RESULTS 9M21

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INTRODUCTION

1. Introduction

- 2020 was an excellent year for the business, thanks to greater household consumption during lockdown, our limited exposure to the food service channel (Horeca) and the exemplary management of our production lines despite the trying circumstances, we were able to enjoy strong sales and profits.

- Impulse buying has tailed off in 2021 and our supply levels are back to normal, yet the Group is still enjoying healthy growth compared to 2019 figures.

- Significant cost inflation is a key factor impacting all sectors. Prices have been rising throughout the year, but have spiked dramatically since June 2021. This inflation:

  - Started out with a rise in global shipping costs, above all in Asia, where costs have increased tenfold.

  - This was exacerbated by higher energy costs, which have tripled in recent months.

  - Packaging has also been affected – the price of plastic has increased on the back of higher oil prices, but paper and cardboard are also more expensive.

  - A poor durum wheat harvest in North America has also led to price hikes, with the cost of durum wheat virtually doubling since the start of August.

- We already had to cope with a EUR60 million y-o-y increase in costs during 2020 (EUR30 million in the rice division and EUR30 million for pasta), yet prices are set to rise again by EUR83 million this year (EUR52 million for rice and EUR31 million for pasta).

BUSINESS UNIT RESULTS 9M21

2.1.1 Rice 9M21

- The cost of aromatic rice has risen significantly, not due to costs at origin, but at destination, as a result of higher transport costs.
- Thankfully, we have good stockpiles of raw materials which, along with the relative size of the Group, have helped us to cope with these price hikes.
- The US harvest is down by an estimated 15% on the previous year, which will ensure a strong market.
- In Europe, the drought in Andalusia – which cut crop areas in half – along with incredibly low reservoir levels, will ensure the market remains strong.
- These factors, along with rising energy and packaging costs, have forced us to start putting prices up. We began implementing this policy in North America and are now doing the same in the EU.
- Sales of our higher-value products continue to enjoy double-digit growth, especially microwave lines. The integration of the Tilda business has been very successful so far.
- We expect to have our new Rinconada mega plant up and running by the end of the year.
- We have rolled out an ambitious cost-cutting plan, which is having a positive impact on our margins.

2.1.2 Rice 9M21

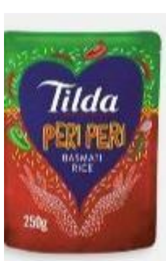
- Sales fell 5.4% y-o-y to EUR1,312.5 million, as we were without the extraordinary sales brought about by the pandemic in 2020. On a Q3 standalone basis, sales grew by 3.8%.

- Advertising investment was up 3% to EUR27.6 million. On a Q3 standalone basis, investment grew by 26.2%.

- The Division's Ebitda-A fell 3.7% to EUR173.4 million. On a Q3 standalone basis, Ebitda-A grew 3.9%, in line with the comparable sales figure. Currency exchange had a negative impact of EUR3.8 million on Ebitda-A.

- In line with last year, operating profit grew by EUR134 million.

EUR Thous.	9M19	9M20	9M21	21/20	CAGR 21/19
Sales	1,154,205	1,388,014	1,312,486	-5.4%	6.6%
Advertising	27,820	26,808	27,619	3.0%	-0.4%
Ebitda-A	141,443	180,023	173,381	-3.7%	10.7%
Ebitda-A Margin	12.3%	13.0%	13.2%	-	-
Ebit-A	106,625	137,075	130,196	-5.0%	10.5%
Operating Profit	103,151	134,273	133,917	-0.3%	13.9%



2.2.1 Pasta 9M21

- In the pasta division, following the sale of the North American business, the consolidation scope is now limited to the Panzani Group and Garofalo.

- While the European harvest was acceptable, the harvest in North America – our main export area – was down 50% on the typical yield. This has caused the price of European durum wheat to soar from EUR295 per tonne at the start of August to EUR465 per tonne today, its biggest price increase since 2007.

- We are now putting prices up to compensate for these higher costs.

- Pasta sales are now back to normal after the exceptional figures reported in Q2 2020. However, fresh pasta sales have continued to excel in Italy, France and Canada.

- Garofalo was adversely impacted by the USD exchange rate and the huge hike in shipping costs, given the importance of its sales in the US.

- As we announced back in July, Ebro has reached an agreement with CVC Capital Partners VIII for the sale of our dry pasta, semolina and sauce business within the Panzani Group. We are currently awaiting regulatory approval from the French authorities. Following this sale, Ebro will keep the rice and fresh pasta businesses within the Panzani Group.

2.2.2 Pasta 9M21

- Turnover fell 2% to EUR811.1 million, improving on the trend seen in recent quarters. On a Q3 standalone basis, sales were up by 6.7%.

- We increased advertising investment by 9.6% to EUR42.8 million.

- Despite the higher price of durum wheat, the division's Ebitda-A grew by 3.2% to EUR100 million, with the margin up 60 b.p. thanks to an improved mix, effective hedges and listed price adjustments. The exchange rate had no impact on these results.

- Operating profit grew 9.1% to EUR56.3 million.

EUR Thous.	9M19	9M20	9M21	21/20	CAGR 21/19
Sales	709,010	827,068	811,096	-1.9%	7.0%
Advertising	33,508	39,086	42,836	9.6%	13.1%
Ebitda-A	87,982	96,847	99,961	3.2%	6.6%
Ebitda-A Margin	12.4%	11.7%	12.3%	-	-
Ebit-A	52,968	59,059	60,664	2.7%	7.0%
Operating Profit	49,174	51,573	56,258	9.1%	7.0%

CONSOLIDATED GROUP RESULTS
9M21

3.1 P&L 9M21

- The consolidated sales figure for 9M21 fell 3.5% to EUR2,082.8 million, as we were without the extraordinary sales reported in the comparable period for 2020. On a Q3 standalone basis, sales went up by 4.8%, reflecting price increases across most markets.

- Advertising investment grew 6.2% to EUR70 million, demonstrating the Group's efforts to relaunch its more niche lines, which we had sidelined during the pandemic in 2020.

- Ebitda-A fell 1.6% to EUR262.5 million. The exchange rate had a negative effect of EUR3.8 million on Ebitda-A.

- Operating Profit grew 1% to EUR179 million, thanks to lower negative extraordinaries this year.

- Net Profit grew by 5.8% to EUR155.2 million, primarily driven by net capital gains on asset sales during the period, which amounted to EUR30 million.

EUR Thous.	9M19	9M20	9M21	21/20	CAGR 21/19
Sales	1,821,825	2,158,690	2,082,821	-3.5%	6.9%
Advertising	60,869	65,978	70,038	6.2%	7.3%
Ebitda-A	220,111	266,721	262,541	-1.6%	9.2%
Ebitda-A Margin	11.6%	12.4%	12.6%	-	-
Ebit-A	149,186	184,867	178,939	-3.2%	9.5%
Operating Profit	143,757	177,357	179,055	1.0%	11.6%
Pre-tax Profit	130,751	172,567	177,198	2.7%	16.4%
Net Profit from Continuing Operations	89,466	122,400	132,895	8.6%	21.9%
Net profit	114,747	146,672	155,219	5.8%	16.3%
ROCE-A %	N.A.	N.A.	N.A.	-	-

3.2 Debt Performance

- We ended the first nine months of the year with Net Debt standing at EUR904.1 million, EUR46.7 million less than at year-end 2020.

- Working capital rose by EUR111 million compared to YE 2020, due to our strong positions taken in the face of continued inflation on raw materials in the destination country.

- The divestment of the dry pasta business in North America generated EUR195 million, with a corporate income tax payment of EUR105 million.

- We are also nearing completion on the construction of our Rinconada plant, which we anticipate will be up and running in Q4. Capex for the first nine months therefore reached EUR74 million.

EUR Thous.	30 Sep 19	31 Dec 19	30 Sep 20	31 Dec 20	30 Sep 21	21/20	CAGR 21/19
Net Debt	1,040,721	999,849	898,250	950,870	904,134	0.7%	-6.8%
Average net debt	790,981	871,869	947,150	917,583	896,265	-5.4%	6.4%
Equity	2,256,975	2,262,203	2,242,068	1,927,351	2,070,019	-7.7%	-4.2%
ND Leverage	46.1%	44.2%	40.1%	49.3%	43.7%	9.0%	-2.7%
AND Leverage	35.0%	38.5%	42.2%	47.6%	43.3%	2.5%	11.2%
x Ebitda-A (ND)		2.92		2.19			
x Ebitda-A (AND)		2.54		2.11			

CONCLUSION

4. Conclusion

- After a year of strong sales, good margins and fewer promotions, we are now faced with a very challenging year, as cost inflation and poor harvests are pushing up our expenses by EUR83 million compared with 2020, a year when costs already went up by EUR60 million.

- However, our robust and significant stocks of raw materials and our global market standing have enabled us to offset some of these increased costs.

- During the first few months of the year, we saw a reduction in sales of products with lower added value. On the other hand, the return of convenience products to the shelves and a major investment in advertising these products, helped to boost sales above 2019 levels.

- Our price increases should help us to regain profitability and reach an estimated Sales and Ebitda-A of between EUR2.790 and 2.830 Million and EUR347 and 352 Million for the end of the year, which would be a very satisfactory result given current cost inflation and the challenge of competing with the extraordinary results from 2020.

5. Corporate Calendar

As part of Ebro's commitment to complete transparency, below we provide our Corporate Calendar for 2021:

➢ 25 February	Presentation of YE2020 Results
➢ 6 April	Four-month payment of ordinary dividend (EUR0.19/share)
➢ 28 April	Presentation of Q1 2021 results
➢ 30 June	Four-month payment of ordinary dividend (EUR0.19/share)
➢ 28 July	Presentation of H1 2021 results
➢ 1 October	Four-month payment of ordinary dividend (EUR0.19/share)
➢ 27 October	Presentation of 9M21 Results and Pre-YE 2021

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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.

	30/09/2019	30/09/2020	30/09/2021	2021 - 2020
EBITDA(A)	**220,111**	**266,721**	**262,541**	**(4,180)**
Provisions for amortisation	(70,925)	(81,854)	(83,602)	(1,748)
EBIT(A)	**149,186**	**184,867**	**178,939**	**(5,928)**
Non-recurring income	7,343	2,218	8,053	5,835
Non-recurring costs	(12,771)	(9,228)	(7,937)	1,291
OPERATING PROFIT	**143,758**	**177,857**	**179,055**	**1,198**

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

	30/09/2019	30/09/2020	30/09/2021
(+) Non-current financial liabilities	552,019	836,771	555,748
(+) Other current financial liabilities	774,930	370,020	724,021
(-) Sum of security deposits payable	(100)	(817)	(86)
(-) Cash and cash equivalents	(285,651)	(308,065)	(375,683)
(-) Derivatives – assets	(1,368)	(1,181)	(1,338)
(+) Derivatives – liabilities	891	1,522	1,472
TOTAL NET DEBT	**1,040,721**	**898,250**	**904,134**

  - (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 2020, 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.