

A plant-based powerhouse: Greenyard announces strategy 2030 and its Vision on the Future of Food

Sint-Katelijne-Waver, Belgium, 7 December 2021

- Greenyard is at the heart of the transition and trends towards healthy, low processed, plant-based food – a fast-growing market with huge potential.
- Over the coming years, Greenyard is targeting further growth through a wider product portfolio of convenient, plant-based products, in combination with digital services.
- Greenyard has the ambition to increase sales by around € 650m to reach € 5bn sales by AY 2024/2025, implying a CAGR of 5%.
- At the same time, Greenyard’s ambition is to grow the adjusted EBITDA by € 35-45m to reach € 200-210m by 2025, implying a CAGR of 6-7%.
- Greenyard will create headroom for additional investments in plant-based and potential M&A in the coming years, while safeguarding a leverage ratio of 2,0x-2,5x.
- In addition, Greenyard will put dividends back on the agenda for consideration by the Board of Directors based on the AY 2022/2023 results.
- Several live sessions and Q&As with executive leadership can be accessed during the Greenyard Capital Markets Days on 7, 8 and 9 December 2021 through registration on the following link: <https://capitalmarketsdays.greenyard.group>.
The first session will start today at 3:00pm CET.

On the back of positive H1 results and Greenyard’s continued profitable growth (as reported in the [Press Release of 16 November 2021](#)), Greenyard today announces its Strategy 2030, including a first outlook on the value this will bring to the company and its stakeholders. Greenyard is plant-based by nature. Based on that foundation on the one hand, and a well substantiated Vision on the Future of Food on the other, the company has made it a clear goal to become a plant-based powerhouse and deliver on a set of first and steep ambitions for 2025.

Consumers are increasingly searching for healthier, low-processed food; in particular plant-based products. At the same time, they are not willing to sacrifice convenience and preparation time in that shift. Greenyard is already one of the largest purely plant-based companies in the world, delivering close-to-crop and convenient products to its customers, fully in line with current consumer trends. As a leader within the transition we witness today, Greenyard is committed to continue investing in convenience, and to accelerate the further widening of its plant-based portfolio. The acceleration will be enabled by a continued step-up in digitalization across the Group. This will allow to respond to current and future consumer needs; and it will directly contribute to a more sustainable food value chain.

Hein Deprez, co-CEO: *“More and more, people recognise the power and the importance of a healthy, plant-based diet. For our health and for the planet. Close-to-crop food offerings are the cornerstone of our collective future. And with Greenyard, we have delivered this from the start, it is in our DNA. Today, we are a global leader in this field. We have a unique capability, through our scale and through our integrated relations with customers and growers, to capture a vital part of this fast-growing market. We are plant-based, by nature. It gives us a head-start and a competitive advantage. Now, as a next step we will push through in what is clearly*

the right direction. We will step-up our investments in innovation and technology, leveraging the data in the value chain to provide even better products and services to our customers and consumers”.

Marc Zwaaneveld, co-CEO: *“Ahead of schedule, we delivered what we promised. Today, performance has improved significantly. We demonstrate stability and strength. The Strategy 2030 we announce today, is the next big step. We look ahead and will reconnect with growth. Greenyard is plant-based at its core and has already more than 1000 plant-based convenience products in its portfolio. Plant-based is what we do. We are at the heart of change and will accelerate our activities in these products, supported by ongoing digitalization and strong sustainability ambitions. We strongly believe these will be the drivers for a higher growth rate in sales and profitability, complemented by targeted M&A or cooperation – creating additional upsides to our plans”.*

A three staged approach: *improve, increase, imagine*

Greenyard’s Strategy 2030 is built on three stages, each of them equally important to reach the ambition: “improve”, “increase” and “imagine”. These three levels of the strategy partially run in parallel, will reinforce each other over time and fuel the step-up throughout the roll-out of the plan. This approach will allow Greenyard to ensure a smooth and meticulous implementation of the plan, building on the solid foundations and the strong organisation that exist today.

Improve

In the first stage, **Greenyard will focus on further deepening its unique integrated relationships with existing and new customers. At the same time, it will continue to increasingly develop its grower relationships**, applying the same way of working. The strength of unparalleled, integrated, and long-term relations at both ends of the food value chain, truly serves as a catalyst for the strategy. It facilitates the optimisation of the supply chain and allows Greenyard to broaden the service offering. In addition, further operational productivity measures and synergies will be deployed, as Greenyard has done over the past periods, e.g. the continuation of the Group Sourcing project. Lastly, the Group will continue to focus on its sustainability ambitions.

The Integrated Customer Relationship (the “ICR”) is unique. The concept name already indicates that the company integrates with the customer. It starts with the consumer’s demand to manage the assortment with the customer and program the supply chain. The result is a shorter, more efficient, and more sustainable supply chain – dramatically reducing its environmental footprint.

Greenyard offers its services to its customers as a bespoke menu in the ICR. By adding new layers of services, such as quality control, logistics, packaging, assortment advice, forecasting, and co-creation, the Group increasingly integrates with its customer. Therefore, growth is expected on two fronts: (i) growth in volumes and additional services with existing customers, (ii) growth with new customers.

Collaboration in the chain is therefore critical, hence, the model is increasingly adopted with growers as well. It allows Greenyard to continue building sustainable and socially responsible food value chains from front to back. Increased collaboration benefits all parties in the chain, as it creates trust, focus on the long-term, strategic alignment and a balanced supply and demand.

Greenyard also boosts its sustainability ambitions. Sustainability is part of every decision taken. The objectives are sharper: reduction of its carbon footprint by 70% by 2030, reducing its water intensity by another 10% by 2025, further waste reduction by 25% in its operations by 2025, 100% sustainable packaging by 2025 and 100% social compliance throughout the chain by 2025.

Increase

Furthermore, and starting immediately, **Greenyard will step-up its convenience product offering, leveraging the window of opportunity for low processed healthy convenience products**, tapping into the consumer demand. This will bring additional volumes with current and new customers. To do so, Greenyard will deploy a one-off € 30-35m CAPEX over the coming three years. On the one hand, investments will be focused on further increasing capacity for convenience products to enable a swift acceleration of Greenyard's plant-based offering. On the other hand, investments will furthermore be made within the Integrated Customer Relationships. CAPEX is expected to be cash flow neutral, given the expected short payback terms, and further expectations of operational and working capital improvements.

Therefore, the ambitions for 2025 are set higher: Greenyard has the ambition to increase net sales by around € 650m to € 5bn, implying a CAGR of 5%. At the same time, Greenyard's ambition is to grow the adjusted EBITDA by around € 35-45m to € 200-210m, which results in a CAGR of 6-7%.

In light of the strategy, Greenyard may also consider M&A opportunities in a very targeted and strict way, in Europe and potentially the USA, and only to the extent that a clear and strong integration process is feasible. The pursuit of selective external growth will further fuel the company's Strategy 2030.

In addition, Greenyard will put dividends back on the agenda for consideration by the Board of Directors based on the AY 2022/2023 results.

Imagine

Building on the first two levels and realising these ambitions, whilst safeguarding a leverage ratio of 2,0x-2,5x (pre-IFRS 16), will create headroom to **further invest in other plant-based product development, expanding its already 100% plant-based current offering**, in a market expected to grow to around € 150bn by 2030 (*source: Bloomberg*). Greenyard firmly believes that there is a lot of additional potential to capture there. Plant-based is right in the core of its business. With its global footprint, the company has a head start to expand its offerings in that segment, resulting in further growth and profitability. That is stage three.

The enabler for unlocking additional value will be digitalization. Already today, a lot of data is available in the chain on quality, taste, transparency, origin, etc. Greenyard has a unique level of knowledge of that data in the chain. Both in terms of automation and additional online services, there are infinite possibilities. Greenyard will therefore boost innovation within the Group, allocate additional CAPEX and support for this and cooperate with disruptive companies in well-structured and controlled growth units, starting next financial year already.

The Greenyard Strategy 2030 is driven by and will directly contribute to the company's purpose. Greenyard acts as a true connector in the chain, with a clear focus on plant-based convenience, and the unique proposition of close-to-crop products. The company is keen on improving lives through plant-based offerings and by connecting healthy lifestyles to sustainable food supply chains.

This is an ambition the company will fulfil through close collaboration with its partners in the chain. Building on decades of experience, a strong grower network and specific processing capabilities, Greenyard is confident to be in a position to capture a material part of the huge plant-based market in the coming years, by focusing on the right segments, added-value products and services – acting as a plant-based powerhouse.

For additional information, please contact Greenyard NV:

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About Greenyard

Greenyard (Euronext Brussels: GREEN) is a global market leader in fresh, frozen and prepared fruit and vegetables, flowers and plants. Counting Europe's leading retailers amongst its customer base, Greenyard offers 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 and vegetables at any moment, easily, quickly and pleurably, whilst fostering nature.

With around 9.000 employees operating in 19 countries worldwide, Greenyard identifies its people, and customer and supplier relationships, as the key assets which enable it to deliver goods and services worth around €4,4 billion per annum.

www.greenyard.group