2017 Results

23 February 2017

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NATUR HOUSE
Expertos en Nutrición y Dietética

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Main Figures

We have proposed[1] the final dividend payment for 2017 of €0.12/share to be paid on 7 May 2018, leading to a total dividend for 2017 of €0.32/share and reaching a payout of 96.7% and a per-dividend yield of 7.92%[2].

Our 2017 payout and EBITDA margin commitments have been met.

EBITDA margin of 31% in 2017, inside the forecast range (30%-35%). This figure is double the industry average in the US[3].

Payout rate of 96.7% in 2017, significantly higher than the forecast 85%.

+81 net openings in 2017. We did not achieve the forecast amount due to the provisional situation in Poland, but all other countries grew at the previously forecast rate.

2,360 centres, a new record.

The introduction of new products and new marketing tools has meant we have been able to attract new customer profiles.

We launched in Ireland with a project consisting of 19 openings.

	2016	2017	%
Sales	97,815	94,700	-3.2%
EBITDA	32,622	29,292	-10.2%
EBITDA Margin	*33.4%*	*30.9%*	
Net Income	22,504	19,855	-11.8%
Centres	2,279	2,360	81
Countries	32	33	1
Net Cash Position	12,814	5,191	-59.5%

In Thousand of euros

(1) Approval of this dividend is planned for the next General Shareholders' Meeting.
(2) Calculated according to the Naturhouse closing price on 31 December 2017 (€4.04/share) taking as a reference the two interim dividends for 2017 (total amount €0.32/share).
(3) Weight Watchers, GNC, Vitamin Shoppe, Nutrisystem and Herbalife.

Consolidated Profit & Loss Account

	2016	2017	Growth (%)
Total Sales	**97,815**	**94,700**	**-3.2%**
Procurements	**-28,638**	**-27,120**	**-5.3%**
Gross profit	**69,177**	**67,580**	**-2.3%**
Gross profit margin	*70.7%*	*71.4%*	
Personnel	**-19,268**	**-20,390**	**5.8%**
Other operating expenses	**-17,764**	**-18,644**	**5.0%**
Other Income	**477**	**746**	**56.4%**
EBITDA	**32,622**	**29,292**	**-10.2%**
EBITDA Margin	*33.4%*	*30.9%*	
Amortization & Impairments	**-1,247**	**-1,030**	**-17.4%**
EBIT	**31,375**	**28,262**	**-9.9%**
EBIT Margin	*32.1%*	*29.8%*	*312%*
Financial results	**-91**	**-40**	**-56%**
Share of profit (loss) of associated (Ichem)	**820**	**434**	**-47.1%**
EBT	**32,104**	**28,656**	**-10.7%**
Taxes	**-9,622**	**-8,808**	**-8.5%**
Minorities	**22**	**7**	**-67.7%**
Net profit	**22,504**	**19,855**	**-11.8%**
Net profit margin	*23.0%*	*21.0%*	

In thousands of euros

Note 1: EBITDA definition*: operational result + amortisation of fixed assets + impairment and results due to disposal of fixed assets.*

Sales & EBITDA by Country

Sales according to country

	2016	2017	Growth (%)
France	41,074	**40,875**	-0.5%
Spain	19,181	**19,343**	0.8%
Italy	22,473	**20,764**	-7.6%
Poland	12,501	**11,208**	-10.3%
Rest countries	2,587	**2,510**	-3.0%
Total	**97,815**	**94,700**	**-3.2%**
International Segmen	**78,634**	**75,357**	**-4.2%**

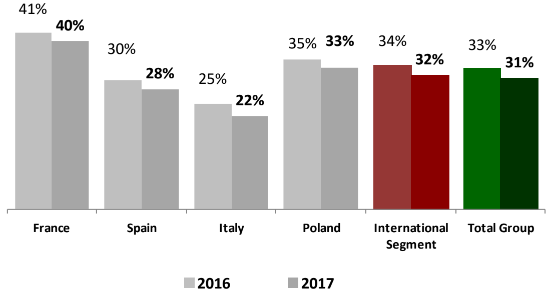
In thousands of euros

EBITDA development according to country

	2016	2017	Growth (%)
France	17,044	**16,171**	-5.1%
Spain	5,844	**5,473**	-6.4%
Italy	5,569	**4,559**	-18.1%
Poland	4,418	**3,746**	-15.2%
Rest	-253	**-657**	-159.8%
TOTAL	**32,622**	**29,292**	**-10.2%**
International Segm	**26,778**	**23,819**	**-11.1%**

In Thousands of euros

EBITDA margin development according to country (%)



- Turnover at the end of 2017 stood at €94.7m, highlighting the positive performance of the domestic market, which has grown for the second year running.

Poland is still affected by the transition in the country's management, although we remain optimistic about turning this situation around in 2018 due to the steps we have taken in the country.

France was affected in the fourth quarter by the sporadic rise in the number of transfers between franchisees, thus leading to a period of limited activity. Italy, meanwhile, has been affected by the continued weakness of retail sales, not only generally but also for pharmaceutical products. The market has also been affected by the restructuring of the commercial department, which has led to an isolated drop in productivity. Both countries showed growth at the beginning of 2018.

- **EBITDA stands at €29.3m, due to fewer sales, the restructuring of the commercial department (€0,99m) and expansion costs in new countries[(1)] €0.78m. Excluding these effects, the EBITDA would have stood at 31,07 million of euros (-4.7%)**

- **The EBITDA margin stands at 31%, within the range forecast for 2017 (30%-35%). This EBITDA margin almost doubles the industry average in the US[(2)].**

- **Net profits come to €19.86m,** due to the aforementioned reasons and the reduced contribution by Ichem.

- The strategy launched in 2016 of adding senior sales profiles to our team, introducing new products and committing to more efficient advertising in line with new market requirements was completed in 2017. The aim of this strategy was to boost sales, increase store profitability and increase the customer base, making us optimistic about the Group's performance in 2018.

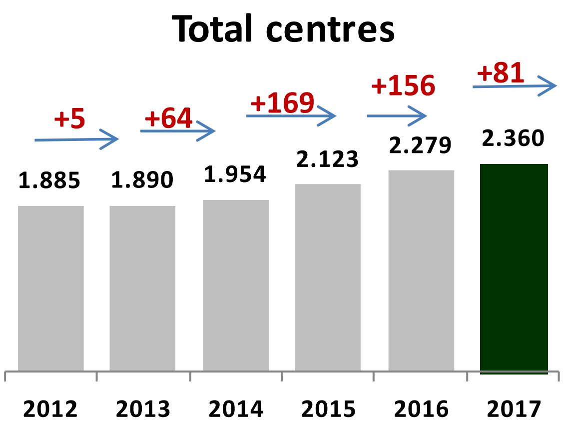
GUIDANCE for 2018

- ✓**Keep the EBITDA margin within the 30%-35% range.**
- ✓**Payout>85%.**

**Germany, Belgium, Mexico, Croatia, Lithuania, USA and the United Kingdom.*

Naturhouse Centres

2,360 centres, a new record.
+33 countries, after launching in Ireland in September under the master franchise model.
81 net openings at the end of 2017. *We did not achieve the forecast amount due to the provisional situation in Poland, but all other countries grew at the previously forecast rate.*
France and Italy continue with their positive performances, showing how attractive the brand is in both countries.



Breakdown of net openings:

+81

+18 new franchises: Of the 33 new master franchise centres, 10 are Mexican stores that are transferring from the franchise model to the master franchise model, given that the country has completed its period as a subsidiary and is currently operating according to the master franchise model.

+63 directly-operated centres: We are maintaining our goal of transferring most of these stores, especially in Spain, in 2018.

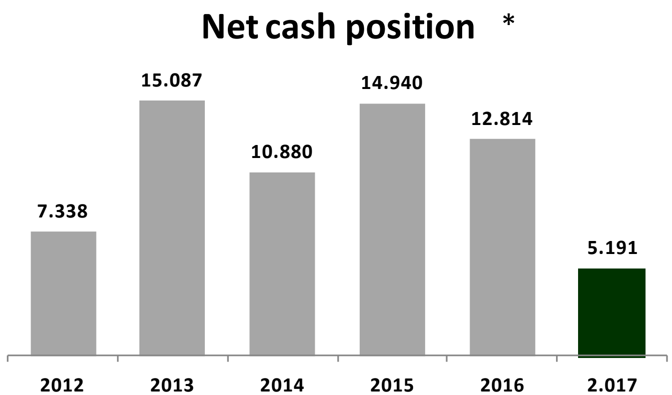
- ✓ **France (+47) and Italy (+16) maintain a high demand for centres.**
- ✓ **Poland (-3): we expect the market to return to growth in centre numbers in 2018.**
- ✓ **Spain had 6 centres at the end of 2017.**
- ✓ **The UK, Germany and the US had a total of 11 stores at the end of 2017.**
- ✓ **Other countries: excellent performance in terms of centres in Eastern Europe.**

1,893 centres are franchises, 234 are directly-operated stores and 233 are master franchises

	2016			2017			2017 Net Openings		
	Total	DOS	Franchise	Total	DOS	Franchise	Total	DOS	Franchise
France	596	28	568	643	37	606	47	9	38
Spain	583	69	514	589	89	500	6	20	-14
Italy	459	47	412	475	56	419	16	9	7
Poland	351	8	343	348	29	319	-3	21	-24
Rest of Countries	90	19	71	72	23	49	-18	4	-22
Masterfranchise Countries	200	0	200	233	0	233	33	0	33
	2,279	171	2,108	2,360	234	2,126	81	63	18

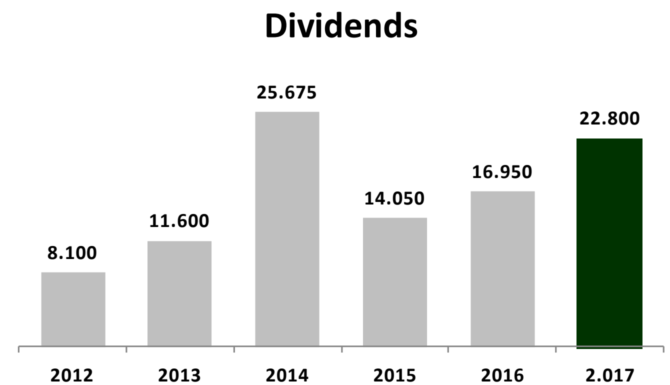
Net Cash Position & Dividends

We continue to generate high levels of net cash,
thus guaranteeing one of the most attractive dividends on the Spanish Stock Exchange



Figures in thousands of euros

(2) This does not include the €10m pending repayment from the Spanish Tax Authority. €4m were repaid on 22 January, and the rest is expected to be paid before January 2019.



Figures in thousands of euros
Note 1: Data from 2012, 2013 and 2014 include SAS Naturhouse in all periods

- **Our net cash position at the end of 2017 stood at €5.2m,** after paying out €22.8m in dividends in 2017 and in anticipation of the repayment of €10m from the Spanish Tax Authority. **If we include this latter amount, our net cash position at the end of 2017 would have stood at €15.2m.**

- **The final dividend for 2017 at €0.12/share has been proposed, to be paid on 7 May. With this amount, the total dividend for 2017 comes to €0.32/share, showing a payout rate of 97.6% and placing per-dividend yield at 7.92%[3]. This dividend will be subject to the approval of the forthcoming General Shareholders' Meeting.**

(1) Net Cash Position: Cash & Equivalents –current debt- non current debt
(3) Calculated according to the Naturhouse closing price on 31 December 2017 (€4.04/share) taking as a reference the two interim dividends for 2017 (total amount €0.3x/share)

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Balance Sheet

	2016	2017
Intangible assets	1,897	1,687
Property, plant & equipment	4,869	5,035
Non current financial assets	992	1,038
Investment in associated companies	3,208	3,136
Deferred tax assets	272	324
Non current Assets	**11,238**	**11,220**
Inventories	4,231	4,449
Trade receivables	4,806	4,373
Current tax assets	5,921	9,373
Other current assets (anticipated spendings)	922	1,095
investment in related companies	49	1
Cash & equivalents	16,081	8,326
Current assets	**32,010**	**27,617**
TOTAL ASSETS	**43,248**	**38,837**
Equity	**27,146**	**24,503**
Non current provisions	1,030	1,143
Non current borrowings	3,177	3,080
Long term accrued expenses	401	362
Non current liabilities	**4,608**	**4,585**
Current borrowings	90	55
Suppliers	5,281	4,790
Suppliers related companies	4,418	3,560
Current tax liabilities and other payables	1,705	1,344
Current liabilities	**11,494**	**9,749**
TOTAL LIABILITIES	**43,248**	**38,837**

In Thousands of euros

Strategy and Outlook

Our main goal is to continue to create value for our shareholders and remain at the forefront of the Spanish Stock Exchange in terms of dividend policy

- **Focus on growth**
  - ✓France, Italy and Poland: a focus on increasing franchise numbers and the average per-customer spend.
  - ✓Continue bolstering growth in Spain: transferring directly-operated stores to franchises and increasing the average per-customer spend.
  - ✓Boost international growth, which will continue to have a negative effect on EBITDA in 2018 (at least).
  - ✓ The addition of new countries through master franchise contracts.
  - ✓The opening of directly-operated stores in locations where Naturhouse is not present and where sufficient demand for our services has been identified, as a prior step to future franchises.

- **Improvements in management**
  - ✓ Introduction of marketing tools and new products, which mean we can increase our customer base, focusing on young customers and men.
  - ✓ Improve average sales per store, through increased support for centres with the recent addition of technical staff and an improvement in the internal management system.
  - ✓Introduction of new products. We are constantly analysing this element in order to incorporate new products that are or may become market trends.

- **We will maintain the strength of our balance sheet and our considerable cash generation capacity.**

Material Facts for the period

Material facts for the period

- 18 January 2017: Net openings for 2016
- 27 February 2017: Final dividend for 2016
- 27 February 2017: 2016 results
- 27 February 2017: Annual Corporate Governance Report
- 27 February 2017: Annual Report on Director Remuneration
- 22 March 2017: Notice of General Shareholders' Meeting
- 27 April 2017: Agreements adopted by the General Shareholders' Meeting 2017
- 28 April 2017: Results for 1Q17
- 4 April 2017: Appointment of Managing Director in France
- 15 June 2017: Changes in the membership of the Board of Directors
- 19 June 2017: Resignation of Managing Director of Poland and a new organisational structure for the country
- 21 July 2017: Interim dividend for 2017
- 21 July 2017: Publication of results for 1H17
- 21 July 2017: Changes in the Board of Directors' commissions
- 28 July 2017: Information on dividends
- 1 August 2017: Change of corporate address
- 22 October 2017: Results for 2Q17
- 20 November 2017: Appointment of Managing Director in Poland

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