Press Release

GREENYARD

Greenyard announces its full year results

Sint-Katelijne-Waver, Belgium, June 5, 2018 – Greenyard (Euronext Brussels: GREEN) announces its full year results ending March 31, 2018

Key Financials – accounting year ending March 31, 2018

- Overall group net sales declined 1,7% YoY to € 4.175,9m.
  - Fresh sales decreased by 2,4% mainly due to loss of some of our volumes.
  - Long Fresh sales remained resilient with an internal growth of 0,1%, but experienced some FX headwinds mainly linked to GBP movements (-0,8%).
  - Horticulture sales were up 20,2% YoY, in particular driven by the Mykogen acquisition (17,8%) and a positive FX impact of 0,5%.
- Group REBITDA decreased by 3,8% to € 140,2m. The decrease of € 5,5m YoY is attributable to:
  - Fresh REBITDA dropping € 7,0m as margins were impacted by the loss of volumes.
  - Long Fresh continued to improve, even in difficult markets, with an amount of € 0,2m, mainly thanks to an improved product mix and increase in prices in Frozen, but largely offset by sales price increases in raw material that could not be charged to the customer under our annual contracts, and higher production costs in Prepared.
  - Horticulture's profitability enhanced by € 1,5m thanks to a positive M&A impact, which was somewhat offset by the postponement of the expected spring sales season in March due to the bad weather in Belgium.
- Net result amounted to € 3,4m, up from € 0,7m last year, resulting in an EPS of € 0,07 versus € 0,02 last year, but impacted by non-recurring items amounting to € 31,9m, primarily linked to the efforts made to acquire Dole and to the reorganisation of our footprint in Fresh to position ourselves closer to our customers and increase our operational efficiency.
- Net financial debt (NFD) increased by € 94,9m YoY to € 419,1m, resulting in a leverage of 2,8x, up from 2,2x last year and 2,4x in September 2017. The increase in net financial debt was primarily the result of the financing of the Mykogen transaction in November 2017.
- Greenyard's Board proposes to keep the dividend stable at € 0,20/share.

CEO Hein Deprez looks back on 2017/2018:

'The past year, Greenyard navigated through turbulent waters. Results were below expectations due to pricing pressure in our main markets and a number of one-offs. We lost volumes in some of our core Fresh markets, which was the main driver for the decrease in group sales and REBITDA.

We remain committed to steer our organisation closer to our customers to jointly create a strategic view on fruit and vegetables in our mutual interest. By keeping our focus on creating added value in partnership with and for our growers, our retailers and our consumers, we are confident that we *can make the difference in strengthening our position as a global leader in fruit and vegetables in all its forms.*

We therefore further strengthened our management teams at the business segment level, closer to our operations and our customers, making Greenyard more agile and faster in its decision-making. This facilitates the acceleration of the reorganisation of our footprint and organisational design, laying the foundation for the next level in the execution of our strategy.

These ongoing strategic customer intimacy initiatives are bearing fruit, as evidenced by the agreement with Carrefour that we concluded in April for our First in Fresh services to the Carrefour franchises.'

Figure 1 – Key financials

(in € million)	AY 16/17	AY 17/18	YoY
Sales	4.249,2	4.175,9	-1,7%
REBITDA	145,7	140,2	-3,8%
REBITDA margin %	3,4%	3,4%	
Net result	0,7	3,4	385,7%
Earnings per share	0,02	0,07	334,0%
NFD	324,2	419,1	29,3%
NFD/ Adjusted REBITDA	2,2	2,8	

Segment Review

1. **Fresh**

Figure 2 – Sales & REBITDA evolution

(in € million)	AY 16/17	AY 17/18	YoY
Sales	3.425,8	3.342,9	-2,4%
REBITDA	79,2	72,2	-8,9%
REBITDA margin	2,3%	2,2%	

Bearing in mind an FX impact of -0,2% and divestitures impact of -0,3%, sales declined internally by 1,9%, mainly due to lower volumes in the German and – to a lesser extent – the Belgian market. Continued growth in the US and France, as well as the Netherlands, nor ongoing product mix improvements could yet offset the decline. On the other hand, our Bakker division in the Netherlands, the strongest example of our customer intimacy strategy, is showcasing stable and consistent growth in sales and REBITDA.

Lost volumes also impacted REBITDA, which dropped by 8,9%, translating into a margin of 2,2%, versus 2,3% last year.

2. Long Fresh

Figure 3 – Sales & REBITDA evolution

(in € million)	AY 16/17	AY 17/18	YoY
Sales	748,3	742,8	-0,7%
REBITDA	56,5	56,7	0,3%
REBITDA margin	7,6%	7,6%	

Our Long Fresh business segment performed steadily with an internal growth of 0,1% YoY, but experienced some headwinds due to a negative FX impact of -0,8%, mainly related to the weakening of the GBP, resulting in sales of € 742,8m for the year. Growth was primarily supported by our Frozen operations.

We were able to keep our REBITDA stable at € 56,7m, up from € 56,5m (+0,3%), resulting in a 8bps margin improvement, thanks to product/customer mix improvements and price increases in our Frozen operations. REBITDA was still affected by the irregular supply of raw materials (due to adverse weather conditions) and subsequent lower processing volumes in Frozen, as well as price increases in raw material that could not be charged to the customer under our annual contracts, and higher production costs in Prepared.

Our Greenyard Frozen France (Moréac) operations are performing according to plan.

3. Horticulture

Figure 4 – Sales & REBITDA evolution

(in € miljoen)	AY 16/17	AY 17/18	YoY
Omzet	75,1	90,3	20,2%
REBITDA	9,9	11,4	14,6%
REBITDA marge	13,2%	12,6%	

Topline in Horticulture experienced a strong growth to € 90,3m vs € 75,1m last year (+20,2%) with Mycoculture immediately contributing to the business segment's top line. Horticulture (excluding the impact of the Mykogen acquisition, which represents 17,8%) was characterised by a stable 1,8% internal growth, despite adverse weather conditions (early spring in AY16/17 and late spring in AY17/18). As guided, adverse weather conditions in March 2018 postponed our traditional Horticulture spring sales season.

REBITDA increased by 14,6% to € 11,4m vs. € 9,9m last year. REBITDA margin dropped by 0,6% due to difficult harvest conditions in summer AY17/18 which resulted in higher cost prices. The integration of the Mycoculture activities after the closing in December 2017 is on track.

Non-recurring items

Figure 5 – Non-recurring items from operating activities

(in € million)	AY 16/17	AY 17/18	YoY
Restructurings & write-offs	-5,8	-22,0	-16,2
Mergers & acquisition costs	-0,9	-9,4	-8,5
Claims	0,0	-1,4	-1,4
Sale of assets & subsidiaries	0,0	1,6	1,6
Other	-1,6	-0,7	0,9
Total Non-recurring items above operating result	**-8,2**	**-31,9**	**-23,7**

Non-recurring items amounted to € 31,9m vs. € 8,2m last year. Restructurings and write-offs of € 22,0m primarily include costs made for the reorganisation of our geographical footprint and organisational design, in particular in Germany.

The main constituents of the merger and acquisition costs relate to the efforts made to acquire Dole at the end of last year, as well as costs made in respect of the Mykogen transaction.

Finance result

Figure 6 – Finance result

(in € million)	AY 16/17	AY 17/18	YoY
Net interest expenses	-47,9	-24,9	23,0
- interest expense	*-49,7*	*-25,5*	24,2
- interest income	*1,8*	*0,6*	-1,2
Amortisations (CB, RCF, …)	*-0,4*	-3,7	-3,3
MTM & Exchange gains /(losses)	-18,2	-0,6	17,6
- FV adjustments CB	*-13,6*	0,0	13,6
- Other	*-4,6*	*-0,6*	4,0
Bank & Other finance expenses	-6,0	-5,7	0,3
Finance result	**-72,6**	**-34,9**	**37,7**

Net financial costs came down by € 37,7m YoY to -€ 34,9m. Net interest expenses dropped by € 23,0m. Excluding interest income and last year's one-off impact of the early redemption of the high yield notes, the underlying interest cost savings amounted to € 11,5m, continuing to display the savings related to Greenyard's refinancing in December 2016.

The increase in amortisations is driven by the amortisation of the conversion option of the convertible bond for an amount of € 2,1m.

Income taxes and net result

Figure 7 – Income taxes and net result

(in € million)	AY 16/17	AY 17/18	YoY
Profit before taxes	0,8	5,6	4,8
Income tax expense / (income)	-0,1	-2,1	-2,1
Net result	**0,7**	**3,4**	**2,7**
Net result - part of the Group	**0,9**	**2,9**	

The corporate tax expense of € 2,1m results in a tax rate of 38,5%, in line with Greenyard's continuing efforts to structurally improve its tax rate and reach a lower effective tax rate over the coming years.

Net result shows an increase YoY to € 3,4m vs. € 0,7m last year, thanks to lower financial charges, bearing in mind an amount of € 31,9m of non-recurring items.

Financial position

Cash flow

Figure 8 – Cash flow statement

(in € million)	AY 16/17	AY 17/18	YoY
EBIT	73,4	40,5	-32,9
Adjustments	54,4	76,2	21,8
Increase (-)/decrease in working capital	74,6	11,2	-63,4
Taxes paid	-10,2	-12,7	-2,5
Cash flow from operating activities	**192,2**	**115,1**	**-77,1**
Acquisitions (incl. subs. & associates)	-49,9	-135,3	-85,4
Disposals (incl. subs. & associates)	6,9	4,2	-2,7
Cash flow from investing activities	**-43,0**	**-131,1**	**-88,1**
Use / Repayments (-) on borrowings	-85,9	10,6	96,6
Interest & finance income / expenses (-)	-64,1	-27,2	37,0
Dividends paid	-8,9	-8,5	0,4
Share buyback program	-16,4	-13,6	2,8
Cash flow from financing activities	**-175,4**	**-38,7**	**136,7**
NET CHANGE IN CASH	**-26,2**	**-54,6**	**-28,4**
FX effect	1,0	-0,7	-1,7

Cash flow from operating activities dropped significantly due to higher non-recurring items which were largely cash-out, and an lower improvement in working capital. Our taxes paid show our effort to return to a structural effective tax rate in the low thirties over the next couple of years.

Cash flow from investing activities is up € 88,1m YoY due to additional investments made, mainly in Fresh to invest in the improvement of our footprint, combined with the start-up of Phase II of our First in Fresh project.

Cash flow from financing activities materially improved after reaping the benefits of the refinancing for the first full year.

CAPEX

Total acquisitions of intangible assets and property, plant & equipment (excluding subsidiaries and associates) increased to € 71,8m in an anticipated ramp-up scenario, after a decline last year.

- In Fresh, capex mainly relates to new DCs in Germany, replacement and improvement capex at Bakker and in our Belgian operations, as well as equipment for our US site.
- In Long Fresh there was a strong increases in capex, in particular in our Prepared operations with high investment in Velden. In our Frozen operations, capex was mainly focused on Greenyard Frozen France (Moréac), UK and Flanders.
- Horticulture witnessed an increase in capex, mainly related to capacity increases and replacements, with a main focus on Belgium.

Net financial debt

Net financial debt on March 31, 2018 amounted to € 419,1m. In combination with a lower Adjusted REBITDA, net financial debt/Adjusted REBITDA increased to 2,8x.

The YoY increase is largely related to the financing of the purchase price for the Mykogen transaction, but also our continued investments and the share buyback amounting to € 13,6m.

Working capital

Working capital dropped to -€ 152,3m vs. -€ 139,1m last year. This implies that the working capital to sales ratio improved to -3,6% vs -3,3% last year, mainly explained by a rise in factoring. At year-end, factoring amounted to € 415,9m, which entails an increase of € 10,5m YoY.

Outlook statement

The Board of Directors and management consider that Greenyard continues to be well positioned to deliver profitable growth and to unlock the synergy potential of the business combination going forward.

Subsequent events

An agreement with Ben De Pelsmaeker, Managing Director and Co-shareholder of Greenyard Fresh Direct Belgium, has been reached to take over his 49% stake in Fresh Direct Belgium.

Through this transaction, closed in May 2018, The Group became 100% shareholder of Fresh Direct Belgium and Ben De Pelsmaeker became shareholder of Greenyard at 19,68 €/share.

Change in consolidation perimeter

The parent company of the Group is Greenyard, Sint-Katelijne-Waver, Belgium. The subsidiaries and associates of the Group as per March 31, 2018 are the same as presented in the annual report as per March 31, 2017 apart from:

- On July 17, 2017 Greenyard divested its stake in Greenyard Logistics Bulgaria
- On August 29, 2017 Greenyard divested its stake in Atabel
- On November 30, 2017, Greenyard acquired Mykogen
- On December 21, 2017, Greenyard divested its stake in Pastari Gemüsevertrieb Verwaltungs Gmbh SPA

Declaration of the auditor

The auditor confirms that the audit, which is substantially completed, did not reveal any significant adjustments to the financial information included in the press release. Unless the circumstances would change, the auditor expects to issue an unqualified opinion.

APPENDIX 1: Consolidated income statement

Consolidated income statement (in € million)	March '17	March '18
Sales	4.249,2	4.175,9
Cost of sales	-3.942,9	-3.878,6
Gross profit/loss (-)	**306,3**	**297,3**
Selling, marketing and distribution expenses	-97,3	-97,1
General and administrative expenses	-135,8	-134,6
Other operating income	8,9	6,8
Share of profit/loss (-) of equity accounted investments	-0,5	0,0
EBIT before non-recurring items	**81,6**	**72,4**
Non-recurring items from operating activities	-8,2	-31,9
EBIT	**73,4**	**40,5**
Interest expense	-50,1	-29,2
Interest income	1,8	0,6
Other finance result	-24,3	-6,3
Net finance income/cost (-)	**-72,6**	**-34,9**
Profit/loss (-) before income tax	**0,8**	**5,6**
Income tax expense (-)/income	-0,1	-2,1
Profit/loss (-) for the period from continuing operations	**0,7**	**3,4**
DISCONTINUED OPERATIONS		
Profit/loss (-) for the period from discontinued operations (attributable to the shareholders of the Group)	-	-
PROFIT/LOSS (-) FOR THE PERIOD	**0,7**	**3,4**
Attributable to:		
The shareholders of the Group	0,9	2,9
Non-controlling interests	-0,2	0,5

APPENDIX 2: Consolidated statement of financial position

ASSETS (in € million)	March '17	March '18
NON-CURRENT ASSETS	1.265,2	1.361,4
Property, plant & equipment	376,0	419,5
Goodwill	591,9	633,9
Other intangible assets	238,5	252,7
Biological assets	20,4	20,7
Investments accounted for using equity method	9,0	9,4
Other financial assets	0,2	0,0
Deferred tax assets	22,6	19,6
Trade and other receivables	6,7	5,5
CURRENT ASSETS	725,5	702,2
Biological assets	0,1	0,1
Inventories	296,2	312,4
Trade and other receivables	313,9	331,8
Other financial assets	2,0	0,6
Cash and cash equivalents	113,2	57,4
TOTAL ASSETS	1.990,7	2.063,6

Equity and liabilities	March '17	March '18
EQUITY	706,2	709,2
Issued capital	288,4	288,4
Share premium and other capital instruments	317,9	317,9
Consolidated reserves	91,3	96,8
Cumulative translation adjustments	-2,9	-7,3
Non-controlling interests	11,6	13,5
NON-CURRENT LIABILITIES	517,7	479,6
Employee benefit liabilities	21,2	21,7
Provisions	8,9	10,9
Interest-bearing loans	410,5	401,0
Other financial liabilities	28,6	1,3
Trade and other payables	1,1	3,1
Deferred tax liabilities	47,5	41,4
CURRENT LIABILITIES	766,7	874,8
Provisions	0,9	8,1
Interest-bearing loans	8,4	60,0
Other financial liabilities	0,8	2,3
Trade and other payables	756,6	804,5
TOTAL EQUITY AND LIABILITIES	1.990,7	2.063,6

APPENDIX 3: Reconciliation REBITDA, working capital and net financial debt

EBIT before non-recurring items - REBITDA (in € million)	AY16/17	AY17/18
EBIT before non-recurring items	**81,6**	**72,4**
Depreciation and amortisation	62,8	68,0
Divestitures (not in IFRS 5 scope)	1,3	-0,3
REBITDA	**145,7**	**140,2**

Reconciliation Working capital	March '17 As reported	March '17 Reconciliation	March '17 Total
Inventories	312,4	-	312,4
Trade and other receivables (non-current/current)(1)	335,8	-5,9	329,9
Current trade and other payables(2)	-803,0	8,3	-794,6
Working Capital			**-152,3**

(1) Long-term (financing) receivables for € 5,3m and accrued interest income for € 0,6m are excluded from the reported working capital.

(2) Accrued interest expenses for € 8,3m are excluded from the reported working capital.

Reconciliation net financial debt	March '17 As reported	March '17 Reconciliation(3)	Total
Cash and cash equivalents	-57,4	-	-57,4
Interest-bearing loans (non-current/current)	461,0	15,6	476,6
Net financial debt			**419,1**

(3) Net capitalised transaction costs related to the refinancing for € 6,2m and net value of the conversion bond option at inception after amortisation for € 9,4m are added back in order to present the nominal amounts of drawn financing as part of the reported net financial debt.

Reconciliation leverage	AY16/17	AY17/18
REBITDA	145,7	140,2
Adjustment REBITDA Mycoculture 12 months	-	7,5
Adjusted REBITDA	145,7	147,6
NFD	324,2	419,1
Leverage	**2,2**	**2,8**

Financial calendar

- Q1 trading update	August 29, 2018 (after market)
- AGM	September 21, 2018
- H1 results	November 20, 2018 (after market)
- Capital Markets Day	November 21, 2018

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About Greenyard

Greenyard (Euronext Brussels: GREEN) is a global market leader of fresh, frozen and prepared fruit & vegetables, flowers, plants and growing media. Counting Europe's leading retailers amongst its customer base, the group provides efficient and sustainable solutions to customers and suppliers through best-in-class products, market leading innovation, operational excellence and outstanding service.

Our vision is to make lives healthier by helping people enjoy fruit & vegetables at any moment, easy, fast and pleasurable, whilst fostering nature.

With some 9,000 employees operating in 27 countries worldwide, Greenyard identifies its people and key customer and supplier relationships as the key assets which enable it to deliver goods and services worth over € 4 billion per annum.

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GLOSSARY

CAPEX	Capital expenditures
EBIT	Operating result
EPS	Earnings Per Share
Leverage	Net financial debt/ Adjusted REBITDA
Net financial debt	Interest-bearing debt (at nominal value) less derivatives, bank deposits, cash and cash equivalents.
Non-recurring items	Non-recurring items are those that in management's judgement need to be disclosed by virtue of their size or incidence. Such items are disclosed on the face of the consolidated income statement and separately disclosed in the notes to the financial statements. Transactions which may give rise to non-recurring items are principally restructuring and reorganisation activities, impairments, disposal of assets and investments, claims, IFRS 3 acquisition accounting and merger & acquisition projects and the effect of the accelerated repayment of certain financial indebtedness.
REBITDA	EBIT corrected for depreciation, amortisation and impairments excluding non-recurring items and EBIT corrected for depreciation, amortisation and impairments from minor divested operations.
Adjusted REBITDA	Last twelve months REBITDA, adjusted for acquisitions
Working capital	Working capital is the sum of the inventories, trade and other receivables (non-current and current) and trade and other payables (current). In this respect trade and other receivables are corrected for long-term (financing) receivables and accrued interest income and trade and other payables exclude accrued interest expenses and dividend payable
AY 16/17	Accounting year ended 31 March 2017
AY 17/18	Accounting year ended 31 March 2018