



VISCOFAN IN THE STOCK MARKET



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Stock markets

In 2019 the world economy moderated its growth for another year. According to International Monetary Fund (IMF) estimates, global GDP will grow by +2.9% in 2019 and +3.3% in 2020, below 3.6% in 2018. This slowdown has taken place in the core economies (United States, Eurozone, China), amidst the uncertainty caused by trade tensions, particularly between the USA and China, the instability seen in several emerging countries and weather disasters.

Against this backdrop, the main Central Banks have pursued accommodative monetary policies, and together with the progress of trade negotiations between the United States and China at the end of the year have led to the main world equity indices ending 2019 with significant rises. Of note in Europe is the Euro Stoxx 600, which closed 2019 up by +23.2%, in Spain the Ibex 35 up by +11.8%, the German DAX +25.5% and the French CAC +26.4%. In the United States, the S&P 500 index gained 28.9%.

Viscofan shares

Viscofan shares are listed on the Spanish stock markets of Madrid, Barcelona and Bilbao. In addition, the shares have traded on the continuous market since its flotation in December 1986, belong to the Ibex 35 index, the Madrid Stock Exchange General Index (IGBM) and form part of the Consumer Goods segment of the food subsector, as well as the Euro Stoxx Food & Beverage index and the Eurostoxx 600 index.

In the first half of the year the share price trended upwards. However, the announcement in the 2Q19 results publication of the non-achievement of the initial growth targets expected for the year caused the share to fall to an annual low of €40.12 per share.

Subsequently, the improvement in the 3Q19 results, in line with the new growth objectives announced, drove the share price up to close 2019 at €47.1, a decrease of -2.1% but an increase of +1.5% if the dividends paid during the year are included.

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Creating shareholder value



The investment of a shareholder who invested 1,000 euros in Viscofan shares at the end of December 2009, and held them at 31 December 2019, was worth 2,638 euros, and in these 10 years this individual also received 688 euros in dividends, a combined return of 333%.

Throughout the different strategic plans, the Viscofan Group has built a sound business model. This characteristic entails the creation of cash flows that allow investment projects to be carried out in order to improve value creation, which is shared with shareholders in cash and at the same time maintaining a sound balance sheet structure.

In this respect, the stock market continues to recognise the Viscofan Group's value creation, and is combined with the Group's commitment to shareholder remuneration. Thus, in the last ten years the average annual return has been 10% and 13%, taking into account shareholder remuneration. Analysing the creation of value over time, this is greater for shareholders who have held shares in Viscofan for a longer period of time. For example:

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The Viscofan Group is immersed in the strategic plan known as MORE TO BE, which covers the period between

2016 and 2020, looking ahead in its value creation proposal that entails the objective of leading the main casings markets in service, technology and cost. An ambitious and investment-intensive target, with €327 million earmarked for investments between 2016 and 2019 but without requiring additional efforts from shareholders while maintaining a sound balance sheet.

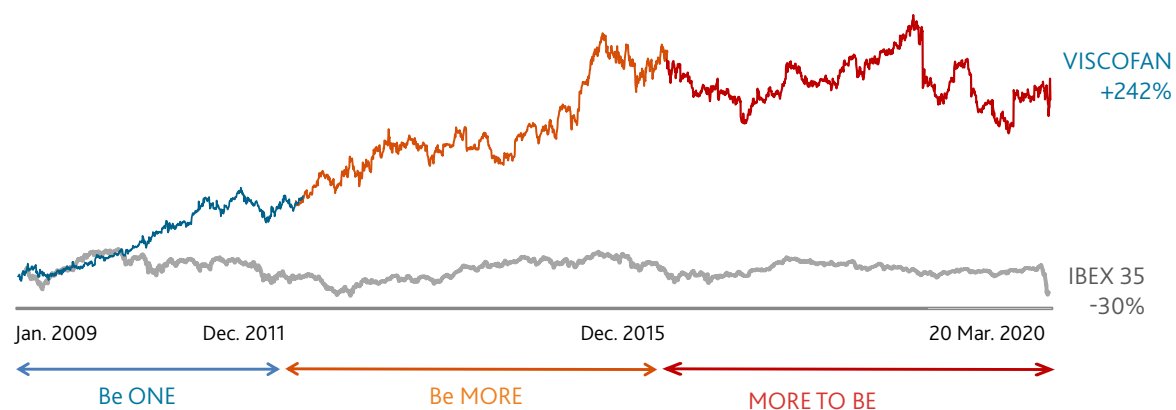
Alongside this, the financial and operational strength of the company allows for a further increase in shareholder remuneration. Thus, the remuneration proposed by the Board of Directors for 2019 amounts to €1.62 per share, 1.3% higher than the ordinary remuneration of 2018 and represents a total distribution of €75.1 million, equivalent to 71.1% of the total net profit attributed to the Viscofan Group.

In terms of profitability, the total dividend proposed for 2019 is 3.4% of the average share price during the year.

The detail of Viscofan's share performance compared to that of Ibex in the last 10 years is as follows:

Buy (31/12)		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TAE
2009	Viscofan	59.7%	61.4%	141.0%	132.8%	148.1%	213.3%	163.8%	209.7%	170.9%	165.2%	10.2%
2009	Ibex 35	-17.4%	-28.3%	-31.6%	-16.9%	-13.9%	-20.1%	-21.7%	-15.9%	-28.5%	-20.0%	-2.2%
2010	Viscofan		1.1%	51.0%	45.8%	55.4%	96.2%	65.2%	94.0%	69.7%	66.1%	5.8%
2010	Ibex 35		-13.1%	-17.2%	0.6%	4.3%	-3.2%	-5.1%	1.9%	-13.4%	-3.1%	-0.4%
2011	Viscofan			49.4%	44.3%	53.8%	94.1%	63.5%	91.9%	67.9%	64.3%	6.4%
2011	Ibex 35			-4.7%	15.8%	20.0%	11.4%	9.2%	17.2%	-0.3%	11.5%	1.4%
2012	Viscofan				-3.4%	2.9%	30.0%	9.4%	28.5%	12.4%	10.0%	1.4%
2012	Ibex 35				21.4%	25.9%	16.9%	14.5%	23.0%	4.6%	16.9%	2.3%
2013	Viscofan					6.6%	34.6%	13.3%	33.0%	16.4%	13.9%	2.2%
2013	Ibex 35					3.7%	-3.8%	-5.7%	1.3%	-13.9%	-3.7%	-0.6%
2014	Viscofan						26.3%	6.3%	24.8%	9.2%	6.9%	1.3%
2014	Ibex 35						-7.2%	-9.0%	-2.3%	-16.9%	-7.1%	-1.5%
2015	Viscofan							-15.8%	-1.1%	-13.5%	-15.3%	-4.1%
2015	Ibex 35							-2.0%	5.2%	-10.5%	0.1%	0.0%
2016	Viscofan								17.4%	2.7%	0.5%	0.2%
2016	Ibex 35								7.4%	-8.7%	2.1%	0.7%
2017	Viscofan									-12.5%	-14.4%	-7.5%
2017	Ibex 35									-15.0%	-4.9%	-2.5%
2018	Viscofan										-2.1%	-2.1%
2018	Ibex 35										11.8%	11.8%

Viscofan stock vs. Ibex 35 index



Viscofan, its shareholders and investors

One of Viscofan's objectives, through its Department of Investor and Shareholder Relations, is to create value for the investor community by improving accessibility, the transparency of information and providing shareholders with relevant information in order to gain a better understanding of the company itself and its results, strategy and operations.

Communication channels

Viscofan provides the investment community with a multitude of communication channels: presentations at seminars and events organised by the financial community, road shows with institutional investors, whether they be promoted by the company or by brokers, earnings presentations, the Shareholders' General Meeting, organised visits to Viscofan's head office, telephone calls to a dedicated investor and shareholder helpline, a special e-mail address, the notifications and regular public information submitted to the CNMV (Spanish National Securities Market Commission), as well as the information published on the website www.viscofan.com, especially in the Investor Relations section in which Viscofan makes the latest news, relevant facts, reports and quarterly presentations of results, annual report, share price performance, etc. available to the public.

The communication effort carried out throughout all these years has been recognised by the investment community. Institutional Investor in its "All European Executive Team" awarded Viscofan in 2019 the 1st prize as Best Investor Relations Program for Sell-Side of the Paper & Packaging sector. Also in previous years, in 2016 the 1st CEO for Sell-Side and 2nd Best CEO combined, and 3rd IR for Sell-Side in the Paper & Packaging sector, in 2015 the 2nd Best IR for Sell-Side, and in 2012 as 1st Best IR professional for the Sell-Side in the packaging and food sector.

Bidirectional communication is important, since the questions and concerns of the Financial Community are taken into account and transmitted within the company, making it possible to have a better overall view of it. In 2019 the most frequently asked questions related to the progress of the MORE TO BE strategic plan, the impact of the African swine fever on volumes, the increase in sales prices, the inflation of energy prices and CO2 emission allowances, shareholder remuneration, sales of new products, the influence of the vegan, vegetarian and flexitarian trend on the business, the impact of exchange rate variations, the acquisitions of Globus and Nitta Casings, among others.

Viscofan maintains fluid communication with the financial markets, so that in 2019 a total of 14 analysis companies, Spanish and international alike covered Viscofan on a recurring basis.

At the same time, in 2019 Viscofan held 223 face-to-face meetings with investors, both shareholders and non-shareholders interested in the company, in 2018 there were 210.



**INVESTOR AND SHAREHOLDER
PHONE NUMBER:**
+34948198436



**INVESTOR RELATIONS
EMAIL:**
info-inv@viscofan.com



**WEBSITE, INVESTOR RELATIONS
SECTION**
www.viscofan.com/investor-relations

Stock Exchange Highlights

Strategy M ORE TO BE 2016-2020					Strategy Be MORE Period				Strategy Be One Period		
Share price €	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Year-end price	47.10	48.12	55.01	46.85	55.64	44.07	41.35	42.81	28.66	28.36	17.76
Year high	56.55	66.20	56.33	56.06	60.93	48.36	43.70	42.81	30.59	29.65	18.20
Year low	40.12	46.20	46.75	41.84	43.04	36.24	35.65	28.45	22.51	17.64	12.81

Viscofan in the stock market evolution	Year end 2019	Year end 2018	Year end 2017	Year end 2016	Year end 2015	Year end 2014	Year end 2013	Year end 2012	Year end 2011	Year end 2010	Year end 2009
% annual change Viscofan	-2.1%	-12.5%	17.4%	-15.8%	26.3%	6.6%	-3.4%	49.4%	1.1%	59.7%	26.3%
% annual change IGBM	10.2%	-15.0%	7.6%	-2.2%	-7.4%	3.0%	22.7%	-3.8%	-14.6%	-19.2%	27.2%
% annual change IBEX 35	11.8%	-15.0%	7.4%	-2.0%	-7.2%	3.7%	21.4%	-4.7%	-13.1%	-17.4%	29.8%
% annual change Euro STOXX 600	23.2%	-13.2%	7.7%	-1.2%	6.8%	4.4%	17.4%	14.4%	-11.3%	8.6%	28.0%
% annual change Ibex Medium Cap	8.4%	-13.7%	4.0%	-6.6%	13.7%	-1.8%	52.0%	13.8%	-20.7%	-5.6%	13.8%
% annual change Sub sector Food and beverages IGBM	1.8%	-8.4%	5.2%	-5.4%	26.4%	-5.2%	4.7%	25.0%	-6.3%	25.3%	7.0%

Stock market trading data	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Market capitalization at year-end (millions of €)	2,190.2	2,242.6	2,563.7	2,183.4	2,593.0	2,053.6	1,927.1	1,995.1	1,335.7	1,321.7	827.7
Traded volume (million of €)	1,230.5	1,669.1	1,995.2	2,707.1	3,179.9	3,233.0	2,506.4	1,426.9	1,274.1	925.4	663.1
Daily average trading volume (million of €)	4.8	6.5	7.8	10.5	12.3	12.6	9.8	5.6	5.0	3.6	2.6
Traded shares	25,815,115	29,807,220	38,658,041	54,701,597	58,329,352	78,062,343	63,212,344	41,360,939	47,049,517	41,668,063	42,112,723
Daily average of traded shares	101,236	116,891	151,600	212,022	225,210	304,931	247,892	161,566	183,787	162,766	165,798

Share ratios	Year end 2019	Year end 2018	Year end 2017	Year end 2016	Year end 2015	Year end 2014	Year end 2013	Year end 2012	Year end 2011	Year end 2010	Year end 2009
Listed shares	46,500,000	46,603,682	46,603,682	46,603,682	46,603,682	46,603,682	46,603,682	46,603,682	46,603,682	46,603,682	46,603,682
Earnings per share ⁽¹⁾	2.273	2.658	2.620	2.684	2.575	2.284	2.178	2.254	2.172	1.745	1.379
Remuneration per share ⁽²⁾	1.620	1.600	1.550	1.450	1.350	1.180	1.120	1.100	1.000	0.800	0.623

(1) Net earnings per share is calculated by dividing net profit by the average weighted number of ordinary shares in circulation during the year, excluding treasury stock

(2) Includes: dividends, capital reimbursement, refund of issue premium and bonus for attending the General Meeting