



## RESULTS Q1 2024

**Ebro**

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# 1. Introduction

- 2024 got off to an excellent start in the first quarter, with both divisions performing well.
- Sowings in southern Spain are expected to recover following the arrival of rain and the current level of the reservoirs, which will enhance use of the installed capacity.
- Aromatics crop harvests in India and Pakistan have been good and prices are still below those of the previous harvest. The Red Sea crisis has pushed up freight rates, trimming the advantage compared to previous years. But prices for the whole of 2024 are expected to be more accommodating.
- Capacity expansion work will be completed during the year at the microwave plants in North America and Europe, and at the gnocchi facility in France, lowering Capex from 2025 onwards.
- As regards fresh pasta, following the recent-year inflationary cycle and the decline in volumes due to higher price elasticity, the fresh pasta category is still showing healthy growth.
- Real estate sales are forecast to bring an extraordinary cash flow of around EUR30 million during the year.



## 2.1.1 Rice Q1 2024

- The Rice Division had a very solid quarter. The supply issues caused by the interruption of traffic through the Suez Canal have had a dual positive effect; on the one hand increasing the value of stocks already located in Europe, and on the other, reviving purchases by the distribution sector to avoid shortages.
- Spain's commodity markets have been strained further due to the lack of water, although the latest rains in March should allow crops to grow in both Extremadura and Andalusia. Prices remain stable in the rest of Europe. Aromatics have been adjusted at source, but are more expensive at destination due to freight inflation. In the US, we expect a tight commodity market in the first half of the year, until the new crops arrive.
- Sales are on the up in most of the markets in which we operate, as compared to the high volumes in the first quarters of the last two years. As regards subsidiaries, Herba has performed particularly well in Europe. In terms of products, of particular note is the performance of our microwave (RTS and doypacks) and instant products.
- Riviana will have new capacity and so a more competitive price from Q2 2024, because the Memphis RTS plant expansion was completed during the quarter.
- In January and February, Tilda was favoured by two events: a) a distribution sector aiming to secure volumes in view of the situation in the Red Sea; and b) Ramadan, which was in the first quarter. March results were not so positive, once the pre-Ramadan stockpiling was over and the advantageous commodity positions had become depleted in some markets.
- In terms of geographic context, we would highlight: a) the Group's good performance in the Middle East and, in particular, the progress achieved with the Abu Bint brand, which is studying the possibility of entering adjacent markets; and b) the incipient but solid progress made in Africa, led by Ghana.



## 2.1.2 Rice Q1 2024

- As a result of the above, the division's sales fell by 2.0% to EUR629.7 million, which is attributable to price adjustments in some markets due to cost reductions for some varieties and growth in promotions, amounting to 5.8% in TAMI 24/22.
- We are bolstering advertising investments to support new launches, advertising was therefore up 5.2% to EUR15.8 million.
- Ebitda-A grew 2.1% to EUR82.9 million; 6.5% in terms of CAGR 24/22. The exchange rate had no material impact in the quarter.
- Operating profit grew 3.5% to EUR64.8 million.

### RICE

EUR Thous.	Q1 2022	Q1 2023	Q1 2024	24/23	CAGR 24/22
<b>Sales</b>	562,280	642,750	629,691	-2.0%	5.8%
<b>Advertising</b>	12,453	15,026	15,809	5.2%	12.7%
<b>EBITDA-A</b>	73,112	81,236	82,928	2.1%	6.5%
<b>EBITDA-A Margin</b>	13.0%	12.6%	13.2%	-	-
<b>Ebit-A</b>	57,557	64,623	65,922	2.0%	7.0%
<b>Operating Profit</b>	56,648	62,666	64,848	3.5%	7.0%



## 2.2.1 Pasta Q1 2024

- Our fresh pasta business is recovering volumes at good pace, even given the difficulties caused by farming and transport strikes, which have affected service levels.
- In Canada, Olivieri is growing at double digits, tripling the category average. The second gnocchi line is now operational, which will allow us to tackle the US market from there.
- Garofalo sales were very strong during the quarter, driven largely by a major investment in promotions with a successful TV advertising campaign in Europe. In a fiercely competitive environment, we are growing strongly in our core markets.
- The improvements in the price of energy and of some auxiliary raw materials are helping to offset the rising costs of some important ingredients in the fresh product business, such as potato flakes.
- Increasing volumes make for enhanced productivity and improved results for the division.



## 2.2.2 Pasta Q1 2024

- Therefore, turnover grew 5.7% to EUR178.3 million, driven by the aforementioned increase in volumes.
- Advertising grew by 12% to EUR9.6 million to ensure that volumes carry on rising and operating leverage improves.
- The Division's Ebitda-A grew by 68.6% to EUR31.1 million, with the margin growing 7.5% p.p. The exchange rate had no impact on this result.
- Operating Profit grew 120.2% to EUR21.5 million.

EUR Thous.	Q1 2022	Q1 2023	Q1 2024	24/23	CAGR 24/22
<b>Sales</b>	166,142	168,653	178,273	5.7%	3.6%
<b>Advertising</b>	6,452	8,560	9,582	11.9%	21.9%
<b>EBITDA-A</b>	17,359	18,439	31,080	68.6%	33.8%
<b>EBITDA-A Margin</b>	10.4%	10.9%	17.4%	-	-
<b>Ebit-A</b>	8,697	10,821	22,474	107.7%	60.8%
<b>Operating Profit</b>	7,859	9,788	21,556	120.2%	65.6%



# 3.1 P&L Q1 2024

- Consolidated revenue remained virtually flat at EUR806.6 million, due to price adjustments made in some markets.
- Ebitda-A grew by 13.9% to EUR109.7 million. The Ebitda-A margin grew by almost 1.7 p.p. to 13.6%, thanks to the good performance of the pasta division. Currency had no material impact on this result.
- Net Profit\* grew by 22.7% to EUR53.7 million.
- ROCE-A continued to perform well, growing by 2.8 p.p. compared to Q1 2023 and by 3.6 p.p. in relation to Q1 2022.

## CONSOLIDATED

EUR Thous.	Q1 2022	Q1 2023	Q1 2024	24/23	CAGR 24/22
<b>Sales</b>	725,795	810,151	806,598	-0.4%	5.4%
<b>Advertising</b>	18,798	23,384	25,365	8.5%	16.2%
<b>EBITDA-A</b>	87,002	96,314	109,654	13.9%	12.3%
<b>EBITDA-A Margin</b>	12.0%	11.9%	13.6%	-	-
<b>Ebit-A</b>	62,383	71,679	83,652	16.7%	15.8%
<b>Operating Profit</b>	60,732	68,928	81,679	18.5%	16.0%
<b>Pre-tax Profit</b>	58,300	63,950	80,696	26.2%	17.6%
<b>Net Profit</b>	41,520	43,802	53,732	22.7%	13.8%
<b>ROCE-A</b>	9.8%	10.6%	13.4%	-	-

\*Net profit attributed to the parent company





## 3.2 Debt Performance

- We ended Q1 with Net Debt standing at EUR507.0 million, EUR63.4 million less than at year-end 2023, mainly thanks to good business performance and the resulting contribution to Ebitda.
- Working capital fell by EUR3.2 million compared to year-end 2023.
- Corporate income tax in Q1 2024 stood at EUR10.6 million.
- Capex investments during Q1 amounted to a total of EUR34.3 million.

EUR Thous.	31 Mar 22	31 Dec 22	31 Mar 23	31 Dec 23	31 Mar 24	24/23	CAGR 24/22
<b>Net Debt</b>	555.138	762.635	743.912	570.404	507.015	-31,8%	-4,4%
<b>Average net debt</b>	775.435	645.809	702.555	831.747	621.717	-11,5%	-10,5%
<b>Equity</b>	2.161.160	2.164.438	2.190.568	2.185.159	2.268.969	3,6%	2,5%
<b>ND Leverage</b>	25,7%	35,2%	34,0%	26,1%	22,3%		
<b>AND Leverage</b>	35,9%	29,8%	32,1%	38,1%	27,4%		
<b>x EBITDA -A (ND)</b>		2,28		1,47			
<b>x EBITDA -A (AND)</b>		1,93		2,15			



# 4. Conclusion

- We returned to strong growth in Q1 2024, improving on the challenging level set by Q1 2023 results.
- The latest rains in Spain have alleviated risks triggered by the prolonged drought of the last few years. This will enhance the use of installed capacity by reducing reliance on trading.
- The major investments made in microwave, instant and gnocchi products will be completed during the year, which will drive growth and profitability levels.
- We are very pleased with the strong performance of our brands, which are outperforming their respective markets across the board.



# 5. Corporate Calendar

As part of Ebro's commitment to complete transparency, below we provide our Corporate Calendar for 2024:

➤ 29 February	Presentation of YE 2023 Results ✓
➤ 2 April	Four-month payment of ordinary dividend (EURO.22/share) ✓
➤ 24 April	Presentation of Q1 2024 results ✓
➤ 28 June	Four-month payment of ordinary dividend (EURO.22/share)
➤ 29 July	Presentation of H1 2024 results
➤ 1 October	Four-month payment of ordinary dividend (EURO.22/share)
➤ 30 October	Presentation of 9M24 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>31/03/2022</u>	<u>31/03/2023</u>	<u>31/03/2024</u>	<u>2024 - 2023</u>
<b>EBITDA(A)</b>	<b>87,002</b>	<b>96,314</b>	<b>109,654</b>	<b>13,340</b>
Provisions for depreciation/amortisation	(24,619)	(24,635)	(26,002)	(1,367)
<b>EBIT(A)</b>	<b>62,383</b>	<b>71,679</b>	<b>83,652</b>	<b>11,973</b>
Non-recurring income	126	350	155	(195)
Non-recurring costs	(1,777)	(3,101)	(2,128)	973
<b>OPERATING PROFIT</b>	<b>60,732</b>	<b>68,928</b>	<b>81,679</b>	<b>12,751</b>

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

	<u>31/03/2022</u>	<u>31/03/2023</u>	<u>31/03/2024</u>
(+) Non-current financial liabilities	578,762	540,811	175,320
(+) Other current financial liabilities	350,939	441,601	742,014
(+) Financial liabilities available for sale	0	0	0
(-) Loans to associates	(1,122)	(1,122)	(1,122)
(-) Sum of security deposits payable	(676)	(676)	(500)
(-) Cash and cash equivalents	(372,807)	(238,158)	(408,496)
(-) Derivatives – assets	(1,032)	(1,766)	(592)
(+) Derivatives – liabilities	1,074	3,222	391
<b>TOTAL NET DEBT</b>	<b>555,138</b>	<b>743,912</b>	<b>507,015</b>

- (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 2023, which is available at [www.ebrofoods.es](http://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.