

ANNEX IV

GENERAL

1st

QUARTERLY FINANCIAL INFORMATION TO THE YEAR

2019

CLOSE OF PERIOD DATE

31/03/2019

I.- IDENTIFYING DATA

Corporate Name: Miquel y Costas & Miquel, S.A.

REGISTERED ADDRESS

Tuset 10, 7^º - 08006 Barcelona

COMPANY TAX CODE

A-08020729

II.- COMPLEMENTARY INFORMATION PERIODIC INFORMATION TO PREVIOUSLY PUBLISHED

Explanation of the main modifications to the previously published information:

III.- INTERMEDIATE FINANCIAL STATEMENTS**Content of that Section**

		Individual	Consolidated
Intermediate Declaration of Management	2376	x	x
Summary biannual account	2377		
Completed biannual account	2378		
Auditor Report	2380		



miquel y costas & miquel,s.a.

INTERMEDIATE STATEMENT

1st QUARTER OF 2019



INTERMEDIATE STATEMENT **FIRST QUARTER 2019 RESULTS**

The results and the others financial figures, in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union as adopted by the European Union, and the Parent Company, in accordance with the General Accounting Plan approved by the Royal Decree 1514/2007 of 16th November. For the comparability purposes with the results and the magnitudes of the same previous period, it is worth noting of the same period of the previous year, the change in the scope of consolidation due to the acquisition of Clariana and its subsidiary Boncompte in the middle of the previous year and the hyperinflation treatment of the Argentine subsidiary.

MAIN HIGHLIGHTS

We present below the main economic and financial data relating to the Group Miquel y Costas of the first three months of the year 2019, and compared with the previous year all them expressed in thousands euros.

Profit and Loss

<i>Thousand Euros</i>	1st Q 2019	1st Q 2018	Variation
Sales	71,739	63,826	12.4%
EBITDA ¹	17,282	16,564	4.3%
Operating Profit	12,994	12,631	2.9%
Profit before tax	12,849	12,941	-0.7%
Profit after tax	9,920	9,902	0.2%
Cash-flow after tax ²	14,208	13,835	2.7%

Balance Sheets

<i>Thousand Euros</i>	31/03/19	31/12/18
Net fixed assets ³	162,575	161,369
Working capital requirement ⁴	91,971	81,794
Other non current assets/(Liabilities)	(3,504)	(3,076)
Capital employed	251,042	240,087
Equity	274,796	269,905
Net financial debt ⁵	(23,754)	(29,818)

¹ Gross operating result, plus depreciation and provisions

² Profit after tax plus amortization and provisions

³ . Intangible fixed assets and property, plant and equipment minus depreciation.

⁴ Inventories plus trade and other receivables less short-term provisions, trade and other payables and short-term accruals

⁵ Current and non-current financial assets, cash and cash equivalents less short-term and long-term financial debt.



Financial Rates

<i>Thousand Euros</i>	31/03/19	31/12/18
Net financial debt ^a	(23,754)	(29.818)
Net equity ^b	274,796	269,905
Leverage ratio ^{a/b x 100}	(8.6%)	(11.0%)

EVOLUTION OF RESULTS

First quarter consolidated net sales has amounted to EUR 71.7 million, representing an increase of EUR 7.9 million in comparison with the ones obtained in the same period of the previous year.

In all lines of business, sales were higher than those of the previous year. In the Tobacco Industry line, the increase is a consequence of the higher price level practiced, affected by a more favourable exchange rate of the US dollar and unfavourably by the Argentine peso, as well as a higher volume of product and a better mix, achieving sales of EUR 3.3 million compared to the previous period. In the business line of Industrial Products, growth is mainly explained by the increase in sales volume of highly specialized industrial papers and a higher level of prices, also affected by the appreciation of the US dollar exchange rate, factors that have pushed this line up to an increase of 7.6% compared to the first quarter of the previous year. The line of "Other" has increased the turnover by EUR 3.1 million compared to the same period of the previous year. Both the Industrial Products and the "Other" also the sales are higher to the incorporation of sales in this quarter to Clariana.

During the first quarter of this year, the Parent Company achieved a sales figure EUR 46.0 million, 5.4% higher than in the same period of the previous year, as a consequence of the increase in volume and prices.

Consolidated net income after taxes was EUR 9.9 million, slightly higher than the result to the first quarter of 2018. This slight increase in results, despite the high increase in sales, is due to the strong increase in the price of supplies of cellulose pulps and energy supplies, which have not been compensated to the same extent by the increase in prices of the products marketed. This circumstance has affected, albeit with different intensity, all the business lines, being that of Industrial Products which has achieved the greatest growth in profit in absolute terms, while that of "Others" has experienced it in relative terms. Another negative factor that has affected the results has been the treatment of Argentina's hyperinflation.

The estimated effective tax rate for the period is 22.8%; lower than the first quarter of 2018, for the forecast of the implementation of higher deductions in the current year.

The net result of the parent company amounted to EUR 7.1 million, 4.7% lower than the accumulated figure at the end of the first quarter of last year. This result has been affected by the same unfavourable factors that have previously been described in the exhibition on the consolidated group.



FINANCIAL POSITION

The Cash flow after taxes was higher than the one obtained in the first quarter of 2018 by 2.7%, reaching EUR 14.2 million. The main applications of the resources generated in the period were the investment in fixed assets, for EUR 5.6 million and the acquisition of treasury stock amounting to EUR 3.7 million. The rest of resources, together with the reduction in net financial position, has been used to cover the variation on the working capital, that have increased due to the rise in commercial debt driven by the higher billing and the variation in stock volume.

OUTLOOK

The Group estimates that the second quarter is expected to keep pace with the first, despite a lower level of activity to mark the temporary cessation of a production line for carrying out investment work.

The forecast is that the hyperinflation that is affecting the economy will continue for at least the next few months. This inflationary situation has had a special impact in the first quarter due to the seasonality of sales in Argentina, which be recovered in the following months.

The Group maintains its forecast of earnings growth for the year, although for the second half of the year the uncertainty due to fluctuations in the exchange rates of the different currencies in relation to the euro, particularly those of the US dollar, must be taken into account and those of the Argentine peso, as well as the volatility that may occur in the markets, factors that have already taken place in the previous periods.