2023FY Results Presentation & Strategy Update

14th May 2024

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Rosa Carabel, Chief Executive Officer
Josu Mugarra, Chief Financial Officer
José Félix Álvarez, Strategy & Finance Manager
Ibon Inunciaga, Head of Investor Relations

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Rosa Carabel
EROSKI CEO

Macro Context Update & Spanish Retail Market Evolution

The Current Macro-Economic Context

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Context

Geopolitical context has not had serious consequences on the Spanish market regarding raw materials, supply chain, commodities, etc.

The labor market will remain in 2024 one of the main resilient pillar of the Spanish economy

The economy has experienced a **strong inflationary period**, with a tightening of monetary policy in 2023

The decline in inflation will be slower, partly due to the withdrawal of anti-crisis measures

Interest rates will remain high for at least the first half of the year in 2024

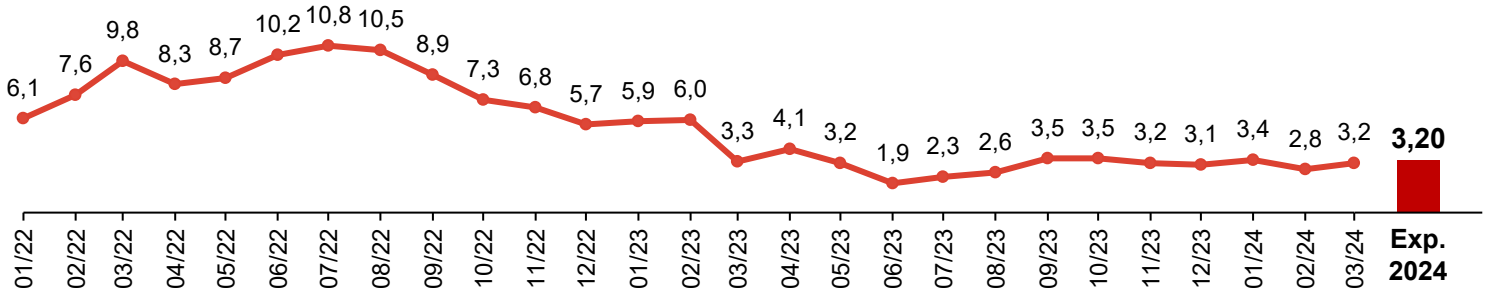
Growth forecast for the Spanish economy of around 1.9% in 2024, **confirming expectations**

In 2024, food prices will continue to increase but at a slower pace (+4.7% foods and +3.9% fresh foods)

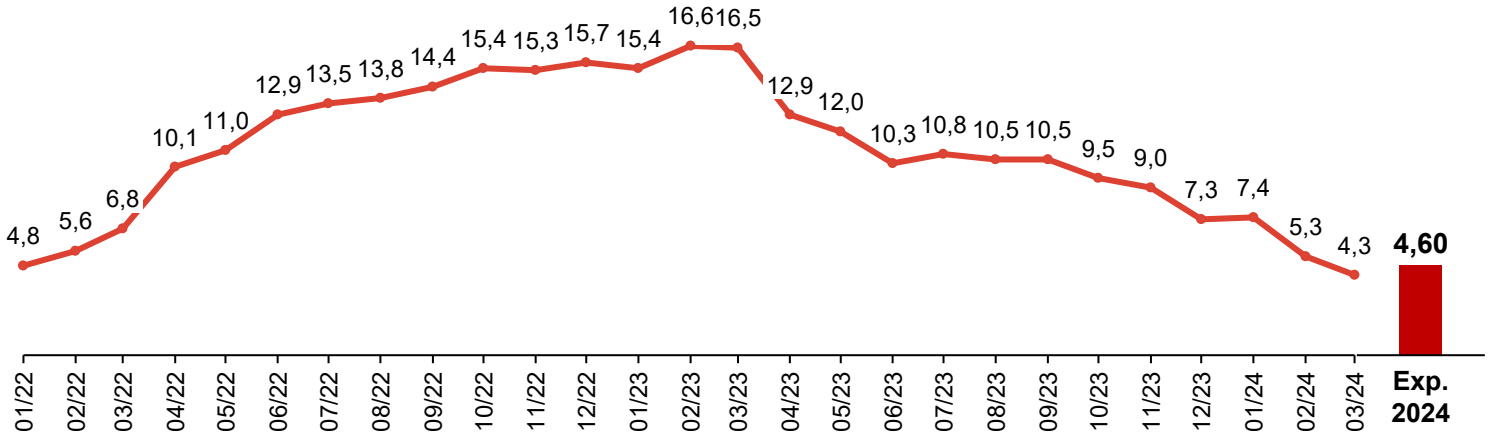
Sources: Company information

Spain CPI Evolution

General index (%)



Food & non-alcoholic beverages (%)



Key Highlights

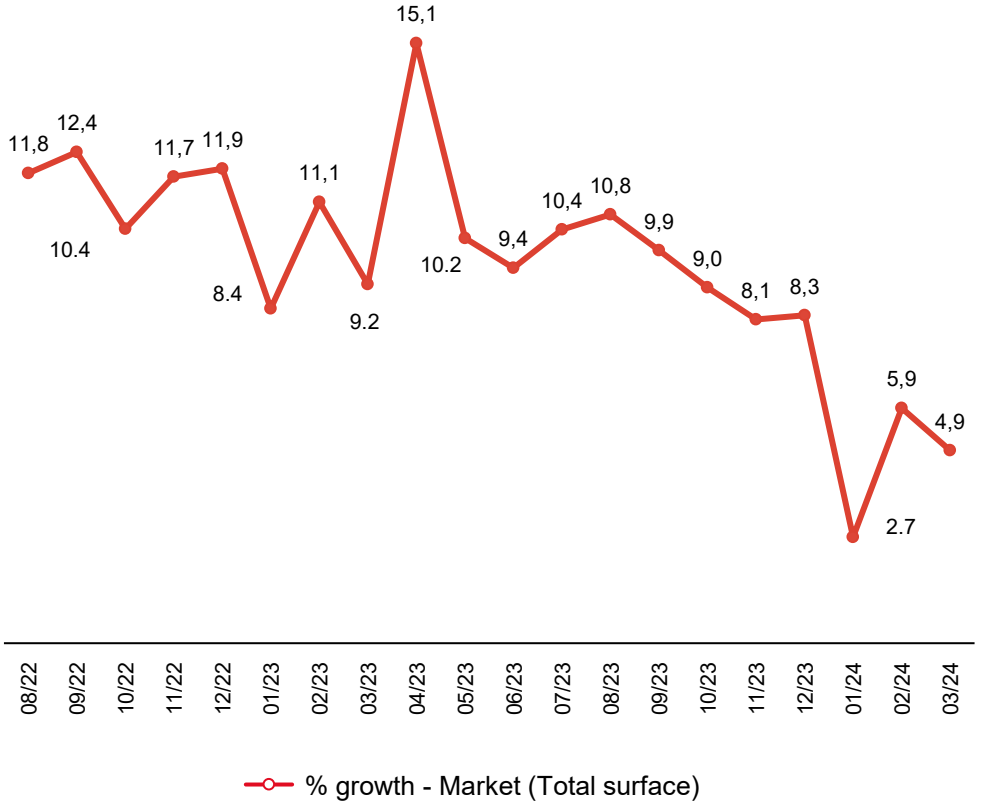
- General index expected to continue flattening during 2024 towards BCE's target of 2.0%
- Food inflation expected to remain above general index inflation, although it should follow the same downward trend in the short term before stabilizing during the course of 2024
- The downward trend in Food sub-indexes is expected to be more intense in fresh foods, which are by nature more volatile, than in than in processed foods

Flattening CPI general index, but food inflation remains higher

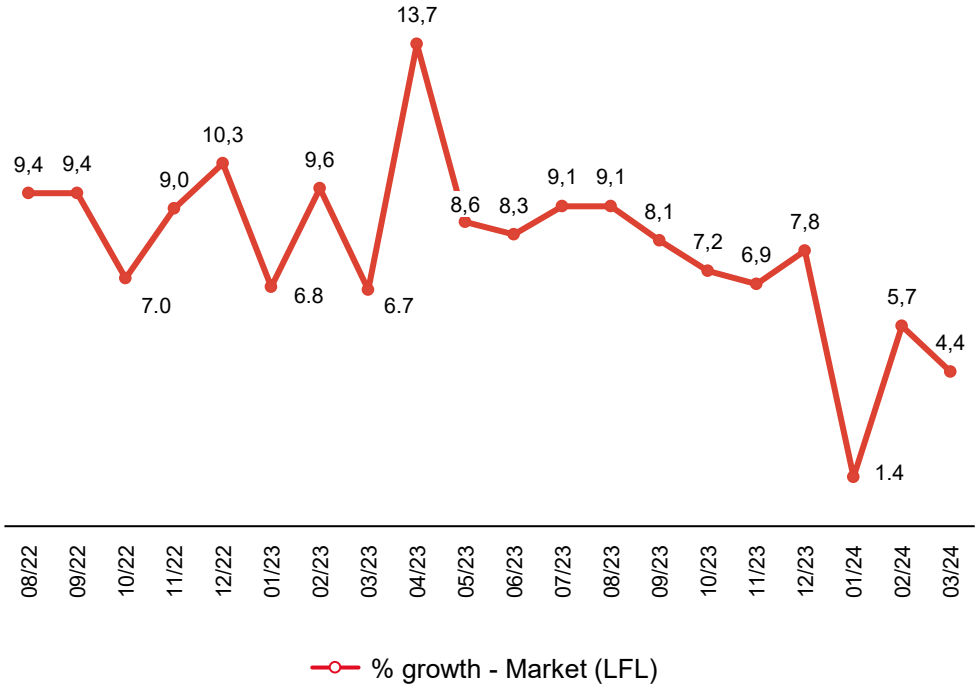
Sources: INE (Spanish National Institute of Statistics) for actual data and Funcas for projections.

Evolution of Food Core Market (%YoY)

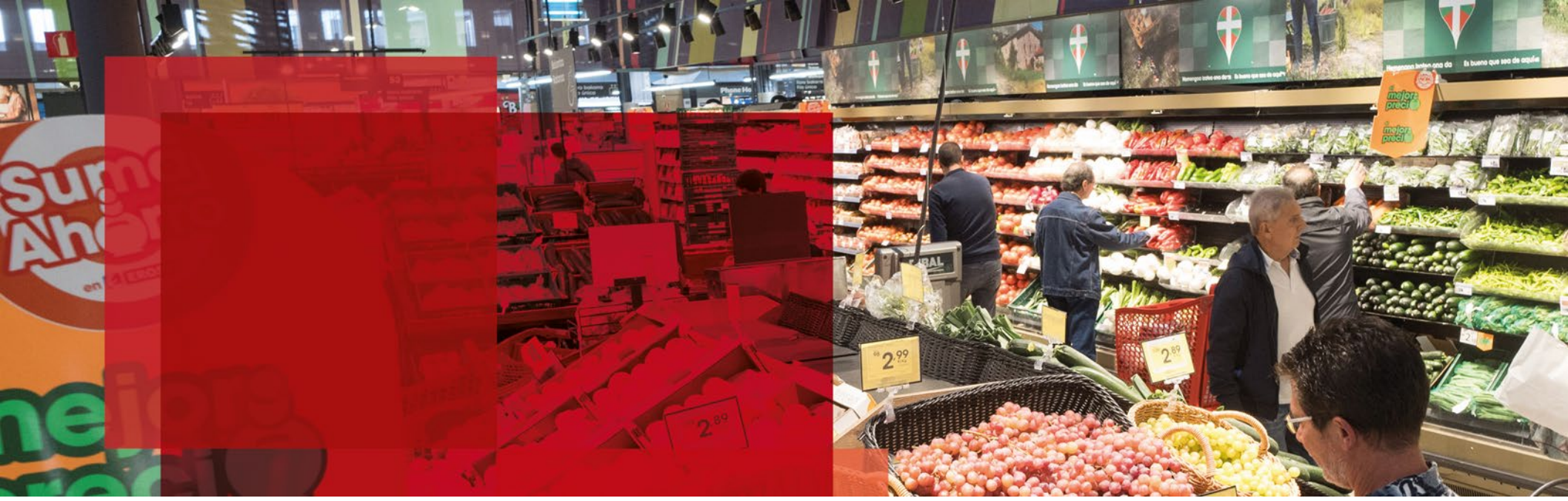
Evolution by Total Surface



Like for Like Evolution



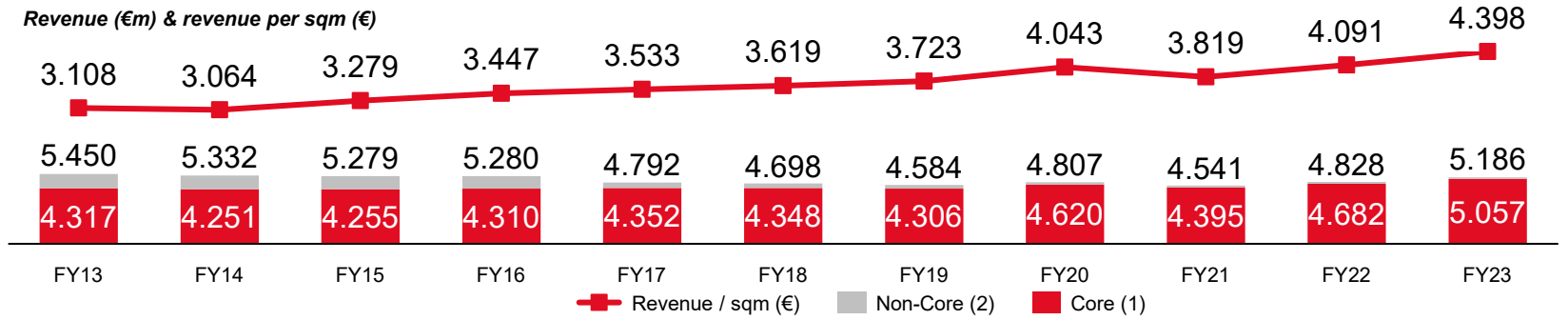
Sources: Nielsen



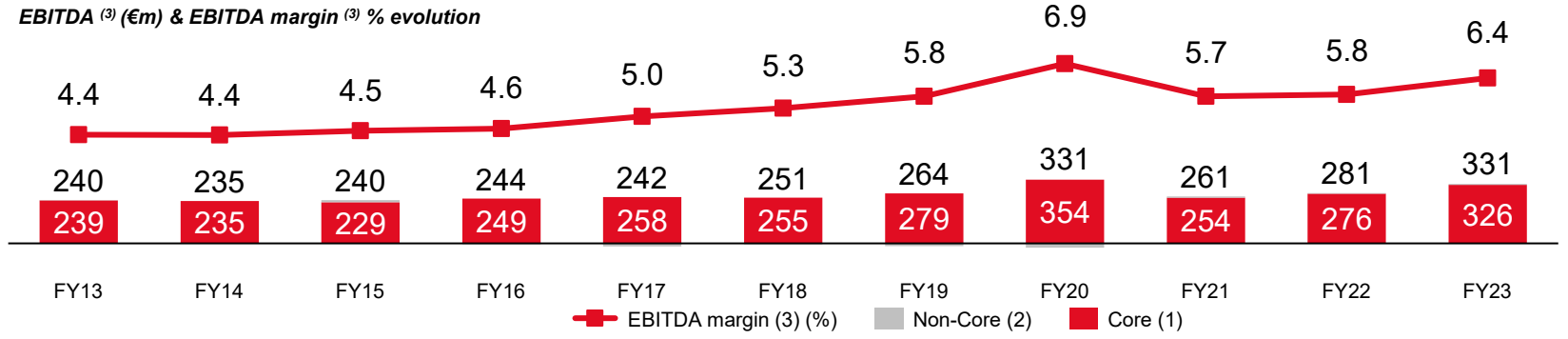
Eroski Group – 2023 Results and Strategy Update

Our Results Over Time and FY2023

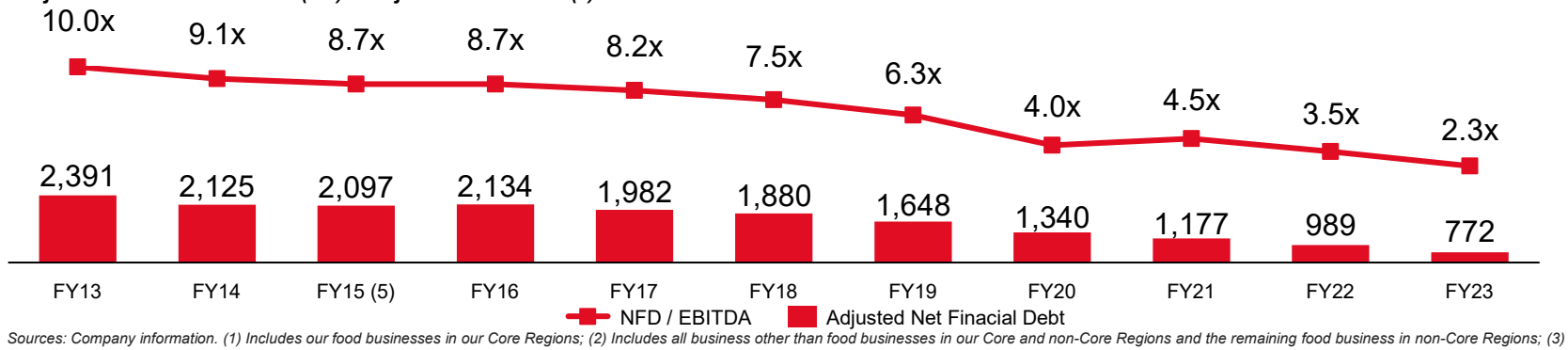
Continued increase in activity driven by our core strategy



…with proven ability to increase profitability…



…and strong commitment to continuously reduce debt (4)



Key Highlights

- ✓ Relevant overall increase in activity, which reinforces our commercial policy and strategy
- ✓ Continued improvement in efficiency in terms of sales per sqm
- ✓ EBITDA improvement in Core Business of +€50M in FY23 as a result of our strategy, increased activity and management efficiency programmes
- ✓ Relevant reduction in the Debt/EBITDA ratio towards our mid-term target

Sources: Company information. (1) Includes our food businesses in our Core Regions; (2) Includes all business other than food businesses in our Core and non-Core Regions and the remaining food business in non-Core Regions; (3) Adjusted EBITDA on a pre-IFRS16 basis; (4) 100% consolidated; (5) €209m OSEs increase in 2015, which were previously considered perpetual debt

Eroski Positioning

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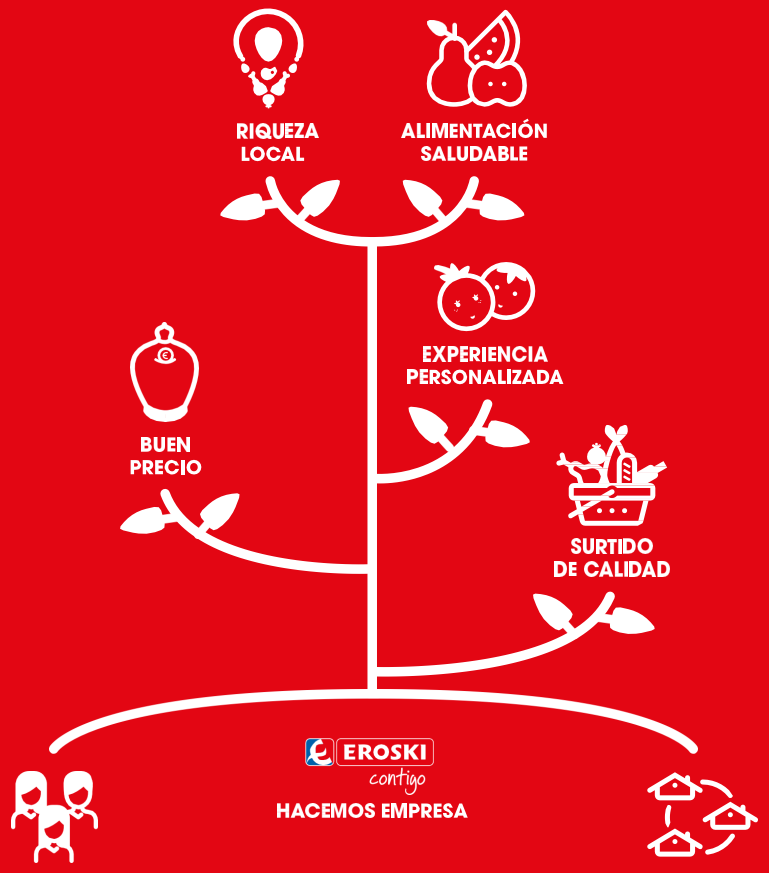
STRATEGIC PLAN

Differentiation.
Put in value.

Advanced.

Main playing field.
High dedication of resources

DNA
Business model.



Sources: Company information

Strategic Lines

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STRATEGIC LINES

Conquest

1. Price competitiveness
2. Private label
3. Effective and efficient assortment
4. Fresh food
5. Our customer
6. Efficient growth

Positioning

7. Local and healthy foods

Support

8. People and cooperative
9. Technology
10 Financial management
11 Widespread communication

Sources: Company information

Eroski in Figures (FY23)

€5,186M(1)
FY23 Revenue
+6.31%

€331M
FY23 EBITDA
+18.21%

€109M
FY23 Net Income
+70.31%

12.8%
Market Share in Northern Spain (2023)

1,513(2)
Stores
- 904 own stores
- 629 franchises

74
New openings
- 9 own stores
- 65 franchises

3,444
National commercial suppliers (98%)

2,056
Small agri-food producers (59.5%)

20,768
References of local products

Source: Company information I Notes: (1) Total Revenue excluding VAT; (2) 1513 physical establishments excluding 11 optical shops and 9 on line shops

Eroski in Figures (FY23)

27,426
Employees, of which 77% women

8,989
Cooperative members

3,663
Estimated employees in franchises

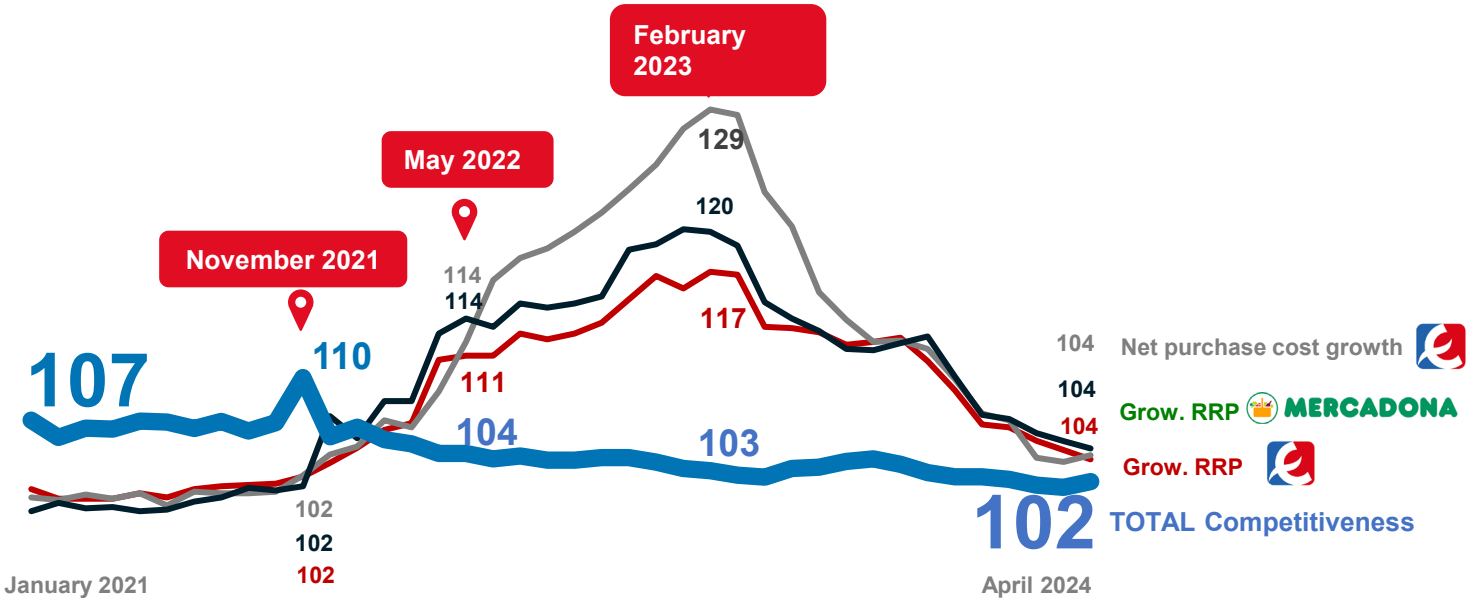
74%
of positions of responsibility filled by women

+6.4M
Customers

Sources: Company information

Price Competitiveness Improvement

Eroski vs Peers



We managed to IMPROVE the level of our competitiveness

Sources: Company information RRP = Recommended Retail Price.

We are Leaders in our Core Markets

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EROSKI today

Vegalsa

VEGALSA, is a participating company that is a leader in retail distribution in Galicia

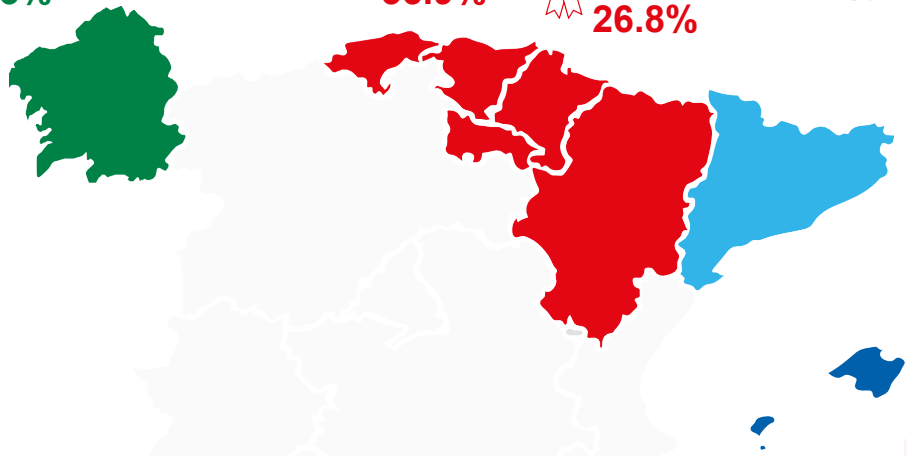
Galicia 20.3%

País Vasco 35.9%

Navarra 26.8%

Catalonia 4.6%

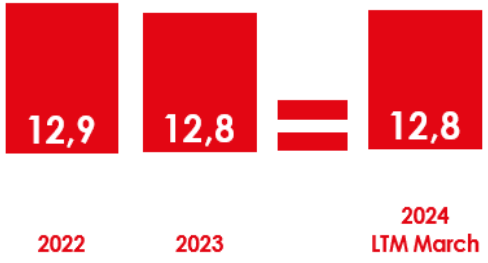
SUPATRUC 2020, a participating company that encompasses EROSKI's businesses in Catalonia and the Balearic Islands



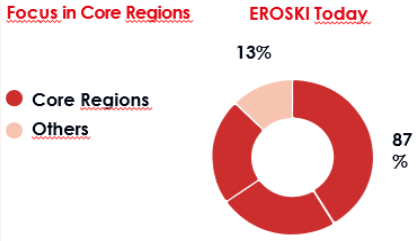
Balearic Islands 20.5%

España 5.1%

2022 - 2023
Our Core Market Share

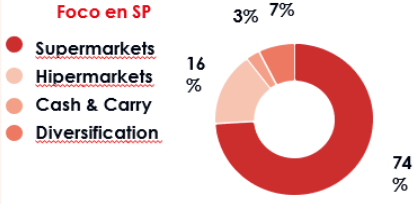


Focus in Core Regions



EROSKI Today

Foco en SP



Turnover (M€)

Sources: Company information

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Josu Mugarra
EROSKI CFO

Summary of Key KPIs

8.9%
Net Sales LFL growth Q4 YTD(1)

4.8%
Net Sales LFL growth Q4(1)

€1,327 M
Total Revenue Q4

€126 M / €530 M
Adj. EBITDA Post-IFRS 16 Q4 / FY23

€5,186 M
Total Revenue FY23

€331 M
Total Adj. EBITDA Pre-IFRS 16 FY23

10.2% / 6.4%
Adj. EBITDA Margin (YTD) Post-IFRS 16 / Pre-IFRS 16

75%
Sales to loyalty club members FY23

35%
Private label sales of total food sales FY23

2.3x
Net Leverage Pre-IFRS 16

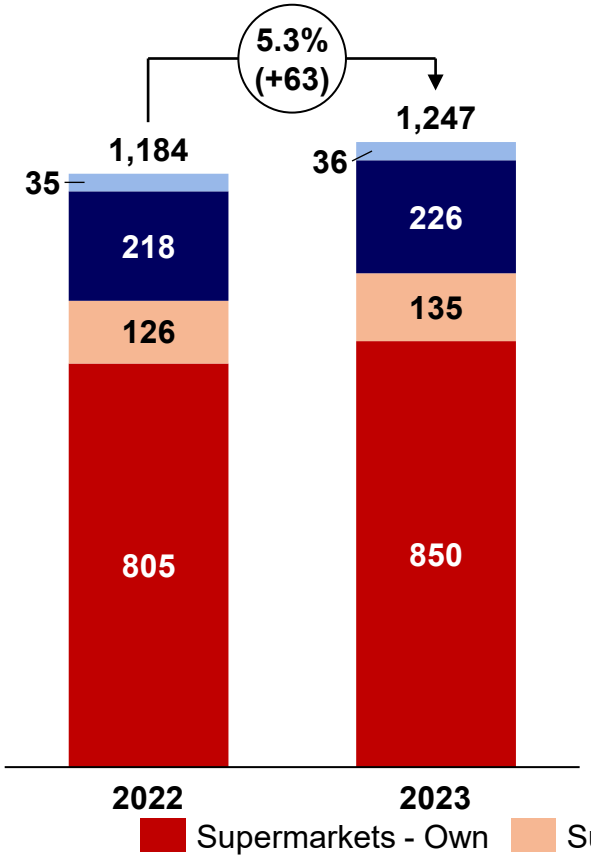
Key Highlights

- Strong growth in sales, both in total and like-for-like terms
- The market figures follow CPI trend with a moderate increase
- Continued success of our private label, which represents c.35% of our total food sales and allows us to offer a wider range of products with the most competitive prices to our clients
- Loyalty club members continue driving the majority of our sales (75%)
- FY23 EBITDA Post-IFRS 16 increased by +12.6%, reaching €530M (10.2% margin)
- Total net leverage pre-IFRS 16 of 2.3x as of Q4-23

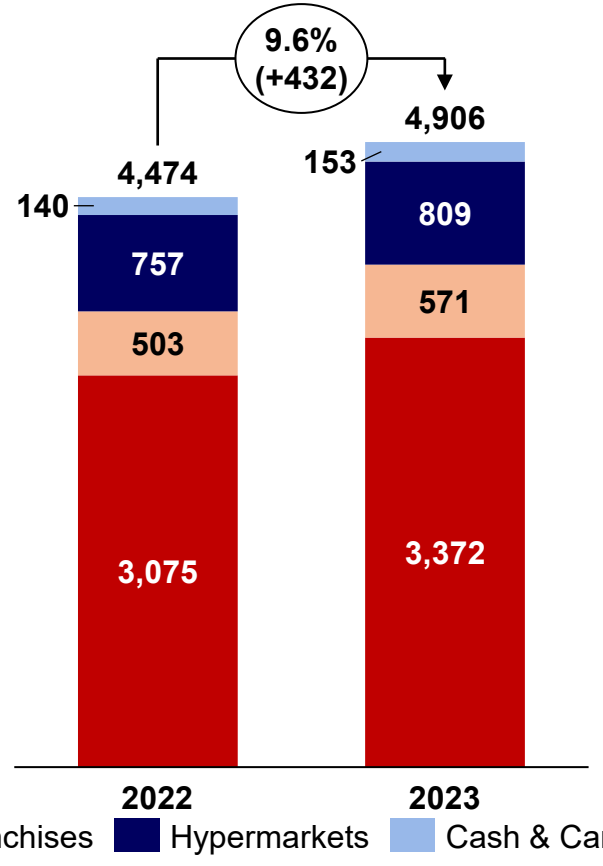
Sources: Company information; (1) excludes "Diversification" business unit

Evolution of Food Revenue (€M)

Q4



Full Year



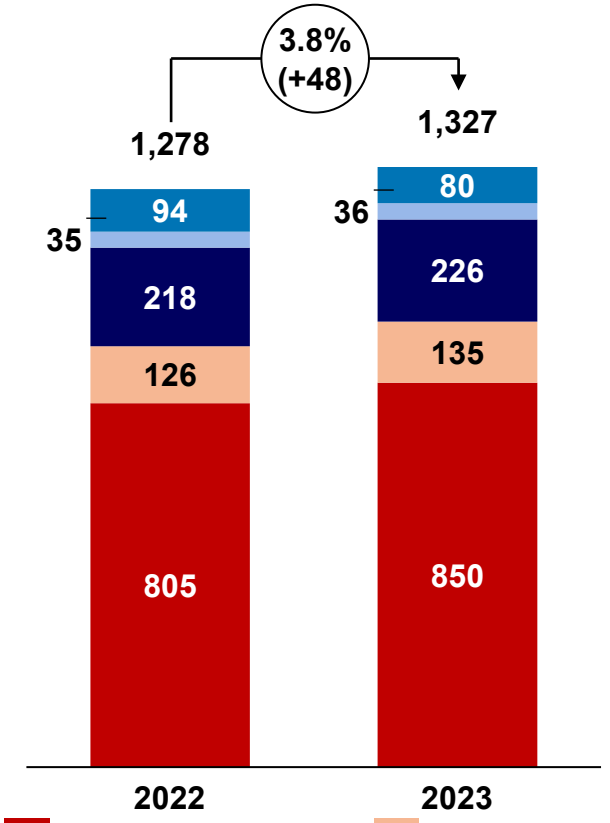
Supermarkets - Own | Supermarkets - Franchises | Hypermarkets | Cash & Carry

Increasing total revenue in Q4

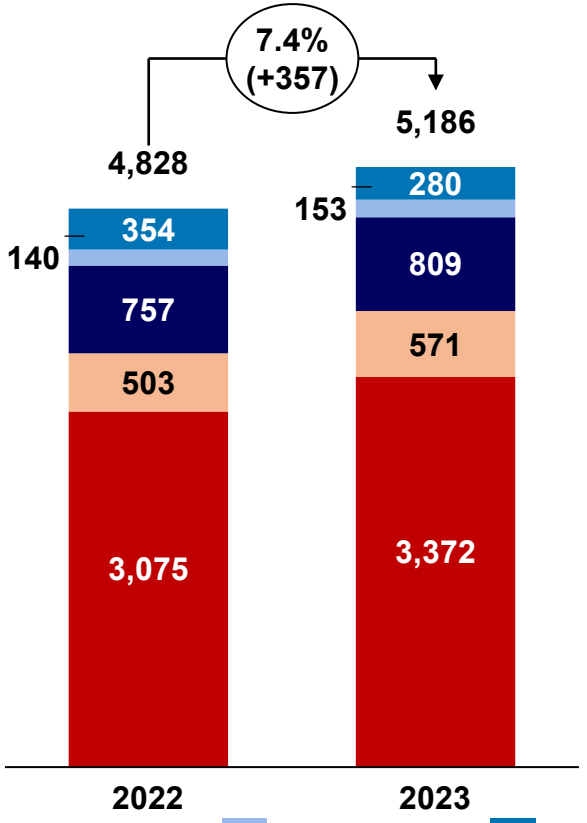
Sources: Company information

Evolution of Total Revenue (€M)

Q4



Full Year



Supermarkets - Own | Supermarkets - Franchises | Hypermarkets | Cash & Carry | Diversification

Increasing total revenue in Q4

Sources: Company information

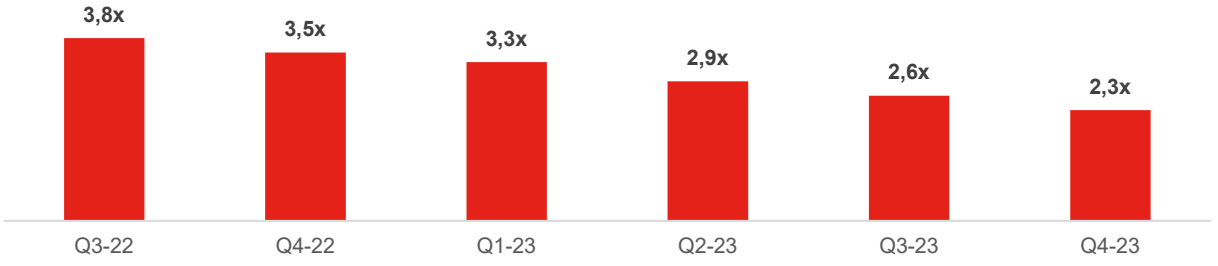
Leverage Overview

Capitalisation Table

€M	Amount	x YTD 23 EBITDA
Cash & Cash equivalents	(168)	
Short-term financial assets	(20)	
Syndicated Loan	0	
New Senior Secured Notes	500	
New Term Loan A	109	
Other Loan	50	
Total Senior Secured Net Debt	**471**	**1.4x**
Local facilities	92	
Obligaciones Subordinadas Eroski ("OSEs")	209	
Total Net Debt	**772**	**2.3x**

YTD 23 EBITDA (pre-IFRS 16)	**331**
FY 23 EBITDA (post-IFRS 16)	**530**

Leverage Evolution



Key Highlights

- Refinancing transaction closed on November 30th 2023
- We continue reducing our net leverage - after the refinancing transaction we have reached a 2.3x Net Leverage ratio (1.4x on a Senior Secured Debt basis)
- Other loan: The Group signed in 4Q23 a new TLA of €50M that ranks pari passu with the rest of the senior debt. The proceeds will remain on balance sheet to support corporate liquidity
- This table does not include the bridge loan. On January 31st 2024 the outstanding amount was €12.5M and on April 30th the outstanding amount was €7.3M

Source: Company information. All expressions in capital letters are those used in the Offering Memorandum

Financial Statements

Summary Profit & Loss

€M	FY22	FY23	% Growth
Supermarkets	3,578	3,943	
Of Which Owned	*3,075*	*3,372*	
Of Which Franchises	*503*	*571*	
Hypermarkets	757	809	
Cash & Carry	140	153	
Total Revenue (excluding Diversification)	**4,476**	**4,906**	**+9.6%**
Diversification	354	280	
Total Revenue	**4,828**	**5,186**	**+7.4%**
COGS	(3,549)	(3,836)	
Gross margin	**1,279**	**1,349**	**+5.5%**
% revenue	*26.5%*	*26.0%*	
Personnel Expenses	(676)	(709)	
Operating Lease	(32)	(35)	
Other operating expenses & Adjustments	(101)	(75)	
Adjusted EBITDA	**470**	**530**	**+12.6%**
% revenue	*9.7%*	*10.2%*	
Lease Expenses	(190)	(199)	
Adjusted EBITDA Pre-IFRS 16	**281**	**331**	**+17.9%**
% revenue	*5.8%*	*6.4%*	

Total surface (k sq. m)	*1,180*	*1,179*
Number of stores (Total)	*1,624*	*1,513*
o.w. Owned	*1,021*	*885*
o.w. Franchised	*603*	*628*

Revenue / Surface (€m)	*4.09*	*4.40*
Adjusted EBITDA Pre-IFRS 16 / Store (€m)	*0.17*	*0.22*

Key Highlights

- **Strong revenue growth across all store formats**
- Core business revenue excluding diversification has increased +9.6% vs FY22
- Diversification revenues slightly dropped mainly due to lower gas station activity
- We continue to invest in gross margin (in % terms), increasing our commercial proposal to customers and presence in the market, showcased by the significant increase in absolute gross margin in €M
- The increase in leases (including operating and IFRS16 leases) is limited to 5.9%
- Total OPEX increased by 1.9%
- **EBITDA(1) increase of ~18% YoY**
- Solid commercial performance showcased in EBITDA(1) per store growth of 26.5%

Source: Company information; (1) Pre-IFRS 16

Consolidated Cash Flow

€M	FY23	FY22
Cash flows from operating activities within WC	529	474
Increase/decrease in WC	(107)	(34)
Income tax received/(paid)	(21)	(14)
Net cash from operating activities	**401**	**426**
Capex	(113)	(121)
Assets disposals	83	3
Interest received	8	4
Acquisition of other financial assets	(14)	(1)
Dividends received	0	0
Net cash used in investing activities	**(36)**	**(116)**
Repayment of loans and borrowings	(788)	(35)
Proceeds from Bonds and Other negotiable securities	698	0
Repayment of lease liabilities	(180)	(168)
Dividends paid	(37)	(20)
Net interest and other financial activities	(104)	(67)
Net of issue and redemption of capital	(2)	(8)
Net cash used in financing activities	**(413)**	**(299)**
Net increase/(decrease) in cash and cash equivalents	(48)	11
Cash transferred to non-current assets held for sale	0	(8)
Cash and cash equivalents at 1 February	216	213
Cash and cash equivalents at 31 January	**168**	**216**

Source: Company information

Key Highlights

Net cash from operating activities

- Reduced confirming lines for a total amount of €62M (see next slide)

Net cash used in investing activities

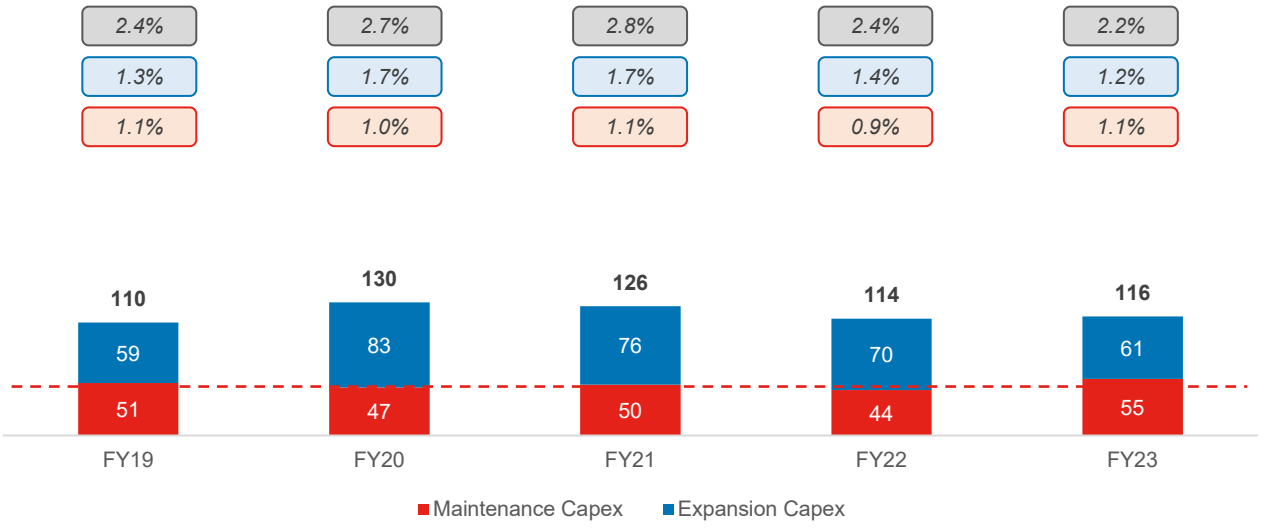
- Stable capex levels following historical trend
- Financial assets investments are short-term cash equivalents

Net cash used in financing activities

- Dividends of €30M distributed to our partners in Vegalsa, on the back of improved performance in the JV
- Net repayment of debt of €90M
- Net amount of capital redemption to members of the cooperative of €2.4M

Focus on Capex

Capex (€M) & Capex / revenues (%)



Key Highlights

- Same amount of average maintenance Capex between 2019-21 as in 2022-23 (€49M)
- Very stable capex profile over the historic period:
  - Maintenance capex mainly includes refurbishments required for existing stores to operate and the substitution or upgrade of obsolete equipment in the stores
- We expect the same Capex spend trends going forward

Source: Company information.

Stores Openings & Closings

Stores Footprint

FOOD	Owned	Franchised	Total
Stores Q4'22	796	603	1,399
Openings	8	65	73
Net Transfers	0	(8)	(8)
Closings	(26)	(32)	(58)
Stores Q4'23	**778**	**628**	**1,406**
Refurbishments Feb-Jan 23	91	0	91
Refurbishments Feb-Jan 24	71	0	71

FOOD + DIVER	Owned	Franchised	Total
Stores Q4'22	1021	603	1,624
Openings	9	65	74
Net Transfers	0	(8)	(8)
Closings	(27)	(32)	(59)
	(118)	0	(118)
Stores Q4'23	**885**	**628**	**1,513**
Refurbishments Feb-Jan 23	91	0	91
Refurbishments Feb-Jan 24	71	0	71

Key Highlights

- The majority of new own stores openings have been in the Supermarkets segment
- Total stores remain stable - only slight increase of 7 food stores in this period
- We continue to maintain our investment in the refurbishment of our stores

Source: Company information LTM Datas. 1513 physical establishments excluding 11 optical shops and 9 on line shops.

Summary Balance Sheet

ASSET

K€	31.01.2024	31.01.2024
Property, plant and equipment	699,049	741,870
Investment property	30,190	31,349
Rights of use	798,875	1,050,438
Goodwill and other intangible assets	850,004	846,086
Equity-accounted investees	7,837	6,398
Trade and other receivables	9,517	6,733
Financial assets	154,511	176,109
Deferred tax assets	271,590	275,482
Uncalled members' contributions	477	600
TOTAL NON-CURRENT ASSETS	**2,822,050**	**3,135,065**
Inventories	428,659	400,556
Financial assets	20,112	10,864
Trade and other receivables	160,507	146,713
Current income tax assets	9,472	4,343
Unpaid calls on members' contributions	2,500	2,253
Cash and cash equivalents	167,728	216,033
Non-current cash held for sale	13,639	21,738
TOTAL CURRENT ASSETS	**802,617**	**802,500**
TOTAL ASSETS	**3,624,667**	**3,937,565**

EQUITY

K€	31.01.2024	31.01.2024
Capital	324,804	332,939
Share premium	3,808	3,808
Capitalised funds	95,525	95,525
Other comprehensive income	27,925	26,238
Retained earnings	(261,888)	(309,871)
Interim dividend	(6,341)	(2,206)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**183,833**	**146,433**
Non-controlling interests	355,030.0	213,025.0
TOTAL EQUITY	**538,863**	**359,458**
Financial liabilities	1,719,058	2,176,901
Government grants	0	0
Provisions	28,810	27,131
Other non-current liabilities	13,839	13,117
Deferred tax liabilities	158,156	190,371
TOTAL NON-CURRENT LIABILITIES	**1,919,863**	**2,407,520**
Financial liabilities	225,800	178,772
Trade and other payables	932,177	969,882
Current income tax liabilities	7,964	5,552
Liabilities associated with non current assets	0	16,381
TOTAL CURRENT LIABILITIES	**1,165,941**	**1,170,587**
TOTAL LIABILITIES	**3,085,804**	**3,578,107**
TOTAL EQUITY AND LIABILITIES	**3,624,667**	**3,937,565**

Source: Company information

Current and Non-Current Financial Liabilities

€M	FY23 Non Current	FY23 Current	FY23 Total	FY22 Non Current	FY22 Current	FY22 Total
Financial liabilities from issuing bonds and marketable securities	312	13	325	308	5	313
Other financial liabilities from the issuance of obligations and marketable securities	493	9	502			
Financial liabilities from loans and borrowings	188	29	217	771	11	781
Third party loans	33	5	38	27	2	29
Lease liabilities	664	168	832	925	160	1,085
Payables to associates	1		1	1		1
Other payables	29	1	30	30	1	31
Other financial liabilities			0	118		118
Total financial liabilities	**1,719**	**226**	**1,945**	**2,179**	**179**	**2,357**

Financial Debt Face Value

€M	Jan-22A	Additions	Paid	W/O	Jan-23A
New Senior Secured Notes		500			500
Syndicated Loan	909		(757)	(152)	0
New Term Loan A		113	(4)		109
Other Loan		85	(23)		63
Total Senior Secured Debt	**909**	**698**	**(783)**	**(152)**	**671**
Local facilities	98	8	(15)		91
Obligaciones Subordinadas Eroski ("OSES")	209				209
Total Debt	**1,216**	**706**	**(798)**	**(152)**	**972**

Key Highlights

- Lease Liabilities (-€251K) due to updates in rental agreements
- Other financial Liabilities (-€118K): On 25 April 2023, the shareholders of Supratuc2020, S.L. amended the shareholders' agreement, which stated that the distribution of dividends of the company was an intention (i.e. subject to liquidity, operations) rather than compulsory distributions and, therefore, the financial liability recorded in 2022, was transferred to external shareholders
- Nominal debt repayments of €93M in 2023 (of which €9M in Q4)

Source: Company information

Summary P&L

Continuing operations (€K)	31.01.2024	31.01.2024
Continuing operations		
Revenue	5,185,562	4,828,196
Other income	295,497	264,720
Self-constructed non-current asset	347	56
Raw materials and other consumables used	(3,836,214)	(3,549,110)
Personnel expenses	(709,013)	(675,569)
Amportisation and depreciation	(272,420)	(264,888)
Provisions/(reversals) for impairment of non-current assets	(7,267)	(10,458)
Other expenses	(401,651)	(410,879)
PROFIT BEFORE FINANCE ITEMS AND TAXES	**254,841**	**182,068**
Finance income	9,873	4,976
Finance costs	(162,632)	(102,224)
Share of profit/(loss) of equity-accounted invested	1,439	81
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**103,521**	**84,901**
Income tax expense	5,036	(20,987)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**108,557**	**63,914**
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS		
PROFIT/(LOSS) FOR THE PERIOD	**108,557**	**63,914**
Profit/(loss) for the year attributable to equity holders of the Parent		
Continuing operations	47,067	41,974
Discontinued operations		
	47,067	**41,974**
Profit/(loss) for the period attributable to non-controlling interests		
Continuing operations	61,490	21,940
Discontinued operations		
	61,490	**21,940**

Source: Company information

Q&A

May 2024

investors@eroski.es

https://corporativo.eroski.es/senior-secured-bonds/

EROSKI

Disclaimer

FORWARD-LOOKING STATEMENTS

This Report includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions, which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this Report including, without limitation, statements regarding our future financial position, intentions, beliefs, risks and uncertainties related to our business, strategy, capital expenditure, projected costs and our plans, prospects and objectives for future operations, may be deemed to be forward-looking statements.

Words such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "risk," "should," "will," "would," and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and are based on numerous assumptions. You should not place undue reliance on these forward-looking statements.

In addition, any forward-looking statements are made only as of the date of this Report and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this Report. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Report.

Many factors may cause our results of operations, financial condition, liquidity and the development of the industry in which we compete to differ materially from those expressed or implied by the forward-looking statements contained in this Report. Factors that could cause such differences in actual results include, but are not limited to:

- our ability to predict or fulfill changing customer preferences or demand;
- interruption or failure of our information technology systems or inability to keep pace with technological developments;
- the reliability and availability of our supply chain including interruptions in the distribution of our products at any of our facilities, any delay or failure in the delivery of our products and increased sourcing and other costs;
- competitive pressures of the markets in which we operate;
- increase in energy, production and transportation costs;
- fluctuations in the availability and price of food ingredients and packaging material;
- economic conditions, consumer confidence and spending patterns;
- the effectiveness of our marketing campaigns and success of our card programs;
- natural disasters, public health crises, political crises, terrorist attacks or other catastrophic events or social disruptions;
- the success of our current and any future joint venture and trading partnerships;
- risks related to the sale and purchase of assets;
- the success of our retail destinations;
- our ability to renew or replace our store leases;
- the sufficiency, availability and cost of our insurance;
- our key personnel and ability to recruit and retain suitable employees;
- increased scrutiny regarding our environmental, social and corporate governance (as defined herein);
- fraud, theft and other crimes;
- risks related to our relationship with our employees and related labor costs;
- legal complaints and litigation, including relating to the protection of intellectual property rights;
- risks associated with investments in real estate such as incorrect assessment of the value of our property;
- compliance with law and regulation in Spain relating to advertising, consumer protection, data privacy, employment and environmental;
- risks related to misappropriation of customer and employee data from our information systems; and
- investigations or challenges with respect to our tax liabilities or changes in tax legislation.

The foregoing factors are not exhaustive. We disclose important factors that could cause our actual results to differ materially from our expectations in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations.“, which you can find on our website. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors. We cannot assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results.

2023FY Results Presentation & Strategy Update

14th May 2024