

2021 HALF YEAR RESULTS

Deoleo sales rise 8%, like-for-like net profit €14M

- Strong performances by all business units boosted volume growth by 3% in the first half of 2021 in comparison with extraordinary situation in 2020, when the pandemic inflicted acute market restrictions
- Market shares continued to increase in Germany, where market share rose 1.4 percentage points compared to the same period a year ago, and in the United States and Italy, which both saw a rise of 0.7 percentage points

MADRID, July 30, 2021 – Deoleo, the world's leader in the olive oil sector, has closed a positive first half of the year, continuing a trend maintained over the past year and a half. The company posted a like-for-like net profit of €14 million in those six months, compared to €16 million in the same period of 2020.

EBITDA amounted to €29 million, well above targets initially set for the first half of 2021, although it was impacted by exchange-rate movements, mainly involving the US dollar and the euro, and by increased brand investment.

Despite the financial and market complexities, solid performance at all business units boosted Deoleo's volumes by 3% year-on-year. Growth also outstripped even that of last year, when household consumption of olive oil jumped globally as a result of restrictions imposed at the beginning of the pandemic crisis and prices remained low and stable.

Sales increased by 8% in the first half of this year, driven by volume growth and by prices lifted due to costlier raw materials. The growth in both volumes and sales – stemming from astute commercial management – meant that the impact of higher raw-material prices translated into better-than-expected results.

The company's positive progress can also be seen in the market-share gains made by Deoleo brands, which continued to increase in the first quarter of the year against the same period of 2020. According to data provided by IRI and Nielsen, market shares rose by 1.4 percentage points in Germany, 6.7 points in Mexico and 0.7 points in the United States and Italy. In Spain, the share remained stable.

Net profit for the first half amounted to €59 million, including a €49 million positive impact on corporate taxes, resulting from a fiscal reassessment of the company's brands. The Carapelli Firenze subsidiary has taken advantage of this, in accordance with the urgent measures implemented by the Italian government to support and relaunch the economy.

"We have completed a highly positive half year, in which all business units have performed very well, with North America and Northern Europe outstanding," said **Ignacio Silva, Chairman and CEO of Deoleo**.

"Our top-flight commercial management, achieving continued market-share growth in key locales, has once again proved its effectiveness. It has enabled us to continue to drive volumes and sales and limit the impact of the challenges that the sector is currently facing, especially in the more mature markets. This is evidence that Deoleo is perfectly prepared today to compete more effectively in an uncertain and volatile environment."

Higher raw-material prices led to a €27 million rise in the group's working capital, 39% more than at the end of last year, but the management of this capital, together with strong business performance, has enabled the company to maintain the usual high liquidity levels and a stable net financial debt.

Cash flow was maintained at €73 million and the company is in compliance with all the relevant covenants established in the new syndicated financing agreement.

Updated business plan

At the July board meeting, Deoleo presented an update to its five-year business plan, the previous objectives having become outdated due to the group's strong performance. This redefinition of the plan is essential in order to continue responding to the needs and expectations of the company's various stakeholders.

The company expects to unveil the new plan publicly in October. The aim is to adapt the group's roadmap to changes that have taken place in the market, while keeping its DNA intact: focusing on brands and quality, improving the consumer's perception of olive oil and keeping both its loyal and prospective customers at the centre of all strategic decisions.

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About Deoleo

Deoleo is a Spanish multinational food company and global leader in olive oil. It has a presence in more than 70 countries in the five continents, factories in Spain and Italy and commercial delegations in 15 countries. Deoleo has leading brands all over the world, such as Bertolli (the most sold in the USA), Carapelli and Sasso; and the Spanish brands Carbonell, Hojiblanca and Koipe. Further information: www.deoleo.com.

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