



RESULTS H1 2024





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1. Introduction

- We have closed an excellent first half, with both divisions performing well.
- Sowings in southern Spain have now recovered, which will enhance use of the local installed capacity. However, the South America market has been hit hard by the severe flooding in Brazil. This will affect Europe, where the market is strong, and is likely to subdue the price reductions anticipated for the next harvest.
- Aromatics crop harvests were good and prices remain stable and below those of the previous harvest, but are being significantly affected by the spike in transport costs from Asia to Europe and North America.
- Capacity expansion work is due to be completed during H2 at the microwave plants in North America and Europe, and at the gnocchi facility in France.
- The fresh pasta business has turned a corner and is making gains, with double digit growth in Bertagni and Olivieri.
- Real estate sales are forecast to bring an extraordinary cash flow of around EUR30 million during the year, up from EUR10 million in the previous year. We received EUR4.4 million in June and EUR1.5 million in July following the sale of land in Jerez, and we are now waiting to complete the sale of warehouses in France at the end of July, which will generate a further EUR23.5 million.



2.1.1 Rice H1 2024

- The Rice Division had a very solid H1.
- Looking at the raw materials markets: (i) The Spanish market remains strained following the flooding in Brazil, which has had a particularly strong impact on the conventional long grain varieties; (ii) In Italy, heavy rainfall has delayed crop sowing, which could result in problems when the harvest comes around. Aromatics have been adjusted at source, but are more expensive at destination due to freight inflation. We expect the crop area in the US to increase, which could result in price reductions.
- Sales are on the up in most of the markets in which we operate, as compared to the particularly high volumes in the first six months of the last two years. As regards subsidiaries, Herba has performed particularly well in Europe and Asia. In terms of products, of particular note is the performance of our microwave (RTS and doypacks), instant and frozen products. The rice shortage in Spain caused by the drought was the main reason behind the modest increase in sales. Nevertheless, we were able to achieve Ebitda growth in spite of underutilised capacity.
- Riviana posted healthy sales, especially for aromatic varieties and microwave products. The launch of our second RTS range in Memphis is seeing some delays, but this expansion is expected to be fully operational by Q4 2024. This investment will turn the Memphis plant into the largest RTS plant in the world.
- Tilda ages its basmati rice to make it easier to cook. As a result, we are still using the more expensive rice from the previous campaign, which is driving down returns.



2.1.2 Rice H1 2024

- As a result of the above, the division's sales grew to EUR1,235.3 million, which is attributable to price adjustments in some markets where the cost of certain varieties has fallen, as well as growth in promotions, amounting to 4.3% in CAGR 24/22.
- We are bolstering advertising investments to support new launches, advertising was therefore up 14.5% to EUR29.6 million.
- Ebitda-A grew 2.5% to EUR164.4 million; growing 5.9% in terms of CAGR 24/22. The exchange rate had no material impact on these results.
- Operating profit grew 2.2% to EUR127.7 million.

| EUR Thous. | H1 2022 | H1 2023 | H1 2024 | 24/23 | CAGR 24/22 |
|-------------------------|-----------|-----------|-----------|-------|------------|
| Sales | 1,136,111 | 1,230,848 | 1,235,276 | 0.4% | 4.3% |
| Advertising | 24,337 | 25,844 | 29,598 | 14.5% | 10.3% |
| Ebitda-a | 146,643 | 160,418 | 164,432 | 2.5% | 5.9% |
| Ebitda-a Margin | 12.9% | 13.0% | 13.3% | | |
| Ebit-a | 114,447 | 127,418 | 129,969 | 2.0% | 6.6% |
| Operating Profit | 112,689 | 124,974 | 127,708 | 2.2% | 6.5% |



2.2.1 Pasta H1 2024

- Our fresh pasta business is experiencing strong sales growth. Lustucru is rolling out some major product launches (such as *Gnocchi Star* and *Gnocchini*), backed by strong advertising campaigns.
- Bertagni sales are rising fast, with the biggest growth in the US and Spain.
- Olivieri is enjoying double digit growth in Canada, significantly outperforming the market and with a good mix, with gnocchi growing by over 20%.
- Garofalo sales were very strong during the first half, driven largely by a significant investment in promotions and prices remaining stable, at a time when most of the competition are lowering prices.
- 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 H1 2024

- Turnover grew 4.8% to EUR347.3 million, on the back of the aforementioned increase in sales volume.
- Advertising grew by 14.4% to EUR18.4 million to ensure that volumes carry on rising and operating leverage improves.
- The Division's Ebitda-A grew by 33.1% to EUR54.6 million, with the margin growing 3.3 p.p. The exchange rate had no impact on this result.
- Operating Profit grew 56.7% to EUR35.4 million.

| EUR Thous. | H1 2022 | H1 2023 | H1 2024 | 24/23 | CAGR 24/22 |
|-------------------------------|-------------|--------------|--------------|-------|------------|
| Sales | 329,623 | 331,303 | 347,296 | 4.8% | 2.6% |
| Advertising | 13,885 | 16,120 | 18,445 | 14.4% | 15.3% |
| Ebitda-a | 29,227 | 40,987 | 54,556 | 33.1% | 36.6% |
| <i>Ebitda-a Margin</i> | <i>8.9%</i> | <i>12.4%</i> | <i>15.7%</i> | | |
| Ebit-a | 12,317 | 25,296 | 37,463 | 48.1% | 74.4% |
| Operating Profit | -9,289 | 22,621 | 35,437 | 56.7% | n.a. |



3.1 P&L H1 2024

- Consolidated revenue grew by 1.4% to EUR1,580.1 million, due to price adjustments made in some markets and in spite of solid growth in sales volume.
- Ebitda-A grew by 8.1% to EUR210.5 million. The Ebitda-A margin grew by almost 80 b.p. to 13.3%, thanks to the good performance of the pasta division. Currency had no material impact on this result.
- Net Profit* grew by 16.9% to EUR108.9 million.
- ROCE-A continued to perform well, growing by 2.4 p.p. compared to H1 2023 and by 3.9 p.p. in relation to H1 2022.

| EUR Thous. | H1 2022 | H1 2023 | H1 2024 | 24/23 | CAGR 24/22 |
|-------------------------|-----------|-----------|-----------|-------|------------|
| Sales | 1,458,910 | 1,557,889 | 1,580,134 | 1.4% | 4.1% |
| Advertising | 37,996 | 41,764 | 47,902 | 14.7% | 12.3% |
| Ebitda-a | 169,016 | 194,788 | 210,530 | 8.1% | 11.6% |
| Ebitda-a Margin | 11.6% | 12.5% | 13.3% | | |
| Ebit-a | 119,056 | 145,272 | 158,174 | 8.9% | 15.3% |
| Operating Profit | 95,907 | 140,780 | 154,949 | 10.1% | 27.1% |
| Pre-tax Profit | 85,516 | 136,220 | 159,716 | 17.2% | 36.7% |
| Net Profit | 56,743 | 93,132 | 108,898 | 16.9% | 38.5% |
| ROCE-A % | 9.7% | 11.2% | 13.6% | | |

*Net profit attributed to the parent company



3.2 Debt Performance

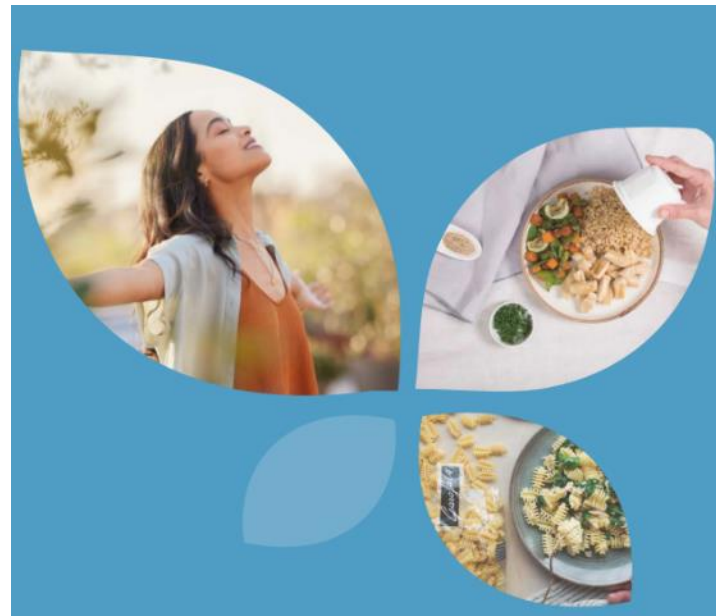
- We ended H1 with Net Debt standing at EUR572.5 million, EUR2.1 million more than at year-end 2023. This figure accounts for dividend payments made in April and June, as well as the accrued October dividend payment, amounting to a total of EUR114.0 million.
- Working capital remains unchanged compared to year-end 2023.
- We should note that the Put options that we have with minority shareholders of certain businesses amount to EUR279.1 million. Debt recognised under IFRS 16 amounted to EUR58.1 million.
- Corporate income tax in H1 2024 stood at EUR27.7 million.
- Capex investments during H1 amounted to a total of EUR68.5 million.

| EUR Thous. | 30 Jun 22 | 31 Dec 22 | 30 Jun 23 | 31 Dec 23 | 30 Jun 24 | 24/23 | CAGR 24/22 |
|-------------------------|-----------|-----------|-----------|-----------|-----------|--------|------------|
| Net Debt | 718,808 | 762,635 | 778,464 | 570,404 | 572,537 | -26.5% | -10.8% |
| Average net debt | 702,988 | 645,809 | 724,049 | 657,683 | 567,195 | -21.7% | -10.2% |
| Equity | 2,151,206 | 2,164,438 | 2,157,565 | 2,185,159 | 2,228,770 | 3.3% | 1.8% |
| ND Leverage | 33.4% | 35.2% | 36.1% | 26.1% | 25.7% | -28.8% | -12.3% |
| AND Leverage | 32.7% | 29.8% | 33.6% | 30.1% | 25.4% | -24.2% | -11.8% |
| x Ebitda-a (ND) | | 2.30 | | 1.5 | | | |
| x Ebitda-a (AND) | | 1.90 | | 1.7 | | | |



4. Conclusion

- We returned to strong growth in H1 2024, improving on the challenging level set by H1 2023 results.
- After several years of water shortages, the 24/25 harvest looks to be almost back to normal. However, recent flooding in South America means prices are unlikely to correct as expected.
- The major investments made in microwave, instant and gnocchi products have come on the back of major advertising and promotional investments, which have impacted slightly on returns.
- 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>H1 2022</u> | <u>H1 2023</u> | <u>H1 2024</u> | <u>2024 - 2023</u> |
|--|----------------|----------------|----------------|--------------------|
| EBITDA-A | 169,016 | 194,788 | 210,530 | 15,742 |
| Provisions for depreciation/amortisation | (49,961) | (49,516) | (52,356) | (2,840) |
| EBIT-A | 119,055 | 145,272 | 158,174 | 12,902 |
| Non-recurring income | 440 | 748 | 1,298 | 550 |
| Non-recurring costs | (23,589) | (5,240) | (4,523) | 717 |
| OPERATING PROFIT | 95,906 | 140,780 | 154,949 | 14,169 |

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

| | <u>30/06/2022</u> | <u>30/06/2023</u> | <u>30/06/2024</u> |
|---|-------------------|-------------------|-------------------|
| (+) Non-current financial liabilities | 559,382 | 541,096 | 161,421 |
| (+) Other current financial liabilities | 376,800 | 475,755 | 788,792 |
| (-) Loans to associates | (1,122) | (1,122) | (1,122) |
| (-) Sum of security deposits payable | (676) | (676) | (500) |
| (-) Cash and cash equivalents | (214,845) | (237,690) | (376,137) |
| (-) Derivatives – assets | (3,050) | (548) | (639) |
| (+) Derivatives – liabilities | 2,319 | 1,649 | 722 |
| TOTAL NET DEBT | 718,808 | 778,464 | 572,537 |

- (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. 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.