

Q1 2022 RESULTS *

Milan, 12 MAY 2022



(*) Three months ended 31 March 2022.



Agenda



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The Manager in charge of preparing the corporate accounting documents of Orsero S.p.A., Mr. Giacomo Ricca certifies, pursuant to art. 154-bis, paragraph 2, of Legislative Decree 58/98 that the accounting information contained in this press release corresponds to the documentary results, books and accounting records.

Minor discrepancies in calculating percentage changes and totals in tables of this press presentation are due to rounding.

KEY FINANCIALS

Q1 2022*

(*) Three months ended 31 March 2022.





Q1 2022 RESULTS – A STRONG START DESPITE UNPREDICTABLE MARKET CONDITIONS

CORPORATE

- **Economic and Financial Response**
 - International crisis and challenging global environment further overheated the already existing inflationary pressure and supply chain disruption. The Group is keeping up with these drawbacks leveraging on its business model (multiple sourcing/ products range/ geographical scope coupled with vertical integration in banana and pineapple logistic activity)
 - One of the most significant challenge is facing the increase of energy costs, in Q1 2022 vs Q1 2021 the Distribution BU reported an increase of 1,5M€ related to utilities expenses of its logistic platforms
 - Capex in line with planned investments
 - minor recurring investments on distribution platforms in Europe
 - main topics are the renovation of the Rungis warehouse (FR) and the enlargement and refitting of the Alverca site (PT)
 - Excellent operating cash conversion with a limited seasonal working capital absorption
 - As from 1/1/2022 it is implemented the extension up to the year 2029 of the life in use of the 4 reefer ships owned by Orsero,
 - This change implies a reduction of yearly depreciation to the tune of 3,6 M€ compared to FY2021
- **Post Q1 2022 closing**
 - Divided of 0,3 €/share paid as of 11 May 2022 to Orsero shareholders, total outlay of 5,2 M€

BUSINESS

- **Market context**
 - Fruit and vegetables market is experiencing a huge increase of selling prices while volumes are slightly declining
 - Fresh produce remain a food staple for consumers but costs are slightly impacting the overall consumption even if the magnitude of the effect is limited so far
- **Distribution BU**
 - Strong sales : above Q1 2021 (+7,7%)
 - Good momentum across all countries except Mexico (lower avocado volumes available for export to EU due to high prices in the orchards) and France (lower avocado and bananas sales)
 - Prices are generally improving to keep up with costs inflation while volumes are declining in some product families (avocado, citrus and stone fruit)
 - *Platano*, pineapple , kiwi and banana are posting positive sales growth although avocado, citrus and stone fruits are underperforming LY due to campaign conditions
 - Adjusted EBITDA margin of 3,3% vs 4,3% LY on the back of: lower margin of avocado as compared to an outstanding and extraordinary Q1 2021 due to adverse market in EU, bananas prices unable to fully recover the increase of cost of goods (due to higher fruit and shipping costs and weaker EUR/USD cross rate) coupled with energy costs increased by 1,5 M€ Vs LY
- **Shipping BU**
 - Very strong performance of CAM Line that improves on higher freight rates on reefer activity
 - Extremely positive contribution of dry containers carried on the way back from EU to Central-South America
 - Adjusted EBITDA margin of 38% vs 23,8% in Q1 2021



Executive summary – consolidated figures

M€	Q1 2022	Q1 2021	Total Change	
			Amount	%
Net Sales	264,0	240,3	23,7	9,9%
Adjusted EBITDA	17,7	13,8	3,9	28,1%
Adjusted EBITDA Margin	6,7%	5,7%	+95 Bps.	
Adjusted EBIT	10,6	7,3	3,4	46,2%
Adjusted Net Profit	8,9	5,1	3,9	76,2%
Non-recurring items and Top Management Incentives (*)	(0,6)	(0,3)	ns	
Net Profit	8,4	4,8	3,6	74,3%
Adjusted EBITDA excl. IFRS 16(**)	14,5	11,9	2,6	22,2%

M€	31.03.2022	31.12.2021
Net Invested Capital	261,1	260,2
Total Equity	187,3	175,9
Net Financial Position	73,8	84,3
NFP/ Total Equity	0,39	0,48
NFP/Adj. EBITDA (**)	1,30	1,59
Net Financial Position excl. IFRS 16(**)	36,7	45,3
NFP/ Total Equity excl. IFRS16	0,20	0,26
NFP/Adj. EBITDA excl. IFRS16	0,77	1,00

(*) Net of tax.

(**) Data excluding the effect of IFRS 16, consisting chiefly of incremental Adjusted Ebitda of abt. 3,2 M€ in Q1 2022 and abt. 1,9 M€ in Q1 2021 and incremental NFP of 37,1 M€ at the end of Q1 2022 and 39,1 M€ at the end of 2021.

(***) The charter contract was signed in Q4 2021 but the reefer vessel is deployed from Jan. 2022 through the end of 2023. Previous charter agreement were 1 year long and were not accounted under the provision of IFRS 16

• Net sales Q1 2022 comes in at 264 M€, up +9,9% vs LY

- Distribution BU sales are up by 7,7% on soaring selling prices despite some headwind in volumes (mainly due to avocado, citrus and stone fruit)
- Shipping BU sales are up by 26,2% as higher rates related to market framework and bunker prices impacting through BAF clause

• Adjusted EBITDA is 17,7 M€, up +28,1% or +3,9 M€ vs LY, with a margin of 6,7%, (up by +95 bps. Vs LY)

- All in all, an outcome slightly better than expected for both the BUs
- Positive performance of Shipping BU with Distribution BU curbed by some specific sales campaigns and energy costs

• Adjusted EBIT increases by 3,4 M€ to 10,6 M€, +46,2%, as a consequence of better operating performances and lower depreciation of Shipping BU due to the new lifetime plan of the vessels

• Adjusted Net profit is 8,9 M€, up 3,9 M€ or +76,2% vs 5,1 M€ of LY

- Net profit reported is 8,4 M€, up 3,6 M€ vs LY

• Total Equity is equal to 187,3 M€ thanks to net profit and positive MTM reserves effect (oil and currencies)

• Net Financial Position Excl. IFRS 16(**) is 36,7 M€ (Net Debt)

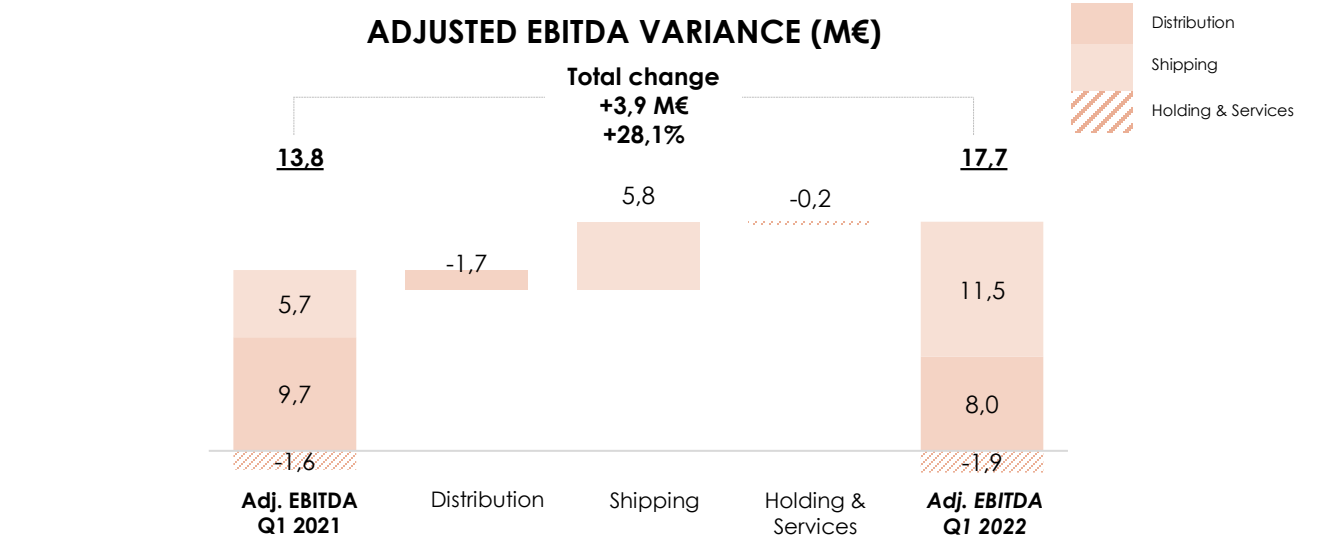
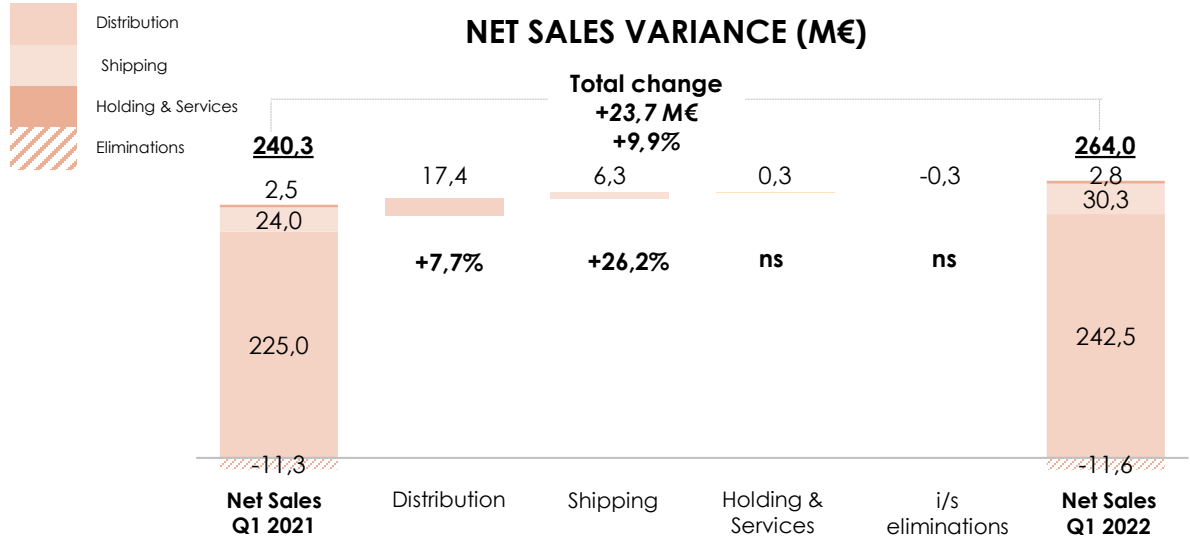
- improvement vs Dec. 2021 of 8,6 M€ due to remarkable operating cash flow generation

• Net Financial Position, stands at 73,8 M€

- Including 37,1 M€ IFRS 16 liabilities, of which 8,7 M€ related to a 2-year charter of the 5th reefer vessel (***)



Net Sales and Adj. Ebitda



Net sales Q1 2022 improves by 23,7 M€ or +9,9%:

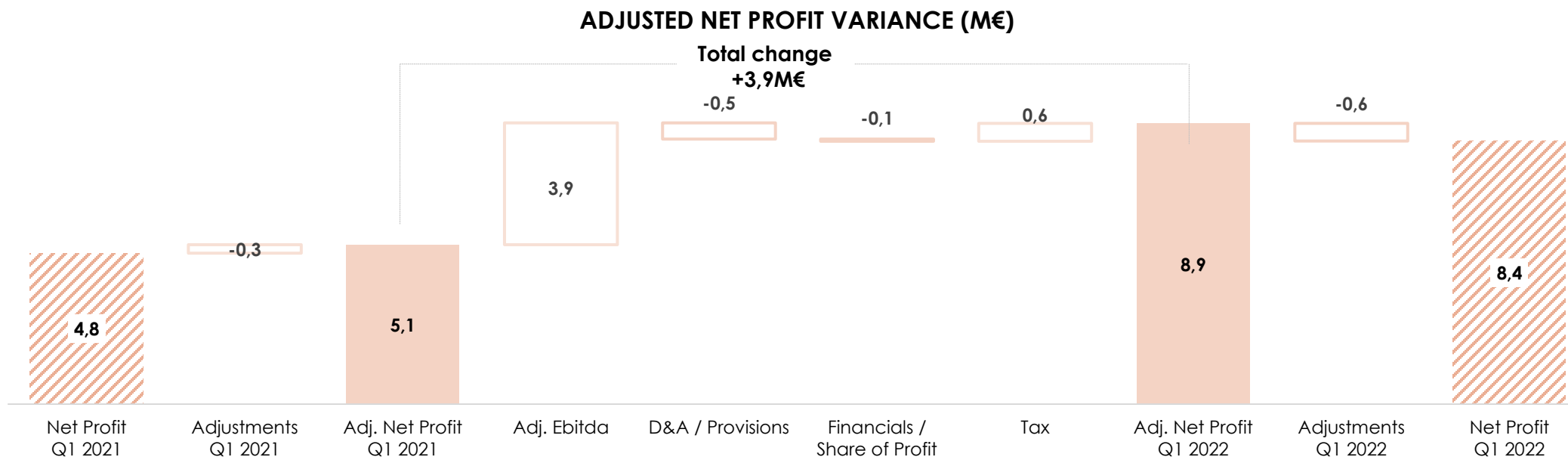
- **Distribution** is up by 17,4 M€, or +7,7% :
 - ▶ Good momentum across all countries except Mexico (lower avocado volumes available for export) and France (lower avocado prices and bananas volumes)
- **Shipping** improves by 6,3 M€, or +26,2% , thanks to
 - ▶ better freight rates of CAM Line (also connected to higher bunker costs)
 - ▶ improved volumes and rates of dry-containers transportation
 - ▶ weaker EUR vs. USD (positive currency translation)
- **Holding & Services** and Inter-segment eliminations are substantially unchanged

Q1 2022 Adjusted EBITDA is up by 17,7 M€ or +28,1 % vs LY, margin is 6,7% vs 5,7 % LY :

- **Distribution** declines by 1,7 M€ vs LY
 - ▶ Country: Spain and Greece are substantially unchanged while France, Italy and Portugal have underperformed the extraordinary Q1 2021. Mexico is overperforming LY due to better prices in production.
 - ▶ Products: good performance of kiwi and pineapples offset by lower margin of avocado (as compared to an outstanding Q1 2021) and banana (due to selling prices unable to fully recover higher fruit and transportation costs)
 - ▶ Operations: energy costs increases by 1,5 M€ vs Q1 2021
- **Shipping** doubles up its results, improving by 5,8 M€:
 - ▶ Outstanding returns of transportation service in a favourable market framework
 - ▶ An increase of 1,3 M€ is related to the recognition under IFRS16 of the charter contract for the 5th ship
- **Holding & Services** is down by 0,2 M€ due to higher personnel and marketing costs

Adjusted EBITDA excl. IFRS16 is 14,5 M€ vs 11,9 M€, or 5,5% of sales vs 4,9% LY

Consolidated NET PROFIT



- **Adjusted Net Profit Q1 2022** rises to **8,9 M€**, up 3,9 M€, excluding the adjustments and their tax effect:
 - higher operating margin, only partially offset by increasing D&A/provisions, while total financial items are flat (mainly related to higher share of profit from minorities partially balanced by exchange rate losses) and lower tax (tonnage tax on shipping result was applied only to FY2021 results)
- Total adjustments Q1 2022 equal to a loss of -0,6 M€, net of estimated tax, comprising:
 - 33 K€ of Covid-19 expenses, 188 K€ of provision for employees profit sharing in Mexico, 217 K€ of accrued top management LTI incentives^(*) and 121 K€ of others (labour litigation)
- Net Profit is 8,4 M€ versus 4,8 M€ LY

(*) Recognition, under the provision of IFRS2, of LTI matured in 2020 and 2021.

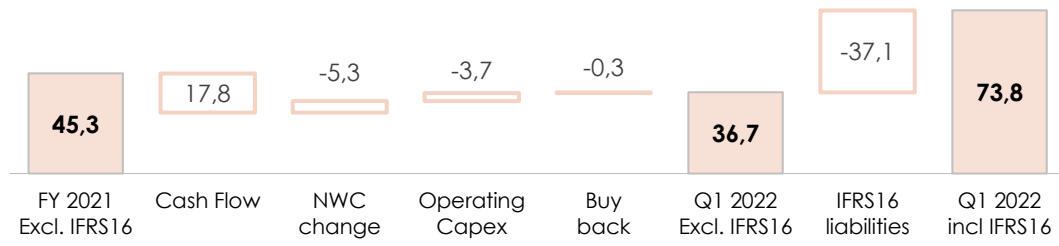


Consolidated NET EQUITY and NFP

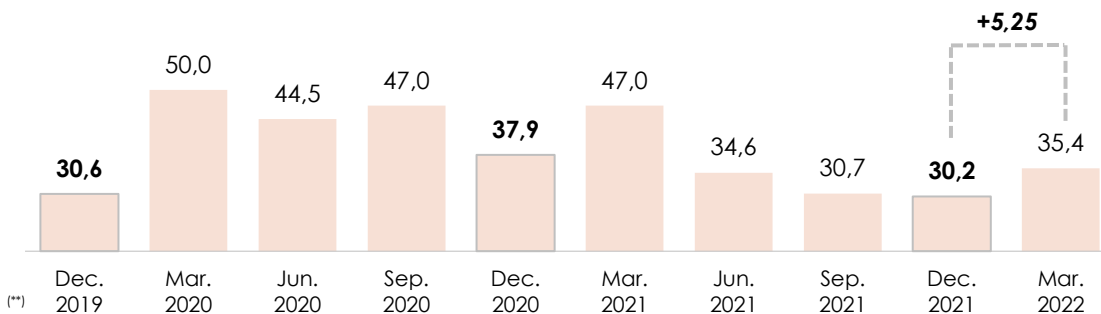
NET EQUITY VARIANCE (M€)



NFP EXCL. IFRS 16 VARIANCE - ILLUSTRATIVE (M€)



COMMERCIAL NWC - SEASONAL EVOLUTION (M€)



- **Total Shareholders' Equity improves to 187,3 M€ as a results of:**
 - ▶ Net profit of the period (8,4 M€)
 - ▶ Positive impact of MTM change of hedging instruments of 3,3 M€ (Oil derivatives and USD)
 - ▶ Buy back of 0,3 M€
- **NFP excl. IFRS stands at 45,3 M€ or 84,3 M€ with IFRS 16 liabilities:**
 - Positive cash flow generation of abt. 17,8 M€
 - Commercial net working capital absorption of 5,3 M€ due to revenues growth
 - **Operating Cash Capex (*) are 3,65 M€**, for investments in core activities:
 - ▶ 0,6 M€ renovation of the Rungis warehouse (FR)
 - ▶ 0,8 M€ enlargement and refitting of the Alverca site (PT)
 - ▶ 0,6 M€ software implementation in Italy, Spain and France
 - ▶ 0,4 M€ new operating and headquarter offices in Milan
 - ▶ 1,2 M€ several minor investments on the European distribution platforms
 - Buy Back of 0,3 M€
- **Liabilities related to IFRS 16 are equal to abt. 37,1 M€**
 - ▶ including 8,7 M€ relevant the 2-year charter of the 5th reefer ship (was 9,9 M€ at the end of 2021)

(*) Noncash capex excluded from variance analysis: incremental IFRS 16 right-of-use equal to 1 M€ .

(**) 2017 Pro forma data reflect all the effects of the acquisition carried on during the year 2017. Limited to this purpose, the acquired companies have been assumed fully controlled from Jan. 1, 2017.

OUTLOOK 2022





ACTUAL Q1 2022 TREND IN LINE WITH GUIDANCE FY 2022

M€	ACTUAL Q1 2022	GUIDANCE(*) FY 2022	ACTUAL FY 2021
Net Sales	264	1.100/1.130	1.070
% chg. vs LY	+9,9%	+2,8%/5,6%	
Adj. EBITDA	17,7	65/68	52,9
% chg. vs LY	+28,1%	+22,8%/28,5%	
Net Profit	8,4	30/32	18,5
% chg. vs LY	+74,3%	+62%/73%	
Capex(**)	3,7	12/13	13,5
NFP	73,8	63/68	84,3
M€ chg. vs LY	-10,5	-21/-16	
Data excluding IFRS16:			
Adj. EBITDA excl. IFRS16	14,5	52/55 M€	45,3
NFP excl. IFRS16	36,7	28/33 M€	45,3

- **Actual Q1 Results are perfectly in line with growth trend of Guidance 2022;**
- NFP as per Guidance FY 2022 is calculated without possible treasury shares buy-back as per recent Shareholders' meeting resolution (maximum amount 4 M€) but already includes the dividend of 0,3 €/share (5,2 M€) on 2021 results paid in May 2022.

(*) Guidance released on Feb.1, 2022 and prepared on a like-for-like basis on PY scope of consolidation (i.e. excluding possible M&A).

(**) Excluding the increase in fixed assets due to the application of IFRS 16.

APPENDIX





Condensed company structure



SHIPPING

- COSIARMA**
-ITALY-
- ORSERO CR**
-COSTA RICA-



DISTRIBUTION

- | | |
|---|--|
| FRUTTITAL
-ITALY- | H.NOS FERNÁNDEZ LÓPEZ
-SPAIN- |
| FRUTTITAL FIRENZE
-ITALY- | AZ FRANCE
-FRANCE- |
| GALANDI
-ITALY- | FRUTTICA
-FRANCE- |
| AGRICOLA AZZURRA(*)
-ITALY 50%- | EUROFRUTAS
-PORTUGAL- |
| SIMBA
-ITALY- | BELLA FRUTTA
-GREECE- |
| SIMBACOL
-COLOMBIA- | COMM. DE FRUTA ACAPULCO
-MEXICO- |
| | BONAORO(*)
-SPAIN 50%- |



HOLDING & SERVICES

- ORSERO SPA**
-ITALY-
- FRESCO FORW.AGENCY**
-ITALY-
- ORSERO SERVIZI**
-ITALY-
- FRUPORT(*)**
-SPAIN 49%-

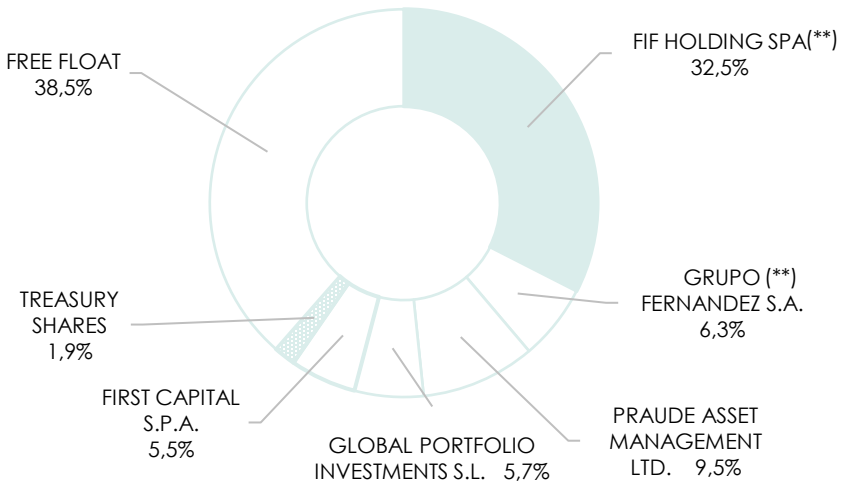
Please note: Moncada Frutta has been merged into Fruttital effective from Jan 2022.

(*) Equity Method



Governance & Shareholders' structure

Shareholders(*) (% on share capital)



Governance



PAOLO PRUDENZIATI
Chairman



RAFFAELLA ORSERO
Deputy Chair and CEO



MATTEO COLOMBINI
CFO & Co-CEO

Analyst coverage

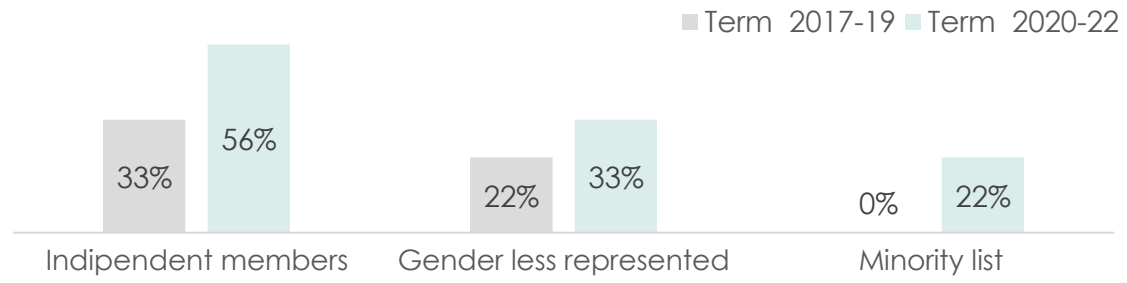
BANCA AKROS	Andrea Bonfà
CFO SIM	Luca Arena
INTESA SANPAOLO – IMI CIB	Gabriele Berti
EXANE BNP PARIBAS	Dario Michi

Advisors

SPECIALIST	INTESA SANPAOLO - IMI
AUDITING COMPANY	KPMG

The **Board of Directors** (term 2020-2022) consists of 9 members, within the BoD are constituted 3 committees of independent or nonexecutive directors:

- Remuneration and Nominations committee
- Control and Risks committee
- Related parties committee



(*) Last update Apr., 2022. Total shares 17.682.500. Treasury shares 327,514.
 (**) FIF Holding SPA and Grupo Fernández S.A. are bounded by a shareholder agreement.



Consolidated Income Statement

Amounts in €/000	Q1 2022	%	Q1 2021	%	FY 2021	%	FY 2020	%	FY 2019	%
Net sales	264.007	100,0%	240.274	100,0%	1.069.776	100,0%	1.041.535	100,0%	1.005.718	100,0%
Cost of sales	(236.087)	-89,4%	(216.550)	-90,1%	(975.562)	-91,2%	(953.725)	-91,6%	(927.927)	-92,3%
Gross profit	27.921	10,6%	23.724	9,9%	94.214	8,8%	87.810	8,4%	77.792	7,7%
General and administrative expense	(18.197)	-6,9%	(16.742)	-7,0%	(71.071)	-6,6%	(67.650)	-6,5%	(67.693)	-6,7%
Other operating income/expense	149	0,1%	(76)	0,0%	(19)	0,0%	(1.397)	-0,1%	(1.720)	-0,2%
Operating Result (Ebit)	9.873	3,7%	6.906	2,9%	23.125	2,2%	18.763	1,8%	8.378	0,8%
Financial income	53	0,0%	35	0,0%	352	0,0%	252	0,0%	265	0,0%
Financial expense and exchange rate diff.	(1.129)	-0,4%	(781)	-0,3%	(3.665)	-0,3%	(3.943)	-0,4%	(4.888)	-0,5%
Other investment income/expense	1	0,0%	2	0,0%	4	0,0%	813	0,1%	959	0,1%
Share of profit/loss of associates and joint ventures accounted for using equity method	422	0,2%	159	0,1%	1.019	0,1%	795	0,1%	751	0,1%
Profit before tax	9.220	3,5%	6.322	2,6%	20.835	1,9%	16.679	1,6%	5.465	0,5%
Income tax expense	(852)	-0,3%	(1.520)	-0,6%	(2.327)	-0,2%	(4.411)	-0,4%	(3.201)	-0,3%
Net profit	8.368	3,2%	4.802	2,0%	18.508	1,7%	12.269	1,2%	2.264	0,2%

Adjusted EBITDA – EBIT Bridge :

ADJUSTED EBITDA	17.673	6,7%	13.794	5,7%	52.929	4,9%	48.404	4,6%	38.706	3,8%
D&A – excl. IFRS16	(3.506)	-1,3%	(4.383)	-1,8%	(18.011)	-1,7%	(16.996)	-1,6%	(14.969)	-1,5%
D&A – Right of Use IFRS16	(2.976)	-1,1%	(1.753)	-0,7%	(6.983)	-0,7%	(7.184)	-0,7%	(8.738)	-0,9%
Provisions	(561)	-0,2%	(388)	-0,2%	(2.408)	-0,2%	(1.809)	-0,2%	(2.046)	-0,2%
Top Management Incentives	(285) (*)	-0,1%	-	0,0%	(1.753)	-0,2%	(1.092)	-0,1%	-	0,0%
Non recurring Income	13	0,0%	3	0,0%	1.909	0,2%	35	0,0%	820	0,1%
Non recurring Expenses	(485)	-0,2%	(367)	-0,2%	(2.557)	-0,2%	(2.595)	-0,2%	(5.395)	-0,5%
Operating Result (Ebit)	9.873	3,7%	6.906	2,9%	23.125	2,2%	18.763	1,8%	8.378	0,8%

(*) Recognition of LTI matured in 2020 and 2021 and to be paid in 2023,2024 as per accounting principle IFRS 2.



Consolidated Statement of Financial Position

Amounts in €/000	31/03/2022	31/12/2021	31/12/2020
Goodwill	48.245	48.245	48.426
Intangible assets other than Goodwill	9.469	9.022	7.263
Property, plant and equipment	162.173	164.407	166.582
Investment accounted for using equity method	14.334	14.753	6.175
Non-current financial assets	6.398	6.243	5.359
Deferred tax assets	9.110	8.492	8.999
NON-CURRENT ASSETS	249.729	251.161	242.804
Inventories	49.348	43.333	35.331
Trade receivables	109.794	113.677	115.479
Current tax assets	13.821	11.254	12.256
Other receivables and other current assets	18.565	14.182	12.625
Cash and cash equivalents	58.186	55.043	40.489
CURRENT ASSETS	249.713	237.489	216.179
Non-current assets held for sale	0	0	0
TOTAL ASSETS	499.442	488.650	458.983

Amounts in €/000	31/03/2022	31/12/2021	31/12/2020
Share Capital	69.163	69.163	69.163
Other Reserves and Retained Earnings	109.109	87.733	78.237
Profit/loss attributable to Owners of Parent	7.899	18.290	12.217
Equity attributable to Owners of Parent	186.171	175.186	159.617
Non-controlling interests	1.091	668	494
TOTAL SHAREHOLDERS' EQUITY	187.262	175.854	160.111
Financial liabilities	94.829	98.248	103.347
Other non-current liabilities	944	1.057	1.240
Deferred tax liabilities	4.517	4.081	5.048
Provisions	5.027	5.326	4.386
Employees benefits liabilities	9.762	9.761	9.861
NON-CURRENT LIABILITIES	115.079	118.473	123.882
Financial liabilities	41.854	42.518	40.689
Trade payables	123,731	126.854	112.912
Current tax liabilities	6.189	4.142	3.703
Other current liabilities	25,327	20.811	17.686
CURRENT LIABILITIES	197.101	194.324	174.990
Liabilities directly associated with non-current assets held for sale	0	0	0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	499.442	488.650	458.983



DEFINITIONS & Symbols

- Y.o.y. = year on year,
- Abt. = about
- Adjusted ebitda = Earning Before Interests Tax, Depreciation and Amortization excluding non-recurring items and costs related to LT incentives
- AGM = Annual General Meeting
- Approx. = Approximately
- BAF = Bunker Adjustment Factor
- BC = Business Combination
- BoD = Board of Directors
- Bps. = basis points
- BU = Business Unit
- CAM Line = *Central-South America* | *South Europe* Shipping Route
- D&A = Depreciations and Amortizations
- EBIT = Earnings Before Interests Tax
- EBITDA = Earnings Before Interests Tax Depreciations and Amortizations
- Excl.= excluding
- F&V = Fruit & Vegetables
- FTE = Full Time Equivalent
- FY = Full Year | Fiscal Year (twelve months ended 31 December)
- ASM = Annual Shareholder's Meeting
- H1 = first half (six months ended 30 June)
- H2= second half (six months from 1 July to 31 December)
- HFL = Hermanos Fernández López S.A.
- I/co = Intercompany
- LFL = Like for like
- LTI = Long- Term Incentive/long term bonus
- LY= Last Year
- MBO = Management by Objectives/Short term bonus
- M&A = Merger and Acquisition
- MLT = Medium Long Term
- MTM = Mark to market
- NFP = Net Financial Position, if positive is meant debt
- NS = Not significant
- PBT = Profit Before tax
- Plt. = Pallet
- PY = previous year or prior year
- SPAC = Special Purpose Acquisition Company
- TTM = Trailing 12 months
- YTD = Year to date
- 9M = Nine months ending September 30.
- **M** = million
- **K** = thousands
- **€** = EURO
- **,** (**comma**) = **separator of decimal digits**
- **.** (**full stop**) = **separator of thousands**



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