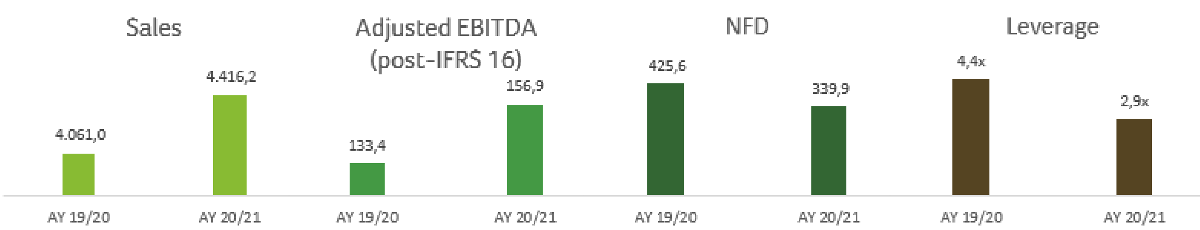
Greenyard ends financial year with solid sales growth, stronger balance sheet and increased ambition and guidance for AY 21/22

Sint-Katelijne-Waver, Belgium, 15 June 2021

Key highlights

- **Sales** increased to **€ 4 416,2m**, up **8,7%** from € 4 061,0m. This strong result is mainly driven by the increased sales in the company's unique integrated customer model.
- Thanks to the solid sales growth, and, moreover, as a result of the existing and new efficiency initiatives, **adjusted EBITDA (post-IFRS 16)** increased from € 133,4m, to **€ 156,9m**, up € 23,5m (**+17,6%**). For ease of reference and comparison, adjusted EBITDA (pre-IFRS 16) grows from € 95,7m to **€ 116,6m**, up € 20,9m (**+21,8%**).
- Without leasing debt and in line with the definitions in its credit facilities, **net financial debt** decreases from € 425,6m to € 339,9m, resulting in a **Leverage of 2,9x**. A strong cash mindset in combination with balance sheet strengthening measures such as the refinancing of the debt and the € 50,0m capital increase resulted in this swift deleveraging.
- Based on the acceleration in performance in the last quarter, and on current forecasts, Greenyard estimates its **adjusted EBITDA (post-IFRS 16) for AY 21/22** to grow **towards € 165,0m** versus its € 160,0m adjusted EBITDA (post-IFRS 16) initial guidance (for ease of reference, € 120m adjusted EBITDA on a pre-IFRS 16 basis). In relation to the divestment of Greenyard Prepared Netherlands, the Group has decided not to make an adjustment to its adjusted EBITDA guidance and ambitions for this divestment, so it is included in the increased guidance. Without leasing debt, the Group's **leverage** is expected to decrease towards **2,5x** by the end of AY 21/22, amongst others supported by the € 17,0m equity value to be received for the divestment of Greenyard Prepared Netherlands.



Interested parties are invited to listen in on a live webcast today by visiting the following link: https://globalmeet.webcasts.com/starthere.jsp?ei=1471195&tp_key=da5df4c192. The call will begin promptly at 2.00 p.m. (CET). A replay of the call will be available on Greenyard's Investor Relations webpage in the coming days.

2020/2021 results: a milestone year for Greenyard

Deepened long-term relationships with customers and growth in convenience
The acceleration in sales is driven by the ramp-up of the integrated customer models in its Fresh segment, further developing and growing long-term relationships with Europe's largest retailers. In addition, the Long Fresh segment increased its convenience and (frozen) fruit sales.

Healthy lifestyles and mixing categories
These achievements are complemented by a consumer trend of increased awareness to maintain a healthy lifestyle. This resulted in a higher fruit and vegetables spend per capita. At the same time, consumers more frequently combine different categories of fruit and vegetables.

Both market evolutions play into Greenyard's long standing strategy to be a driving force towards healthier lifestyles and more sustainable food value chains. This is achieved thanks to the Group's complementary offering (Fresh, Frozen, Prepared) and its unique position in the food value chain, allowing the company to provide healthy choices to consumers, regardless of the occasion, time or consumption moment, and this while guaranteeing the shortest possible food chain.

Exceptional network of growers and clear sourcing strategy
In order to secure short supply chains, Greenyard is cooperating closely with its growers, by constantly building partnerships with a solid and global network of dedicated growers, ensuring quality and quantity of the products for its customers, all year round. A Group sourcing program has therefore been initiated. This program will allow the Group to further build commercial programs and create efficiencies, by using the Group's scale and experience.

Continuous improvement for increased efficiency
Moreover, Greenyard executed its efficiency improvement plans, tackling, among others, transport flows and contracts, waste reduction and energy saving initiatives, and direct cost optimisations. These efficiency improvements equally integrate sustainability as a key element in the Greenyard culture, by embedding it in its core operations and decision-making processes. These initiatives have already proven to bolster the Group's adjusted EBITDA margin over the past year. While Greenyard turns the page on its Transformation Plan, the continuous improvement program will continue to support Greenyard's ambitions in EBITDA growth.

Strong financials and stability for solid strategy roll-out
Lastly, Greenyard has strengthened its balance sheet by reducing nominal debt and improving the leverage ratio to 2,9x (pre-IFRS 16), thanks to the renewed three-year bank financing that was executed at the end of March 2021, alongside the € 50,0m capital increase. The new three-year financing also provides for a committed € 125,0m tranche dedicated to the refinancing of the outstanding convertible bond, due to mature in December 2021. The new financing provides once more a stable and secure funding for Greenyard for the coming years to execute on its ambitions and growth plans.

Quote of the co-CEOs:

Hein Deprez, co-CEO said today: *"Health is on everyone's agenda, even more so today. For Greenyard, this is logical: fruit and vegetables play a vital role in moving towards healthier lifestyles. Therefore, we consider it our responsibility to ensure that these products remain available for our consumers, regardless of the challenges and complexities the pandemic created. Together with our partners, we did so successfully, and we now look beyond that point. The intimate and integrated relationship we build with* *our customers, ensuring a short supply chain, and the products we develop together with them, contribute to our goal to improve life, as they cater for more diversity, choice, convenience and quality in the fruit and vegetable assortment."*

Marc Zwaaneveld, co-CEO adds: *"We had a strong year, on all aspects. The Group's organisation has been tailored and the mindset and culture changed, to meet the changing needs of our customers and end-consumers. The capital structure has been strengthened and the volatility of the profitability significantly reduced. Our performance of AY20/21, the role we have in the food value chain and our scale, are the excellent foundations to accelerate on our ambition to become a driving force for healthier lifestyles and more sustainable food supply chains. Together with all partners in the food value chain, from grower to consumer, we will take the challenge to improve life. Both of the people, and the planet."*

Solid topline growth, sustained profitability and deleverage below 3,0x net financial debt/LTM adjusted EBITDA

Sales. Overall net sales amounted to € 4 416,2m, indicating an increase of 8,7% YoY.

- Fresh sales amounted to € 3 592,7m, showing double-digit growth (+10,1%) versus € 3 263,4m last year (€ 329,3m), whereby sales with integrated customers increased by 22,3% including the ramp-up of some of the latter relationships. In most geographies, parallel to an increasing awareness of consumers for healthy lifestyles, retailer volume was stimulated by COVID-19 induced measures of different local authorities.
- Long Fresh sales increased to € 823,5m, up € 25,9m from € 797,6m (+3,2%), driven by an important volume increase in retail, new sales contracts and better product mix, partially offset by a temporary loss of volumes in food service (from 20% share of Long Fresh sales in AY 19/20 to 13% in AY 20/21), induced by the quarantine measures related to COVID-19, resulting in a shift from out-of-home consumption to at-home consumption.

Adjusted EBITDA recovered. Greenyard's adjusted EBITDA (post-IFRS 16) amounted to € 156,9m. Greenyard did not record any EBITDA adjustments in relation to COVID-19, as margins from extra volumes were more or less compensated by extra costs.

The strong increase of € 23,5m YoY (+17,6%) is attributable to the following elements:

- Fresh: The adjusted EBITDA (post-IFRS 16) continued to grow to € 95,1m from € 76,3m, up € 18,8m (+24,6%), mainly related to strong volume growth realised under the integrated customer relationships. With +70% of Fresh sales earned in a long-term integrated customer relationship, Greenyard secures the future stability of the margin. In addition, the full year impact of the transformation initiatives initiated in the previous year as well as newly defined initiatives in the reporting year, including a strong cost control, workforce resizing, efficiency improvements and waste control contributed to the strong margin development of the Fresh segment.
- Long Fresh: the adjusted EBITDA (post-IFRS 16) amounted to € 62,6m for AY 20/21 versus € 58,4m last year (+7,1%). The further growth is the result of a relentless focus on efficiency improvements, a positive impact of new sales and purchase contracts and an increasing share of sales in higher end products (higher margin convenience and fruit representing around 30% of Long Fresh sales).

For ease of reference and comparison, excluding IFRS 16 impact, adjusted EBITDA amounted to € 116,6m, an increase of € 20,9m YoY (+21,8%).

- **EBIT**. EBIT from continuing operations amounted to € 51,5m, compared to a loss of € -2,6m last year, driven by top line growth and cost and efficiency improvement measures in combination with lower non-recurring adjustments (€ 5,5m versus € 28,4m last year).
- **Net result.** Net result from continued operations returns to a profit of € 1,2m, reversing last year's loss of € -68,0m.
- **Net financial debt reducing.** Without leasing debt and in line with the definitions in Greenyard's credit facilities, net financial debt (NFD) decreased further by € 85,7m to € 339,9m at 31 March 2021. This translates into a Leverage of 2,9x, down from 4,4x in March 2020. Operationally, the decrease is driven by an increase in operating profit and an active Group-wide working capital management, whilst continuing to invest in the operations and the integrated customer model. Post-IFRS 16, at 31 March 2021, net financial debt (post IFRS 16) amounted to € 572,9m of which € 232,9m lease liabilities.
- **Bolstered its capital structure through a refinancing and capital increase.** Greenyard has succeeded in refinancing its outstanding bank debt in March 2021 for another three years through its new Amended and Restated Senior Facilities Agreement, which was concluded for a total amount of € 467,5m, including a separate € 125,0m term loan tranche for the repayment of the outstanding € 125,0m convertible bond, maturing in December 2021. In addition, it executed a capital increase for an amount of € 50,0m in March, accelerating Greenyard's deleveraging steps towards a sustainable leverage between 2,0x and 2,5x net financial debt/ LTM adjusted EBITDA ratio within 2 years' time.
- **Dividend.** The Board of Directors will propose not to pay a dividend for AY 20/21.

Figure 1 – Key financials

Key financials (in €'000 000)	AY 20/21	AY 19/20	Difference
Post-IFRS 16 key financials			
Sales	4 416,2	4 061,0	8,7%
Adjusted EBITDA (post-IFRS 16)	156,9	133,4	17,6%
Adjusted EBITDA-margin % (post-IFRS 16)	3,6%	3,3%	
Net result continuing operations	1,2	-68,0	
EPS continuing operations (in €)	0,01	-1,59	
NFD (post-IFRS 16)	572,9	660,1	-13,2%
Pre-IFRS 16 key financials			
Adjusted EBITDA	116,6	95,7	21,8%
Adjusted EBITDA-margin %	2,6%	2,4%	
NFD	339,9	425,6	-20,1%
Leverage	2,9	4,4	

Sales increased by 8,7% to € 4 416,2m in AY 20/21. The growth in sales is coming from both the Fresh and Long Fresh segments. The increasing volumes linked to the intensification and ramp-up of the integrated customer models are the main driver of this growth. At the same time, thanks to increased consumer awareness to maintain a healthier lifestyle, and a shift to at-home cooking, due to lockdowns consequent to COVID-19, the retail volumes increased. This was however at the expense of the food service sector which significantly slowed down.

Organic growth amounted to 9,9%, slightly counterbalanced by foreign exchange headwinds (-0,8%) and the effect of the recent divestitures and divestments (-0,4%).

Also adjusted EBITDA (post-IFRS 16) shows a strong increase by 17,6% to € 156,9m, (for reference, pre-IFRS 16 increased by 21,8% to € 116,6m) directly linked to the growing volumes under the integrated customer models, positive price and mix variances as well as the full year impact of transformation initiatives initiated last year and new continuous improvement actions being implemented mainly in the domains of sourcing, transport and procurement. Greenyard did not record any EBITDA adjustments in relation to COVID-19, as margins from extra volumes were more or less compensated by extra costs incurred to secure sourcing and operations.

Net result from continued operations shows the return to profit of € 1,2m versus a loss of € -68,0m last year. This improvement is mainly driven by the operational and commercial transformation, moreover, last year was highly impacted by impairments/losses on sale of subsidiaries and non-recurring transformation costs.

Without leasing debt, net financial debt decreased further by € 85,7m to € 339,9m at 31 March 2021. This translates into a leverage of 2,9x, down from 4,4x last year. The decrease is driven by an increase in operating profit and an active Group-wide working capital management, whilst continuing to invest into the operations and long-term commercial relationships. As to indebtedness and leverage, Greenyard succeeded in securing a stable financing for the coming years by refinancing its bank debt in March 2021, including a capital increase of € 50,0m and a reserved tranche of € 125,0m for the repayment of its outstanding convertible bond, maturing in December 2021.

Post-IFRS 16, at 31 March 2021, net financial debt amounted to € 572,9m of which € 232,9m lease liabilities.

Segment review

1. Fresh

Figure 2 – Sales and adjusted EBITDA evolution

Key segment figures - FRESH in €'000 000	AY 20/21	AY 19/20	Difference
Post-IFRS 16 segment figures			
Sales	3 592,7	3 263,4	10,1%
Adjusted EBITDA (post-IFRS 16)	95,1	76,3	24,6%
Adjusted EBITDA-margin % (post-IFRS 16)	2,6%	2,3%	
Pre-IFRS 16 segment figures			
Adjusted EBITDA	59,6	43,4	37,4%
Adjusted EBITDA-margin %	1,7%	1,3%	

Fresh sales increased by +10,1% YoY, whereby sales within the integrated customer model increased by 22,3%, including the ramp-up of some of these more recent long-term relationships. Retail sales growth was in most geographies stimulated by COVID-19 induced measures of different local authorities, resulting in a shift to at-home cooking, in parallel to increased consumer awareness to maintain healthy lifestyles.

The segment showed an organic growth of +11,2%, with slight foreign exchange headwinds of -0,6%, and M&A and divestitures impact of -0,5%.

Greenyard was able to accelerate the positive trend in its adjusted EBITDA by realising efficiency gains on the back of strong topline growth, reinforced by the full year impact of the transformation initiatives initiated in the previous year as well as newly defined continuous improvement actions in the reporting year. Together with volume growth, this has resulted in a clear recovery of the margin from 2,3% to 2,6%. The adjusted EBITDA (post-IFRS 16) increased by +24,6% YoY.

Greenyard managed to make the Fresh operating margin more stable and robust towards the future as a growing share of sales is being generated in the integrated customer models which are long-term oriented and based on a cost-plus or target-margin logic. At 31 March 2021, more than 70% of its Fresh sales were generated within these long-term integrated customer models.

2. Long Fresh

Figure 3 – Sales and adjusted EBITDA evolution

Key segment figures - LONG FRESH in €'000 000	AY 20/21	AY 19/20	Difference
Post-IFRS 16 segment figures			
Sales	823,5	797,6	3,2%
Adjusted EBITDA (post-IFRS 16)	62,6	58,4	7,1%
Adjusted EBITDA-margin % (post-IFRS 16)	7,6%	7,3%	
Pre-IFRS 16 segment figures			
Adjusted EBITDA	58,0	53,9	7,5%
Adjusted EBITDA-margin %	7,0%	6,8%	

In its Long Fresh segment, Greenyard was able to generate an important volume increase in retail, while at the same time suffering from the temporary loss of volumes in food service (from 20% share of sales in AY 19/20 to 13% in AY 20/21). As of the last weeks of the previous financial year, the COVID-19 induced quarantine measures resulted in a shift from out-of-home consumption to at-home consumption.

At the same time, new sales contracts and an increasing share of sales in higher priced products a.o. convenience and fruit, resulted into a total 3,2% growth, proving a continued strengthening of the business. The segment showed an organic growth of +4,9%, slightly countered by -1,4% foreign exchange and -0,3% M&A and divestitures impact.

The Long Fresh segment was able to improve its adjusted EBITDA-margin thanks to a relentless focus on efficiency improvements, a positive impact of new sales and purchase contracts and an increasing share of sales in higher-end products. This allowed the Long Fresh segment to offset the extra costs for COVID-19 in the operations as well as extra costs related to produce availability issues (e.g. peas) over summer.

Adjustments

Figure 4 – Adjustments made for one-off items from operating activities

EBIT - Adjusted EBITDA	AY 20/21				AY 19/20			
	Fresh	Long Fresh	Unallocated	TOTAL	Fresh	Long Fresh	Unallocated	TOTAL
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
EBIT	**28 632**	**25 564**	**-2 711**	**51 485**	**-8 813**	**12 918**	**-6 681**	**-2 576**
Depreciation and amortisation	62 390	33 818	1 383	97 591	57 313	37 382	1 181	95 876
Impairment goodwill	-	-	-	-	-	-	-	-
Impairment property, plant & equipment	-1	1 414	-	1 413	-	7 566	-	7 566

Impairment other	101	420	-	521	-	-	-	-
EBITDA	**91 121**	**61 215**	**-1 327**	**151 009**	**48 500**	**57 866**	**-5 500**	**100 866**
Reorganisation costs and reversal of provision for reorganisation costs (-)	4 280	335	-237	4 377	57	-998	401	-540
Disposal project costs	-	789	-117	673	144	1 186	211	1 541
Financing project costs	-	-	251	251	456	170	3 114	3 741
Costs related to legal claims	3 233	1 695	-	4 927	2 463	494	81	3 038
Impairment long-term receivables	-	-	-	-	780	-	-	780
Result on change in control of equity accounted investments	-	-	-	-	1 375	-	-	1 375
Result on sale of subsidiaries	-2 889	-	-	-2 889	22 538	-	-	22 538
Result on sale of assets	-622	-	4	-618	-3 814	81	-	-3 733
Listeria related net result	-	-1 367	707	-660	-	-1 746	-	-1 746
Other	-473	-119	13	-580	773	223	443	1 439
Adjustments	**3 528**	**1 332**	**621**	**5 481**	**24 774**	**-589**	**4 249**	**28 435**
Divestitures (not in IFRS 5 scope)	**415**	**14**	**-**	**429**	**3 030**	**1 112**	**-**	**4 141**
Adjusted EBITDA (post IFRS 16)	**95 064**	**62 562**	**-706**	**156 919**	**76 303**	**58 389**	**-1 250**	**133 442**
IFRS 16 impact	**-35 423**	**-4 573**	**-371**	**-40 367**	**-32 902**	**-4 470**	**-369**	**-37 741**
Adjusted EBITDA	**59 641**	**57 989**	**-1 077**	**116 552**	**43 401**	**53 919**	**-1 619**	**95 701**

EBIT from continuing operations amounted to a positive € 51,5m compared to a loss of € -2,6m last year. In AY 20/21 impairment and non-recurring adjustments were far more limited than last year.

As to Property, plant & equipment (and other) impairments, last year, Greenyard accounted for € -7,6m of impairments, while this year it was limited to € -1,9m. This mainly relates to bringing the equipment of Greenyard Prepared Netherlands to its fair value.

As to non-recurring adjustments, these decreased from € -28,4m last year to € -5,5m this year. Last year was mainly impacted by the accounting loss on biological assets triggered by the sale of Greenyard Flowers UK. Moreover, disposal and financing project costs were incurred relating to several corporate finance processes aiming to deleverage and stabilise our bank financing as part of the Transformation Plan.

The adjustments this year benefit on one hand from the gain on the sale of Greenyard Logistics Portugal (included in the result on sale of subsidiaries), on the other hand, non-recurring costs occurred to make the organisation fit for the future and for settlements or provisions for legal disputes.

Finance result

Figure 5 – Finance result

Net finance income/cost (-)	AY 20/21 €'000	AY 19/20 €'000
Interest expense	**-42 579**	**-51 861**
Interest income	**260**	**289**
Foreign exchange gains/losses (-)	-1 643	-3 052
Bank and other financial income/cost (-)	-3 202	-6 185
Other finance result	**-4 845**	**-9 237**
TOTAL	-47 164	-60 808

Net finance cost decreased by € 13,6m YoY to € 47,2m mainly thanks to lower interest rates on bank borrowings because of steadily decreasing debt usage and lower grid following an improved leverage ratio, as well as lower costs on additional funding, such as the factoring and leasing debt (respectively € 0,5m and € 1,1m).

The bank and other financial costs in AY 20/21 mainly relate to write-offs of financial assets for an amount of € 1,9m (€ 1,8m in AY 19/20). Furthermore, exchange rate losses impacted these costs by € 1,6m (€ -3,1m in AY 19/20). Last year also included fees in relation to the bank waiver process.

Income taxes and net result

Figure 6 – Income taxes and net result

Consolidated income statement	AY 20/21 €'000	AY 19/20 €'000
CONTINUING OPERATIONS		
Profit/loss (-) before income tax	**4 321**	**-63 384**
Income tax expense (-)/income	-3 119	-4 597
Profit/loss (-) for the period from continuing operations	**1 201**	**-67 981**
DISCONTINUED OPERATIONS	-	-
Profit/loss (-) for the period from discontinued operations	-	-
PROFIT/LOSS (-) FOR THE PERIOD	1 201	-67 981
Attributable to:		
The shareholders of the Group	536	-68 533
Non-controlling interests	666	552

The income tax expense for AY 20/21 amounted to € 3,1m versus € 4,6m last year. This implies a consolidated effective tax rate of 72,2% (AY 19/20 -7,3%). The effective tax rate for last year, AY 19/20, was highly impacted by non-recognition of deferred tax assets on tax losses, the loss on the sale of subsidiaries and the adjustments in the rates used to calculate deferred taxes resulting from the evolution in local tax rates.

The effective tax rate for AY 20/21 was positively impacted by the recognition and use of deferred tax assets which were previously not recognised. The current tax accruals result from the improved/increased profit before tax positions of several legal entities within the Group thus increasing the effective tax rate. In addition, tax losses have been fully utilised by a number of legal entities in several jurisdictions for which no deferred tax assets on losses had been recognised previously. Lastly, IFRS 16 had an impact of € 1,0m on the tax position.

Financial position

Cash Flow

Figure 7 – Cash flow statement

Consolidated statement of cash flows	Note	AY 20/21 €'000	AY 19/20 €'000
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, OPENING BALANCE		131 632	67 186
CASH FLOW FROM OPERATING ACTIVITIES (A)		158 848	126 643
EBIT from continuing operations		**51 485**	**-2 576**
EBIT from discontinued operations		**-**	**-**
Income taxes paid		**-3 376**	**-6 096**
Adjustments		**100 101**	**115 461**
Fair value adjustments biological assets		-	27
Amortisation of intangible assets	6.3.	20 665	18 072
Depreciation of property, plant & equipment and right-of-use assets	6.1., 6.4.	76 926	77 804
Impairment on property, plant & equipment	6.1.	1 413	7 566
Write-off on stock/trade receivables		3 846	498
Increase/decrease (-) in provisions and employee benefit liabilities	6.14., 6.15.	1 025	-9 086
Gain (-)/loss on disposal of property, plant & equipment		-1 201	-3 796
Result on change in control of subsidiares and equity accounted investments		-3 014	23 328
Share based payments and other	6.13.	949	1 146
Share of profit/loss (-) of equity accounted investments	6.5.	-507	-97
Increase (-) /decrease in working capital		**10 638**	**19 854**
Increase (-)/decrease in inventories	6.8.	-50 200	7 894
Increase (-)/decrease in trade and other receivables	6.9.	2 885	-22 007
Increase/decrease (-) in trade and other payables	6.17.	57 952	33 967
CASH FLOW FROM INVESTING ACTIVITIES (B)		-41 598	-16 584
Acquisitions (-)		**-48 268**	**-37 280**
Acquisition of intangible assets and property, plant & equipment	6.1., 6.3.	-48 268	-36 069
Acquisition of subsidiaries	7.1.	-	-1 211
Disposals		**6 671**	**20 696**
Disposal of intangible assets and property, plant & equipment	6.1., 6.3.	1 834	11 085
Disposal of subsidiaries	7.1.	4 836	9 610
CASH FLOW FROM FINANCING ACTIVITIES (C)		-169 168	-44 939
Capital increase, net of transaction costs	6.12.	49 304	-

Dividend payment		-129	-147
Proceeds from borrowings, net of transaction costs	6.16.	290 821	93 133
Repayment of borrowings	6.16.	-432 035	-186 474
Payment of principal portion of lease liabilities	6.4.	-30 777	-27 008
Net interests paid		-41 273	-48 418
Other financial expenses		-5 079	-1 026
Transfer from restricted cash	6.10.	-	125 000
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**-51 918**	**65 119**
Effect of exchange rate fluctuations		-373	-673
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, CLOSING BALANCE		**79 341**	**131 632**
Of which:			
Cash and cash equivalents	6.10.	81 250	132 709
Bank overdrafts	6.10.	1 909	1 077

The net decrease in cash and cash equivalents for AY 20/21 amounted to € -51,9m to a Cash and Bank overdraft level of € 79,3m. Operating and investing activities contributed € 117,3m as compared to € 110,1m last year.

Cash flow from operating activities

The cash inflow from operating activities amounts to € 158,8m in AY 20/21, compared to a cash inflow from operating activities of € 126,6m in AY 19/20, or an increase of € 32,2m. This improvement is mainly the result of a higher EBIT corrected for mainly non-cash EBIT adjustments i.e. € 38,7m, from € 112,9m in AY 19/20 to € 151,6m in AY 20/21, as explained by the successful transformation of the Group.

The Group continues its efforts in further improving its working capital, albeit the improvement slowed down for an amount of € 9,2m from € 19,9m in AY 19/20 to € 10,6m in AY 20/21. Main reason is that inventories increase substantially thanks to the growth of the business and good production volumes, and build-up of inventories after an historically low inventory level end March 2020 due to COVID-19 hoarding. Receivable and payable improvement is significant thanks to active working capital management and strengthening of the financial position of Greenyard.

Tax cash out is € 2,7m lower than last year as Greenyard revised its tax prepayment policy. In AY 20/21 Greenyard still benefited to an important extent from the use of tax losses carried forward.

Cash flow from investing activities

The cash outflow from investing activities amounts to € 41,6m, which is € 25,0m higher than in AY 19/20. The main explanation is the difference in disposal proceeds being € 6,7m in AY 20/21 as compared to € 20,7m in AY 19/20. Last year's proceeds were higher due to the sale of Greenyard Flowers UK, the plant of Greenyard Frozen Hungary and several German DC's, versus the sale of Greenyard Logistics Portugal and some limited assets this financial year.

Acquisitions of Property, plant and equipment and subsidiaries have increased by € 11,0m (from € 37,3m in AY 19/20 to € 48,3m in AY 20/21) as the investment program has been intensified as well replacements as improvements/expansion.

Cash flow from financing activities

The cash outflow from financing activities has increased by € 124,2m to € 169,2m. This is mainly the result of the refinancing of the outstanding debt in a new Facilities Agreement, resulting in the repayment of € 432,0m and new drawings of € 290,8m.

Positively, in AY 20/21 a capital increase net of transaction costs of € 49,3m has been realised. In addition, net interests have reduced by € 7,1m from € 48,4m in AY 19/20 to € 41,3m in AY 20/21 thanks to lower debt and better margin conditions.

CAPEX

Total capex for the year amounted to € 48,3m, after a lower capital expenditure year of € 36,1m last year. In Fresh the investments relate predominantly to ERP implementation, automation and efficiency increase infrastructure in the Ridderkerk DC, ripening cells in the Boom DC and the Hamburg office. In Frozen Greenyard invested in new peeling & sorting lines, packing automation in several locations, a new packing hall in UK and investments to comply with new coating regulations for frozen vegetables. In AY 20/21 Greenyard continues to be very strict on approving capex but still managed to honour the investment program conform the needs of the different businesses.

Net financial debt

Without leasing debt, net financial debt decreased further by € 85,7m to € 339,9m in AY 20/21. This translates into a leverage of 2,9x, down from 4,4x last year. The decrease is driven by an increase in operating profit and active Group-wide working capital management, whilst continuing to invest into the operations and strategic partnerships. As to indebtedness and leverage, Greenyard succeeded in securing a stable financing for the coming years, renewing its bank financing in March 2021, including a reserved and committed tranche of € 125,0m for the repayment of its outstanding convertible bond, maturing in December 2021.

Outlook statement

Based on the current expectations and assumptions for the coming years, including a potential slightly negative impact from the re-opening of hotels, restaurants and bars on its customer volumes in the event of a slow and gradual re-opening of the food service customer segment, Greenyard expects its adjusted EBITDA (post-IFRS 16) for the full year ending 31 March 2022 to grow towards € 165,0m, versus the initial guidance of € 160,0m (post-IFRS 16). In relation to the divestment of Greenyard Prepared Netherlands, the Group has decided not to make an adjustment to its adjusted EBITDA guidance and ambitions for this divestment, so it is included in the increased guidance. Greenyard re-affirms its ambition to grow the Group's adjusted EBITDA (post-IFRS 16) towards € 190,0m by March 2025. Without leasing debt, the Group's leverage is expected to decrease towards 2,5x by the end of the financial year 2021/2022, amongst others supported by the € 17,0m equity value to be received for the divestment of Greenyard Prepared Netherlands.

Greenyard has regained financial health and is ready for sustainable growth.

Subsequent events

On 11 June 2021, Greenyard and Cornerstone Investment Management have signed a Share Purchase Agreement pursuant to which Cornerstone Investment Management, a Polish private equity investment firm, will acquire 100% of the shares of Greenyard Prepared Netherlands, specialised in the supply of high quality, freshly harvested mushrooms in cans and jars to a worldwide customer base, subject to customary regulatory approvals and closing conditions.

There are no other major events subsequent to the balance sheet date which have a major impact on the further evolution of the Group.

Change in consolidation perimeter

The following major changed occurred in the consolidation scope during AY 20/21:

- In June 2020, Greenyard finalised the sale of Greenyard Logistics Portugal for a consideration of € 7,0m and realised a gain of € 3,0m.

APPENDIX 1: Consolidated income statement

Consolidated income statement	Note	AY 20/21 €'000	AY 19/20 €'000
CONTINUING OPERATIONS			
Sales	5.1.	4 416 227	4 060 992
Cost of sales	5.2.	-4 118 950	-3 813 320
Gross profit/loss (-)		**297 277**	**247 672**
Selling, marketing and distribution expenses	5.2.	-97 048	-94 275
General and administrative expenses	5.2.	-158 991	-147 624
Impairment property, plant & equipment	5.2.	-1 413	-7 566
Other operating income/expense (-)	5.4.	11 153	-880
Share of profit/loss (-) of equity accounted investments	6.6.	507	97
EBIT		**51 485**	**-2 576**
Interest expense	5.5.	-42 579	-51 861
Interest income	5.5.	260	289
Other finance result	5.5.	-4 845	-9 237
Net finance income/cost (-)		**-47 164**	**-60 808**
Profit/loss (-) before income tax		**4 321**	**-63 384**
Income tax expense (-)/income	5.6.	-3 119	-4 597
Profit/loss (-) for the period from continuing operations		**1 201**	**-67 981**
DISCONTINUED OPERATIONS			
Profit/loss (-) for the period from discontinued operations		-	-
PROFIT/LOSS (-) FOR THE PERIOD		1 201	-67 981
Attributable to:			
The shareholders of the Group		536	-68 533
Non-controlling interests		666	552

APPENDIX 2: Consolidated statement of financial position

Assets	Note	31 March 2021 €'000	31 March 2020 €'000
NON-CURRENT ASSETS		1 255 142	1 264 810
Property, plant & equipment	6.1.	328 738	323 179
Goodwill	6.2.	477 504	477 500
Other intangible assets	6.3.	198 797	209 515
Right-of-use assets	6.4.	220 286	226 791
Investments accounted for using equity method	6.5.	7 679	7 193
Other financial assets	6.6.	5	5
Deferred tax assets	6.7.	18 061	15 575
Trade and other receivables	6.9.	4 071	5 052
CURRENT ASSETS		686 991	700 113
Inventories	6.8.	309 447	261 867
Trade and other receivables	6.9.	295 774	303 311
Other financial assets	6.6.	519	2 226
Cash and cash equivalents	6.10.	81 250	132 709
TOTAL ASSETS		1 942 133	1 964 923

Equity and liabilities	Note	31 March 2021 €'000	31 March 2020 €'000
EQUITY		451 118	406 109
Issued capital	6.12.	337 696	288 392
Share premium and other capital instruments	6.12.	317 882	317 882
Consolidated reserves		-213 177	-209 961
Cumulative translation adjustments		-6 498	-4 948
Non-controlling interests		15 214	14 745
NON-CURRENT LIABILITIES		553 972	750 669
Employee benefit liabilities	6.14.	19 131	17 971
Provisions	6.15.	10 310	8 149
Interest-bearing loans	6.16.	281 661	472 214
Lease liabilities	6.4.	206 949	208 782
Trade and other payables	6.17.	3 653	2 228
Deferred tax liabilities	6.7.	32 268	41 325
CURRENT LIABILITIES		937 043	808 146
Provisions	6.15.	4 417	4 239
Interest-bearing loans	6.16.	132 131	77 893
Lease liabilities	6.4.	28 496	26 409
Other financial liabilities	6.6.	2 408	860
Trade and other payables	6.17.	769 591	698 745
TOTAL EQUITY AND LIABILITIES		1 942 133	1 964 923

APPENDIX 3: Reconciliation net financial debt

Reconciliation net financial debt	31 March 2021 €'000	31 March 2020 €'000
Cash and cash equivalents	-81 250	-132 709
Restricted cash	-	-
Interest-bearing loans (non-current/current)	413 792	550 107
Lease liabilities (non-current/current)	235 445	235 191
As reported	**567 986**	**652 588**
Net capitalised transaction costs related to the refinancing	2 864	2 889
Net value of the conversion option at inception after amortisation	2 008	4 613
Net financial debt (post-IFRS 16)	**572 857**	**660 090**
IFRS 16 impact	-232 911	-234 509
Net financial debt	**339 946**	**425 581**

The annual report and financial statements will be released at the time of publication of the press release and are available on the Greenyard website. For additional information, please contact Greenyard:

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About Greenyard

Greenyard (Euronext Brussels: GREEN) is a global market leader of fresh, frozen and prepared fruit & vegetables, flowers and plants. Counting Europe's leading retailers amongst its customer base, Greenyard 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 approx. 9.000 employees operating in 23 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 approx. € 4 billion per annum.

www.greenyard.group

Glossary

CAPEX	Capital expenditures
EBIT	Operating result
EPS	Earnings per share
Liquidity	Current assets (including assets classified as held for sale)/Current liabilities (including liabilities related to assets classified as held for sale).
Leverage	NFD/LTM adjusted EBITDA
Net financial debt (NFD)	Interest-bearing debt (at nominal value) before the impact of IFRS 16 as of AY 20/21, less derivatives, bank deposits, cash and cash equivalents and restricted cash.
Net financial debt (post IFRS 16)	Interest-bearing debt (at nominal value) after the impact of IFRS 16 as of AY 20/21, less derivatives, bank deposits, cash and cash equivalents and restricted cash.
Net result	Profit/loss (-) for the period
Adjusting items	Adjusting items are one-off expenses and income that in management's judgement need to be disclosed by virtue of their size or incidence. Such items are included in the consolidated income statement in their relevant cost category, but separately disclosed in the chapter *Key financial information* reconciling EBIT to adjusted EBITDA. Transactions which may give rise to adjusting 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.
Adjusted EBITDA	EBIT corrected for depreciation, amortisation and impairments excluding adjusting items, excluding EBIT corrected for depreciation, amortisation and impairments from minor divested operations (not within the scope of IFRS 5) and excluding the impact of IFRS 16.
Adjusted EBITDA (post-IFRS 16)	EBIT corrected for depreciation, amortisation and impairments excluding adjusting items, excluding EBIT corrected for depreciation, amortisation and impairments from minor divested operations (not within the scope of IFRS 5) and including the impact of IFRS 16.
LTM adjusted EBITDA	Last twelve months adjusted EBITDA, corrected 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 andother receivables are corrected for long-term (financing) receivables and accrued interest income and trade and other payables exclude accrued interest expenses anddividend payable.
AY 19/20	Accounting year ended 31 March 2020
AY 20/21	Accounting year ended 31 March 2021