



**TO THE NATIONAL SECURITIES MARKET COMMISSION**

Madrid, 29 February 2024

**Ref.: presentation announced this morning, relating to the results of Ebro Foods Group for 2023.**

In pursuance of section 227 of the Securities Market Act, Ebro Foods, S.A. hereby publishes as

**OTHER RELEVANT INFORMATION**

the presentation to analysts announced this morning, relating to the results for 2023 that will be held today in the Board Meeting Room located on the second floor of our head office in Paseo de la Castellana 20<sup>th</sup>, Madrid.

Yours faithfully,

Luis Peña Pazos  
Secretary of the Board of Directors



## 2023 RESULTS

**Ebro**

## CONTENTS

1. **INTRODUCTION**
2. **BUSINESS UNIT RESULTS 2023**
  - 2.1 Rice
  - 2.2 Pasta
3. **CONSOLIDATED GROUP RESULTS 2023**
  - 3.1 P&L
  - 3.2 Debt Performance
4. **CONCLUSION**
5. **CORPORATE CALENDAR 2024**
6. **CALCULATION OF ALTERNATIVE PERFORMANCE MEASURES**
7. **LEGAL DISCLAIMER**



**Ebro**

## 1. Introduction

- We closed 2023 at an all-time high, above the results achieved when we still had the dry pasta division.
- 1) More reasonable logistics and energy costs compared to 2022, thanks to more moderate inflation; 2) our robust supply chain and efficient inventory management; 3) entry into operation of our latest ready-to-eat investments, and 4) significant growth in our high-value products, have been some of the key factors leading us to achieve this milestone.
- Our strategy of ad hoc price increases was a success and allowed us to correct structural misalignments.
- Further progress was made in streamlining and reorganising platforms used by more than one of our businesses, such as in the UK, Benelux and Canada.



**Ebro**  
3

### 2.1.1 Rice 2023

- It was an excellent year for the Rice Division, with sales volumes exceeding 2021 and on par with 2022 figures, which included stockpiling due to the war in Ukraine.
- We made effective use of our privileged supply chain to take highly competitive positions.
- Some of our investments became operational during the year, particularly the increase in microwave capacity.
- Sales of high-value products continued to grow, especially in the convenience and premium ranges.
- We expanded further into other African and Asian countries.



**Ebro**  
4

## 2.1.2 Rice 2023

- Sales increased by 4.9% year-on-year to EUR2,443.7 million. This percentage reflects lower inflation in the last quarter than in the rest of the year.
- Advertising investment was up 5.6% to EUR56.9 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 7.3% to EUR311 million. InHarvest contributed EUR6.3 million. The exchange rate had a negative impact of EUR4.5 million on this figure.
- Operating profit grew 9.3% to EUR233 million.

EUR Thous.	2021	2022	2023	23/21	CAGR 23/21
<b>Sales</b>	1,858,919	2,329,486	2,443,719	4.9%	14.7%
<b>Advertising</b>	43,789	53,898	56,890	5.6%	14.0%
<b>EBITDA-A</b>	247,680	289,830	310,988	7.3%	12.1%
<b>EBITDA-A Margin</b>	13.3%	12.4%	12.7%		
<b>EBIT-A</b>	189,087	222,664	242,950	9.1%	13.4%
<b>Operating Profit</b>	187,089	213,176	232,995	9.3%	11.6%



## 2.2.1 Pasta 2023

- Fresh pasta volumes recovered well, by over 8% in the case of France, driven by steady growth in gnocchi sales.
- Our Garofalo volumes were stable in the main, highly-competitive European premium markets. We also grew in the US, while developing other new markets.
- Improved energy and transport prices partly offset rising costs of some important ingredients in the fresh products business, such as potato flakes and eggs.
- Price rises and productivity improvements allowed Bertagni and Lustucru Frais to recover the margins that fell in 2022 and Olivieri to return to profit.
- Some new launches were particularly successful, such as the "gnocchi roll".



## 2.2.2 Pasta 2023

- Turnover remains stable and stands at approximately EUR652.2 million. Roland Monterrat contributed EUR28.1 million in 2022. Like-for-like growth stands at 4.7%.
- Advertising expenditure returned closer to 2021 levels, increasing by 26.6% to EUR31.5 million.
- The Division's Ebitda-A grew by 54.6% to EUR90.4 million, with the margin growing by 4.9 p.p. The exchange rate had no impact on these results. During 2022, Roland Monterrat recorded a negative Ebitda-A of EUR1.7 million.
- Operating Profit is back on track and grew to EUR53.6 million.

EUR Thous.	2021	2022	2023	23/22	CAGR 23/21
<b>Sales</b>	590,781	651,545	652,220	0.1%	5.1%
<b>Advertising</b>	33,181	24,904	31,521	26.6%	-2.5%
<b>EBITDA-A</b>	68,825	58,478	90,435	54.6%	14.6%
<b>EBITDA-A Margin</b>	11.6%	9.0%	13.9%	54.5%	9.1%
<b>EBIT-A</b>	34,447	26,330	57,261	117.5%	28.9%
<b>Operating Profit</b>	30,374	3,184	53,557	1,582.1%	32.8%



**Ebro**  
7

## 3.1 P&L 2023

- The consolidated sales figure grew by 3.9% to EUR3,084.5 million, driven by strong growth in the rice division.
- Ebitda-A grew by 15.7% to EUR387.2 million. The Ebitda-A margin increased by 1.3 p.p. to 12.6%, thanks to 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 EUR4.7 million on this figure. In geographic terms and by origin, EBITDA-A breaks down as follows: Spain 5.1%, North America 34.5%, UK 12.3%, Rest of Europe 42.6%, Asia 4.2% and Other 1.3%.
- Net Profit\* grew by 53.2% to EUR187 million and outperformed the other results, due to the extraordinary loss of EUR20 million in 2022 caused by the sale of Roland Monterrat. A profit of EUR1.8 million was also recorded from the sale of the Woodland plant. Net Profit\* for 2021 included capital gains from the divestment of the dry pasta business, and is therefore also not comparable.

EUR Thous.	2021	2022	2023	23/22	CAGR 23/21
<b>Sales</b>	2,427,068	2,967,672	3,084,457	3.9%	12.7%
<b>Advertising</b>	75,474	77,161	86,314	11.9%	6.9%
<b>EBITDA-A</b>	301,860	334,622	387,171	15.7%	13.3%
<b>EBITDA-A Margin</b>	12.4%	11.3%	12.6%		
<b>EBIT-A</b>	207,295	233,599	284,297	21.7%	17.1%
<b>Operating Profit</b>	203,058	202,571	276,251	36.4%	16.6%
<b>Pre-tax Profit</b>	198,731	185,807	273,857	47.4%	17.4%
<b>Net Profit*</b>	238,629	122,059	186,964	53.2%	-11.5%
<b>ROCE-A</b>	10.1	10.5	12.6		

\*Net profit attributed to the parent company



**Ebro**  
8

## 3.2 Debt Performance

- We ended the year with Net Debt standing at EUR570.4 million, EUR192.2 million less than at year-end 2022. We should note that the put options that we have with minority shareholders of certain businesses now amount to EUR270 million.
- Working capital fell by EUR162.5 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 2023 was EUR66.2 million, the balance only came to EUR41.1 million.
- Capex investments during the period amounted to a total of EUR141.7 million, up EUR22.9 million year on year.
- The sale of the Woodland plant, which we acquired when we purchased InHarvest's assets, generated EUR10.6 million.

EUR Thous.	31 Dec 21	31 Dec 22	31 Dec 23	23/22	CAGR 23/21
<b>Net Debt</b>	504,723	762,635	570,404	-25.2%	6.3%
<b>Average Net Debt</b>	865,418	645,809	831,747	28.8%	-2.0%
<b>Equity</b>	2,101,627	2,164,438	2,185,159	1.0%	2.0%
<b>ND Leverage</b>	24.0%	35.2%	26.1%		
<b>AND Leverage</b>	41.2%	29.8%	38.1%		
<b>x EBITDA-A (ND)</b>	1.4	2.3	1.5		
<b>x EBITDA-A (AND)</b>	2.4	1.9	2.1		

\*Affects cash flow only, not the income statement.



**Ebro**  
9

## 4. Conclusion

- Our business model once again proved to be resilient and robust in a year of best-ever dry pasta sales.
- We further streamlined and optimised our structure, initiating reorganisation processes in Benelux, the UK and Canada that will allow us to obtain savings and synergies.
- Customers appreciate our commitment to differentiation, research and high value, remaining loyal to our value-added portfolio of brands and products despite their need to save money.
- We remain focused on organic growth after investing over EUR900 million in Capex since 2016. Most of our investments in organic growth projects will be completed in 2024.
- After several years of strong investments without cutting ordinary dividends, we will propose a 15.8% dividend increase to EUR 0.66 per share to the AGM in 2024.
- New geopolitical conflicts broke out towards the end of the year (Israel-Palestine war and Red Sea crisis), the effects of which cannot be foreseen *a priori*, but we are confident that the Group's strengths will ensure excellent results during the year.



**Ebro**  
10

## 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



**Ebro**  
11

## 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>31/12/2021</u>	<u>31/12/2022</u>	<u>31/12/2023</u>	<u>2023 - 2022</u>
<b>EBITDA(A)</b>	<b>301,860</b>	<b>334,622</b>	<b>387,171</b>	<b>52,549</b>
Provisions for depreciation/amortisation	(94,565)	(101,023)	(102,874)	(1,851)
<b>EBIT(A)</b>	<b>207,295</b>	<b>233,599</b>	<b>284,297</b>	<b>50,698</b>
Non-recurring income	9,454	1,807	3,848	2,041
Non-recurring costs	(13,691)	(32,835)	(11,894)	20,941
<b>OPERATING PROFIT</b>	<b>203,058</b>	<b>202,571</b>	<b>276,251</b>	<b>73,680</b>

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

- Net Debt:

	<u>31/12/2021</u>	<u>31/12/2022</u>	<u>31/12/2023</u>
(+) Non-current financial liabilities	598,509	553,164	175,108
(+) Other current financial liabilities	445,916	394,833	728,359
(+) Financial liabilities available for sale	0	0	0
(-) Loans to associates	(1,122)	(1,122)	(1,122)
(-) Sum of security deposits payable	(84)	(676)	(501)
(-) Cash and cash equivalents	(539,239)	(184,950)	(329,988)
(-) Derivatives – assets	(527)	(1,457)	(2,225)
(+) Derivatives – liabilities	1,270	2,843	773
<b>TOTAL NET DEBT</b>	<b>504,723</b>	<b>762,635</b>	<b>570,404</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.

**Ebro**  
12

## 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](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.