

# FY 2024 RESULTS

31 March 2024



# BUSINESS PERFORMANCE

(Report at 31/03/2024)

In 2023, paper demand in Europe slowed considerably, down to really low levels compared to the previous year.

This situation bottomed out in the second half of 2023 and has clearly recovered since January 2024, as paper demand levels are now closer to 2022 and previous years.

This revival can be explained by several factors: a significant reduction in customers' stocks, rising pulp prices and the Red Sea crisis, which has limited imports and stimulated demand and production of European UWF paper.

The industry's output rates improved beginning in January and over the first quarter, unlike the sharp supply contraction observed in 2023. Prices also began to recover halfway through the first quarter.

But electricity prices were unusually low in Q1 2024. Demand fell, coinciding with an increased supply from power sources such as wind, photovoltaic and hydro, which, coupled with the unusual weather in recent months, demoted output from conventional technologies, such as cogeneration.

Our company has adapted the operational techniques used in our gas cogeneration plant to make it flexible and allow output to be quickly adjusted in response to fluctuating market prices. Under these conditions, we had to shut down production at the gas cogeneration plant for several days during Q1 2024, impacting the income statement.

## 1. CONSOLIDATED HIGHLIGHTS AT 31 MARCH 2024

Revenue totalled €62,113 thousand, 12.78% down on the same period of the previous year (31/03/2023: €71,217 thousand).

EBITDA amounted to €7,684 thousand (31/03/2023: €8,256 thousand), down 6.93%. The gross operating margin was 12.37% (31/03/2023: 11.59%).

Net profit totalled €3,933 thousand (31/03/2023: €3,908 thousand), up 0.64%.

## 2. CONSOLIDATED INCOME STATEMENT

### a) COMPARATIVE INCOME STATEMENT (THOUSAND EURO)

	31/03/2024	31/03/2023	% change
Revenue	62,113	71,217	(12.78)%
Other income	1,459	1,494	(2.34)%
Revenue	63,572	72,711	(12.57)%
Changes in inventories of finished goods and work in progress	(5,833)	(6,291)	(7.28)%
Raw materials and consumables	(24,025)	(26,010)	(7.63)%
Staff costs	(6,035)	(5,623)	7.33%
Other net (expense)/income	(19,995)	(26,531)	(24.64)%
EBITDA	7,684	8,256	(6.93)%
Depreciation/amortisation	(3,285)	(3,211)	2.30%
Impairment and profit/(loss) on fixed asset disposals			
EBIT	4,399	5,045	(12.80)%
Net financial income/(expense)	483	(144)	
Profit before tax	4,882	4,901	(0.39)%
Taxes	(949)	(993)	(4.43)%
NET PROFIT	3,933	3,908	0.64%

### b) OPERATING INCOME

Cumulative revenue at 31 March 2024 totalled €62,113 thousand (31/03/2023: €71,217 thousand), having fallen by 12.78%. The most significant items are set out below:

Thousand euro	31/03/2024	31/03/2023	Change %
Paper sales	56,029	62,546	(10.42)%
Electricity sales	5,483	8,487	(35.40)%
Timber sales	601	184	226.63%

#### i. Paper sales

The fall in paper sales is due essentially to the decline in the selling price against the same period of the previous year. Physical units sold increased significantly.

#### ii. Electricity sales

Revenue from "electricity sales" was 35.40% down on the same period of the previous year. This sharp fall is basically explained by the drop in prices.

#### iii. Timber sales

The forestry companies sold timber in Spain and Argentina for the amount of €601 thousand (31/03/2023: €184 thousand).

## CONSOLIDATED BALANCE SHEET AT 31/03/2024 AND 31/03/2024

### ASSETS

	Thousand euro	31/03/2024	31/12/2023
I. Property, plant and equipment		165,607	165,330
II. Biological assets		12,416	9,390
III. Other intangible assets		16,398	11,019
IV. Deferred tax assets		4,188	4,278
V. Non-current financial assets		7,041	6,961
<b>A) NON-CURRENT ASSETS</b>		<b>205,650</b>	<b>196,978</b>
II. Inventories		25,623	31,455
II. Trade and other receivables		40,878	41,844
IV. Cash and cash equivalents		127,393	118,754
<b>B) CURRENT ASSETS</b>		<b>193,894</b>	<b>192,053</b>
<b>TOTAL ASSETS (A+B)</b>		<b>399,544</b>	<b>389,031</b>

### LIABILITIES

	Thousand euro	31/03/2024	31/12/2023
I. Capital		6,450	6,450
II. Retained earnings and other reserves		325,779	274,957
III. Profit/(loss) for the year		3,933	47,125
IV. <i>Less: Treasury shares</i>		(1,156)	(1,117)
V. Exchange differences		(16,331)	(17,298)
VI. Share premium account		13,633	13,633
IX. <i>Less: Interim dividends</i>		(5,344)	(5,344)
<b>A) EQUITY</b>		<b>326,964</b>	<b>318,406</b>
I. Bank borrowings		16,589	17,962
II. Deferred tax liabilities		220	256
III. Non-current provisions		148	10
IV. Other non-current liabilities		5,295	2,203
<b>B) NON-CURRENT LIABILITIES</b>		<b>22,252</b>	<b>20,431</b>
I. Bank borrowings		6,313	6,331
II. Trade and other payables		35,376	37,372
III. Provisions for other current liabilities		8,639	6,491
<b>C) CURRENT LIABILITIES</b>		<b>50,328</b>	<b>50,194</b>
<b>TOTAL LIABILITIES AND EQUITY (A+B+C)</b>		<b>399,544</b>	<b>389,031</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 when and only when they are payable.

#### b) *Exchange differences.*

The Group has investments in Uruguay and Argentina through companies operating in currencies other than the euro, which is Iberpapel Gestión, S.A.'s functional and presentation currency. Consequently, the Group is exposed to foreign exchange risks in connection with the Argentine and Uruguayan pesos against the euro.

At 31 March 2024, the Group records cumulative currency translation losses totalling €16,331 thousand (31/12/2023: €17,298 thousand).

#### c) *Bank borrowings*

At 31 March 2024, the Group records a net cash surplus of €104,491 thousand (31/12/2023: €97,421 thousand).

Thousand euro	31/03/2024	31/12/2023
Long-term bank borrowings	16,589	17,962
Short-term bank borrowings	6,313	6,331
Total debt	22,902	24,293
(Less: Cash and cash equivalents)	(127,393)	(121,714)
Net debt	(104,491)	(97,421)
Equity	326,964	318,406
Leverage ratio	(31.96)%	(30.60)%

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

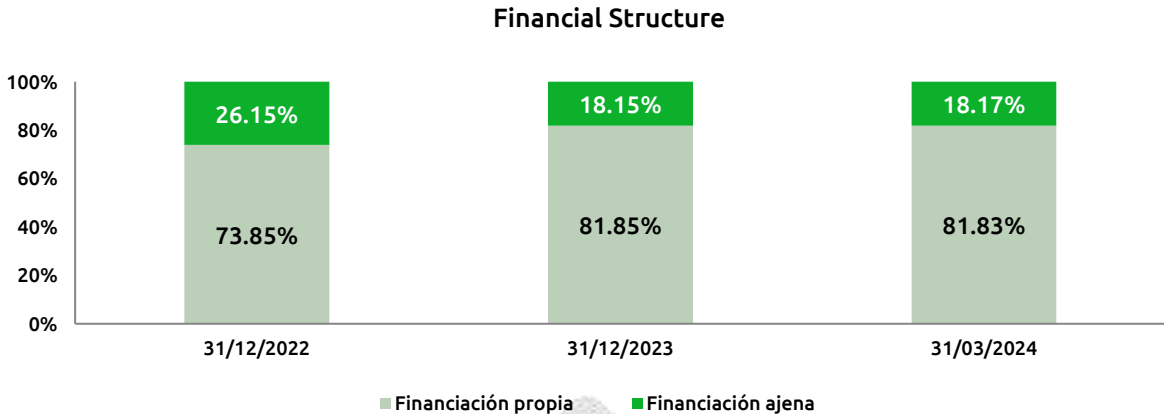


Chart I

**3. ACCOUNTING POLICIES**

This accounting information 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:

The 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 (section 1).

Thousand euro	31/03/2024	31/03/2023
EBITDA	7,684	8,256
Revenue	62,113	71,217
Gross Operating Margin %	12.37%	11.59%

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, section 2.a).

EBITDA = Operating profit-Depreciation/amortisation-Impairment losses.

Thousand euro	31/03/2024	31/03/2023
Operating profit	4,399	5,045
Net realisable value (NRV) provision	-	-
Depreciation and amortisation	3,285	3,211
Adjusted EBITDA	7,684	8,256

EBIT ("Earnings Before Interest and Taxes) is an indicator measuring the company's operating results before deducting interest and taxes. It is used by management to assess results over time and allows comparison with other industry companies. EBIT is calculated as EBITDA less depreciation, amortisation and results from non-current assets (section 2.a).

Net debt is the indicator employed to measure the Group's level of indebtedness. Net debt is calculated by aggregating the balance sheet items reflected under "Bank borrowings", including "Payables due to discounted bills". This amount is reduced by "Cash and cash equivalents" and a term deposit maturing in more than three months.

Leverage ratio (%). This figure is the quotient between net debt and the figure for total equity reflected in Iberpapel Gestión, S.A.'s consolidated balance sheet (section 3.c).

#### 4. FIXED ASSETS

Property, plant and equipment and intangible assets increased by €2,145 thousand to March 2024.

#### 5. SHARE PRICE TREND

The Iberpapel Group's share price was €18.60 at the 31 March 2024 close (31/12/2023: €18), entailing an increase of 3.33% on the previous year-end. The stock reached a high of €19.40 in March and a low of €17.05 in February.

Main stock data:

	31/03/2024	2023	2022
Shares admitted to trading (€M)		6.5	6.62
No. of shares (x1000)	10,750	10,750	11,010
Capitalisation (€M)	199.95	193.49	144.07
Volume traded (thousands of shares)	243	1,479	1,984
Cash value traded (€M)	4.44	24.21	29.93
Closing price (€)	18.60	18.00	13.05
Maximum price (€)	19.40 (7 Mar)	19.85 (11 Dec)	19.25 (12 Jan)
Minimum price (€)	17.05 (16 Feb)	13.30 (2 Jan)	11.65 (11 Nov)

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

### Comparative stock performance at 31/03/2024 (Base 100 at 31/12/2023)

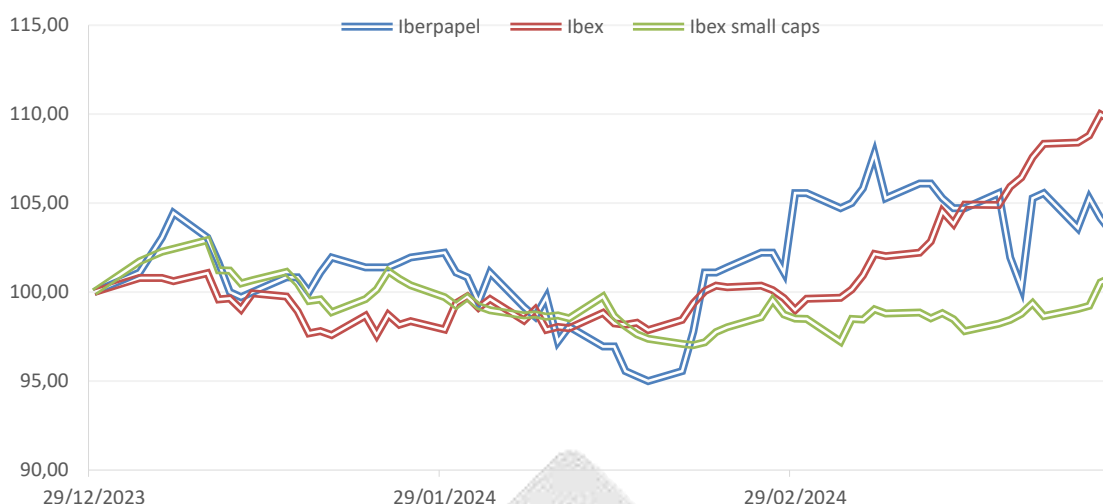


Chart II

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 [atención.al.accionista@iberpapel.es](mailto:atención.al.accionista@iberpapel.es)

#### 6. OTHER RELEVANT INFORMATION

29/02/2024.- The Company announces financial information for FY 2023.

01/03/2024.- The Company announces the Board of Directors' decision to call the Annual General Meeting.

13/03/2024.- The Annual General Meeting is called.

05/04/2024.- The Company informs of the cancellation of the General Meeting and the date of the new call

#### 7. PRIVILEGED INFORMATION

01/03/2024.- The Company announces the chief executive succession plan approved by the Board of Directors.