

Experts in  
nutrition and  
weight  
management

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## 1Q19 Results

*April 29<sup>th</sup> 2019*



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- Main Figures**
- Consolidated Profit & Loss Account**
- Sales and EBITDA by Country**
- Naturhouse Centres**
- Net Cash & Dividends**
- Consolidated Balance Sheet**
- Strategy & Outlook**
- Price Sensitive Information Notes for the Period**

2019 Shareholder Meeting has agreed to pay a final 2018 dividend of €0.06/share, which will be paid on May 15<sup>th</sup>, raising 2018 total dividend up to 0.28€/share, with a payout of 109.28% and a yield of 12.17% based on the closing price on March 30<sup>th</sup>(1)

The Board of Directors has agreed to pay an interim dividend for 2019 of €0.06/share, which will be paid on July 15<sup>th</sup>. This provides a yield of 2.61% based on the closing price on March 30<sup>th</sup> 2019(1)

Naturhouse maintains its solid financial position, with a net cash position of €4.623m, and pending a €2m repayment from the Spanish Tax Authority. Including this amount, net cash position raises up to €6.6m.

The EBITDA margin stands at 28.8%, which double the industry average in the US(2). EBITDA margin will perform better during the year, up to guidance range of 30-35%

Company's commercial structure optimisation plan to improve average revenue per store has affected main figures. During 1Q 2019 the company had 90 centre less than the same period of 2019

	1Q18	1Q19	Variation
Sales	23.430	21.494	-1.936
EBITDA	6.662	6.199	-463
<i>EBITDA Margin</i>	<i>28,4%</i>	<i>28,8%</i>	
Net Income	4.465	3.668	-797
Centres	2.368	2.278	-90
Countries	33	32	-1
Net Cash Position	5.372 <sup>(3)</sup>	4.623	-749

In Thousand of euros

(1) Closing price at the end of March: €2.30/share

(2) Weight Watchers, GNC, Vitamin Shoppe, Nutrisystem y Herbalife

(3) Net cash position corresponding to the end of 2018.

	1Q18	1Q19	Variation
<b>Total Sales</b>	<b>23.430</b>	<b>21.494</b>	<b>-1.936</b>
<b>Procurements</b>	<b>-6.713</b>	<b>-6.125</b>	<b>589</b>
<b>Gross profit</b>	<b>16.717</b>	<b>15.369</b>	<b>-1.348</b>
<i>Gross profit margin</i>	<i>71,3%</i>	<i>71,5%</i>	<i>0,0%</i>
<b>Personnel</b>	<b>-5.235</b>	<b>-4.842</b>	<b>393</b>
<b>Other operating expenses</b>	<b>-4.997</b>	<b>-4.566</b>	<b>432</b>
<b>Other Income</b>	<b>178</b>	<b>238</b>	<b>60</b>
<b>EBITDA</b>	<b>6.662</b>	<b>6.199</b>	<b>-463</b>
<i>EBITDA Margin</i>	<i>28,4%</i>	<i>28,8%</i>	<i>0,0%</i>
<b>Amortization &amp; Impairments</b>	<b>-351</b>	<b>-1.148</b>	<b>-797</b>
<b>EBIT</b>	<b>6.312</b>	<b>5.051</b>	<b>-1.260</b>
<i>EBIT Margin</i>	<i>26,9%</i>	<i>23,5%</i>	<i>0,0%</i>
<b>Financial results</b>	<b>-18</b>	<b>-80</b>	<b>-62</b>
<b>Share of profit (loss) of associated (Ichem)</b>	<b>177</b>	<b>115</b>	<b>-62</b>
<b>EBT</b>	<b>6.471</b>	<b>5.086</b>	<b>-1.385</b>
<b>Taxes</b>	<b>-2.005</b>	<b>-1.418</b>	<b>587</b>
<b>Minorities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net profit</b>	<b>4.465</b>	<b>3.668</b>	<b>-797</b>
<i>Net profit margin</i>	<i>19,1%</i>	<i>17,1%</i>	

*In thousands of euros*

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

## Sales according to country

	1Q18	1Q19	%
France	9.858	<b>8.620</b>	-12,6%
Spain	4.888	<b>4.387</b>	-10,2%
Italy	5.329	<b>5.199</b>	-2,4%
Poland	2.753	<b>2.702</b>	-1,9%
Rest countries	603	<b>586</b>	-2,8%
<b>Total</b>	<b>23.430</b>	<b>21.494</b>	<b>-8,3%</b>
<b>International Segmen</b>	<b>18.542</b>	<b>17.107</b>	<b>-7,7%</b>

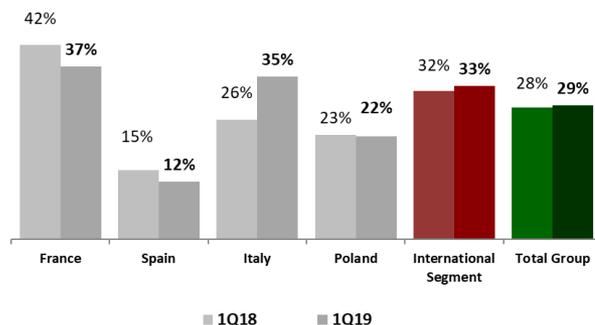
In thousands of euros

## EBITDA development according to country

	1Q18	1Q19	%
France	4.135	<b>3.207</b>	-22,4%
Spain	732	<b>548</b>	-25,1%
Italy	1.371	<b>1.824</b>	33,0%
Poland	620	<b>598</b>	-3,5%
Rest	-194	<b>22</b>	111,3%
<b>TOTAL</b>	<b>6.664</b>	<b>6.199</b>	<b>-7,0%</b>
<b>International Segm</b>	<b>5.932</b>	<b>5.651</b>	<b>-4,7%</b>

In Thousands of euros

## EBITDA margin development according to country (%)



☐ Turnover at the end of 1Q19 stands at €21.5m.

✓ From the total loss of sales in 1Q19, €0.4m are justified by the effect of 2019 net closures as result of the optimisation plan (-90 centres vs. 1Q18).

✓ In France, sales have fallen due to the social conflicts that occurred in the country, all causing a serious impact on the firm's logistics and the France's retail sector.

✓ 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, we are in the good path to revert the impact of the new competitor appeared at 2017 last quarter. The emergence of a new competitor is leading to a slowdown in growth of the country, but from the 2018 last quarter we have seen a change of trend in decreasing sales. From 2017 last quarter. The country has approximately the same revenues versus 1Q18 with 44 centres less.

✓ As for the other countries, the fall has mainly come through Belgium's decline, country also affected by France social conflicts because is the country that supplies with products. New countries<sup>(1)</sup> growing at rates of over 5% compared with 1Q18.

✓ Meanwhile, sales to master franchise countries are up 11.2%. 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 €6.2m.

✓ EBITDA has mainly fallen due to lower sales figures, but also because of an increase of France and USA marketing expenses (€+0.20m vs. 1Q18), which will adjust in the following 2019 quarters.

✓ Mention 2019 change in accounting policy respect to IFRS 16, which affect the way lease are recorded and affects company's EBITDA figure. There has been a reduction in lease P&L cost in €-0,92m, splitting this cost under EBITDA figure (€+0.89m in Amortization, €+0.05m in financial expenses).

☐ EBITDA margin of 28%, which double the industry average in the US<sup>(2)</sup>. EBITDA margin will perform better during the year, up to guidance range of 30-35%.

☐ Net Result reached €3.7m, due to the aforementioned issues.

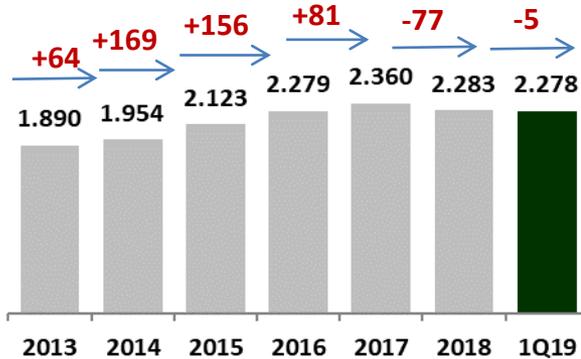
(1) New countries: Germany, United Kingdom, USA and Croatia.

(2) Average for GNC, Weight Watchers, Vitamin Shoppe, Nytrisystem and Herbalife

2,278 centres in 32 countries

-5 net closes in 1Q19 as part of the company's business optimisation plan to improve the average revenue per store

## Total centres



### Net openings:

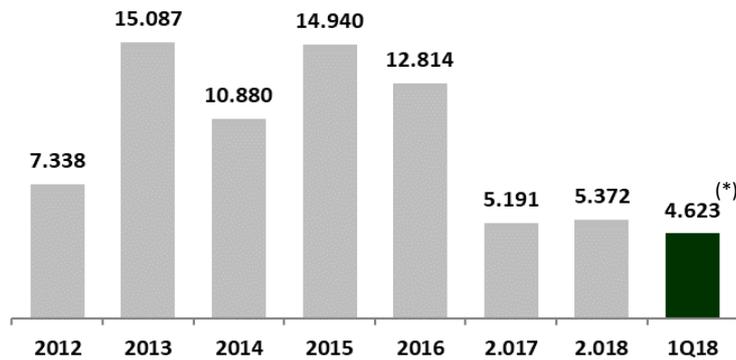
- 7 franchises mainly due to the current situation in France.
  - +2 directly-operated stores: We are maintaining our goal of transferring most of these stores—especially in Poland—to franchise status during 2019.
- 5**

1,771 centres are franchises, 245 directly-operated stores and 262 are master franchises

	2018			1Q19			2019 Net Openings		
	Total	DOS	Franchise	Total	DOS	Franchise	Total	DOS	Franchise
France	618	26	592	613	26	587	-5	0	-5
Spain	563	85	478	561	84	477	-2	-1	-1
Italy	467	51	416	475	51	418	8	0	2
Poland	304	59	245	305	62	243	1	3	-2
Rest of Countries	69	22	47	68	22	46	-1	0	-1
Masterfranchise Countries	262	0	262	262	0	262	0	0	0
<b>Total</b>	<b>2.283</b>	<b>243</b>	<b>2.040</b>	<b>2.278</b>	<b>245</b>	<b>2.033</b>	<b>-5</b>	<b>2</b>	<b>-7</b>

*Naturhouse maintains a solid financial position and an attractive shareholder remuneration policy*

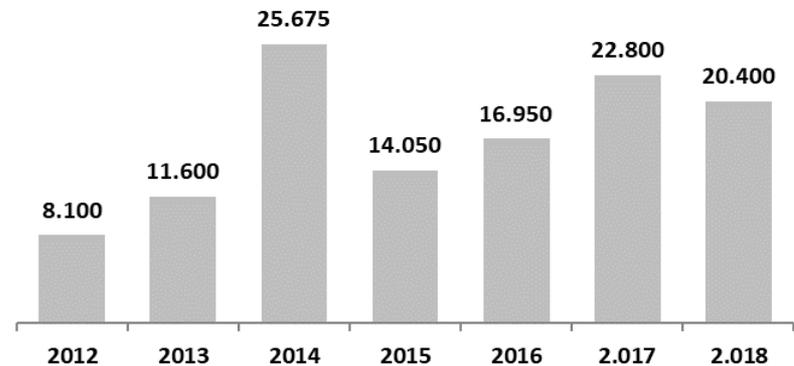
## Net cash position <sup>(1)</sup>



Figures in thousands of euros

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

## Dividends



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 1Q19 stands at €4.62m, despite awaiting the repayment of €4m from the Spanish Tax Authority and paying out €2m. **Including this pending amount, net cash position at the end of 1Q19 raises up to €6.62m.**

□ 2019 Shareholder Meeting has agreed to pay a final 2018 dividend of €0.06/share, which will be paid on May 15<sup>th</sup>, raising 2018 total dividend up to 0.28€/share, with a payout of 109.28% and a yield of 12.17% based on the closing price on March 30<sup>th</sup>

□ The payment of an interim dividend of €0.06/share has been agreed and it will be paid on July 15<sup>th</sup>. This places our dividend yield, based on the share's closing price on March 30<sup>th</sup> 2019, at 2.61%<sup>(2)</sup>.

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

(2) Based on Naturhouse's closing price on March 30<sup>th</sup> 2019 (€2.30/share).

	2018	1Q19
Intangible assets	1.412	12.682
Property, plant & equipment	3.806	3.321
Non current financial assets	882	925
Investment in associated companies	3.348	3.411
Deferred tax assets	150	151
<b>Non current Assets</b>	<b>9.598</b>	<b>20.490</b>
Inventories	4.429	4.923
Trade receivables	4.288	4.879
Current tax assets	6.866	3.932
Other current assets (anticipated spendings)	687	1.033
investment in related companies	0	0
Cash & equivalents	8.247	16.098
<b>Current assets</b>	<b>24.517</b>	<b>30.865</b>
<b>TOTAL ASSETS</b>	<b>34.115</b>	<b>51.355</b>
<b>Equity</b>	<b>18.840</b>	<b>23.356</b>
Non current provisions	904	661
Non current borrowings	2.870	11.473
Long term accrued expenses	303	303
<b>Non current liabilities</b>	<b>4.077</b>	<b>12.437</b>
Current borrowings	5	2
Suppliers	6.091	9.273
Suppliers related companies	3.793	4.232
Current tax liabilities and other payables	1.309	2.055
<b>Current liabilities</b>	<b>11.198</b>	<b>15.562</b>
<b>TOTAL LIABILITIES</b>	<b>34.115</b>	<b>51.355</b>

In Thousands of euros

□ Changes in accounting policies in 2019 with IFRS 16, which affects the way leases are recorded in the P&L and the Balance Sheet.

Increase in Asset, basically in Intangible assets in the amount of €11.331 m.

Increase in liabilities, in Non current borrowings by €8.734 m and Suppliers by €2.622 m.

***We are focusing on growth, discipline in terms of our spending and the goal of maintaining our leading position in the Spanish Stock Exchange in terms of our dividend policy***

## Strategy

- ✓ Optimisation plan within its commercial structure to improve the average revenue per store in a mid term.
- ✓ Accelerate digital business in respond to company's desire to accelerate its development in new markets and achieving it through a commercial strategy with lower operating costs, resulting in greater profitability for the business.
- ✓ Transfer directly-operated stores to franchise status, especially in Spain and Poland.
- ✓ Change centres image 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.

## Goals

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

**We will maintain the strength of our balance sheet and our considerable cash generating ability.**

## Material facts for the period

- ❑ 24 January 2019: Appointment E-Commerce Director for the united States
- ❑ 25 February 2019: Liquidity Contract with Rent 4
- ❑ 28 February 2019: 2018 Final Ordinary Dividend
- ❑ 28 February 2019: Annual Corporate Governance Report
- ❑ 28 February 2019: Board Members' Compensation Report
- ❑ 28 February 2019: Corporate Social Responsibility Report
- ❑ 28 February 2019: 2018 Results
- ❑ 25 March 2019: Call for 2019 General Shareholders Meeting
- ❑ 29 April 2019: Result of the votes on the proposals from the General Shareholders' Meeting 2019



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