

Tear Sheet:

Alicorp S.A.A.

May 20, 2025

This report does not constitute a rating action.

S&P Global Ratings expects Alicorp S.A.A.'s revenue to grow more than 10% in 2025 and around 5% in 2026. In our view, this will stem from its resilient and diversified product portfolio offering across categories and consumer segments, high brand equity, leading market positions in Peru, and strong market shares in other Latin American countries, among other factors. In addition, growth for the next two years will be driven by solid volumes in the company's food and nonfood categories, as well as a recovery in its aquafeed division, given higher shrimp and salmon demand in international markets, while we expect broadly flat pricing initiatives as the company protects its market share. The 2025 revenue growth also incorporates the acquisition of Palmas del Espino, closed on Sept. 3, 2024.

We now estimate that Alicorp's EBITDA margin will be near or above 14% in 2025 and 2026.

This is because of Alicorp's focus on a higher-margin product mix, operating efficiency implementation across all business divisions, cost controls, and divestiture of the crushing business last year, which has eliminated margin and cash-flow volatility in its financial results. Moreover, we expect broadly controlled input cost inflation levels for the next 12 months.

We continue to forecast Alicorp's adjusted leverage to be comfortably in the 2.0x-2.5x range by the end of 2025 and in 2026.

We maintain our expectation of favorable operating and financial performance through solid revenue growth and steady EBITDA margins, and the absence of sizable financing needs to fund working capital needs, capital investments, and shareholder dividends in the next 12-24 months. This will enable Alicorp to maintain S&P Global Ratings-adjusted debt to EBITDA in the 2.0x-2.5x range, absent any large mergers and acquisitions.

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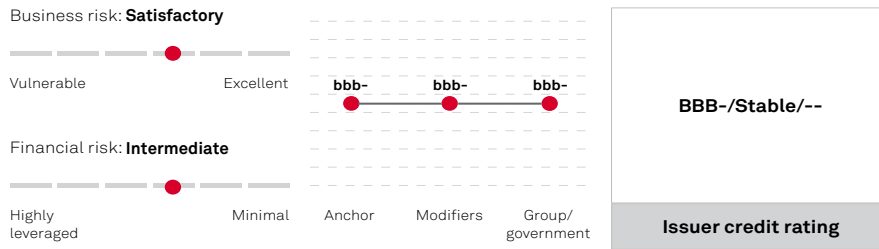
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Ratings Score Snapshot



Recent Research

- Alicorp's Refineria del Espino Acquisition Is In Line With Core Business Strategy; Financial Profile Remains Unchanged, Aug. 29, 2024
- Alicorp S.A.A. To Increase Focus On Core Businesses With Planned Crushing Division Divestiture, July 26, 2024
- Alicorp S.A.A. Assigned 'BBB-' Issuer Credit Rating; Outlook Stable, June 12, 2024

Company Description

Alicorp is the leading consumer branded products company in Peru and one of the largest in South America. It was founded in 1956 and is based in Peru. Alicorp produces, distributes, and commercializes branded consumer products under four business segments:

- Consumer goods: offering food, home, and personal care products;
- Aquafeed: offering shrimp and fish feed;
- Business-to-business: consisting primarily of industrial baking flour and food-based products for restaurants and industries; and
- Palmas del Espino: production, industrialization and marketing of palm oil and derivatives.

As of March 31, 2025, Grupo Romero (not rated) owns 78.6% of Alicorp, followed by Alicorp (treasury shares; 7.2%), pension funds (1.3%), international and local asset managers (2.0%), and other minority shareholders (10.9%). While Grupo Romero is not a legally constituted group, it is one of the largest economic groups in Peru, with over 120 years of operations in more than 20 countries worldwide.

Outlook

The stable outlook reflects our expectation that Alicorp will deliver solid operating and financial performance in the next two years through resilient basic consumption end-markets. We expect its EBITDA, in nominal terms, to grow near 19% by the end of 2025 from the previous year as we expect its margin to be around 14.5%. Moreover, we expect Alicorp to maintain a prudent financial policy in terms of investments and shareholder rewards. As a result, we expect the

company to keep its adjusted debt to EBITDA at 2x-3x in the next 12-24 months, alongside adequate liquidity.

Downside scenario

We could lower the rating in the next 12-24 months if the company adopts a more aggressive financial policy through either debt-financed acquisitions, dividend payments, or share repurchases, or it suffers an unexpected substantial drop in profitability, resulting in adjusted leverage sustained over 3.5x. Moreover, a deterioration of Alicorp's liquidity such that its sources of liquidity are less than 1.2x over its uses of liquidity over a 12-month timeframe, could also pressure the rating.

Upside scenario

Although unlikely in the next 12-24 months, we could raise the rating on Alicorp if it substantially expands its operational scale and further diversifies its geographic footprint while it maintains or improves its operating and financial metrics, resulting in adjusted leverage consistently below 2.0x. This would also require Alicorp to pass our rating above the sovereign stress test for Peru.

Key Metrics

Period ending	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026
(Mil. PEN)	2023a	2024a	2025e	2026f
Revenue	13,656	10,598	12,006	12,679
EBITDA	1,174	1,471	1,758	1,839
Funds from operations (FFO)	581	809	1,218	1,139
Interest expense	357	293	360	351
Cash flow from operations (CFO)	1,101	1,917	1,134	1,050
Capital expenditure (capex)	412	301	261	406
Free operating cash flow (FOCF)	690	1,616	873	644
Dividends	214	--	713	702
Discretionary cash flow (DCF)	476	643	160	(58.2)
Debt	3,784	3,451	3,896	4,024
Adjusted ratios				
Debt/EBITDA (x)	3.2	2.3	2.2	2.2
FFO/debt (%)	15.4	23.4	31.3	28.3
EBITDA interest coverage (x)	3.3	5.0	4.9	5.2
CFO/debt (%)	29.1	55.5	29.1	26.1
FOCF/debt (%)	18.2	46.8	22.4	16.0
DCF/debt (%)	12.6	18.6	4.1	(1.4)
Annual revenue growth (%)	(11.4)	(22.4)	13.3	5.6
EBITDA margin (%)	8.6	13.9	14.6	14.5

Financial Summary

Alicorp S.A.A.--Financial Summary

Period ending	Dec-31-2019	Dec-31-2020	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024
Reporting period	2019a	2020a	2021a	2022a	2023a	2024a
Display currency (mil.)	PEN	PEN	PEN	PEN	PEN	PEN
Revenues	9,872	10,132	12,228	15,406	13,656	10,598
EBITDA	1,344	1,214	1,333	1,619	1,174	1,471
Funds from operations (FFO)	811	647	739	1,042	581	809
Interest expense	282	271	290	283	357	293
Cash interest paid	283	296	332	353	446	447
Operating cash flow (OCF)	846	853	249	1,377	1,101	1,917
Capital expenditure	294	395	501	351	412	300
Free operating cash flow (FOCF)	552	458	(252)	1,026	690	1,616
Discretionary cash flow (DCF)	347	244	(967)	247	476	643
Cash and short-term investments	840	571	905	940	1,494	1,984
Gross available cash	840	571	905	940	1,494	1,984
Debt	3,350	3,366	4,287	4,381	3,784	3,451
Common equity	3,459	3,681	3,325	2,921	2,868	2,252
Adjusted ratios						
EBITDA margin (%)	13.6	12.0	10.9	10.5	8.6	13.9
Return on capital (%)	17.2	13.0	12.8	16.4	11.6	18.7
EBITDA interest coverage (x)	4.8	4.5	4.6	5.7	3.3	5.0
FFO cash interest coverage (x)	3.9	3.2	3.2	4.0	2.3	2.8
Debt/EBITDA (x)	2.5	2.8	3.2	2.7	3.2	2.3
FFO/debt (%)	24.2	19.2	17.2	23.8	15.4	23.4
OCF/debt (%)	25.3	25.3	5.8	31.4	29.1	55.5
FOCF/debt (%)	16.5	13.6	(5.9)	23.4	18.2	46.8
DCF/debt (%)	10.4	7.3	(22.6)	5.6	12.6	18.6

Peer Comparison

Alicorp S.A.A.--Peer Comparisons

	Alicorp S.A.A.	Grupo Bimbo S.A.B. de C.V.	Sigma Alimentos S.A. de C.V.	Conagra Brands Inc.	The Campbells Company
Foreign currency issuer credit rating	BBB-/Stable/--	BBB+/Negative/--	BBB/Stable/--	BBB-/Stable/A-3	BBB-/Stable/A-3
Local currency issuer credit rating	BBB-/Stable/--	BBB+/Negative/--	BBB/Stable/--	BBB-/Stable/A-3	BBB-/Stable/A-3
Period	Annual	Annual	Annual	Annual	Annual
Period ending	2024-12-31	2024-12-31	2024-12-31	2024-05-26	2024-07-28
Mil.	\$	\$	\$	\$	\$
Revenue	2,810	19,596	7,723	12,051	9,636

Alicorp S.A.A.--Peer Comparisons

EBITDA	390	2,676	918	2,566	1,788
Funds from operations (FFO)	214	1,964	489	1,758	1,296
Interest	78	596	187	459	272
Cash interest paid	118	402	173	465	240
Operating cash flow (OCF)	508	1,598	600	1,965	1,243
Capital expenditure	80	1,448	230	379	507
Free operating cash flow (FOCF)	428	150	370	1,585	736
Discretionary cash flow (DCF)	170	(266)	164	912	178
Cash and short-term investments	526	387	539	78	108
Gross available cash	526	387	539	78	108
Debt	915	8,586	1,818	8,699	7,578
Equity	597	6,128	1,043	8,511	3,796
EBITDA margin (%)	13.9	13.7	11.9	21.3	18.6
Return on capital (%)	18.7	12.2	26.7	5.8	12.0
EBITDA interest coverage (x)	5.0	4.5	4.9	5.6	6.6
FFO cash interest coverage (x)	2.8	5.9	3.8	4.8	6.4
Debt/EBITDA (x)	2.3	3.2	2.0	3.4	4.2
FFO/debt (%)	23.4	22.9	26.9	20.2	17.1
OCF/debt (%)	55.5	18.6	33.0	22.6	16.4
FOCF/debt (%)	46.8	1.7	20.4	18.2	9.7
DCF/debt (%)	18.6	(3.1)	9.0	10.5	2.4

Environmental, Social, And Governance

Environmental, social, and governance (ESG) factors have had no material influence on our credit rating analysis of Alicorp, similar to many operators in the global consumer (branded nondurables) industry. Given the nature of its operations, the use of basic consumer and food products could have environmental and social impacts related to the waste of packaging, expired products, items that are no longer useful, or spoiled food, but we do not believe that these could have a material impact on the company's credit profile in the medium term. In our view, Alicorp operates with strict supply chain management and internal standards that include ESG-evaluated suppliers, among others. We expect amounts earmarked for environmental investments and controls will be immaterial to Alicorp's credit metrics, at least in the next few years.

Rating Component Scores

Foreign currency issuer credit rating	BBB-/Stable/--
Local currency issuer credit rating	BBB-/Stable/--
Business risk	Satisfactory
Country risk	Moderately High
Industry risk	Low
Competitive position	Satisfactory
Financial risk	Intermediate
Cash flow/leverage	Intermediate
Anchor	bbb-
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	bbb-

Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology, April 4, 2024](#)
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024](#)
- [Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024](#)
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021](#)
- [General Criteria: Group Rating Methodology, July 1, 2019](#)
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019](#)
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014](#)
- [General Criteria: Methodology: Industry Risk, Nov. 19, 2013](#)
- [General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013](#)
- [General Criteria: Principles Of Credit Ratings, Feb. 16, 2011](#)

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