

# 1H 2025 Results

January-June



## BUSINESS EVOLUTION

Report as of 06/30/2025



The trend that began in 2024, marked by global uncertainty and geopolitical instability, continued in the first half of 2025. These factors had a direct impact on international market dynamics, particularly due to tariff policies, triggering a volatile regulatory environment and limited visibility in foreign trade. This uncertainty is altering the behaviour of numerous economic agents and destabilising traditionally well-established commercial destinations.

In first two quarters of 2025, the European uncoated printing and writing paper (UWF) market was adjusting, with moderate growth in aggregate demand overall and a mismatch between supply and consumption.

Output fell by 9.2% year-on-year, in line with the fall in the use of installed capacity, which was below the average levels for the previous year. In parallel, order intake fell by 4.4%, the decline having moderated in the second quarter.

Customers tended to delay purchase decisions, reflecting a more cautious approach throughout the value chain. This prudence affected order volumes, which fanned competition among industry operators. Against this backdrop, further downward adjustments were made to UWF paper prices in Europe, with the quarterly average falling to 3% below the same period of the previous year. To align with this new market dynamic, many companies opted to moderate output, thereby adjusting their capacity utilisation levels.

At the same time, the general decline in demand across all paper market segments also put downward pressure on market pulp prices. After recovering somewhat in the first quarter from the December low, prices fell back to levels similar to the 2024 lows, which were already at their lowest levels in four years. This behaviour put even more pressure on paper prices.

In the energy arena, the sharp rise in costs observed in the first quarter moderated somewhat in the second, but prices were still high. Compared to the same period of the previous year, electricity and gas supply costs rose by around 30%, which had a significant impact on paper manufacturing costs.

In short, the market remained highly stressed, with weak demand, high energy costs, falling prices and intensified competition, which led to widespread margin erosion.



In a context marked by significant challenges for industry as a whole, our company again showed remarkable operational resilience. Production levels remained stable, the sole exception being the scheduled production stoppage (every 18 months) for 10 days at the end of March and beginning of April. This operational continuity, coupled with our firm commitment to efficiency, enabled us to preserve our solid position in the market.

Despite price pressures and lower demand, which led to a sizeable drop in paper sales volumes, we managed to close the period with a profit of €2.23 million. This performance highlights the strength of our strategy, which is grounded in prudence, operational efficiency and the ability to anticipate complex scenarios. EBITDA reached €8.93 million at end-June 2025, 49.59% above the previous year.

We also continued to consolidate our diversification strategy, focusing on paper segments with applications beyond printing and writing. In the first six months of the year, sales of products for packaging, labels and food and healthcare industry uses accounted for 32.76% of the total, compared to an average of 28.40% in 2024. Industrial trials on the manufacture of brown virgin-fibre kraft paper were successfully completed by the end of the quarter. This new specialty product is currently in the commercial launch phase with a view to positioning in the market.

Meanwhile, we are making progress in identifying new business opportunities and developing investment programmes designed to boost production capacity and expand our product range.



## 1. CONSOLIDATED MANAGEMENT RESULTS AT 30 JUNE 2025

**Revenue totalled** €116,210 thousand, decreased by (6.06)% on the same period of the previous year (06/30/2024: €123,709 ).

**EBITDA** amounted to €8,933 thousand (06/30/2024: €17,719 thousand) decreasing (49.59)%.The gross operating margin was 7.69% (06/30/2024: 14.32%).

**Net Profit totalled** €2,230 thousands (06/30/2025: €10,330 thousands) less (78.41)% .

## 2. CONSOLIDATED INCOME STATEMENT

### a) Comparative income statement (thousand euro)

	06/30/25	06/30/24	Var. %
Revenue	116,210	123,709	(6.06)%
Other income	2,599	2,968	(12.45)%
<b>Revenue</b>	<b>118,809</b>	<b>126,677</b>	<b>(6.21)%</b>
Changes in inventories of finished goods and work in progress	(1,323)	(7,878)	(83.21)%
Raw materials and consumables	(46,532)	(47,235)	(1.49)%
Staff costs	(12,050)	(12,101)	(0.42)%
Other expense	(49,971)	(41,744)	19.71%
<b>EBITDA</b>	<b>8,933</b>	<b>17,719</b>	<b>(49.59)%</b>
Depreciation/amortisation	(6,870)	(6,585)	4.32%
Impairment and profit/(loss) on fixed assets disposals			
<b>EBIT</b>	<b>2,063</b>	<b>11,134</b>	<b>(81.47)%</b>
Net financial income/(expense)	897	1,575	(43.05)%
<b>Profit before taxes</b>	<b>2,960</b>	<b>12,709</b>	<b>(76.71)%</b>
Taxes	(730)	(2,379)	(69.32)%
<b>NET PROFIT</b>	<b>2,230</b>	<b>10,330</b>	<b>(78.41)%</b>

### b) Operating income

Cumulative revenue totalled at 06/30/2025 €116,210 thousand euros (06/30/2024: €123,709 thousand ), having fallen by a decrease of 6.06%, with the most significant items being the following:

Thousands of euros	06/30/2025	06/30/2024	Var. %
Paper sales	95,377	110,973	(14.05)%
Electricity sales	19,531	10,909	79.04%
Timber sales	1,302	1,827	(28.75)%

#### i. Paper sales

Paper sales fell 14.05% during the period. Physical units sold were down by 11.58% and the selling price fell 2.89% compared to the same period of the previous year.

## ii. Electricity sales

"Electricity sales" billings grew by 79.04% on the same period of the previous year due to increases of 46% in the selling price and 44% in volume.

## iii. Timber sales

The forestry companies sold timber in Spain and Argentina for the amount of €1,302 thousand (30/06/2024: €1,827 thousand).

### 3. CONSOLIDATED BALANCE SHEET AT 06/30/2025 AND 12/31/2024

#### ASSETS

	Thousands of euros	06/30/25	12/31/2024
I. Tangible fixed assets		156,415	160,501
II. Biological assets		14,552	16,168
III. Other intangible assets		14,605	7,996
IV. Deferred tax assets		4,073	4,232
V. Non-current financial assets		6,265	6,137
<b>A) NON-CURRENT ASSETS</b>		<b>195,910</b>	<b>195,034</b>
II. Inventories		36,583	35,839
II. Trade and other receivables		94,404	54,724
IV. Cash and cash equivalents		78,628	122,082
<b>B) CURRENT ASSETS</b>		<b>209,615</b>	<b>212,645</b>
<b>TOTAL ASSETS (A+B)</b>		<b>405,525</b>	<b>407,679</b>

#### LIABILITIES

	Thousand of euros	06/30/25	12/31/24
I. Capital		6,579	6,579
II. Retained earnings and other reserves		335,795	318,097
III. Profit/(loss) for the year		2,230	23,161
IV. <i>Less: Treasury shares</i>		(1,071)	(1,081)
V. Exchange rate differences		(12,519)	(9,978)
VI. Share premium account		2,839	8,291
IX. <i>Less: Interim dividends</i>			(5,451)
<b>A) EQUITY</b>		<b>333,853</b>	<b>339,618</b>
I. Bank borrowings		9,677	12,451
II. Deferred tax liabilities		359	484
III. Non-current provisions		168	130
IV. Other non-current liabilities		4,040	2,101
<b>B) NON-CURRENT LIABILITIES</b>		<b>14,244</b>	<b>15,166</b>
I. Bank borrowings		6,070	5,975
II. Trade and other payables		40,518	39,468
III. Provisions for other current liabilities		10,840	7,452
<b>C) CURRENT LIABILITIES</b>		<b>57,428</b>	<b>52,895</b>
<b>TOTAL LIABILITIES AND EQUITY (A+B+C)</b>		<b>405,525</b>	<b>407,679</b>

*a) Biological assets*

Biological assets are valued annually by the independent expert "Galtier Franco Ibérica, S.A."

The scope of this valuation spans all the biological assets owned by the Group's forestry companies in Spain and Argentina.

The valuation is performed by identifying and grouping the biological assets on the basis of physical characteristics and geographic coordinates. Each defined group of biological assets has been classified according to its qualities and sized based on quantitative characteristics so as to determine fair value less estimated point-of-sale costs. The following criteria are addressed in the valuation process: product type, species and quality; annual growth; date of planting or new shoots; felling date; degree of maturity; planting cost; disposal cost; and prices of recent market transactions, market prices of similar assets and industry benchmarks.

The valuation criteria are as follows:

**Fair value hierarchy 1 under IFRS 13:** Management valued mature and immature biological assets by reference to current offers in an active market.

**Fair value hierarchy 2 under IFRS 13:** Management valued the assets that were ready for harvesting or picking, according to the report from the independent expert "Galtier Franco Ibérica, S.A." and by reference to the selling price of standing timber in each market in which the asset is located.

**Fair value hierarchy 3 under IFRS 13:** Management valued assets that have not reached optimum maturity based on costs incurred. The most significant costs include the plant, preparation of the land, cultivation work, etc.

Government grants associated with a biological asset are recognised as revenue when, and only when, they are payable.

At 30 June 2025, the Group's biological assets (forest species) are mainly located in Argentina and to a lesser extent in Spain following the divestment process completed in Uruguay in 2023. The maturity of these assets depends on various environmental and silviculture factors, as well as on aspects related to the sales process and the market. The Group has opted to adjust the 13-year maturity level previously applied to all species to a range of between 12 and 14 years, depending on the forest species and based on technical criteria, so as to obtain more reliable valuations that better reflect the current status of the forest species managed. At 30 June 2025, the Group does not have accurate information from the independent expert used in previous years to be able to quantify the period-end impact or estimate the effect at 31 December 2025 or in future financial years, although it is not expected to be material.

*b) Bank borrowings*

The Group has a net cash surplus of €(116,537) thousand at 30/06/2025 (31/12/2024: €(119,113) thousand. In the table below, the heading "Cash, bank deposits and funds" includes €53,656 thousand for the period, relating to deposits maturing after more than three months, and €15,457 thousand at 31/12/2024 relating to cash funds, as reflected under "Trade and other receivables" in current assets in the balance sheet included in this report.

Thousand of euros	06/30/2025	12/31/2024
Long-term bank borrowings	9,677	12,451
Short-term bank borrowings	6,070	5,975
<b>Total debt</b>	<b>15,747</b>	<b>18,426</b>
(Less: Cash and cash equivalents)	(132,284)	(137,539)
<b>Net debt</b>	<b>(116,537)</b>	<b>(119,113)</b>
Equity	333,853	339,618
<b>Leverage ratio</b>	<b>(34.91)%</b>	<b>(35.07)%</b>

The following chart reflects the evolution of the Group's sound financial structure:

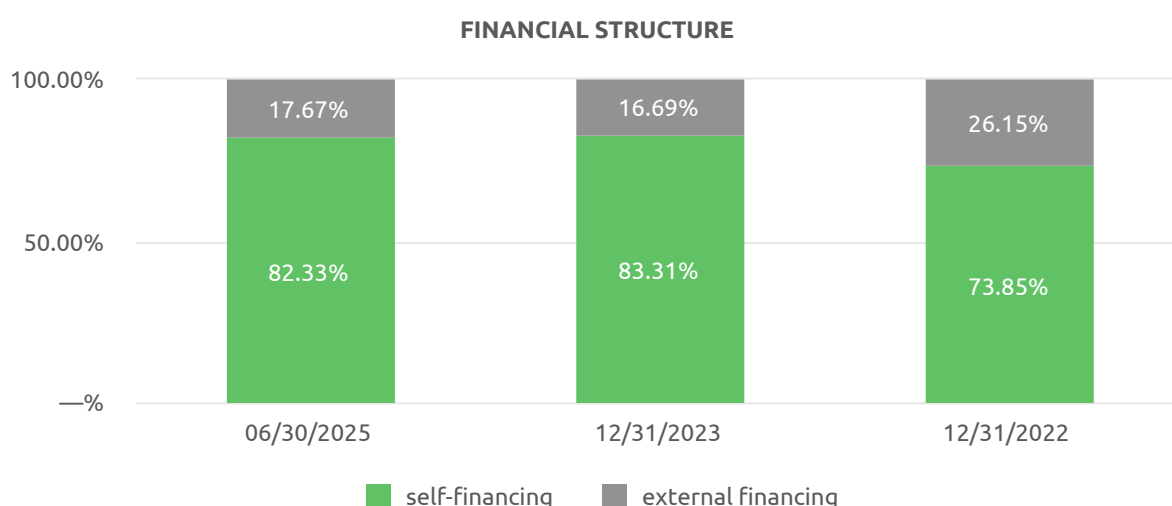


Chart I

#### 4. ACCOUNTING POLICIES

This accounting information at 30 June 2025 has been prepared applying the International Financial Reporting Standards (IFRS) adopted for use in the European Union and approved by European Commission Regulations, IFRIC interpretations and company law applicable to companies reporting under EU-IFRS.

Alternative performance measures (APMs) are used internally by Iberpapel Gestión, S.A.'s management and Board of Directors to make decisions and we therefore consider them to be significant for users of the financial information when assessing the Group's results and financial situation. This report reflects the unregulated APMs defined below:

ADJUSTED EBITDA ("Earnings Before Interest, Tax, Depreciation and Amortization") is an indicator measuring the company's operating results before deducting interest, taxes, impairment losses, depreciation and amortisation charges, and results from non-current assets. As it does not include financial figures, taxes, impairment, depreciation or amortisation, EBITDA is used by management to assess results and allows comparison with other industry companies.

ADJUSTED EBITDA = Operating profit – Depreciation and amortisation – Impairment losses – Profit/(loss) on disposal of non-current assets.

Thousand of euros	06/30/2025	06/30/2024
Operating profit	2,063	11,134
Impairment and profit/(loss) on fixed asset disposals	0	0
Amortization	6,870	6,585
<b>Adjusted EBITDA</b>	<b>8,933</b>	<b>17,719</b>

**Gross operating margin** is calculated as the quotient of the above-mentioned EBITDA indicator and revenue reflected in the Iberpapel Group's consolidated income statement.

**Gross operating margin =** Gross operating margin = EBITDA / Revenue.

Thousand of euros	06/30/2025	06/30/2024
EBITDA	8,933	17,719
Revenue	116,210	123,709
<b>Gross Operating Margin %</b>	<b>7.69%</b>	<b>14.32%</b>

**EBIT** ("Earnings Before Interest and Taxes") is an indicator that measures the company's operating margin before deducting interest and taxes. It is used by Management to evaluate results over time, allowing comparison with other companies in the sector. EBIT is calculated like EBITDA, adding amortization.

**EBIT =** EBITDA - Depreciation and amortisation.

Thousand Euros	06/30/2025	06/30/2024
EBITDA	8,933	17,719
Depreciations and amortisation	(6,870)	(6,585)
Impairment and profit/(loss) on fixed asset disposals	0	0
<b>EBIT</b>	<b>2,063</b>	<b>11,134</b>

## 5. FIXED ASSETS

Property, plant and equipment and intangible assets increased by €3,537 thousand at 06/30/2025

## 6. SHARE PRICE TREND

The Iberpapel Group's share price was €20.30 at 06/30/2025 (12/31/2024: €17.80), entailing an increase 14.04% on the previous year-end. The value climbed to a maximum of €22.30 and fell to a minimum of €17.85. Main stock data:



Main stock data:

	06/30/2025	2024	2023
Shares admitted to trading (€M)	6.58	6.58	6.45
No. of shares (x1000)	10,964	10,964	10,750
Capitalisation (€M)	222.58	195.17	193.50
Volume traded (thousands of shares)	886	853	1,479
Cash value traded (€M)	17.58	15.83	24.21
Closing price (€)	20.30	17.80	18.00
Maximum price (€)	22,30 (8-May)	20,30 (12-Jun)	19,85 (11-Dec)
Minimum price (€)	17,85 (2-Jan)	17,05 (16-Feb)	13,30 (2-Jan)

Source: BME and Madrid Stock Exchange (Summary of equity trading)

**Comparative stock performance at 06/30/2025**

(Base 100 at 31/12/2024)

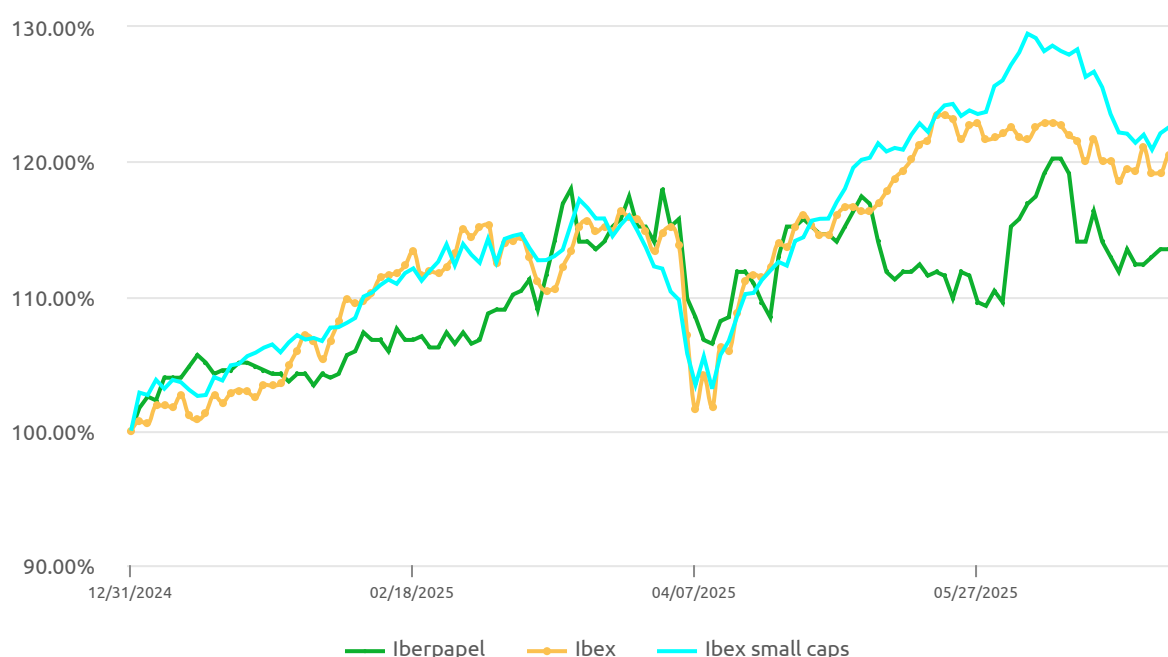


Chart II

The Iberpapel Group has a relationship with its shareholders and investors based on transparency and adequate information channels to assure a permanent flow of easily accessible information.

The website ([www.iberpapel.es](http://www.iberpapel.es)) is continuously updated to include all the information necessary on the Company and the Group, as well as quarterly and half-yearly results, relevant events and any other information of interest.

The Investor Relations Department is open to all queries through the website or via e-mail [atencion.al.accionista@iberpapel.es](mailto:atencion.al.accionista@iberpapel.es)

## 7. OTHER RELEVANT INFORMATION

27/02/2025.- The Company announces financial information for FY 2024.

20/03/2025.- The Company reports and publishes the announcement of the Annual General Meeting, which was held on 23 and 24 April, on first and second call, respectively.

25/04/2025.- The Company reports on the resolutions adopted by the General Meeting held on 24 April.

25/04/2025.- The Company reports on the Board of Directors' resolution to partially reimburse the share premium in the amount of €0.50 per share.

28/04/2025.- Q1 2025 results are announced.