

EQUITY - SPAIN
 Sector: Food Products

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Initiation of Coverage
 Independent Equity Research

Deoleo (OLE) is a Spanish food company world leader in the blending, packaging and marketing of olive and seed oils under its own brands. Deoleo has a large international presence (73% of 2024 revenues) and is listed on the continuous market segment of BME.

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The calm after the storm. Major improvement in sector momentum already tangible in 2025.

DOWN BUT NEVER OUT... OLE has survived an operational and financial stress test, caused by a debt-fuelled growth spree that hit reality in 2008, going back over 15 years. Balance sheet weakness led to asset sales, restructurings, refinancings and management and ownership changes which culminated in a debt capitalisation in 2020. The debt refinancing of March 2025 resolves the problem and leaves the company free to grow.

...IN A SECTOR THAT IS IMPROVING IN LEAPS AND BOUNDS IN 2025. Demand risk in the olive oil business is low ("what is produced gets sold") but the sector is exposed to supply shocks due to climate factors. None as dramatic as the unprecedented spike of over 100% in farmgate prices in 2023 and 2024. Raw material prices have since corrected by over 50% following a "normal" harvest in Spain in 2024/25, which is 65% above the average 2022/23 and 2023/24 harvests.

WITH A VERY POSITIVE IMPACT ON EBITDA (CAGR 2024-27E: +28.3%). We anticipate gross margin recovery following the erosion sustained in 2023 and 2024 when it was impossible to pass all of the raw material cost increases through to end consumers. We are estimating an average gross margin of 15.2% in 2025e-2027e, above the 2023-2024 average of 10.9% but still below the 2019-2022 average of 17.0%.

SECTOR MOMENTUM HAS ALREADY SHIFTED AND IMPROVED RADICALLY IN 2025, PAVING THE WAY, ON PAPER, FOR A SWIFT RECOVERY IN MARGINS AND EBITDA. Following the debt refinancing of March 2025, OLE's leverage is manageable (ND/recurring EBITDA of 2.1x in 2025e and 0.7x in 2027e). We are forecasting cumulative EBITDA of EUR 175.8 Mn in 2025e-2027e accompanied by a very high EBITDA-to-operating cash flow conversion ratio (94.9%). This newfound financial solidity, coupled with business normalisation, now that olive oil prices have stabilised after the shock of 2023-2024, may create a window of opportunity for a potential change of the shareholding structure. There is investor interest in the sector. Today's EV/EBITDA multiple is nothing to get excited about (>10x on 2025e forecasts), but on 2027e estimates, it falls to c. 7x (vs. 13x for the sector). In other words, the entire equity story lies with OLE's ability to deliver the improvement in margins and EBITDA foreshadowed by the new sector reality (volumes and prices). A successful delivery in the 2026 results will be key.

Market Data

Market Cap (Mn EUR and USD)	89.5	104.3
EV (Mn EUR and USD) ⁽¹⁾	478.4	557.7
Shares Outstanding (Mn)	500.0	
-12m (Max/Med/Mín EUR)	0.24 / 0.20 / 0.17	
Daily Avg volume (-12m Mn EUR)	0.07	
Rotation ⁽²⁾	19.8	
Refinitiv / Bloomberg	OLEO.MC / OLE SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

CVC Capital Partners	57.0
Aceites del Sur	5.1
Free Float	38.0

Financials (Mn EUR)	2024	2025e	2026e	2027e
Adj. n° shares (Mn)	500.0	500.0	500.0	500.0
Total Revenues	1,007.0	872.8	949.9	1,024.6
Rec. EBITDA	33.4	47.4	57.9	70.5
% growth	10.4	42.2	22.0	21.8
% Rec. EBITDA/Rev.	3.3	5.4	6.1	6.9
% Inc. EBITDA sector ⁽³⁾	7.2	-2.0	11.3	7.1
Net Profit	-28.3	4.7	4.7	6.1
EPS (EUR)	-0.06	0.01	0.01	0.01
% growth	-57.6	116.7	-0.5	29.2
Ord. EPS (EUR)	0.06	0.01	0.01	0.01
% growth	115.6	-83.9	-0.5	29.2
Rec. Free Cash Flow ⁽⁴⁾	9.6	6.2	24.7	32.4
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	114.3	97.8	78.1	50.7
ND/Rec. EBITDA (x)	3.4	2.1	1.3	0.7
ROE (%)	n.a.	2.2	2.2	2.7
ROCE (%) ⁽⁴⁾	n.a.	4.3	5.5	7.0

Ratios & Multiples (x) ⁽⁵⁾

P/E	n.a.	19.0	19.1	14.8
Ord. P/E	3.0	19.0	19.1	14.8
P/BV	0.4	0.4	0.4	0.4
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	0.48	0.55	0.50	0.47
EV/Rec. EBITDA	14.3	10.1	8.3	6.8
EV/EBIT	n.a.	12.8	10.0	7.9
FCF Yield (%) ⁽⁴⁾	5.4	3.5	14.0	18.3

Relative performance (Base 100)


Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	-1.4	-4.0	-18.6	-4.8	-22.0	-26.3
vs Ibex 35	-5.7	-13.0	-38.6	-28.9	-62.6	-67.2
vs Ibex Small Cap Index	-5.8	-6.3	-34.7	-25.0	-49.2	-52.7
vs Eurostoxx 50	-6.6	-8.7	-28.0	-17.0	-53.1	-57.6
vs Sector benchmark ⁽³⁾	2.6	2.0	-6.4	0.0	-5.5	-17.3

(1) Please refer to Appendix 3.

(2) Rotation is the % of the capitalisation traded - 12m.

(3) Sector: Stoxx Europe 600 Food & Beverage.

(4) Please see Appendix 2 for the theoretical tax rate (ROCE) and rec. FCF calculation.

(5) Multiples and ratios calculated over prices at the date of this report.

(*) Unless otherwise indicated, all the information contained in this report is based on: The Company, Refinitiv and Lighthouse.

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This report has been prepared on the basis of information available to the public. The report includes a financial analysis of the company covered. The report does not propose any personalised investment recommendation. Investors should consider the contents of this report as just another element in their investment decision-making process. The final two pages of this report contain very important legal information regarding its contents.

Investment Summary

OLE, poised to unlock brand value. Better sector momentum in 2025 will improve margins and boost EBITDA.

OLE: in the “right” sector with good products and great brands

DEOLEO (OLE) is the leading global olive oil player (with a presence in seed oils also) and boasts the best-selling brand (Bertolli) and three (Bertolli, Carbonell and Carapelli) of the ten best-selling brands (Euromonitor) in the world. It has a very significant international presence (c.74% of revenue and c.85% of gross profit in 2024).

No vertical integration

OLE purchases 100% of the oil it needs from over 200 suppliers and is exposed to raw material price volatility. In the past, OLE had contemplated partial vertical integration (Project Tierra) but ruled it out on account of its financial weakness.

Own brands only, no private label

OLE does not bottle for private label brands. The company’s most important asset are its brands and it is essential, in an environment in which name brands are losing shelf space to private labels, to hold on to its current leadership. It is not surprising that expenditure on marketing (accounted for within OPEX) is nearly 3x annual maintenance CAPEX.

A) Where is OLE today?

The correction in raw material prices (>50%) following a “normal” harvest in Spain in 2024/25, which is 65% above the average 2022/23 and 2023/24 harvests, is paving the way for:

“Normalized” market

- Gross margin recovery following the erosion sustained in 2023 and 2024 when it was impossible to pass all of the raw material cost increases through to end consumers.

Balance sheet “fixed”

- The refinancing of the underlying business’s debt in March 2025, extending its maturity to 2029 and lowering the cost. In parallel, the conclusion of the financing agreement for the Italian tax contingency addressed a huge question mark hanging over the company’s future. The resulting financial flexibility is allowing management to prioritise operating efficiency measures.

- Given the volatility of the core business, it is a priority for OLE to keep leverage low enough to be able to absorb the negative raw material cost shocks and EBITDA fallout of the likes seen in 2023 and 2024. OLE is currently moderately leveraged (excluding the financing arranged to fund the Italian tax debt: ND/recurring EBITDA of 2.1x in 2025e and 0.8x in 2027e). We are forecasting cumulative EBITDA of EUR 175.8 Mn in 2025e-2027e accompanied by a very high EBITDA-to-operating cash flow conversion ratio (94.9%).

Resilient player in a resilient market

- OLE’s business model has been validated by the raw material cost “tsunami” of 2023 and 2024, confirming the resilience of both the sector (low elasticity of demand) and OLE (leading brands capable of defending their market shares).

B) Where is OLE headed? (2025e–2027e)

In 2025e-2027e, raw material cost normalisation, coupled with greater financial flexibility, should translate into:

Margin recovery

- An estimated average gross margin of c.15.2% in 2025e-2027e, above the 2023-2024 average of c.10.9% but below the 2019-2021-2022 average of c.17.0% (2020, when the gross margin reached c.23%, is an outlier on account of the bump induced by COVID-19).

Operational “fine-tuning”

- The ability to take advantage of the drop in raw material costs (exogenous factor) to work on the key thrusts of the plans for implementing operational efficiencies, including a focus on the procurement strategy (raw material costs account for c.80% of the total) afforded by improved financial flexibility (good for the gross margin) and, in parallel, on high-margin, high-growth markets, including India, the US and Northern Europe.

Leveraging on operating gains to refinance debt

- A window of opportunity, unlocked by margin expansion and EBITDA growth, to refinance a syndicated loan that reflects the snapshot of OLE in 2024 but not the improvements anticipated in 2025e-2027e, and also the subordinated debt (Italian tax contingency), with its steep cost of 20%. OLE has locked in the ability to refinance both arrangements without incurring a penalty (the

syndicated loan from March 2026 onwards and the notes associated with the financing of the Italian tax contingency at any time).

C) Structural strengths and key risks

Structural strengths:

Leading brands in (practically)
all markets where OLE is
present

Management team and
shareholders interest aligned

- Leading brands in most markets that “protect” shelf space in a retail environment in which brand names are suffering from inroads by private labels.
- The ability to innovate, as proven by OLE in India where a strategic focus on the use of olive oil for cosmetic purposes and control of the distribution channel have delivered the second-highest gross margin of any of the business units, in a market with no tradition of using olive oil.
- “Genuine” integration of sustainability into the business with a well-defined strategy aimed at lifting the share of olive oil processed “sustainably” to 70% by 2030 (2024: 39%), improving the product’s image and capturing the premium a growing number of consumers are willing to pay for these credentials.
- Relevant presence in the US (second best-selling brand), a growing market where per-capita consumption is low and local production, scant.
- The management team has incentives to maximise OLE’s equity value in any potential sale process.

Key risks:

Raw material cost volatility

Vertically integrated
competitors

Consolidation in food retailing

Aging consumer profile in
mature markets

Complex shareholder structure

- Raw materials account for an average of 80% of total costs in this sector and there are no mechanisms (futures market) for hedging this risk. OLE does not have the vertical integration that would protect processor/bottler margins when farmgate prices favour olive oil producers.
- Competition. This is not a new phenomenon but it has intensified recently with one of the largest olive oil producers (DCOOP) taking control of the leading US brand (Pompeian) and the largest Australian producer and bottler (Cobram) committing strategically to the US market by investing in local production (in California) and in marketing to lift its brand recognition.
- Consolidation continues in the retail sector, as does the latter’s strategic commitment to private labels. OLE has to continue to invest in innovation and marketing in order to defend its brands’ privileged positioning.
- Pensioners are responsible for 35% of olive oil consumption in Spain where consumption per capita among the younger generations is much lower. It is essential to “evangelize” the younger segments of the population in mature markets such as Spain and Italy, enlightening them about the benefits of olive oil.
- The shareholder structure is complex and probably not the optimum arrangement for the medium and long term. Complex because CVC, OLE’s majority shareholder with a 57% interest, coexists with Alchemy, which owns 41% of the opco (Deoleo Holding). As is customary in these instances, there are shareholder agreements and restructuring clauses in place that make it hard for minority investors to understand the chain of control. Both investors (CVC and Alchemy) have supported OLE during tough times (very recently putting up subordinated debt to fund the Italian tax contingency, a prerequisite to closing the March 2025 refinancing agreement) but both have also surpassed the typical investment horizon for financial investors of this nature.

D) OLE longer term: looking beyond 2027

Bigger and better EBITDA

Beyond 2025e-2027e, what can OLE do to lift its EBITDA and its EBITDA multiple (market perception of weak-quality EBITDA)?

We believe a series of medium- and long-term steps could have a positive impact on EBITDA in both quantitative and qualitative terms (reduced volatility). For example, OLE’s successful positioning of olive oil for cosmetic use in India opens up a new market (cosmetics) that could be replicated in other countries. Italy, the “ugly duckling” in terms of market share in olive oil, represents an opportunity to win back market share by leveraging two brands (Carapelli and Bertolli) that are tremendously successful in international markets (US

and Northern Europe, among others) but are outside of the top 5 in their home market (which, moreover, faces relatively lower competition from private label brands compared to other countries).

Vertical integration?

We believe OLE should consider the possibility of some vertical integration. The private equity sector has appetite for investing in the agribusiness, attractive by its ability to offer long-term returns. OLE could either invest directly (as Cobram is doing) or enter into an alliance with investors who would put up the capital, with OLE locking in purchase volumes. The market should reward reduced EBITDA volatility with a higher multiple.

Corporate Governance

Any plan beyond 2028 also requires clarity around the controlling shareholders' interests. If, as it would seem, their investment cycle is approaching its end, we believe there are long-term investors interested in a leading player in a low-risk but growing sector. Both the public markets (Intention to Float (ITF) announcement by Princes Group in the UK; equity issue by Cobram in Australia; and warm market welcome for recent M&A activity by NewPrinces Group in Italy) and private markets are open to investment opportunities.

E) Conclusion: a world leader in a sector enjoying tailwinds in the form of falling raw material costs, which are translating into lower olive oil sales prices and higher consumption. Sector momentum is already (objectively) improving in 2025.

Raw material cost decline boosts momentum in consumer demand

- The reduction in raw material costs on the back of a stronger harvest is stabilising olive oil sales prices and having a positive impact on volumes. In turn, we are anticipating margin expansion, now that management can focus on eking out operational efficiencies following recent completion of its debt refinancing.

Financial leverage on a downward trend

- This will ultimately lead to deleveraging (ND/recurring EBITDA from 3.4x in 2024 to 0.7x in 2027e, not including the debt arranged to fund the Italian tax debt).

FCF generation in 2025e-2027e

- We expect OLE to generate cumulative recurring EBITDA of EUR 175.8 Mn in 2025e-2027e (EBITDA CAGR 2024-27e: +28.3%), with high EBITDA-to-operating cash flow conversion (94.9%) driving CAGR in recurring free cash flow of 50,2%.

Focus on grabbing opportunities at hand

- The anticipated business momentum should allow management to focus on tapping opportunities arising the sector while managing the threats.

Window opening for changing of the guard in shareholding structure

- The company's newfound financial solidity, coupled with business normalisation, now that olive oil prices have stabilised after the shock of 2023-2024, may create a window of opportunity for a potential change of shareholder.

10.1x EV/EBITDA 2025e, attractive?

What is the market saying? OLE is trading at an EV/EBITDA 2025e multiple of 10.1x, which is a discount of just c.20% to the major European food companies (Nestlé, Danone, Orkla, Barry Callebaut), which boast less volatile and risky business models (less commercially, operationally and financially risky) and far higher EBITDA margins (c.15% vs. 5.4% at OLE in 2025e). Nevertheless, OLE has a major opportunity to boost its EBITDA and, thereby, its multiple, over the next two years (2025-2027). Thanks to a timely combination of factors:

Optimal positioning in olive oil market

- Optimal positioning (brand strength, leadership in high-growth markets) for riding the sector tailwind created by price normalisation and its effect on margins. OLE has a credible prospect of increasing its shares in its benchmark markets. This explains our estimate for CAGR in gross profit in 2024-2027e (+17.2%): EUR 100 Mn in 2024 vs. EUR 160 Mn in 2027e.

Additional upside to EBITDA from more efficiency gains

- Additional EBITDA uplift via efficiency gains. Driving two-fold growth in recurring EBITDA (EUR 33.4Mn in 2024 vs. EUR 70.5Mn in 2027e). Lifting the margin to c.7% in 2027e (2024: 3.3%).

Which would imply an EV/EBITDA 2027e multiple of c.7x (vs. 13x for the major European food companies). Framed by a reasonable level of financial risk in the wake of the recent refinancing.

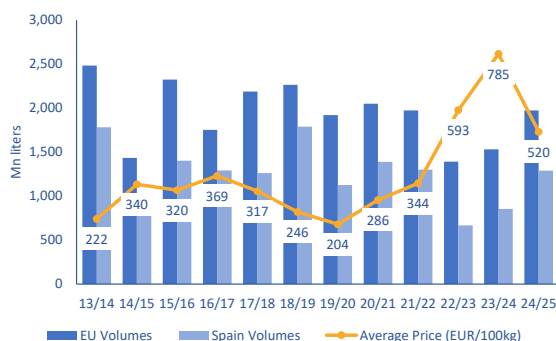
Doubling 2027 EBITDA (vs. 2024) is the equity story

This is OLE's real equity story. Not so much the current P/L or multiples. But rather the scope (credible) for doubling earnings (EBITDA) between 2024 and 2027. Simply by taking advantage of the sector's improved fundamentals (volumes and prices). This is the only route to unlocking the value implicit in its asset portfolio (brands and leading market positioning). Therefore, delivery in the 2026 results looks like the major catalyst for the share price to the extent that the company's results ultimately confirm that the story of sharp margin and EBITDA growth is real and materialising.

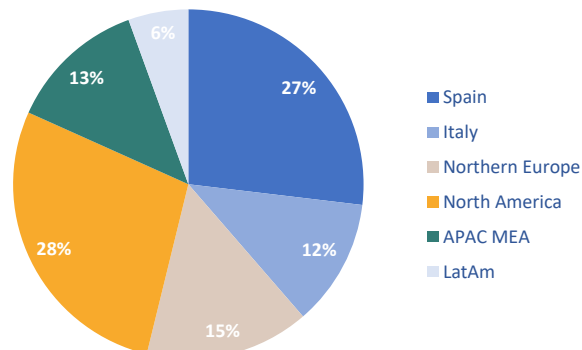
Catalyst for share price performance: 2026 delivery

The company in 8 charts

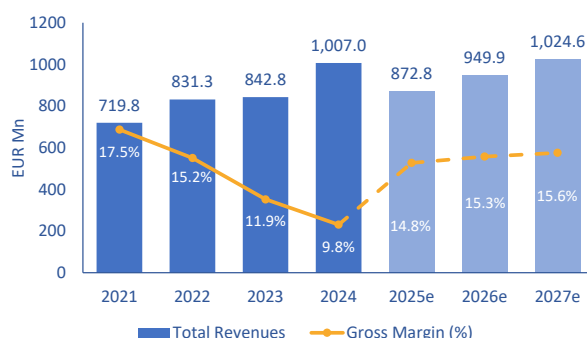
There is a negative correlation between production and final sale price for olive oil



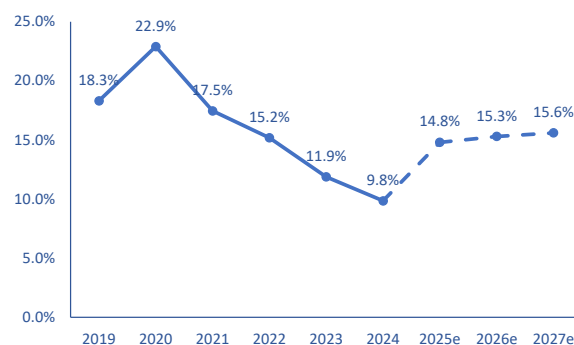
Exports make up 73% of 2025e revenue, with North America as the main revenue source



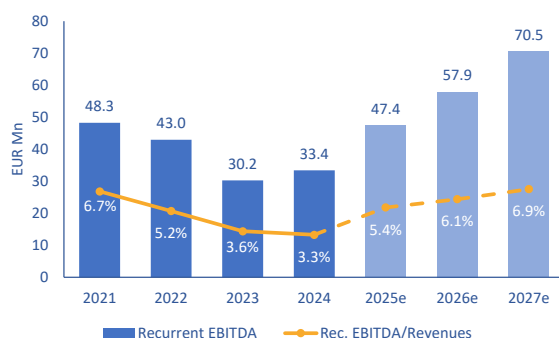
We expect a gradual recovery in volume, price stabilization and gross margin improvement



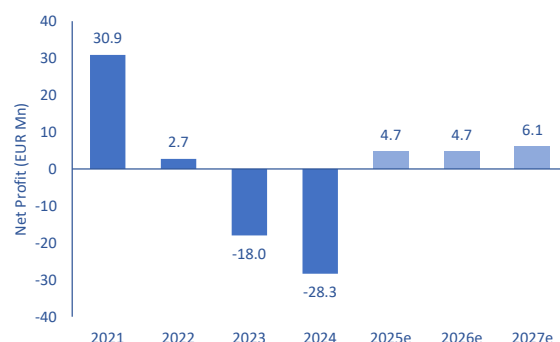
Average gross margin of 15.2% 25e-27e higher than average gross margin of 10.9% but lower than average gross margin of 17.0%



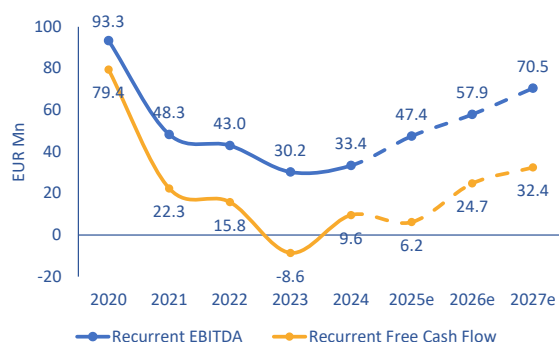
There is still plenty of room for margin improvement on lower raw material prices and an enhanced operational efficiency



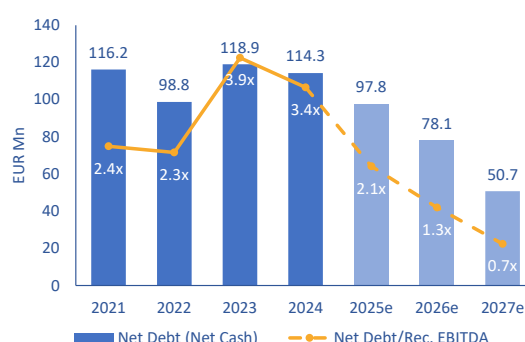
Net income 2025e temporarily impacted by extraordinary financial expenses



A company with strong potential to generate FCF



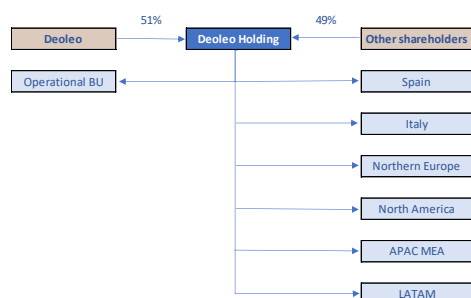
Cash generation to lower gearing back to levels of 0,7x ND/EBITDA in 2027e



Business description

Despite very strong olive oil brands, is OLE between a rock (raw material costs) and a hard place (retailer bargaining power)?

Deoleo SA (OLE) is a Spanish food company. Its main business line is the production of edible oils (olive and seed oils). Its registered office is located in Alcolea in the province of Cordoba (Spain) and its head offices are based in Madrid.

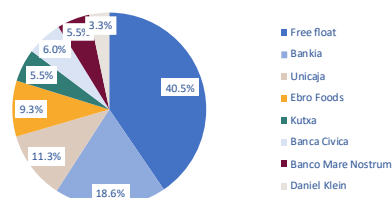


OLE was set up as Arana Maderas S.A. in Bilbao in 1955. Its largest shareholder today is a private equity firm: CVC (57%). OLE has had a “convulsive” corporate history since 1990, when the Salazar family took control of an inactive listed company (Arana Maderas) with the goal of building a powerful Spanish agribusiness group. OLE embarked on a spate of M&A activity that would ultimately give it relevant positions in food segments including rice, biscuits and edible oils, with revenue jumping from EUR 40 Mn in 1993 to EUR 1.4 Bn in 2007.

The financial crisis of 2007-2008 revealed the weakness of its capital structure (2007 EBITDA of EUR 92 Mn “propping up” net debt as of December 2007 of EUR 700 Mn) and corporate governance problems which ended with the exit of the Salazar family (May 2009) and the lender banks taking management control (May 2009). That same year, OLE took a series of legal actions against the Salazar family, which, after a lengthy legal process, ended in an out-of-court settlement in February 2020 in which, given the ultimate impossibility of collecting the amounts claimed, the company received a combination of cash and assets totaling EUR 10.7 Mn.

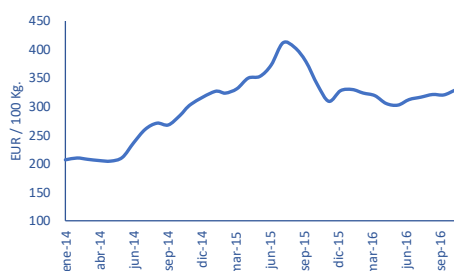
The new management team implemented a financial and operational restructuring plan. On the operating front, the company sold off non-core businesses to focus on the edible oil segment and reduced its headcount (from 2,200 in December 2010 to 900 by March 2012). Financially, meanwhile, the proceeds from the sale of assets, partial debt capitalisation and conversion of preferred shares reduced net debt from EUR 1.5 Bn (December 2009) to EUR 660 Mn (December 2011).

Chart 1. OLE Shareholding March 2012



Having stabilised the company, the board, controlled by a number of savings banks (Bankia, Unicaja, Kutxa, Banca Civica and Banco Mare Nostrum), which held 47% of its equity, hired an investment bank in November 2013 to reorganise the shareholder ranks. The Spanish financial sector, particularly the saving banks, were in the midst of their own restructuring process requiring bailouts with public funds, in exchange for which the savings banks were required to sell off their industrial shareholdings.

Chart 2. Extra virgin olive oil price 2014-2016
EUR/100 kg



Source: Ministry of Agriculture of Spain

Following a competitive process, it was announced in April 2014 that CVC had presented the highest bid (EUR 0.38 per share and refinancing of its debt) and that a tender offer would be launched for 100% of OLE. CVC bought 29.99% of OLE from the shareholding directors in June 2014 and, after the tender offer closed (the securities market regulator intervened to force an improvement in the tender offer to EUR 0.395 per share), it lifted its shareholding to 48% in January 2015, and then to 50% in April 2015. Following subsequent equity issues in November 2018 and May 2020, CVC reached its current shareholding of 57%.

The sharp run-up in raw material costs in 2015-2017 once again put OLE in delicate financial health, with Moody's and S&P downgrading its credit ratings and the bank debt trading on the secondary market at a sharp discount to par. Despite new restructuring efforts, OLE's high leverage would force it to restructure its debt again (ND of EUR 555 Mn in December 2018 and EBITDA 2018 before non-recurring items of EUR 15.4 Mn).

The agreement with its creditors in September 2019 involved an equity injection by OLE's shareholders of EUR 50 Mn, the capitalisation of the syndicated loan and the transfer of the operating business to a new company (Deoleo Holding) in which OLE holds 51% and the financial creditors, 49%. The largest syndicated debt holders were special situation and distressed debt funds that had bought the debt from the banks that had originally extended the facility in 2014. The largest such investor was (and is) Alchemy Partners, which owns 41% of Deoleo Holding (after capitalising its debt and later buying shares from other investors that participated in the

debt restructuring). As described in more detail in the corporate governance and risk sections, there is a shareholder agreement at Deoleo Holding (joint control by CVC and Alchemy Partners).

Business model: brand focus

OLE purchases olive and seed oils from external suppliers which it then blends, bottles and markets under its own name brands. It is not vertically integrated as it does not have proprietary olive or seed plantations or olive mills. The company is focused exclusively on its own brands and does not manufacture for private labels.

OLE has an entrenched global footprint, selling its products in more than 70 countries. Revenue generated outside of Spain accounted for more than 70% of the total in 2024.

OLE has committed strongly to its brands in order to protect profitability in a value chain it shares with the olive oil producers and food retailers. It is an asset light model in terms of PP&E (PP&E of just EUR 54 Mn compared to total assets of EUR 840 Mn in 2024) but is asset heavy in terms of intangible assets (trademarks and rights-of-use account for 49% of total assets of EUR 840 Mn in 2024). Annual expenditure on marketing (OPEX) is also considerable.

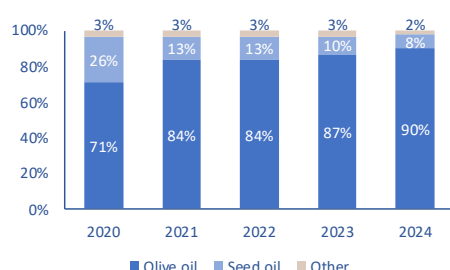
OLE groups its activities around two major product lines (olive oil and seed oils). Although seed oils make a meaningful contribution in terms of volumes (c.20% of the total), their share of revenue is small.



- **Olive oil (c.90% of revenue in 2024)** - purchase of olive oil and blending, bottling, labelling and marketing under proprietary brands of the calibre of Bertolli, Carbonell, Carapelli, Sasso, Figaro and Hojiblanca.
- **Seed oil (c.8% of revenue in 2024)** - purchase of seeds (mainly sunflower seeds and corn) and seed oils and blending, bottling, labelling and marketing under proprietary brands such as Koipesol, Friol, Maya and Giglio Oro (Carapelli). OLE only sells seed oils in Spain and Italy, the latter being a more important market for this product line than Spain (the average volume mix in the Italian market is 50/50 olive/seed oil, compared to 66/33 in Spain).
- **Other revenue (c.2% in 2024)** - the sale of olives, condiments, sauces (mayonnaise, mustard and ketchup) and vinegars under proprietary brands including Louit (vinegars and sauces), Carbonell (olives) and Bertolli (vinegars).

OLE's organisational and reporting structure is articulated around seven business units: one manufacturing unit (Operations) and six sales units (Spain, Italy, North America, Northern Europe, APAC MEA -Asia PACific Middle East Africa- and Latam).

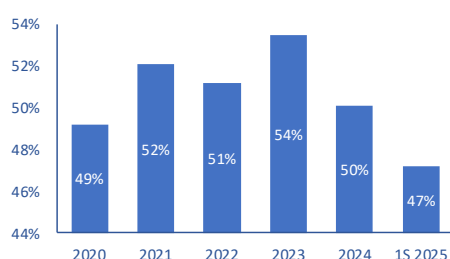
Chart 3. Revenues by product



Operations (1% of revenue in 2024). The manufacturing activity is concentrated at OLE's bottling and distribution centres in the towns of Alcolea (Spain) and Tavarnelle (Italy). This business unit in turn sells to OLE's other units for subsequent marketing and sale, as well as selling subproducts of the productive process to third parties.

Virtually all of the bottling capacity is devoted to olive oil as the bottling of seed oil (primarily sunflower oil) is outsourced to third parties known as copackers (there were 22 as of year-end 2024), albeit at all times retaining ownership of the raw material delivered to the copackers for processing and bottling. In the case of olives, condiments, sauces and vinegars, 100% of the packaging process is outsourced.

Chart 4. Share of private label olive oil in Spain



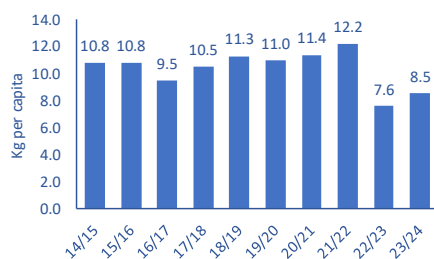
This business unit works with more than 200 olive oil suppliers (mills) with which OLE maintains close relations. The Sustainability Protocol seeks to improve yields and reduce the environmental impact of both the mills and growers. At year-end 2024, 39% of the olive oil processed by OLE came from sustainable mills and the goal is to lift that figure to 70% by 2030.

Spain (26% of revenue in 2024). This is a mature market characterised by high penetration of olive oil per capita and also of private label olive oil (c.50% by volume according to OLE). Olive oil is a footfall driver that the food retailers use as a "loss leader", selling it at very competitive prices that exert pressure on name brand manufacturers.

Chart 5. Market share of olive oil brands OLE in Spain

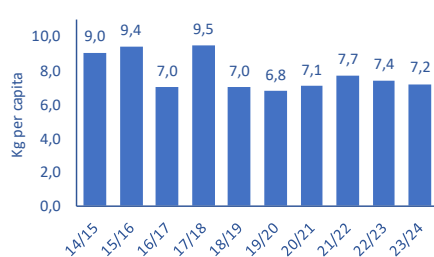


Chart 6. Per capita consumption of olive oil in Spain (kg/person)



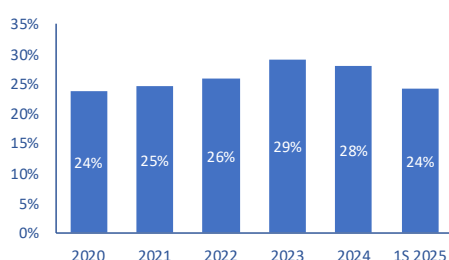
Source EU

Chart 7. Per capita consumption of olive oil in Italy (kg/person)



Source: EU

Chart 8. Share of private label olive oil in Italy



Total consumption has been very volatile in the last five years. Following the boom in demand (forced reclusion) caused by the COVID pandemic in 2020 (+16% over 2019 volumes), in 2021 and 2022, consumption returned to close to the 2013-2019 average (375,000 tonnes) before falling sharply in 2023 and 2024 (average consumption in 2023 and 2024 was 20% below the 2021-2022 average) on account of sharp price increases on the back of an extreme drought and very meagre harvests by historical standards.

Abundant rainfall has since reverted that situation. In its most recent update dated September 2025, the Spanish Ministry of Agriculture estimates the 2024/2025 harvest at just over 1.4 Mn tonnes, up 65% from the 2023/2024 harvest and 28% above the average yield for 2020-2024.

Demand is recovering as prices head back down. The Ministry estimates that consumption will climb by 34% year-on-year in 2024/2025 and come in 14% above the 2020-2024 average. It would be reasonable to assume a more stable market in the coming years, marked by a recovery in consumption and raw material price levels that allow the entire value chain to obtain a fair return.

In addition, demand is benefitting from the tailwind implied by population growth (immigration), which has been around 0.5% per annum between 2014 and 2024. The sector should make a marketing and communication effort to promote the use of olive oil among an immigrant population that is not yet familiar with the product and also to get younger people consuming olive oil, as pensioners currently account for nearly 35% of olive oil consumption.

OLE is the brand leader with a market share in the retail channel of 14.6% as of June 2025, having gained share in recent years (2021 share: 13%) (Chart 5).

Seed oil complements OLE's product offering in Spain. The seed oil segment is even more competitive than the olive oil market and private labels are dominant (two-thirds of market volumes). OLE has a market share of c.8% (2024). This business activity does not tie up any capital as OLE has outsourced all production and packaging to copackers, so that this line makes a limited contribution to profitability. However, it does partially mitigate dips in olive oil consumption during episodes of high olive oil prices, when seed oils tend to gain share in the edible oil mix. It is noteworthy that in a market as "commoditised" as the seed oil segment, one brand (KOIPESOL) commands as much as 25% of the name brand market.

Italy (11% of revenue in 2024). This is another mature market with high penetration of olive oil per capita but lower private label dominance than in Spain (c.26% by volume according to Nielsen). It is more of a "name brand" market, as evidenced by the stable share commanded by private label brands, with olive oil positioned as a premium product.

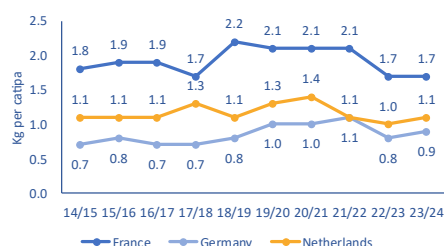
Seed oil is a more important segment for OLE in Italy than in Spain as Italian consumers tend to prefer seed oil for frying and cooking. OLE had a market share of c.7% at year-end 2024.

Italy is the "ugly duckling" in OLE's olive oil geographic footprint. It is a market in which, following a series of major acquisitions (Carapelli in March 2006 and Bertolli in December 2008), it has gone from commanding a market share of close to 20% (19% in 2015 according to Nielsen) in olive oil to ranking fourth with a share of under 6% as of June 2025 (specifically 5.5%, according to OLE). OLE experienced considerable market share erosion (dropping to 12.1% in 2016 | Nielsen) following an inspection by the Italian authorities at the end of 2015 which found inconsistencies between the labelling and quality of its olive oil, hurting perception of OLE's brands. OLE has not been able to win back the market share lost; to the contrary, its share has continued to shrink. The current situation, in our opinion, warrants investing in order to claw back market share by leveraging the company's very well-known brands which are key to OLE's sales in other markets, including Northern Europe and the US.

Northern Europe (16% of revenue in 2024). This business unit includes the rest of the European markets, most importantly Germany, France and the Netherlands. Consumption per capita in these markets is lower than in Spain or Italy, but it is rising.

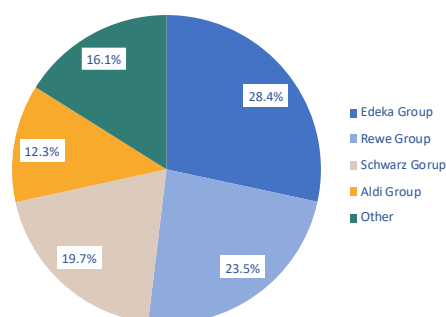
The retail channel is very concentrated in these markets, where private labels dominate and annual negotiations with the retailers is the norm. This last factor is important because prices are usually set once a year and there are strict regulations and practices around changing them

Chart 9 Per capita consumption of olive oil in Germany, France and the Netherlands (kg/person)



Source EU

Chart 10. Food distribution market share 2024 in Germany



Source US Department of Agriculture

Chart 11. Share of private label olive oil in the USA

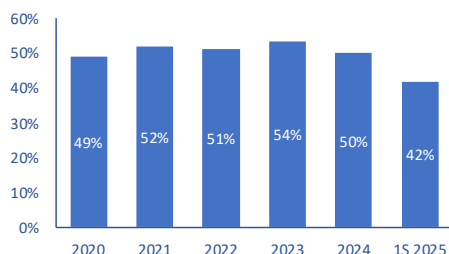
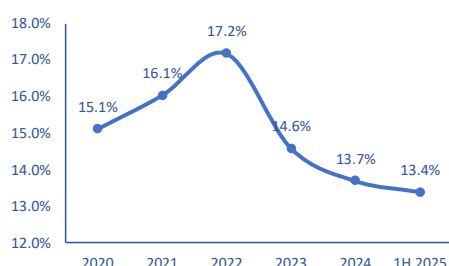


Chart 12. Market share of olive oil brands OLE in the USA



during the year. Volatility in farmgate olive oil prices can lead to deviation from the estimates used in those annual negotiations which cannot be passed through to customers (except in highly exceptional circumstances). By the same token, any delays in negotiating the price and volume framework with any of these large retailers (or failure to reach an agreement) has an impact on the annual results on account of the concentrated nature of the customer base.

OLE's main brands in these markets are Bertolli (Germany and Netherlands) and Carapelli (France). OLE's market share (June 2025) ranges from 7.3% in France (due to competition from Tunisian olive oil which has a special tariff regime with the EU) to 11.1% in the Netherlands. These are markets (particularly France) where OLE's Sustainability Policy allows it to lift margins because consumers are willing to pay more for this attribute.

North America (27% of revenue in 2024). This business unit includes the US and Canada. On account of its significance (we reckon it represents over 80% of this unit's revenue), here we focus on the US. The US is the world's second largest olive oil consumer market (13.3% in 2023/2024, according to the IOC). It is a net importer as local production is low (under 1% of global production in 2023/2024, according to the IOC). Starting from a low base, consumption has been growing at 4.5% since 1990/1991 and by 3.1% in the last 15 years (IOC). Consumption per capita remains low (1.1 litres, according to the World Population Review).

In the US, OLE distributes through two channels ("club" and retail/grocery). The club channel includes retailers such as Costco, Sam's Club and BJ's Wholesale Club, which charge their customers an annual subscription fee and offer very competitive prices in exchange. The retail/grocery channel is the traditional supermarket channel. The club channel locks in significant volumes at very tight margins (similar to those in Spain), while the retail/grocery channel is far more interesting in profitability terms. It is estimated (according to IRI) that the club channel accounts for 20% of the market, and retail/grocery, the other 80%. On average, OLE's mix in the US is 25% club and 75% retail/grocery.

Private label brands command a considerable share (42% in 2024, according to OLE), which has, however, been fairly stable in recent years. OLE has a privileged position with a market share of 13.4% as of June 2025, ranking it second after Pompeian.

The US is a very attractive market on account of its size, growth potential and profitability. Its appeal has not gone unnoticed by OLE's competitors. DCOOP, a vertically integrated Spanish olive oil cooperative, has locked in control of the Pompeian brand and Cobram Estate (a listed and vertically integrated Australian company) recently issued AUD 185 Mn, or EUR 103 Mn, of equity (September 2025) to fund expansion of its olive oil production capacity in the US and win market share by leveraging its Cobram Estate brand.

The recent imposition (August 2025) of a tariff of 15% on exports from the EU to the US is not good news but at least it has come at a time when raw material costs have settled down, allowing for a significant reduction in olive oil sales prices and a substantial improvement in margins (despite dollar weakness), which had been hurt by high raw material costs in 2023 and 2024.

It is also worth recalling that the Spanish olive oil sector has dealt with more punishing tariffs in the past. In October 2019, the first Trump administration slapped a specific tariff on olive oil bottled in Spain of 25% (in retaliation for the Boeing-Airbus trade war). It is true that OLE is an "Italian" bottler in the US (Bertolli and Carapelli). At any rate, the company knows how to handle these tariff changes.

APAC (13% of revenue in 2024). This business unit covers a large population with very low consumption per capita (with the exception of Australia) (Table 1) due to different eating habits and where olive oil is a premium product that fetches above-average margins for the group.

India is the engine of this business unit and an example of OLE's marketing know-how. Although India does not even feature in IOC's statistics, OLE has positioned olive oil as a product for cosmetic use (through its Figaro and Bertolli brands), fetching margins in line with those of the cosmetics business. OLE decided to invest in India in 2018 (c.EUR 4 Mn) to take control of its distribution (having previously relied on a third-party distributor) and that investment has

yielded a very attractive return in the form of above-average margins (Table 2), while creating a lever and know-how for penetrating the cosmetics channel in other markets.

Latam (6% of revenue in 2024). This market is of little importance for OLE, other than Mexico. As shown in Table 3, Chile and Argentina are low-consumption markets which export more than they use, whereas Brazil, where OLE has only a negligible presence, requires a level of investment that OLE has preferred to earmark to other markets where it already has critical mass.

OLE is very well established in Mexico, where Carbonell is the leading brand with more than 100 years' history behind it. This market is very sensitive to the EUR/MXN exchange rate.

"Normalised" olive oil source market

OLE's profitability is intricately tied to the trend in its main raw material: olive oil. To paraphrase Bill Clinton's "it's the economy, stupid", here we might say, "it's the raw material, stupid". Approximately 80% of standard operating costs derive from raw material costs (Table 4), leaving the company very exposed to farmgate price volatility. During episodes of sharp upward swings, as in 2015-2016 and 2023-2024, gross margins are undermined by the difficulty in passing higher costs through to end prices. The impact on EBITDA can only be mitigated partially by spending less on marketing and advertising, as the fixed cost structure and processing capacity have already been optimised in the wake of the restructuring work of recent years.

The fact that a significant percentage of EBITDA translates into operating cash flow after CAPEX (82% in 2019-2024 and 90% in 2025e-2027e), thanks to low maintenance CAPEX, means that the current scenario of "normalised" raw material costs and margins, as we are seeing in 2025 and forecasting for 2026, reinforces the company's balance sheet significantly, even despite the impact of the tax lawsuit in Italy.

As of June 2025, net debt amounted to EUR 109.6 Mn, while gross debt stood at EUR 132.8 Mn, related to the drawdown of the facility refinanced in March 2025 (no drawdown of reverse factoring facilities). The company's current financial structure is as follows:

Table 5. Refinancing March 2025

Financing	Principal (EUR Mn)	Interest*	Amortization
Super Senior Revolver	35	Euribor + 6.25%	Bullet
First rate	60	Euribor + 6.75%	EUR 3 Mn semiannually, bullet of outstanding amounts
Second rate	65	Euribor + 10.75%	Bullet
Total	160		

* The minimum EURIBOR is 2.5%.

Source: CNMV

The adverse sentence handed down in November 2024 with respect to the tax contingency at Carapelli (see risk analysis) put a "figure" (EUR 64.7 Mn) on a lawsuit dating back to 2014 and complicated the refinancing negotiations. The debt holders required CVC and Alchemy to post guarantees to cover payment of this fine. The agreed-upon mechanism (see the risk chapter for more details):

- Is subordinate to the syndicated loan and does not compute as debt for covenant calculation purposes.
- Is funded by the shareholders of OLE (CVC and other minority shareholders) and Alchemy, who are loaning money to Deoleo Holding, which in turn loans the money to Carapelli Firenze to fund the payments agreed with the Italian tax authority.
- The borrowing cost under this mechanism does not imply an outflow of cash (it is a PIK payment-in-kind instrument whereby the interest gets capitalised into the loan) until maturity.

The sentence is not final (OLE has filed an appeal before the Italian supreme court). OLE could also reach an out-of-court settlement with the Italian tax authority.

Table 1. Olive oil production and consumption in Australia, China and Japan

	Australia	China	Japan
Consumption 2023/2024 tons	44,500	27,000	45,000
Population Mn	27	1,410	123
Per capita consumption kg	1.6	0.0	0.4

Source: IOC (International Olive Council)

Table 2. EBIT margin APAC MEA vs group

	2020	2021	2022	2023	2024
APAC MEA EBIT margin	17.5%	14.5%	8.1%	7.3%	9.9%
OLE EBIT margin	12.2%	6.6%	3.1%	n.a.	n.a.

Source: IOC (International Olive Council)

Table 3. Olive oil production and consumption in Latin America

	Argentina	Brazil	Chile	Mexico
Production 2023/2024 tons	43,000	0	20,500	0
Consumption tons	7,500	79,000	7,500	13,000

Source: IOC (International Olive Council)

Table 4. Operating costs of olive oil

Olive oil	80%
Packaging/labels	9%
Packaging process	5%
Distribution costs	6%
Total	100%

Chart 13. OLE gross margin 2014-2018

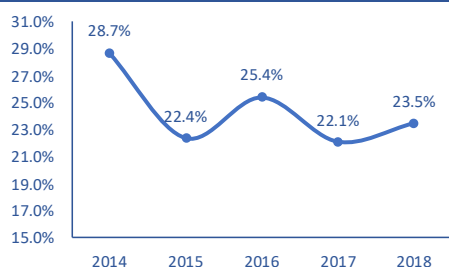
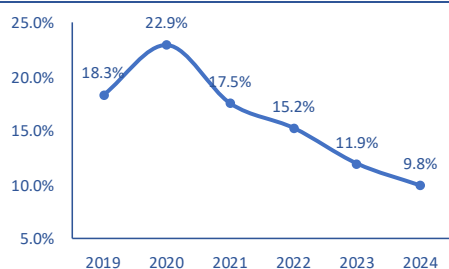


Chart 14. OLE gross margin 2019-2024



Despite the subordinated nature of the instrument, it is nevertheless senior to the company's equity and must be treated as a liability (with a high cost: 20%) when estimating OLE's equity value. Both this debt and the syndicated loan include penalty-free call options, giving the company strategic flexibility in the event of surplus liquidity. Our estimate for net debt at year-end 2025e implies a ND/recurring EBITDA multiple of 2.3x (including the Italian tax debt).

Roadmap for 2026-2028

OLE has a roadmap for 2026-2028. The starting point is a more robust financial position following the refinancing completed in March 2025, which extends the maturity of its debt to 2029 (see risk analysis). This roadmap is based on:

- Operating improvements. Through a focus on the more profitable and faster-growing markets (North America, Northern Europe and India), without neglecting the more consolidated markets (Spain and Italy).
- Translating into EBITDA growth. During the 1H25 earnings presentation, OLE shared an estimate for the EBITDA lift in 2028 (taking 2025 as the base) from these improvements ("irrespective of any market growth as a result of ongoing price decreases") of EUR 30 Mn.

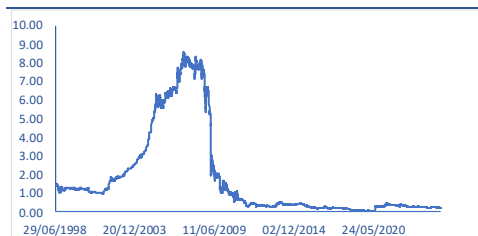
Conclusion: The calm after the storm

OLE operates in a defensive sector (food) and a segment (olive oil) that is growing faster than the food sector as a whole, making it attractive to investors.

After long and painful period in the wilderness for both shareholders and debt holders, OLE now has a capital structure that allows it to "weather" value chain tensions in years of high raw material prices and is looking at two or three years of raw material price stability and margin recovery.

OLE has demonstrated the value of its name brands - the world's best-selling brand (Bertolli) and three (Bertolli, Carbonell and Carapelli) of the ten best-selling brands (Euromonitor) - in allowing it to maintain and even increase its market share in most of its markets despite challenging financial conditions, retail sector consolidation and inroads by private label brands.

Chart 15. OLE Stock Price 1998-2025



This growing competitive pressure is going to require OLE to continue to invest in its brands and, possibly, contemplate a degree of vertical integration (some of its raw material suppliers are acquiring brands and some of its brand-name competitors are acquiring or investing in olive oil production capacity) in order to manage raw material price peaks in the future.

This combination of short-term financial security and medium- and long-term investment requirements could prompt the current controlling shareholders to seek an exit, bringing in industrial/strategic shareholders. CVC and Alchemy have exhausted or nearly exhausted the usual cycle for investors of this nature (CVC has been in OLE for 10 and Alchemy has been there for 7) with patchy results so far (CVC has written down most of its investment while Alchemy appears to be satisfied with the return on its investment in debt purchased at a discount).

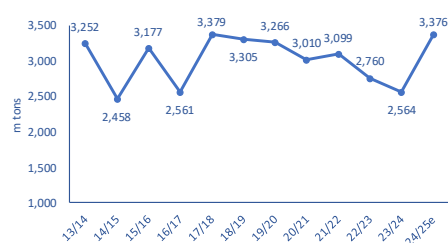
The upshot is simple. OLE is well positioned in an attractive but volatile business and is poised for a clear improvement in momentum thanks to anticipated raw material price normalisation (2025-2027). Meanwhile, the financial situation and ownership structure remain "complicated", as is obvious and widely known, and will continue to weigh on this story.

Olive oil: the challenge of sharing growth along the value chain

Chart x. Olive oil value chain

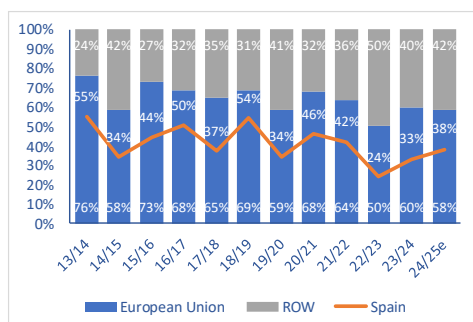


Chart 16. Global olive oil production: 13/14 to 24/25 harvests



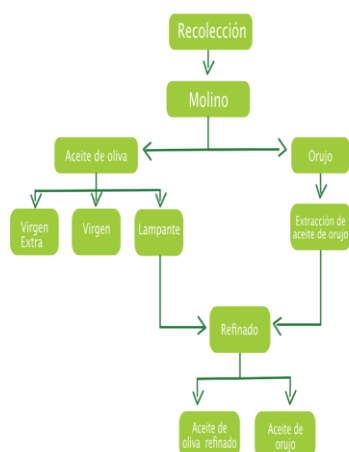
Source: International Olive Council (IOC)

Chart 17. Shares of global production commanded by EU, Spain and RoW



Source: International Olive Council (IOC)

Chart 18. Types of olive oil



Source: Tecnilab

An agricultural industry of strategic significance

Olive oil is an emblematic ingredient of the Mediterranean diet and key component of the European agribusiness. Production is concentrated along the Mediterranean Basin, with the European Union accounting for almost 60% of worldwide production in 2024/25 (and an average of 64% during the last 10 harvests, with peaks of over 70%) and Spain as the undisputed leader, representing nearly 40% of 2024/25 output (and an average of 40% during the last 10 harvests, with peaks of over 50%). This geographic concentration gives the sector considerable economic and strategic importance but also leaves it vulnerable to climate- and supply-related developments.

Productive process and types of oils

The olive oil production process starts with harvesting the olives, cleaning them and pressing them in mills (*almazaras*), where the oil is extracted by means of mechanical processes (pressing, centrifugation and decanting). The oils are then classified into different categories as a function of their physico-chemical and organoleptic (sensory) characteristics, in keeping with European legislation (Regulation EU 1308/2013):

- **Extra-virgin olive oil (EVOO):** the category with the highest quality. It is obtained by means of mechanical procedures only and its acidity level must not exceed 0.8g per 100g. It is the benchmark product in the international market.
- **Virgin olive oil:** obtained mechanically, with acidity of ≤ 2 g per 100g.
- **Lampante oil:** a lower quality olive oil (acidity > 2 g per 100g), it is not apt for direct consumption and is used for refining.
- **Refined olive oil:** an industrial product obtained by refining lampante oil, with acidity of ≤ 0.3 g per 100g. It is used as the basis for blends.
- **Olive oil (blend):** a blend of refined oils and virgin oils other than lampante, with acidity of ≤ 1 g per 100g. Globally, it is the most widely consumed category.
- **Crude olive-pomace oil:** extracted from the pressed olives (pomace) using solvents or physical means.
- **Refined olive-pomace oil:** the result of refining crude olive-pomace oil, with acidity of ≤ 0.3 g per 100g.
- **Olive-pomace oil (blend):** a blend of refined olive-pomace oil and virgin oils other than lampante, with acidity of ≤ 1 g per 100g.

OLE sells extra virgin olive oil, virgin olive oil, olive oil containing exclusively refined olive oils and virgin olive oil and olive-pomace oil.

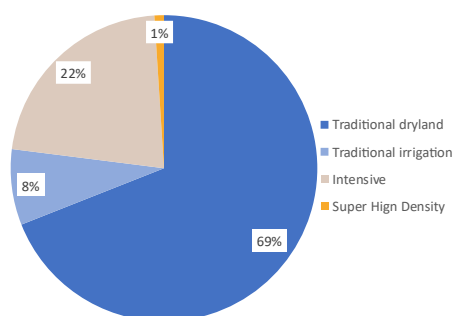
In terms of agricultural efficiency, it takes between 4 and 6kg of olives to produce one litre of olive oil, depending on the fat content of the harvest (IOC). This ratio explains the high sensitivity of costs to swings in annual output.

The spectrum of categories guarantees a deep market, which ranges from the high end (EVOO) to more affordable segments. The leading players, like Deoleo, base their strategy on standardised blends that allow them to mitigate flavour and quality fluctuations derived from successive harvests, strengthening the value of their brands vis-a-vis bulk product.

Olive oil preserves its organoleptic characteristics for between one and two years before beginning to lose some of its qualities. As with other vegetable oils, it oxidises with time, a process accelerated by exposure to light and heat. This limited useful life translates into the

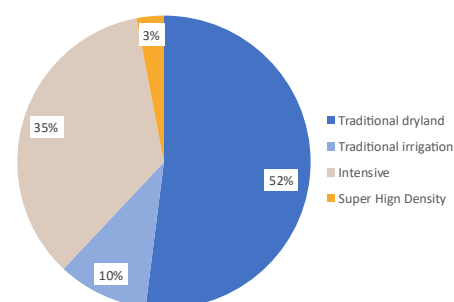
need for astute inventory management and highlights the importance of the industrial blending and quality control processes to ensure consistency at leading brands.

Chart 19. Planted area by olive growing system



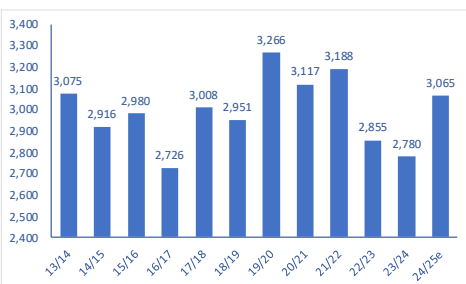
Source: International Olive Council (IOC)

Chart 20. Production by olive growing system



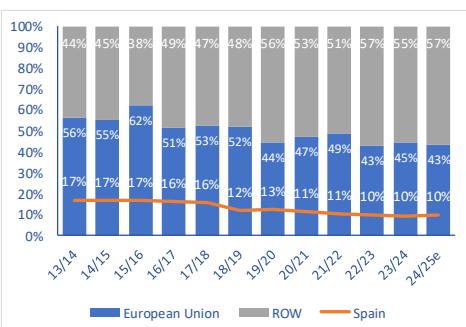
Source: International Olive Council (IOC)

Chart 21. Global olive oil consumption: 14/15 to 24/25 harvests



Source: International Olive Council (IOC)

Chart 22. Shares of global olive oil consumption: EU, Spain and RoW



Source: International Olive Council (IOC)

Supply dynamics: concentration and agricultural modernisation

Olive growing can be classified into three systems: traditional, intensive and super-intensive. Traditional growing, historically the dominant system in Spain, Italy and Greece, is characterised as being low yield (c.2,000–3,000 kg/ha). Industry modernisation over the last 15 years, with the expansion of intensive and super-intensive plantations (yields of up to 10,000–12,000 kg/ha), has transformed the global productive base.

	Tradicional	Intensivo	Super intensivo
Densidad árboles/ha	Baja	Media	Alta
Rendimiento tons/ha/año	1-3	5-12	7-14
Riego	No	Sí	Sí
Cosecha	Manual	Mecanizada	Mecanizada
Mano de obra	Alto	Medio	Bajo

Source: Tecnilab

This shift has been enabled by mechanising the harvesting process, as well as improved irrigation techniques and the interest of institutional investors in the agribusiness, who view olive groves as an asset class offering stable demand and attractive returns. Countries such as Portugal, Morocco, Turkey and Tunisia have intensified production, fostering gradual geographic diversification and a shift away from Spain's long-standing dominance.

Despite these advances, the supply side remains constrained by two structural factors:

- Alternate bearing in olive groves, where years of high yields alternate, naturally, with years of meagre harvests.
- Climate conditions, particularly prolonged drought, which had a severe impact on the Spanish 2022/23 and 2023/24 harvests (Chart 16).

In all, global production increased at an annual rate of 1.6% between 1993/94 and 2024/25 (source: IOC), in line with the growth in consumption, reinforcing the market's structural balance ("what is produced gets sold").

Global consumption: resilience and penetration upside

In 2024/25, global consumption is set to reach almost 3.1 Mn tonnes, so revisiting 2018/19 levels following two years of contraction shaped by drought and high prices. The long-term trend remains positive, as borne out by a CAGR of +1.7% since 1990/91.

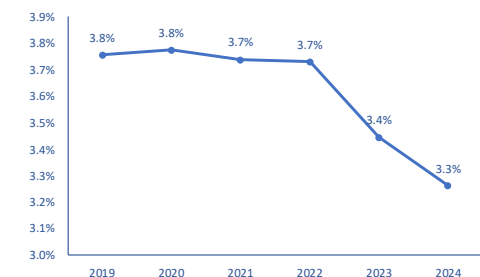
Although the EU remains the region with highest consumption per capita, its share of total consumption has fallen as new markets have come on the scene. In mature markets such as Spain and Italy, one structural challenge is getting the younger generations to consume. Consumption per capita remains high but it is concentrated among the older generations. The younger generations are less culturally bound to the product. This challenge requires the players to invest in innovation around formats, communication and marketing, aligned with healthy lifestyles, in order to ensure the long-term continuity of their consumer base.

Meanwhile, demand is growing faster in non-producing or low-producing countries, notably the US, which already accounts for around 13% of global consumption and has cemented itself as a net importer. Other countries such as Brazil, Japan and Australia are registering sustained growth, albeit from still-low bases. Consumption in the Middle East, particularly Saudi Arabia and the Emirates, is also registering steady growth.

Olive oil accounts for less than 4% of global vegetable oil consumption, a market dominated by palm, soybean and rapeseed oil. This relatively low share, coupled with olive oil's strong association with a healthy lifestyle and the Mediterranean diet, implies considerable scope for expansion in non-traditional markets.

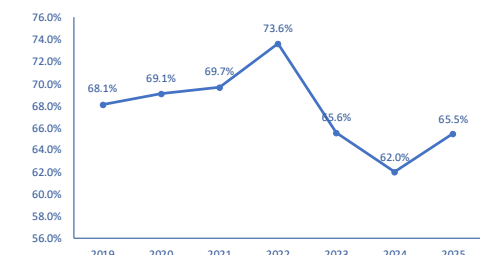
In Spain, olive oil represents 65% of olive oil and sunflower oil consumption (the latter is the second most used vegetable oil in Spain, as rapeseed and maize oil garner only residual shares), penetration levels that would be hard to replicate in other countries but nevertheless illustrate the possible upside if the perception that olive oil offers a healthier alternative takes hold.

Chart 23. Global consumption of olive oil as % of global vegetable oil consumption



Source: Euromonitor

Chart 24. Olive oil consumption in Spain as % vegetable oil consumption in Spain



Source: Spanish Ministry of Agriculture

Chart 25. Prices 2011-2025: extra virgin olive oil, virgin olive oil and refined olive oil



Source: International Olive Council (IOC)

Price volatility: a structural challenge

The olive oil industry operates in a highly volatile market, conditioned by:

- Production concentration in the EU, which in turn shapes global supply.
- A spot market with barely any forward contracts.
- Dependency on the Spanish harvest, which acts as the global benchmark.

In 2023 and 2024, the drought in Spain triggered an unprecedented increase in farmgate prices, which were passed through to end consumers in the form of price increases of over 60%. The price situation weighed on demand in the main markets in 2024: Spain (-8.1% vs 2023), US (-8.2% vs 2023) and Italy (-2.2% vs 2023), following year-on-year contractions of 11.5%, 1.9% and 9.9% in 2023, respectively. The recovery in consumption after prices started to ease in 2025 evidences how sensitive the market is to sourcing costs and confirms the sector's ability to reactivate demand when prices fall back to more affordable levels. This low elasticity is noteworthy in countries in which olive oil has strong "roots", like Spain, where volumes fall by considerably less than the increase in prices and rebound swiftly once prices become more affordable.

Structural sector drivers

The olive oil sector is being shaped by five main drivers:

- 1) **Global shift to healthier diets:** olive oil is one of the cornerstones of the Mediterranean diet, known all around the world for its health benefits. Several studies (Harvard Medical School¹, International Olive CouncilMedDiet²) vouch for its role preventing illnesses, reinforcing its positioning as a premium product compared to cheaper vegetable oils with fewer health benefits (palm, soybean). This reputation is fuelling demand in non-traditional markets where consumers are associating olive oil not only with food, but also a healthy and aspirational lifestyle.
- 2) **Highly concentrated production and volatile climate conditions:** global production is heavily concentrated along the Mediterranean Basin (60% in the EU; 40% in Spain), so that the Spanish harvest ultimately sets global prices. This dependence on a single region increases the sector's exposure to climate factors, especially prolonged droughts. Moreover, alternate bearing in olive groves (the natural phenomenon in which a year of high production is followed by a year of low production) amplifies supply volatility. Climate change is adding a long-term structural risk: extreme temperatures and water stress could reduce yields and alter traditional growing regions.
- 3) **Growth in international markets:** whereas consumption per capita in the EU has plateaued in the traditional markets of Spain and Italy, demand is growing fastest in the non-producing markets:
 - **The US**, which already represents 13% of global consumption, is a net importer and a strategic market for players like Deoleo.
 - **Northern Europe**, where consumption per capita is rising; moreover, product familiarity is facilitated by the fact that the Mediterranean is this region's preferred tourism destination.
 - **Brazil and Spanish-speaking Americas** are consolidating their weight as markets with cultural affinities.
 - **Consumption in the Middle East**, particularly Saudi Arabia and the Emirates, markets with high purchasing power.

¹ <https://www.health.harvard.edu/blog/a-practical-guide-to-the-mediterranean-diet-2019032116194>.

² <https://meddietolivehealth.com>.

Olive oil's low share of global vegetable oil consumption (<4% by volume; it commands a higher share by value as it is a premium oil) underscores the scope for higher product penetration, particularly if the price gap relative to other oils remains within reasonable levels.

- 4) **Investment flows to the agribusiness:** in the last 15 years, the sector has undergone significant professionalisation thanks to flows of institutional capital to intensive and super-intensive plantations. These models have increased productivity per hectare and reduced dependence on traditional growing methods, helping to stabilise supply and lower unit costs. The appetite being displayed by investment funds in the olive grove agribusiness is underpinned by three factors: (i) stable global demand; (ii) low demand elasticity in the long term, coupled asymmetric movements in the short term³; and (iii) tangible asset class with attractive returns in inflationary environments. This trend is helping make the market more efficient and better able to cater to growing demand.
- 5) **Strategic brand value:** branding has proven to be a critical competitive advantage. The recent price crisis (2023–2024) showed that the companies with established brands were able to partially pass through the increase in costs to their end customers without significant market share erosion. Branding lifts confidence in a product subject to considerable variability in quality, ensures sensory consistency by means of blends and acts as a driver of loyalty in international markets where consumers have no local benchmarks. In this context, the strength of the leading brands (Carbonell, Bertolli, Carapelli) constitutes a strategic asset and an entry barrier for newcomers.
- 6) **Sustainability and carbon footprint:** olive oil has a smaller carbon footprint than the majority of vegetable oils (palm, soybean and rapeseed) according to studies by the IOC and FAO. Moreover, olive groves contribute to carbon capture and sequestration and biodiversity preservation in rural areas of the Mediterranean. This environmental profile reinforces its appeal in developed markets.

³ Demand for olive oil is relatively inelastic in the long term, i.e., global demand continues to etch out sustained growth despite episodes of sharp price increases; and presents an asymmetric profile in the short term, marked by relatively moderate contractions during episodes of high prices and swift recoveries when prices return to more affordable levels.

OLE is focused on lifting profitability. On its way to multiply the EBITDA margin by 2x in 2024-2027.

Table 6. Prices of olive oil from Spain

	30-jun-25	30-jun-24	Annual Var.
	EUR/Tn	EUR/Tn	%
Extra Virgin	3.561	7.579	-53.0%
Virgin	3.014	7.059	-57.3%
Lampante	2.853	6.908	-58.7%

Source: Pool Red

Table 7. OLE Results 1H25

(Mn EUR)	30-jun-25	30-jun-24	Var. Annual
Volume (Mn liters)	79.1	71.3	10.9%
Sales	430.53	502.38	-14.3%
Gross Margin	62.12	51.10	21.6%
Other operating costs	-40.40	-31.37	28.8%
EBITDA	21.72	19.73	10.1%
EBITDA Margin	5.0%	3.9%	28.4%
Net Income	0.60	0.01	n.s.

Higher raw material production reduces farmgate prices and facilitates growth in consumption. Worldwide olive oil production has returned to normal levels in this last harvest, paving the way for a substantial reduction in prices and very sharp growth in consumption. The reduction in raw material costs marks an inflection point after two years of high prices (2023-2024) and largely shapes OLE's current positive outlook.

Farmgate prices are down by 50%, thanks to significant growth in the 2024/2025 global olive oil harvest, particularly in Spain, where output reached 1.41 million tonnes, year-on-year growth of 64%. Prices have been holding stable in recent months, which is good news for consumption. OLE has taken advantage of this development with a sales strategy articulated around preservation of its unit gross margins.

The 1H25 earnings provide the first signs of a shift in momentum. The first-half 2025 results mark a considerable improvement year-on-year with double-digit growth in all key metrics: sales volumes: +11%; gross profit: +22%, EBITDA: +10%; and net profit: 3x that of 1H24. Revenue decreased by 14%, due to the correction in raw material prices (of over 50%), which was passed through to end sales prices. Strategic unit gross margin management translated into year-on-year growth in gross profit of 21.6%. This uplift in gross profit allowed the company to step up investment in advertising and promotional activity, to EUR 10 Mn, which is twice the figure invested in 1H24, in order to bolster its brands. As a result, 1H25 EBITDA amounted to c.EUR 22 Mn, year-on-year growth of 10%, with most of the business units registering growth.

We expect this momentum to carry over to the second half of the year, marked by further confirmation of the positive production figures and ongoing growth in consumption fuelled by price corrections. OLE, under the umbrella of its leading brands, is demonstrating its ability to extract profits in this environment in terms of both EBITDA and cash generation for the purpose of funding its growth plans and enabling systematic debt reduction.

The imposition of tariffs in the US is not good news; however, in the context of falling prices, there is room to absorb some of the impact without causing major damage. The US-EU trade agreement announced in July implies a tariff of 15% on all products originating in the EU.

2025e-2027e: having achieved financial stability, the focus is now on increasing the business's profitability to bring it in line with that of the major FMCG multinationals.

In early 2025, OLE set itself two strategic targets.

- **Achieving financial stability to have room to pursue organic business growth**, a milestone it hit when it closed its EUR 160 Mn debt refinancing in March, extending the maturity of its debt to 2029 and adding a EUR 35 Mn revolving credit facility. The new financing agreement has several lenders and is:
 - Providing financial stability by extending the maturity profile out to four years from when the refinancing closed; and
 - Allowing OLE to focus on its earnings performance by unlocking sustained growth in recurring EBITDA and positive cash flow generation.
- **Improved profitability**. Through end-to-end business transformation expected to yield incremental profits over the next three years and put its margins in line with other multinational FMCG players.
- **The roadmap for 2026-2028 places the spotlight on the more profitable and faster-growing markets (North America, Northern Europe and India)**, without neglecting

the more consolidated markets (Spain and Italy). The refinancing agreement provides OLE with additional flexibility by allowing it to refinance again, free of penalties, from March 2026, which would reduce borrowing costs, conditional upon an improvement in EBITDA. Additionally, relaxation of the working capital covenant is allowing for more agile raw material purchases.

Revenue: price stabilisation in the wake of the peaks of 2023-24 underpin our volume growth estimates (CAGR 2024-2027e: +6.7%)

However, revenue growth will be affected by the tough comparison base implied by 2024, when prices were so high (CAGR 2024-2027e: +0.6%). Below is a summary of the main revenue assumptions:

Table 8. Income Hypotheses

Volume sold (Mn liters)	2023	2024	2025e	2026e	2027e
Spain	50.3	53.9	64.6	67.2	69.6
Italy	30.8	27.5	27.8	28.5	28.9
Northern Europe	15.6	15.3	16.0	16.9	17.8
North America	29.8	27.9	29.0	31.2	33.1
APAC-MEA	12.7	12.5	14.9	16.1	17.3
Latam	5.5	6.0	6.1	6.5	7.0
Total	144.8	143.1	158.4	166.5	173.7
Volume by geography (%)	2023	2024	2025e	2026e	2027e
Spain	34.7%	37.6%	40.8%	40.4%	40.1%
Italy	21.3%	19.2%	17.6%	17.1%	16.7%
Northern Europe	10.8%	10.7%	10.1%	10.2%	10.2%
North America	20.6%	19.5%	18.3%	18.8%	19.1%
APAC-MEA	8.8%	8.7%	9.4%	9.6%	9.9%
Latam	3.8%	4.2%	3.8%	3.9%	4.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Price by geography (EUR/L)	2023	2024	2025e	2026e	2027e
Spain	5.8	7.0	5.4	5.6	5.8
Italy	4.3	4.8	3.5	3.6	3.7
Northern Europe	4.0	4.2	3.6	3.7	3.8
North America	7.4	10.2	8.1	8.3	8.5
APAC-MEA	7.3	9.5	8.2	8.5	8.8
Latam	8.3	10.1	7.2	7.4	7.6
Revenue mix by geography (%)	2023	2024	2025e	2026e	2027e
Spain	26.2%	26.5%	26.9%	26.3%	25.8%
Italy	14.9%	11.7%	11.8%	11.3%	10.9%
Northern Europe	14.1%	15.8%	15.2%	15.1%	15.1%
North America	26.3%	27.1%	27.9%	28.7%	29.1%
APAC-MEA	12.8%	12.8%	12.7%	12.9%	13.1%
Latam	5.7%	6.1%	5.5%	5.7%	6.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

1) Spain (26.9% of revenue and 40.8% of sales volumes in 2025e)

	2023	2024	2025e	2026e	2027e	CAGR 24-27e
Spain Revenue (EUR Mn)	216.0	260.2	227.9	243.0	257.8	-0.3%
Annual Change	9.6%	20.5%	-12.4%	6.6%	6.1%	
Volume (Mn L)	50.3	53.9	64.6	67.2	69.6	8.9%
Annual Change	-15.7%	7.2%	20.0%	4.0%	3.5%	
Price (EUR/L)	4.3	4.8	3.5	3.6	3.7	-8.5%
Annual Change	30.0%	12.4%	-27.0%	2.5%	2.5%	

- Spain was the market which registered by far and away the strongest volume growth in 1H25 (+20.3%), with OLE picking up 1.4pp of market share to 14.6%, making it the number-one name brand player. We are forecasting slight additional

market share growth. Private label brands account for c.50% of the market in volume terms.

- **The forecast drop in revenue in 2025e reflects the high raw material purchase costs sustained in 2023 and 2024**, shaped by meagre harvests both years. Faced with that predicament, OLE was obliged to increase prices, which translated into a considerable contraction in consumption. To put it in context, sales volumes in 2024 were 21.5% lower than in 2020 (an outlier year, as the pandemic-induced lockdown drove considerable growth in consumption) and 15.1% below 2021 levels.
- **For 2025e, we are estimating volume growth of 20% to 64.6 million litres** (in line with the 1H25 performance), which would be 1.8% above 2021 levels. Thanks to the growth in the harvest in Spain this year (1.41 million tonnes, +64% year-on-year), olive oil prices have come down by 27% to EUR 3.5/l. We view this price point for olive oil in Spain as reasonable from a historical perspective. We are forecasting small increases of 2.5% in 2026e and 2027e.
- **The olive oil market in Spain has become commoditised**, with consumers perceiving the different players' products as identical, so that competition is based entirely on price and the companies have lost the ability to differentiate their products. As a result, Spain is the market that prices in raw material cost increases or decreases the fastest. Private label products account for 47.2% of the market. As a result, we are not anticipating relevant growth in prices.

2) **Italy (11.8% of revenue and 17.6% of sales volumes in 2025e)**

	2023	2024	2025e	2026e	2027e	CAGR 24-27e
Italy Revenue (EUR Mn)	122.7	114.7	99.6	104.6	108.9	-1.7%
Annual Change	-14.0%	-6.5%	-13.1%	5.1%	4.0%	
Volume (Mn L)	30.8	27.5	27.8	28.5	28.9	1.7%
Annual Change	-28.0%	-10.6%	1.0%	2.5%	1.5%	
Price (EUR/L)	4.0	4.2	3.6	3.7	3.8	-3.3%
Annual Change	19.4%	4.5%	-14.0%	2.5%	2.5%	

- **OLE's sales volumes were flat in 1H25 (+0.8%)**. OLE's market share in Italy dipped by 0.4pp to 5.5%. We are expecting the group to defend its market share in the short and medium term.
- **Italy is OLE's most challenging market**. The company's market share has fallen from 19% in 2015, when it was the market leader, to around 5.5-6% at present, ranking it fourth.
- **The drop in revenue forecast for 2025e (-13.1%) is attributable to a reduction in sales prices of 14% (EUR 3.6/l), offset by slight volume growth (+1%)**. The drop in prices in 2025 should be interpreted against the backdrop of sharp olive oil sales price increases in 2020-2024 (+83.5%).
- **For 2025e, we are estimating volume growth of 1% to 27.8 million litres** (in line with the 1H25 performance; +0.8%), which would be virtually half of 2019 levels. Sales volumes in Italy increased in 2020, lifted by pandemic-induced trends (+12.6%), going on to contract by a cumulative 51.1% in 2021-2024. As in Spain, we think prices have stabilised and are forecasting growth of just 2.5% in 2026e and 2027e.

3) Northern Europe (15.2% of revenue and 10.1% of sales volumes in 2025e)

	2023	2024	2025e	2026e	2027e	CAGR 24-27e
Northern Europe Revenue (EUR M)	116.2	155.2	128.6	139.8	150.4	-1.0%
Annual Change	-0.5%	33.6%	-17.1%	8.6%	7.6%	
Volume (Mn L)	15.6	15.3	16.0	16.9	17.8	5.2%
Annual Change	-24.7%	-2.1%	4.5%	6.0%	5.0%	
Price (EUR/L)	7.4	10.2	8.1	8.3	8.5	-5.9%
Annual Change	32.2%	36.5%	-20.7%	2.5%	2.5%	

- OLE's sales volumes in Northern Europe (Germany, Benelux and France primarily) increased by 3.9% in 1H25, while revenue contracted by 16.7%. Consumption per capita in these markets is lower than in Spain or Italy but is rising.
- The drop in revenue forecast for 2025e (-17.1%) is attributable to a reduction in sales prices of 20.7% (EUR 8.1/l), offset by volume growth of 4.5%. The drop in prices in 2025 should be interpreted against the backdrop of sharp olive oil sales price increases in 2020-2024 (+106.6%). Sales volumes have reacted well to the drop in prices in 2025. With prices relatively stable (+2.5% in 2026e and 2027e), we are forecasting volume growth of 6% in 2026e and of 5% in 2027e.
- For 2025e, we are estimating sales volume growth of 4.5% to 16 million litres (in line with the 1H25 performance), which would be 7.5% above 2019 levels but 22.5% below the 2020-2022 average. Sales volumes in this region increased in 2020, lifted by pandemic-induced trends (+40.4%), going on to shrink by a cumulative 26.9% in 2021-2024.

4) North America (15.2% of revenue and 10.1% of sales volumes in 2025e)

	2023	2024	2025e	2026e	2027e	CAGR 24-27e
Northern America Revenue (EUR I)	216.8	265.9	236.5	265.0	290.7	3.0%
Annual Change	-0.1%	22.7%	-11.1%	12.1%	9.7%	
Volume (Mn L)	29.8	27.9	29.0	31.2	33.1	5.9%
Annual Change	-18.2%	-6.5%	4.0%	7.8%	6.0%	
Price (EUR/L)	7.3	9.5	8.2	8.5	8.8	-2.7%
Annual Change	22.1%	31.2%	-14.5%	4.0%	3.5%	

- OLE's sales volumes in North America increased by 3.5% in 1H25, while revenue contracted by 10.8%. OLE's market share in the US (c.80% of revenue in this business unit) contracted by 1pp to 13.4% as of June 2025 and has been stable at around 13-14% for the last four years. OLE is the number-two player in this market, behind Pompeian, which has a market share of 19.3%. We are expecting OLE's market share to stabilise at current levels, with its competitors gaining market share at the expense of the private label brands (market share of 41.9% in 2024). We believe OLE will be able to defend its market share.
- Other markets.** In Canada (20% of division revenue), OLE had a market share of 10% as of June 2025 (-5.5pp in the last 12 months), compared to the 31.9% commanded by the market leader (Gallo) and 25.9% by the private label brands. We expect OLE to defend its current market share, with the name brand players clawing some of the market back from the private label brands.
- The drop in revenue forecast for 2025e (-11.1%) is attributable to a reduction in sales prices of 14.5% (EUR 8.2/l), offset by volume growth of 4.0%. The drop in prices in 2025 should be interpreted against the backdrop of sharp olive oil sales price increases in 2020-2024 (+96.8%). We are upbeat about the prospects for this market, which is large and presents low olive oil penetration relative to other alternatives. Sales volumes have reacted well to the drop in prices in 2025 (+3.5%). Thanks to price increases that are not overly aggressive but more pronounced than those forecast for Spain, Italy and Northern Europe (+4.0% in 2026e and +3.5% in 2027e), we are forecasting volume growth of 7.8% in 2026e and 6% in 2027e.

- **For 2025e, we are estimating volume growth of 4.0% to 29 million litres** (in line with the 1H25 performance), which would be 20.3% below the 2020-2022 average. We understand that the drop in consumption has been shaped by the increase in prices. In an environment of price stability, we think consumption will etch out sustained gradual growth in the coming years.
- **The recent imposition (August 2025) of a tariff of 15% on exports from the EU to the US is not good news** but at least has come at a time when raw material costs have settled down, allowing for a significant reduction in olive oil sales prices and a substantial improvement in margins (despite dollar weakness), which had been hurt by high raw material costs in 2023 and 2024.

5) **APAC-MEA (12.7% of revenue and 9.4% of sales volumes in 2025e)**

	2023	2024	2025e	2026e	2027e	CAGR 24-27e
APAC-MEA Revenue (EUR Mn)	105.1	125.8	107.9	118.9	131.0	1.4%
Annual Change	12.6%	19.7%	-14.2%	10.2%	10.2%	
Volume (Mn L)	12.7	12.5	14.9	16.1	17.3	11.5%
Annual Change	-18.1%	-2.0%	20.0%	7.5%	7.5%	
Price (EUR/L)	8.3	10.1	7.2	7.4	7.6	-9.1%
Annual Change	37.5%	22.1%	-28.5%	2.5%	2.5%	

- **OLE's sales volumes in APAC-MEA increased by 20.3% in 1H25, while revenue contracted by 13.7%.** This business unit covers a large population with very low consumption per capita (with the exception of Australia) due to different eating habits and where olive oil is a premium product that fetches above-average margins for the group. India is the engine of this business unit (EBITDA: EUR 3.5 Mn)
- **The drop in revenue forecast for 2025e (-14.2%) is attributable to a reduction in sales prices of 28.5% (EUR 7.2/l).** The drop in prices in 2025 should be interpreted against the backdrop of sharp olive oil sales price increases in 2022-2024 (+67.9%). We are upbeat about the prospects for growth in this market due to the upside in India, scant penetration foreshadowing strong growth in demand in the future and the premium positioning of olive oil in markets characterised by high purchasing power (Australia, Middle East). Sales volumes have reacted well to the drop in prices in 2025. We are forecasting price growth of 2.5% in 2026e and 2027e.
- **For 2025e, we are estimating sales volume growth of 20.0% to 14.9 million litres** (in line with the 1H25 performance; +20.3%), which would still be 9% below 2021 levels. We understand that the growth in consumption is being shaped by the sharp correction in prices. In an environment of price stability, we think consumption will continue to etch out sustained gradual growth as olive oil penetration in these markets increases.

6) **Latam (5.5% of revenue and 3.8% of sales volumes in 2025e)**

	2023	2024	2025e	2026e	2027e	CAGR 24-27e
Latam Revenue (EUR Mn)	46.7	60.0	47.0	53.1	59.9	-0.1%
Annual Change	6.1%	28.6%	-21.7%	12.9%	12.9%	
Volume (Mn L)	5.5	6.0	6.1	6.5	7.0	5.3%
Annual Change	-27.2%	10.4%	1.0%	7.5%	7.5%	
Price (EUR/L)	8.6	10.0	7.7	8.1	8.5	-5.1%
Annual Change	45.7%	16.5%	-22.5%	5.0%	5.0%	

- **OLE's sales volumes in Latam were flat in 1H25, while revenue contracted by 21.9%.** This market is of little importance for OLE, other than Mexico.
- **The drop in revenue forecast for 2025e (-21.7%) is attributable to a reduction in sales prices of 22.5% (EUR 7.7/l).** The drop in prices in 2025 should be interpreted against the backdrop of sharp olive oil sales price increases in 2021-2024 (+100.3%). We expect the Mexican market to continue to spearhead growth in this business unit,

especially following price stabilisation in 2025. We are forecasting somewhat higher price growth in this market than in the rest (+5% in 2026e and 2027e).

- **For 2025e, we are forecasting growth in sales volume of 1% to 6.1 million litres** (sales volumes were flat in 1H25). We understand that the growth in consumption is being shaped by the sharp correction in prices. In an environment of price stability, we think consumption will continue to etch out sustained gradual growth as olive oil penetration in these markets increases.

Gross profit: growth unlocked by operating efficiency measures (CAGR 2024-2027e: +17.2%)

Business profitability is management's top strategic focus, having successfully concluded the debt refinancing last March and secured funding for the debt owed to the Italian tax authority. Having achieved financial stability, all efforts are going into the identification and implementation of operating measures designed to rationalise cost. Raw materials account for c.80% of OPEX. Optimising the raw material procurement process is one of the key strategic thrusts of the effort to unlock efficiency gains.

There is no futures or derivative market for olive oil. As a result, the sector operates by purchasing from outside suppliers in the spot market. Management of supply chain logistics so as to reduce times between each process is likely to improve costs. First of all, reducing the time between harvesting and milling the olives can improve the quality of the olive oil the company sources. Second of all, management of this process so as to lift end product quality could unlock profitability gains depending on the negotiated price structure. In addition, the purchase of higher volumes of raw material per transaction would probably translate into lower procurement costs. Following the recent refinancing, OLE is in a better position to optimise the procurement process.

The next table provides a breakdown of margins by geography.

Gross margin by geography

(% / Revenue)	2023	2024	2025e	2026e	2027e
Spain	4.7%	4.9%	7.0%	7.1%	7.3%
Italy	8.3%	6.0%	6.0%	6.2%	6.4%
Northern Europe	8.5%	8.9%	23.4%	23.6%	23.8%
North America	15.2%	10.5%	15.2%	15.4%	15.6%
APAC-MEA	16.6%	12.8%	21.2%	21.4%	21.6%
Latam	16.8%	13.8%	20.4%	20.0%	20.1%
Margen bruto total	12.0%	10.0%	15.0%	15.5%	15.8%

Gross margin by geography

(EUR Mn)	2023	2024	2025e	2026e	2027e
Spain	10.2	12.8	16.0	17.3	18.8
Italy	10.1	6.9	6.0	6.5	7.0
Northern Europe	9.8	13.8	30.1	33.0	35.8
North America	33.0	27.9	35.9	40.8	45.4
APAC-MEA	17.5	16.1	22.9	25.4	28.3
Latam	7.8	8.3	9.6	10.6	12.0
Operativas y ajustes	11.7	13.4	8.7	11.7	12.5
Total	100.2	99.2	129.1	145.3	159.7

Gross margin by geography

(Weight %)	2023	2024	2025e	2026e	2027e
Spain	11.5%	14.9%	13.2%	12.9%	12.8%
Italy	11.4%	8.1%	5.0%	4.9%	4.7%
Northern Europe	11.1%	16.1%	25.0%	24.7%	24.3%
North America	37.3%	32.5%	29.8%	30.5%	30.8%
APAC-MEA	19.7%	18.7%	19.0%	19.0%	19.2%
Latam	8.9%	9.7%	8.0%	7.9%	8.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

The lowest-margin markets are Italy, with a 2025e gross margin of 6%, and Spain, at 7%. This might surprise the reader as they are the two countries where OLE has bottling and labelling facilities for its brands and they are mature markets where consumption per capita is high. The ultimate reason is price, where pressure is higher. In terms of sales volumes, we estimate that Spain represents 40.8% of the total, with Italy accounting for 17.6%. We believe that there isn't much upside for prices in these markets which are so mature.

North America is expected to account for 29.8% of total gross profit in 2025e and is OLE's priority focus. We expect management to focus on this market where there is considerable potential for growth and where the gross margin we are forecasting for 2025e - 15.2% - is more than twice that of Spain, in addition to presenting some upside (our forecasts are for a gross margin of 15.4% in 2026e and of 15.6% in 2027e). We believe that additional investments in marketing in the region could have a positive impact on profitability.

Northern Europe presents the highest gross margin of all OLE's geographies (23.4% in 2025e) and accounts for 25% of total estimated gross profit in 2025e. The price formation dynamic and consumer profile shifts favour high prices which underpin higher margins. However, prices are usually set just once a year and there is greater risk around the negotiation process.

EBITDA: this is where management is truly focused (CAGR 2024-2027e: 28.3%) and it is the key looking forward, now that the company's debt has been successfully refinanced.

Below is the EBITDA breakdown by division. Our forecasts call for CAGR 2024-2027e in EBITDA of 28.3% and assume successful implementation of the planned operating efficiency measures. Our forecast for EUR 70.5 Mn of EBITDA in 2027e implies growth of >EUR 20 Mn from estimated EBITDA in 2025e.

EBITDA by geography

(% / Revenue)	2023	2024	2025e	2026e	2027e
Spain	1.7%	2.4%	4.0%	4.2%	4.4%
Italy	2.8%	0.8%	0.4%	0.6%	0.9%
Northern Europe	0.6%	3.5%	14.3%	14.8%	15.3%
North America	6.9%	4.4%	6.0%	6.2%	7.1%
APAC-MEA	9.5%	7.0%	13.6%	14.0%	14.8%
Latam	8.1%	7.9%	13.3%	13.6%	14.3%

EBITDA (EUR Mn)	2023	2024	2025e	2026e	2027e
Spain	3.8	6.3	9.1	10.2	11.4
Italy	3.5	0.9	0.4	0.6	0.9
Northern Europe	0.7	5.4	18.4	20.6	23.1
North America	15.1	11.6	14.3	16.4	20.7
APAC-MEA	9.9	8.8	14.7	16.6	19.3
Latam	3.8	4.8	6.2	7.2	8.6
Corporation	-17.2	-16.5	-22.9	-23.8	-24.1
Operations and Adjustments	10.7	12.1	7.3	10.1	10.7
Total EBITDA	30.2	33.4	47.4	57.9	70.5
Annual Change	-29.7%	10.4%	42.2%	22.0%	21.8%
Margin	3.6%	3.3%	5.5%	6.2%	7.0%

EBITDA by geography

(Weight %)	2023	2024	2025e	2026e	2027e
Spain	10.2%	16.8%	14.5%	14.2%	13.5%
Italy	9.5%	2.3%	0.6%	0.8%	1.1%
Northern Europe	1.9%	14.2%	29.1%	28.8%	27.5%
North America	41.0%	30.8%	22.6%	22.9%	24.6%
APAC-MEA	27.1%	23.3%	23.3%	23.2%	23.0%
Latam	10.4%	12.6%	9.9%	10.1%	10.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Cash flow forecasts 2025e-2027e: strong expected growth in funds from operations but keeping an eye on the impact (no effect on cash in the short term) of the subordinated debt associated with the Italian tax liability.

First of all, it is important to analyse the trend in cash flow generation in 1H25:

- **Growth of 54% in cash flows from operations**, to EUR 19 Mn, underpinned by favourable working capital flows and growth in cash generation thanks to underlying business momentum.
- **The gradual reduction in raw material prices is slowly releasing working capital....** further buoyed by cash from operating activities, despite an increase in inventories shaped by strategic procurement decisions. As has been the case in recent quarters, the cash released by the reduction in the working capital requirement has translated into a decrease in net debt.
- **...although this positive impact on free cash flow is not yet visible.** The improvement in working capital in 1H25 (EUR 12.8 Mn) was partially offset in terms of cash flows by two negative impacts: i) the provision of EUR 6.2 Mn of debt to Carapelli for its debt with the Italian tax authority; and ii) EUR 7.2 Mn of translation differences associated with exchange rates.
- **The cash outflow for debt servicing is affected by an extraordinary impact.** The increase in interest payments originated primarily from the €7.7 Mn of debt arrangement costs associated with the new facilities put in place in March.

Our forecasts for recurring cash flow for 2025e-2027e (CAGR 2024-2027e: +50.2%) confirm that the bump in profitability translates into cash.

Cash from operations vs. trend in subordinated debt. It is important to separately analyse the trend in ordinary cash flow from business operations from the negative impact on OLE's balance sheet of the debt financing associated with the Italian tax liability. None of the borrowing costs associated with this subordinated debt imply a cash outflow as we are talking about PIK instruments for which the interest is capitalised within the face value of the debt. These instruments are recognised on the balance sheet within borrowings to associates. This

means that it will not be included in the net debt calculation. Nor it this debt included for debt ratio calculation purposes or, by extension, covenant compliance calculation purposes.

The volume of these borrowings is set to increase gradually in the coming years without passing through the statement of cash flows for the next three years:

- On the one hand, by the amount of the borrowing costs associated with the funding for the debt already issued and to be issued in the future to finance the payments to the Italian tax authority (Class A and B Notes).
- On the other, by the face value of the debt issued to pay the Italian tax authority in 2025 (EUR 4.8 Mn) by Alchemy; our estimates point to identical additional raises in 2026 and 2027. We estimate that this debt will be issued in mid-2026 and 2027. CVC and OLE have extended binding commitments to providing this funding. The volume of notes issued by OLE - EUR 5.0 Mn - is included in the company's net debt and is the only aspect of the Italian tax contingency funding included in this measure. We estimate that OLE will issue a further EUR 5.0 Mn of notes in each of 2026 and 2027.

As consideration for the obligations assumed by the group's main direct and indirect shareholders under the shareholder commitment to pay the Italian tax contingency, Deoleo Holding has created two classes of debt instruments (the Class A and Class B Notes, and together, the Notes). The Notes are structurally subordinate to the debt incurred under the refinancing but senior to Deoleo Holding's current and future own funds.

Specifically, the Class A Notes accrue an annual commitment fee of 6.5% to compensate for the cost of capital of the shareholders that have set aside funds to cover the possibility that Carapelli will have to make payments in relation to the Italian tax contingency. The commitment fee started to accrue from the refinancing closing date and will be paid for in kind through the issuance of Class A notes on each anniversary of the refinancing closing date. As a general rule, the commitment fee will cease to accrue: (i) when the shareholder commitment decreases as a result of any amount payable in respect of the Italian tax contingency or in the event of material breaches of the facilities agreement (i.e., default, unremedied breach of the covenants or bankruptcy proceedings affecting any of the borrowers); or (ii) if none of those circumstances arises, on the date of maturity of the Notes, which is 14 years from the refinancing closing date.

The Class B Notes will be issued to Deoleo, S.A. and other Deoleo Holding shareholders that decide to participate in the shareholder commitment, as necessary to raise the funds needed to settle the Italian tax contingency. The Class B Notes will be issued at an amount equivalent to the financing contributed by the shareholders when an event triggering the provision of those funds occurs, in keeping with the documentation articulating the shareholder commitment. The Class B Notes will accrue interest at an annual rate of 20% from when they are issued. That interest will be paid for in kind on each anniversary of the date of issuance of Class B Notes and will be capitalised within the principal amount of Class B Notes.

The following table provides our estimates for FCF at OLE and below we summarise our main assumptions.

(EUR Mn)	2023	2024	2025e	2026e	2027e
Recurrent EBITDA	30.2	33.4	47.4	57.9	70.5
Arrendamientos (Impacto NIIF)	0.0	0.0	0.0	0.0	0.0
Working Capital Increase	-13.9	4.9	1.9	-3.5	-7.5
Recurrent Operating Cash Flow	16.4	38.3	49.4	54.4	63.0
Capex	-9.4	-5.1	-5.0	-5.1	-5.3
Net Financial Result affecting t	-15.8	-20.8	-35.1	-21.4	-21.4
Taxes	0.2	-2.8	-3.1	-3.1	-4.0
Recurrent Free Cash Flow	-8.6	9.6	6.2	24.7	32.4

- OLE recorded a net cash outflow associated with working capital in 2023. In 2024, it generated EUR 6.3Mn of cash.

- For 2025e, we are estimating recurring FCF of EUR 6.2Mn, underpinned by EBITDA growth, despite the extraordinary negative impact of the debt arrangement costs associated with the debt refinancing and working capital movements.
- For 2026e and 2027e, we are forecasting significant growth in recurring FCF to EUR 24.7 Mn (5x the 2025 figure) and EUR 32.4 Mn, respectively, fuelled by recurring EBITDA growth and stabilised borrowing costs following the refinancing.
- Our estimate for CAPEX of EUR 5 Mn for 2025e-2027e might appear low as it is equivalent to just c.50% of depreciation charges. However, OLE's business model is very asset light (PP&E of EUR 48.5 Mn in 2025e compared to intangible assets of EUR 431.5 Mn) and there are no major CAPEX outflows planned for the next three years. The company's most important asset is its brand portfolio..
- Our estimate for the movement in working capital in 2025 is shaped by the extraordinary impacts noted above, which mask the underlying improvement in the working capital requirement. In 2026e and 2027e, the forecast outflows are associated with revenue growth. In the past, working capital has traditionally accounted for 11% of revenue, a level we are sticking with in our estimates. As a result, our forecast increase in revenue, coupled with a stable WC/sales ratio, translates into growth in the working capital requirement.
- As for borrowing costs, we consider the cost of the refinanced debt and the cost of the receivables discounting facility, with an average balance of c.EUR 35 Mn, and a small negative impact via FX.

The net debt associated with the underlying business is set to decrease significantly but borrowings from associates increase considerably

The starting point for the balance sheet analysis is as follows:

- **Leverage is starting to come down, with borrowings falling 5% in 1H25 (EUR 109.6 Mn).** The ND/LTM EBITDA ratio stood at 3.1x as of June 2025 (2024: 3.2x).
- **The cash generated by the smaller WC requirement underpins the downtrend in ND.** The gradual decreases in raw material prices are translating into a lower working capital requirement, despite an increase in inventories driven by strategic procurement decisions.
- **EUR 43 Mn of available liquidity.** The new financing agreement includes a revolving credit facility in the amount of EUR 35 Mn, which was drawn down by just EUR 15 Mn at the June close, leaving liquidity as of the reporting date of EUR 43 Mn, compared to EUR 52 Mn a year earlier. The new revolving credit facility provides greater flexibility around funding, coupled with savings on the portion not drawn.

The following table illustrates our outlook for the trend in debt:

(EUR Mn)	2023	2024	2025e	2026e	2027e
Net Operating Debt	118.9	114.3	92.8	68.1	35.7
Bonds Issued (I)			5.0	10.0	15.0
Total Consolidated Net Debt	118.9	114.3	97.8	78.1	50.7
Debt to Associated Entities					
Capitalized Financial Expenses				14.0	23.1
Remaining Carapelli Debt			10.9	9.6	14.4
Subtotal Debt to Associated Entities (II)			10.9	23.6	37.5
Debt Linked to Payments to the Italian Treasury (I+II)					
			15.9	33.6	52.5

- **Significant deleveraging.** Thanks to growing cash generation, we are estimating a reduction in the ND/EBITDA ratio from 3.4x in 2024 to 2.1x in 2025e. For 2026e, we are estimating an additional reduction to 1.3x, and then to 0.7x in 2027e. These figures refer to the ordinary net debt associated with the underlying business and do not factor in the debt related with the funding for the amounts owed to the Italian tax authority, which is included under borrowings from associates.
- **The debt associated with the Italian tax contingency is estimated at EUR 15.9 Mn in 2025e** and is forecast to increase to EUR 33.6 Mn in 2026e and EUR 52.5 Mn in 2027e. This is debt that should be refinanced on more favourable terms in the future.
- **Thanks to an improved financial structure, OLE is well positioned to hone its raw material procurement strategy.** In the future it should be able to tap windows of opportunity to purchase higher volumes of raw materials and offer producers more attractive payment terms and conditions. In other words, there is scope for rationalisation of overall raw material procurement costs.

How will the debt with the Italian tax authority be paid? Source and use of funds.

OLE has struck an agreement with the Italian tax authority for payment of the core portion of the overall tax liability, EUR 39.4 Mn, in 72 monthly instalments. Adding in late payment interest and subtracting the first three instalments, that figure rises to EUR 45 Mn. On 16 June 2025, OLE received authorisation to suspend part of the payment being sought, specifically EUR 23.1 Mn (the amount corresponding to VAT, fines and interest). Although OLE plans to continue to defend its case by means of ongoing legal proceedings, in 2024 it recognised a provision in its annual financial statements for the full amount. Following the agreement reached with the Italian tax authority, it has already started to pay the part of the tax debt that has not been suspended on a monthly basis. If in the future the appeals lodged before the pertinent courts are successful, the amounts paid already would have to be reimbursed.

The funds needed to pay the tax debt have been locked up via a commitment extended by CVC Partners and Alchemy. In practice, 51% of this quantity gets financed via the issuance of notes by OLE, which are subscribed for by its core shareholders in proportion to their ownership interests. In July 2025, the company issued EUR 5 Mn of notes. The proceeds, coupled with the EUR 4.8 Mn guaranteed by Alchemy, will be used to pay the monthly instalments due to the tax authority between March 2025 and June 2026. It is expected that in the future, OLE will carry out a similar issue each year in order to finance the payments due over the following 12 months.

Conclusion: lower raw material costs are helping to stabilise prices, which are in turn propping up growth in consumption. Management's focus on profitability should translate into margins doubling over the next two years.

- **The reduction in raw material costs (above 50% following a 64% increase in the olive oil harvest in Spain) marks a turning point** after two years of high prices (2023-2024), creating good prospects and momentum for OLE. Worldwide olive oil production has returned to normal levels in this last harvest, paving the way for a substantial reduction in prices and very sharp growth in consumption. OLE has taken advantage of this development with a sales strategy articulated around preservation of its unit gross margins.
- **Management's focus on profitability is expected to translate EBITDA margin expansion from 3.3% in 2024 to 6.9% in 2027e, which is more than double.** Now that the refinancing work is finished, OLE's management is focused on implementing profitability levers. Its renewed financial strength also puts it in a good position to optimise its raw material procurement process.

- **Our forecasts for recurring cash flow for 2025e-2027e (CAGR 2024-2027e: +50.2%) confirm that the bump in profitability will translate largely into cash.** Working capital consumption is not relevant in the current market conditions. CAPEX is contained as the current business plan does not entail any major investments. The interest on the subordinated debt gets capitalised and does not impact the company's cash flow statement. All of this translates into strong recurring cash generation.
- **The net debt associated with the underlying business is set to decrease significantly but borrowings from associates will increase considerably.** Thanks to growing cash generation, we are estimating a reduction in the ND/EBITDA ratio from 3.4x in 2024 to 2.1x in 2025e. For 2026e, we are estimating an additional reduction to 1.3x, and then to 0.7x in 2027e. These figures refer to the ordinary net debt associated with the underlying business and do not factor in the debt related with the funding for the amounts owed to the Italian tax authority, which is included under borrowings from associates. This debt is estimated at EUR 15.9 Mn in 2025e and is forecast to increase to EUR 33.6 Mn in 2026e and EUR 52.5 Mn in 2027e. This is debt that should be refinanced on more favourable terms in the future.
- **If all of the above is borne out, OLE could have a window of opportunity to refinance its debt with the Italian Treasury on more favourable terms and conditions in 12-24 months' time.** Meanwhile, the terms of the financing arranged to fund the payments to the Italian tax authority are very onerous.

Valuation inputs

Inputs for the DCF Valuation Approach

	2025e	2026e	2027e	Terminal Value ⁽¹⁾
Free Cash Flow "To the Firm"	35.0 ⁽²⁾	32.3	37.6	557.6
Market Cap	89.5	At the date of this report		
Net financial debt	125.4	Net bank debt (6m Results 2025) + Italian Treasury Debt		
				Best Case Worst Case
Cost of Debt	10.0%	Net debt cost		9.8% 10.3%
Tax rate (T)	20.0%	T (Normalised tax rate)		= =
Net debt cost	8.0%	$K_d = \text{Cost of Net Debt} * (1-T)$		7.8% 8.2%
Risk free rate (rf)	3.3%	Rf (10y Spanish bond yield)		= =
Equity risk premium	6.0%	R (own estimate)		5.5% 6.5%
Beta (B)	1.3	B (own estimate)		1.2 1.3
Cost of Equity	11.1%	$K_e = R_f + (R * B)$		9.9% 11.7%
Equity / (Equity + Net Debt)	41.6%	E (Market Cap as equity value)		= =
Net Debt / (Equity + Net Debt)	58.4%	D		= =
WACC	9.3%	$WACC = K_d * D + K_e * E$		8.7% 9.7%
G "Fair"	1.0%			2.0% 1.0%

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

(2) Adjustment for extraordinary items.

Inputs for the Multiples Valuation Approach

Company	Ticker Factset	Mkt. Cap	P/E 25e	EPS 25e-27e	EV/EBITDA 25e	EBITDA 25e-27e	EV/Sales 25e	Revenues 25e-27e	EBITDA/Sales 25e	FCF Yield 25e	FCF 25e-27e
Cobram	CBO.AX	935.4	30.6	6.2%	n.a.	n.a.	8.0	28.9%	9.7%	n.a.	96.1%
Olive oil			30.6	6.2%	n.a.	n.a.	8.0	28.9%	9.7%	n.a.	96.1%
Nestle	NESN.S	207,134.1	17.3	6.2%	14.2	4.9%	2.8	2.7%	19.9%	4.7%	8.1%
Danone	DANO.PA	49,383.7	19.0	7.1%	12.1	5.0%	2.1	3.3%	17.4%	5.1%	5.8%
Orkla	ORK.OL	8,858.4	16.0	5.4%	12.4	4.3%	1.8	3.1%	14.3%	8.0%	-13.6%
Barry Callebaut	BARN.S	6,911.6	33.9	53.1%	13.2	8.7%	0.9	-3.1%	6.4%	n.a.	61.5%
Ebro Food	EBRO.MC	2,754.6	13.3	5.8%	7.2	3.2%	1.0	2.0%	13.6%	6.6%	13.1%
European food multinationals			19.9	15.5%	11.8	5.2%	1.7	1.6%	14.3%	6.1%	15.0%
Conagra Brands	CAG	7,761.2	10.8	7.3%	9.4	3.6%	1.5	0.3%	15.7%	9.4%	11.5%
Kewpie Corporation	2809.T	3,321.7	19.2	-1.5%	10.3	9.0%	1.1	4.3%	10.3%	6.1%	-7.3%
Agthia Group	AGTHIA.AD	774.7	16.1	31.0%	9.0	17.9%	1.0	6.2%	11.6%	2.7%	n.a.
Hain Celestial	HAIN.O	110.8	n.a.	42.5%	7.3	8.4%	0.5	-1.4%	6.8%	n.a.	45.9%
International FMCG			15.3	19.8%	9.0	9.7%	1.0	2.3%	11.1%	6.1%	16.7%
OLE	OLEO.MC	89.5	19.0	13.4%	10.1	21.9%	0.5	8.3%	5.4%	3.5%	29.0%

Free Cash Flow sensitivity analysis (2026e)

A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

Scenario	EBITDA/Sales 26e	EBITDA 26e	EV/EBITDA 26e
Max	6.7%	63.6	7.5x
Central	6.1%	57.9	8.3x
Min	5.5%	52.2	9.2x

B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

Rec. FCF EUR Mn	CAPEX/Sales 26e				Scenario	Rec. FCF/Yield 26e		
EBITDA 26e	0.4%	0.5%	0.6%					
63.6	31.4	30.4	29.5	➔	Max	35.1%	34.0%	33.0%
57.9	25.7	24.7	23.8		Central	28.7%	27.6%	26.6%
52.2	20.0	19.0	18.1		Min	22.3%	21.3%	20.2%

Risk Analysis

What could go wrong?

We consider risks to be those that could have a significant negative impact on our projections, particularly for EBITDA, funds from operations and delivery of the strategic plan. The materialisation of one or more of these risk factors could compromise OLE's financial stability, undermine revenue and margins and limit the company's ability to generate the forecast amounts of cash.

Strategic risks and business environment

- 1) **Commodity price volatility (olive oil).** The cost of raw materials - olive and seed oils (cost of goods sold or COGS) represents c.78% (2018-2024 average) of OLE's revenue. Olive oil prices are highly volatile due to exposure to climate factors (drought, mainly in Spain and Italy, as occurred in 2023 and 2024), regulations (export restrictions, tariffs), plant health issues and supply side factors (farming production cycles). Global supply is highly concentrated (c.70% in the EU, with Spain accounting for nearly 70% of EU production), exacerbating the market's sensitivity to production shocks. In practice, the Spanish olive harvest (October to September) acts as a world reference for price formation and tips the global supply-demand equilibrium.

OLE is a bottler and marketer of oil and is not vertically integrated: it purchases its raw materials from independent producers. The sector lacks liquid hedging instruments (no organised futures markets) and it is not common to lock in long-term supply arrangements. This limits the company's ability to mitigate this risk. The ability to pass increases in farmgate prices through to end customers is partial and depends on the channel and market, exerting pressure on the gross margin during episodes of inflation such as that endured in 2023 and 2024.

- 2) **Business risks: pressure from private labels and customer concentration.** Private label brands accounted for 61.8% of the vegetable oil market in Spain (source: Nielsen), 27.9% in Italy (Nielsen) and 42.8% in the US (IRI) in 2024. OLE has business relationships with the food retailing sector where concentration is significant so that 35% of OLE's revenue in 2024 was generated by 15 customers and the largest customer in its three main markets (Spain, US and Italy) represented between 10% and 25% of sales in those countries.
- 3) **Macroeconomic and regulatory risks.** The group is exposed to tariff wars (e.g. in the US) and complex regulations around food and labelling. Regulatory changes, restrictions on international trade or more stringent quality standards could affect operating costs and competitiveness in key markets.
- 4) **Risks related to demographics and consumer habits.** The tail winds implied by the shift towards healthier eating and the popularity of the "Mediterranean diet" could be offset by demographic trends (consumption per capita in the more established markets such as Spain and Italy is higher in the older age brackets than among young people) or shifting consumer habits such as eating out (OLE is under-represented in the HORECA channel) or the growing popularity of air fryers.

Financial risks

- 1) **Refinancing agreement (March 2025).** On 10 March 2025, OLE closed a new Senior Facilities Agreement with a syndicate of financiers with the aim of refinancing all its previous facilities (junior 2020, senior 2020 and super senior 2024) which were due in June 2025. The new Senior Facilities Agreement has a duration of four years (maturity: March 2029), with most of the principal due in a bullet payment at maturity. It is structured into three tranches: (i) a super senior RCF of EUR 35 Mn; (ii) a senior tranche of EUR 60 Mn; and a (iii) second lien tranche of EUR 65 Mn. The collateral and personal guarantees are similar to those securing the refinanced debt. OLE can refinance the facility without incurring penalties or premiums from March 2026.

Financing	Principal (EUR Mn)	Interest*	Amortization
Super Senior Revolver	35	Euribor + 6.25%	Bullet
First rate	60	Euribor + 6.75%	EUR 3 Mn semiannually, bullet of outstanding amounts
Second rate	65	Euribor + 10.75%	Bullet
Total	160		

* The minimum EURIBOR is 2.5%.

This transaction has restructured the company's debt maturity profile, simplified terms and conditions and breathed new life into OLE's financial framework. However, the contract includes a series of covenants that are customary in transactions of this type (compliance with financial ratios, restrictions on business operations and transactions and change of control terms).

In addition, for the agreement to close, the main shareholders in Deoleo Holding, S.L. (CVC and Alchemy) had to pledge to contribute the funds necessary to cover the Italian tax contingency. This commitment materialises in subordinated notes (Class A and B Notes) at a hefty cost that is not payable in cash (PIK instrument) but ultimately increase the company's real leverage.

Reliance on these terms and conditions to keep the financing in place and the structural risk of a still-latent tax liability represent a significant source of vulnerability.

- 2) **Restrictions under the Senior Facilities Agreement.** As of 30 June 2025, OLE had net debt of EUR 109.6 Mn (ND/recurring EBITDA 2025e of 2.1x), with costs, depending on the tranche, ranging from Euribor + 6.25% to Euribor + 10.75% and a significant refinancing requirement in 2029. The facilities agreement imposes restrictions on the payment of dividends and the distribution of funds from the parent's subsidiaries. These limits constrain the company's financial flexibility and the ability to remunerate Deoleo, S.A.'s shareholders during the term of the agreement. All of the OLE's borrowings are denominated in euros.
- 3) **Risk of breach of covenants.** The Senior Facilities Agreement requires that OLE comply with two key ratios:
 - net debt/EBITDA \leq 5x EBITDA (measured quarterly); and
 - minimum liquidity \geq EUR 15 Mn (a requirement that cannot be breached for more than 20 days in a row; measured monthly).

The company was in compliance with both covenants as of June 2025. However, in the event of a business downturn, any breach could trigger full or partial prepayment requirements, the calling in of collateral or additional operational restrictions. In addition, the agreement contemplates mandatory prepayment in the event of a change of control.

Note that although debt derived from the Class A and B Notes, which are subordinated, is not included in the ND/EBITDA ratio, it could imply a significant financial commitment for OLE.

- 4) **Risk associated with the financial instruments derived from the shareholder commitment vis-a-vis the Italian tax contingency.** One of the keys to closing the debt refinancing agreement in March 2025 was getting the main shareholders of Deoleo Holding, including the majority shareholder, Ole Investments, B.V. (CVC), to commit to contributing up to EUR 68.1 Mn to cover potential liabilities in connection with the tax contingency at the Italian subsidiary, Carapelli Firenze. This commitment has been articulated via the issuance of two subordinated financial instruments:
 - **Class A Notes:** issued to the shareholders as consideration for the commitment to make the funds available. These notes accrue interest at an annual rate of 6.5%, which gets capitalised annually, and imply a direct financial cost for Deoleo Holding which decreases as the funds are made available.
 - **Class B Notes:** as the tax contingency payments materialise, in keeping with the schedule agreed with the Italian tax authority, these notes will be issued to Deoleo, S.A. and other shareholders that contribute funds and carry interest at an annual rate of 20%, which will similarly be capitalised. All of which implies a significant financial burden for OLE regardless of the final outcome of the tax lawsuit.

The existence of these instruments generates additional financial pressure. In addition, the structural subordination of these notes to the senior debt, despite providing a degree of flexibility, could also curtail the ability to distribute profits and raise new financing in the future. These notes imply additional leverage which could affect perceived credit risk and the assessment of the amount of capital available for shareholders.

- 5) **Interest rate risk.** Virtually all of the group's borrowings are benchmarked to floating rates of interest (mainly Euribor + spread), implying an average cost of over 10% (10.94% in 2024). The refinancing in 2025

includes tranches with a Euribor floor of 2.5%, limiting the potential upside from future rate reductions without protecting against rate increases.

- 6) **Foreign exchange risk.** The group has subsidiaries in 12 countries and operations in c. 70. In 1H25, 55% of revenue was generated in EUR. OLE is significantly exposed to the US, India and Mexico (where margins are higher than in EUR markets such as Spain and Italy).

Although the central treasury department manages this risk, this net exposure could translate into operating and accounting losses in the event of euro appreciation.

All of the group's borrowings are denominated in euros, eliminating foreign exchange risk on the liability side.

- 7) **Risk derived from the equity position.** Between 2016 and 2019, the group incurred recurring losses that weakened its equity and qualified it for dissolution on legal grounds on as many as three occasions. The restructuring closed on 24 June 2020 shored up the company's equity but the risk of revisiting a similar scenario if the company's earning deteriorate once again has not been eliminated. A fresh episode of substantial losses could trigger corporate restrictions (grounds for dissolution or mandatory capital decrease), as well as affecting investor, supplier and strategic customer confidence. This reputational and financial exposure could hamper access to new financing and compromise the ability to honour payment obligations in adverse scenarios.

Legal and tax risks

- 1) **Italian tax contingency: legal and cash risk associated with Carapelli Firenze.** OLE's Italian subsidiary, Carapelli Firenze, faces an outlay of up to EUR 68.1 Mn related to a tax contingency (as disclosed to the market on 9 July 2025), broken down as follows: (i) the sum of EUR 64.7 Mn whose payment was requested by the Italian tax authority in February 2025; (ii) less the sum of EUR 2.2 Mn already paid by Carapelli Firenze; (iii) plus the sum of EUR 5.6 Mn corresponding to the interest to be accrued under the revised payment instalment schedule.

This tax contingency derives from the use of a tariff procedure (the inward processing system) between 2010 and 2012 applied going back in time by the former owners of Carapelli Firenze (Carapelli Firenze was acquired by OLE in March 2006). Although the company has filed an appeal in Italy and obtained partial suspension of the overall payment (EUR 23.1 Mn, corresponding to fines and surcharges), the company provided for the liability in full in its 2024 financial statements (EUR 60.8 Mn net of VAT). The instalment payment schedule (70 monthly payments to 2031) corresponds to the principal in dispute and the interest agreed with the Italian tax authority. In the event of a firm unfavourable ruling or the inability to reach a deal with the Italian tax authority, the impact on the group of having to repay the total debt and PIK component (due March 2039) would be significant. It is hard to put an end date on a lawsuit that has been moving through the lower courts since 2014 but it is unlikely that the Italian supreme court will issue its ruling any sooner than 2 or 3 years' time.

Operational risks

- 1) **Supply chain risk: concentrated production, inventory management and dependence on copackers.** OLE's industrial activity is concentrated at two proprietary factories - in Alcolea (Cordoba) and Tavarnelle (Florence) - which act as strategic hubs for storage, distribution and customer relations. This operational concentration increases OLE's exposure to serious disruption as a result of breakdowns, strikes, natural disasters, sabotages, cyberattacks or logistics incidents, with a direct impact on supplies and distribution, potentially jeopardising sales and margins.

In addition, some of the bottling/packaging activities are outsourced to third parties (copackers), particularly in the seed oil, sauce, olive and vinegar categories. Breach of the agreed-upon terms - in terms of deadlines, quality or volumes - could generate considerable disruption in the supply chain, with a direct impact on revenue, customer perceptions and business profitability.

- 2) **Dependence on brands and risk of termination of the licensing agreement with Bertolli.** As of June 2025, the amount at which the group carried its brands (EUR 411 Mn) accounted for 52% of total assets. OLE's business is name-brand intensive (with barely any presence in the private label segment) through a portfolio that includes leading brands in their respective markets: Bertolli, Carapelli, Carbonell, Koipe and Hojiblanca, among others.

The value of these assets could be impaired as a result of: (i) a loss of market share; (ii) a sustained drop in revenue; (iii) strategic changes affecting brand positioning; or (iv) a deterioration in customer brand

perception. Materialisation of these factors would trigger impairment tests under applicable accounting rules and any resulting impairment losses would have a direct and potentially significant impact on profit and loss (EUR 253 Mn in 2018).

Moreover, the Bertolli brand, which accounted for c.40% of OLE's revenue in 2024, is used under a perpetual, global and exclusive licensing agreement (the brand is owned by Mizkan of Japan, which acquired it from Unilever in 2014). However, the contract includes termination clauses in the event of a change of control, ownership dispute or contractual breach without financial compensation for OLE. Losing this licence would have a significant impact on OLE's competitive positioning, particularly in the US and other strategic markets.

Structural and governance reforms

- 1) **Structural risk associated with corporate reorganisation and Deoleo, S.A.'s position as a holdco** Ever since the restructuring work completed in 2020, OLE's business operations are being carried out by the subgroup Deoleo Holding, S.L. ("Deoleo Holding"), a company in which OLE has a 51% interest. The remaining 49% is in the hands of the former financial creditors, which capitalised some of their loans for shares in Deoleo Holding in 2020. Those creditors notably include Alchemy Special Opportunities LLP (Alchemy), through several funds, which owns 40.991% of Deoleo Holding. Deoleo, S.A. (the listed company) holds a 50.996% equity interest in Deoleo Holding.

As a result, the key decisions at Deoleo Holding are subject to qualified majorities and the financial shareholders have veto rights. This limits the parent's control over business and financial strategy. Moreover, Deoleo S.A. does not generate funds directly and depends on dividends or intragroup loans, which are contractually restricted.

- 2) **Risk of the sale of the business or loss of control** Deoleo Holding's shareholder agreement allows the shareholders to initiate a business sale process if certain conditions are met. This process can be initiated by shareholders with equity interests in Deoleo Holding of at least 20% (currently: Deoleo S.A. and Alchemy). There is also a cross option agreement among the main shareholders (CVC and Alchemy); if those options are exercised, Deoleo S.A. could lose control over its main operating asset. A potential disposal or falling out among strategic shareholders could significantly alter the group's shareholder and governance structure.

Management stability. Since CVC took control in December 2014, OLE has had five CEOs: Manuel Arroyo (June 2015-Sept. 2016), Pierluigi Tosato (Sept. 2016-Feb. 2019), Miguel Ibarrola (Feb. 2019-Mar. 2019), Ignacio Silva (April 2019-Sept. 2024) and Cristóbal Valdés (Sept. 2024-to date). The executive team has been more stable, with barely any movements across the sales, procurement, operations or marketing teams in the last five years.

Corporate Governance

Private equity-owned (CVC) since 2015

Table 9. Shareholder structure at the date of this report

Name	Direct	Indirect	Total
OLE Investments BV	57.0%		57.0%
Aceites del Sur S.A.	5.1%		5.1%
CVC Capital Partners VI Limited		57.0%	57.0%
Juan Ramon Guillen Prieto		5.1%	5.1%
Free float	38.0%		
Total	100.0%		

Table 10. Board of Directors

Name	Category	Job position	Date	% Equity
Ignacio Silva Alcalde	Other	Chairman	2019	0.0%
Cristobal Valdes Guinea	Executive	CEO	2024	
Rocio Hervella Durantez (CVC)	Proprietary	Board member	2021	57.0%
Fernando Valdes Bueno (CVC)	Proprietary	Board member	2015	57.0%
Pier Luigi Sigismondi (CVC)	Proprietary	Board member	2025	57.0%
Gianluca Bolla	Independent	Lead Independent Director	2017	0.1%
Aranzazu Cordero Hernandez	Independent	Board member	2023	
		Total		57.1%

At the time of writing, OLE's Board of Directors is made up of seven directors: three are proprietary (representing the company's largest shareholder, CVC), two independent, one executive (Cristóbal Valdés, appointed CEO in September 2024) and one other external (Juan Ignacio Silva, non-executive Chairman since 2024 and Chairman and CEO of OLE from April 2019 to September 2024). Key features of corporate governance at OLE:

- 1) **The controlling shareholder is a private equity fund.** OLE's largest shareholder (with 57%) is a private equity (PE) fund managed by CVC (CVC Capital Partners VI, through its Ole Investments BV holding company). CVC acquired a controlling interest in OLE in early 2015 through a public tender offer that ended on 30 December 2014, investing c. EUR 220 Mn for a 50% stake. It increased its holding to the current 57% through equity raises in October 2018 and May 2020.

Another important shareholder is Aceites del Sur (5%), but this company does not hold a seat on OLE's Board and is not involved in the company's management. Aceites del Sur, a family-run business in Seville founded in 1840, is a vertically integrated company operating in both olive oil and seed oil. It is a major player in Spain's olive oil industry, with revenue in 2023 of over EUR 1,000 Mn and the second largest market share (10.4%), behind OLE. Aceites del Sur disclosed its ownership interest in OLE in June 2020 in the wake of a EUR 50 Mn capital increase (at EUR 0.1 per share carrying subscription rights). We estimate that it paid EUR 0.14-0.15 per share (rights + price of capital increase), shelling out c. EUR 3.5 Mn for its 5% stake.

- 2) **The listed company, DEOLEO S.A. (OLE), is a holding company.** Deoleo, S.A.'s main asset is its 51% interest in DEOLEO HOLDING, which is 'above' all the group's operating units in the organisational chart.

The remaining 49% is in the hands of financial creditors after a debt-for-equity swap (i.e., OLE debt for DEOLEO HOLDING equity) in the financial restructuring carried out toward the end of 2019. OLE had EUR 600 Mn of bank borrowings in 2019, reporting EBITDA 2018 of EUR 15 Mn. The banks reduced their exposure by selling debt on the secondary market to special situation funds. These funds agreed to restructure the company, reducing OLE's debt in exchange for equity in DEOLEO HOLDING.

The main special situation fund is Alchemy Partners (Alchemy), through Alchemy Special Opportunities LLP, which has a 41% shareholding in DEOLEO HOLDING.

- 3) **DEOLEO HOLDING is governed by a shareholder agreement.** The 2020 financial restructuring included an agreement among DEOLEO HOLDING shareholders requiring a qualified majority of 75% for approval of reserved matters (both CVC and Alchemy must vote in favour).
- 4) **Stable shareholder structure.** CVC and Alchemy have both retained their investments in OLE and DEOLEO HOLDING, respectively, beyond the funds' general investment horizons.

CVC's vehicle, CVC Capital Partners VI, was created in 2014. It has been invested in OLE for over 10 years, providing its investors with a 55% return on the original contributions. The investment in OLE has not been profitable, although the fund presented a Multiple on Invested Capital (MOIC) of 2.6x at June 2025.

For Alchemy, publicly disclosed details on the vehicle are scarce. However, judging by an interview of its managing partner in October 2024 (in *Cinco Días*), it made its initial investment in 2017 and in the wake of the 2020 restructuring bought out the interests of other funds in DEOLEO HOLDING. We can reasonably assume that the entry price (purchase of debt at a discount) was significantly below that paid by CVC.

This kind of shareholder 'uncertainty' is widespread in PE-owned companies and poses both a risk and an opportunity for minority shareholders. Over the years, OLE has weighed

up 'alternative strategies, including a potential sale' (other relevant information disclosure in October 2023 on the engagement of an investment bank as advisor). Intuitively, the PE's most logical path is to raise OLE's profitability after two years (2023 and 2024) of struggles for the industry caused by rising raw materials prices and consider different exit strategies from a more solid base. This is apparently Alchemy's preference, as its managing partner ruled out a sale within the next two years in that interview.

Table 11. Key corporate governance metrics

KPI	2021	2022	2023	2024
% of independent board members	33.3%	33.3%	33.3%	28.6%
% of proprietary board members	50.0%	50.0%	50.0%	42.9%
% of executive board members	16.7%	16.7%	16.7%	14.3%
% of other	0.0%	0.0%	0.0%	14.3%
% of women on the board of directors	33.3%	33.3%	33.3%	28.6%
% of women out of total workforce	37.8%	36.2%	37.7%	38.7%
% Remuneration of the Board and Senior Management	2.2%	2.2%	2.0%	2.4%
Number of confirmed corruption cases	0	0	0	0

Table 12. Audit Committee

Member of the Committee	Category	Position
Aranzazu Cordero Hernandez	Independent	Chairman
Gianluca Bolla	Independent	Member
Pier Luigi Sigismondi (CVC)	Proprietary	Member

Table 13. Appointments and Remuneration Committee

Member of the Committee	Category	Position
Gianluca Bolla	Independent	Chairman
Aranzazu Cordero Hernandez	Independent	Member
Pier Luigi Sigismondi (CVC)	Proprietary	Member

- 5) **Director remuneration.** Independent and proprietary directors receive EUR 70,000 for attendance fees, while the current CEO (Cristóbal Valdés) is paid a salary of EUR 500,000 and the former CEO and current non-executive Chairman (Juan Silva) an annual salary of EUR 170,000. The CEO is eligible to receive an annual bonus of up to 60% of his salary contingent on achievement of annual financial targets.

Total director remuneration in 2024 was EUR 1.15 Mn, i.e., 2.4% of staff costs (EUR 0.97 Mn or 2% in 2023 and EUR 1.11 Mn or 2.2% in 2022).

- 6) **Long-term incentive plan.** The CEO, non-executive Chairman and the rest of the management team are eligible for extraordinary cash remuneration linked to the sale of DEOLEO HOLDING. The total amount distributable is tied to the equity value of the sale as follows:

- If the equity value of the sale is ≤ EUR 98 Mn, maximum remuneration: EUR 0;
- If the equity value of the sale is between EUR 98 Mn and EUR 105.4 Mn, maximum remuneration: (equity value of the sale – EUR 98 Mn)
- If the equity value of the sale is > EUR 105.4 Mn, maximum remuneration: 7% of the equity value of the sale

- 7) **Balances and transactions with shareholders and other related parties.** EUR 3.1 Mn (EUR 2.3 Mn of operating expenses and EUR 0.8 Mn of finance costs) in 2024 vs EUR 9.4 Mn (2023: EUR 3.4 Mn and EUR 6 Mn, respectively). The finance costs are related to DEOLEO HOLDING's debt in Alchemy funds, which decreased in 2024 as Alchemy transferred its debt in DEOLEO HOLDING to other investors. Operating expenses entail business relationships with other CVC investees. In addition to legal requirements ('on an arm's length basis' and approval by independent directors), minority shareholders can count on Alchemy's presence in DEOLEO HOLDING to ensure that the terms are fair for both parties. As we see it, in many cases the business relationships with these CVC investees were established before CVC acquired its shareholdings. Moreover, these relationships are kept with companies in which CVC is no longer a shareholder and therefore are no longer considered related partly transactions.

Going forward, this line item will include the costs of financing provided by CVC and Alchemy for payment of the tax liability in Italy.

- 8) **Approval of the consolidated financial statements without qualifications.** In the opinion of OLE's auditor (EY), the 2022, 2023 and 2024 consolidated financial statements give a true and fair value, in all material respects, of the equity and financial position of the company at 31 December each year, and of its financial performance and cash flows for the years then ended.

EY has audited OLE for the last six years. Split of EY's audit/non-audit revenue from OLE (in %): 71/29 in 2024, 83/17 in 2023 and 82/18 in 2022.

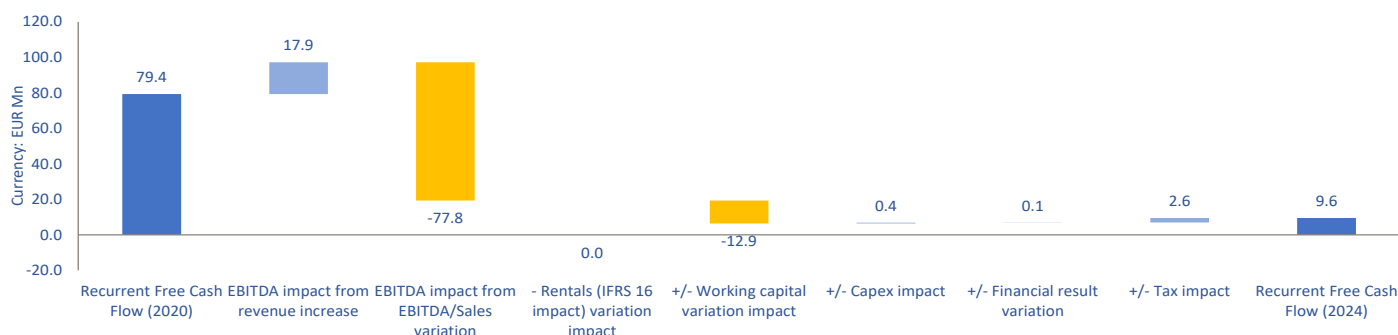
Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2020	2021	2022	2023	2024	2025e	2026e	2027e		
Intangible assets	459.2	470.0	459.2	430.7	431.5	431.5	431.5	431.5		
Fixed assets	57.5	57.9	56.1	54.5	53.7	48.5	43.7	39.0		
Other Non Current Assets	56.8	55.0	50.2	46.8	53.0	53.0	53.0	53.0		
Financial Investments	10.6	7.9	3.2	2.5	2.3	12.6	22.2	22.2		
Goodwill & Other Intangibles	21.7	16.4	16.4	16.4	16.4	16.4	16.4	16.4		
Current assets	166.0	203.8	227.4	250.0	229.1	213.0	226.2	239.8		
Total assets	771.7	811.0	812.5	800.9	785.9	775.0	792.9	801.9		
Equity	215.2	252.9	256.6	238.9	210.0	214.7	219.4	225.4		
Minority Interests	217.0	243.9	248.5	232.4	205.6	210.3	214.9	221.0		
Provisions & Other L/T Liabilities	117.7	81.0	78.5	71.8	133.2	143.5	162.1	180.2		
Other Non Current Liabilities	-	-	-	-	-	-	-	-		
Net financial debt	142.9	116.2	98.8	118.9	114.3	97.8	78.1	50.7		
Current Liabilities	78.9	117.0	130.2	138.8	122.9	108.7	118.4	124.6		
Equity & Total Liabilities	771.7	811.0	812.5	800.9	785.9	775.0	792.9	801.9		
P&L (EUR Mn)	2020	2021	2022	2023	2024	2025e	2026e	2027e	CAGR	
Total Revenues	690.8	719.8	831.3	842.8	1,007.0	872.8	949.9	1,024.6	20-24	24-27e
<i>Total Revenues growth</i>	17.4%	4.2%	15.5%	1.4%	19.5%	-13.3%	8.8%	7.9%	9.9%	0.6%
COGS	(532.6)	(594.1)	(705.1)	(742.6)	(907.8)	(743.7)	(804.6)	(864.8)		
Gross Margin	158.2	125.7	126.2	100.1	99.2	129.1	145.3	159.7	-11.0%	17.2%
<i>Gross Margin/Revenues</i>	22.9%	17.5%	15.2%	11.9%	9.8%	14.8%	15.3%	15.6%		
Personnel Expenses	(49.4)	(45.5)	(49.4)	(48.1)	(48.3)	(49.1)	(50.3)	(51.6)		
Other Operating Expenses	(15.5)	(32.0)	(33.8)	(21.8)	(17.5)	(32.6)	(37.1)	(37.7)		
Recurrent EBITDA	93.3	48.3	43.0	30.2	33.4	47.4	57.9	70.5	-22.7%	28.3%
<i>Recurrent EBITDA growth</i>	119.9%	-48.3%	-11.0%	-29.6%	10.4%	42.2%	22.0%	21.8%		
<i>Rec. EBITDA/Revenues</i>	13.5%	6.7%	5.2%	3.6%	3.3%	5.4%	6.1%	6.9%		
Restructuring Expense & Other non-rec.	-	8.4	(7.6)	(27.5)	(56.7)	-	-	-		
EBITDA	93.3	56.6	35.3	2.7	(23.3)	47.4	57.9	70.5	-22.5%	71.2%
Depreciation & Provisions	(12.4)	(10.1)	(10.0)	(10.0)	(10.2)	(10.1)	(10.0)	(9.9)		
Capitalized Expense	-	-	-	-	-	-	-	-		
Rentals (IFRS 16 impact)	-	-	-	-	-	-	-	-		
EBIT	80.9	46.5	25.3	(7.3)	(33.5)	37.3	47.9	60.6	-24.6%	56.2%
<i>EBIT growth</i>	190.4%	-42.5%	-45.6%	-129.0%	-357.2%	211.4%	28.3%	26.5%		
<i>EBIT/Revenues</i>	11.7%	6.5%	3.0%	n.a.	n.a.	4.3%	5.0%	5.9%		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	213.0	(11.0)	(10.0)	(22.9)	(20.1)	(24.8)	(35.4)	(44.4)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
Ordinary Profit	293.9	35.5	15.3	(30.2)	(53.6)	12.6	12.5	16.1	-21.5%	32.0%
<i>Ordinary Profit Growth</i>	n.a.	-87.9%	-56.9%	-297.5%	-77.1%	123.4%	-0.5%	29.2%		
Extraordinary Results	-	-	-	-	-	-	-	-		
Profit Before Tax	293.9	35.5	15.3	(30.2)	(53.6)	12.6	12.5	16.1	-21.5%	32.0%
Tax Expense	(3.8)	25.8	(9.0)	(4.1)	(1.0)	(3.1)	(3.1)	(4.0)		
<i>Effective Tax Rate</i>	1.3%	n.a.	59.1%	n.a.	n.a.	25.0%	25.0%	25.0%		
Minority Interests	(19.6)	(30.5)	(3.6)	16.4	26.2	(4.7)	(4.7)	(6.0)		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	270.4	30.9	2.7	(18.0)	(28.3)	4.7	4.7	6.1	-20.4%	30.3%
<i>Net Profit growth</i>	n.a.	-88.6%	-91.2%	-764.1%	-57.6%	116.7%	-0.5%	29.2%		
Ordinary Net Profit	270.4	(3.3)	12.5	13.6	29.4	4.7	4.7	6.1	-42.6%	-40.9%
<i>Ordinary Net Profit growth</i>	n.a.	-101.2%	479.0%	8.9%	115.6%	-83.9%	-0.5%	29.2%		
Cash Flow (EUR Mn)	2020	2021	2022	2023	2024	2025e	2026e	2027e	CAGR	
Recurrent EBITDA						47.4	57.9	70.5	-22.7%	28.3%
Rentals (IFRS 16 impact)						-	-	-		
Working Capital Increase						1.9	(3.5)	(7.5)		
Recurrent Operating Cash Flow						49.4	54.4	63.0	-23.4%	18.1%
CAPEX						(5.0)	(5.1)	(5.3)		
Net Financial Result affecting the Cash Flow						(35.1)	(21.4)	(21.4)		
Tax Expense						(3.1)	(3.1)	(4.0)		
Recurrent Free Cash Flow						6.2	24.7	32.4	-41.1%	50.2%
Restructuring Expense & Other non-rec.						10.3	(5.0)	(5.0)		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	0.0	-		
Free Cash Flow						16.5	19.7	27.4	-42.6%	39.2%
Capital Increase						-	-	-		
Dividends						-	-	-		
Net Debt Variation						(16.5)	(19.7)	(27.4)		

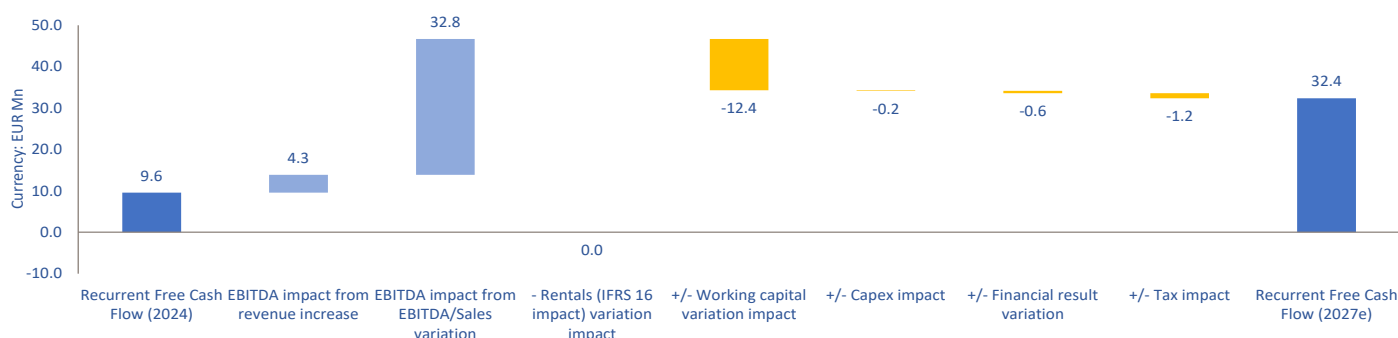
Appendix 2. Free Cash Flow

								CAGR	
A) Cash Flow Analysis (EUR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	21-24	24-27e
Recurrent EBITDA	48.3	43.0	30.2	33.4	47.4	57.9	70.5	-11.6%	28.3%
Recurrent EBITDA growth	-48.3%	-11.0%	-29.6%	10.4%	42.2%	22.0%	21.8%		
Rec. EBITDA/Revenues	6.7%	5.2%	3.6%	3.3%	5.4%	6.1%	6.9%		
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	0.3	(10.5)	(13.9)	4.9	1.9	(3.5)	(7.5)		
= Recurrent Operating Cash Flow	48.6	32.5	16.4	38.3	49.4	54.4	63.0	-7.6%	18.1%
Rec. Operating Cash Flow growth	-56.3%	-33.1%	-49.6%	133.9%	29.0%	10.1%	15.9%		
Rec. Operating Cash Flow / Sales	6.7%	3.9%	1.9%	3.8%	5.7%	5.7%	6.2%		
- CAPEX	(5.2)	(3.8)	(9.4)	(5.1)	(5.0)	(5.1)	(5.3)		
- Net Financial Result affecting Cash Flow	(11.6)	(8.0)	(15.8)	(20.8)	(35.1)	(21.4)	(21.4)		
- Taxes	(9.4)	(4.8)	0.2	(2.8)	(3.1)	(3.1)	(4.0)		
= Recurrent Free Cash Flow	22.3	15.8	(8.6)	9.6	6.2	24.7	32.4	-24.6%	50.2%
Rec. Free Cash Flow growth	-71.9%	-29.2%	-154.6%	210.9%	-35.6%	302.0%	30.8%		
Rec. Free Cash Flow / Revenues	3.1%	1.9%	n.a.	0.9%	0.7%	2.6%	3.2%		
- Restructuring expenses & others	-	-	-	-	10.3	(5.0)	(5.0)		
- Acquisitions / + Divestments	9.2	7.2	0.4	0.6	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	0.0	-		
= Free Cash Flow	31.6	23.0	(8.2)	10.2	16.5	19.7	27.4	-31.5%	39.2%
Free Cash Flow growth	-66.2%	-27.1%	-135.5%	224.3%	62.1%	20.0%	38.6%		
Recurrent Free Cash Flow - Yield (s/Mkt Cap)	12.7%	9.0%	n.a.	5.4%	3.5%	14.0%	18.3%		
Free Cash Flow Yield (s/Mkt Cap)	17.9%	13.1%	n.a.	5.7%	9.3%	11.1%	15.4%		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
	2021	2022	2023	2024	2025e	2026e	2027e		
Recurrent FCF(FY - 1)	79.4	22.3	15.8	(8.6)	9.6	6.2	24.7		
EBITDA impact from revenue increase	3.9	7.5	0.6	5.9	(4.4)	4.2	4.6		
EBITDA impact from EBITDA/Sales variation	(49.0)	(12.8)	(13.3)	(2.8)	18.5	6.3	8.0		
= Recurrent EBITDA variation	(45.1)	(5.3)	(12.7)	3.1	14.1	10.4	12.6		
- Rentals (IFRS 16 impact) variation impact	-	-	-	-	-	-	-		
+/- Working capital variation impact	(17.6)	(10.7)	(3.4)	18.8	(3.0)	(5.4)	(3.9)		
= Recurrent Operating Cash Flow variation	(62.6)	(16.1)	(16.1)	21.9	11.1	5.0	8.7		
+/- CAPEX impact	0.2	1.4	(5.6)	4.3	0.1	(0.1)	(0.1)		
+/- Financial result variation	9.3	3.6	(7.8)	(5.0)	(14.3)	13.7	-		
+/- Tax impact	(4.0)	4.5	5.1	(3.1)	(0.3)	0.0	(0.9)		
= Recurrent Free Cash Flow variation	(57.1)	(6.5)	(24.4)	18.2	(3.4)	18.6	7.6		
Recurrent Free Cash Flow	22.3	15.8	(8.6)	9.6	6.2	24.7	32.4		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
	2021	2022	2023	2024	2025e	2026e	2027e	CAGR	
EBIT	46.5	25.3	(7.3)	(33.5)	37.3	47.9	60.6	-39.6%	56.2%
* Theoretical Tax rate	0.0%	30.0%	0.0%	0.0%	25.0%	25.0%	25.0%		
= Taxes (pre- Net Financial Result)	-	(7.6)	-	-	(9.3)	(12.0)	(15.1)		
Recurrent EBITDA	48.3	43.0	30.2	33.4	47.4	57.9	70.5	-11.6%	28.3%
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	0.3	(10.5)	(13.9)	4.9	1.9	(3.5)	(7.5)		
= Recurrent Operating Cash Flow	48.6	32.5	16.4	38.3	49.4	54.4	63.0	-7.6%	18.1%
- CAPEX	(5.2)	(3.8)	(9.4)	(5.1)	(5.0)	(5.1)	(5.3)		
- Taxes (pre- Financial Result)	-	(7.6)	-	-	(9.3)	(12.0)	(15.1)		
= Recurrent Free Cash Flow (To the Firm)	43.3	21.1	7.0	33.2	35.0	37.3	42.6	-8.5%	8.7%
Rec. Free Cash Flow (To the Firm) growth	-58.6%	-51.3%	-66.9%	375.1%	5.5%	6.4%	14.4%		
Rec. Free Cash Flow (To the Firm) / Revenues	6.0%	2.5%	0.8%	3.3%	4.0%	3.9%	4.2%		
- Restructuring expenses & others	-	-	-	-	10.3	(5.0)	(5.0)		
- Acquisitions / + Divestments	9.2	7.2	0.4	0.6	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	0.0	-		
= Free Cash Flow "To the Firm"	52.5	28.3	7.4	33.8	45.3	32.3	37.6	-13.7%	3.7%
Free Cash Flow (To the Firm) growth	-55.7%	-46.1%	-73.7%	354.4%	34.2%	-28.8%	16.6%		
Rec. Free Cash Flow To the Firm Yield (o/EV)	9.1%	4.4%	1.5%	6.9%	7.3%	7.8%	8.9%		
Free Cash Flow "To the Firm" - Yield (o/EV)	11.0%	5.9%	1.6%	7.1%	9.5%	6.7%	7.9%		

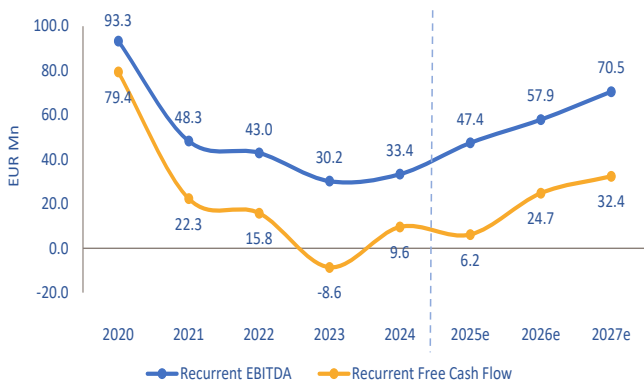
Recurrent Free Cash Flow accumulated variation analysis (2020 - 2024)



Recurrent Free Cash Flow accumulated variation analysis (2024 - 2027e)



Recurrent EBITDA vs Recurrent Free Cash Flow



Stock performance vs EBITDA 12m forward



Appendix 3. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	89.5	
+ Minority Interests	204.4	6m Results 2025
+ Provisions & Other L/T Liabilities	129.1	6m Results 2025
+ Net financial debt	109.4	6m Results 2025
- Financial Investments	2.1	6m Results 2025
+/- Others ⁽¹⁾	(51.9)	6m Results 2025
Enterprise Value (EV)	478.4	

(1) Deferred tax assets

(2) Net financial debt does not include the impact of debt owed to the Italian tax authorities, which is included under provisions and other L/T liabilities: i) EUR 33.3Mn in other long-term debt, ii) EUR 19.2Mn in provisions, iii) EUR 3.9Mn in long-term debt with associated entities

Appendix 4. Historical performance⁽¹⁾

Historical performance (EUR Mn)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e	CAGR	
Total Revenues						588.2	690.8	719.8	831.3	842.8	1,007.0	872.8	949.9	1,024.6	n.a.	0.6%
Total Revenues growth						n.a.	17.4%	4.2%	15.5%	1.4%	19.5%	-13.3%	8.8%	7.9%		
EBITDA						42.4	93.3	56.6	35.3	2.7	(23.3)	47.4	57.9	70.5	n.a.	71.2%
EBITDA growth						n.a.	119.9%	-39.3%	-37.6%	-92.3%	-957.8%	303.4%	22.0%	21.8%		
EBITDA/Sales						7.2%	13.5%	7.9%	4.2%	0.3%	n.a.	5.4%	6.1%	6.9%		
Net Profit						(10.6)	270.4	30.9	2.7	(18.0)	(28.3)	4.7	4.7	6.1	n.a.	30.3%
Net Profit growth						n.a.	n.a.	-88.6%	-91.2%	-764.1%	-57.6%	116.7%	-0.5%	29.2%		
Adjusted number shares (Mn)						1,404.9	935.1	500.0	500.0	500.0	500.0	500.0	500.0	500.0		
EPS (EUR)						-0.01	0.29	0.06	0.01	-0.04	-0.06	0.01	0.01	0.01	n.a.	30.3%
EPS growth						n.a.	n.a.	-78.7%	-91.2%	n.a.	-57.6%	n.a.	-0.5%	29.2%		
Ord. EPS (EUR)						-0.01	0.29	-0.01	0.03	0.03	0.06	0.01	0.01	0.01	n.a.	-40.9%
Ord. EPS growth						n.a.	n.a.	n.a.	n.a.	8.9%	n.a.	-83.9%	-0.5%	29.2%		
CAPEX						(7.5)	(5.5)	(5.2)	(3.8)	(9.4)	(5.1)	(5.0)	(5.1)	(5.3)		
CAPEX/Sales %						1.3%	0.8%	0.7%	0.5%	1.1%	0.5%	0.6%	0.5%	0.5%		
Free Cash Flow						28.2	93.3	31.6	23.0	(8.2)	10.2	16.5	19.7	27.4	n.a.	39.2%
ND/EBITDA (x) ⁽²⁾						11.9x	1.5x	2.1x	2.8x	43.7x	n.a.	2.1x	1.3x	0.7x		
P/E (x)						n.a.	n.a.	4.7x	41.0x	n.a.	n.a.	19.0x	19.1x	14.8x		
EV/Sales (x)						1.17x	0.86x	0.80x	0.64x	0.63x	0.54x	0.55x	0.50x	0.47x		
EV/EBITDA (x) ⁽²⁾						16.2x	6.4x	10.2x	15.1x	n.a.	n.a.	10.1x	8.3x	6.8x		
Absolute performance	-20.2%	-38.7%	0.0%	-23.9%	-66.9%											
Relative performance vs Ibex 35	-23.0%	-33.9%	2.1%	-29.2%	-61.1%	-58.8%	1050.9%	6.2%	-18.9%	-16.3%	-28.2%	-28.9%				

Note 1: The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices.
 The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Refinitiv.

Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Appendix 5. Main peers 2025e

		Olive oil		European food multinationals					International FMCG						
		Cobram	Nestle	Danone	Orkla	Barry Callebaut	Ebro Food	Average	Conagra Brands	Kewpie Corporation	Agthia Group	Hain Celestial	Average	OLE	
Market data	EUR Mn	CBO.AX	NESN.S	DANO.PA	ORK.OL	BARN.S	EBRO.MC		CAG	2809.T	AGTHIA.AD	HAIO.O		OLEO.MC	
	Ticker (Factset)	Australia	Switzerland	France	Norway	Switzerland	Spain		USA	Japan	UAE	USA		Spain	
	Country	935.4	207,134.1	49,383.7	8,858.4	6,911.6	2,754.6		7,761.2	3,321.7	774.7	110.8		89.5	
	Market cap	1,089.5	271,986.8	57,736.8	10,822.8	13,484.3	3,071.7		14,266.2	3,073.6	1,211.6	668.9		478.4	
Basic financial information	Enterprise value (EV)														
	Total Revenues	136.4	96,420.6	27,383.7	6,132.6	15,851.7	3,113.0		9,659.6	2,893.0	1,163.4	1,338.3		872.8	
	Total Revenues growth	6.1%	-1.8%	0.0%	0.7%	41.9%	-0.9%	8.0%	-3.1%	5.8%	1.3%	-10.2%	-1.5%	-13.3%	
	2y CAGR (2025e - 2027e)	28.9%	2.7%	3.3%	3.1%	-3.1%	2.0%	1.6%	0.3%	4.3%	6.2%	-1.4%	2.3%	8.3%	
	EBITDA	13.2	19,217.0	4,765.0	873.9	1,018.0	424.0		1,512.6	298.5	135.2	91.1		47.4	
	EBITDA growth	8.2%	-6.9%	2.0%	-5.7%	5.3%	2.0%	-0.7%	-14.0%	1.5%	-13.1%	-28.7%	-13.6%	303.4%	
	2y CAGR (2025e - 2027e)	n.a.	4.9%	5.0%	4.3%	8.7%	3.2%	5.2%	3.6%	9.0%	17.9%	8.4%	9.7%	21.9%	
	EBITDA/Revenues	9.7%	19.9%	17.4%	14.3%	6.4%	13.6%	14.3%	15.7%	10.3%	11.6%	6.8%	11.1%	5.4%	
	EBIT	(0.8)	15,287.7	3,642.1	648.0	719.3	315.8		1,106.8	n.a.	83.7	53.1		37.3	
	EBIT growth	1.4%	-8.9%	0.3%	-5.6%	2.5%	3.6%	-1.6%	-22.2%	-100.0%	-19.1%	-40.6%	-45.5%	211.4%	
	2y CAGR (2025e - 2027e)	n.a.	5.1%	6.1%	5.2%	11.4%	4.0%	6.3%	5.9%	n.a.	22.6%	8.6%	12.4%	27.4%	
	EBIT/Revenues	n.a.	15.9%	13.3%	10.6%	4.5%	10.1%	10.9%	11.5%	n.a.	7.2%	4.0%	7.5%	4.3%	
	Net Profit	28.0	11,938.1	2,442.0	568.7	208.1	205.6		734.5	169.1	47.3	(453.9)		4.7	
	Net Profit growth	167.8%	11.9%	18.0%	3.1%	1.3%	-10.1%	4.8%	-25.7%	22.7%	-37.1%	-630.1%	-167.6%	116.7%	
	2y CAGR (2025e - 2027e)	7.8%	6.4%	6.9%	3.9%	52.4%	5.3%	15.0%	6.3%	-2.7%	32.1%	42.7%	19.6%	13.4%	
	CAPEX/Sales %	33.7%	5.6%	3.8%	3.2%	2.8%	4.4%	4.0%	4.0%	3.7%	4.2%	1.6%	3.4%	0.6%	
Multiples and Ratios	Free Cash Flow	(10.7)	9,662.5	2,530.7	710.5	(1,356.9)	181.0		731.0	203.6	21.0	(437.6)		16.5	
	Net financial debt	154.2	59,337.7	8,083.4	1,329.3	5,757.1	543.4		6,273.6	(335.6)	329.6	558.1		97.8	
	ND/EBITDA (x)	11.6	3.1	1.7	1.5	5.7	1.3	2.6	4.1	n.a.	2.4	6.1	4.2	2.1	
	Pay-out	n.a.	72.0%	59.3%	69.6%	79.3%	59.8%	68.0%	78.2%	29.7%	79.3%	n.a.	62.4%	0.0%	
	P/E (x)	30.6	17.3	19.0	16.0	33.9	13.3	19.9	10.8	19.2	16.1	n.a.	15.3	19.0	
	P/BV (x)	4.0	5.0	2.4	2.2	2.2	1.1	2.6	1.0	1.8	1.1	0.3	1.1	0.4	
	EV/Revenues (x)	8.0	2.8	2.1	1.8	0.9	1.0	1.7	1.5	1.1	1.0	0.5	1.0	0.5	
	EV/EBITDA (x)	n.a.	14.2	12.1	12.4	13.2	7.2	11.8	9.4	10.3	9.0	7.3	9.0	10.1	
	EV/EBIT (x)	n.a.	17.8	15.9	16.7	18.7	9.7	15.8	12.9	n.a.	14.5	12.6	13.3	12.8	
	ROE	14.4	29.4	13.0	16.0	6.5	8.6	14.7	9.3	9.5	7.1	n.a.	8.6	2.2	
	FCF Yield (%)	n.a.	4.7	5.1	8.0	n.a.	6.6	6.1	9.4	6.1	2.7	n.a.	6.1	3.5	
	DPS	n.a.	3.31	2.25	0.40	30.11	0.80	7.37	1.20	0.36	0.05	n.a.	0.54	0.00	
	Dvd Yield	0.0%	4.1%	3.1%	4.5%	2.4%	4.5%	3.7%	7.4%	1.5%	4.9%	0.0%	3.5%	0.0%	

The universe of comparables includes Cobram Estate as a pure play in olive oil. European multinational food companies (Danone, Nestlé, Orkla, Barry Callebaut) are included as a benchmark for diversified mass consumption in Europe, and a group of international FMCG (Fast Moving Consumer Goods) companies (Conagra, Kewpie, Agthia, Hain Celestial) are included to reflect a business model characterized by recurring demand and brand strength. Finally, Ebro Foods is included as a regional comparable (Spain) in basic food products with a strong brand presence.

Note 1: Financial data, multiples and ratios based on market consensus (Refinitiv). In the case of the company analyzed, own estimates (Lighthouse).

Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

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Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
08-Oct-2025	n.a.	0.179	n.a.	n.a.	Initiation of Coverage	Pablo Victoria Rivera, CESGA

