



miquel y costas & miquel, s.a.

INTERIM STATEMENT

FIRST QUARTER 2024

INTERIM STATEMENT
OF FINANCIAL REPORTING
CORRESPONDING TO 1ST QUARTER 2024

The consolidated results and other financial magnitudes for the first quarter of 2024 are presented according to the International Financial Reporting Standards (IFRS), as adopted by the European Union, including the current new standards, amendments and interpretations since the beginning of the current financial year, without having had a significant impact. The financial statements of the individual companies are presented in accordance with the accounting principles and valuation rules contained in the Spanish National Chart of Accounts, approved by Royal Decree 1514/2007 of 16 November 2007 and subsequent amendments*. In both cases the data are comparative with those of the same period of the previous year.

MAIN FIGURES

The main economic and financial data of the Miquel y Costas Group for the first quarter of the financial year 2024 and comparative figures for 2023, all expressed in thousands of euros, are as follows:

Profit and loss.

<i>In thousands of euros</i>	1T 2024	1T 2023	Var %
Net revenue	82.567	84.599	(2,4%)
Gross operating profit (EBITDA) ¹	21.583	18.805	14,8%
Operating result	16.658	14.170	17,6%
Profit before tax (PBT)	17.286	14.538	18,9%
Profit after tax (BDI)	13.051	11.049	18,1%
Cash-flow after tax (CFDI) ²	17.976	15.684	14,6%

Evolution of the results

Consolidated net revenue in the first quarter of the year 2024 has amounted to 82.6 million euros. Net revenue achieved is slightly lower than the obtained in the same period of the previous year

By business segment, the tobacco industry business has increased its net revenue by 6,9% leveraged on the good evolution of pulp sales in this business segment. Sales of industrial products has decreased by 4.2 million euros affected by price moderation due to of the reduction of the inflationary pressures on energy costs, the slowdown in demand in some geographies derived from the current geopolitical conflicts and the homologation process of the papers produced in MB's machine (refurbished last financial year). In the "Other Business" segment, the net revenue has decreased by 1.3 million euros in relation to the same period of last year due to the weak demand in the graphic publishing segment.

Miquel y Costas net revenue (parent company) in the first quarter of the year has amounted to 52.7 million euros, in line with the net revenue of the Group.

Consolidated operating profit after tax has increased by 13.1 million euros, equivalent to an improvement of 2.0 million euros compared to the same period of the previous year. This improvement, already anticipated in the last communication, has been led mainly by the commercial policies carried out, in a period characterised by the reduction of the inflationary pressures over the cost of energy and despite the increase of pulp price. These factors, jointly with the implementation of the investments, has allowed to continue with the recovery trend of the historical margins of the Group.

¹ Gross operating profit plus depreciation and amortisation.

² Profit after tax plus depreciation.

*Royal Decree 1159/2010 of 17 September 2010

RD 302/2016 of 2 December

RD 1/2021, of 12 January, in force from the beginning of the financial year 2021.

By business segments, the tobacco industry business has improved the result obtained in the first quarter of the year by 1.7 million euros, the industrial products segment, despite the evolution of net revenues, mentioned before, has increased the operating result by 0.8 million euros while the “Other Business” line decreased by 0,2 million euros compared to the same period of the previous year.

The estimated effective tax rate for this year has been 24.5%, which is in line with the obtained in the entire fiscal year 2023.

The parent company has obtained a profit after tax of 7.5 million euros in the first quarter of the present fiscal year, which represents an increase of 0,2% compared to the first quarter of the previous year.

CONSOLIDATED BALANCE SHEET

<i>In thousands of euros</i>	March 2024	December 2023
Net Fixed Assets ³	193.639	193.554
Working capital requirements (WCR) ⁴	121.195	110.192
Other Net Assets/Liabilities	(2.622)	(2.640)
Capital employed	312.212	301.106
Equity	(370.378)	(354.781)
Net financial debt	58.167	53.675

In the first quarter of the year, the Group has continued with the investment plan for the period, which has allowed to maintain the net fixed assets. The working capital requirements (WCR) in the period have increased by 11 million euros mainly because of the reduction of balances with the public administration by 5.7 million euros and the variation of the operating balances by 5.3 million euros.

FINANCIAL SITUATION

<i>In thousands of euros</i>	March 2024	December 2023
Long-term financial debt	(36.047)	(30.453)
Short-term financial debt	(21.870)	(22.462)
Cash and other current financial assets	59.797	63.045
Non-current financial assets	57.598	43.575
Net financial debt⁵	58.166	53.675
Equity	370.378	354.2
Leverage ratio	n/a	n/a

The net financial debt (net cash) at the end of the first quarter shows a debit balance of 58.2 million euros, which is 4.5 million euros higher than the end of fiscal year 2023.

³ Net intangible assets and property, plant and equipment.

⁴ Inventories plus trade and other receivables and other current assets, less current provisions, trade and other payables and other current liabilities.

⁵ Current and non-current financial assets, cash and cash equivalents less current and non-current bank borrowings.

In the first quarter of the fiscal year 2024, with the commitment of continuing to provide the Group with the necessary flexibility and liquidity, the Group reinforced its financial structure by obtaining additional financing from credit institutions, fact that has allowed the Group to extend the maturity.

Cash flow after tax in the first quarter of financial year 2024 has amounted to 17.9 million euros. The main uses of these funds were mainly the financing of fixed assets investments amounting to 5.0 million euros, the financing of the working capital requirements (WCR) described before, and the acquisition of treasury shares in the amount of 0.4 million euros.

STOCK INFORMATION

The main information regarding the stock trading during the first quarter of 2024 was as follows.

Trading days	63 days
Number of shares traded	353.181
Value of shares traded	3.992. thousand euros
Maximum price	11,86 euros/share
Minimum share price	10,98 euros/share
Average price	11,30 euros/share
Last price	11,66 euros/share

TREASURY SHARES

The parent company during the first quarter of the financial year 2024, using the authorisation for the derivative purchase of its own shares approved by the General Shareholders' Meeting of 22 June 2021, within the framework of the Share Buyback Programme reported to the CNMV on 30 November 2023 and the special transactions that have been duly communicated subsequently has acquired 38.770 shares representing 0.10% of the share capital.

It should be noted that the current 2016 stock option plan has been in its execution phase since February 2022 and 3.818 options have been executed in the first quarter of the financial year 2024.

PERSPECTIVES

The results achieved by the Group in the first quarter of the financial year 2024, are in line with the expectations announced, observing a significant improvement in the results in comparison to the previous year due to the recovering of the historical margins already started in previous quarters.

The macroeconomic context is uncertain, fact that may come to affect the demand volatility. at the same time, high interest rates persist, fact that are leading customers to optimize their working capital. Additionally, these facts coexist with an unstable geopolitical environment that affects international trade in several areas. Despite this, if energy costs continue as in the first quarter and raw material prices do not suffer significant variations, the Group expects to obtain in the second quarter a result in line first quarter.

The Group confirms its objectives for the financial year 2024, being the main goal to maintain the profitability levels thanks to the consolidation of recent investments in the industrial products segment and the new investment plans for this financial year, as long as there is some stability on the energy prices and the demand continues in a predictable way.

ANNEX I - USE OF ALTERNATIVE MEASURES OF PERFORMANCE (MARs).

The Company has proceeded in compliance with the ESMA guidelines on APMs (ESMA/2015/1415es of October 2015) to:

- Disclose the definitions of each MAR.
- Provide comparative information for each MAR presented, maintaining consistency of definitions and MARs calculations over time.

The breakdown of all MARs including their denomination, definition and use is as follows:

DENOMINATION	DEFINITION	USE
Net fixed assets (non-current)	Net tangible fixed assets Net Intangible Fixed Assets	Information on the book balance of these assets including realised investments
WCR	Stocks (+) Trade and other receivables (+) Other current assets (+) (Current provisions) (-) (Trade and other accounts payable) (-) (Other current liabilities) (-)	To analyse the need for operational funds from current activity
Other Net Assets/(Liabilities)	Deferred tax assets (+) Other non-current assets (+) (Other non-current liabilities) (-) (Deferred tax liabilities) (-)	Result of the netting of current balance sheet items that supplement the capital employed
Equity	Own funds (+) Adjustments for change in value (+) / (-) Other items from external sources (+)	Information to explain the financing of the net assets employed
DENOMINATION	DEFINITION	USE
Total net financial debt	(Financial indebtedness L.P) (-) (Financial indebtedness C.P) (-) Cash and financial investments (+) Financial investments L.P (+)	Determination of the Group's net financial position
EBITDA	Operating profit/(loss) (+) Depreciation charge (+) and depreciation	To analyse the company's capacity to generate profit considering only its productive activity.
CFDI-Cash Flow after tax	Profit/(loss) after tax (+) Depreciation charge (+)	To understand the company's operational capacity to generate liquidity.