

Experts in  
nutrition and  
weight  
management

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## **3Q18 Results**

*30 October 2018*



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The Board of Directors has agreed to a second interim dividend for 2018 at €0.05/share, to be paid on 14 December. Along with the dividend paid in September, our dividend yield stands at 9.4%.\*

We continue to work to return the company to growth, and to do this, we are studying a new commercial approach based on a change in image and the layout of our stores in order to increase their profitability, contribute to attracting a younger audience and extend the shopping basket towards products that are not connected with weight loss.

Our EBITDA margin stands at 29%, which is almost double the industry average in the US<sup>(2)</sup>.

At the end of the first half of the year, Naturhouse had operations in 34 countries with 2,363 stores, of which 99% are in Europe, thus consolidating the Group as the continent's undeniable industry leader.

	3Q17	3Q18	var %
Sales	75.121	68.880	-8,3%
EBITDA	25.556	19.994	-21,8%
<i>EBITDA Margin</i>	<i>34,0%</i>	<i>29,0%</i>	
Net Income	17.696	13.789	-22,1%
Centres	2.360	2.363	3
Countries	33	34	1
Net Cash Position	5.191	8.337	60,6%

In Thousand of euros

(1) Countries: Austria was added in 2Q18 as part of a master franchise agreement

(2) Net cash position for the end of 2017

+\*calculated according to the close price of 29 od October, 2,33 €/share

	3T17	3T18	var %
<b>Ventas Totales</b>	<b>75.121</b>	<b>68.880</b>	<b>-8,31%</b>
<b>Aprovisionamientos</b>	<b>-21.511</b>	<b>-19.395</b>	<b>-9,83%</b>
<b>Margen Bruto</b>	<b>53.610</b>	<b>49.485</b>	<b>-7,69%</b>
<i>Margen Bruto</i>	<i>71,4%</i>	<i>71,8%</i>	
<b>Personal</b>	<b>-14.842</b>	<b>-15.449</b>	<b>4,09%</b>
<b>Otros Gastos Operativos</b>	<b>-13.846</b>	<b>-14.758</b>	<b>6,59%</b>
<b>Otros Ingresos</b>	<b>633</b>	<b>716</b>	<b>13,02%</b>
<b>EBITDA</b>	<b>25.556</b>	<b>19.994</b>	<b>-21,76%</b>
<i>Margen EBITDA</i>	<i>34,0%</i>	<i>29,0%</i>	
<b>Amortizaciones y deterioros</b>	<b>-840</b>	<b>-878</b>	<b>4,54%</b>
<b>EBIT</b>	<b>24.716</b>	<b>19.116</b>	<b>-22,66%</b>
<i>Margen EBIT</i>	<i>32,9%</i>	<i>27,8%</i>	
<b>Resultados Financieros</b>	<b>-64</b>	<b>-73</b>	<b>-14,09%</b>
<b>Part. Puesta en Equivalencia (Ichem)</b>	<b>573</b>	<b>512</b>	<b>-10,65%</b>
<b>BAI</b>	<b>25.225</b>	<b>19.555</b>	<b>-22,48%</b>
<b>Impuestos</b>	<b>-7.530</b>	<b>-5.766</b>	<b>23,42%</b>
<b>Beneficio Neto</b>	<b>17.696</b>	<b>13.789</b>	<b>-22,08%</b>
<i>Margen sobre Beneficio Neto</i>	<i>23,6%</i>	<i>20,0%</i>	

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

## Sales according to country

	3Q17	3Q18	%
France	32.311	<b>28.278</b>	-12,5%
Spain	15.283	<b>14.695</b>	-3,8%
Italy	16.476	<b>15.837</b>	-3,9%
Poland	9.079	<b>8.123</b>	-10,5%
Rest countries	1.972	<b>1.946</b>	-1,3%
<b>Total</b>	<b>75.120</b>	<b>68.880</b>	<b>-8,3%</b>
<b>International Segmen</b>	<b>59.837</b>	<b>54.184</b>	<b>-9,4%</b>

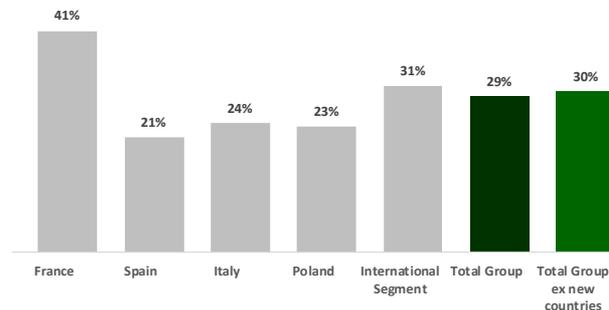
In thousands of euros

## EBITDA development according to country

	3Q17	3Q18	%
France	12.991	<b>11.709</b>	-9,87%
Spain	4.845	<b>3.151</b>	-34,96%
Italy	4.703	<b>3.814</b>	-18,90%
Poland	3.424	<b>1.903</b>	-44,42%
Rest	-406	<b>-583</b>	-43,60%
<b>TOTAL</b>	<b>25.557</b>	<b>19.994</b>	<b>-21,8%</b>
<b>International Segm</b>	<b>20.712</b>	<b>16.843</b>	<b>-18,7%</b>

In Thousands of euros

## EBITDA margin according to country (%)



☐ Turnover at the end of 3Q18 stands at €68.9m.

✓ In France, sales have fallen due to bad climate conditions, strikes, increased competition and lower productivity due to the reorganisation of the sales departments. To combat this, Naturhouse has implemented a larger than normal advertising campaign for this time of year, which will continue throughout the fourth quarter, while also bolstering our sales network.

✓ In the case of Spain and Italy, retail challenges are taking their toll on sales. Notwithstanding, we remain confident that we will turn the situation around in the coming quarters.

✓ As for Poland, the emergence of a new competitor is leading to a slowdown in growth. As such, Naturhouse is asserting its brand potential with the opening of directly-operated stores, in order to then transfer them over to franchisees in the coming months.

✓ As for the other countries, the fall has mainly come through Portugal's decline, with new countries<sup>(1)</sup> growing at rates of over 25% compared with the same period in 2017.

✓ Meanwhile, sales to master franchise countries are up 12%. Expansion in China is under way and significant progress is being made in India, to the extent that we will be able to open our first store in the coming months.

☐ EBITDA has reached €20m.

✓ EBITDA has fallen in France due to lower sales figures, although to a lesser extent than in other markets.

✓ EBITDA in Spain has been affected by increased advertising expenditure, transferring the headquarters from Barcelona to Madrid (+€0.8m) and increased rental costs.

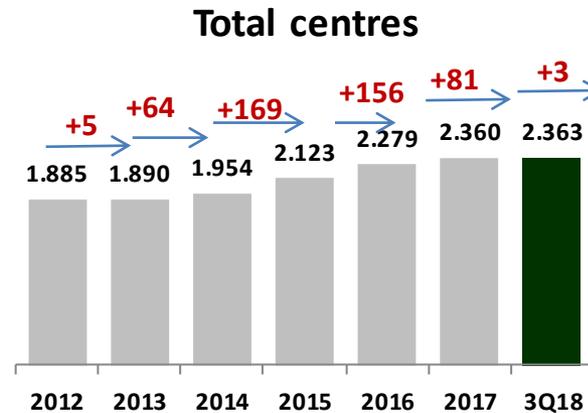
✓ In Italy, the rise in staff costs (+€0.3m) and advertising are the main culprits.

✓ In Poland, there has been a significant rise in advertising (+€0.4m), staff costs (+€0.4m) and rental expenses (+€0.2m) due to a higher number of directly-operated stores.

✓ Expansion into new countries<sup>(1)</sup> has had an impact on EBITDA, valued at -€0.53m.

**This has all had an impact on non-recurring costs to the value of €2.6 million.**

2,363 centres in 34 countries  
+3 net openings at the end of 3Q18  
Italy's positive performance stands out, with 4 franchise stores

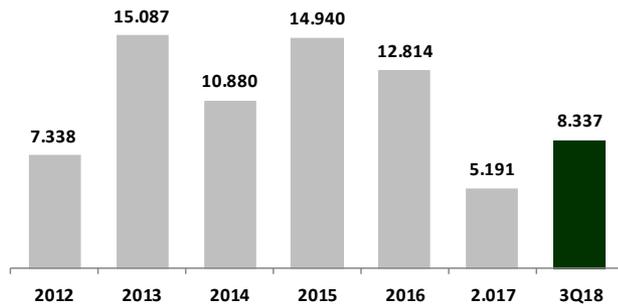


1,849 of centres are franchises, 256 are directly-operated stores and 258 are master franchises

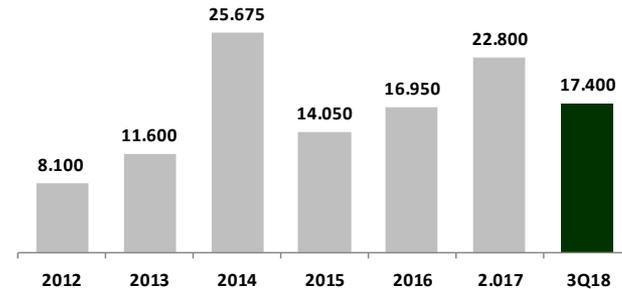
	2017			3Q18			2018 Net Openings		
	Total	DOS	Franchise	Total	DOS	Franchise	Total	DOS	Franchise
France	643	37	606	630	37	593	-13	0	-13
Spain	589	89	500	583	89	494	-6	0	-6
Italy	475	56	419	479	56	423	4	0	4
Poland	348	29	319	343	52	291	-5	19	-28
Rest of Countries	71	23	48	70	22	48	-1	-1	0
Masterfranchise Countries	234	0	234	258	0	258	24	0	24
<b>Total</b>	<b>2,360</b>	<b>234</b>	<b>2,126</b>	<b>2,363</b>	<b>256</b>	<b>2,107</b>	<b>3</b>	<b>22</b>	<b>-19</b>

**Naturhouse maintains its payment commitment: >85% in 2018**

## Net cash position\*



## Dividends



Figures in thousands of euros

**(2) This does not include the €4m pending repayment by the Spanish Tax Authority.**

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 3Q18 stands at €8.34m, even though we are awaiting a €4 million repayment from the Spanish Tax Authority and have paid out €17.4m in dividends.

The payment of a second interim dividend for 2018 of €0.05/share has been agreed and will be paid on 14 December, placing our dividend yield at 9.4%\*.

It has also been agreed that the dividend in 2019 will be divided into 4 payments.

(1) Definition of Net Cash position: *cash and equivalents – current debt – non-current debt*

\*see note page 4th

	2017	3Q18
Intangible assets	1.687	1.341
Property, plant & equipment	5.035	4.256
Non current financial assets	1.038	941
Investment in associated companies	3.136	3.390
Deferred tax assets	324	129
<b>Non current Assets</b>	<b>11.220</b>	<b>10.057</b>
Inventories	4.449	5.525
Trade receivables	4.373	5.400
Current tax assets	9.373	6.165
Other current assets (anticipated spendings)	1.095	916
investment in related companies	1	0
Cash & equivalents	8.326	11.385
<b>Current assets</b>	<b>27.617</b>	<b>29.391</b>
<b>TOTAL ASSETS</b>	<b>38.837</b>	<b>39.448</b>
<b>Equity</b>	<b>24.503</b>	<b>20.534</b>
Non current provisions	1.143	946
Non current borrowings	3.080	3.002
Long term accrued expenses	362	383
<b>Non current liabilities</b>	<b>4.585</b>	<b>4.331</b>
Current borrowings	55	46
Suppliers	4.790	5.724
Suppliers related companies	3.560	4.347
Current tax liabilities and other payables	1.344	4.466
<b>Current liabilities</b>	<b>9.749</b>	<b>14.583</b>
<b>TOTAL LIABILITIES</b>	<b>38.837</b>	<b>39.448</b>

*In Thousands of euros*

## Strategy

- ✓ Improvements in the sales network, which will allow us to improve the service provided to our franchisees.
- ✓ Drive sales of products that are not necessarily linked to weight loss, allowing us to attract new customer profiles and increase the average sale amount.
- ✓ Transfer directly-operated stores to franchise status, especially in Spain and Poland.
- ✓ Studying an image change in stores towards a format we call *Tienda 2.0*, where customers can head directly for products not linked to weight loss without requiring advice, given that said products are all categorised. This will allow us to promote the items we already have on sale and which do not currently make a significant contribution in terms of turnover.
- ✓ Increase resources allocated to online sales. Initial testing is being successfully undertaken in the UK and US.

## Goals

- ✓ Increase sales in main countries and new markets.
- ✓ Increase international presence.
- ✓ Ensure EBITDA margin of more than 30%.
- ✓ Maintain solid balance sheet and cash generating ability.

## Material facts for the period

- ❑ 23 February 2018: Final dividend 2017
- ❑ 23 February 2018: Annual Corporate Governance Report
- ❑ 23 February 2018: Board Members' Compensation Report
- ❑ 23 February 2018: Corporate Social Responsibility Report
- ❑ 23 February 2018: 2017 Results
- ❑ 15 March 2018: Call for the General Shareholders' Meeting 2018
- ❑ 20 April 2018: Result of the votes on the proposals from the General Shareholders' Meeting 2018
- ❑ 23 April 2018: Termination of contract with managing director, France
- ❑ 30 April 2018: Ignacio Bayon, new Chair of the Audit Committee
- ❑ 23 July 2018: Interim dividend
- ❑ 23 July 2018: Appointment of new managing director in France
- ❑ 23 July 2018: 1H18 Results



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