January-March 2025

Results 28 April 2025

Viscofan
years

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For many, for long. with you



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Results report

Main conclusions of the January-March 2025 results:

- Revenue of €307.3 million, an increase of 6.1% compared to the previous year with growth in all geographic reporting areas.

- EBITDA of €68.8 million, a growth of 11.7% on the previous year and with an improvement of +1.1 p.p. in EBITDA margin to 22.4%.

- Net profit of €31.4 million, -0.7% below the previous year impacted by the financial result of negative exchange rate differences.

- Net bank debt at March 2025 was €170.8 million (€146.9 million at December 2024) including a cash outflow of €23.5 million from the share buybacks carried out within the framework of the flexible remuneration program.

- José Antonio Canales, CEO of the Viscofan Group:

  "The strength of our business model has been reflected again in the growth in revenue and in operating profit in the first quarter results. All geographic reporting areas grew year-on-year driven by volumes in the main casings families, the recovery in the New Business division, and even with higher revenue from co-generation in Spain.

  Growth together with cost control, production efficiencies, and higher competitiveness in the quarter, where exchange rates variation had a positive impact on operating results. However, the US$ weakness eroded this growth in terms of Net profit, which decreased 0.7% year-on-year.

  First quarter results in operating terms are in line with the objectives set for 2025, the year of consolidation of our Beyond25 strategic plan."

Business performance

Viscofan Group financial results summary. (€000)

	Jan-Mar' 25	Jan-Mar' 24	Change	Like-for like*
Revenue	307,269	289,729	6.1%	4.0%
EBITDA	68,822	61,595	11.7%	4.1%
EBITDA margin	*22.4%*	*21.3%*	*1.1 p.p.*	*0.0 p.p.*
Operating profit	46,843	40,375	16.0%	
Net profit	31,360	31,590	-0.7%	

Revenue breakdown ('000 €)

	Jan-Mar' 25	Jan-Mar' 24	Change
Traditional Business	250,927	240,982	4.1%
New Business	39,125	35,277	10.9%
Other revenue from energy	17,217	13,470	27.8%
Revenue	307,269	289,729	6.1%

By geographical area	Jan-Mar' 25	Jan-Mar' 24	Change
Europe, Middle East and Africa (EMEA)	128,309	123,237	4.1%
Asia Pacific (APAC)	39,787	37,225	6.9%
North America	96,532	91,521	5.5%
South America	42,641	37,746	13.0%
Revenue	307,269	289,729	6.1%

**Like-for-like: Like-for-like growth excludes the impact of exchange rate fluctuations in 2025 and changes in the scope of consolidation due to the incorporation of the acquired companies, Brasfibra and Master Couros in 4Q24, and Pet Mania as of March 2025.*

Revenue:

In the first quarter, volumes grew across all technologies in the Traditional Business division and across all reporting geographic regions.

Additionally, the New Business division has resumed its growth path thanks to the recovery in sales of plastic products, the strength of its transfer solutions, and the contribution of acquisitions.

Meanwhile, co-generation electricity revenue for the quarter increased due to higher sales prices and higher production from the Cáseda co-generation plant compared to the first quarter of 2024, a period that was impacted by grid sales limitations at specific times of high electricity production in the Spanish electricity system.

Thus, in 1Q25, revenue reached €307.3 million, 6.1% higher than the first quarter of the previous year.

In the Traditional Business, revenue grew 4.1% vs. 1Q24 to €250.9 million, driven by increased volumes, and in the New Business, revenue increased 10.9% vs. 1Q24 to €39.1 million.

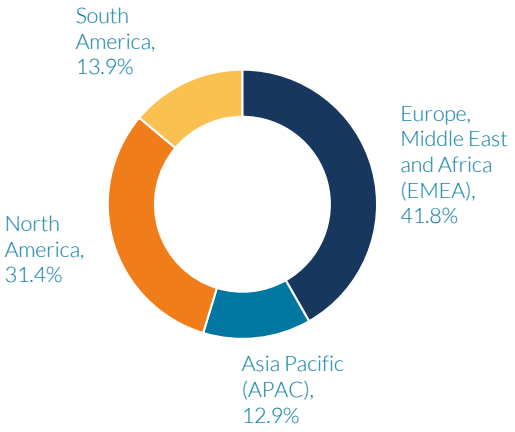
Energy revenue stood at €17.2 million, a 27.8% increase compared to the first quarter of the previous year.

In the quarter, exchange rate fluctuations contributed +1.1 p.p. to the growth in consolidated revenue, while changes in the scope of consolidation due to the incorporation of Brazilian companies contributed +1.0 p.p.

The geographical breakdown[1] of revenue in 1Q25 is as follows:

- EMEA: Reported revenue reached €128.3 million, an increase of 4.1% compared to 1Q24 and 3.6% on a like-for-like basis[2].
- APAC: Reported revenue was €39.8 million, up 6.9% from 1Q24, and up 5.9% excluding the impact of currency fluctuations.
- North America: Revenue rose 5.5% to €96.5 million, up 3.6% on a like-for-like basis.
- South America: Revenue reached €42.6 million, an increase of 13.0% compared to 1Q24, of which €3.0 million corresponds to the new Brazilian companies included in the consolidation scope. On a like-for-like basis, revenues in the region grew 4.0% compared to 1Q24.

Geographical breakdown of sales



Operating expenses

Cost of consumption[3] increased 2.3% year-on-year to €96.2 million, resulting in a +1.1 p.p. improvement in gross margin[4] to 68.7%, driven by savings from production improvements using new technologies, operational efficiencies, and lower natural gas costs in Spain, which offset higher collagen hides prices.

Personnel expenses for the quarter grew 3.5% to €72.6 million due to a 6.4% increase in the average headcount to 5,480 people, including the addition of the companies acquired in Brazil and increased staffing needs to meet increased demand. Salary inflation was offset by production efficiencies, particularly in the U.S.

Other operating expenses in 1Q25 were €73.1 million, an increase of 10.3% compared to 1Q24 amid increased production and sales activity. Within Other operating expenses, energy supply expenses increased by 9.8% compared to 1Q24, transportation expenses increased by 2.7%, and advertising expenses associated with preparations for the IFFA trade fair in May 2025, the largest meat industry trade fair held every three years in Frankfurt, were also higher.

Operating profit

EBITDA for the first quarter of 2025 reached €68.8 million, an increase of 11.7% year-on-year, thanks to the combination of revenue growth with solid yields and efficiencies achieved at production plants, the contribution of acquisitions, and the positive impact of foreign exchange on operating terms. The reported EBITDA margin stood at 22.4%, an improvement of 1.1 percentage points year-on-year.

On a like-for-like basis, i.e., excluding the impact of exchange rate fluctuations and changes in the scope of consolidation, EBITDA grew by 4.1% in 1Q25.

Amortization expense in 1Q25 was €22.0 million (+3.6% vs. 1Q24).

Thus, operating profit reached €46.8 million, an increase of 16.0% compared to 1Q24.

[1] *Revenue by sales source: EMEA (Spain, Germany, Czech Republic, United Kingdom, Belgium, France and Serbia), North America (Canada, Costa Rica, Mexico and United States), APAC (Australia, China, Japan, New Zealand, Thailand), Latin America (Brazil and Uruguay)*
[2] *Like-for-like: Like-for-like growth excludes the impact of exchange rate fluctuations in 2025 and changes in the scope of consolidation due to the incorporation of the acquired companies, Brasfibra and Master Couros in 4Q24, Pet Mania as of March 2025*
[3] *Cost of consumption = Net purchases +/- Change in inventories of finished and work-in-progress products*
[4] *Gross margin = (Revenue – Cost of Consumption) / Revenue*

Financial result

Net financial result for the first quarter was negative at €6.1 million, with negative exchange rate differences of €4.1 million and financial expenses of €2.4 million. This compares with a positive net financial result of €0.9 million in 1Q24, a period in which exchange rate differences were positive at €2.6 million and financial expenses were €2.5 million.

Net profit

Profit before tax for 1Q25 was €40.8 million and the corporate income tax expense was €9.2 million, bringing the effective tax rate to 22.5% (a tax rate of 23.4% in 1Q24).

Overall, Viscofan Group's Net profit for 1Q25 stood at €31.4 million (€31.6 million in 1Q24).

Investment

Investments in 1Q25 totalled €22.0 million, in line with the €75 million target set for the year, and higher than the €7.8 million in 1Q24 due to increased investment activity in the first months of this year, in line with the execution schedule for the main projects planned for the year. The main projects are the expansion of collagen casing capacity in light of the positive growth prospects in this family, the installation of production capacity for plastic bags for meat products at the San Luis Potosí plant in Mexico, and the investment in waste management equipments at Cáseda.

Financial liabilities

Net bank debt[5] at the end of March 2025 was €170.8 million (€146.9 million at the end of December 2024). The first quarter of 2025 included cash outflows from the €23.5 million of share buybacks under the flexible shareholder remuneration program, the €5.6 million payment for the acquisition of Pet Mania, and a faster pace of investment compared to the same period last year.

Changes in the scope of consolidation

Completed in 2025:

On February 27, 2025, the Viscofan Group acquired 51% of the Brazilian company Pet Mania Comércio Internacional Ltda for a cash value of €5.6 million at the exchange rate on that date and an enterprise value equivalent to €16.5 million.

Pet Mania is dedicated to the production and marketing of animal-based treats for pets.

Completed in 2024:

On September 19, 2024, through its subsidiary Viscofan do Brasil, soc. com. e ind. Ltda., the company formalized the acquisition of 60% of the companies Brasfibra Industria e Comercio de Derivados do Couro Ltda. and Master Couros Industria e Comercio de Derivados do Couro Ltda. for 88 million Brazilian reals.

Brasfibra is dedicated to the production of high-quality bovine collagen products (collagen hydrolysates, collagen fiber, and products for animal feed). Master Couros is a specialist in the treatment of bovine hides that supplies to Brasfibra.

On June 5, 2024, the legal liquidation of Jupiter PTY LTD was registered with the Australian Securities & Investments Commission.

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

Alternative performance measures

The Viscofan Group includes in this report several Alternative Performance Measures (APMs), as set out in the Guidelines on APMs published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es) and adopted by the CNMV.

These are a series of measures developed based on the financial information of Viscofan S.A. and its subsidiaries, and are complementary to the financial information prepared in accordance with International Financial Reporting Standards (IFRS). Under no circumstances should they be evaluated separately or considered a substitute.

These are measures used internally for decision-making and which the Board of Directors decides to report externally, considering that they provide useful additional information for analyzing and assessing the results of the Viscofan Group and its financial situation.

The MARs included in this report are the following:

- EBITDA, or Operating Income before Depreciation and Amortization, is calculated by excluding depreciation and amortization expenses from Operating Income. EBITDA is a commonly reported and widely used measure among analysts, investors, and other stakeholders within the casing industry. The Viscofan Group uses this measure to monitor business performance and establish operational and strategic objectives for its Group companies. However, it is not a defined indicator in IFRS and may therefore not be comparable with similar indicators used by other companies in their reporting.

- Consumption Expenses: Calculated as the net amount of supplies and the variation in finished goods and work in progress. Management monitors consumption expenses as one of Viscofan's main cost components. The weight of net income from this cost component on revenue or gross margin is also analyzed to study the evolution of the operating margin. However, it is not an indicator defined in IFRS, and consumption expenses should not be considered a substitute for the various income statement items that comprise it. Furthermore, they may not be comparable with other similar indicators used by other companies in their reports.

- Net bank debt: Calculated as non-current bank debt plus current bank debt netted against cash and cash equivalents. Management considers net bank debt to be relevant to shareholders and other stakeholders because it provides an analysis of the Group's solvency. However, net bank debt should not be considered as a substitute for gross bank debt in the consolidated balance sheet, nor for other liability and asset items that may affect the Group's solvency.

- Like-for-like revenue and EBITDA: This measure excludes the impact of exchange rate fluctuations compared to the previous comparable period, changes in the scope of consolidation due to acquisitions, and non-recurring business results to provide a like-for-like comparison of the Viscofan Group's performance. However, like-for-like revenue and EBITDA are not indicators defined in IFRS and therefore may not be comparable with other similar indicators used by other companies in their reporting, nor should they be considered a substitute for the business performance indicators defined in IFRS.

Financial Annexes

Viscofan Group profit and loss account. 1Q25 ('000 €)

	Jan-Mar' 25	Jan-Mar' 24	Change
Revenue	**307,269**	289,729	**6.1%**
Other operating income	3,116	2,248	38.6%
Self-constructed assets	373	94	296.8%
Variation in stocks of finished products and work-in-progress	10,232	-1,040	c.s
Net purchases	-106,416	-92,976	14.5%
Personnel expenses	-72,586	-70,133	3.5%
Other operating expenses	-73,148	-66,318	10.3%
Capital grants	20	15	33.3%
Impairments	-7	-7	—%
Results coming from disposals of non-current assets	-31	-17	82.4%
Other results	0	0	n.s.
EBITDA	**68,822**	61,595	**11.7%**
EBITDA margin	*22.4%*	*21.3%*	*1.1 p.p.*
Amortization and depreciation	-21,979	-21,220	3.6%
Operating profit	**46,843**	40,375	**16.0%**
Operating profit margin	*15.2%*	*13.9%*	*1.3 p.p.*
Financial income	405	701	-42.2%
Financial expenditures	-2,411	-2,460	-2.0%
Changes in reasonable value of financial instruments	0	0	n.s.
Exchange differences	-4,051	2,634	c.s
Impairment and results coming from disposals of financial assets	0	0	n.s.
Result from disposal of financial instruments	0	0	n.s.
Financial results	**-6,057**	875	**c.s**
Profit from associated companies	0	0	n.s.
Profit before taxes	**40,786**	41,250	**-1.1%**
Taxes	-9,166	-9,660	-5.1%
Profit after taxes from continued operations	31,620	31,590	**0.1%**
Profit after taxes from interrupted operations	0	0	n.s.
Net profit attributable to minority interests	260	0	n.s.
Viscofan Group Net Profit	**31,360**	**31,590**	**-0.7%**

Consolidated balance sheets ('000 €)

Assets	Mar' 25	Dec' 24	Change
Intangible assets	36,847	33,139	11.2%
Goodwill	*19,474*	*15,017*	*29.7%*
Other intangible assets	*17,373*	*18,122*	*-4.1%*
Tangible assets	556,452	560,757	-0.8%
Real estate investments	0	0	n.s.
Investment accounting using the equity method	0	0	n.s.
Non-current financial assets	8,175	8,097	1.0%
a) At fair value through profit and loss	*4,807*	*4,687*	*2.6%*
Of which "Designated upon initial recognition"	*4,807*	*4,687*	*2.6%*
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	*3,368*	*3,410*	*-1.2%*
Non-current derivatives	0	0	n.s.
Cash flow hedges	*0*	*0*	*n.s.*
Others	*0*	*0*	*n.s.*
Deferred tax assets	35,886	39,190	-8.4%
Other non-current assets	0	0	n.s.
NON-CURRENT ASSETS	**637,360**	**641,183**	**-0.6%**
Non-current assets held for sale	0	0	n.s.
Inventories	412,622	398,954	3.4%
Trade and other receivables	325,515	306,512	6.2%
Trade debtors	*270,432*	*269,250*	*0.4%*
Other debtors	*53,005*	*36,393*	*45.6%*
Current tax assets	*2,078*	*869*	*139.1%*
Current financial assets	944	945	-0.1%
a) At fair value through profit and loss	*795*	*795*	*—%*
Of which "Designated upon initial recognition"	*795*	*795*	*—%*
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	*149*	*150*	*-0.7%*
Current derivatives	273	111	145.9%
Cash flow hedges	*273*	*111*	*145.9%*
Others	*0*	*0*	*n.s.*
Other current assets	0	0	n.s.
Cash and cash equivalents	71,428	55,143	29.5%
CURRENT ASSETS	**810,782**	**761,665**	**6.4%**
TOTAL ASSETS	**1,448,142**	**1,402,848**	**3.2%**

Equity and Liabilities	Mar' 25	Dec' 24	Change
Share capital	32,550	32,550	—%
Share issue premium	12	12	—%
Reserves	1,052,148	881,816	19.3%
Less: Treasury shares	-57,975	-35,045	65.4%
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	31,360	157,019	-80.0%
Less: Interim dividend	-26,844	-26,844	—%
Other equity instruments	6,843	7,018	-2.5%
SHAREHOLDER'S FUNDS	**1,038,094**	**1,016,526**	**2.1%**
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	-99,480	-79,330	25.4%
Hedge transactions	102	-706	c.s.
Currency translation differences	-99,582	-78,624	26.7%
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	-99,480	-79,330	25.4%
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	**938,614**	**937,196**	**0.2%**
Non-controlling interests	3,324	1,715	93.8%
EQUITY	**941,938**	**938,911**	**0.3%**
Grants	3,361	3,381	-0.6%
Non-current provision	21,389	19,193	11.4%
Non-current financial liabilities	70,286	71,311	-1.4%
Bank debt	*49,324*	*47,140*	*4.6%*
Other financial liabilities	*20,962*	*24,171*	*-13.3%*
Deferred tax liabilities	19,619	23,391	-16.1%
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	**114,655**	**117,276**	**-2.2%**
Liabilities linked to non-current assets held for sale	0	0	n.s.
Current provisions	25,540	21,024	21.5%
Current financial liabilities	214,337	178,543	20.0%
Bank debt	*192,857*	*154,857*	*24.5%*
Other financial liabilities	*21,480*	*23,686*	*-9.3%*
Trade and other payable accounts	151,667	143,895	5.4%
Trade creditors	*89,345*	*83,435*	*7.1%*
Other creditors	*44,481*	*42,729*	*4.1%*
Current tax liabilities	*17,841*	*17,731*	*0.6%*
Current derivatives	5	3,199	-99.8%
Cash flow hedges	*5*	*3,199*	*-99.8%*
Others	*0*	*0*	*n.s.*
Other current liabilities	0	0	n.s.
CURRENT LIABILITIES	**391,549**	**346,661**	**12.9%**
TOTAL EQUITY AND LIABILITIES	**1,448,142**	**1,402,848**	**3.2%**

Exchange rates

Average exchange rates (Currency/€)	1Q25	1Q24	% Change	End period (Currency/€) Mar 2025	Dec 2024	% Change
Euro	1.000	1.000	—%	1.000	1.000	—%
US Dollar	1.052	1.086	3.2%	1.082	1.039	-4.0%
British Pound	0.836	0.856	2.4%	0.835	0.829	-0.7%
Canadian Dollar	1.511	1.464	-3.1%	1.553	1.495	-3.7%
Brazilian real	6.153	5.378	-12.6%	6.210	6.433	3.6%
Chinese yuan renminbi	7.587	7.737	2.0%	7.796	7.526	-3.5%
Czech crown	25.080	25.079	—%	24.965	25.185	0.9%
Serbian Dinar	117.143	117.193	—%	117.211	117.015	-0.2%
Mexican Peso	21.488	18.450	-14.1%	21.974	21.057	-4.2%
Uruguayan Peso	45.298	42.192	-6.9%	45.560	45.780	0.5%
Australian Dollar	1.677	1.650	-1.6%	1.722	1.671	-3.0%
Thai baht	35.718	38.735	8.4%	36.706	35.676	-2.8%

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