RESULTS
9M18 and Outlook

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BUSINESS UNIT RESULTS 9M18 AND 2018 OUTLOOK

1.1.1 Rice 9M18 and 2018 Outlook

- This year is proving complicated for our Rice Division – especially in the North American business – for several reasons:
  - The situation this year is very different compared to 2017 – a year of volatile raw material and record results.
  - In North America:
    - Rising raw material prices have impacted: 1) the different rice varieties, including local harvest varieties and, to a greater extent, aromatic varieties; and 2) packaging and containers.
    - Production imbalances, partly due to the damage caused by hurricane Harvey at our Freeport facility, and partly due to a lack of staff – many employees have left to join industries that they consider more lucrative, such as the petrochemical industry. We are working on retaining and attracting new and existing staff by offering conditions that incur additional costs: extra hours, pay rises, etc.
    - The sharp uptick in logistics costs due to rising transport (drivers and oil) and storage management costs.
    - The extraordinary costs associated with increasing capacity for microwave products and frozen goods in Memphis.
  - In Europe:
    - The start of the year was marked by both a high flood risk and high volatility in raw materials. As such, in order to guarantee future supply for our brands, we were forced to stock at high prices.
    - Increased production costs for microwave rice, as additional non-scheduled production had to take place in order to help the American business.
  - In Thailand – a significant source of supplies for the Group – works to expand the capacity of our facilities prevented us from being able to purchase and store raw materials before prices increased.

1.1.2 Rice 9M18 and 2018 Outlook

- All the factors mentioned so far relate to costs, although there is also some good news in terms of profits:
  - Sales are upbeat.
  - Our brands are registering healthy growth in terms of volume and the improved product mix (with considerable increases in microwave, aromatic and organic lines).
  - We have increased our market share across all markets.

- In terms of raw materials, the arrival of a better 18/19 harvest, both in North America and Europe, is naturally correcting the effect of inflation during the 17/18 campaign.

- To mitigate the negative factors affecting the business in North America, we are implementing the following measures:
  - We have modified our capacity in Freeport in order to tackle the new situation, discontinuing less profitable businesses and redirecting production of our national brands to Memphis. This will help us to adjust and focus our acquisition, production and distribution resources on more profitable areas, such as exports – the facility's port location gives it a significant competitive advantage in terms of food service and parboiled products for example.
  - We have approved a new investment to increase capacity (which has already been doubled) at our microwave plant in Memphis, which will allow us to resolve the packaging delays and bottleneck which were the main cause of the plant's production delays. This will get underway during 4Q 2019.
  - We have adjusted the price of our aromatic varieties for continued inflation, with a slight time lag. The final increase will be fully implemented during the last quarter.
  - We have announced tariff increases in order to counterbalance increased costs for logistics and auxiliary raw materials.
  - We have also designed a plan to generate significant savings in our packaging and container supply chain.

- These measures will help us to regain ground lost in terms of returns in North America, and we are confident that the investment made over the last three years will start to bear fruit very soon. We would also highlight that our European business is having another good year, with EBITDA remaining strong, at similar levels to 2017.

1.1 Rice 9M18

- Our net sales rose 6.5% to EUR1,038.5 million, with branded volumes growing considerably.
- However, the above-mentioned factors did affect the Division's EBITDA, which fell 23% to EUR118.2 million. The exchange rate had a negative impact of EUR3.9 million.
- Operating Profit fell 29% to EUR95 million.

EUR Thous.	9M16	9M17	9M18	18/17	CAGR 18/16
Sales	958,546	975,124	1,038,516	6.5%	4.1%
Advertising	23,385	21,727	21,126	-2.8%	-5.0%
Ebitda	145,952	153,741	118,176	-23.1%	-10.0%
Ebitda Margin	15.2%	15.8%	11.4%	-	-
Ebit	121,490	129,395	90,476	-30.1%	-13.7%
Operating Profit	129,624	134,337	94,996	-29.3%	-14.4%

1.1 Rice 2018 Outlook

- We expect the division's year-end sales to climb 3.5% to EUR1,392.3 million, mainly due to the increase in the price of raw materials.

- Advertising investment will fall EUR0.7 million to EUR27.4 million, in a year in which we have been placing greater importance on trade marketing investment.

- EBITDA will drop 23% to EUR158.5 million, as the tariff increases in North America will come into force at the end of 4Q. If the exchange rate remains at current levels, then it will have a negative impact of EUR4.7 million on EBITDA.

EUR Thous.	2016	2017	E2018	E18/17	CAGR E18/16
Sales	1,283,853	1,345,026	1,392,301	3.5%	4.1%
Advertising	30,135	28,088	27,383	-2.5%	-4.7%
Ebitda	196,264	205,988	158,511	-23.0%	-10.1%
Ebitda Margin	15.3%	15.3%	11.4%	-	-
Ebit	163,561	172,522	120,916	-29.9%	-14.0%
Operating Profit	169,240	174,027	125,147	-28.1%	-14.0%

1.2.1 Pasta 9M18 and Outlook

- As regards raw materials, the 18/19 durum wheat harvest yielded healthy volumes, keeping prices below last year’s, despite high volatility. This said, we already had sufficient provisions in place, both in the US and in Europe, to cover the whole of this year.

- In terms of our European businesses:

  - Panzani, which had benefitted from a year of sales growth up until the start of the summer, (although not in terms of returns due to competition and the rising cost of additional raw materials) registered a decline during July and August on the back of reduced pasta and sauce consumption caused by the hot weather. Consumption returned to normal levels in September, but we do not expect to be able to make up for the downturn registered during those two months. The sandwich market in France is highly competitive and this category is therefore being devalued, affecting the results of Roland Monterrat. We are working on redirecting its portfolio towards more profitable businesses.

  - We are investing considerably in Garofalo to consolidate the brand in Italy and bolster the positive growth in Spain (double-digit), France (with a 35% market share in premium pasta), Germany, Switzerland and the US, resulting in lower returns compared to an exceptional 2017. Its overall result is in line with the budget, and we are very satisfied with Garofalo’s performance within the Group.

  - Bertagni enjoyed double-digit growth in the last quarter and has contributed EUR5.9 million to EBITDA since its incorporation (six months ago). We expect this figure to rise to EUR8.7 million by year-end. We would particularly highlight Bertagni’s work to generate synergies with the rest of the Group, especially with Garofalo, in order to create an international portfolio of Italian premium products, leveraged on the Group’s distribution structure.

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1.2.2 Pasta 9M18 and Outlook

- In the North America pasta division:

  - We have lost sales with a distributor who is prioritising private label growth over manufacture brands. However, we are also extending our market penetration by diversifying into new retailers; although this is yet to boost profits, we are confident that it will in the future and will also allow us to grow at the same time.

  - Health & Wellness pasta continues to struggle in the US and our Gluten Free, Supergreens, Lowcal and organic ranges have been unable to offset the loss of the wholegrain contribution.

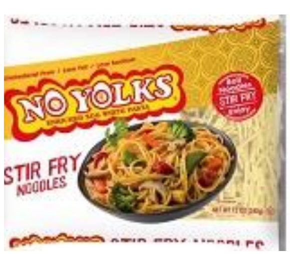
  - As with the Rice Division, the costs of transport, packaging and storage are having a significant impact, which is why we recently announced a tariff rise that will have a notable effect on our accounts as of December.

  - The measures we have taken in the last three years are starting to bear fruit and our market shares are improving, especially for traditional pasta.

1.2 Pasta 9M18

- As such, the Division's turnover is up by 3.8% to EUR930 million.
- As planned, this year we are prioritising promotion over advertising in order to maintain our market share. Advertising investment was down 12% to EUR44.5 million.
- The Division's EBITDA fell 11.4% to EUR101.4 million, and posted an 11% margin. Currency had a negative impact of EUR0.5 million.
- Operating Profit dropped 19.4% to EUR63.3 million.

EUR Thous.	9M16	9M17	9M18	18/17	CAGR 18/16
Sales	907,370	895,870	929,982	3.8%	1.2%
Advertising	50,723	50,495	44,484	-11.9%	-6.4%
Ebitda	112,064	114,383	101,394	-11.4%	-4.9%
Ebitda Margin	12.4%	12.8%	10.9%	-	-
Ebit	80,598	80,990	64,995	-19.7%	-10.2%
Operating Profit	72,677	78,449	63,264	-19.4%	-6.7%



1.2 Pasta 2018 Outlook

- We expect the division's year-end sales to climb 6.8% to EUR1,301 million. Bertagni will contribute EUR58.7 million, placing organic growth at around 2%, now that sales have returned to normal following the dip in the summer.
- Advertising investment is set to fall EUR1.6 million to EUR64.5 million, given that we will balance advertising and promotion costs in the last quarter, and we are also considering several new launches.
- EBITDA will fall EUR8 million to EUR154.9 million. If the exchange rate remains at current levels, it will have a negative impact of EUR1.3 million.

EUR Thous.	2016	2017	E2018	E18/17	CAGR E18/16
Sales	1,236,227	1,218,404	1,300,981	6.8%	2.6%
Advertising	70,840	66,154	64,526	-2.5%	-4.6%
Ebitda	157,089	162,977	154,908	-5.0%	-0.7%
Ebitda Margin	12.7%	13.4%	11.9%	-	-
Ebit	113,544	117,420	105,961	-9.8%	-3.4%
Operating Profit	93,294	102,050	103,489	1.4%	5.3%

CONSOLIDATED GROUP RESULTS 9M18 AND 2018 OUTLOOK

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2.1 P&L 9M18

- The consolidated sales figure grew 5% to EUR1,922.2 million. Currency had a negative impact of EUR42.2 million.
- Advertising investment fell 8.2% to EUR66.3 million, due to a greater weighting of promotions in the consumer communication mix.
- EBITDA fell 19% to EUR211.6 million, primarily due to temporary costs in the North America rice business. The exchange rate had a negative effect of EUR4.3 million.
- Net Profit fell 22.1% to EUR99.7 million in a year marked by various one-off costs.

EUR Thous.	9M16	9M17	9M18	18/17	CAGR 18/16
Sales	1,820,327	1,831,239	1,922,226	5.0%	2.8%
Advertising	73,775	72,253	66,293	-8.2%	-5.2%
Ebitda	250,250	260,956	211,547	-18.9%	-8.1%
Ebitda Margin	13.7%	14.3%	11.0%	-	-
Ebit	193,909	202,746	146,980	-27.5%	-12.9%
Operating Profit	198,402	205,353	150,247	-26.8%	-13.0%
Pre-tax Profit	195,458	200,100	147,412	-26.3%	-13.2%
Net Profit	127,315	127,998	99,727	-22.1%	-11.5%
ROCE	17.2	16.6	11.9	-	-


2.1 P&L 2018 Outlook

- Group sales are forecast to grow 5.1% to EUR2,633.8 million.
- We expect to reduce the weighting of promotional investment and increase that of advertising investment by the end of the year until, at constant currency, we match last year's figure.
- Ebitda will fall 15% to EUR304.9 million, with currency having a negative impact of EUR5 million.
- We expect net profit to drop 33% to EUR148 million. We would note that last year, there was a significant increase, mainly due to the tax-related measures approved in the USA, France and Italy, which led to net deferred tax amounts being updated to reflect the new rates. A one-off extraordinary income of EUR56.5 million was therefore entered in the accounts in respect of company tax.

EUR Thous.	2016	2017	E2018	E18/17	CAGR E18/16
Sales	2,459,246	2,506,969	2,633,779	5.1%	3.5%
Advertising	100,401	93,134	92,367	-0.8%	-4.1%
Ebitda	344,141	359,000	304,878	-15.1%	-5.9%
Ebitda Margin	14.0%	14.3%	11.6%	-	-
Ebit	267,308	279,314	217,627	-22.1%	-9.8%
Operating Profit	264,608	271,079	220,076	-18.8%	-8.8%
Pre-tax Profit	259,410	264,131	216,808	-17.9%	-8.6%
Net Profit	169,724	220,600	148,290	-32.8%	-6.5%
ROCE	16.6	16.6	NA	-	-

2.2 Debt Performance

- We ended 9M18 having increased our net debt by EUR265 million to EUR719.4 million on last year, after making significant investment in raw materials following increased volatility, Capex and the purchase of Bertagni.
- Equity grew EUR108,9 million y-o-y to EUR2,111.2 million.
- We continue to work on strategic organic investments: (i) managing raw materials in Cambodia, (ii) optimising distribution in France and Belgium, (iii) optimising capacity in France and the USA, (iv) increasing capacity in Bangkok, India and Italy and (v) creating new capacity in the frozen goods segment in the UK and USA.
- Given the temporary drop in EBITDA, we expect ND/EBITDAE18 to increase by up to 2.4 times by the end of the year.

Thous EUR	30 Sep 16	31 Dic 16	30 Sep 17	31 Dec 17	30 Sep 18	E31 Dic 18	E18/17	CARG E18/16
Net Debt	420.226	443.206	454.652	517.185	719.443	721.495	39,5%	27,6%
Average Debt	405.463	404.137	407.560	426.042	578.822	ND	ND	ND
Equity	1.982.761	2.035.870	2.002.291	2.074.637	2.111.154	2.119.438	2,2%	2,0%
Leverage ND	21,2%	21,8%	22,7%	24,9%	34,1%	34,0%	7,1%	25,0%
Leverage AD	20,4%	19,9%	20,4%	20,5%	27,4%	ND	ND	ND
x Ebitda (ND)		1,30		1,44		2,37		
x Ebitda (AD)		1,19		1,18		ND		

CONCLUSION

Conclusion

- The various extraordinary factors in the last year will have a very negative impact on our cost structure.
- However, the positive performance of our brands and the take-up of new products demonstrate the underlying good health of our business.
- In this regard, we would highlight the difference in the performance of the North American and European rice divisions. The North American division was hit hard by unexpected circumstances during the year and is yet to correct its results, whereas the European division was able to equal last year's EBITDA performance.
- We expect to start generating returns on the investments we are making and that we have made over the last three years in the United Kingdom, Spain, the Benelux Countries, Cambodia, Thailand, India and the US.
- Harvests are good and we have been stockpiling our raw materials in order to start 2019 with greater stability.
- We are confident that our plan to considerably reduce costs will come to fruition very soon.
- In short, it has been a difficult year so far, but we are able to draw some positive conclusions:
    - We are planning for and prioritising the reduction of volatility in our accounts.
    - We are optimising the areas where we believe it is possible to be more efficient, by reducing costs.

Corporate Calendar

As part of Ebro's commitment to complete transparency, below we provide our Corporate Calendar for 2018:

➢ 28 February	Presentation of YE2017 Results
➢ 3 April	Four-month payment of ordinary dividend (EUR0.19/share)
➢ 25 April	Presentation of 1Q Results
➢ 29 June	Four-month payment of ordinary dividend (EUR0.19/share)
➢ 25 July	Presentation of 1H results
➢ 1 October	Four-month payment of ordinary dividend (EUR0.19/share)
➢ 24 October	Presentation of 9M18 Results and Pre-YE 2018

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 has 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 true 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 Note 28 of the Consolidated Annual Accounts and the Management Report for the year ending 31 December 2017, 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.

- 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. 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.).

	30/09/2016	30/09/2017	30/09/2018	18/17
EBITDA	**250,250**	**260,956**	**211,547**	**(49,409)**
Provision for amortisation	(56,341)	(58,210)	(64,567)	(6,357)
Non-recurring income	24,241	6,733	8,486	1,753
Non-recurring costs	(19,748)	(4,126)	(5,219)	(1,093)
OPERATING PROFT	**198,402**	**205,353**	**150,247**	**(55,106)**

  - Net debt. Financial liabilities with cost, the value of shares and put/call options qualified as such, and where applicable, dividends that have accrued and are pending payment, minus cash and cash equivalents.
  - CAPEX. Capital expenditure - payments for investment in production related fixed assets.
  - ROCE. Return on capital employed – a measure on yield on assets calculated as income before tax and interest minus any income regarded as extraordinary or non-recurring for the period considered, divided by Net Average Assets for the period, minus Financial Assets and Goodwill.