



EROSKI

2024 Q3 Results Presentation

17th December 2024



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Josu Mugarra
EROSKI CFO

Summary of Key KPIs

+3.3%

Net Sales LFL growth LTM Oct-24⁽¹⁾

+2.7%

Net Sales LFL growth Q3-24⁽¹⁾

€3,968 M

Total Revenue YTD Q3

€145 M / €524 M

Adj. EBITDA Post-IFRS 16 Q3 / LTM

€5,295 M

Total Revenue LTM Oct-24

€94 M / €322 M

Total Adj. EBITDA Pre-IFRS 16 Q3 / LTM

9.9% / 6.1%

Adj. EBITDA Margin (LTM) Post-IFRS 16 /
Pre-IFRS 16

75%

Sales to loyalty club members LTM Oct-24

35.5%

Private label sales of total food sales LTM

2.4x

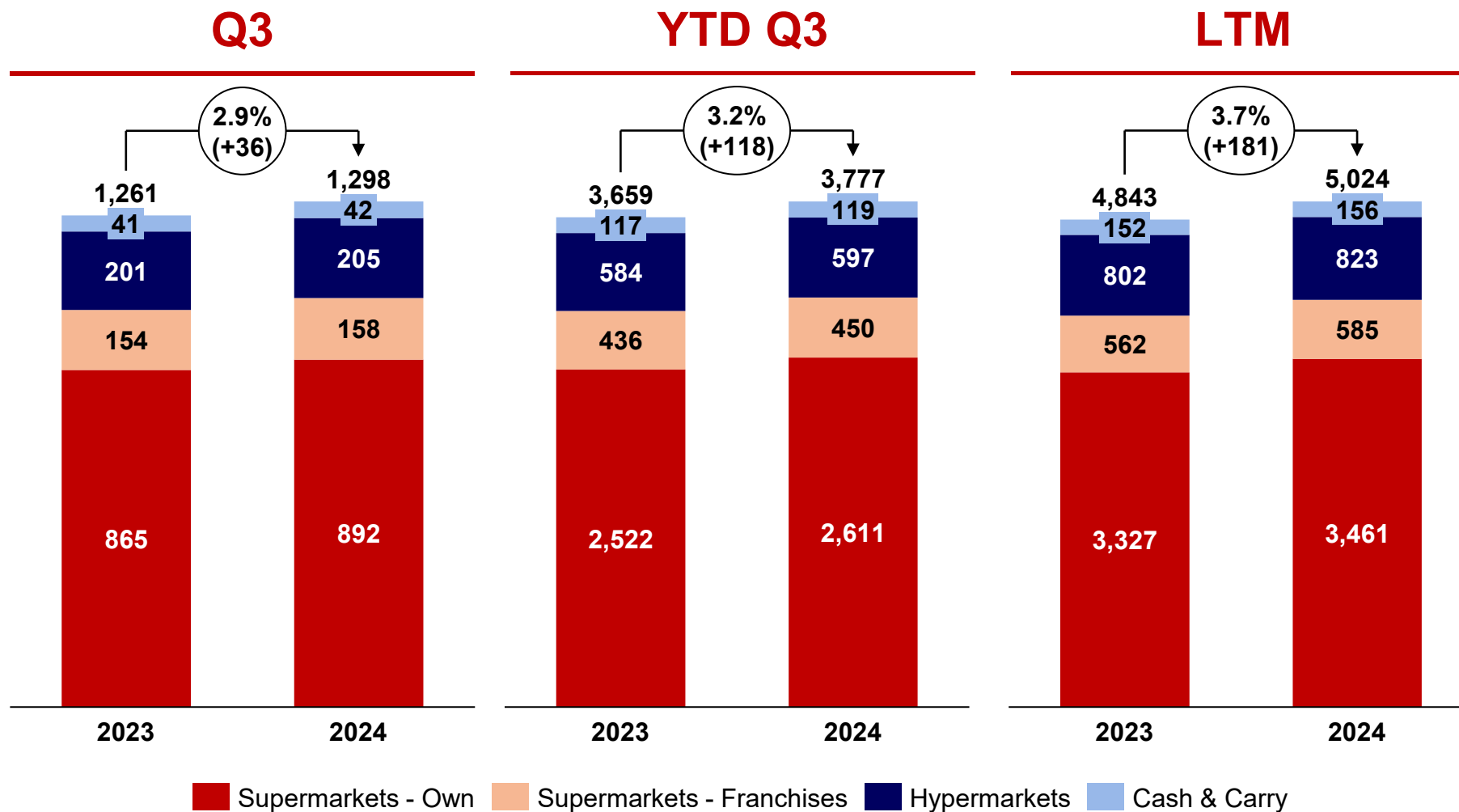
Net Leverage Pre-IFRS 16 Q3'24

Key Highlights

- Sustainable like-for-like growth in net sales vs 2023, both on LTM (+3.3%) and YTD (+2.7%) basis as of Oct-24
- Overall market growth following CPI trend, with CPI figures in line with forecast
- Continued success of our private label, which has increased in proportion and represents 35.5% of our total food sales, allowing us to offer a wider range of products with the most competitive prices to our clients
- Continued success of our loyalty club offer
- LTM EBITDA Post-IFRS and Pre-IFRS 16 reach €524M (9.9% margin) and €322M (6.1% margin)
- Total net leverage pre-IFRS 16 of 2.4x as of Q3-24

Sources: Company information Note: (1) Excludes "Diversification" business unit

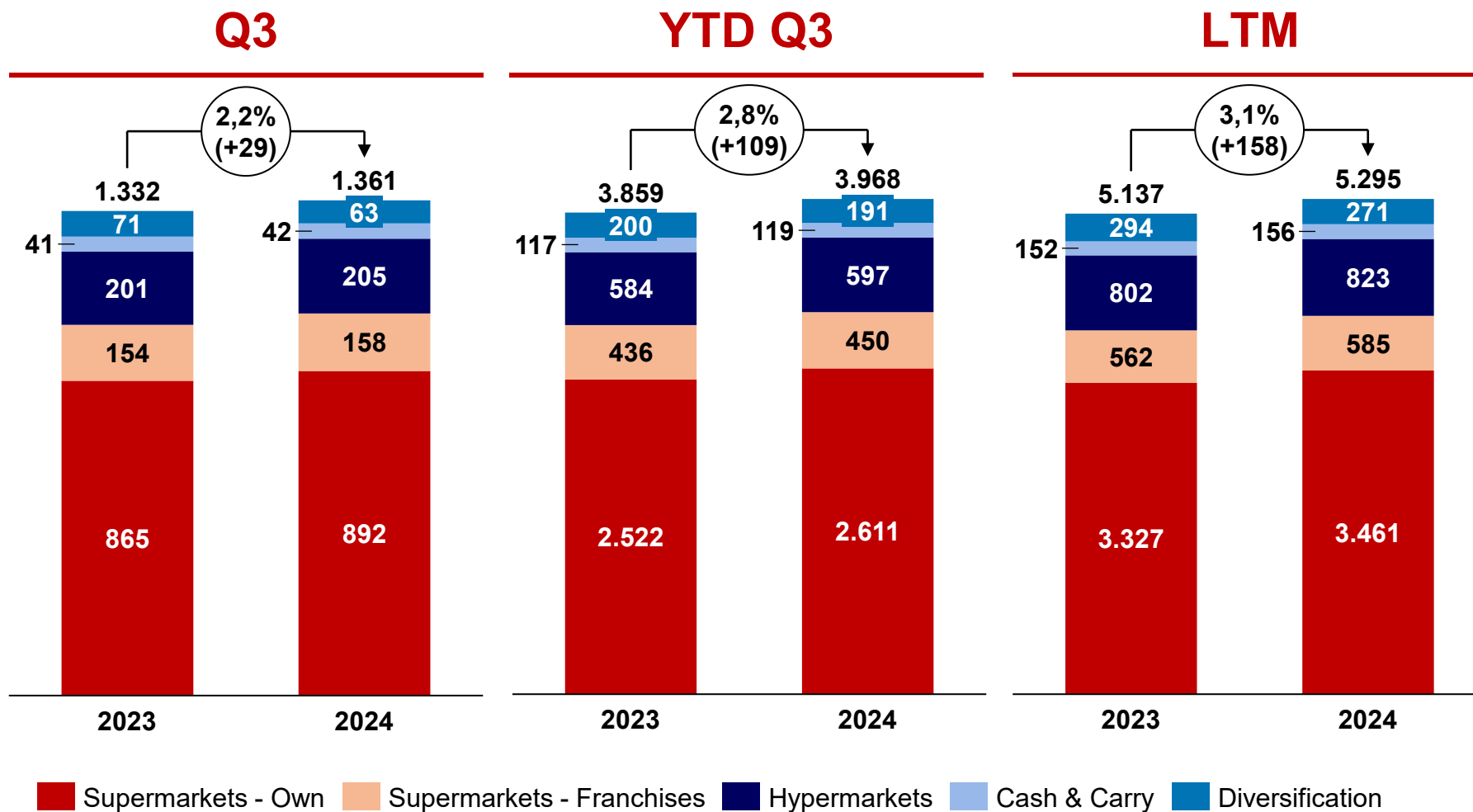
Evolution of Food Revenue (€M)



Increasing food revenue in Q3, YTD and in LTM

Sources: Company information

Evolution of Total Revenue (€M)

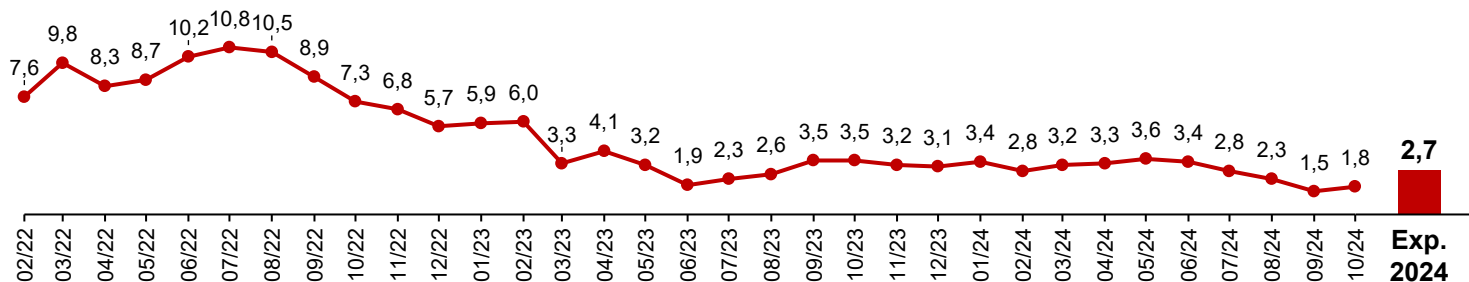


Increasing total revenue in Q3, YTD and in LTM

Sources: Company information

Spain CPI Evolution

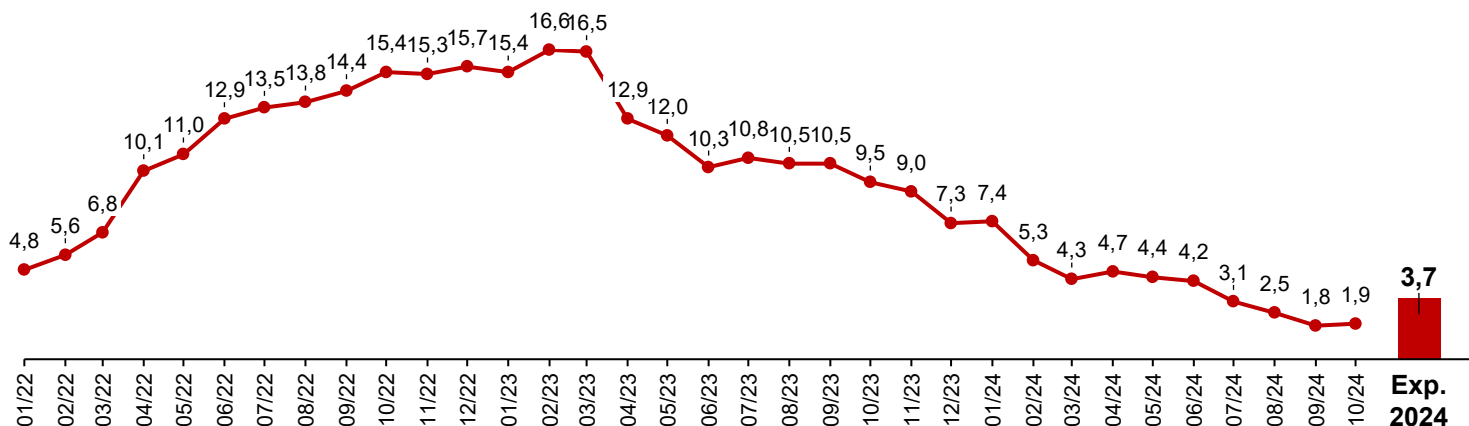
General index (%)



Key Highlights

- General index flattened during 2024 towards ECB's target of 2.0%
- Food inflation also decreased in 2024 although it has remained above general index inflation
- The downward trend in Food inflation sub-indexes is expected to be more intense in fresh foods, which are by nature more volatile, than in processed foods

Food & non-alcoholic beverages (%)



Food inflation slows down significantly leading to a highly reduced gap vs general index

Sources: INE (Spanish National Institute of Statistics) for actual data, and Fincas for projections (weighting between the ratio of processed and unprocessed foods)

Leverage Overview

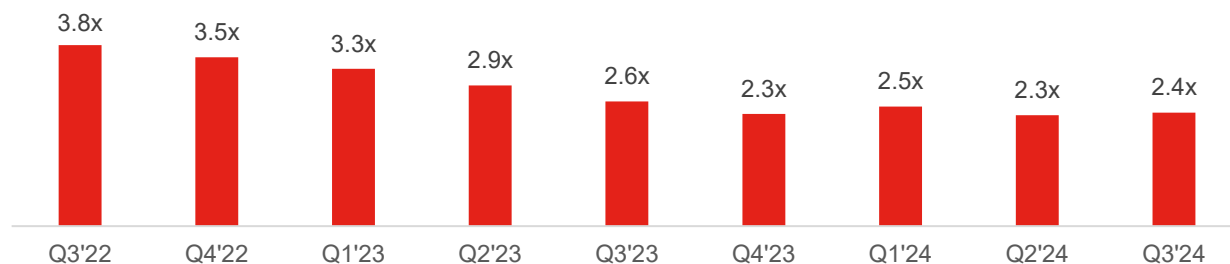
Capitalisation Table

€M	Q3'24	x LTM Q3'24 EBITDA
Cash & Cash Equivalents	(208)	
Short-term Financial Assets	(5)	
Syndicated Loan	-	
New Senior Secured Notes	500	
New Term Loan A	92	
Other Loan	50	
Total Senior Secured Net Debt	430	1.3x
Local Facilities	122	
Obligaciones Subordinadas Eroski ("OSEs")	209	
Total Net Debt	761	2.4x
LTM Q3'24 EBITDA Pre-IFRS 16		322
LTM Q3'24 EBITDA Post-IFRS 16		524

Key Highlights

- Short-term credit facility line (MARF) raised in Q2'24 (€32M drawn under "Local facilities" as of Oct-24)
- During 2024, we repaid €25.5M of term debt and other financial obligations, in line with our commitment to deleveraging in the short to medium term
- The bridge loan is not included in this chart (€6.7M amount pending to be repaid as of Oct-24)

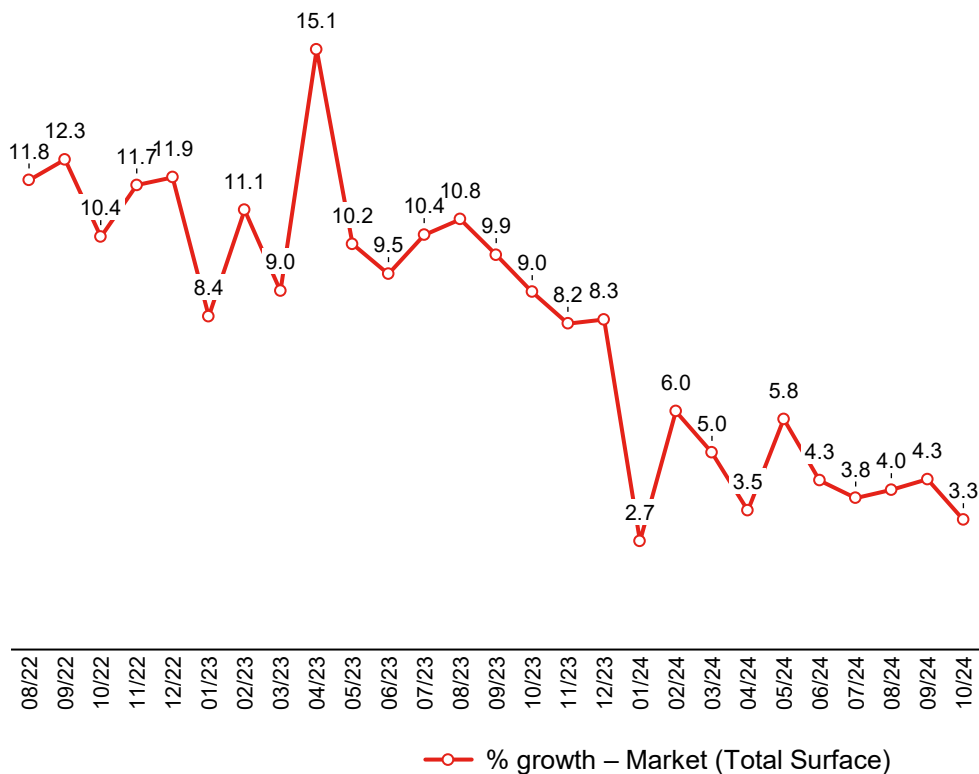
Net Leverage Evolution



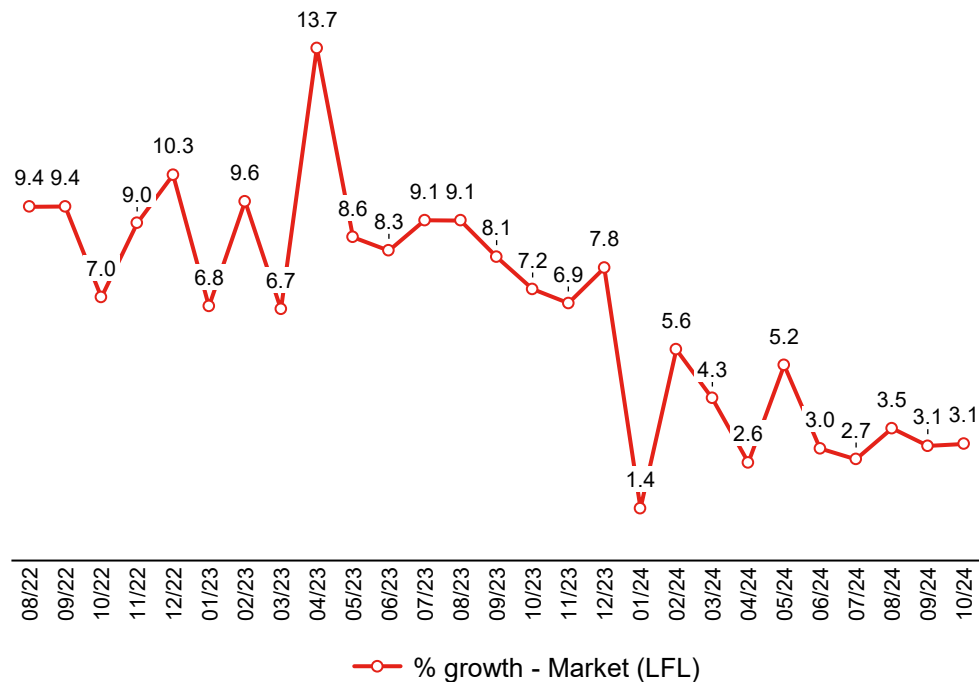
Source: Company information

Evolution of Food Core Market (%YoY)

Evolution by Total Surface



Like for Like Evolution



Source: Nielsen



Detailed Metrics and Financial Statements

Summary Profit & Loss

€M	Q3'23	Q3'24	% Growth	Q3'23 YTD	Q3'24 YTD	% Growth
Supermarkets	1,019	1,050		2,958	3,060	
Of Which Owned	865	892		2,522	2,611	
Of Which Franchises	154	158		436	450	
Hypermarkets	201	205		584	597	
Cash & Carry	41	42		117	119	
Total Revenue (excluding Diversification)	1,261	1,298	2.9%	3,659	3,777	3.2%
Diversification	71	63		200	191	
Total Revenue	1,332	1,361	2.2%	3,859	3,968	2.8%
Cost of materials	(981)	(1,004)		(2,842)	(2,939)	
Gross margin	351	357	1.7%	1,017	1,029	1.2%
<i>% revenue</i>	26.3%	26.2%		26.4%	25.9%	
Personnel expenses	(176)	(188)		(523)	(550)	
Operating Lease	(9)	(9)		(26)	(26)	
Other operating expenses and adjustments	(28)	(15)		(65)	(55)	
Adjusted EBITDA	137	145	5.6%	404	398	(1.4)%
<i>% revenue</i>	10.3%	10.6%		10.5%	10.0%	
Lease expenses	(49)	(51)		(149)	(152)	
Adjusted EBITDA pre-IFRS 16	88	94		255	246	
<i>% revenue</i>	6.6%	6.9%		6.6%	6.2%	
<i>Total surface (k sq. m)</i>	1,167	1,133		1,167	1,133	
<i>Number of stores (Total)</i>	1,509	1,527		1,509	1,527	
<i>o.w. Owned</i>	885	882		885	882	
<i>o.w. Franchised</i>	624	645		624	645	
<i>Revenue Sales / surface (€m)</i>	1.14	1.20		3.31	3.50	
<i>Adjusted EBITDA pre-IFRS 16 / store (€m)</i>	0.06	0.06		0.17	0.16	

Source: Company information

Key Highlights

- Gross margin increased in Q3 (26.2%) vs Q1 (25.5%) following strong investment in price
- Softer CPI growth driving softer revenue growth across store formats
- Core business revenue excluding diversification has increased +3.2% vs Q3-23 on a YTD basis
- Diversification revenues dropped slightly mainly on the back of lower gas station activity
- Personnel expenses seasonality impact of -€9M
- Total OPEX excluding personnel expenses below PY (-2.8%)

Consolidated Cash Flow

€M	Q3 '23	Q3 '24
Cash flows from operating activities	404	398
Change in WC	(19)	(47)
Income tax received/(paid)	(22)	(23)
Net cash from operating activities	362	328
Capex	(84)	(97)
Assets disposals	40	33
Interest received	7	8
Acquisition of other financial assets	(17)	(2)
Dividends received	-	1
Net cash used in investing activities	(54)	(57)
Repayment of loans and borrowings	(55)	(26)
Proceeds from Bonds and Other negotiable securities	10	33
Repayment of lease liabilities	(132)	(140)
Dividends paid	(21)	(24)
Net interest and other financial activities	(52)	(69)
Net of issue and redemption of capital	(3)	(4)
Net cash used in financing activities	(253)	(231)
Net increase/(decrease) in cash and cash equivalents	54	40
Cash transferred to non-current assets held for sale	-	-
Cash and cash equivalents at 1 February	216	168
Cash and cash equivalents at 31 October	270	208

Key Highlights

Net cash from operating activities

- Reduction in inventories

Net cash used in investing activities

- Stable capex levels following historical trend
- Financial assets investments considered as short-term cash equivalents
- Continued disposal of non-core assets

Net cash used in financing activities

- Dividends of €24.4M distributed to our partners in Vegalsa and Supratuc

Source: Company information

Consolidated Cash Flow

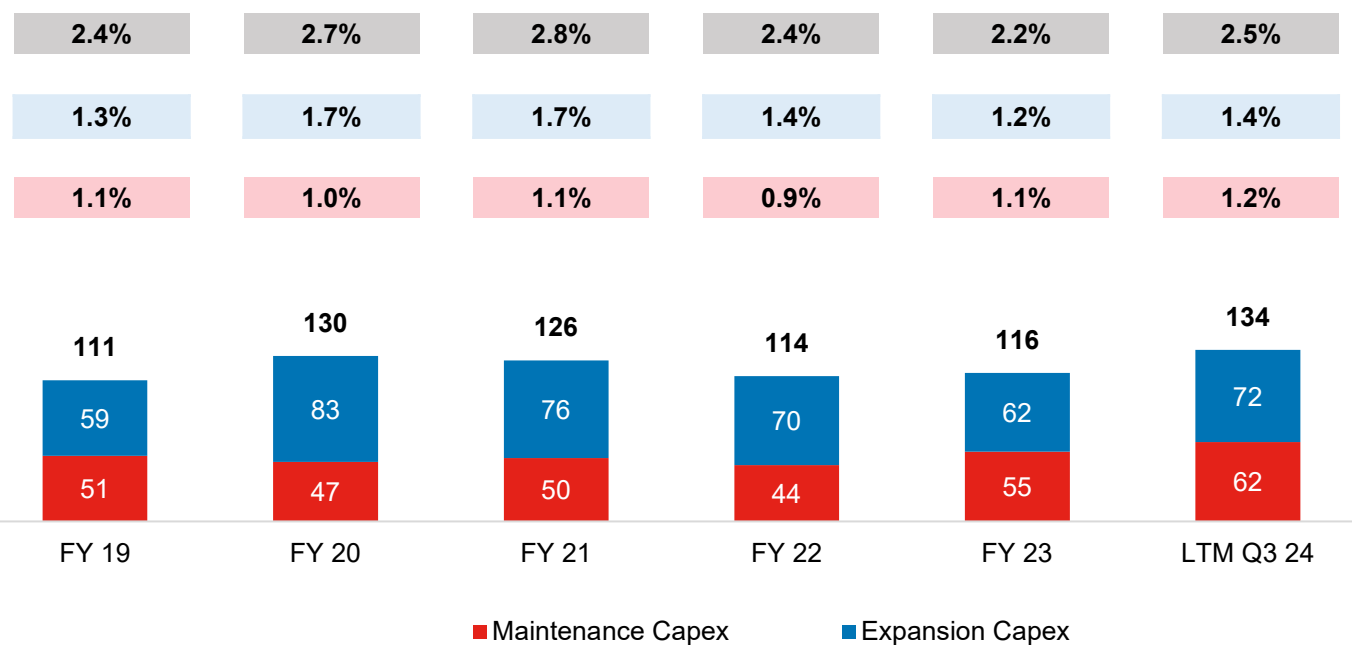
€M	Q3'23	Q3'24
Change in Reported Working Capital	(19)	(47)
Reverse-factoring lines, Payment "in float", an one off	(21)	(91)
Change in Adjusted Working Capital	1	45
Inventories	(80)	(43)
Trade and other receivables	124	117
Others	(42)	(30)

€M	FY'22	Q3'23	FY'23	Q3'24
Change in Reported WC	(34)	(19)	(107)	(47)
Reverse Factoring Committed Limit	178	178	178	178
Reverse Factoring Available	54	83	115	175
Total Cash and Cash Equivalents	216	270	168	208

Source: Company information

Focus on Capex

Capex (€M) & Capex / revenues (%)



Key Highlights

- Very stable Capex profile
 - Maintenance Capex mainly includes refurbishments required for existing stores to operate and the substitution or upgrade of obsolete equipment in the stores
 - Expansion Capex is discretionary in nature and represents capital expenditures required for the opening of new stores and remodeling of existing stores. While expansion investment had been constrained by previous capital structure, there has been a significant deployment since 2020, especially in the Caprabo perimeter
- The Company aims to maintain this stable trend in terms of Capex investments, following historical levels

Source: Company information.

Stores Openings & Closings

Stores Footprint (LTM Figures)

FOOD	Owned	Franchised	Total	FOOD + DIVER	Owned	Franchised	Total
Stores Q3'23	778	624	1,402	Stores Q3'23	885	624	1,509
Openings	5	62	67	Openings	5	62	67
Net Transfers	0	(12)	(12)	Net Transfers	0	(12)	(12)
Closings	(7)	(29)	(36)	Closings	(8)	(29)	(37)
Stores Q3'24	776	645	1,421	Stores Q3'24	882	645	1,527
Refurbishments Q3'23	68	0	68	Refurbishments Q3'23	68	0	68
Refurbishments Q3'24	56	0	56	Refurbishments Q3'24	56	0	56

Key Highlights

- In line with our strategic plan, majority of new store openings have been in the franchise segment
- Total store footprint continues to grow (net increase of +19 food stores vs. Q3-23)
- We continue to invest periodically in the refurbishment of our stores in line with our usual refurbishment plan

Source: Company information. 11 Optical shops and 8 online shops excluded

Summary Balance Sheet

ASSET			EQUITY		
K€	31.01.2024	31.10.2024	K€	31.01.2024	31.10.2024
Property, plant and equipment	699,049	701,885	Capital	324,804	316,630
Investment property	30,190	30,129	Share premium	3,808	3,808
Rights of use	798,875	714,737	Capitalised funds	95,525	95,525
Goodwill and other intangible assets	850,004	852,742	Other comprehensive income	27,925	30,771
Equity-accounted investees	7,837	6,927	Retained earnings	(261,888)	(229,184)
Trade and other receivables	9,517	7,710	Interim dividend	(6,341)	(4,911)
Financial assets	154,511	139,631	Equity attributable to equity holders of the Parent	183,833	212,639
Deferred tax assets	271,590	236,763	Non-controlling interests	355,030	370,555
Uncalled members' contributions	477	262			
TOTAL NON-CURRENT ASSETS	2,822,050	2,690,786	TOTAL EQUITY	538,863	583,194
Inventories	428,659	489,538	Financial liabilities	1,719,060	1,605,814
Financial assets	20,112	5,007	Government grants	0	0
Trade and other receivables	160,507	166,842	Provisions	28,810	28,521
Current income tax assets	9,472	25,181	Other non-current liabilities	13,839	12,905
Unpaid calls on members' contributions	2,500	3,726	Deferred tax liabilities	158,156	144,077
Cash and cash equivalents	167,729	207,534	TOTAL NON-CURRENT LIABILITIES	1,919,865	1,791,317
Non-current assets held for sale	13,640	3,897	Financial liabilities	225,800	278,717
TOTAL CURRENT ASSETS	802,619	901,725	Trade and other payables	932,177	923,324
TOTAL ASSETS	3,624,669	3,592,511	Current income tax liabilities	7,964	15,959
			Liabilities associated with non-current asset held for sale	0	0
			TOTAL CURRENT LIABILITIES	1,165,941	1,218,000
			TOTAL LIABILITIES	3,085,806	3,009,317
			TOTAL EQUITY AND LIABILITIES	3,624,669	3,592,511

Source: Company information

Current and Non-Current Financial Liabilities

€M	FY'23			Q3'24		
	Non Current	Current	Total	Non Current	Current	Total
Financial liabilities from issuing bonds and marketable securities	493	9	502	500	22	522
Other financial liabilities from the issuance of obligations and marketable securities	312	13	325	309	42	351
Financial liabilities from loans and borrowings	188	29	217	166	36	203
Third party loans	33	5	38	30	5	35
Lease liabilities	664	168	832	573	172	745
Payables to associates	1		1	0	0	0
Other payables	29	1	30	28	1	29
Other financial liabilities			0	0	0	0
Total financial liabilities	1,719	226	1,945	1,606	279	1,884

Key Highlights

- Financial liabilities increase following the issuance of the new credit facility line (MARF)
- Reduction of lease liabilities following historical trends

Source: Company information

Summary P&L

€K	31.10.2023	31.10.2024
Revenue	3,858,703	3,967,887
Other income	203,028	209,786
Self-constructed non-current assets	245	372
Raw materials and other consumables used	(2,841,737)	(2,939,101)
Personnel expenses	(522,604)	(549,524)
Amortisation and depreciation	(201,936)	(206,966)
Provisions/(reversals) for impairment of non-current assets	2,109	1,964
Other expenses	(282,958)	(288,767)
Profit before finance items and taxes	214,850	195,651
Finance income	8,086	9,163
Finance costs	(95,324)	(100,230)
Share of profit/(loss) of equity-accounted investees	1,564	155
Profit/(loss) before tax from continuing operations	129,176	104,739
Income tax expense	(24,135)	(38,462)
PROFIT/(LOSS) FOR THE PERIOD	105,041	66,277

Source: Company information



Q&A

December 2024

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

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