



TO THE NATIONAL SECURITIES EXCHANGE COMMISSION OF SPAIN

Madrid, 26 July 2023

Ref: presentation to analysts announced this morning, regarding the Group Ebro Foods results for the first half of 2023.

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 first half of 2023 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 H1 2023

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1. Introduction

- The second quarter results demonstrate that the Group continues to perform well this year.
- Inflation has been curtailed as the cost of virtually all our main raw materials has peaked, while energy and transport costs also fell during the period.
- As was the case in Q1, it is difficult to compare sales of rice and dry pasta with the previous year, due to the impact of stockpiling following the outbreak of war in Ukraine during H1 2022. However, our sales growth has successfully consolidated compared to H1 2021.
- Consumer outlook has improved, although less so for products where prices have risen the most.



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2.1.1 Rice H1 2023

- We can confirm that planting is down in Andalusia and there has been a 35% reduction in the area planted in Extremadura, which will primarily affect the long grain rice harvest in Spain.
- Conversely, heavy rainfall in California and Italy will help ensure a regular harvest (and therefore a better yield) for short grain rice.
- High basmati prices are leading to an increase in planting in India and Pakistan, which should result in larger harvests and lower prices in Q4 2023.
- Sales volumes in Europe are around 4% lower than in 2022, due to the impact of the war in Ukraine. This reduction is greater for the more expensive varieties (basmati, bomba and risotto).
- On a very positive note, we have maintained and even increased our market share.
- In the US, Riviana reported the same volumes as in 2022 and is up 12% compared to 2021.
- We have successfully integrated InHarvest into Riviana, with the closure of the Woodland plant and the consolidation of all operations in Colusa.
- Sales of our microwave products continue to grow steadily, with significant improvements in our weighted distribution, particularly in the US.



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2.1.2 Rice H1 2023

- Sales increased by 8.3% year on year to EUR1,230.8 million, as we were able to pass on a large part of the cost of inflation. InHarvest contributed EUR21.9 million to sales.
- Advertising investment was up 6.2% to EUR25.8 million. The increase in investment is helping to protect market shares in an unfavourable climate for branded products.
- Ebitda-A grew by 9.4% to EUR160.4 million. The exchange rate had no material impact on these results. InHarvest contributed EUR3.2 million to Ebitda-A.
- Operating profit grew 10.9% to EUR125 million.

EUR Thous.	H1 2021	H1 2022	H1 2023	23/22	CAGR 23/21
Sales	891,287	1,136,111	1,230,846	8.3%	17.5%
Advertising	18,875	24,337	25,844	6.2%	17.0%
Ebitda-A	124,446	146,643	160,418	9.4%	13.5%
Ebitda-A Margin	14.0%	12.9%	13.0%		
Ebit-A	95,770	114,447	127,418	11.3%	15.3%
Operating Profit	93,890	112,689	124,974	10.9%	15.4%



2.2.1 Pasta H1 2023

- Although the price of durum wheat fell during H1, the poor harvest in Italy and gloomy forecasts for the Canadian crop have seen prices rise again in recent weeks. Prices in our fresh pasta business remain high, as the prices of the main raw materials for this category, such as potatoes (for gnocchi), dairy and eggs, have not come down.
- Having slowed in Q4 2022, sales began to pick up again in H1 2023. Sales of fresh pasta are up by 8% on average in France, with gnocchi showing impressive double-digit growth.
- The start-up of new gnocchi production lines in France and Canada will ensure that this growth is sustainable.
- Bertagni continues to grow sales by launching new products and expanding its customer base.
- Garofalo is also enjoying healthy growth in the US. However, sales in Italy were down on the previous year, due to the impact of stockpiling as a result of the war in Ukraine.



2.2.2 Pasta H1 2023

- Nevertheless, turnover grew slightly by 0.5% to EUR331.3 million. Roland Monterraat contributed EUR28.1 million in H1 2022. Like-for-like growth stands at 9.9%.
- Advertising grew 16.1% up to EUR16.1 million, with the aim of recovering volumes lost in the price increase process.
- The Division's Ebitda-A grew by 40.2% to EUR41 million, with the margin growing 3.5% p.p. The exchange rate had no impact on this result. In H1 2022, Roland Monterraat recorded a negative Ebitda-A of EUR1.7 million.
- Operating Profit is back on track and grew to EUR22.6 million.

EUR Thous.	H1 2021	H1 2022	H1 2023	23/22	CAGR 23/21
Sales	268,703	329,623	331,303	0.5%	11.0%
Advertising	16,579	13,885	16,120	16.1%	-1.4%
Ebitda-A	31,214	29,227	40,987	40.2%	14.6%
Ebitda-A Margin	11.6%	8.9%	12.4%		
Ebit-A	14,562	12,317	25,296	105.4%	31.8%
Operating Profit	12,392	-9,289	22,621	n.a.	35.1%



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3.1 P&L H1 2023

- The consolidated sales figure grew by 6.8% to EUR1,557.9 million, primarily thanks to the rice division.
- Ebitda-A grew by 15.2% to EUR194.8 million. The Ebitda-A margin increased by 0.9 p.p. to 12.5%, as the cost of our main raw materials stabilised and other costs, such as transport and energy, started to ease. Currency had no impact on this result.
- Net Profit* grew by 64.1% to EUR93.1 million and outperformed the other results, due to the extraordinary loss of EUR20 million in the same quarter in 2022 caused by the sale of Roland Monterraat. Net Profit for 2021 included capital gains from the divestment of the North American dry pasta business, and is therefore also not comparable.

EUR Thous.	H1 2021	H1 2022	H1 2023	23/22	CAGR 23/21
Sales	1,158,730	1,458,910	1,557,889	6.8%	16.0%
Advertising	35,160	37,996	41,764	9.9%	9.0%
Ebitda-A	147,864	169,016	194,788	15.2%	14.8%
Ebitda-A Margin	12.8%	11.6%	12.5%		
Ebit-A	101,757	119,055	145,272	22.0%	19.5%
Operating Profit	97,592	95,906	140,780	46.8%	20.1%
Pre-tax Profit	98,018	85,517	136,220	59.3%	17.9%
Net Profit	107,159	56,743	93,132	64.1%	-6.8%
ROCE-A %	10.0%	9.7%	11.2%		

*Net profit attributed to the parent company



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3.2 Debt Performance

- We ended H1 with Net Debt standing at EUR778.5 million, EUR15.8 million more than at year-end 2022. This figure accounts for dividend payments made in April and June, as well as the accrued October dividend payment, amounting to a total of EUR94.1 million.
- Working capital rose by EUR10.2 million compared to year-end 2022 due to higher stock prices.
- As we announced in the Q1 2022 results, we prepaid tax to the French authorities in that quarter on the capital gain of the sale of the Panzani shares, the payment of EUR25.1 million having finally been recovered in H1 2023. Therefore, although the corporate income tax payment in H1 2023 was EUR34.8 million, the balance only came to EUR8.2 million.
- Capex investments during H1 amounted to a total of EUR62.3 million, up EUR18 million year on year.

EUR Thous.	30 Jun 21	31 Dec 21	30 Jun 22	31 Dec 22	30 Jun 23	23/22	CAGR 23/21
Net Debt	947,654	504,723	718,808	762,635	778,464	8.3%	-9.4%
Average Net Debt	894,189	865,418	702,988	645,809	724,049	3.0%	-10.0%
Equity	1,999,379	2,101,627	2,151,206	2,164,438	2,157,565	0.3%	3.9%
ND Leverage	47.4%	24.0%	33.4%	35.2%	36.1%	8.0%	-12.8%
AND Leverage	44.7%	41.2%	32.7%	29.8%	33.6%	2.7%	-13.4%
x Ebitda-A (ND)		1.43		2.30			
x Ebitda-A (AND)		2.45		1.90			

*Affects cash flow only, not the income statement.



4. Conclusion

- We were pleased to see that the good results in Q1 2023 have continued into H1 2023.
- We also have some clarity on the uncertainties surrounding the upcoming harvests, which overall should help to bring down inflation for the main raw materials (rice and durum wheat).
- Our new production lines are gradually starting to get up and running.
- We remain firmly committed to innovation and value-added products. We have a great deal of promotional activity planned for these products in H2.
- We expect to reduce Working Capital and Net Debt in H2.



5. Corporate Calendar

As part of Ebro's commitment to complete transparency, below we provide our Corporate Calendar for 2023:

➤ 27 February	Presentation of YE 2022 Results ✓
➤ 3 April	Four-month payment of ordinary dividend (EURO.19/share) ✓
➤ 26 April	Presentation of Q1 2023 results ✓
➤ 30 June	Four-month payment of ordinary dividend (EURO.19/share) ✓
➤ 26 July	Presentation of H1 2023 results ✓
➤ 2 October	Four-month payment of ordinary dividend (EURO.19/share)
➤ 31 October	Presentation of 9M23 results



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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 amortisation, 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-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-A.

	1H21	1H22	1H23	1H23-1H22
EBITDA-A	147,864	169,016	194,788	25,772
Provisions for depreciation/amortisation	(46,107)	(49,961)	(49,516)	445
EBIT-A	101,757	119,055	145,272	26,217
Non-recurring income	613	440	748	308
Non-recurring costs	(4,778)	(23,589)	(5,240)	18,349
OPERATING PROFIT	97,592	95,906	140,780	44,874

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

	Jun 30 2021	Jun 30 2022	Jun 30 2023
(+) Non-current financial liabilities	532,908	559,382	541,096
(+) Other current financial liabilities	766,734	376,800	475,755
(-) Loans to associates	(1,122)	(1,122)	(1,122)
(-) Sum of security deposits payable	(745)	(676)	(676)
(-) Cash and cash equivalents	(349,492)	(214,845)	(237,690)
(-) Derivatives – assets	(1,580)	(3,050)	(548)
(+) Derivatives – liabilities	951	2,319	1,649
TOTAL NET DEBT	947,654	718,808	778,464

- (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.

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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 2022, 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.