

Experts in
nutrition and
weight
management



1H19 Results

July 29th 2019



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The Board of Directors has agreed to pay an interim dividend for 2019 of €0.07/share, which will be paid on September 16th. This provides a yield of 6.16% for 2019 first half year based on the closing price on June 30th 2019⁽¹⁾

Naturhouse maintains its solid financial position, with a net cash position of €2.49m, and pending a €2m repayment from the Spanish Tax Authority. Including this amount, net cash position raises up to €4.49m.

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 1H 2019 the company had 119 centre less than the same period of 2019

	1H18	1H19	Variation
Sales	50.451	46.120	-4.331
EBITDA	15.772	14.109	-1.663
<i>EBITDA Margin</i>	<i>31,3%</i>	<i>30,6%</i>	
Net Income	10.935	8.244	-2.691
Centres	2.369	2.250	-119
Countries	34	32	-2
Net Cash Position	5.372 ⁽³⁾	2.486	-2.886

In Thousand of euros

(1) Closing price at the end of March: €2.11/share

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

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

	1H18	1H19	Variation
Total Sales	50.451	46.120	-4.331
Procurements	-14.228	-13.516	712
Gross profit	36.223	32.604	-3.619
<i>Gross profit margin</i>	<i>71,8%</i>	<i>70,7%</i>	<i>0,0%</i>
Personnel	-10.587	-9.823	764
Other operating expenses	-10.253	-9.077	1.176
Other Income	389	405	16
EBITDA	15.772	14.109	-1.663
<i>EBITDA Margin</i>	<i>31,3%</i>	<i>30,6%</i>	<i>0,0%</i>
Amortization & Impairments	-557	-2.348	-1.791
EBIT	15.215	11.761	-3.454
<i>EBIT Margin</i>	<i>30,2%</i>	<i>25,5%</i>	<i>0,0%</i>
Financial results	80	-188	-268
Share of profit (loss) of associated (Ichem)	345	246	-99
EBT	15.640	11.819	-3.821
Taxes	-4.705	-3.575	1.130
Minorities	0	0	0
Net profit	10.935	8.244	-2.691
<i>Net profit margin</i>	<i>21,7%</i>	<i>17,9%</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

	1H18	1H19	%
France	20.612	18.264	-11,4%
Spain	10.884	9.710	-10,8%
Italy	11.656	11.103	-4,7%
Poland	5.946	5.680	-4,5%
Rest countries	1.353	1.363	0,7%
Total	50.451	46.120	-8,6%
International Segmen	39.566	36.410	-8,0%

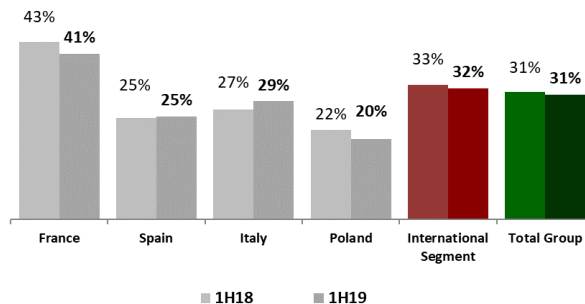
In thousands of euros

EBITDA development according to country

	1H18	1H19	%	Margen EBITDA
France	8.964	7.399	-17,5%	41%
Spain	2.711	2.442	-9,9%	25%
Italy	3.146	3.210	2,0%	29%
Poland	1.298	1.116	-14,0%	20%
Rest	-345	-58	83,2%	32%
TOTAL	15.774	14.109	-10,6%	30,6%
International Segm	13.063	11.667	-10,7%	32,0%

In Thousands of euros

EBITDA margin development according to country (%)



☐ Turnover at the end of 1H19 stands at €46.12m.

✓ From the total loss of sales in 1H19, €1.03m are justified by the effect of 2019 net closures as result of the optimisation plan (-119 centres vs. 1Q18).

✓ In France, during the second quarter of the year sales drop has been cut down by 1.2%, this means €0.25m.

✓ As for Poland, revenues magnitude starts to show a change of trend respect previous quarters, due to the commercial strategy that has been applied against the new competitor. With a -12% of less centres in the country versus 2018, sales just drop a -4.5%.

✓ As for the other countries, there has been a minimum increase in revenues, due to company's strategy since 2018 final year to increase the North American and English market.

✓ Meanwhile, sales to master franchise countries are up 6,6%. We are in negotiations to open new markets with Master franchisees, where we expect to have results in the following quarters.

☐ EBITDA has reached €14.11m.

✓ EBITDA has mainly fallen due to lower sales figures, but also because of an increase of France, Italy and USA marketing expenses (€+0.60m vs. 1Q18), which will adjust in the following 2019 quarters.

✓ Mention a provision in France due to possible expenses with employees, €0.2m.

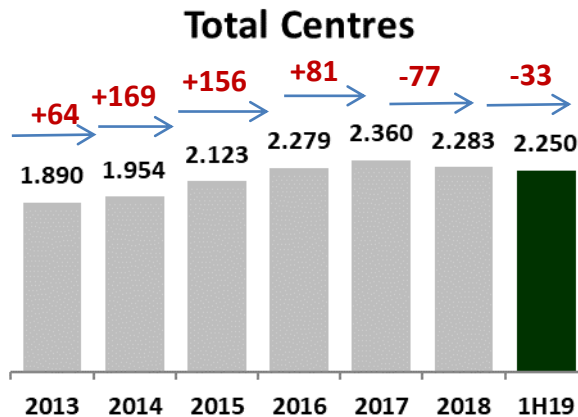
✓ Remark 2019 change in accounting policy respect to IFRS 16, which affect the way lease are recorded and affects company's EBITDA figure. There has been a reduction in lease P&L cost in €-1,76m, splitting this cost under EBITDA figure (€+1.70m in Amortization, €+0.10m in financial expenses). IFRS 16 has also reduced company's net profit in €-0.04m.

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

☐ Net Result reached €8.22m, due to the aforementioned issues and mainly due to Revenues drop.

2,250 centres in 32 countries

-33 net closes in 1H19 as part of the company's business optimisation plan to improve the average revenue per store



Net openings:

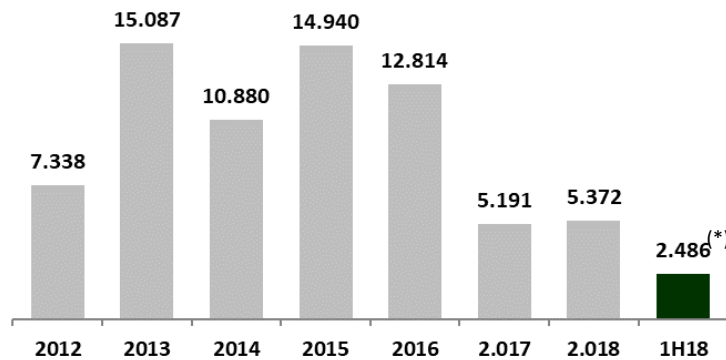
- 34 franchises mainly due to the company's business optimisation plan in the markets with more centres (France and Spain)
 - +1 directly-operated stores: We are maintaining our goal of transferring most of these stores—especially in Poland—to franchise status during 2019.
- 33**

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

	2018			1H19			2019 Net Openings		
	Total	DOS	Franchise	Total	DOS	Franchise	Total	DOS	Franchise
France	618	26	592	604	25	579	-14	-1	-13
Spain	563	85	478	551	87	464	-12	2	-14
Italy	467	51	416	475	47	418	8	-4	2
Poland	304	59	245	300	63	237	-4	4	-8
Rest of Countries	69	22	47	68	22	46	-1	0	-1
Masterfranchise Countries	262	0	262	262	0	262	0	0	0
Total	2.283	243	2.040	2.250	244	2.006	-33	1	-34

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

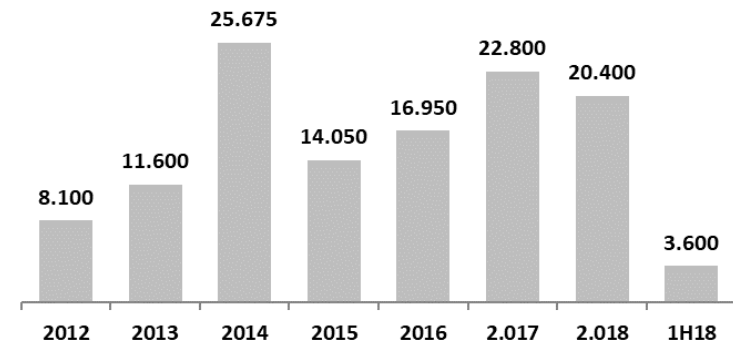
Net cash position⁽¹⁾



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 1H19 stands at €2.49m, 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 1H19 raises up to €4.49m.**

□ At June 30th 2019 is included in Current Borrowings, company's compromise to pay first 2019 interim dividend of €3.6m dated in July 15th.

□ 2019 Shareholder Meeting has agreed to pay a second 2019 interim dividend of €0.07/share, which will be paid on September 16th, raising 2019 total dividend up to 0.13€/share, with a 2019 first half year yield of 6.16% based on the closing price on June 30th ⁽²⁾

□ Net cash position has IFRS 16 accounting policy introduction impact. Current borrowings has been increased in €10,06m due to contract financial rents. If we take off IFRS 16 impact, so is comparable with previous periods, Net Cash position rises up to €12.55m

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

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

	2018	1H19
Intangible assets	1.412	1.361
Property, plant & equipment	3.806	13.308
Non current financial assets	882	908
Investment in associated companies	3.348	3.159
Deferred tax assets	150	143
Non current Assets	9.598	18.879
Inventories	4.429	4.439
Trade receivables	4.288	5.508
Current tax assets	6.866	2.214
Other current assets (anticipated spendings)	687	773
investment in related companies	0	0
Cash & equivalents	8.247	18.900
Current assets	24.517	31.834
TOTAL ASSETS	34.115	50.713
Equity	18.840	19.504
Non current provisions	904	1.066
Non current borrowings	2.870	11.232
Long term accrued expenses	303	285
Non current liabilities	4.077	12.583
Current borrowings	5	5.182
Suppliers	6.091	5.624
Suppliers related companies	3.793	5.078
Current tax liabilities and other payables	1.309	2.742
Current liabilities	11.198	18.626
TOTAL LIABILITIES	34.115	50.713

□ 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 Property, Plant & Equipment assets in the amount of €10.019 m.

Increase in liabilities, in Non current borrowings by €8.481 m and Current borrowings by €1.582 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

- ✓ 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.
- ✓ 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

- ❑ 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

Material Facts post Period

- ❑ 30 July 2019: 2019 Interim Dividend
- ❑ 30 July 2019: Appointment of new Managing International Director



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