



RESULTS 9M 2023

Ebro

CONTENTS

1. **INTRODUCTION**
2. **BUSINESS UNIT RESULTS 9M23**
 - 2.1 Rice
 - 2.2 Pasta
3. **CONSOLIDATED GROUP RESULTS 9M23**
 - 3.1 P&L
 - 3.2 Debt Performance
4. **CONCLUSION**
5. **CORPORATE CALENDAR 2023**
6. **CALCULATION OF ALTERNATIVE PERFORMANCE MEASURES**
7. **LEGAL DISCLAIMER**



2.1.1 Rice 9M23

- The exceptional heatwaves across Europe this summer are having an adverse impact on local grain harvests.
- In North America, the long grain rice crop is better than last year in terms of volume, although yields are slightly lower. The japonica rice crop in California is very good and prices are already down by 20%.
- In the last quarter, several countries announced export restrictions, starting with India. India and Pakistan have imposed minimum prices on basmati exports, creating price tensions in the market. However, this has not had a negative impact on Ebro, which has ample stocks of this variety.
- We continue to expand capacity for our fastest growing products and are currently doubling capacity for Doypacks in Jerez. In 2024, Riviana will complete its investments, which will allow it to double its capacity of RTS, and will also finalise its first Doypack plant. This investment is in line with our strategic objectives to develop products with the highest added value.
- In Europe, the difference in volumes recorded in H1 has narrowed, as the figures for H1 2022 were heavily influenced by the outbreak of the war in Ukraine. In the US, we are now above last year's y-o-y figures. In the Middle East, we are up by more than 40% thanks to sharp rises in the sale of our Tilda and Abu Bint brands.
- We are consolidating our presence in Africa with Morocco as our main market. We are also ramping up our presence in other countries such as Ghana and Libya. One of our objectives is to expand our presence in this region.



2.1.2 Rice 9M23

- Sales increased by 6.7% year on year to EUR1,828.9 million. This percentage reflects a lower inflation rate than in previous quarters.
- Advertising investment was up 5.3% to EUR40.6 million. This increased investment is supporting new launches, while maintaining our market share as consumers are more focused on saving money.
- Ebitda-A grew by 8.9% to EUR232.3 million. InHarvest contributed EUR4.6 million. The exchange rate had a negative impact of EUR2.9 million on this figure.
- Operating profit grew 9.1% to EUR175.8 million.

EUR Thous.	9M21	9M22	9M23	23/22	CAGR 23/22
Sales	1,347,208	1,714,060	1,828,907	6.7%	16.5%
Advertising	31,374	38,547	40,587	5.3%	13.7%
Ebitda-A	185,268	213,385	232,303	8.9%	12.0%
Ebitda-A Margin	13.8%	12.4%	12.7%	-	-
Ebit-A	142,133	163,880	182,380	11.3%	13.3%
Operating Profit	145,854	161,177	175,794	9.1%	9.8%



2.2.1 Pasta 9M23

- The price of durum wheat has fallen this year, but the poor quality harvest in Italy and a smaller harvest in Canada have strained prices again.
- Food consumption in France has fallen sharply (-2.8% in Q2 2023 v. Q1 2023). On the other hand, consumption of fresh pasta is increasing rapidly after a decline in 2022. We have also returned to providing products that were discontinued last year due to a lack of raw materials (potato flakes). Our market share has now reached 46%.
- The start-up of new gnocchi production lines in France and Canada will ensure that this growth is sustainable.
- Bertagni has successfully passed on cost inflation to its retail price, expanding its product range and boosting distribution.
- Garofalo is also enjoying healthy growth in the US and Canada. However, sales in Italy and France are down on last year due to the stockpiling caused by the war in Ukraine, as well as there being fewer promotions in order to increase margins.



2.2.2 Pasta 9M23

- Turnover remains stable and stands at approximately EUR482.4 million. Roland Monterrat contributed EUR28.1 million in 9M 2022. Like-for-like growth stands at 6.8%.
- Advertising expenditure returned to 2021 levels, increasing by 24.6% to EUR24.7 million.
- The Division's Ebitda-A grew by 51.2% to EUR62.4 million, with the margin growing by 4.3 p.p. The exchange rate had no impact on these results. In 9M 2022, Roland Monterrat recorded a negative Ebitda-A of EUR1.7 million.
- Operating Profit is back on track and grew to EUR34.9 million.

EUR Thous.	9M21	9M22	9M23	23/22	CAGR 23/21
Sales	405,715	479,619	482,448	0.6%	9.0%
Advertising	25,474	19,795	24,656	24.6%	-1.6%
Ebitda-A	46,646	41,278	62,427	51.2%	15.7%
Ebitda-A Margin	11.5%	8.6%	12.9%	-	-
Ebit-A	21,519	16,391	38,057	132.2%	33.0%
Operating Profit	18,471	-5,459	34,867	-	37.4%



3.1 P&L 9M23

- The consolidated sales figure grew by 5.7% to EUR2,306.8 million, primarily thanks to the rice division.
- Ebitda-A grew by 16.1% to EUR284.4 million. The Ebitda-A margin increased by 1.1 p.p. to 12.3%, driven by the operational improvements of investments made in recent years, the stabilisation of our main raw material costs and the reduction of other costs, such as transport and energy. Inflation is still affecting other raw materials including certain rice varieties and markets, potato flakes, eggs and milk. Currency had a negative impact of EUR2.9 million on this figure. In geographic terms and by origin, EBITDA-A breaks down as follows: Spain 5.4%, North America 34.5%, UK 13.5%, Rest of Europe 40.9%, Asia 3.8% and Other 1.9%.
- Net Profit* grew by 60.9% to EUR140.1 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 Monterrat. A profit of EUR1.8 million was also recorded from the sale of the Woodlands plant. 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.	9M21	9M22	9M23	23/22	CAGR 23/21
Sales	1,752,493	2,183,329	2,306,797	5.7%	14.7%
Advertising	56,431	58,079	64,728	11.4%	7.1%
Ebitda-A	221,163	244,896	284,366	16.1%	13.4%
Ebitda-A Margin	12.6%	11.2%	12.3%	-	-
Ebit-A	151,731	169,228	208,835	23.4%	17.3%
Operating Profit	153,205	145,438	204,076	40.3%	15.4%
Pre-tax Profit	152,149	126,708	202,213	59.6%	15.3%
Net Profit*	155,219	87,085	140,136	60.9%	-5.0%
ROCE-A %	N.A.	9.1	11.9	-	-

*Net profit attributed to the parent company



3.2 Debt Performance

- We ended 9M with Net Debt standing at EUR588.2 million, EUR174.4 million less than at year-end 2022. This figure includes the payment of annual dividends.
- Working capital fell by EUR130.9 million compared to year-end 2022 due to reduced stocks.
- 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 was finally recovered this year. Therefore, although the corporate income tax payment* in 9M 2023 was EUR44.0 million, the balance only came to EUR18.9 million.
- Capex investments during the period amounted to a total of EUR102.5 million, up EUR26.9 million year on year. We expect to have invested approximately EUR140 million in Capex by the end of the year.
- The sale of the Woodlands plant, which we acquired when we purchased InHarvest's assets, generated EUR10.6 million.

EUR Thous.	30 Sep 21	31 Dec 21	30 Sep 22	31 Dec 22	30 Sep 23	23/22	CAGR 23/21
Net Debt	904,134	504,723	712,008	762,635	588,217	-17.4%	-19.3%
Average net debt	896,265	865,418	652,920	645,809	707,358	8.3%	-11.2%
Equity	2,070,019	2,101,627	2,239,017	2,164,438	2,229,075	-0.4%	3.8%
ND Leverage	43.7%	24.0%	31.8%	35.2%	26.4%	-17.0%	-22.3%
AND Leverage	43.3%	41.2%	29.2%	29.8%	31.7%	8.8%	-14.4%
x Ebitda-A (ND)		1.43		2.28			
x Ebitda-A (AND)		2.45		1.93			

*Affects cash flow only, not the income statement.



4. Conclusion

- As the first nine months of 2023 draw to a close, our Ebitda-A stands at a very healthy EUR284.3 million.
- Our pasta businesses have returned to profitability in all markets.
- As predicted in previous presentations, working capital and debt levels are improving.
- With the cost of energy and several of our key raw materials beginning to stabilise, we do not anticipate any further price increases.
- We expect Ebitda-A to reach EUR372-378 million at the end of the year. This would be a significant achievement, taking Ebitda-A above the level prior to the sale of Panzani.



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 ✓



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.

	<u>30/09/2021</u>	<u>30/09/2022</u>	<u>30/09/2023</u>	<u>2023 - 2022</u>
EBITDA(A)	221,163	244,896	284,366	39,470
Provisions for depreciation/amortisation	(69,432)	(75,668)	(75,531)	137
EBIT(A)	151,731	169,228	208,835	39,607
Non-recurring income	7,568	917	2,631	1,714
Non-recurring costs	(6,094)	(24,707)	(7,390)	17,317
OPERATING PROFIT	153,205	145,438	204,076	58,638

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

	<u>30/09/2021</u>	<u>30/09/2022</u>	<u>30/09/2023</u>
(+) Non-current financial liabilities	555,748	549,878	539,380
(+) Other current financial liabilities	724,021	391,052	405,137
(-) Loans to associates	(1,122)	(1,122)	(1,122)
(-) Sum of security deposits payable	(86)	(676)	(676)
(-) Cash and cash equivalents	(374,561)	(229,562)	(354,296)
(-) Derivatives – assets	(1,338)	(2,587)	(1,486)
(+) Derivatives – liabilities	1,472	5,025	1,280
TOTAL NET DEBT	904,134	712,008	588,217

- (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 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.