

2020 Half-Year Results

Deoleo consolidates growth, posting EBITDA of €43,7m

- Positive trend confirmed with volume up by 30% in the first half of 2020
- Growth in sales (+ 24%) power EBITDA rise against first half of 2019 – topping 50% in all territories
- Financial and corporate restructuring in first half of year guarantees group's stability by restoring equity balance and reducing financial debt by 375 million euros

Madrid, September 15, 2020 – Deoleo, the world's leading olive oil producer, has continued to demonstrate remarkable strength in the first half of this year. At the end of June, net profit reached 251 million euros, compared to a loss of 15 million euros in the same period of 2019. Thanks primarily to the extraordinary impact of its 2020 restructuring process as well as improved business performance across all territories.

Accelerating the growth expected because of the new strategy, however, consumption increased significantly as of March due to what might be described as “the Covid effect”. The first half of the year ended with a 30% increase in volume and 24% in sales, bringing the group's EBITDA to 43,7 million euros (+ 245%). These figures testify to a trend that started at the end of 2019 and continued until June of this year.

Ignacio Silva, president and CEO of Deoleo, said the future continues to look brighter. “Thanks to the commercial strategy we began to apply last year in different territories, our business has managed to reverse the negative trend of previous years. We were able to consolidate growth during this period, with a significant increase of at-home consumption due to the pandemic.”

Increase in market shares in key countries

The evolution of Deoleo's brands has been positive in all of the group's territories, exceeding average market growth in most of them, which has boosted Deoleo's market share in almost all key regions.

In Spain, volume has increased by 21% compared to total growth in the olive oil market of 16%. This difference has translated into a 1,7 percentage point increase in market share, widening the gap in relation to its main competitors, which, in the best case, grew by 0,2 percentage points.

These figures further highlight the importance of the Spanish market in terms of global volume. However, the volume model on which the industry has been based in recent years is proving unsustainable. Looking ahead, Mr Silva commented, “the industry must be both fearless and bold in adopting new methodology, from the olive grove to the store shelf, including its means of measurement and its definitions for quality parameters. This is essential in enabling consumers to make wise choices in the brands they decide to trust,” he said.

Deoleo's business units in North America and Northern Europe also stand out in the latest assessments. In North America, measures introduced in the second half of 2019, along with rising household consumption, have led to a 74% growth in volume and 3,1 percentage points in market share, equating to a 26% increase. Northern Europe noted improvements across the range of Deoleo brands in distribution channels, such as Germany, as well as sales of value-added products in markets such as France, bringing an increase of volumes by 45%.

Perspectives on the market's evolution

Due to a necessary rise in domestic cooking, the food industry to which Deoleo belongs has been one of the few sectors that has felt a positive impact during the current pandemic. These circumstances could be temporary, of course, given that consumer behaviour remains uncertain in the shifting climate.

Restructuring process completed

The first half of the year was marked by the completion of a financial restructuring process that Deoleo started a year ago, one that has allowed it to reduce its financial net debt by 375 million euros, being now total financial net debt 190 million euros, compared to 557 million euros as of December 31, 2019.

Deoleo has re-established its equity balance and developed new resources and greater flexibility to meet its financial commitments, guaranteeing stability in the short to medium term, as well as a more efficient structure to implement its long-term business strategy.

About Deoleo

Deoleo is a world leader in the production of olive oil. It has a presence in more than 70 countries with factories in Spain and Italy and commercial operations in 15 countries. Deoleo has world leading and award-winning brands such as Bertolli, Carapelli and Carbonell. For more information: www.deoleo.com

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