

3 Value creation: R&D+I



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The Ebro Group has always been a step ahead of new consumer trends and an international benchmark in the research and development of products for the food sector. Aware that R&D+I is essential for developing its quality and differentiation strategy, the Group maintained its firm commitment in 2017.

The total expenditure in this R&D+I during the year was €4.8 million, between internal resources (€3.5 million) and external resources (€1.3 million).

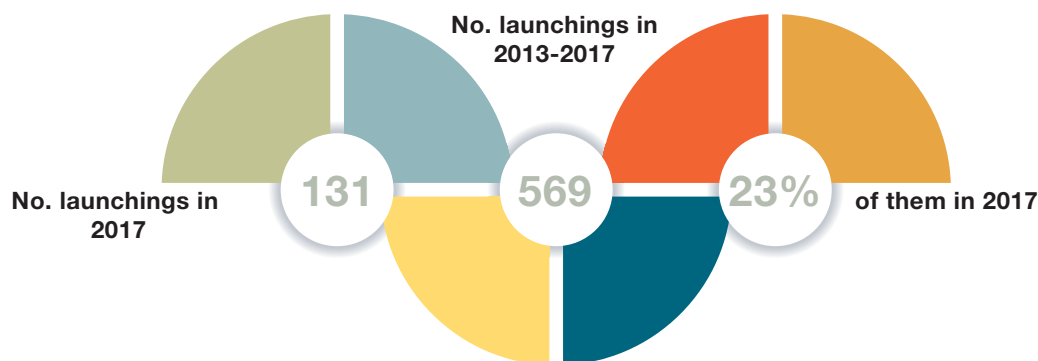
The Group has built up its R&D+I activities at research centres in France, USA and Spain. These centres and the principal projects developed during the year are described briefly below:

1. CEREC, in St. Genis Laval (France), with 10 employees, concentrates on the pasta division, developing its range of fresh pasta, potato, fresh pre-cooked dishes and sauces. Its activities during 2017 focused on: (i) expanding the fresh pasta range with a premium and organic line, (ii) developing the pan-fried gnocchi range with new varieties and fillings and (iii) working on an entirely new category: snacks and appetizers.
2. CRECERPAL, in Marseille, with 8 employees in the raw materials and analysis laboratory and one collaborating doctor, focuses its research on the development of the durum wheat category, dry pasta, couscous, pulses, other grains and new food processing technologies applied to cereals. During 2017 it increased its work on: (i) a new range of pastas based on other cereals (ancient grains), (ii) organic pastas with zero pesticides and (iii) new varieties of quick-cooking rice and couscous, pulse and cereal mixes.
3. TECH CENTER (USA), with 5 employees engaged in developing new products, processes and technologies, or adapting them for the US rice and pasta divisions. Its work has focused on developing: (i) pulse-based pasta as a natural source of fibre, (ii) pasta with protein supplements and organic ingredients and (iii) new special pasta products for sauces and homemade or fresh pasta quality.
4. Herba group centres in Moncada (Valencia), the San José de la Rinconada plant (Seville), the Wormer ingredients plant (Netherlands) and the Bruno plant, with 18 employees overall, engaged in the development of new and/or improved products and technologies and technical assistance in the areas of rice and rice-product technology for today's needs: fast-food and catering. The most important projects in progress are: (i) the research and development of new product formulas based on pulses, cereals, ancient grains and seeds, (ii) the development of new rice, pulse, quinoa and cereal-based industrial ingredients and (iii) a project that has received institutional support, seeking substitutes for meat protein from plant-based products.



PRODUCT INNOVATIONS

Through this R&D+I policy, the Group launches new products and concepts on the market every year that revitalize the categories in which it operates and meet and anticipate the needs of its customers and consumers.



NUMBER OF PRODUCT INNOVATIONS BY COMPANY DURING 2017

COMPANY	COUNTRY	NO. PRODUCTS LAUNCHED IN 2017
Herba Ricemills	Spain	13
Panzani	France	36
Lustucru	France	11
Riviana	USA	10
Boost Nutrition	Belgium	4
Catelli	Canada	10
Riso Scotti	Italy	11
Lassie	Netherlands	8
Euryza	Germany	14
Risella Oy	Finland	6
Arrozeiras	Portugal	4
Garofalo	Italy	4
Total new launchings		131

EVOLUTION OF PRODUCT INNOVATIONS 2013-2017

The Ebro Group has launched 569 new products between 2013 and 2017

COMPANY	COUNTRY	NO. PRODUCTS LAUNCHED SINCE 2013
Herba Ricemills	Spain	39
Panzani	France	107
Lustucru	France	86
Riviana	USA	70
Boost Nutrition	Belgium	24
Catelli	Canada	51
Riso Scotti	Italy	77
Lassie	Netherlands	35
Euryza	Germany	28
Risella Oy	Finland	18
Arrozeiras	Portugal	17
Garofalo	Italy	17
Total new launchings		569

NB: 79 of the 569 products launched were discontinued during the same period.

WEIGHT OF INNOVATIONS IN THE BUSINESS

The product innovations launched by these companies on the market between 2013 and 2017 accounted for 9.6% of those companies' total sales in 2017.

	SALES NEW LAUNCHINGS 2013-2017	% SALES NEW LAUNCHINGS 2013-2017 / SALES OF COMPANY IN 2017
Herba Ricemills	18,037,473	14.5%
Panzani	41,605,717	12.4%
Lustucru Frais	27,711,000	22.3%
Riviana	35,594,376	4.4%
Boost Nutrition	2,823,421	21.6%
Catelli	19,622,247	14.2%
Riso Scotti	16,500,532	9.8%
Lassie	3,815,900	13.2%
Euryza	6,642,993	15.3%
Risella Oy	760,564	17.9%
Arrozeiras	2,569,957	10.0%
Garofalo	3,688,112	5.5%

