190	47,645	-17.7%
Other non-current assets	0	0	n.s.
NON-CURRENT ASSETS	641,183	643,486	-0.4%
Non-current assets held for sale	0	0	n.s.
Inventories	398,954	442,892	-9.9%
Trade and other receivables	306,512	263,894	16.1%
Trade debtors	269,250	220,786	22.0%
Other debtors	36,393	39,459	-7.8%
Current tax assets	869	3,649	-76.2%
Current financial assets	945	911	3.7%
a) At fair value through profit and loss	795	759	4.7%
Of which "Designated upon initial recognition"	795	759	4.7%
b) At fair value with changes in other comprehensive income	0	0	n.s.
Of which "Designated upon initial recognition"	0	0	n.s.
c) At amortized cost	150	152	-1.3%
Current derivatives	111	4,330	-97.4%
Cash flow hedges	111	4,330	-97.4%
Others	0	0	n.s.
Other current assets	0	0	n.s.
Cash and cash equivalents	55,143	51,996	6.1%
CURRENT ASSETS	761,665	764,023	-0.3%
TOTAL ASSETS	1,402,848	1,407,509	-0.3%

Consolidated balance sheets ('000 €) - EQUITY AND LIABILITIES

	Dec'24	Dec '23	*Change*
Share capital	32,550	32,550	0.0%
Share issue premium	12	12	0.0%
Reserves	881,816	915,655	-3.7%
Treasury shares	-35,045	-21,671	61.7%
Profit for previous years	0	0	n.s.
Received from associates	0	0	n.s.
Net profit of the period attributable to the parent company	157,019	140,962	11.4%
Less: Interim dividend	-26,844	-64,563	-58.4%
Other equity instruments	7,018	3,905	79.7%
SHAREHOLDER´S FUNDS	1,016,526	1,006,850	1.0%
Items that are not reclassified to profit or loss for the period	0	0	n.s.
Equity instruments through other comprehensive income	0	0	n.s.
Others	0	0	n.s.
Items that may subsequently be reclassified to profit or loss for the period	-79,330	-49,078	61.6%
Hedge transactions	-706	2,026	c.s.
Currency translation differences	-78,624	-51,104	53.9%
Share in other comprehensive income for investments in joint ventures and others	0	0	n.s.
Debt instruments at fair value through other comprehensive income	0	0	n.s.
Others	0	0	n.s.
ACCUMULATED OTHER COMPREHENSIVE INCOME	-79,330	-49,078	61.6%
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	937,196	957,772	-2.1%
Non-controlling interests	1,715	0	n.s.
EQUITY	938,911	957,772	-2.0%
Grants	3,381	806	319.5%
Non-current provision	19,193	25,959	-26.1%
Non-current financial liabilities	71,311	50,833	40.3%
Bank debt	47,140	31,118	51.5%
Other financial liabilities	24,171	19,715	22.6%
Deferred tax liabilities	23,391	32,830	-28.8%
Non-current derivatives	0	0	n.s.
Cash flow hedges	0	0	n.s.
Others	0	0	n.s.
Other non-current liabilities	0	0	n.s.
NON-CURRENT LIABILITIES	117,276	110,428	6.2%
Liabilities linked to non-current assets held for sale	0	0	n.s.
Current provisions	21,024	26,228	-19.8%
Current financial liabilities	178,543	182,735	-2.3%
Bank debt	154,857	158,841	-2.5%
Other financial liabilities	23,686	23,894	-0.9%
Trade and other payable accounts	143,895	130,303	10.4%
Trade creditors	83,435	83,630	-0.2%
Other creditors	42,729	41,890	2.0%
Current tax liabilities	17,731	4,783	270.7%
Current derivatives	3,199	43	7339.5%
Cash flow hedges	3,199	43	7339.5%
Others	0	0	n.s.
Other current liabilities	0	0	n.s.
CURRENT LIABILITIES	346,661	339,309	2.2%
TOTAL EQUITY AND LIABILITIES	1,402,848	1,407,509	-0.3%

Cash flow statement ('000 €)

	Jan-Dec' 24	Jan-Dec' 23	*Change*
Cash flows from operating activities	**235,822**	**145,710**	**61.8%**
Profit for the year before tax	**206,438**	**168,906**	**22.2%**
Adjustments in results	**65,869**	**100,903**	**-34.7%**
Amortisation and depreciation	83,794	83,714	0.1%
Others adjustments in results(net)	-17,925	17,189	c.s.
Changes in working capital	**-8,548**	**-90,646**	**-90.6%**
Other cash flows from operating activities	**-27,937**	**-33,453**	**-16.5%**
Interest paid	10,370	6,900	50.3%
Dividend paid and other payments from others equity instruments	0	2,346	n.s.
Dividends received	0	0	n.s.
Interests received	-2,535	-846	199.6%
Proceeds/ (payments) from income tax	-34,821	-41,223	-15.5%
Proceeds/(payments) from operating activities	-951	-630	51.0%
Cash flows from investing activities	**-79,080**	**-75,122**	**5.3%**
Investment payments	**-82,240**	**-77,126**	**6.6%**
Group companies, associated & business units	-7,213	0	n.s.
Acquisition of property, plant and equipment and intangible assets	-75,027	-77,126	-2.7%
Other financial assets	0	0	n.s.
Other assets	0	0	n.s.
Cash from disposals	**625**	**1,158**	**-46.0%**
Group companies, associated & business units	0	0	n.s.
Disposal of property, plant and equipment and intangible assets	625	1,158	-46.0%
Other financial assets	0	0	n.s.
Other assets	0	0	n.s.
Other cash flows from investing activities	**2,535**	**846**	**199.6%**
Dividends received	0	0	n.s.
Interest received	2,535	846	199.6%
Proceeds/(Payments) from interrupted operations	0	0	n.s.
Cash flows from financing activities	**-152,713**	**-70,716**	**116.0%**
Proceeds and payments from equity instruments	**-90,716**	**-6,264**	**1348.2%**
Proceeds from issue of stock	0	0	n.s.
Cancellation and payments	0	0	n.s.
Acquisition	-90,716	-6,264	1348.2%
Disposal	0	0	n.s.
Proceeds and payments from financial liabilities instruments	**12,038**	**38,408**	**-68.7%**
Proceeds from issue of financial liabilities instruments	170,879	156,365	9.3%
Refund, cancellation and payments	-158,841	-117,957	34.7%
Dividends paid and others payments from others equities instruments	**-60,063**	**-89,508**	**-32.9%**
Others cash flows from financing activities	**-13,972**	**-13,352**	**4.6%**
Interest paid	-9,726	-6,275	55.0%
Others proceeds /(payments) from financing activities	-4,246	-7,077	-40.0%
Effect of foreign exchange rate changes on collections and payments	**-882**	**931**	**c.s.**
Net increase (decrease) in cash and cash equivalents	**3,147**	**803**	**291.9%**
Cash and cash equivalents at the begining of the period	**51,996**	**51,193**	**1.6%**
Cash and cash equivalent at the end of the period	**55,143**	**51,996**	**6.1%**

Reporting exchange rates (Currency/€)

Average exchange rates (Currency/€)

	2024	2023	% Change
Euro	1.000	1.000	0.0%
US Dollar	1.082	1.082	0.0%
British Pound	0.847	0.870	2.8%
Canadian Dollar	1.482	1.460	-1.5%
Brazilian real	5.828	5.403	-7.3%
Chinese yuan remminbi	7.726	7.634	-1.2%
Czech crown	25.119	24.002	-4.4%
Serbian Dinar	117.086	117.249	0.1%
Mexican Peso	19.805	19.195	-3.1%
Uruguayan Peso	43.492	41.902	-3.7%
Australian Dollar	1.640	1.628	-0.7%
Thai baht	38.178	37.630	-1.4%

End period (Currency/€)

Dec 2024	Dec 2023	% Change
1.000	1.000	0.0%
1.039	1.105	6.4%
0.829	0.869	4.8%
1.495	1.464	-2.0%
6.433	5.350	-16.8%
7.526	7.859	4.4%
25.185	24.725	-1.8%
117.015	117.174	0.1%
21.057	18.667	-11.3%
45.780	43.119	-5.8%
1.671	1.616	-3.3%
35.676	37.973	6.4%

Appendix 2. Alternative Performance Measures

The Viscofan Group has included in this report various Alternative Performance Measures (hereinafter APMs), as established in APM Guidelines published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es) and adopted by the National Securities Market Commission (the CNMV).

This involves a series of measures designed using the financial information of Viscofan S.A., and its subsidiary companies, and they are complementary to the financial information drawn up in agreement with International Financial Reporting Standards (IFRS). Under no circumstance should they be assessed separately or considered a substitute.

They are measures used internally in decision making processes and which the Board of Directors decides to report externally as it considers they provide additional information that is useful in the analysis and assessment of the Viscofan Group's results and its financial situation.

The APMs 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 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.

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Disclaimer

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This document may contain additional non-compulsory forward-looking statements on intentions or expectations of the Company as of the date of its publication whose only purpose is to provide further information on perspectives on future performance.

Such forward-looking statements do not constitute any guarantee of future performance and involve risks and uncertainties as well as other important factors that could cause actual developments or results to differ essentially from those expressed in our forward-looking statements.

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