



TO THE NATIONAL SECURITIES EXCHANGE COMMISSION OF SPAIN

Madrid, 27 October 2022

Ref: presentation to analysts announced this morning, regarding the Group Ebro Foods results for the third quarter 2022.

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

OTHER RELEVANT INFORMATION

the presentation to analysts announced this morning, relating to the results for the third quarter 2022 that will be held today in the Board Meeting Room located on the second floor of our head office in Paseo de la Castellana 20th, Madrid.

Yours faithfully,

Luis Peña Pazos
Secretary of the Board of Directors



RESULTS 9M22

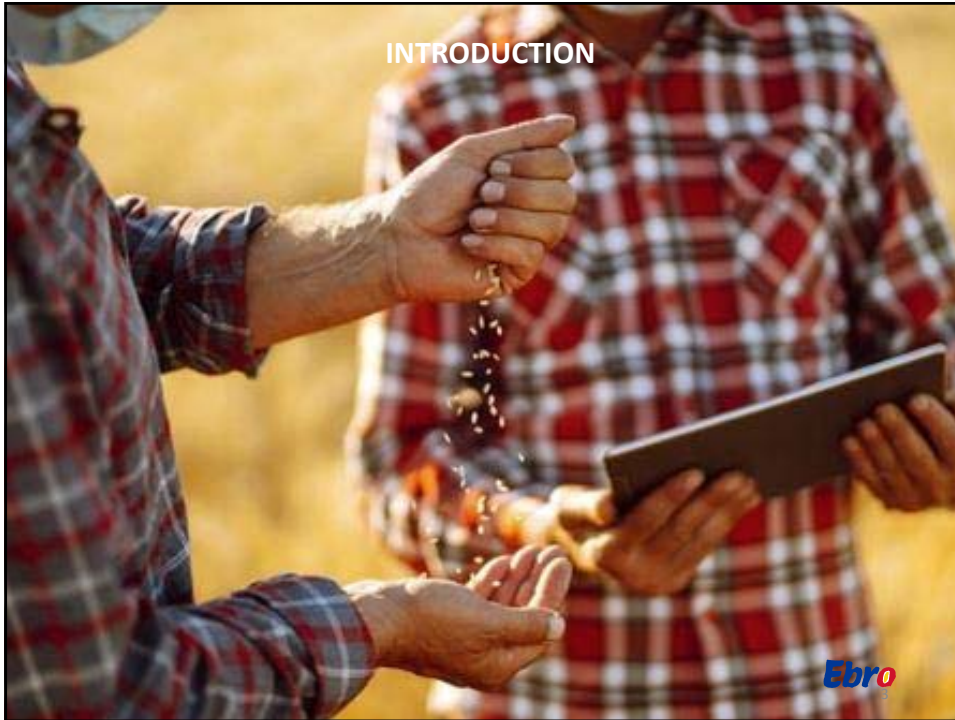
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1. Introduction

- We have been dealing with the same situation in Q3 as in previous quarters:
 - High raw material and energy cost inflation.
 - Very high transport costs, however this is now showing signs of easing.
 - A stronger US dollar placing pressure on imports, but favouring exports to the US (Bertagni and Garofalo).
 - Issues recruiting employees to cover workforce positions, both in North America and at various plants across Europe.
- In addition to these factors, we are also starting to feel the impact of the following new issues:
 - Softening demand as a result of: 1) a return to normal shopping habits following impulse buying at the start of the war in Ukraine, and 2) rising inflation.
 - A move towards buying more private label products at the expense of brands and manufacturer products, as people try to save money.
 - Threat of the current drought getting worse, which could affect future harvests.
- All in all, the Group's results are satisfactory but performance has varied: healthy growth in the rice division where our strong stockpiling and commercial position in the different markets are working well for us, and greater difficulties in the pasta division where, particularly in fresh products, stocks are more short term and there is more elasticity to price rises.





2.1.1 Rice 9M22

- In spite of challenging circumstances, the rice division continues to generate strong profits, thanks to:
 - 1) Our long positions on raw materials, which give us a safety buffer through to Q2 2023.
 - 2) The good performance of our brands, which have barely been affected by the move towards private labels.
- However, the division is being impacted by:
 - Reduced harvests in Spain, Italy and California, causing price inflation for Japanese rice.
 - Flooding in Pakistan, which is driving up the price of the latest basmati rice harvest.
 - Increased import duties in Europe, rising from EUR 30 to EUR 65 per tonne.
- We are pleased to see our flagship products: instant, microwave, ethnic and premium achieve steady double-digit growth.
- The resilience of our supply chain and sales team is proving crucial as we deal with these issues, helping us to produce highly satisfactory results.



2.1.2 Rice 9M22

- Sales increased by 27.2% y-o-y to EUR1,714.1 million, as we were able to pass on the cost of inflation and record higher sales volumes. On a Q3 standalone basis, sales grew by 27%.
- Advertising investment was up 22.9% to EUR38.5 million. On a Q3 standalone basis, investment grew by 13.7%.
- Ebitda-A grew by 15.2% to EUR213.4 million. On a Q3 standalone basis, Ebitda-A grew 9.7%, in line with the comparable sales figure. Currency exchange had a positive impact of EUR10.2 million on Ebitda-A.
- Operating profit grew 10.5% to EUR161.2 million.

EUR Thous.	9M20	9M21	9M22	22/21	CAGR 22/21
Sales	1,425,301	1,347,208	1,714,060	27.2%	9.7%
Advertising	30,881	31,374	38,547	22.9%	11.7%
Ebitda-A	191,459	185,268	213,385	15.2%	5.6%
Ebitda-A Margin	13.4%	13.8%	12.4%	-	-
Ebit-A	148,511	142,133	163,880	15.3%	5.0%
Operating Profit	145,709	145,854	161,177	10.5%	5.2%

* In the last three periods, the Panzani rice business was reclassified from the Pasta Division to the Rice Division.



2.2.1 Pasta 9M22

- In terms of raw materials in the fresh pasta business, we are unable to implement long-term stockpiling policies due to the shelf life of the ingredients.
- On a positive note, Garofalo and Bertagni have benefitted from favourable long-term gas and electricity contracts, although these are sadly coming to an end. We also reaped the benefits of a stronger exchange rate for exports to the US.
- The fresh pasta business is facing inflation costs of EUR52 million, and its consumption is more affected by tariff increases as it has higher price elasticity.
- Against this difficult backdrop, our dry pasta brand Garofalo has performed very well and our star product, Gnocchi, has continued to enjoy strong growth.
- During the period, our sales team has had to handle three price increases, the last one in mid-September, which we expect to see benefits from in the last quarter of the year.



2.2.2 Pasta 9M22

- Turnover grew 18.2% to EUR479.6 million, thanks to increased volumes and the price hikes required to cover cost inflation.
- Advertising fell 22.3% to EUR19.8 million.
- The Division's Ebitda-A fell by 11.5% to EUR41.3 million, with the margin also down by 2.9 p.p. This was primarily due to severe inflation affecting raw materials on the fresh pasta side, as well as the challenge of raising prices in a shrinking market. The exchange rate had a negative impact of EUR0.2 million.
- An operating loss of EUR5.5 million was recorded.

EUR Thous.	9M20	9M21	9M22	22/21	CAGR 22/20
Sales	398,850	405,715	479,619	18.2%	9.7%
Advertising	20,099	25,474	19,795	-22.3%	-0.8%
Ebitda-A	44,607	46,646	41,278	-11.5%	-3.8%
Ebitda-A Margin	11.2%	11.5%	8.6%	-	-
Ebit-A	20,665	21,519	16,391	-23.8%	-10.9%
Operating Profit	15,877	18,471	-5,459		

* In the last three periods, the Panzani rice business was reclassified from the Pasta Division to the Rice Division.



CONSOLIDATED GROUP RESULTS 9M22



3.1 P&L 9M22

- The consolidated sales figure grew by 24.6% to EUR2,183.3 million.
- Ebitda-A grew by 10.7% to EUR244.9 million. The Ebitda-A margin decreased by 1.4 p.p. to 11.2%, due to increases in the cost of raw materials. On a standalone quarterly basis, Ebitda-A grew by 3.5%. Currency contributed EUR10 million to this result.
- On a like-for-like basis (i.e. excluding the contribution of the divested dry pasta businesses*) net profit decreased by 15.8% to EUR96.9 million, impacted by currency translation differences of EUR15.9 million and the loss on the divestment of Roland Monterrat, which amounted to EUR20 million. Excluding these two extraordinary events, net profit from continuing operations would have grown by 15.3%. The net profit figures for 9M20 and 9M21 included capital gains from the divestment of the American and French dry pasta businesses, and as a result they are not comparable.

EUR Thous.	9M20	9M21	9M22	22/21	CAGR 22/20
Sales	1,811,364	1,752,493	2,183,329	24.6%	9.8%
Advertising	51,064	56,431	58,079	2.9%	6.6%
Ebitda-A	225,917	221,163	244,896	10.7%	4.1%
Ebitda-A Margin	12.5%	12.6%	11.2%	-	-
Ebit-A	157,909	151,731	169,228	11.5%	3.5%
Operating Profit	153,597	153,205	145,438	-5.1%	-2.7%
Pre-tax Profit	149,811	152,149	126,708	-16.7%	-8.0%
Net Profit from Continuing Operations	107,311	115,083	96,852	-15.8%	-5.0%
Net Profit from Discontinued Operations	49,571	48,048	-1,108	-	-
Net profit	146,672	155,219	87,085	-43.9%	-22.9%
ROCE-A %	N.A.	N.A.	9.1	-	-



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3.2 Debt Performance

- We ended September with net debt amounting to EUR712 million, EUR207.3 million more than at year-end 2021.
- Working capital rose by EUR185.2 million compared to YE 2021, due to our strong positions taken in the face of continued inflation on raw materials in the destination country.
- Our investment in the InHarvest business amounted to EUR50.2 million and our divestment of Roland Monterrat amounted to EUR22 million. Corporate income tax payments amounted to EUR80.1 million.
- Capex in the first nine months reached EUR75.6 million, with the largest investments consisting of the extension of our RTS plant in Memphis, the new gnocchi line in Canada, the extension of our Avio plant (Bertagni) and the installation of machinery and gradual process of start-up at La Rinconada.

EUR Thous.	30 Sep 20	31 Dec 20	30 Sep 21	31 Dec 21	30 Sep 22	22/21	CAGR 22/20
Net debt	898,250	950,870	904,134	504,723	712,008	-21.2%	-11.0%
Average net debt	947,150	917,583	896,265	865,418	652,920	-27.2%	-17.0%
Equity	2,242,068	1,927,351	2,070,019	2,101,627	2,239,017	8.2%	-0.1%
ND Leverage	40.1%	49.3%	43.7%	24.0%	31.8%	-27.2%	-10.9%
AND Leverage	42.2%	47.6%	43.3%	41.2%	29.2%	-32.6%	-16.9%
x Ebitda-A (ND)		2.19		1.43			
x Ebitda-A (AND)		2.11		2.45			



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CONCLUSION



4. Conclusion

- We are having a very challenging year, as inflation of the cost of raw materials, energy and logistics, combined with poor rice harvests, are causing our costs to significantly rise compared to the last two years, which were already impacted by inflation to begin with.
- However, our robust and significant stocks of raw materials and our global market standing have enabled us to offset some of these increased costs, with the help of our excellent supply chain and an efficient management system.
- Our sales team have worked tirelessly on successive negotiations to pass on our costs, in order to give us the best possible conditions to deal with this situation.
- These price increases should help us to regain profitability and reach an estimated sales figure of between EUR2,750 million and 2,800 million, while Ebitda-A should reach between EUR315 million and EUR320 million for the end of the year, which would be a very satisfactory result given the complex global outlook.
- We are happy with the continual growth of our more valued lines: instant rice, microwave rice, skillet gnocchi, premium and ethnic ranges.



5. Corporate Calendar

As part of Ebro's commitment to complete transparency, below we provide our Corporate Calendar for 2022:

➤ 28 February	Presentation of YE2021 Results ✓
➤ 1 April	Four-month payment of ordinary dividend (EURO.19/share) ✓
➤ 27 April	Presentation of Q1 2022 results ✓
➤ 30 June	Four-month payment of ordinary dividend (EURO.19/share) ✓
➤ 26 July	Presentation of H1 2022 results ✓
➤ 3 October	Four-month payment of ordinary dividend (EURO.19/share) ✓
➤ 27 October	Presentation of 9M22 results ✓



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 is calculated by subtracting the year's amortisations and depreciations from EBITDA-A. EBIT-A is calculated consistently with prior-year EBIT.

	30/09/2020	30/09/2021	30/09/2022	2022 - 2021
EBITDA(A)	225,917	221,163	244,896	23,733
Provisions for depreciation/amortisation	(68,008)	(69,432)	(75,668)	(6,236)
EBIT(A)	157,909	151,731	169,228	17,497
Non-recurring income	2,051	7,568	917	(6,651)
Non-recurring costs	(6,363)	(6,094)	(24,707)	(18,613)
OPERATING PROFIT	153,597	153,205	145,438	(7,767)

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

	30/09/2020	30/09/2021	30/09/2022
(+) Non-current financial liabilities	836,771	555,748	549,878
(+) Other current financial liabilities	370,020	724,021	391,052
(-) Loans to associates	(1,122)	(1,122)	(1,122)
(-) Sum of security deposits payable	(817)	(86)	(676)
(-) Cash and cash equivalents	(306,943)	(374,561)	(229,562)
(-) Derivatives – assets	(1,181)	(1,338)	(2,587)
(+) Derivatives – liabilities	1,522	1,472	5,025
TOTAL NET DEBT	898,250	904,134	712,008

- (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 may be 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 2021, 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.