miquel y costas & miquel, s.a.

INTERMEDIATE STATEMENT

1st QUARTER OF 2022

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INTERMEDIATE STATEMENT
FIRST QUARTER 2022 RESULTS

The consolidated results and other financial figures for the first quarter of 2022 are homogeneous with those of 2021 and are presented in accordance with the provisions of the International Financial Reporting Standards (IFRS) as adopted by the European Union, subject to the new regulations, modifications and interpretations in force. For their part, the results of the 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 and the modifications incorporated therein, the latest being those incorporated by means of the Royal Decree 1/2021, of January 12, in force for fiscal years beginning on or after January 1, 2021.

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 2022 and compared with the previous year all them expressed in thousands euros, were are follows:

Profit and Loss

Thousand Euros	1st Q 2022	1st Q 2021	Var.(%)
Sales	85,143	78,410	8.6%
EBITDA[1]	14,795	23,787	(37.8)%
Operating Profit	10,280	19,368	(46.9)%
Profit before tax	10,345	19,468	(46.9)%
Profit after tax	7,862	14,903	(47.2)%
Cash-flow after tax[2]	12,377	19,322	(35.9)%

EVOLUTION OF RESULTS

The consolidated net turnover for the first quarter of this year that amounted to EUR 85.1 million, EUR 6.7 million higher than of the same period 2021.

By business lines, the Tobacco Industry have been stable in comparation wit the same period of the previous year, o which the price increases practiced have

[1] Gros operating profit plus depreciation
[2] Profit after tax plus depreciation·

collaborate. In the Industrial Products line, sales have grown by EUR 5.4 million, which represents an increase of 24% compared to those obtained in the first quarter of the previous year. The aforementioned evolution, in addition to the good performance of the Terranova and MB markets in terms of product mix and volumes at the same time as the market for industrial products from the parent company and Clariana, is accompanied by price increases applied to industrial products for mitigate inflation (mainly energy, but also raw materials), in combination with the appreciating evolution of the US dollar.

In the "Others" line, billing has increassed compared to the same period of the previous year, as a consequence in demand and price increases in publishing and the graphic industry (sectors particularly affected by the pandemic COVID, in two previous years).

The Parent Company, of the three months of the exercise, has reached a sales figure of EUR 53.9 million, EUR 5.9 million higher than the previous quarter. derived from the increase in sales in the segment of the industrial products and the price increase policy.

Despite the increase in sales, the evolution of the results in the first quarter of the year has been marked by exogenous elements that have conditioned the Group's results, among which the high cost inflation stands out, particularly energy and also raw materials, supply chain disruptions, geopolitical tensions and, to a lesser extent, the Covid-19 pandemic.

The consolidated profit after tax has reached EUR 7.9 million, which represents an decrease of EUR 7 million compared to that obtained in the same period of the previous year. These reduction, already anticipated in the last communication, has been caused by the exposed factors materialized in a significant increase in the prices of supplies, especially electricity and gas energy and to a different extent those of manufacturing materials, the permanence and even increase of logistical difficulties and operational complications originating from geopolitical tensions now embodied in the form of armed conflict. These factors have not been compensated in the first quarter by the commercial actions due to the different speeds of their evolution.

The Tobacco Industry line has reduced the operating result of the first quarter of the previous year by EUR 5.2 million, affected by the cost increase, in a context of stable sales. The Industrial Products line, despite the increase in sales, has decreased the operating result by EUR 4.0 million, while the “Others” line has reduced it to a lesser extent than the other segments.

The estimated effective tax rate for this period has been 24%, 1% higher than of the same quarter of the previous period, mainly of the regulatory changes, than have been reduced the effective tax in the application.

The net result of the Parent Company was EUR 4.8 million, EUR 3.6 milion less, compared to that obtained in the same period of the previous year, mainly due to the lower result of the line of the tobacco industry described above.

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Balance Sheets

Thousand Euros	March 2022	December 2021
Net fixed assets[3]	182,787	179,530
Working capital requirement[4]	89,432	83,853
Other non-current assets/(Liabilities)	(1,887)	(1,923)
Capital employed	**270,332**	**261,480**
Equity	(327,088)	(322,897)
Net financial debt[5]	56,756	61,437

Financial Rates

Thousand Euros	March 2021	December 2021
Long-term financial debt	(41,804)	(41,564)
Short-term financial debt	(15,267)	(16,467)
Cash and other current financial assets	78,035	81,242
Non-current financial assets	35,792	38,226
Net financial debt[5]	**56,756**	**61,437**
Net equity	**327,088**	**322,897**
Leverage ratio	**n/a**	**n/a**

Continuing with its investment plan, the Group's net fixed assets increased by EUR 3.2 millions, and depreciation by EUR 4.5 million. The increase in NOF by EUR 5.6 million is mainly explained by an increase in the balance of current receivables by EUR 11.2 million originating from the higher billing volume, however, partially offset by the increase in credit balances with suppliers amounting to EUR 5.4 million.

FINANCIAL POSITION

Cash-flow after tax has exceeded that obtained in the first quarter of 2021 by was EUR 12.4 million. The main applications of the resources generated in the period have been the financing of the investment in fixed assets for EUR 7.7 million, the financing of NOFs for EUR 5.6 million, the acquisition of treasury shares for an amount of 1, 8 million euros and the repayment of short-term debt for EUR 1.2 million.

[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

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STOCK EXCHANGE SITUATION

The main information on share trading in the exercise 2022 was as follows:

Days of trading	64 days
Number of shares traded	1,184,527
Value of shares traded	€ 14,759 thousand
Maximum price	€ 13.78 per share
Minimum price	€ 11.30 per share
Average price	€ 12.50 per share
Final price	€ 12.52 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 22, 2021, has acquired 142,234 shares on the stock market, which represent 0,36% of the Share Capital,

It should be noted that the current 2016 stock option plan is in its exercise phase during the established period.

OUTLOOK

The results of the Group in this quarter reflect the solidity of the business model in one of the most adverse environments of the decade, in which it has had to face high inflation with a great impact on energy prices today historical records, issues arising from geopolitical tensions such as the war in Ukraine and the Covid-19 pandemic that currently has a higher incidence in China.

The Group maintains the improvement in terms of the results forecast for the second quarter, and expects an improvement in the evolution of supply prices in the medium term, counting on the effectiveness of the sales price policy put into operation reaching its maturity in the period April~September.

Despite all of the above, and although with some differences derived from the exogenous factors described above, the Group ratifies its estimates for the year 2022, hoping that the last quarter of the year may be indicative of its future trajectory, fully incorporating the results of the ongoing and planned investments, except for the impact of the shutdown and start-up of the investment in Machine 2 of MB for more than 20 million euros, which will allow the start of a new cycle of growth to which the Group remains committed .

For all these reasons, the Group maintains the execution of its important investment plan, as well as continuity with the dividend distribution policy.