



Delivering value Delivering commitments

November 2019



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Ence at a glance

Resilient business model, strong CF generation capacity & sustainable growth



Leading European eucalyptus pulp (BHKP) producer with 1.2 Mn tons of installed capacity and largest Spanish renewable energy generator with agroforestry biomass (316 MW by January 2020)

Global demand growth for wood pulp driven by increasing living standards in emerging countries

Strong competitive position in Europe: highly efficient facilities, JIT service and differentiated offering

Renewable Energy earnings secured by **stable regulation** and Ence's **strong expertise**

Excellence in Sustainability: safe & eco-efficient operations, sustainable products, involvement with local communities and rural development

Strong cash flow generation capacity

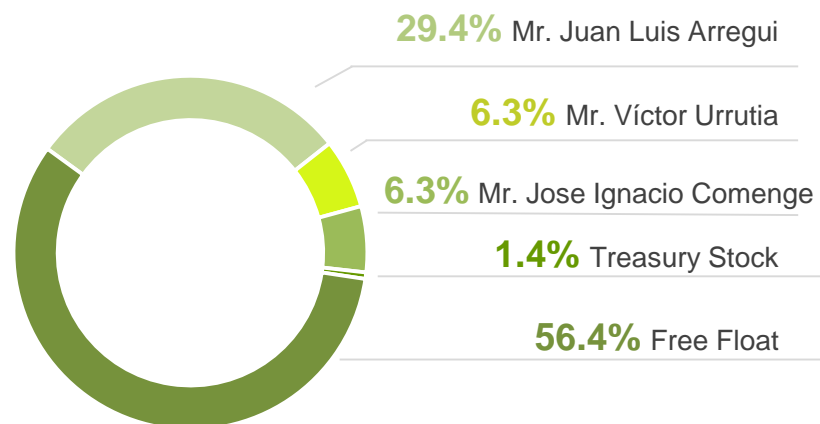
Stepwise **growth investments** subject to **financial discipline**

Dividends: 50% pay out policy

2019 – 2023 Strategic Plan focused on growth, diversification, excellence in sustainability & financial discipline

Supportive shareholder base And a strong corporate governance

Shareholding Structure



As of September 2019

Board of Directors



Juan Luis Arregui, Honorary Chairman and largest shareholder is founder of Gamesa and former Vice Chairman of Iberdrola

Ence is Pulp & Renewable Energy

Two businesses financially and operationally complementary & independent



Pulp Business



Leading European producer with
1.2 Mn tons of installed capacity:

Navia: 685,000 t

Pontevedra: 515,000 t

Cyclical pulp business,
dependent on the global pulp price
in dollars

Based on Ence's **wood supply
management expertise**

Long-term financing **without** maintenance
covenants and ample **liquidity**

Net Debt to EBITDA target below **2.5x**



Renewable Energy Business

Largest biomass operator in Spain with
316 MW of **Renewable Energy** installed
capacity by January 2020 & **2.1 GW**
pipeline

Regulated **Renewable Energy
business** provides **stability** and
high **visibility** of **revenues**

Based on Ence's **agroforestry biomass
supply management expertise**

Long-term financing and
ample **liquidity**

Net Debt to EBITDA limit of **4.5x**



**Both business are
independently financed and
reported**

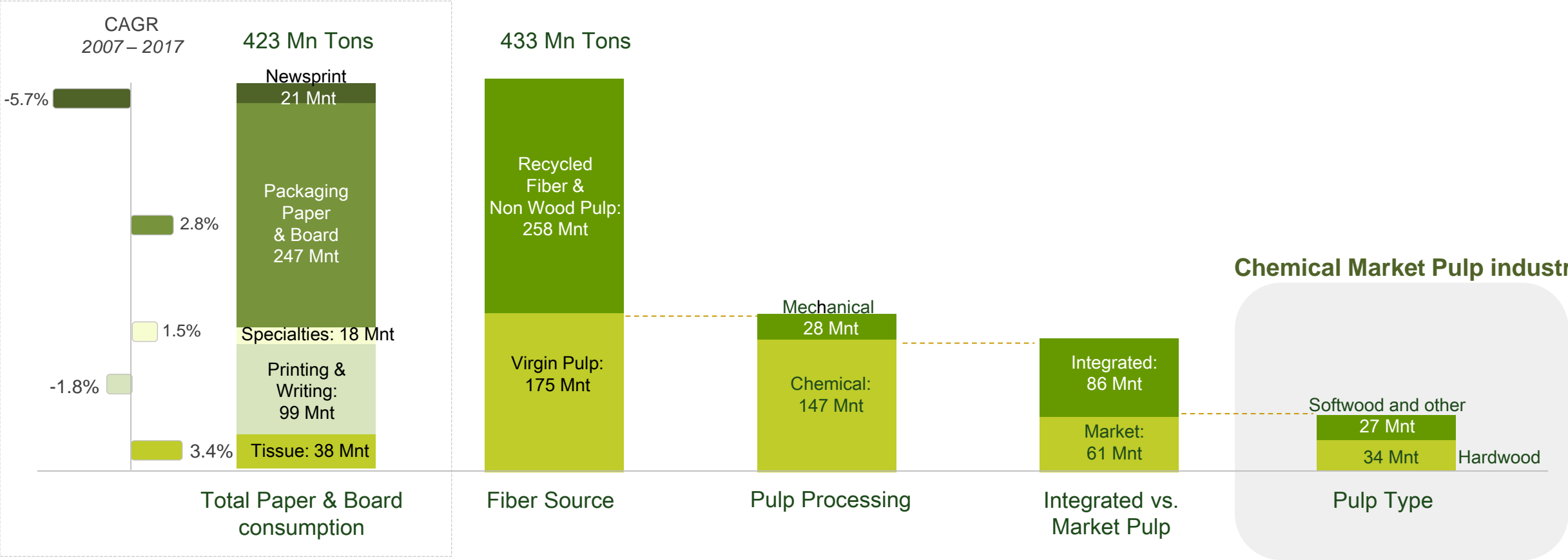


1 Pulp Business



Chemical Market Pulp industry

61 million tons in 2018



Source: RISI – Jan 2019; PPPC G-100 Dec 2018

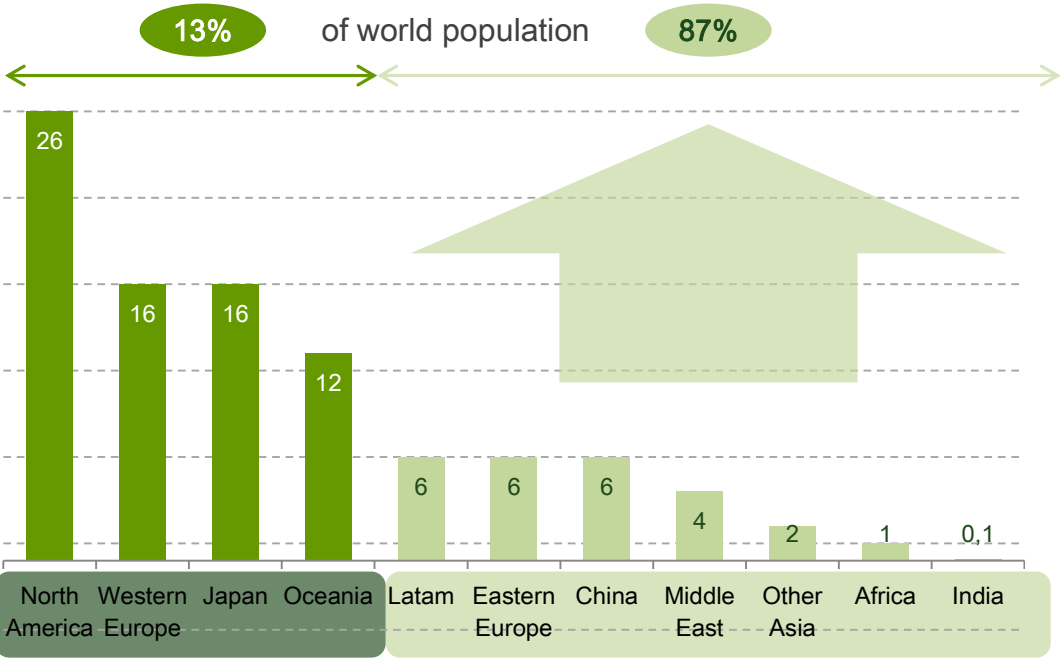
Ence is a leading European hardwood pulp producer with 1.2 Mn tons of installed capacity, competing in the global Chemical Market Pulp industry



Fastest growing tissue & hygienic products segments

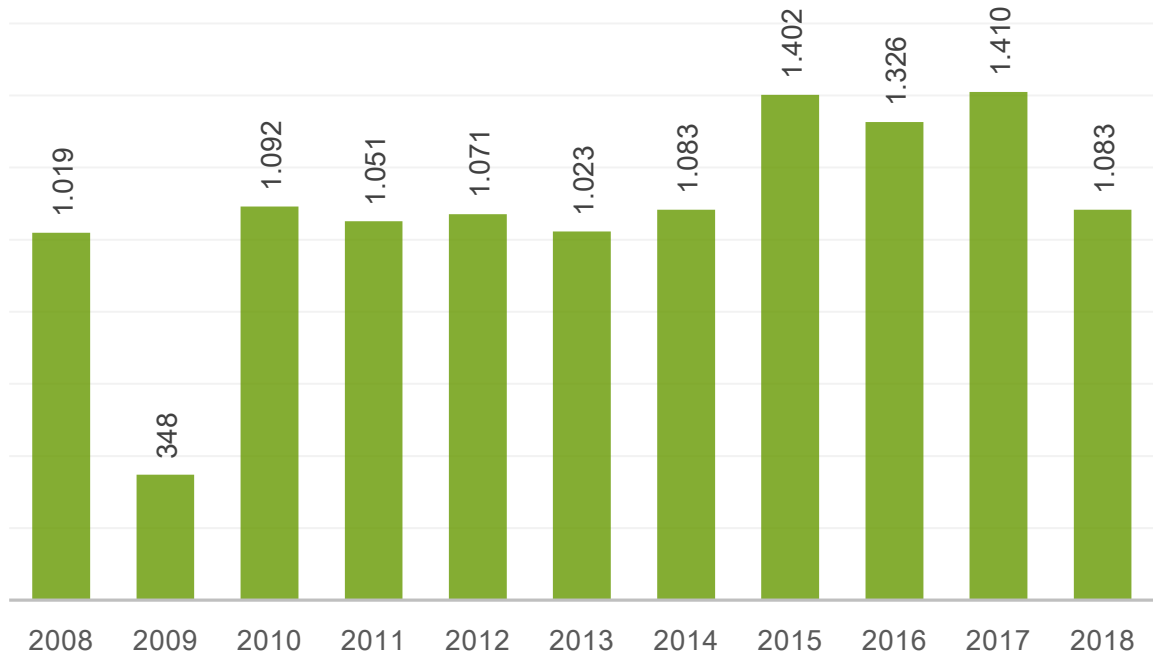
Account for close to 50% of global market pulp demand

Tissue paper per-capita consumption
Kg/year



Source: RISI

Tissue annual consumption growth
'000 t



Source: PPPC

3.3%
CAGR
2008-18

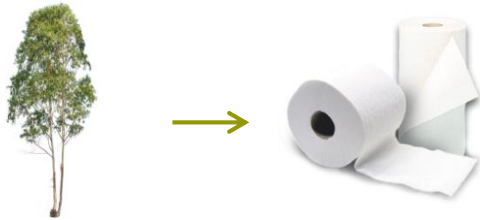
Driven by urban population growth and increasing living standards in emerging countries



Hardwood pulp vs. Softwood pulp

Eucalyptus pulp is cheaper to produce and best suited for tissue production

Hardwood pulp (BHKP)



Most hardwood pulp comes from **eucalyptus wood**

Best suited for paper products with high smoothness, opacity and uniformity (**i.e. tissue**)

IBERIAN GLOBULUS

- Forestry yield: 12 -18 m³ / ha / year
- Harvesting cycle: 12 - 15 years
- Industrial yield: 2.6 - 3.0 m³ / ton of pulp

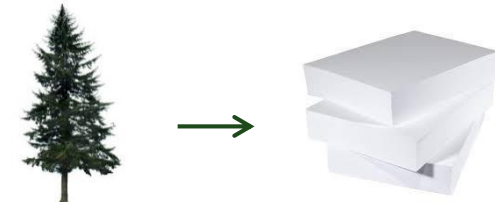


Low production cost

Substitutive materials



Softwood pulp (BSKP)



Most softwood pulp comes from **pine wood**

Best suited for paper requiring higher durability and strength (**i.e. printing & writing**)

NORDIC SCOTS PINES

- Forestry yield: 2 - 4 m³ / ha / year
- Harvesting cycle: 50 - 70 years
- Industrial yield: 4.8 - 5.2 m³ / ton of pulp



High production cost

**Long Term net
average spread of
100 \$/t**

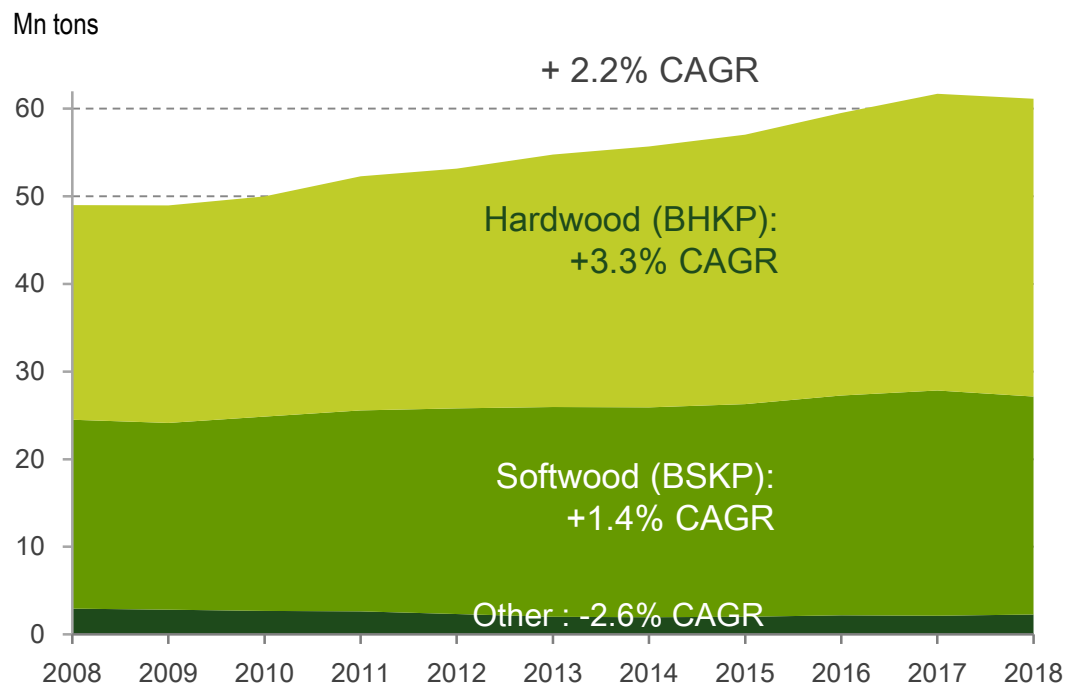


Eucalyptus only grows under very specific climate conditions, usually in warm subtropical regions
More abundant pines are better adapted to cold climates

Superior demand growth for Eucalyptus pulp

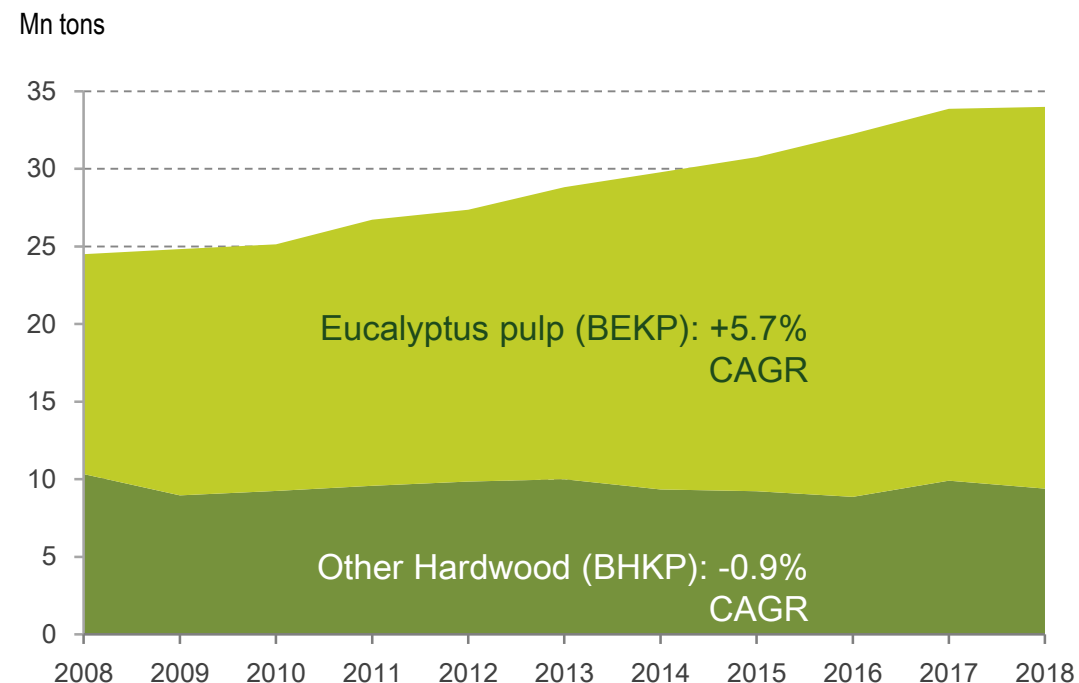
Which is leading global market pulp demand growth

Total market pulp demand evolution
Last 10 years



Source: PPPC G-100

Hardwood pulp demand evolution
Last 10 years



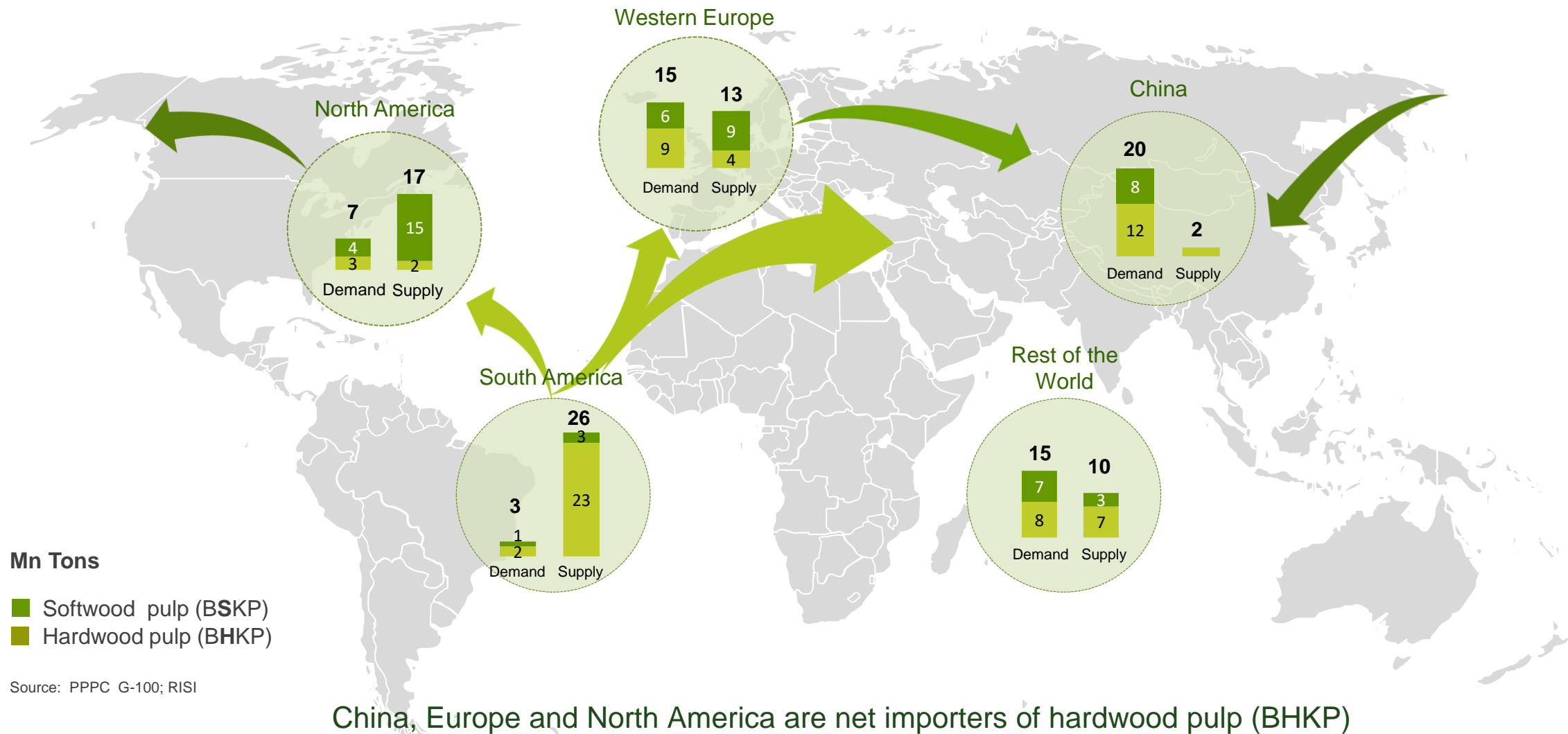
Source: PPPC G-100

The more efficient and best suited eucalyptus pulp is gaining market share against other hardwood and softwood pulp, following a demand increase of 10 Mn tons in the last 10 years



Tight global Market Pulp supply and demand balance

Global demand reached 88% of capacity in 2018



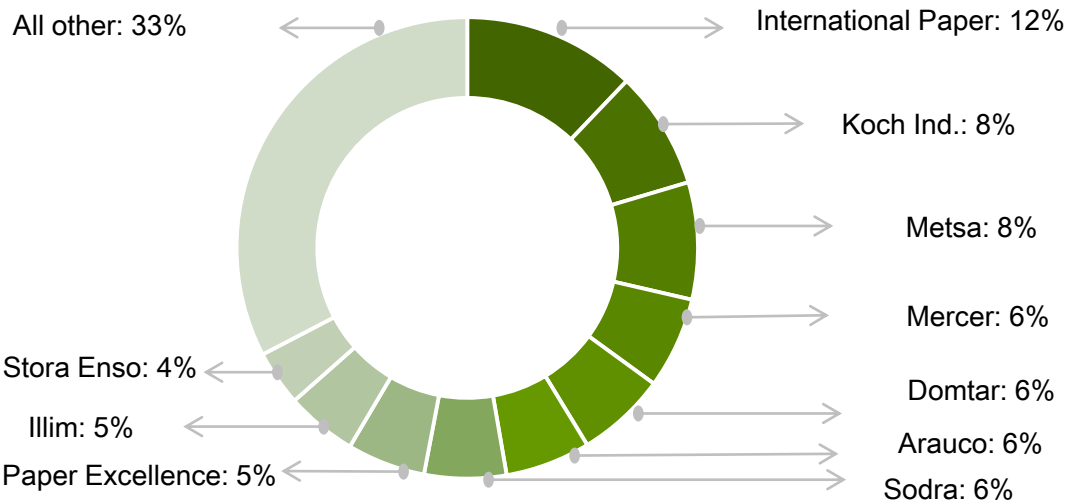
Source: PPPC G-100; RISI



Concentrated supply markets with high entry barriers

Next capacity increases are managed by incumbents

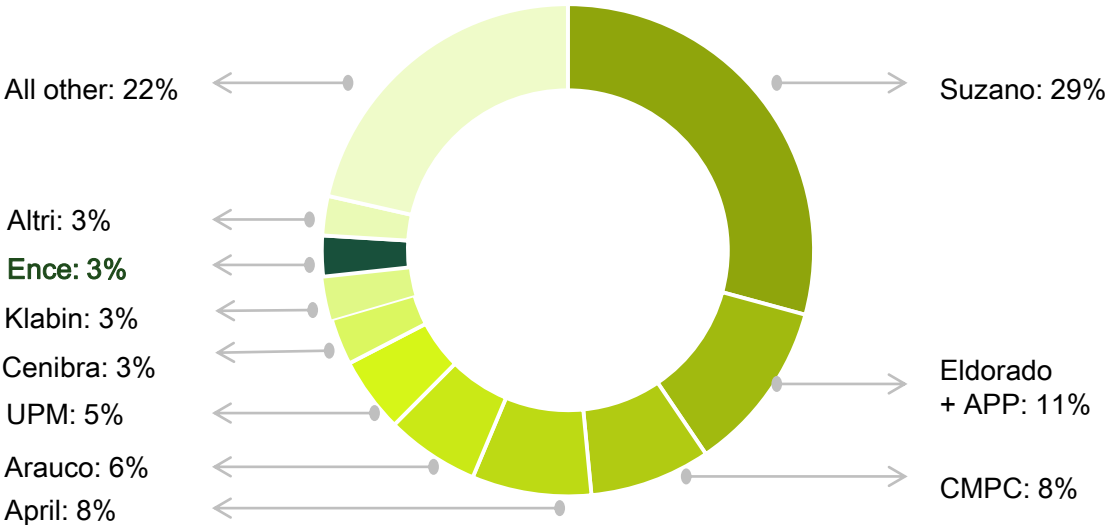
Global market share
Softwood pulp (BSKP)



Source: RISI 2018

Top 10 softwood pulp producers account for
67%
of global BSKP market share

Global market share
Hardwood pulp (BHKP)



Source: RISI 2018

Top 10 hardwood pulp producers account for
79%
of global BHKP market share



No large capacity increase confirmed until 2H 2021

Minimum lead time for new projects close to 3 years

Expected Annual Increase for Global Market Hardwood Supply & Demand

Mn t¹

Mn t	2019	2020	2019-20	2021	2019-21	2022	2019-22	2023	2019-23	2024	2019-24
ESTIMATED BHKP DEMAND CHANGE	0,5	1,5	2,0	1,0	3,0	1,0	4,0	1,0	5,0	1,0	6,0
CHINA	0,2	0,6	0,8	0,6	1,4	0,6	2,0	0,6	2,6	0,6	3,2
OTHER ASIA / AFRICA / OCEANIA / MIDDLE EAST	0,0	0,2	0,2	0,2	0,4	0,2	0,6	0,2	0,8	0,2	1,0
EUROPE	-0,4	0,1	-0,3	0,1	-0,2	0,1	-0,1	0,1	0,0	0,1	0,1
NORTH AMERICA	0,1	0,0	0,1	0,0	0,1	0,0	0,1	0,0	0,1	0,0	0,1
LATIN AMERICA	0,1	0,1	0,2	0,1	0,3	0,1	0,4	0,1	0,5	0,1	0,6
PAPER SUPPLY CHAIN PULP RESTOCKING	0,5	0,5	1,0		1,0		1,0		1,0		1,0
ESTIMATED BHKP SUPPLY CHANGE (CONFIRMED)	0,5	1,2	1,5	0,8	2,3	1,0	3,3	0,6	3,9	0,1	4,0
SUZANO (PRODUCTION CURTAILMENT)	-1,0	0,3	-0,7	0,7	0,0		0,0		0,0		0,0
SUZANO (IMPERATRIZ, MUCURI & MARANHÃO)				0,3	0,3		0,3		0,3		0,3
ARAUCO (VALDIVIA)	0,2	-0,4	-0,2		-0,2		-0,2		-0,2		-0,2
ARAUCO (HORCONES)				0,3	0,3	0,9	1,2		1,2		1,2
UPM (PASO DE LOS TOROS)						0,5	0,5	1,0	1,5	0,5	2,0
APP (OKI)	0,4	0,1	0,5		0,5		0,5		0,5		0,5
APRIL (KERINCI)	0,1	-0,1	0,0	-0,2	-0,2	-0,2	-0,4	-0,2	-0,6	-0,2	-0,8
APRIL (RIZHAO)	-0,3	-0,1	-0,4	-0,2	-0,6	-0,2	-0,8	-0,2	-1,0	-0,2	-1,2
ILIM (BRATSK)		0,2					0,0		0,0		0,0
ENCE (NAVIA & PONTEVEDRA)		0,1	0,1		0,1		0,1		0,1		0,1
MONDI (RUZOMBEROK)		0,1	0,1	-0,1	0,0		0,0		0,0		0,0
PHOENIX PAPER (WICKLIFFE)	0,2		0,2		0,2		0,2		0,2		0,2
GEORGIA PACIFIC (ALABAMA RIVER)	-0,1		-0,1		-0,1		-0,1		-0,1		-0,1
PULP PRODUCERS INVENTORIES REDUCTION	1,0	1,0	2,0		2,0		2,0		2,0		2,0
SURPLUS / DEFICIT	0,0	-0,3	-0,5	-0,2	-0,7	0,0	-0,7	-0,4	-1,1	-0,9	-2,0
POTENTIAL BHKP SUPPLY CHANGE (NOT CONFIRMED)								0,5	0,5	1,5	2,0
ELDORADO (BRAZIL)								0,5	0,5	1,5	2,0

Source:

ENCE estimates

1. Estimates correspond to the expected increase in supply and demand of market pulp for paper production. It excludes therefore the production of integrated pulp and other pulp grades such as Dissolving Pulp or Fluff



Ence's competitive advantages in the pulp business

JIT service and differentiated offering to European clients



Access to eucalyptus plantations around our pulp biomills

Eucalyptus only grows under very specific climatic conditions

Diversification into **pine**

Unique supply chain



Eucalyptus Pulp is cheaper to produce than softwood Pulp

80% of Softwood products can be produced with Hardwood pulp

Technical team dedicated to pulp usage transformation



High quality pulp and differentiated offering

Totally **chlorine free**

7 de-commoditized products, not easy to replicate with commodity pulp



Privileged access to the European market

Just in time service (5-7 days delivery vs. 40 days for Latam deliveries)

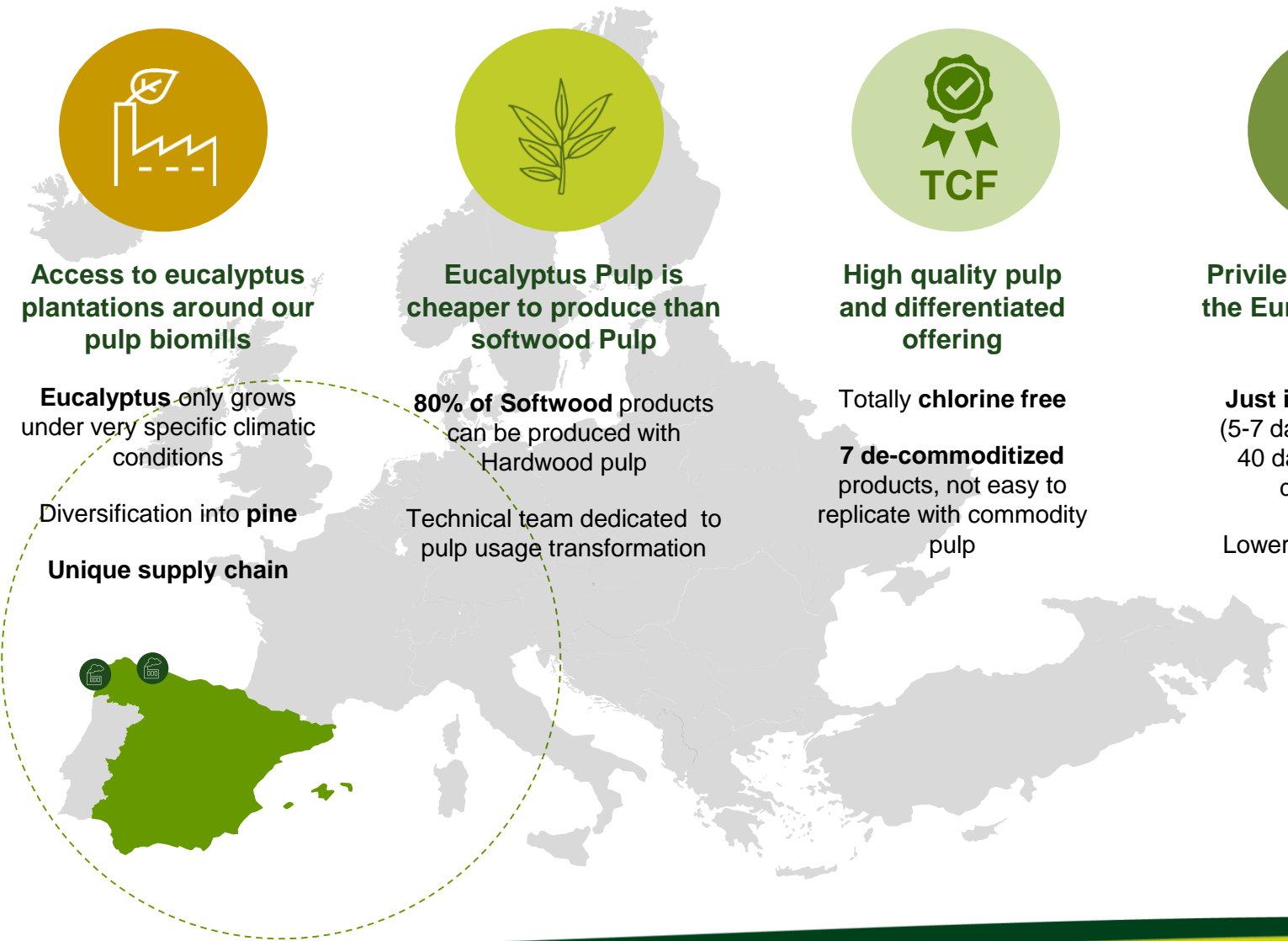
Lower logistics costs



High client diversification

Sales force **capillarity** >100 customers

Top customer service



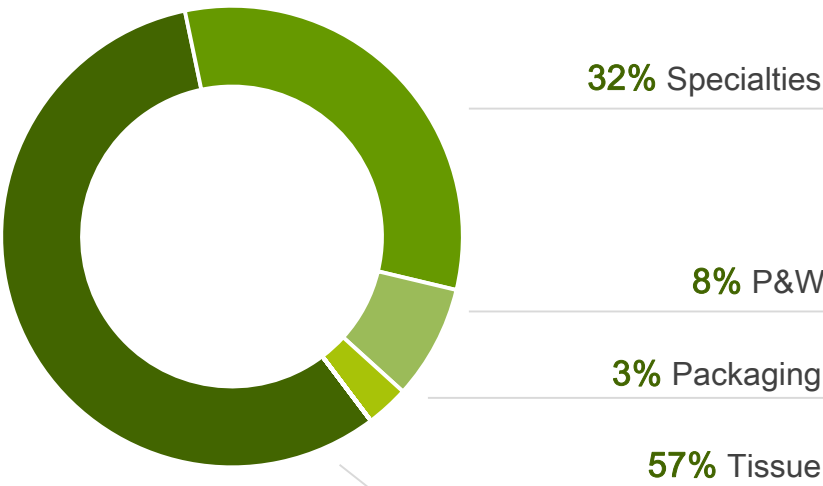


Ence's revenue breakdown

Focus on European market & bias toward higher growing segments



Breakdown of revenue
by end product

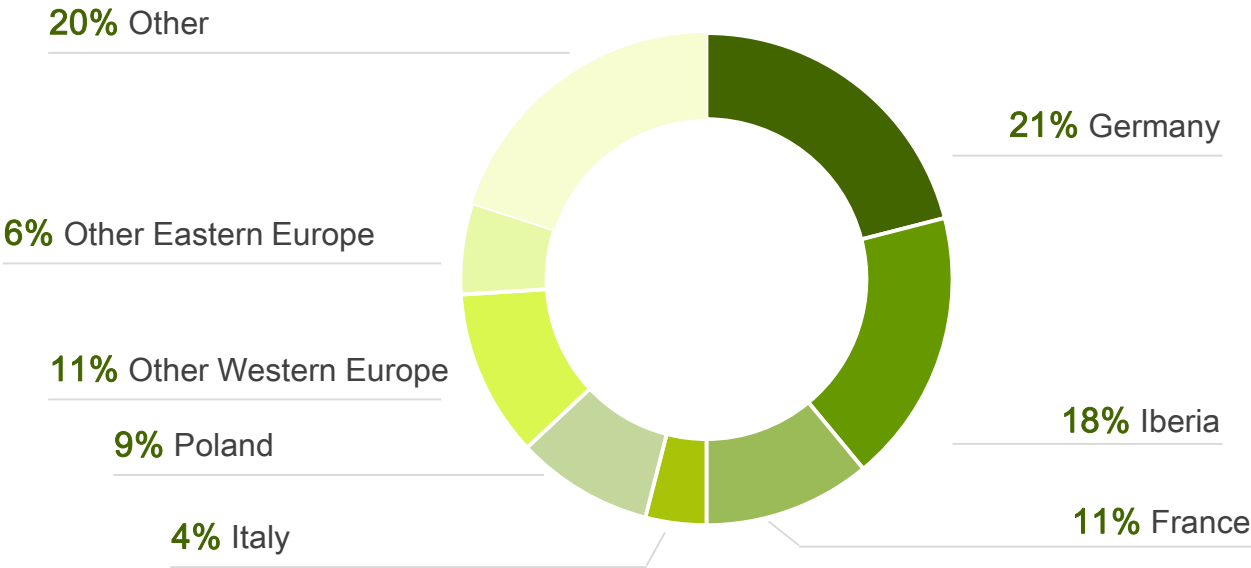


Tissue & Specialties paper remain the main end uses
given to the pulp sold by Ence

89%

of revenue from pulp sales

Breakdown of revenue
by geography market



Most of the pulp produced by Ence is sold in Europe

80%

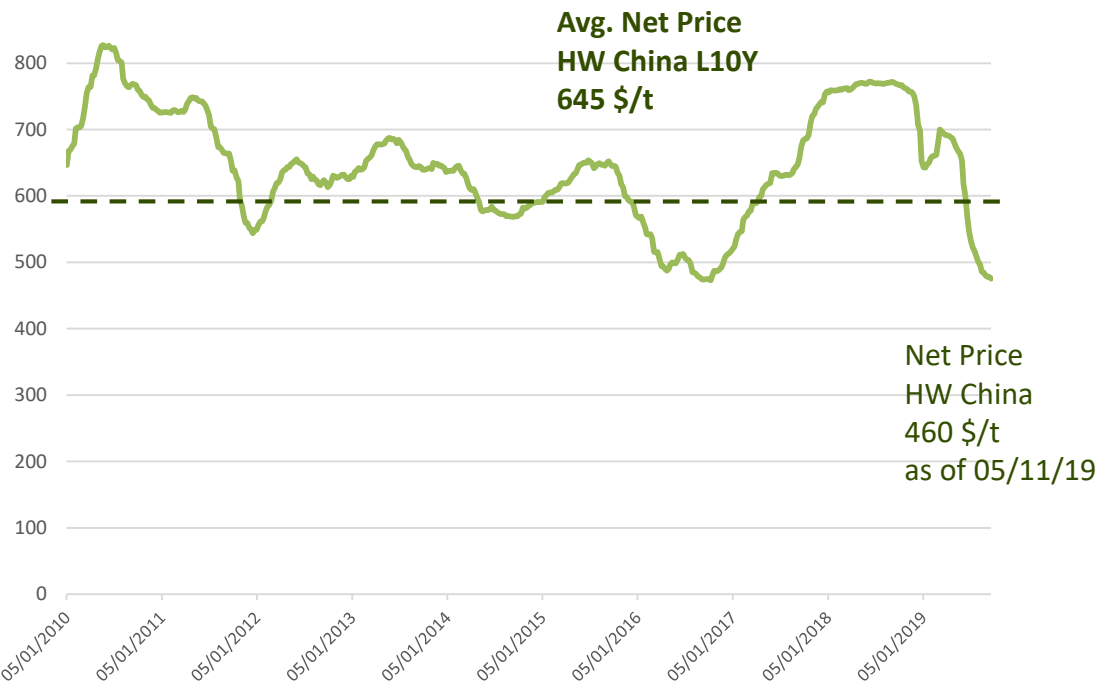
of revenue from pulp sales



Pulp price correction in 2019

Due to sudden inventory destocking in the paper industry

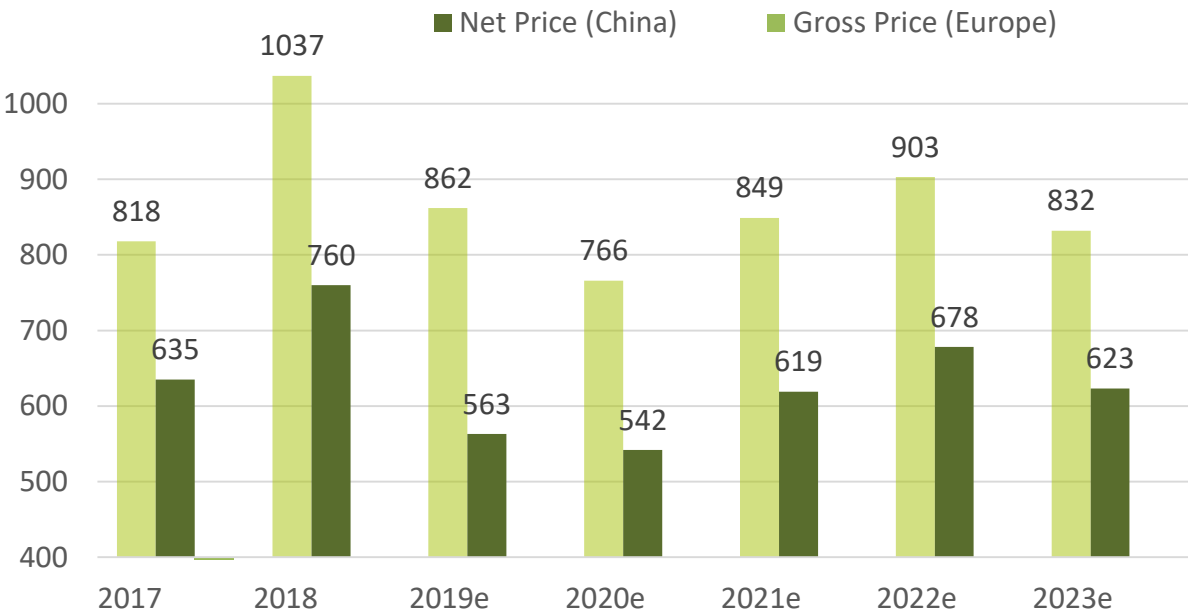
Net BHKP Prices China
\$/t



Source: FOEX

The prospect of a slowdown in global economic growth, coupled with heightened trade tensions between China and the US, prompted sudden inventory destocking in the paper industry in 4Q18 and 1Q19, following apparent overpurchasing in previous quarters.

BHKP Price Consensus as of November 2019
\$/t



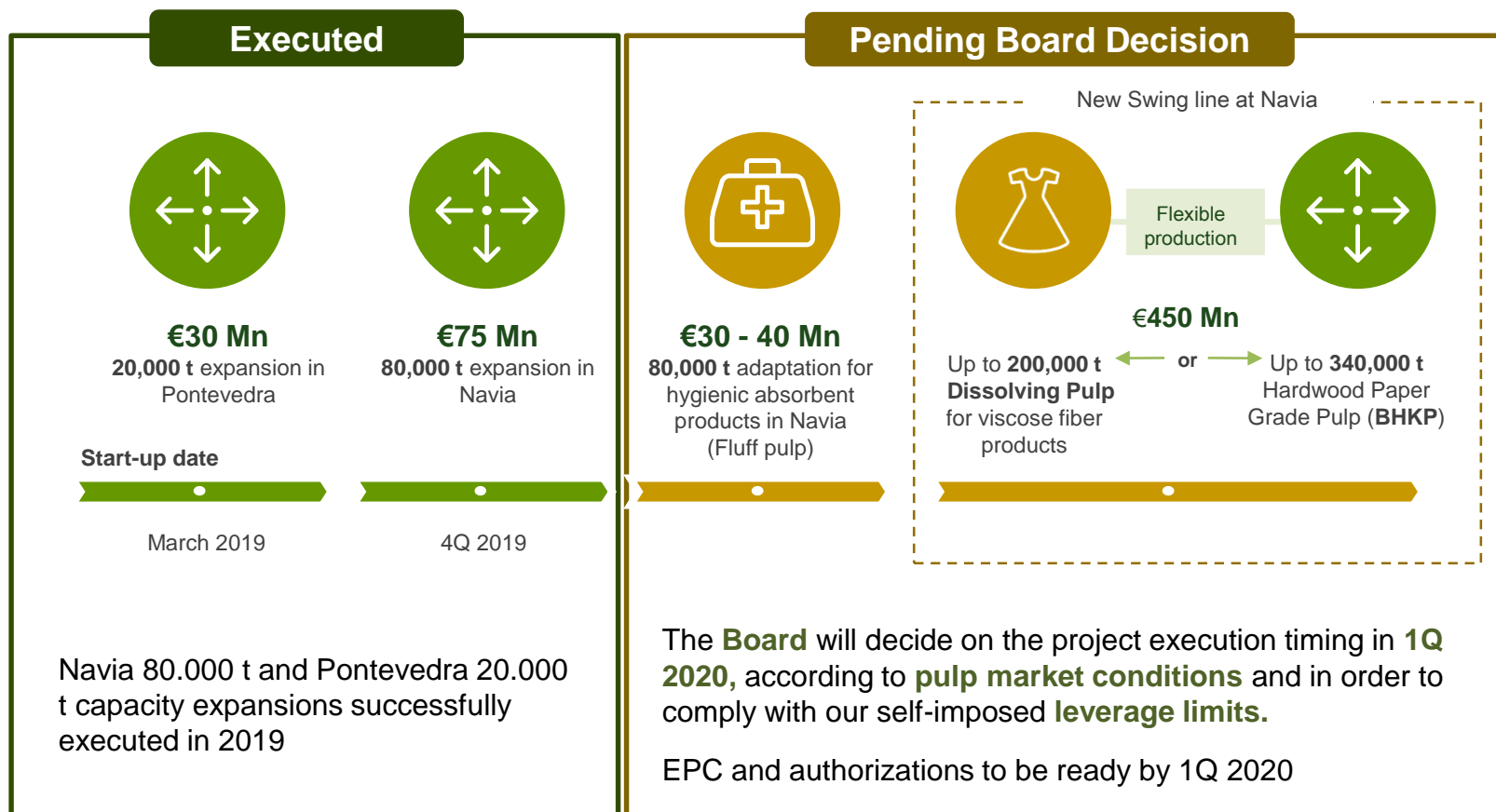
Source: RISI, Hawkins Wright, Brian McClay

BHKP prices as of 12/11/2019: **460 \$/t**, Net (China); **688 \$/t** Gross (Europe)

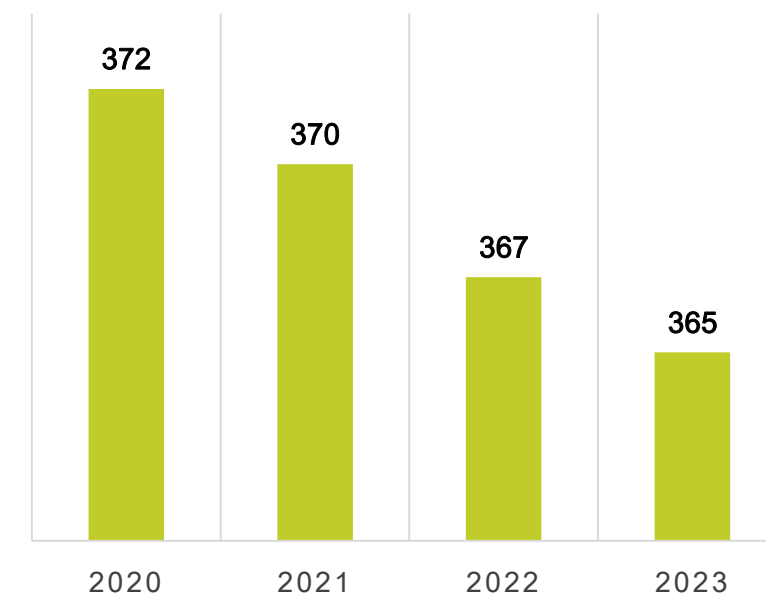
Pulp business stepwise investment plan

Subject to our financial discipline

Stepwise investment plan with 4 independent projects
€ Mn



Gradual reduction of BHKP cash cost
€/t



Cost optimization program launched in 3Q19, in order to achieve the Strategic Plan's annual cash cost targets



Pontevedra's Biomill legal status

Waiting for a first resolution from the National Court in the coming months



On January 2016 the National Directorate of Coasts granted the extension of Pontevedra's concession until 2073

- The 1958 biomill's original concession was extended for 60 years (starting November 8th 2013) by the National Directorate of Coasts via a resolution dated January 20th 2016 by virtue of: (i) Law 2/2013, on coastal protection and sustainability and amending the Coastal Act (22/1988); & (ii) General Coast Regulations enacted (Royal Decree 876/2014)

Although we expect a first resolution from the National Court in the coming months, the legal case against the extension could last for up to 4 years, including any appeals before higher courts

- 3 court cases initiated by Pontevedra's City Council and two environmental associations before the National Court's Chamber for Contentious Administrative Proceedings, appealing Jan. 20th 2016's resolution
- On March 8th 2019, the National Directorate of Coasts conceded in all 3 lawsuits, i.e., it requested to have the claims upheld, despite having previously argued throughout all of the proceedings that the Ministerial Order Resolution of January 20th 2016 was totally legal
- On April 10th 2019, the National Court's Chamber for Contentious Administrative allowed Ence to defend the case
- The evidence phase concluded in June and Ence has requested to unify the ruling of the three court cases into a single one, which is expected in the coming months

€130 Mn invested in the biomill since the extension of the concession in 2016

- The investments carried out or committed since the extension of the concession for the period of 2016 – 2019 amount to approx. €130 Mn
- In the unlikely event that operations have to be discontinued, it would have a cash impact of €74 Mn (€43 Mn correspond to dismantling actions, €15 Mn to the cost of employment regulation of total extinction and €16 Mn to the cancellation of existing contracts)

Given the uncertainty, the Board of Directors decided to concentrate the investments of the Business Plan in Navia's biomill

- Investments of €250 Mn initially planned to increase capacity in Pontevedra will be reallocated to Navia's biomill, in order to double the new swing line up to 200,000 t of dissolving pulp or 340,000 t of BHKP.

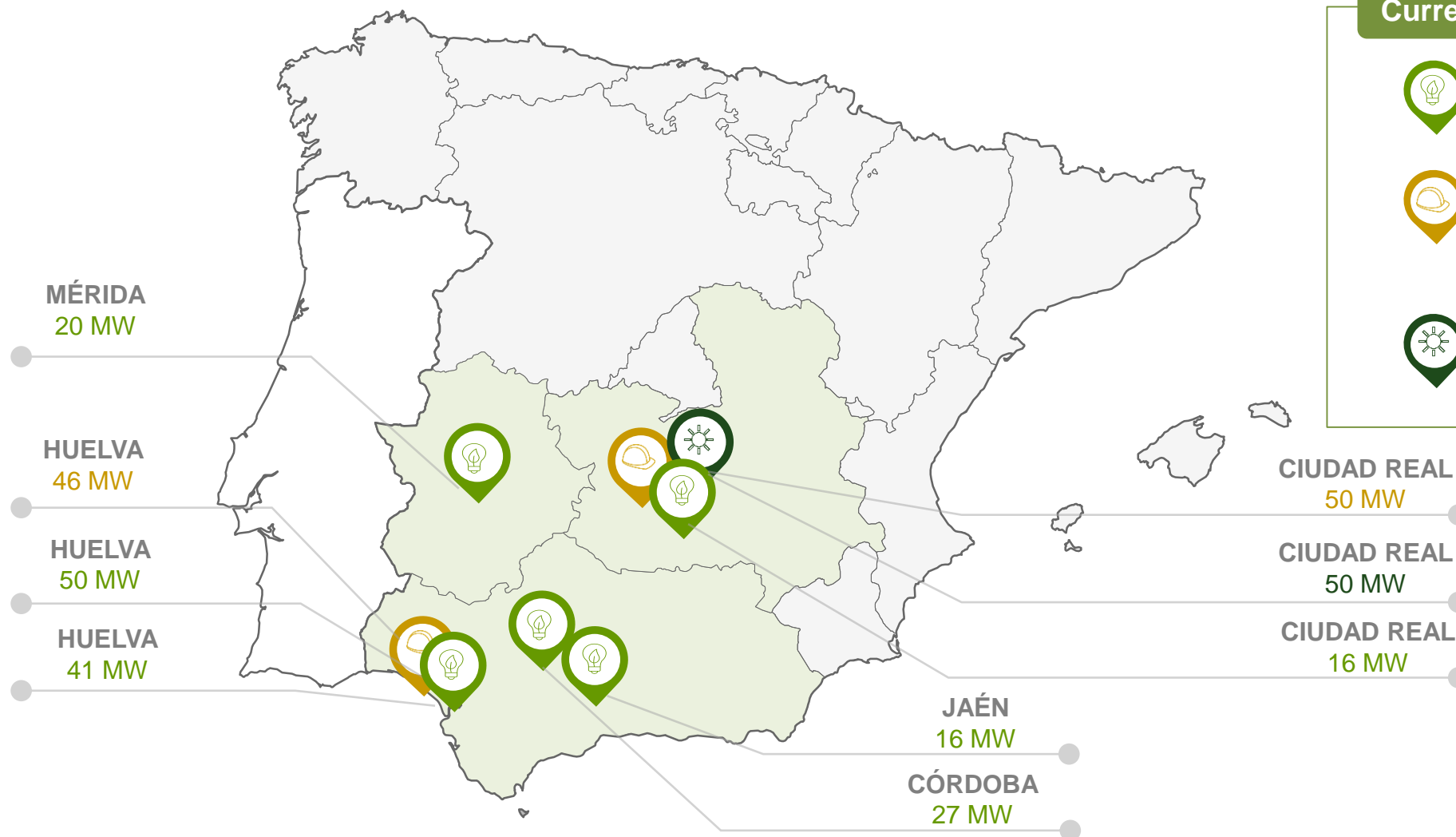


2. Renewable Energy Business



Current asset base and new biomass plants

316 MW of installed capacity



Current Power Plants Portfolio



Biomass power plants
170 MW



Biomass power plants to
start operating by Jan. 2020
96MW

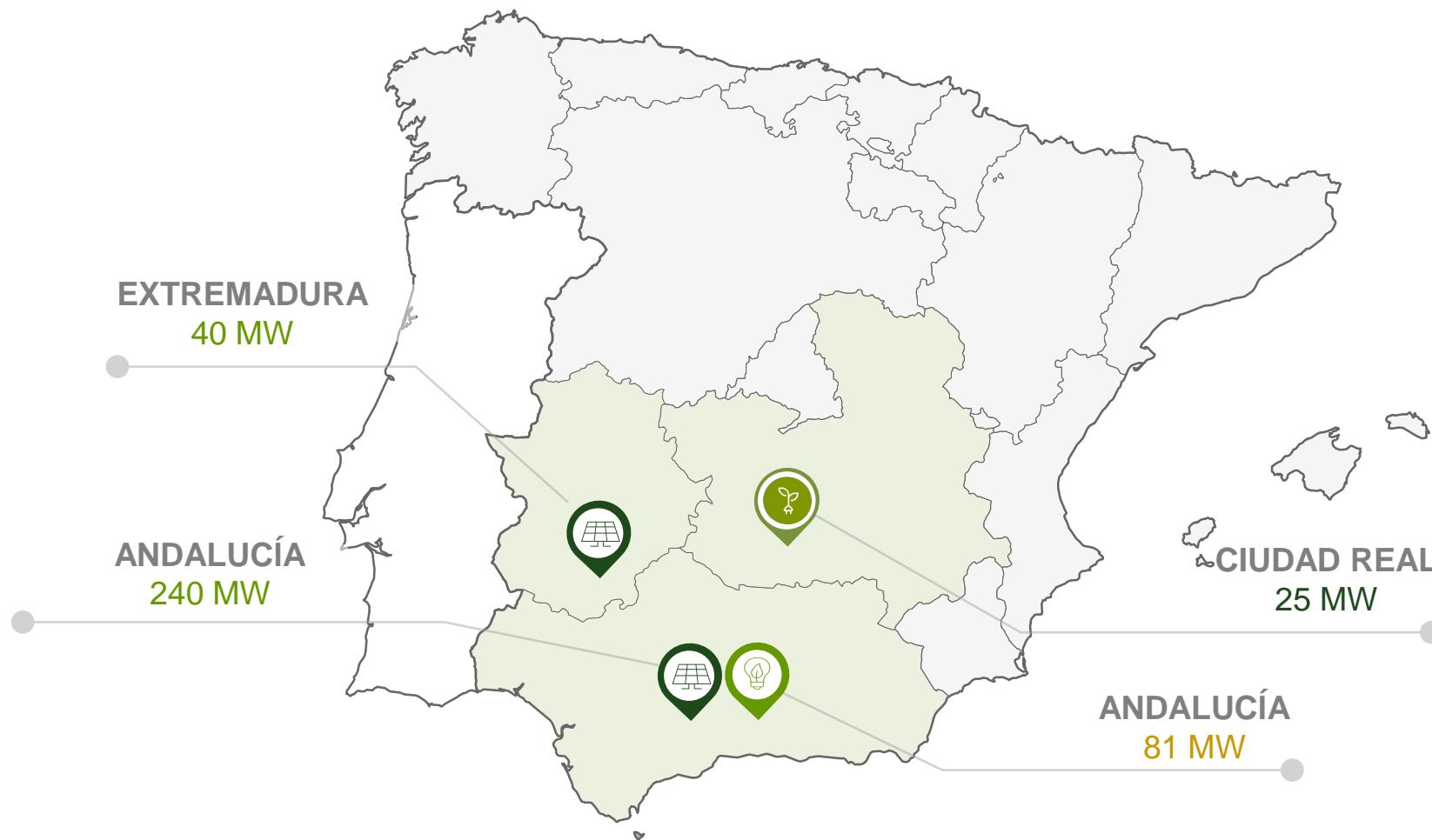


Solar thermal power plants
50 MW



Pipeline: 386 MW with grid access & 1.7 GW under development

€150 Mn EBITDA Target in 2023



Pipeline

ROE
target



280 MW in PV RTB

- ✓ Access to the grid secured
- ✓ High irradiation location secured
- ✓ Environmental authorizations in progress

7.9%



81 MW in Biomass

- ✓ Access to the grid secured
- ✓ Location secured
- ✓ Awaiting European and Spanish Renewable Energy Plan

9.4%



25 MW in Hybridization

- ✓ Access to the grid secured
- ✓ Location secured
- ✓ Awaiting European and Spanish Renewable Energy Plan

8.4%



1,745 MW under development

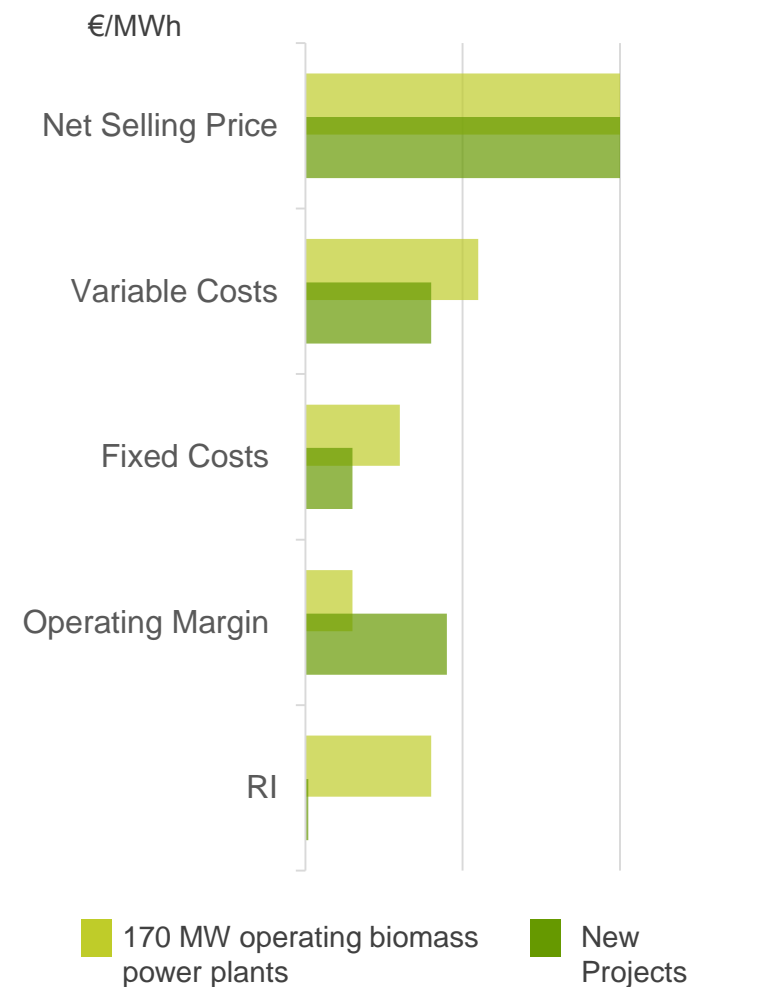
- ✓ 1,670 MW in PV
- ✓ 75 MW in Hybridization



New biomass power plants are more efficient

Due to fuel flexibility, higher efficiency factor and fixed costs dilution

	Biomass power plant location	Capacity MW	Start-up year	Construction Capex € Mn / MW	Boiler technology	Efficiency factor	Fuel flexibility
OPERATING BIOMASS POWER PLANTS	Huelva	41	2000		Fluidized bed	26%	Limited
	Ciudad Real	16	2002		Pulverized fuel boiler + stoker grate	24%	Inflexible
	Jaén	16	2002		Pulverized fuel boiler + stoker grate	24%	Inflexible
	Córdoba	14	2006		Reciprocating grate	26%	Inflexible
	Huelva	50	2012	2.6	Fluidized bed	30%	Limited
	Mérida	20	2014	3.3	Vibrating grate	32%	Flexible
NEW PROJECTS	Huelva	46	2019	2.2	Vibrating grate	35%	Full Flexibility
	Ciudad Real	50	2019		Vibrating grate	35%	Full Flexibility





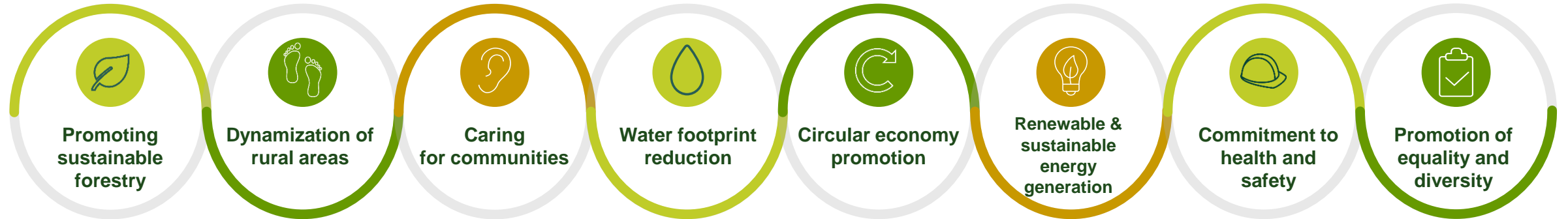
3. Excellence in Sustainability

ence
ENERGÍA & CELULOSA

ence
ENERGÍA & CELULOSA

Excellence in sustainability

A strategic priority for Ence



Certified wood entries

- 92.4% Navia
- 72.3% Pontevedra

- 96.5% of Ence's wood suppliers in Pontevedra and 87% in Navia are **small suppliers**.

- **Odour reduction:** >99% odour impact reduction since the beginning of the "Olor Cer0" project.

- **Noise reduction:** acoustic impact reduction plans.
- **Stakeholder engagement:** new relationship plans with the local communities of Navia, Pontevedra & Huelva.

- **Analysis of water cycle** in the biomills and the energy generation plants to minimize consumption and boost reuse.

- Reduction of >15% of water consumption per pulp ton produced in 9M 2019 vs 2018 in Pontevedra

- 99.4% of waste produced in 1H 2019 has been valorised, avoiding its shipment to landfill.

- Pontevedra biomill obtained certification "**Residuo Cero**" (0 residues) from AENOR.

- Use of **local biomass**, minimizing emissions derived from transport.
- Ence contributes to **forest fires risk reduction** and **prevents CO2 and particle emissions** from **uncontrolled burning of agro-waste**.

- "0 accidents" goal.
- All units **lowered its frequency and severity rates** vs. Q4 2018.

- +15% of **women** vs 2018.
- 55% of **women** in **new hires**.
- 29% of women in the Board of Directors.



Sustainability Capex up to a maximum of €140 Mn
To strengthen reliability, flexibility, environmental excellence and safety



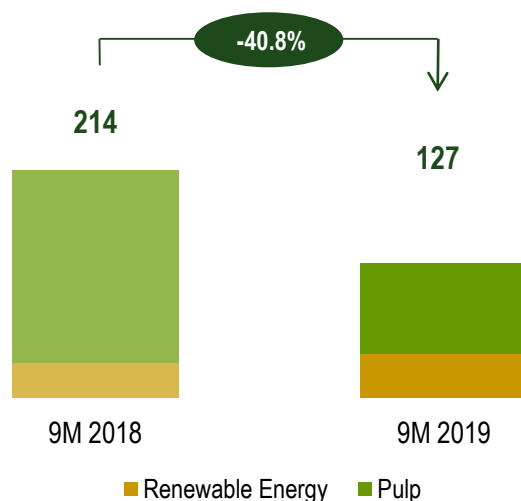


4. 9M 2019 Results Summary

9M 2019 Results

Driven by lower pulp prices and FX hedging settlements

Group EBITDA (€ Mn)

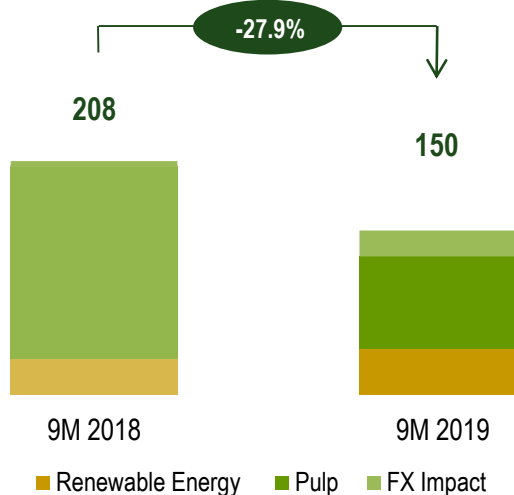


Pulp business: 53.1% EBITDA decrease, of which:

- 32% is explained by lower average selling price due to PIX evolution and higher commercial discounts
- 16% is explained by the negative settlements of our hedging program (€28.8 Mn effect) and,
- 5% due to higher costs

Renewable Energy business: 27.7% EBITDA growth, including the new solar thermal plant

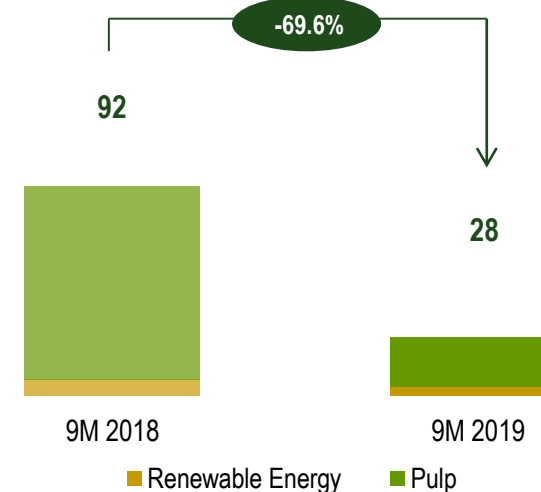
Group EBITDA Ex – FX Hedges (€ Mn)



Pulp business EBITDA ex FX settlements: -37% vs. 9M18

- Without the effect of the FX hedges in 9M19, our EBITDA would have reached €150 Mn
- The effect of the negative settlements from the FX hedges amounts to €28.8 Mn, €23.5 Mn negative impact in 9M19 vs. a positive impact of €5.3 Mn in 9M18

Group Net Income (€ Mn)



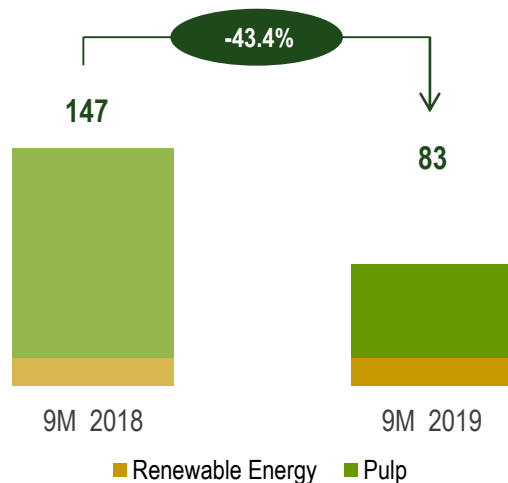
69.6% Net income decrease

- First interim dividend of 0.051 €/share paid in September 2019
- No second interim dividend due in 2019. Final dividend subject to our 50% payout policy.

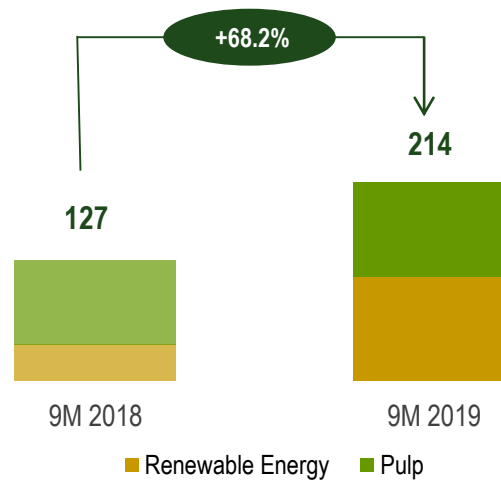
€83 Mn normalized Free Cash Flow & €214 Mn growth capex

Financial leverage of 2.5x EBITDA after Strategic Plan investments

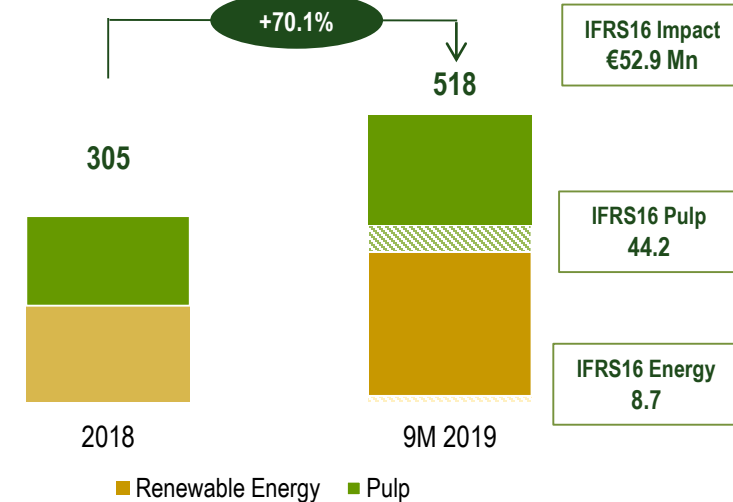
Normalized FCF¹ (€ Mn)



Growth Capex (€ Mn)



Net Debt (€ Mn)



Normalized Free Cash Flow generation of €83.3 Mn

- Lower EBITDA partially offset by lower financial expenses vs. 9M18 and
- Better working capital performance vs. 9M18

€213.5 Mn Strategic Plan investments :

- €111.9 Mn in the Pulp business
- €101.6 Mn in the Renewable Energy business
- 2019 is an extraordinary year for investments, including 100k t capacity expansions and 96 MW new power plants

Leverage of 2.5x Net Debt / LTM EBITDA²

- Pulp business: 1.8 Net Debt / LTM EBITDA
- Energy business: 4.3 Net Debt / LTM EBITDA²

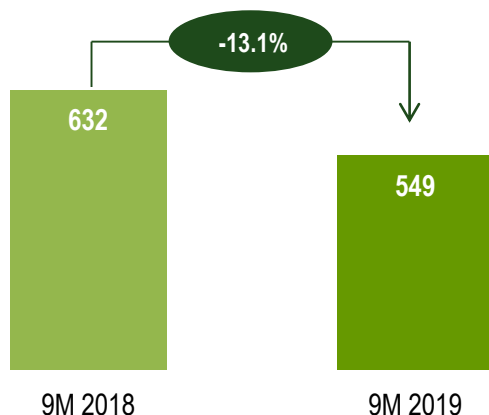
1. FCF before Strategic Plan investments, divestments & dividend payment
 2. Considering full year contribution of the Ciudad Real 50 MW solar thermal plant



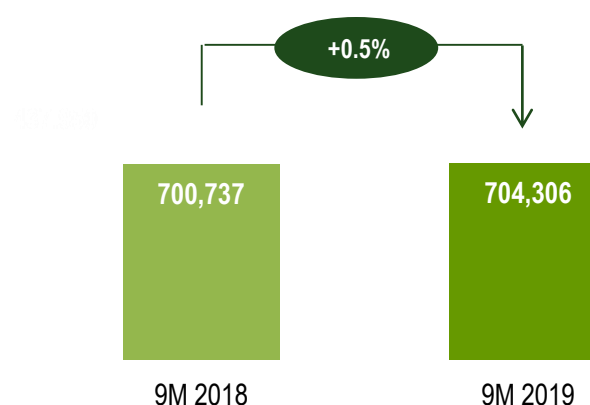
Pulp Business

9M 2019 impacted by pulp prices and FX hedges

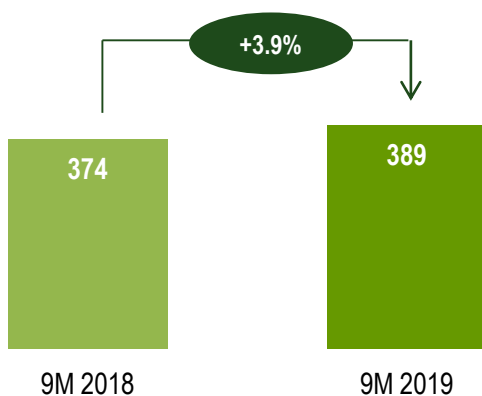
Avg. Net Pulp Price (€/t)



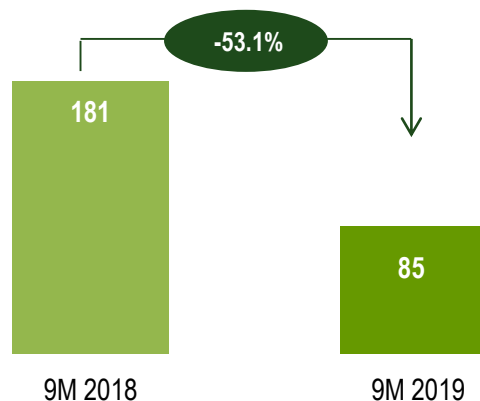
Pulp Sales Volume (t)



Avg. Cash Cost (€/t)



EBITDA (€ Mn)



EBITDA decreased to €85 Mn due to:

- 13% lower net prices with 20% of sales outside Europe at spot prices
- €23.5 Mn negative settlements from FX hedging program vs. positive €5.3 Mn in 9M18
- 0.5% increase in pulp sales volume
- 3.9% cash cost increase

22 €/t Cash Cost reduction vs. 2Q 2019



Ongoing FX hedging program

To mitigate FX volatility in the Pulp Business

Dollar/Euro Exchange Rate Evolution



Current Hedges

Q4 2019: 93% revenues

- Avg. cap: \$ 1.26 €
- Avg. floor: \$ 1.18 €

Q1 2020: 75% revenues

- Avg. cap: \$ 1.23 €
- Avg. floor: \$ 1.16 €

Q2 2020: 78% revenues

- Avg. cap: \$ 1.20 €
- Avg. floor: \$ 1.16 €

Q3 2020: 72% revenues

- Avg. cap: \$ 1.20 €
- Avg. floor: \$ 1.14 €

Q4 2020: 57% revenues

- Avg. cap: \$ 1.19 €
- Avg. floor: \$ 1.13 €

Ence has secured an average cap of \$1.26/€ and an average floor of \$1.18/€ for 93% of its dollar exposure until December 2019

Assuming 1.12 \$/€ in 4Q19, full year FX impact would be €28 Mn

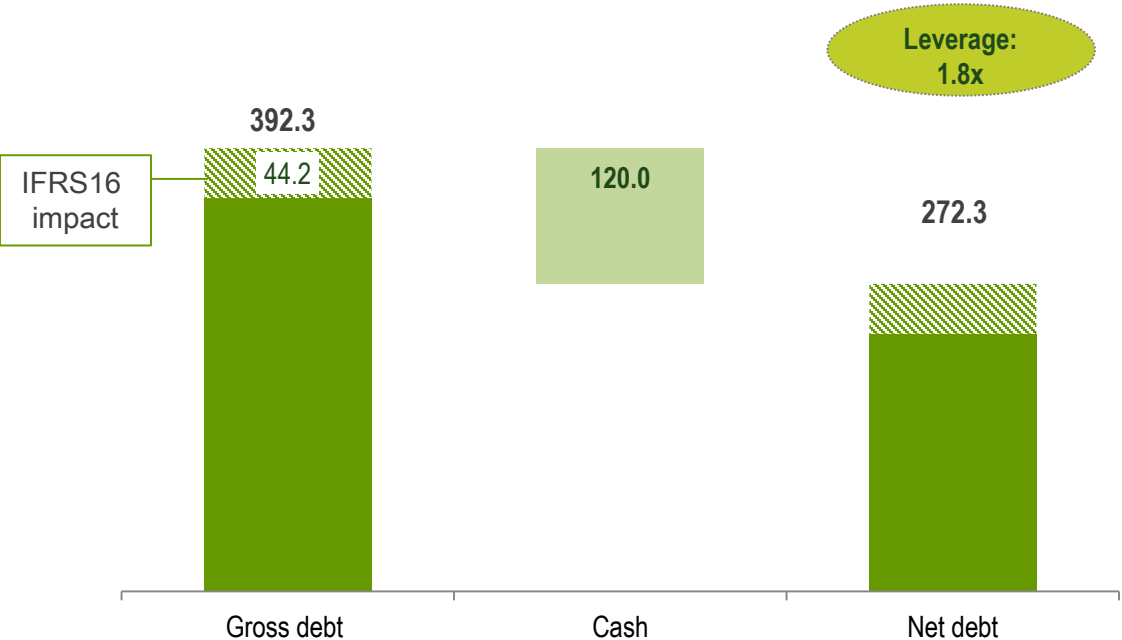


Pulp Business

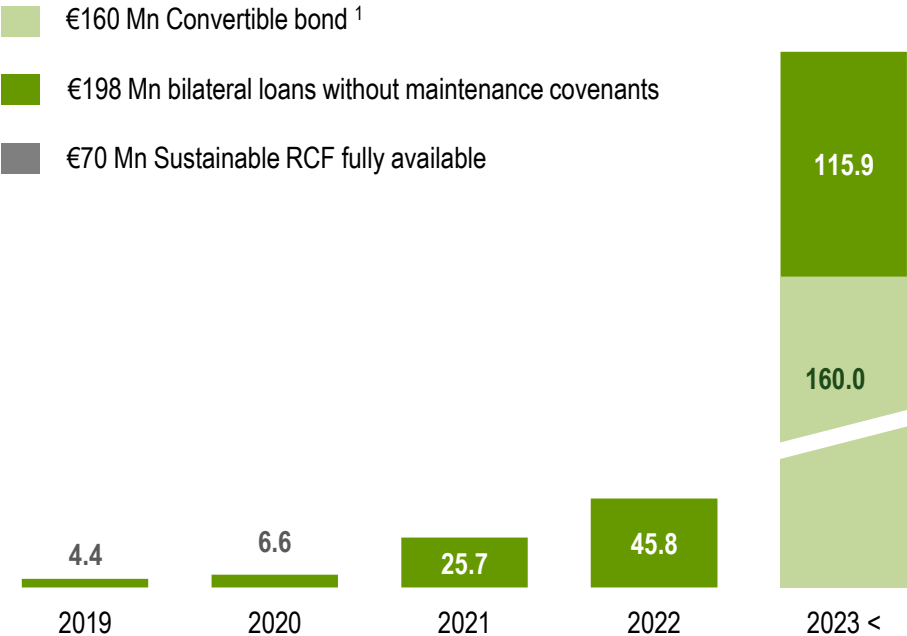
Long term financing without maintenance covenants and ample liquidity



Leverage as of September, 30th (€ Mn)



Debt Maturity Calendar (€ Mn)



Pulp business leverage at 1.8x Net Debt / LTM EBITDA as of September 2019

The application of IFRS16 on leases (from January 1st) led to the recognition of a financial liability of €44.2 Mn in the Pulp business

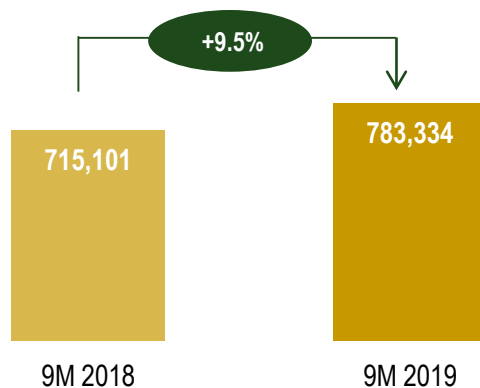
1. €148 Mn accounted as gross debt and €12 Mn accounted as equity as of September 30th 2019, according to IAS 32



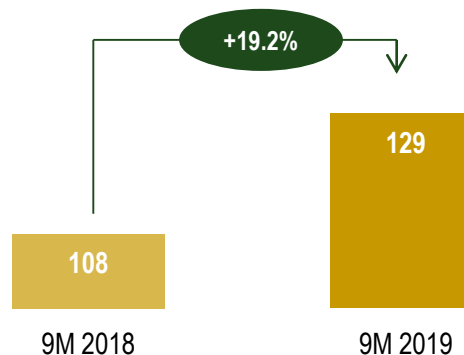
Renewable Energy Business

Including the contribution of Ciudad Real 50 MW solar thermal plant

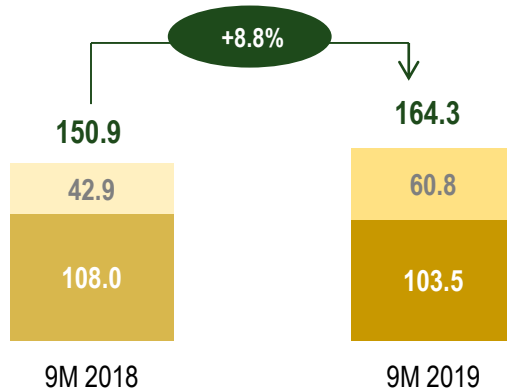
Energy Volume (MWh)



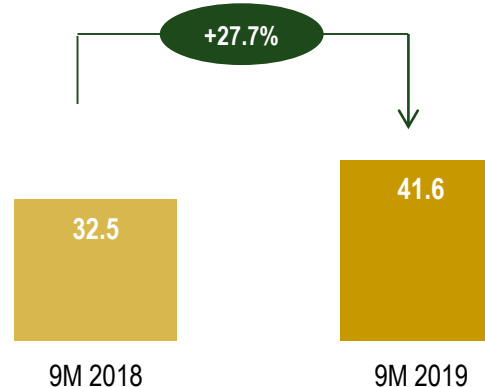
Revenues (€ Mn)



Revenue per MWh (€)



EBITDA (€ Mn)



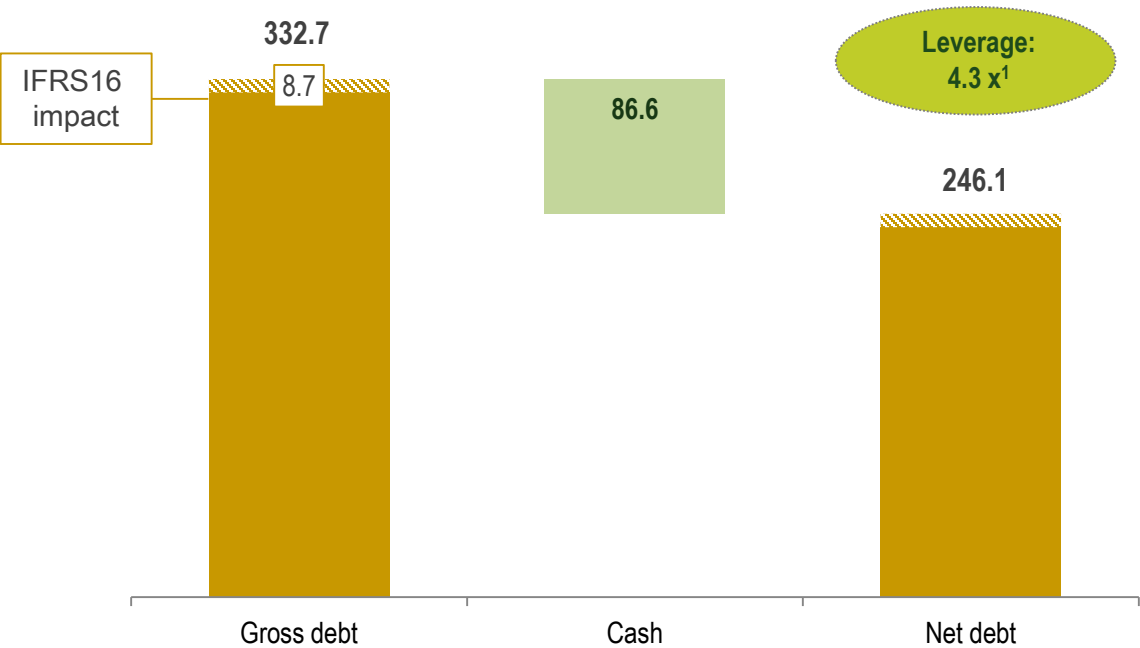
■ Precio Regulado pool + Ro ■ Ri

27.7% EBITDA growth driven by:

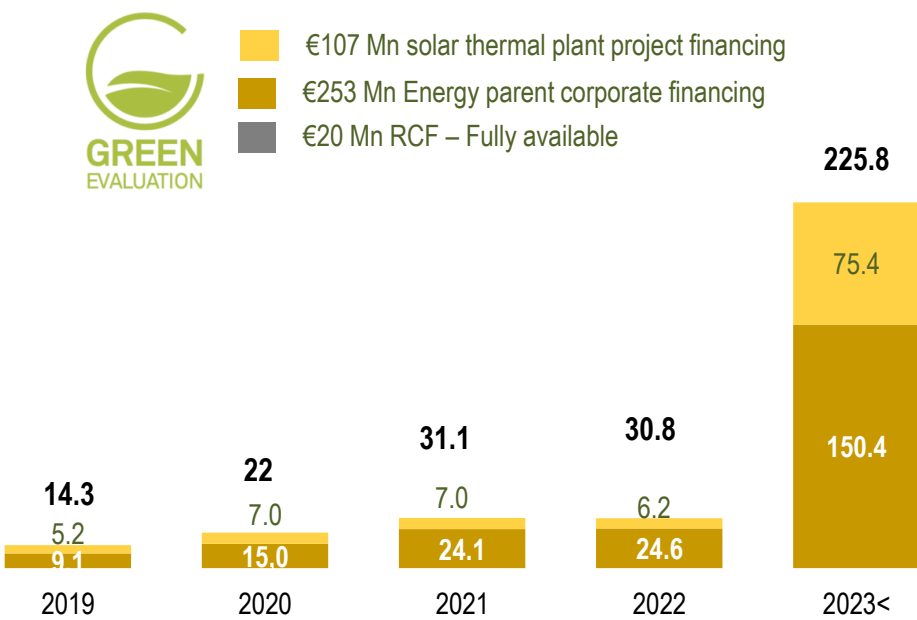
Increasing contribution from the 50 MW solar thermal plant acquired in December 2018

- 9.5 % increase in energy volume sold
- 8.8% increase in revenue per MWh

Leverage as of September 30th, 2019 (€ Mn)



Debt Maturity Calendar (€ Mn)



Energy business leverage at 4.3x¹ Net Debt / LTM EBITDA as of September 2019, below limit of 4.5x

The application of IFRS16 on leases (from January 1st) led to the recognition of a financial liability of €8.7 Mn in the Renewable Energy business

1. Considering full year contribution of the Ciudad Real 50 MW solar thermal plant

Alternative Performance Measures (APMs)

Pg.1

Ence presents its results in accordance with generally accepted accounting principles, specifically IFRS. In addition, its quarterly earnings report provides certain other complementary metrics that are not defined or specified in IFRS and are used by management to track the company's performance. The alternative performance measures (APMs) used in this presentation are defined, reconciled and explained in the corresponding quarterly earnings report publicly available through the investor section of our web page www.ence.es.

CASH COST

The production cost per tonne of pulp produced, or cash cost, is the key measure used by management to measure its efficiency as a pulp maker.

Cash cost includes of the expenses incurred to produce pulp: timber, conversion costs, corporate overhead, sales and marketing expenses and logistics costs. It excludes fixed-asset depreciation and forest depletion charges, impairment charges and gains/losses on non-current assets, finance costs/income, income tax and certain operating expenses which management deems to be non-recurring, such as ad-hoc consultancy projects, Ence's long-term remuneration plan, the termination benefits agreed with staff or certain social expenses.

As a result, the difference between the average sales price and the cash cost applied to the total sales volume in tonnes yields a figure that is a very close proxy for the EBITDA generated by the Pulp business.

EBITDA

EBITDA is a measure of operating profit before depreciation, amortization and forestry depletion charges, non-current asset impairment charges, gains or losses on non-current assets and specific non-ordinary income and expenses unrelated to the ordinary operating activities of the company, which alter their comparability in different periods.

EBITDA is a measure used by the Ence's management to compare the ordinary results of the company over time. It provides an initial approximation of the cash generated by the company's ordinary operating activities, before interest and tax payments, and is a measure that is widely used in the capital markets to compare the earnings performances of different companies.

NORMALISED FREE CASH FLOW

Ence reports normalised free cash flow within the cash flow metrics for each of its two business units in its quarterly earnings report. Normalised FCF is the sum of EBITDA, the change in working capital, maintenance capital expenditure, net interest payments and income tax payments.

Normalised free cash flow provides a proxy for the cash generated by the company's operating activities before collection of proceeds from asset sales; this cash represents the amount available for investments other than maintenance capex, for shareholder remuneration and for debt repayment.

MAINTENANCE, EFFICIENCY & GROWTH AND SUSTAINABILITY CAPEX

Ence provides the breakdown of its capital expenditure related cash outflows for each of its business units in its quarterly earnings report, distinguishing between maintenance, efficiency & growth and sustainability capex.

Maintenance capex are recurring investments designed to maintain the capacity and productivity of the company's assets. Efficiency & growth capex, meanwhile, are investments designed to increase these assets' capacity and productivity. Lastly, sustainability capex covers investments made to enhance quality standards, occupational health and safety, to improve the environment and to prevent contamination.

Ence's 2019-2023 Business Plan includes a schedule of the amounts it expects to invest annually in efficiency & growth and sustainability capex in order to attain the strategic targets set. The disclosure of capex cash flows broken down by area of investment facilitates oversight of execution of the published 2016-2020 Business Plan.

FREE CASH FLOW

Ence reports free cash flow as the sum of its net cash flows from operating activities and its net cash flows from investing activities of its quarterly earnings report.

Free cash flow provides information about the cash generated by the Group's operating activities that is left over after its investing activities for the remuneration of shareholders and repayment of debt.

NET DEBT

The borrowings recognized on the balance sheet, as detailed in its quarterly earnings report, include bonds and other marketable securities, bank borrowings and other financial liabilities. They do not however include the measurement of financial derivatives.

Net debt is calculated as the difference between current and non-current borrowings on the liability side of the balance sheet and the sum of cash and cash equivalents and short-term financial investments on the asset side.

Net debt provides a proxy for the company's indebtedness and is a metric that is widely used in the capital markets to compare the financial position of different companies.



Delivering value Delivering commitments