NATUR HOUSE
Expertos en Nutrición y Dietética

2019 Results

February 28th 2020

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Main Figures

The Board of Directors has proposed the final 2019 dividend payment of 0,05€/share to be paid May 8th, 2019[(1)], leading to a total dividend for 2019 of 0,24€/share and reaching a payout of 107% and a per-dividend yield of 12,02%[(2)]

Second consecutive Positive EBITDA Quarter

+28.1% EBITDA Increment, means reduction in 4.5 points from EBITDA performance in September 2019

+7.9% Sales Reduce, means an increase in 0.39 points from SALES performance in September 2019

The EBITDA margin stands at 28.3%, which double the industry average in the US[(3)]

	2018	2019	Variation
Sales	87.289	81.667	-5.621
EBITDA	23.168	23.119	-49
EBITDA Margin	*26,5%*	*28,3%*	
Net Income	15.372	13.257	-2.115
Centres	2.283	2.188	-95
Countries	34	28	-6
Net Cash Position	5.372	-114	-5.486
Net Cash Position (excludind IFRS 16)	5.372	7.574	2.202

In Thousand of euros

(1) Approval of this dividend is planned for the next General Shareholder's Meeting.
(2) Calculated according to the Naturhouse closing price December 31st 2019 (1,996€/share) and taking as reference the four interim dividends for 2019 (total amount 0,24€/share).
(3) Weight Watchers, GNC, Vitamin Shoppe, Nutrisystem and Herbalife

Consolidated Profit & Loss Account

	2018	2019	Variation
Total Sales	**87.289**	**81.667**	**-5.621**
Procurements	**-25.158**	**-23.841**	**1.318**
Gross profit	**62.130**	**57.827**	**-4.304**
Gross profit margin	*71,2%*	*70,8%*	
Personnel	**-20.709**	**-19.331**	**1.377**
Other operating expenses	**-19.618**	**-16.061**	**3.557**
Other Income	**1.365**	**685**	**-679**
EBITDA	**23.168**	**23.119**	**-49**
EBITDA Margin	*26,5%*	*28,3%*	
Amortization & Impairments	**-1.020**	**-3.940**	**-2.920**
EBIT	**22.148**	**19.179**	**-2.969**
EBIT Margin	*25,4%*	*23,5%*	
Financial results	**-27**	**-185**	**-158**
Share of profit (loss) of associated (Ichem)	**597**	**243**	**-354**
EBT	**22.717**	**19.237**	**-3.480**
Taxes	**-7.364**	**-6.031**	**1.333**
Minorities	**18**	**51**	**33**
Net profit	**15.372**	**13.257**	**-2.115**
Net profit margin	*17,6%*	*16,2%*	

In thousands of euros

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

❑ Changes in accounting policies in 2019 with IFRS 16, which affects the way leases are recorded in the P&L (rents, Amortization and Financial expenses)

Rents has been reduced (Other operating expenses) in -3.41 mn de €.

Amortizations & Impairments have been increase in 3.28 mn de €.

Financial expenses has been increased in 0.19 mn de €.

Quarterly Evolution

Second consecutive Positive EBITDA Quarter

In 4Q19 sales have decreased due to the comercial reestructuration of the centers, meaning the closure of 95 centers during 2019 year. Although, 4Q19 improves its EBITDA, enchaining the second positive quarter. EBITDA increased 0.1% (without IFRS 16 application), reducing in 3,9 points June's acumulated performance

SALES	Sep.18	Sep.19	var %
France	28.278	25.796	-8,78%
Spain	14.695	13.467	-8,36%
Italy	15.837	15.391	-2,82%
Poland	8.123	8.141	0,22%
Rest	1.946	1.918	-1,44%
Total	**68.879**	**64.713**	**-6,05%**
International Segment	**54.184**	**51.246**	**-5,4%**

In Thousand of euros

EBITDA	Sep.18	Sep.19	var %
France	11.709	10.472	-10,6%
Spain	3.151	2.874	-8,8%
Italy	3.814	4.109	7,7%
Poland	1.903	1.580	-17,0%
Rest	-582	19	103,3%
Total	**19.995**	**19.054**	**-4,7%**
International Segment	**16.844**	**16.180**	**-3,9%**

In Thousand of euros

QUARTER EVOLUTION

	DEC.19	DEC.18	var %
France	7.492	6.860	-8,4%
Spain	3.854	3.509	-9,0%
Italy	4.247	3.913	-7,9%
Poland	2.237	2.144	-4,2%
Rest	579	529	-8,6%
Total	**18.409**	**16.955**	**-7,9%**
International Segment	**14.555**	**13.446**	**-7,6%**

In Thousand of euros

	DEC.19	DEC.18	var %
France	3.102	2.663	-14,2%
Spain	361	844	133,8%
Italy	116	264	127,6%
Poland	-304	-73	-76,0%
Rest	-101	-382	-278,2%
Total	**3.174**	**3.316**	**4,5%**
International Segment	**2.813**	**2.472**	**-12,1%**

In Thousand of euros

Sales & EBITDA by Country

Sales according to country

	2018	2019	%
France	35.770	**32.656**	-8,7%
Spain	18.549	**16.976**	-8,5%
Italy	20.084	**19.304**	-3,9%
Poland	10.360	**10.285**	-0,7%
Rest countries	2.525	**2.447**	-3,1%
Total	**87.287**	**81.668**	**-6,4%**
International Segmen	68.738	64.692	-5,9%

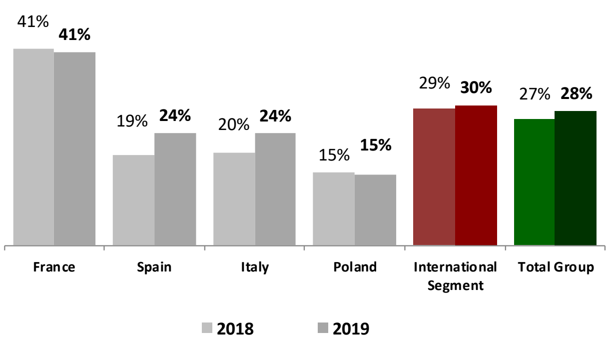
In thousands of euros

EBITDA development according to country

	2018	2019	%	EBITDA Margin
France	14.811	**13.275**	-10,4%	41%
Spain	3.512	**4.013**	14,3%	24%
Italy	3.930	**4.561**	16,1%	24%
Poland	1.599	**1.531**	-4,3%	15%
Rest	-683	**-261**	61,8%	30%
TOTAL	**23.169**	**23.119**	**-0,2%**	**28,3%**
International Segm	19.657	19.106	-2,8%	29,5%

In Thousands of euros

EBITDA margin development according to country (%)

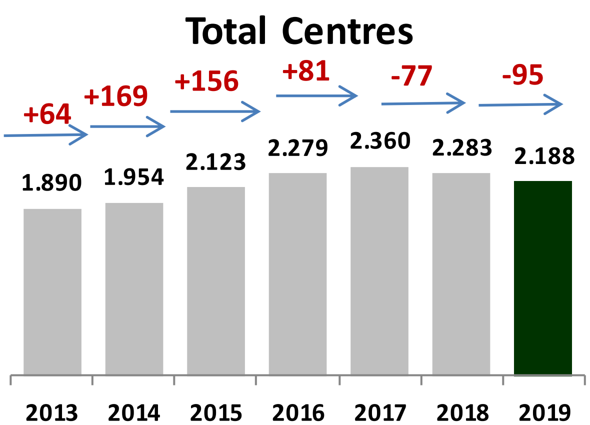


- ❑ Turnover at the end of 2019 stands at €81.67m.
  - ✓ The decrease in the total sales figure, € 5.62 m are explained by the closing of centres as a result of the optimization plan (-95 centres compared to the end of 2018, -4.16%). Company's strategy is to supply the market where the centre has been closed with the online sales, a project that began in 2019 in the English market and in 2020will start in the main markets of the Group.
  - ✓ In France, the decline in sales is caused by the closure of 34 centres. The decrease in the last quarter of the year is a consequence of the strike that the country has suffered since last December 4, and that greatly affects the large cities of the country.
  - ✓ In Italy, the decrease in sales comes from the drop in the figure in the own centres. Six own centres have been closed, improving the company's operating expenses. Also, those centres with higher turnover have been transferred to franchises.
  - ✓ In Poland, sales evolution is the same as in 2018 but with 18 centres less. Once again, shows the change of the negative trend since 2018, product of the commercial strategy adopted to face the emerging competition. With 5.6% less centres compared to 2019, it manages to maintain 2018 sales.
  - ✓ Meanwhile, sales to master franchise countries are up 4.43%. We are in negotiations to open new markets with Master franchisees, where we expect to have results in the following quarters.
- ❑ EBITDA has reached €22.98m.
  - ✓ Increasement in +23.7% in EBITDA at 4Q19.
  - ✓ EBITDA has mainly fallen due to lower sales figures, but also due to the increase of France, Italy and USA marketing expenses (€+0.50m vs. 2018).
  - ✓ The Group has invested in 2019 €0.46m in its Naturhouse digital business model.
  - ✓ Remark 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 €-3.41m, splitting this cost under EBITDA figure (€+3.28m in Depreciation, €+0.19m in financial expenses). IFRS 16 has also reduced company's net profit in €-0.55m.
- ❑ Net Result reached €13.26m, cutting the decrease in net income from the 3Q19 by 1.27 points.

Naturhouse Centres

2,188 centres in 28 countries

-95 net closes in 2019 as part of the company's business optimisation plan to improve the average revenue per store



Net openings:

-95

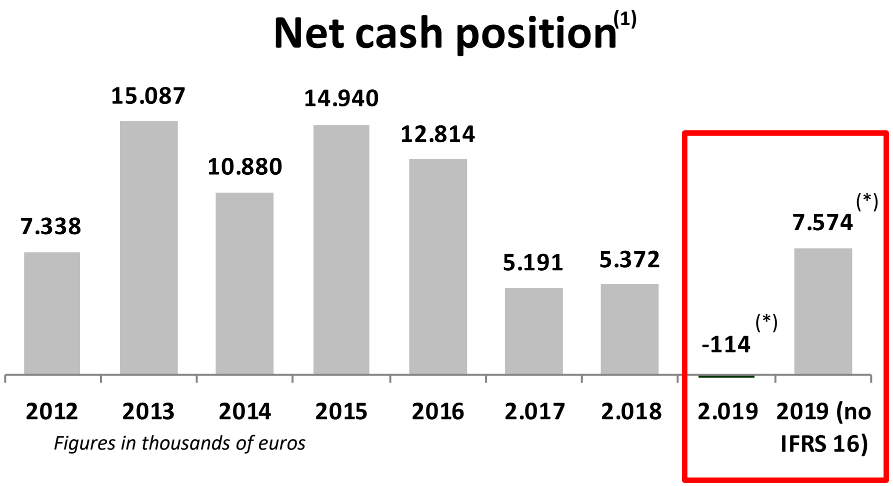
- **-93 franchises** mainly due to the company's business optimisation plan in the markets with more centres (France, Poland and Spain)
- **-2 directly-operated stores:** We are maintaining our goal of transferring most of these stores—especially in Poland—to franchise status during 2020.

1,681 centres are franchises, 241 directly-operated stores and 266 are master franchises

	2018			2019			2019 Net Openings		
	Total	DOS	Franchise	Total	DOS	Franchise	Total	DOS	Franchise
France	618	26	592	584	25	559	-34	-1	-33
Spain	563	85	478	531	84	447	-32	-1	-31
Italy	467	51	416	475	45	409	8	-6	-7
Poland	304	59	245	287	67	220	-17	8	-25
Rest of Countries	69	22	47	66	20	46	-3	-2	-1
Masterfranchise Countries	262	0	262	266	0	266	4	0	4
	2.283	243	2.040	2.188	241	1.947	-95	-2	-93

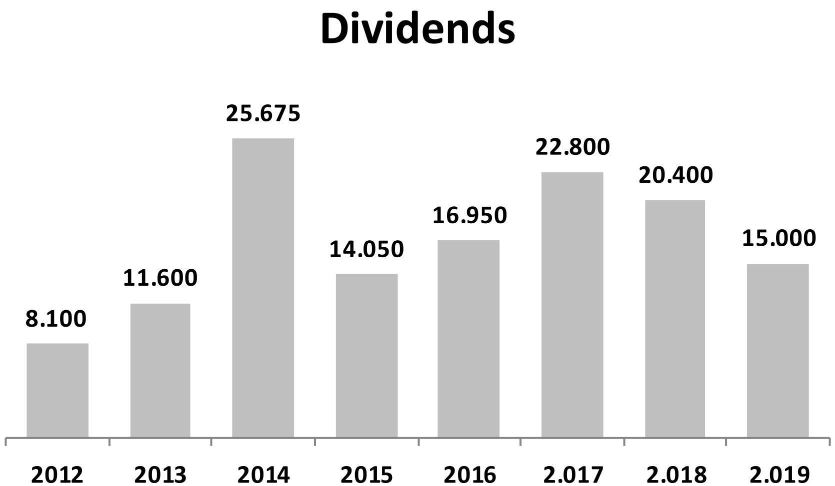
Net Cash Position & Dividends

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



Figures in thousands of euros

(*) This does not include the €1.5m pending repayment by the Spanish Tax Administration.



Figures in thousands of euros

Note 1: Data from 2012, 2013 and 2014 includes SAS Naturhouse in all periods

- **Our net cash position at the end of 2019 stands at -€0.11m, despite awaiting the repayment of €1.5m from the Spanish Tax Authority. Including this pending amount, net cash position at the end of 2019 raises up to €1.39m.**

- **Proposed a 2019 final dividend at € 0.05/share, to be paid on the May 8th. With this amount, the total 2019 dividend comes to €0.24/share, and reaching a dividend yield at 12.02%[2]. This dividend will be subject to the approval of the forthcoming General Shareholder's Meeting.**

- **Net cash position has IFRS 16 accounting policy introduction impact. Current borrowings has been increased in €7.69m due to contract financial rents. If we take off IFRS 16 impact, so is compareble with previous perioods, Net Cash position rises up to €7.57m**

(1) Definition of Net Cash position: *cash and equivalents – current debt – non-current debt*
(2) Based on Naturhouse's closing price on December 31st 2019 (€1.996/share) and taking the three 2019 interim dividends and last dividend proposal for 2019 results (total 0.24€/share)

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Balance Sheet

	2018	2019
Intangible assets	1.412	1.296
Property, plant & equipment	3.806	9.618
Non current financial assets	882	828
Investment in associated companies	3.348	3.152
Deferred tax assets	150	138
Non current Assets	**9.598**	**15.032**
Inventories	4.429	4.124
Trade receivables	4.288	3.506
Current tax assets	6.866	3.639
Other current assets (anticipated spendings)	687	955
investment in related companies	0	0
Cash & equivalents	8.247	10.305
Current assets	**24.517**	**22.529**
TOTAL ASSETS	**34.115**	**37.561**
Equity	**18.840**	**16.514**
Non current provisions	904	1.107
Non current borrowings	2.870	7.757
Long term accrued expenses	303	9
Non current liabilities	**4.077**	**8.873**
Current borrowings	5	2.662
Suppliers	6.091	5.091
Suppliers related companies	3.793	3.243
Current tax liabilities and other payables	1.309	1.178
Current liabilities	**11.198**	**12.174**
TOTAL LIABILITIES	**34.115**	**37.561**

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.

Assets Increasement, basically in Property, Plant & Equipment assets in the amount of €7.63 m.

Liabilities Increasement, in Non current borrowings by €5.15 m and Current borrowings by €2.54 m.

- Sale of assets non affected to Group's activity to a related company. Four photovoltaic installations, which net book value was €1.14 m, generating a € 0.54 m. profit.

- € 3.23 m reduction in "Current tax assets" is consequence of 2017 corporate tax return, paid in advance to the Spanish Treasury Administration in February 2019. At the end of year 2019 the company is still waiting for the return of €1,5 m from the advance payment of 2018 corporate tax. This amount was returned in February 2020.

Strategy and Outlook

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

- ✓ After the experience in the development of the digital business in the British and North American market, the group has decided to implement this strategy in its main four markets, starting with Spain. The indicators confirm that the digital business attracts Naturhouse to an audience that at the moment was not being exploited, younger people between 20 and 35 years. We expect the digital business to complement the current business, increasing the number of customers and therefore the group's turnover.
- ✓ Optimisation plan within its commercial structure to improve the average revenue per store in a mid term.
- ✓ 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

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
- 25 May 2019: First Quarter Liquidity Contract balance and movements
- 30 July 2019: 2019 Interim Dividend
- 30 July 2019: Appointment of new Managing International Director
- 26 August 2019: Second Quarter Liquidity Contract balance and movements
- 5 November 2019: 2019 Interim Dividend
- 31 January 2020: Annulment of the Liquidity Contract with Renta 4 and third Quarter Liquidity Contract balance and movements

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