

9M 2021 RESULTS

Deoleo demonstrates its financial strength and records like-for-like net profit of €16M, in line with the year's targets

- Third quarter results reflect the impact of post-pandemic habits normalisation, as well as higher raw material prices, exchange rate movements and higher logistics costs.
- Market shares continue to perform positively, especially in the United States, where they grew by 1.1 percentage points in the year.
- Deoleo demonstrates its financial strength and has reduced its net debt by 10% due to meeting its EBITDA target and the effective management of working capital

Madrid, October 29th, 2021. Deoleo, world leader in the olive oil sector, continues to demonstrate the strength of its business despite the complexity of the current scenario. In the first nine months of the year, the company posted like-for-like net profit of €16M (excluding the positive impact of the revaluation of Deoleo's Italian brands) compared to €26M in the same period last year (excluding the positive impact of the debt restructuring). Considering the extraordinary impact recorded in 2021, Deoleo's net profit at the end of September amounted to €61M.

EBITDA reached €38M, in line with the targets set at the beginning of the year. EBITDA was 39% lower than in the same period of 2020, a year in which Deoleo's results were boosted by the increase in household consumption in the context of the health crisis.

The gradual return to consumption habits following the normalisation of the health situation has led to a contraction in world olive oil consumption, especially in more mature markets such as Italy and Spain, although this trend is beginning to spread to other countries.

Deoleo is also increasing selling prices in order to reduce the impact of the increase in the cost of raw materials, which, as the company anticipated, is also affecting oil consumption. According to the MAPA, prices at origin are currently 70% higher than at the start of the campaign that has just ended, although in recent months signs of stabilisation have begun to be seen.

As a result of the gradual adjustment of consumer selling prices, Deoleo maintained its sales growth, which increased by 3.1% compared to the same period of the previous year, despite the slight fall in volumes sold.

In addition, the group's EBITDA was impacted by the increase in logistics costs worldwide and by the €6M impact associated with the evolution of exchange rates.

In the words of Ignacio Silva, Chairman and CEO of Deoleo: *"Despite the complex environment, Deoleo has once again demonstrated its strengths. We anticipated the challenges that the sector would face this year due to the increase in raw material prices and we took the necessary measures to minimise their impact, which have given us very positive results in key geographies. We are very satisfied with how well Deoleo's brands have reacted in such a challenging year, and an example of this is that we have met the EBITDA targets we initially set ourselves and, furthermore, our market shares have performed positively".*

The market shares of Deoleo's brands continue to perform well, reflecting their strong position in the market. The evolution is particularly significant in the United States, where market shares grew by 1.1 percentage points, while in Spain they remained stable, a very positive figure considering the contraction in consumption recorded in this market.

Deoleo continues to reinforce its financial strength

Despite a complex year, Deoleo maintains a solid financial position. Thanks to EBITDA generation in the first nine months of the year, in line with the targets set, and effective management of working capital, Deoleo was able to reduce its net financial debt by 10%. During the third quarter, it managed to reverse the cash generation situation recorded in the first half of the year, going from a cash consumption of €4M in the first six months of the year to a generation of €14M at the end of September 2021.

The evolution of the business and the appropriate management of working capital, together with the lower resources allocated to interest payments as a result of the group's new debt structure, are enabling cash generation and further reducing net debt, which stood at €136M compared to the €150M recorded at the end of the previous year.

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About Deoleo

Deoleo is a Spanish multinational food company, world leader in the marketing of olive oil. It has a presence in more than 70 countries on five continents, factories in Spain and Italy and sales offices in 15 countries. Deoleo has leading brands all over the world, such as Bertolli (the top-selling in the USA), Carapelli and Sasso; and the Spanish brands Carbonell, Hojiblanca and Koipe. More information: www.deoleo.com.

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