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nutrition and  
weight  
management

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## 2020 First Quarter Results

*June 22<sup>nd</sup> 2020*

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**Quarter marked by the extraordinary situation of COVID-19 that is affecting world economy and that has directly affected the company from March 12, 2020**

**Naturhouse is prepared to face the economic impact of the pandemic situation thanks to its solid balance sheet and excellent cash position (€ 11 million in Net Cash \*\*)**

**Implementation of the ONLINE channel in the main markets. The impact on sales will be noticed from April's month**

	1Q19	1Q20	Variation
Sales	21.494	16.669	-4.825
EBITDA	6.199	4.182	-2.017
<i>EBITDA Margin</i>	<i>28,8%</i>	<i>25,1%</i>	
Net Income	3.668	2.450	-1.218
Centres	2.278	2.109	-169
Countries	32	28	-4
Net Cash Position*	-114	4.126	4.240
Net Cash Position**	8.324	11.126	2.802

In Thousand of euros

\* net cash position 31/12/2019

\*\* isolated IFRS 16 impact

(1) Calculated according to the Naturhouse closing price December 31<sup>st</sup> 2019 (1,996€/share) and taking as reference the four interim dividends for 2019 (total amount 0,24€/share).

	1Q19	1Q20	Variation
<b>Total Sales</b>	<b>21.494</b>	<b>16.669</b>	<b>-4.825</b>
<b>Procurements</b>	<b>-6.125</b>	<b>-4.745</b>	<b>1.380</b>
<b>Gross profit</b>	<b>15.369</b>	<b>11.924</b>	<b>-3.445</b>
<i>Gross profit margin</i>	<i>71,5%</i>	<i>71,5%</i>	<i>0,0%</i>
<b>Personnel</b>	<b>-4.842</b>	<b>-4.213</b>	<b>629</b>
<b>Other operating expenses</b>	<b>-4.566</b>	<b>-3.711</b>	<b>855</b>
<b>Other Income</b>	<b>238</b>	<b>182</b>	<b>-57</b>
<b>EBITDA</b>	<b>6.199</b>	<b>4.182</b>	<b>-2.017</b>
<i>EBITDA Margin</i>	<i>28,8%</i>	<i>25,1%</i>	<i>0,0%</i>
<b>Amortization &amp; Impairments</b>	<b>-1.148</b>	<b>-900</b>	<b>248</b>
<b>EBIT</b>	<b>5.051</b>	<b>3.282</b>	<b>-1.770</b>
<i>EBIT Margin</i>	<i>23,5%</i>	<i>19,7%</i>	<i>0,0%</i>
<b>Financial results</b>	<b>-80</b>	<b>79</b>	<b>159</b>
<b>Share of profit (loss) of associated (Ichem)</b>	<b>115</b>	<b>75</b>	<b>-40</b>
<b>EBT</b>	<b>5.086</b>	<b>3.436</b>	<b>-1.650</b>
<b>Taxes</b>	<b>-1.418</b>	<b>-989</b>	<b>430</b>
<b>Minorities</b>	<b>0</b>	<b>3</b>	<b>3</b>
<b>Net profit</b>	<b>3.668</b>	<b>2.450</b>	<b>-1.218</b>
<i>Net profit margin</i>	<i>17,1%</i>	<i>14,7%</i>	

*In thousands of euros*

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

□ Implementation of actions to mitigate the economic and financial impact of COVID-19;

□ Significant reduction in operating and general costs as of the second half of March. From April until the end of the health crisis we will see the greatest impact in the P&L.

□ Temporary suspension of 85% of employees who will benefit from government aids.

□ Maintain the financial strength by maximizing cash position. Agreed the suspension of dividends payment to the shareholders until we are sure about the economic impact in our company of COVID-19 crisis.

## Sales according to country

	1Q19	1Q20	%
France	8.620	<b>6.325</b>	-26,6%
Spain	4.387	<b>3.342</b>	-23,8%
Italy	5.199	<b>4.218</b>	-18,9%
Poland	2.702	<b>2.266</b>	-16,1%
Rest countries	585	<b>518</b>	-11,5%
<b>Total</b>	<b>21.492</b>	<b>16.669</b>	<b>-22,4%</b>
<b>International Segmen</b>	<b>17.105</b>	<b>13.327</b>	<b>-22,1%</b>

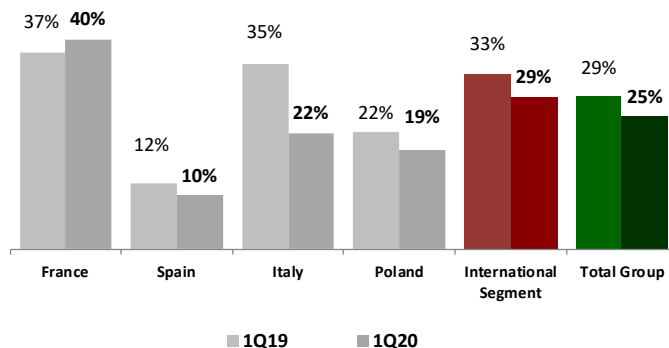
In thousands of euros

## EBITDA development according to country

	1Q19	1Q20	%	Margen EBITDA
France	3.207	<b>2.511</b>	-21,7%	40%
Spain	548	<b>343</b>	-37,4%	10%
Italy	1.824	<b>927</b>	-49,2%	22%
Poland	598	<b>424</b>	-29,1%	19%
Rest	23	<b>-23</b>	200,0%	29%
<b>TOTAL</b>	<b>6.200</b>	<b>4.182</b>	<b>-32,5%</b>	<b>25,1%</b>
<b>International Segm</b>	<b>5.652</b>	<b>3.839</b>	<b>-32,1%</b>	<b>28,8%</b>

In Thousands of euros

## EBITDA margin development according to country (%)



□ Turnover at the end of 1Q20 stands at €16.67m.

- ✓ The decrease in total sales is consequence of the COVID-19 crisis, affecting our four main markets since mid-March. The company's strategy is to supply the current market through online sales. In March the online channels was launched in Italy and in April it will be available in France and Poland.
- ✓ The company cannot currently quantify the impact that the COVID-19 crisis is going to have on the company's turnover in 2020 financial year, because crisis still active and changing evolution day by day.

- ✓ Our franchise network is based on small business units, which are easily accessing to the economic aids that the different governments are implementing to reduce COVID-19 economic impact in their markets.

□ EBITDA reached €4.18m.

- ✓ COVID-19 has cut the positive trend of two consecutive quarters achieving an EBITDA higher than the same period of the previous year.

- ✓ In March's second half the company has been working to reduce fixed costs as much as possible so we are prepared to overcome the current crisis and resume business as quickly as possible;

- ✓ Negotiation with the owners of the premises of our Direct Operating Centres, seeking to forgive the rents while the alert state last or a reduction in rent cost.

- ✓ Temporary suspension of 85% of employees who will benefit from government aids.

- ✓ Investment in marketing have been stopped.

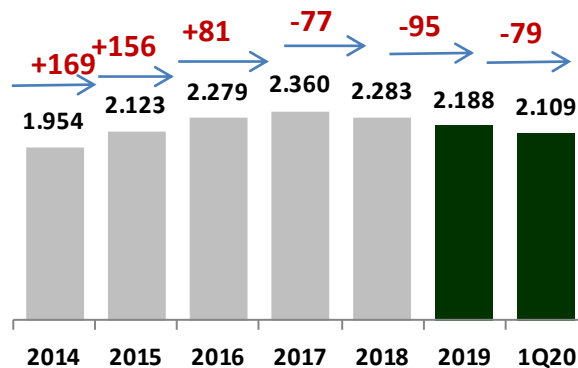
- ✓ To date, the company has invested 2019 €0.46m in its Naturhouse digital business model.

□ Net Result reached €2.45m, as consequence of COVID-19 crisis impact.

2,109 centres in 28 countries

-79 net closes in 1Q 2020 as part of the company's business optimisation plan to improve the average revenue per store

## Total centres



### Net openings:

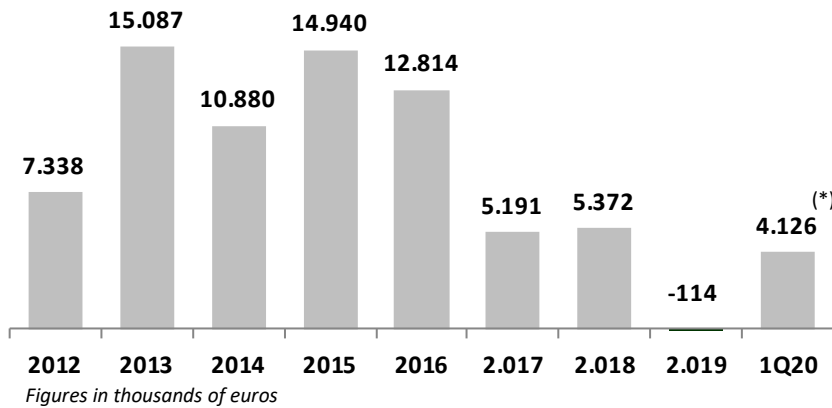
- 79
- 67 franchises mainly due to the company's business optimisation plan in the markets with more centres (France, Spain and Italy)
  - 12 directly-operated stores: Our strategy is to cover these markets through the online channel, reducing operating costs associated with our retail centers.

1,627 centres are franchises, 229 directly-operated stores and 253 are master franchises

	2019			1Q20			2019 Net Openings		
	Total	DOS	Franchise	Total	DOS	Franchise	Total	DOS	Franchise
France	584	25	559	561	22	539	-23	-3	-20
Spain	531	84	447	511	81	430	-20	-3	-17
Italy	454	45	409	475	44	398	21	-1	-11
Poland	287	67	220	278	62	216	-9	-5	-4
Rest of Countries	66	20	46	64	20	44	-2	0	-2
Masterfranchise Countries	266	0	266	253	0	253	-13	0	-13
	2.188	241	1.947	2.109	229	1.880	-79	-12	-67

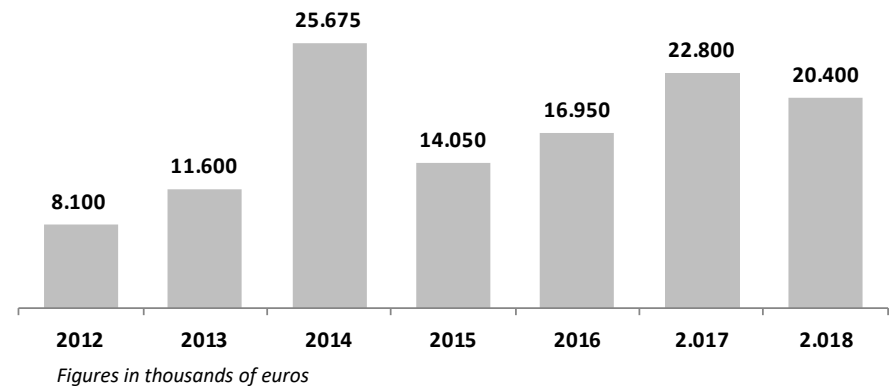
*Naturhouse maintains a solid financial position and an attractive shareholder remuneration policy*

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



**(\*) This does not include the €1m pending repayment by the Spanish Tax Administration.**

## Dividends



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

❑ Our net cash position at the end of 2020 1Q stands at 4.13m, despite awaiting the repayment of €1m from the Spanish Tax Authority. Including this pending amount, net cash position at the end of 2020 1Q raises up to €5.13m.

❑ Net cash position had an impact because of IFRS 16 accounting policy introduction in year 2019. Current borrowings has been increased in €7m due to contract financial rents. If we take off IFRS 16 impact, so is comparable with previous periods, Net Cash position rises up to €11.13m

❑ Naturhouse has decided to stop dividend payments to the shareholders until sanitary crisis ends and we can see the economic total impact of this crisis in the company.

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



	2019	1Q20
Intangible assets	1.296	1.229
Property, plant & equipment	9.618	8.855
Non current financial assets	828	801
Investment in associated companies	3.152	3.411
Deferred tax assets	138	123
<b>Non current Assets</b>	<b>15.032</b>	<b>14.419</b>
Inventories	4.124	4.834
Trade receivables	3.506	4.100
Current tax assets	3.639	2.723
Other current assets (anticipated spendings)	955	233
investment in related companies	0	0
Cash & equivalents	10.305	13.651
<b>Current assets</b>	<b>22.529</b>	<b>25.541</b>
<b>TOTAL ASSETS</b>	<b>37.561</b>	<b>39.960</b>
<b>Equity</b>	<b>16.514</b>	<b>18.751</b>
Non current provisions	1.107	824
Non current borrowings	7.757	7.646
Long term accrued expenses	9	285
<b>Non current liabilities</b>	<b>8.873</b>	<b>8.755</b>
Current borrowings	2.577	1.879
Financial liabilities with related companies	85	0
Suppliers	5.091	5.495
Suppliers related companies	3.243	4.167
Current tax liabilities and other payables	1.178	913
<b>Current liabilities</b>	<b>12.174</b>	<b>12.454</b>
<b>TOTAL LIABILITIES</b>	<b>37.561</b>	<b>39.960</b>

*In Thousands of euros*

***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 English and North American market, and watching the need to develop this sales channel in extreme situations such as the one we are currently experiencing, the group has decided to implement this strategy in its main four markets. In January, tests began to be carried out in the Spanish market, in March it was implemented in the Italian market and in the second quarter of 2020 it will be implemented in the French and Polish markets. Indicators confirm that the digital business attracts Naturhouse to an audience that was not currently being exploited, younger people between 20 and 35 years old. We hope that the digital business complements the current business, increasing the number of clients 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 and we hope to attract a younger audience.

## 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

- ❑ 31 January 2020: Annulment of the Liquidity Contract with Renta 4 and third Quarter Liquidity Contract balance and movements
- ❑ 28 January 2020: 2019 Final Ordinary Dividend
- ❑ 28 February 2020: Annual Corporate Governance Report
- ❑ 28 February 2020: Board Members' Compensation Report
- ❑ 28 February 2020: Corporate Social Responsibility Report
- ❑ 28 February 2020: 2019 Results
- ❑ 13 March 2019: Company informs about the impact on its Italian business following the measures approved on 2020 March 11
- ❑ 23 March 2020: Company informs about the impact on its Spanish and French markets following the measures approved by their governments
- ❑ 24 March 2020: Postponement of the announcement of the General Shareholder's Meeting
- ❑ 25 March 2020: Company informs about the filing of temporary employment reductions (ERTEs)
- ❑ 30 March 2020: Dividend Payment Extension until the Shareholder's Meeting takes place

## Material facts after 2020 First Quarter

- ❑ 15 May 2020: Announcement of General Shareholder's Meeting



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