



TO THE NATIONAL SECURITIES MARKET COMMISSION

Madrid, 28 October 2020

Reference: presentation announced this morning, relating to the results of Ebro Foods Group for the third quarter of 2020

In pursuance of section 227 of the Securities Market Act, Ebro Foods, S.A. hereby publishes as

OTHER RELEVANT INFORMATION

the presentation announced this morning relating to the results of the Ebro Foods Group for the third quarter of 2020.

It is recalled that due to the current extraordinary circumstances of Covid-19, there will be no face-to-face meeting with the analysts and the presentation will be published on the web site www.cnmv.es and corporate web site www.ebrofoods.es from 16:00 hours (CET) today.

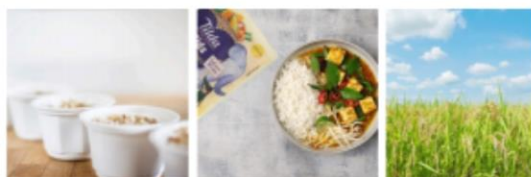
Yours faithfully,

Luis Peña Pazos
Secretary of the Board of Directors



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1. Introduction

- The rise in demand triggered by the COVID-19 pandemic continues to dominate our results, although there is now greater volatility in the figures, with consumers stockpiling in some months and shopping as usual in others.
- Promotions have made a comeback over the last quarter, albeit to a more limited degree, as demand remains strong across all regions.
- Generally speaking, harvests have been good, although certain unforeseen factors (hurricanes, high salinity, storms and floods) have prevented prices from reaching the desired levels.
- Our limited exposure to food service (Horeca) has helped us, as consumers have shifted more towards Retail, where our brands are market leaders.
- These results have also been significantly shaped by the way we organise our production, with operating leverage helping to boost returns across both divisions.



BUSINESS UNIT RESULTS 9M20



2.1.1 Rice 9M2020

- Adverse climate conditions, the effects of Hurricane Laura, and high demand in South America all caused prices in the North American market to remain above expectations. In Europe, the storms and floods in Italy, combined with salinity issues in Spain, are expected to result in a 10% reduction in the expected harvest, which is already causing prices to rise.
- By contrast, the basmati rice harvest in India is currently selling at slightly lower prices than last year.
- The third quarter is traditionally the slowest of the year, due to lower activity during the summer holidays coinciding with the end of the campaign, which typically involves the use of stock that is normally more expensive. This year looks to be no exception.
- Our brand sales are up by over 20% and, in some countries such as the UK – thanks to Tilda – and France, growth has been even higher. High productivity has been a crucial factor in our ability to meet this increased demand.
- This year has been marked by greater volatility. After somewhat of a slowdown during the months of July and August, sales picked up again significantly in September.
- Looking ahead to next year, our limited exposure to food service (Horeca) will allow us to maintain growth levels. The market will be highly sensitive to pricing and as a result, cost control will continue to be paramount.



2.1.2 Rice 9M20

- During the first nine months of the year, turnover increased by 20.4% to EUR1,366.2 million, registering a steady CAGR of 14.7% for the past two years.
- The Division's Ebitda-A increased by 27.8% to EUR177.6 million, with profitability increasing by 70 b.p. to a margin of 13.0%, even after investing 4.8% more in advertising. On a Q3 standalone basis, Ebitda-A grew by 26%. The exchange rate had no notable impact on Ebitda-A.
- Operating Profit grew 31.1% to EUR132.3 million.

EUR Thous.	9M18	9M19	9M20	20/19	CAGR 20/18
Sales	1,038,516	1,134,457	1,366,185	20.4%	14.7%
Advertising	21,126	25,064	26,276	4.8%	11.5%
Ebitda-A	118,176	139,032	177,635	27.8%	22.6%
Ebitda-A Margin	11.4%	12.3%	13.0%	-	-
Ebit-A	90,476	104,318	134,754	29.2%	22.0%
Operating Profit	94,996	100,861	132,253	31.1%	18.0%



2.2.1 Pasta 9M20

- After the sharp uptick in durum wheat prices during June and July, the North America harvest was strong in terms of both quantity and quality. This allowed prices to return to more suitable levels, which in turn helped us to bolster a good inventory to take us through to Q1 2021.
- Following an astounding Q2, we also registered a very strong performance in Q3, primarily driven by the North American business. By releasing some of our private label businesses, we were left with sufficient capacity to meet an enormous rise in demand, which – combined with our successful pricing policy and a reduction in fixed costs – has led to a significant improvement in profitability.
- Growth was slower in Europe, due to the fact that the Panzani and Garofalo plants were both nearing maximum capacity. Given these conditions, we have prioritised production of our most popular items over our more niche products.
- The fresh pasta business has been less impacted by COVID-19 and is growing at a normal rate.
- Manufacturers are gradually starting to carry out promotional activities again, and prospects for year-end are good, thanks to our limited exposure to food service (Horeca) and the strength of our brands in the market.



2.2.2 Pasta 9M20

- Turnover rose 18.1% to EUR1,120.8 million, registering a steady CAGR of 11.3% for the past two years.
- We have started running promotions again over the last quarter, although despite this we have continued to invest strongly in Advertising.
- The Division's Ebitda-A grew by 48.6% to EUR159.2 million, with the margin growing 1.9% p.p. to 14.2%. Currency had a insignificant impact in this regard.
- Operating Profit grew 75% to EUR101.9 million.

EUR Thous.	9M18	9M19	9M20	20/19	CAGR 20/18
Sales	905,422	948,821	1,120,787	18.1%	11.3%
Advertising	43,823	44,825	45,125	0.7%	1.5%
Ebitda-A	99,467	107,131	159,248	48.6%	26.5%
Ebitda-A Margin	11.0%	11.3%	14.2%	-	-
Ebit-A	64,302	63,667	112,016	75.9%	32.0%
Operating Profit	62,610	58,246	101,926	75.0%	27.6%



CONSOLIDATED GROUP RESULTS 9M20



3.1 P&L 9M20

- The consolidated sales figure grew by 19.2% to EUR2,425.4 million, underscoring the resilient nature of the Ebro Group.
- Ebitda-A rose 38.1% to EUR327.2 million. In the last three years, it grew by 25% in terms of CAGR. The Ebitda-A margin grew by almost 1.9 p.p. to 13.5%. On a standalone quarterly basis, Ebitda-A grew by 28.6% in Q3, with an Ebitda-A margin of 13.2%. Currency contributed EUR0.5 million to this result.
- Net Profit increased by 27.8% to EUR146.7 million. On a Q3 standalone basis, it grew by just 9.0%, dropping considerably on the previous year, when Alimentation Santé was sold and recorded EUR15.3 million in extraordinary profit.

EUR Thous.	9M18	9M19	9M20	20/19	CAGR 20/18
Sales	1,897,666	2,035,209	2,425,354	19.2%	13.1%
Advertising	65,632	69,430	71,429	2.9%	4.3%
Ebitda-A	209,620	236,854	327,191	38.1%	24.9%
Ebitda-A Margin	11.0%	11.6%	13.5%	-	-
Ebit-A	146,287	157,580	235,964	49.7%	27.0%
Operating Profit	149,593	150,542	226,157	50.2%	23.0%
Pre-tax Profit	146,977	148,789	220,967	48.5%	22.6%
Net Profit	99,727	114,747	146,672	27.8%	21.3%
ROCE-A %	11.9	11.7	14.0	-	-



3.2 Debt Performance

- We ended the first nine months of the year with Net Debt standing at EUR898.3 million, EUR101.6 million less than at year-end 2019.
- Despite falling by EUR33 million over the first nine months, Working Capital rose by EUR10 million during Q3 on the back of the durum wheat harvest.
- Despite the considerable investment we have planned in organic growth, Covid-19 has also slowed some of our investments. Consequently, CapEx reached EUR79 million during 9M. We are aiming to fast-track investment during Q4 to try and make up for lost time.

EUR Thous.	30 Sep 18	31 Dec 18	30 Sep 19	31 Dec 19	30 Sep 20	20/19	CAGR 20/18
Net Debt	719,443	704,621	1,040,721	999,849	898,250	-13.7%	11.7%
Average Net Debt	578,822	627,350	790,981	871,869	947,150	19.7%	27.9%
Equity	2,111,154	2,162,334	2,256,975	2,262,203	2,242,068	-0.7%	3.1%
ND Leverage	34.1%	32.6%	46.1%	44.2%	40.1%	-13.1%	8.4%
AND Leverage	27.4%	29.0%	35.0%	38.5%	42.2%	20.5%	24.1%
x Ebitda-A (ND)		2.27		2.92			
x Ebitda-A (AND)		2.02		2.54			



CONCLUSION



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4. Conclusion

- Although lockdowns were lifted during Q3, the effects of the pandemic are still noticeable.
- We are performing strongly thanks to the rise in Retail consumption, in contrast with the decline in food service (Horeca).
- Our market shares are up in nearly every country.
- In this regard, the positive results delivered by the Group's premium brands are helping to reinforce our strategy. Tilda contributed more in the first nine months of 2020 than it did in the whole of 2019.
- The Group's sustainability and diversification strategies are impacting positively on our sales, which we estimate will reach EUR 3,150-3,200 million by year-end.
- Cost control will play a crucial role in the coming months, given the following: the impacts of inflation on some of our raw materials, the fact that we will increase investment in advertising and promotions, and that there will be a greater exchange rate effect. Equally, the current financial situation facing consumers is not favourable for margins.
- We therefore expect our Ebitda for 2020 to stand at between EUR422-432 million.



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5. Corporate Calendar

As part of Ebro's commitment to complete transparency, below we provide our Corporate Calendar for 2020:

➤ 27 February	Presentation of YE2019 Results ✓
➤ 1 April	Four-month payment of ordinary dividend (EUR0.19/share) ✓
➤ 29 April	Presentation of Q1 2020 results ✓
➤ 30 June	Four-month payment of ordinary dividend (EUR0.19/share) ✓
➤ 29 July	Presentation of H1 2020 results ✓
➤ 1 October	Four-month payment of ordinary dividend (EUR0.19/share) ✓
➤ 28 October	Presentation of 9M20 Results and Pre-YE 2020 ✓



6. Calculation of Alternative Performance Measures

• According to the guidelines set by the European Securities and Markets Authority (ESMA), the following is a list of the indicators used in this report. These indicators are currently and consistently used by the Group to describe its business performance and their definitions have not been altered:

- EBITDA-A. Earnings before interest, taxes, depreciation and amortization, excluding results considered as extraordinary or non-recurring (essentially profit earned from transactions relating to the Group's fixed assets, industrial restructuring costs, results from or provisions for lawsuits, etc.). EBITDA-A is calculated consistently with prior-year EBITDA.
- EBIT-A. EBIT-A is calculated by subtracting the year's amortisations and depreciations from EBITDA-A. EBIT-A is calculated consistently with prior-year EBIT.

	30/09/2018	30/09/2019	30/09/2020	2020 - 2019
EBITDA(A)	209,620	236,854	327,191	90,337
Provisions for amortisation	(64,333)	(79,274)	(91,227)	(11,953)
EBIT(A)	145,287	157,580	235,964	78,384
Non-recurring income	8,459	7,343	2,218	(5,125)
Non-recurring costs	(5,153)	(14,381)	(12,025)	2,356
OPERATING PROFIT	148,593	150,542	226,157	75,615

- CAPEX. Capital expenditure - payments for investment in production related fixed assets.

- Net Debt:

	30/09/2018	30/09/2019	30/09/2020
(+) Non-current financial liabilities	670,291	552,019	836,771
(+) Other current financial liabilities	366,814	774,930	370,020
(-) Sum of security deposits payable	(99)	(100)	(817)
(-) Cash and cash equivalents	(316,161)	(285,651)	(308,065)
(-) Derivatives - assets	(1,735)	(1,368)	(1,181)
(+) Derivatives - liabilities	333	891	1,522
TOTAL NET DEBT	719,443	1,040,721	898,250

- (Average) Net Debt: Average net debt refers to the 13-month moving average based on previous net debt.
- (Average) Working Capital: 13-month moving average of the sum of inventories, trade receivables and provision of services, other receivables less trade payables and other current payables.
- Capital Employed (average). 13-month moving average of the sum of intangible assets, property, plant and equipment and working capital.
- ROCE-A: Ratio of the average profit/loss after depreciation/amortisation and before tax for the last 12-month period (excluding extraordinary and non-recurring items) divided by the average capital employed, as previously defined. ROCE-A is calculated consistently with prior-year ROCE.

7. Legal Disclaimer

- This presentation contains our true understanding to date of estimates on the future growth in the different business lines and the global business, market share, financial results and other aspects of business activity and the positioning of the Company. All the data included in this report have been put together according to International Accounting Standards (IAS). The information included herein does not represent a guarantee of any future actions that maybe taken and it entails risks and uncertainty. The actual results may be materially different from the ones stated in our estimates as a result of various factors.
- Analysts and investors should not rely on these estimates, which only cover up to the date of this presentation. Ebro Foods does not assume any obligation to publicly report the results of any review of these estimates that may be carried out to reflect events and circumstances occurring after the date of this presentation – including but not limited to – changes in Ebro Foods business or its acquisitions strategy, or to reflect unforeseen events. We encourage analysts and investors to consult the Company's Annual Report, as well as the documents filed with the Authorities and more specifically with the Spanish National Securities Markets Commission (CNMV).
- The main risks and uncertainties affecting the Group's business are the same as those included in the Consolidated Annual Accounts and the Management Report for the year ending 31 December 2019, which is available at www.ebrofoods.es. We believe that there have been no significant changes during this financial year. The Group still has some exposure to the raw materials markets and to passing on changes in prices to its customers. Likewise, there is certain exposure to fluctuations in the exchange rate, especially the dollar, and changes in interest rates.