2Q 2022

Results

Viscofan

Reshaping food and wellbeing.
For many, for long.



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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.

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This document is a free translation from the original in Spanish, in event of discrepancy, the Spanish-language version prevails.

Highlights 2Q22

€305.2
million
Revenue
+28.5%

€64.8
million
EBITDA
+1.5%

€37.4
million
Net profit
+10.2%

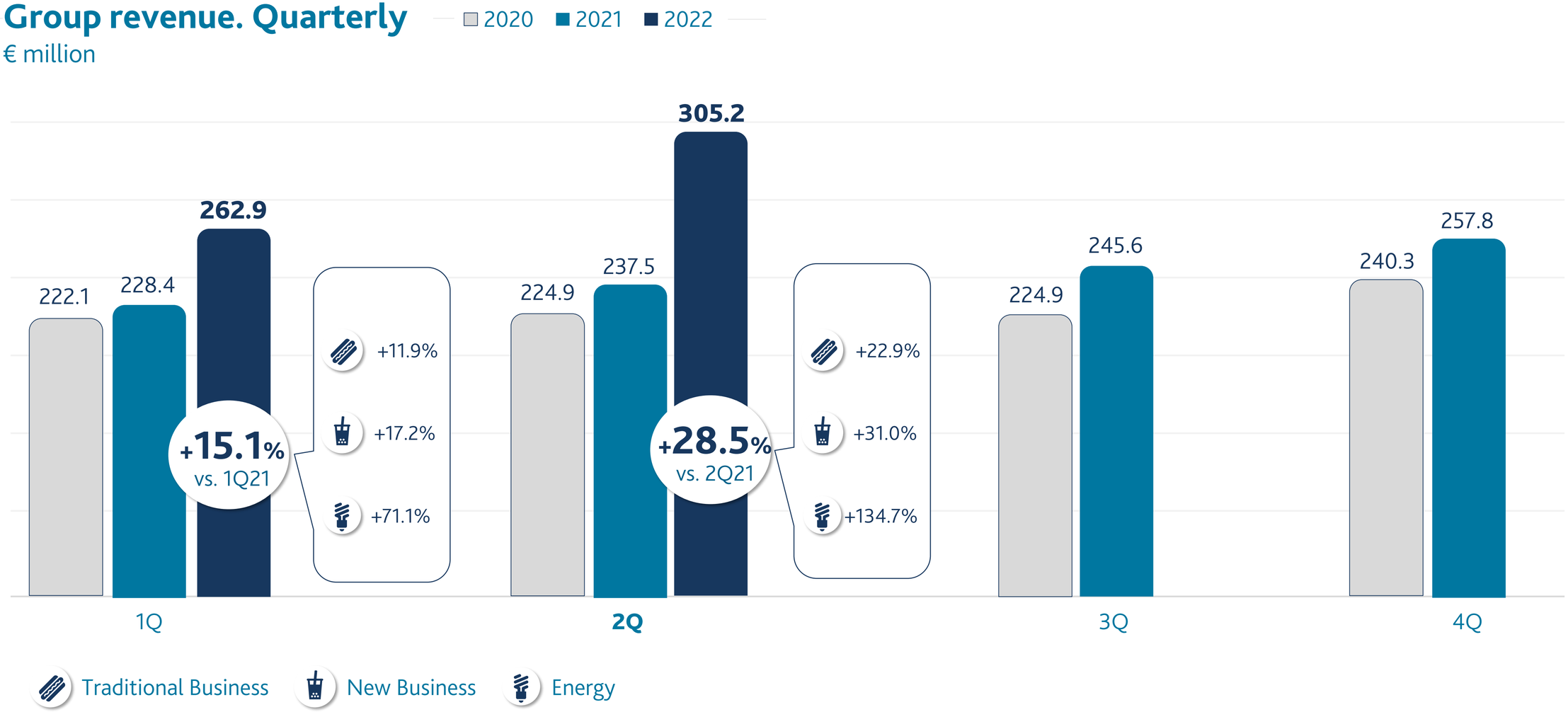
€40.7
million
Capex 1H22
+66.4%

New all-time high in quarterly revenue

Higher growth rate in all business divisions

Group revenue. Quarterly

€ million

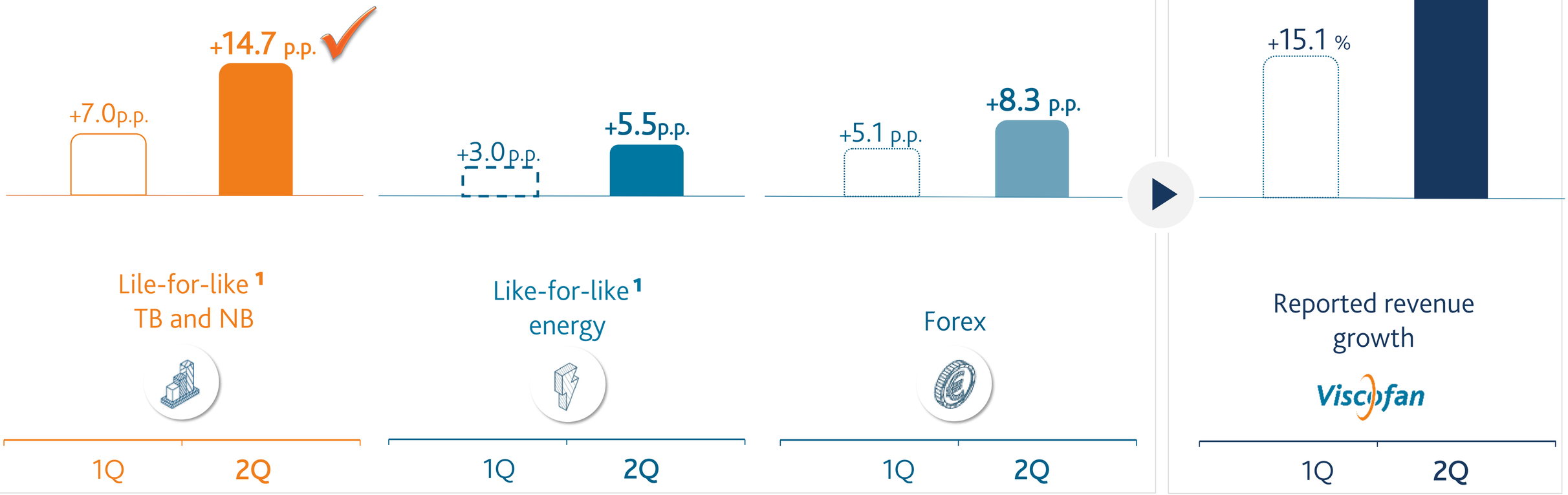


Sound growth in the second quarter

Driven by volume, price, energy, and fx

Quarterly revenue

Growth contribution (p.p.)



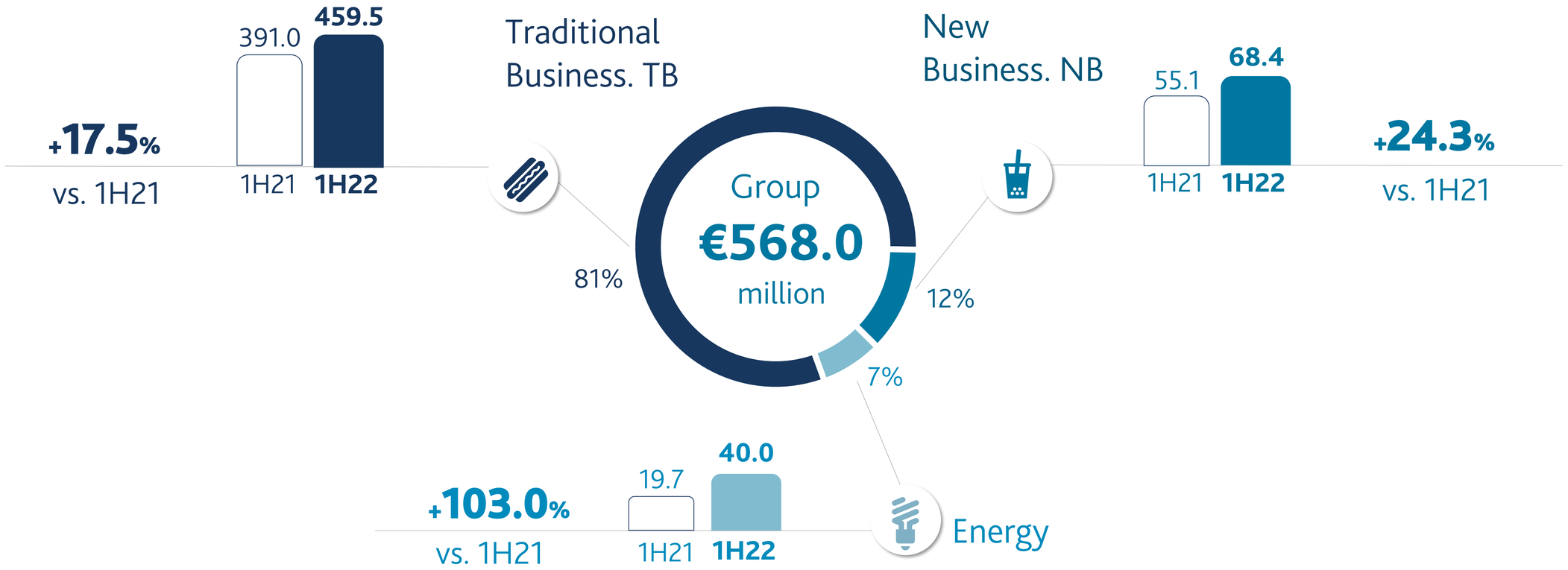
[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2022.

Positive contribution from all businesses

Growth of 21.9% in the first half of the year

Revenue 1H22

Breakdown by business division

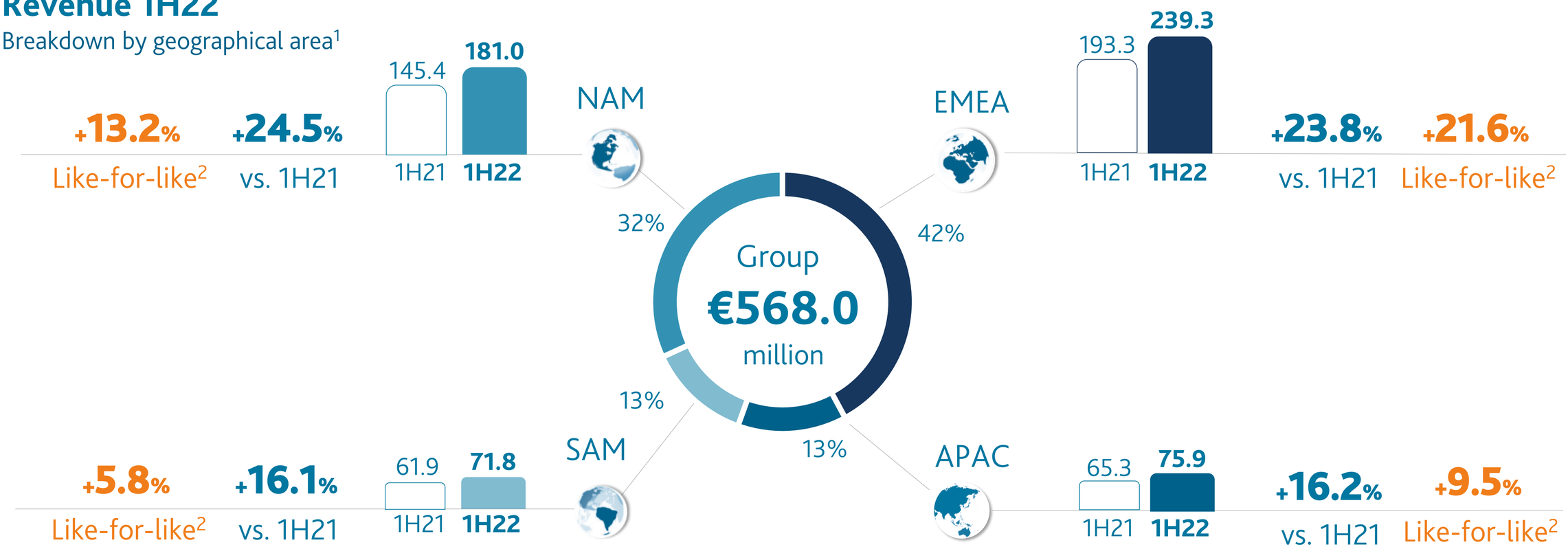


Growth in all geographical areas

Strong global growth highlighting the recovery in South America volumes in the second quarter

Revenue 1H22

Breakdown by geographical area[1]



[1] Revenue per origin of sales: EMEA (European companies), North America NAM (Canada, Costa Rica, Mexico, and EE.UU), APAC (Australia, China, Japan, New Zealand, and Thailand), South America SAM (Brazil and Uruguay).

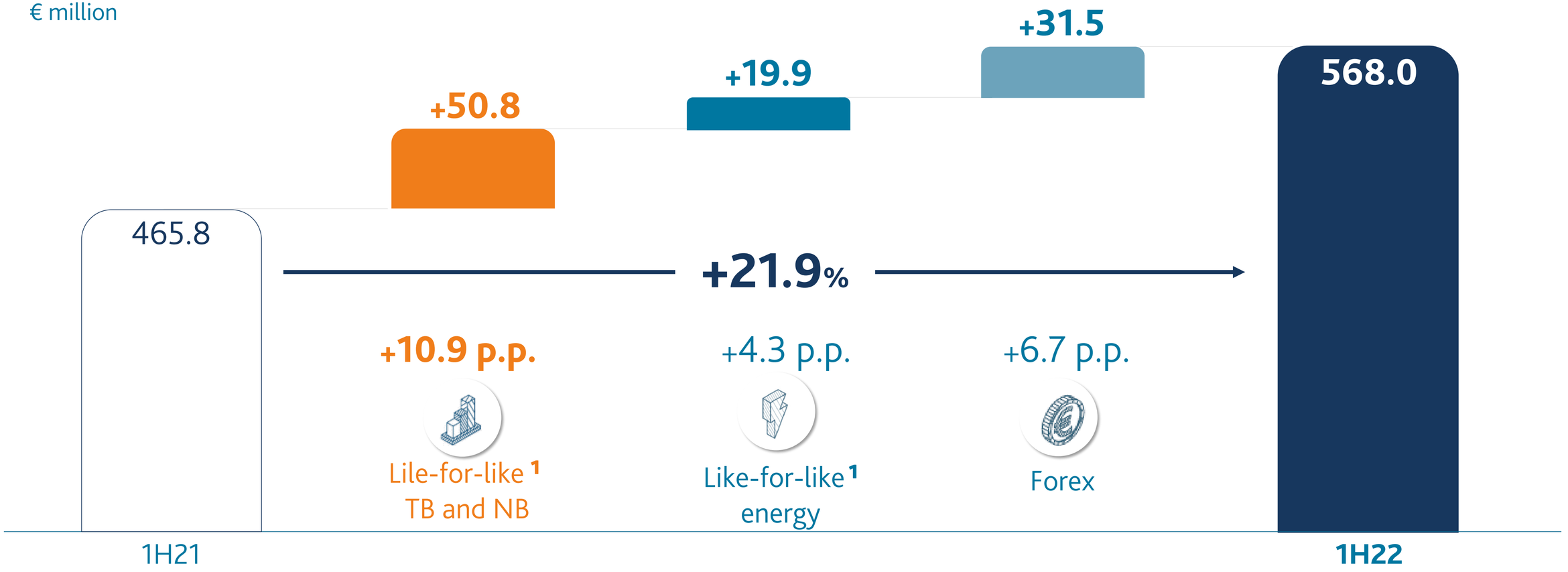
[2] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2022.

Revenue grew at double-digit rate in 1H22

Outperforming expectations for the year

Revenue 1H22

€ million



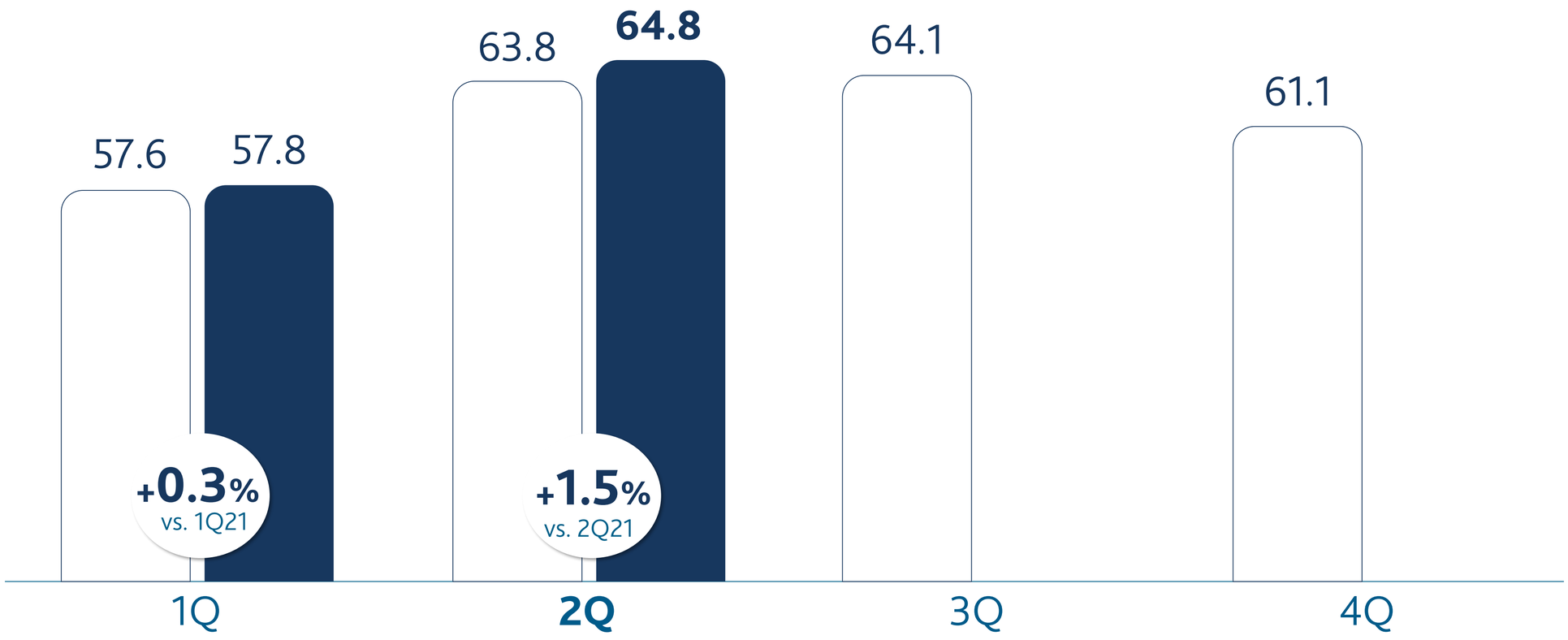
[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2022.

Focus on operating result growth

Higher revenue growth to offset a more adverse cost environment

Reported quarterly EBITDA

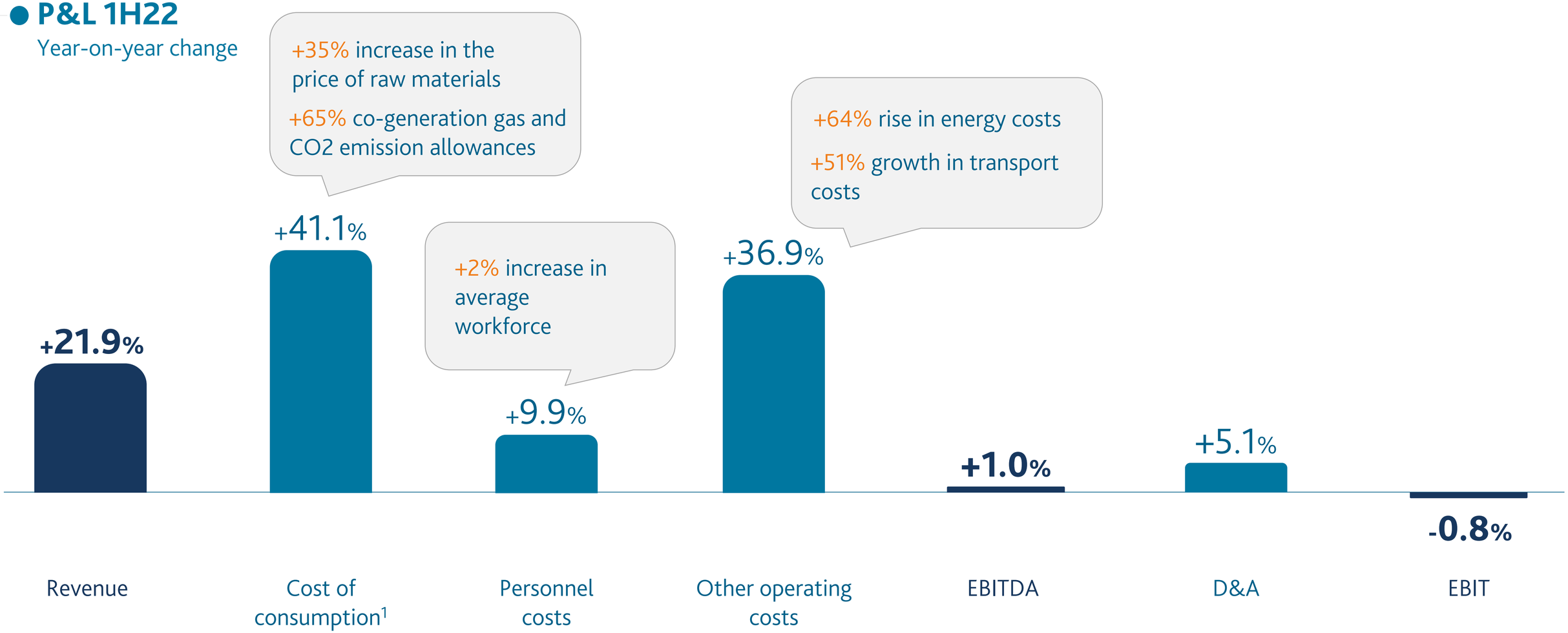
€ million



Inflation impacts all cost lines

P&L 1H22

Year-on-year change



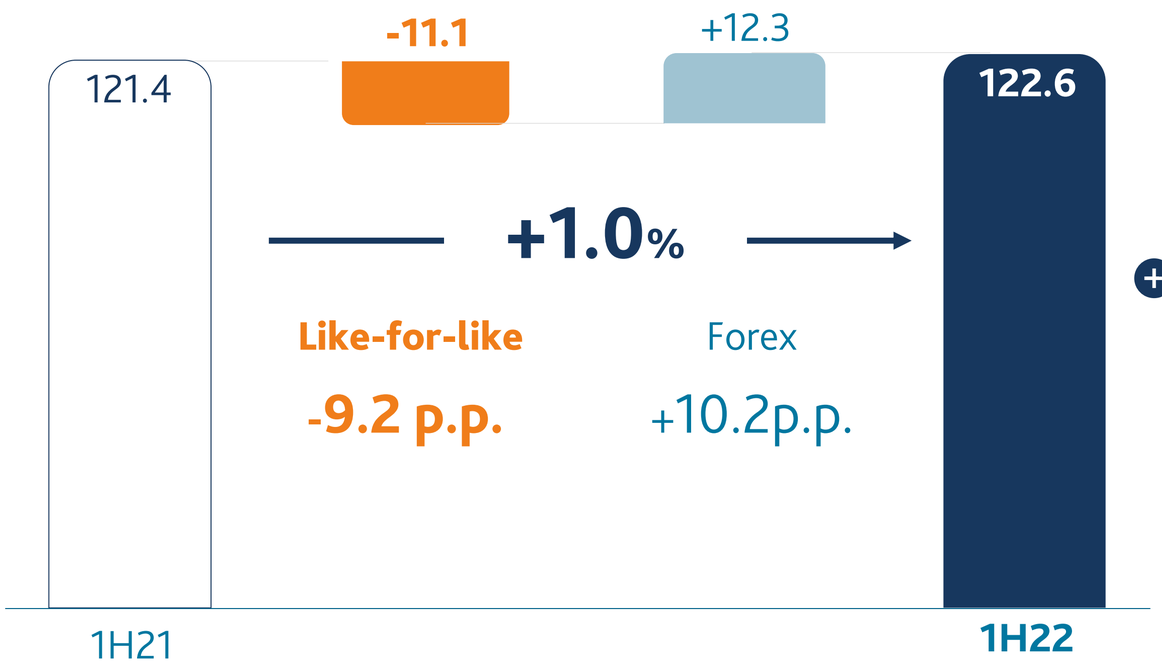
[1] Cost of consumption = Net purchases +/- Change in inventories of finished and unfinished products.

Price improvement, volume, and forex

Offsetting the worst cost environment in decades

EBITDA 1H22

€ million



Improvement actions in 2H22

Price hike

New rise in 2H22

Efficiencies and cost control

Forex

Positive forex evolution in the last months

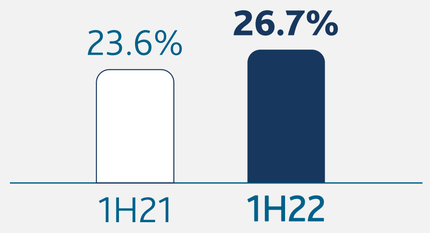
Growth in Net Profit

Positive exchange differences and higher tax rate

EBIT to NET PROFIT. First Half

€ million	1H22	1H21	% y-o-y
Reported EBIT	84.4	85.1	-0.8%
Financial result	+4.2	-1.1	c.s.
Tax	-23.6	-19.8	+19.2%
Reported Net profit	64.9	64.1	+1.2%

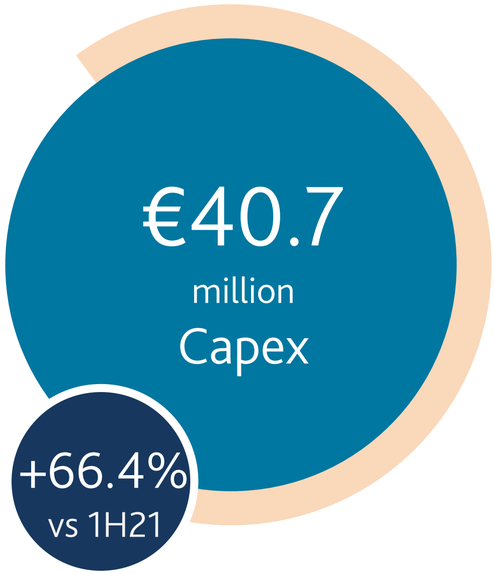
Effective tax rate



High transformational activity

In line with the target of investing more than €100 million in 2022

Capex 1H22
€ million



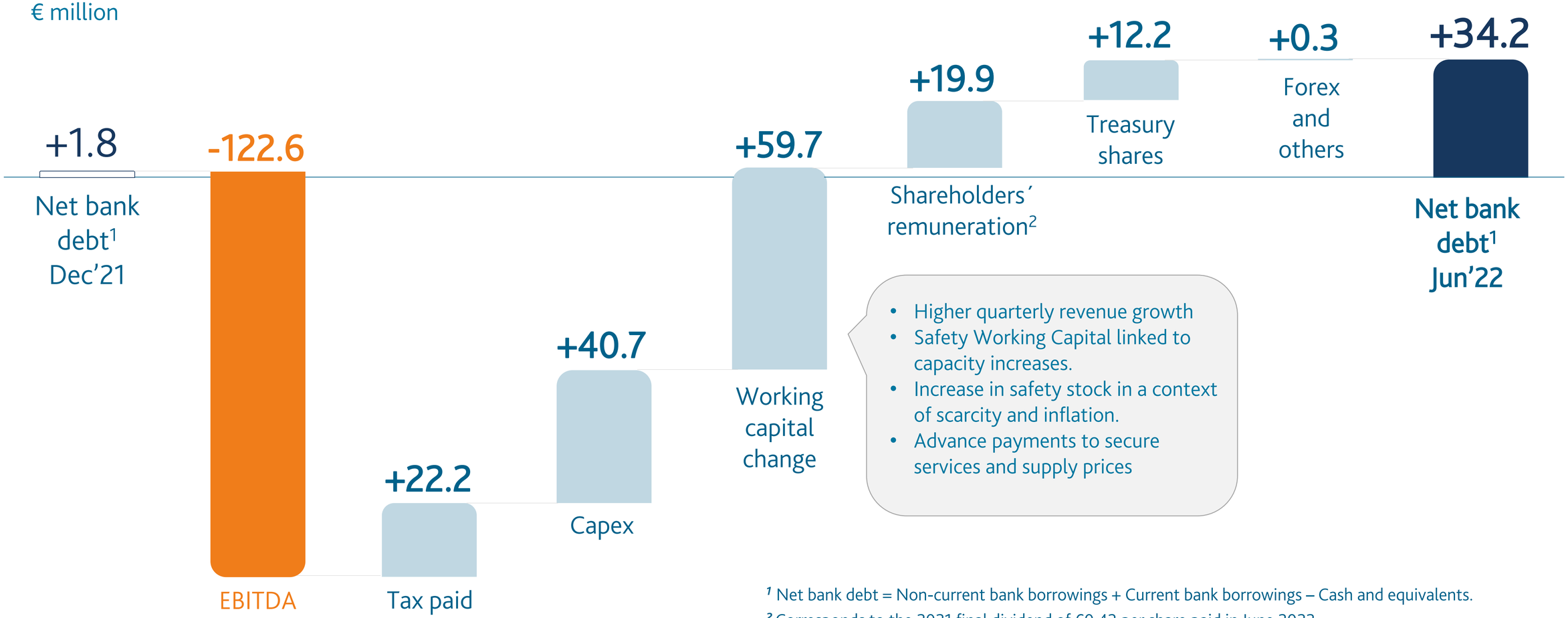
- **Collagen casings capacity increase**
  - Spain (2Q22) ✓
  - Serbia (2Q22) ✓
  - China (3Q22e)
  - Germany (4Q22e)
  - United States (1Q23e)
- **Converting capacity increase**
  - China (4Q22e)
  - United States (1Q23e)
- **Technology update in Danville**
  - United States (4Q22e)
- **Collagen hydrolysates**
  - Germany (4Q22e)

Sound cash flow generation

Financing investment and working capital needs and the highest dividend

Net Bank Debt[1] evolution

€ million



- Higher quarterly revenue growth
- Safety Working Capital linked to capacity increases.
- Increase in safety stock in a context of scarcity and inflation.
- Advance payments to secure services and supply prices

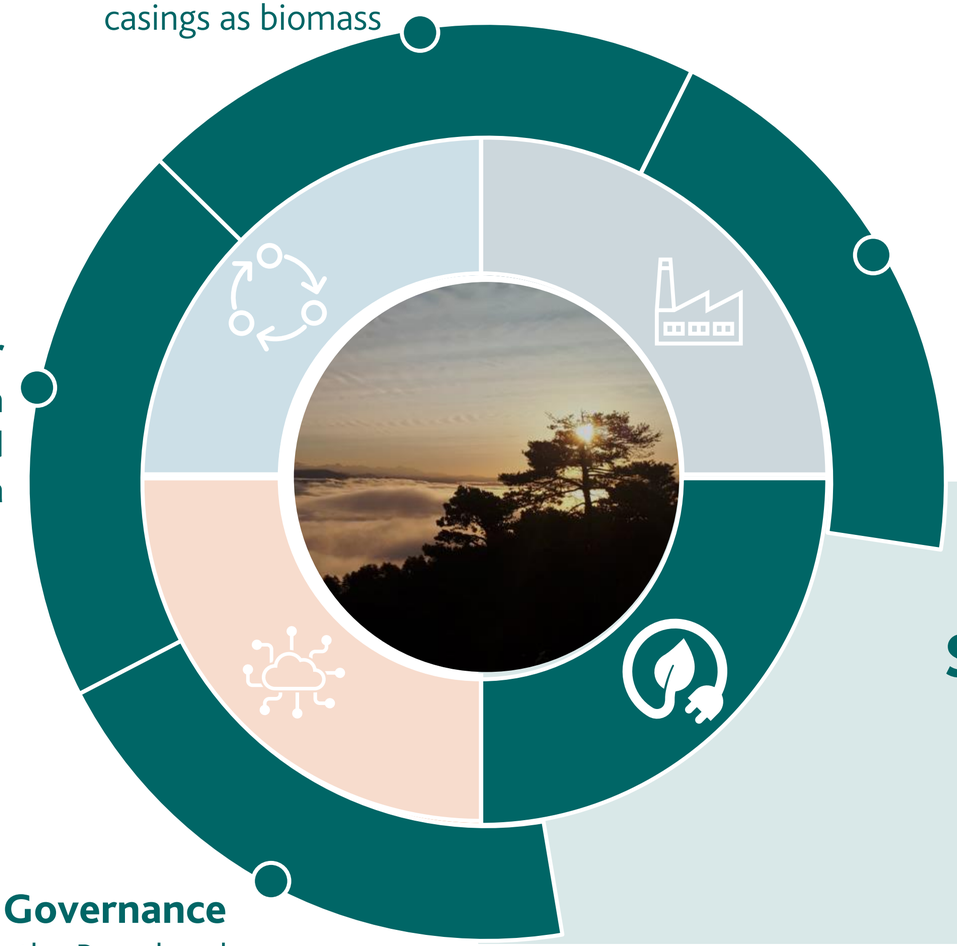
[1] Net bank debt = Non-current bank borrowings + Current bank borrowings – Cash and equivalents.

[2] Corresponds to the 2021 final dividend of €0.43 per share paid in June 2022.

Progressing in the Sustainability Action Plan

Circular economy
Authoritation to use cellulose casings as biomass

Water
The dry-tech technology in collagen casings with lower water need is being installed
Water reuse projects in Brazil and China



Decarbonization
Purchases of renewable electricity
The Alfhausen plant is the Group´s first plant with zero emissions. Biofuel
High-efficiency co-generation eligible according to EU environmental taxonomy

Corporate Governance
Increased independence in the Board and representativeness of the female gender

Sustainability as a new pillar of our strategy

To wrap-up

1. All-time high in quarterly revenue in a context marked by strong demand and commercial discipline.

2. Strength in revenue and operating activity that, together with the favorable evolution of currencies, offset the sharp cost inflation at EBITDA level.

3. Ongoing investments to capture market's growth opportunities.

4. New sales price increase to offset cost inflation and to maintain results outlook in the short and long term.



Appendix. P&L. Second Quarter

€ million	2Q22	2Q21	% y-o-y	Like-for-like[1] % y-o-y
Revenue	**305.2**	237.5	**+28.5%**	**+20.2%**
EBITDA	**64.8**	63.8	**+1.5%**	**-10.1%**
EBITDA margin	**21.2%**	26.9%	**-5.7p.p.**	**-6.8p.p.**
Operating profit	**45.5**	45.7	**-0.4%**	
Profit before taxes	**50.5**	43.7	**+15.4%**	
Taxes	**-13.1**	-9.8	**+33.6%**	
Net profit	**37.4**	33.9	**+10.2%**	

[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2022.

Appendix. P&L. First Half

€ million	1H22	1H21	% y-o-y	Like-for-like[1] % y-o-y
Revenue	**568.0**	465.8	**+21.9%**	**+15.2%**
EBITDA	**122.6**	121.4	**+1.0%**	**-9.2%**
EBITDA margin	**21.6%**	26.1%	**-4.5p.p.**	**-5.6p.p.**
Operating profit	**84.4**	85.1	**-0.8%**	
Profit before taxes	**88.5**	84.0	**+5.4%**	
Taxes	**-23.6**	-19.8	**+19.2%**	
Net profit	**64.9**	64.1	**+1.2%**	

[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2022.

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 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.