



miquel y costas & miquel,s.a.

INTERMEDIATE STATEMENT

1st QUARTER OF 2021



INTERMEDIATE STATEMENT **FIRST QUARTER 2021 RESULTS**

The consolidated accumulative results during the first quarter of 2021 are stated in accordance with International Financial Reporting Standards (IFRS), are homogenous with 2020, as adopted by the European Union, subject to the new standards, modifications and interpretations in force. For their part, the results of individual companies are presented in accordance with the accounting principles and valuation standards contained in the General Accounting Plan, approved by Royal Decree 1514/2007, of November 16. and the modifications introduced by Royal Decree 1/2021 of January 12

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 2021 and compared with the previous year all them expressed in thousands euros, were are follows:

Profit and Loss

<i>Thousand Euros</i>	1 st Q 2021	1 st Q 2020	Var.(%)
Sales	78,410	67,176	16.7%
EBITDA ¹	23,787	17,624	35.0%
Operating Profit	19,368	13,090	48.0%
Profit before tax	19,468	13,219	47.3%
Profit after tax	14,903	10,159	46.7%
Cash-flow after tax ²	19,322	14,692	31.5%

EVOLUTION OF RESULTS

During the first quarter, the Group has kept its internal prevention protocols updated and rigorously applied, a fact that has made it possible to prevent and minimize the risks of the spread of the coronavirus for the Group's people and operations. These actions have allowed the work canters to have maintained their activities and, with this, have fulfilled their commitments despite the maintenance of the exceptional situation.

The consolidated net turnover for the first quarter of this year that amounted to EUR 78.4 million, EUR 11.2 million higher than that of the same period 2020.

By business lines, the Tobacco Industry line increased its sales by 19.9%, overcoming the same period of last year by EUR 8.4 million.

In the Industrial Products line, sales have grown by EUR 3.6 million, which represents an increase of 18.8% compared to those obtained in the first quarter of the previous year. The good performance of Terranova continues to which is

¹ Gros operating profit plus depreciation

² Profit after tax plus depreciation



added the recovery of special pulps for this line of business and that of the rest of the range of industrial papers, all this despite the unfavorable evolution of the exchange rate.

In the "Others" line, billing has decreased compared to the same period of the previous year, mainly as a consequence of the impact of the COVID-19 pandemic on demand in the publishing and graphic industry markets, a fact that continues to force the adoption of temporary organizational measures for this segment.

The Parent Company, of the three months of the exercise, has reached a sales figure of EUR 48.0 million, EUR 5.9 million higher than the previous quarter.

The consolidated profit after tax has reached EUR 14.9 million, which represents an increase of 46.7% compared to that obtained in the same period of the previous year. These results are not expected to be recurring due to the fact that raw material costs have been maintained in the first quarter, mainly due to previously acquired inventories; a significant increase in sales as a result of traffic problems in the past period and a demand that has been much higher than expected and foreseeable.

The Tobacco Industry line has exceeded the result of the first quarter of the previous year by EUR 4.3 million. The Industrial Products line, driven by demand and the good development of operations, has improved its results by EUR 2.3 million, while the "Others" line has been affected by the weakness of the publishing market and adjustments in production capacity.

The estimated effective tax rate for this period has been 23.45%, higher than of the same quarter of the previous period, as a consequence of the increase in the tax base.

The net result of the Parent Company was EUR 8.3 million, 20% higher than the result of the first quarter of 2020 mainly due to the higher result of the Tobacco Industry line described above.

Balance Sheets

<i>Thousand Euros</i>	March 2020	December 2020
Net fixed assets ³	174,578	174,697
Working capital requirement ⁴	83,011	77,163
Other non-current assets/(Liabilities)	(1,710)	(1,561)
Capital employed	255,879	250,299
Equity	(308,418)	(293,627)
Net financial debt ⁵	52,539	43,328

³ Intangible assets and net tangible assets.

⁴ Inventories plus trade debtors and other accounts receivable and other current assets, less current provisions, trade creditors and other accounts payable and other current liabilities.

⁵ Current and non-current financial assets, cash and other equivalent means less debts with current and non-current credit institutions



Financial Rates

<i>Thousand Euros</i>	March 2020	December 2020
Long-term financial debt	(49,145)	(49,145)
Short-term financial debt	(16,924)	(18,582)
Cash and other current financial assets	80,030	78,645
Non-current financial assets	35,579	32,410
Net financial debt⁵	52,539	43,328
Net equity	308,418	293,627
Leverage ratio	n/a	n/a

Fixed assets remain stable in the quarter when balancing the new additions to investments and amortization provisions. The increase in NOF by EUR 5.8 million is mainly explained by an increase in the balance of current debtors by EUR 11.7 million as a result of the increase in sales in the quarter, partly offset by the reduction in inventories.

FINANCIAL POSITION

Cash-flow after tax has exceeded that obtained in the first quarter of 2020 by 31.5%, reaching EUR 19.3 million. The main applications of the resources generated in the period have been the financing of the NOF for EUR 5.8 million, the investment in fixed assets for EUR 4.4 million, the acquisition of treasury shares for the amount of EUR 1.9 million and the amortization of EUR 1.7 million of the short-term debt whose maturity was this quarter. The remaining cash generation has been used for financial investments in CP and LP as well as to increase the Group's liquidity.

STOCK EXCHANGE SITUATION

The main information on share trading in the exercise 2021 was as follows:

Days of trading	63 days
Number of shares traded	1,277,805
Value of shares traded	€ 18,347 thousand
Maximum price	€ 15.60 per share
Minimum price	€ 13.60 per share
Average price	€ 14.36 per share
Final price	€ 15.40 per share

TREASURY STOCK

The Parent Company, in the exercise 2021 and making use of the authorization for the derivative purchase of its own shares granted by the General Shareholders Meeting of June 20, 2018, has acquired 132,847 shares on the stock market, which represent 0,43% of the Share Capital within the framework of the share buyback program reported to the CNMV on January 16, and 27 of November to 2020 and of the special operations that have been duly notified.



It should be noted that the current stock option, framed in the personnel remuneration plan is in its consolidation phase.

OUTLOOK

The Group's results in the first quarter of the year confirm the growth expectations already announced for this period at the end of the previous year, significantly exceeding the same period of the previous year (first quarter affected by the COVID-19 pandemic).

Although the increase in the result of the first quarter as mentioned has been based, in addition to non-recurring specific effects, by strong demand, the estimate for the second quarter is that good results will also be obtained in relation to the outlook, based on both in the demand, as in the proper functioning of the operations and in the entry into operation of the investments made.

The Group remains prudent in terms of forecasting results for the second half of the year, where increases and volatility in the prices of raw materials and energy, and the maintenance of the pulse of demand, make it difficult to predict the evolution of results. However, the Group, with the endorsement of the effects of the investments and its product policies, revalidates the perspective of exceeding the results of the previous year.