Return to financial health through successful transformation

AY 2019/2020

Sint-Katelijne-Waver, Belgium, 16 June 2020

GREENYARD

for a healthier future

RESULTS 2019/2020 | PRELIMINARY NOTES

Glossary - All definitions are available in the Glossary of the Annual Report

Executive summary Greenyard Group results

Net Sales growth of 3,8% YoY to € 4.061,0m

Growth thanks to revitalisation of the commercial relationships and ramp-up of long-term partnerships. But also, termination of loss-making volumes.

Sharp increase in adjusted EBITDA of 48,4% to € 95,7m

Driven by transformation initiatives, including cost control, workforce rightsizing, efficiency improvements, purchase leveraging and waste control.

EBIT amounts to € -2,6m up from € -133,4m last year

Better operational result and lower one-off adjustments, however, a loss due to the divestment of Greenyard Flowers UK. Positive impact of IFRS 16 of € 5,7m.

Highlights | A year of recovery thanks to the successful transformation

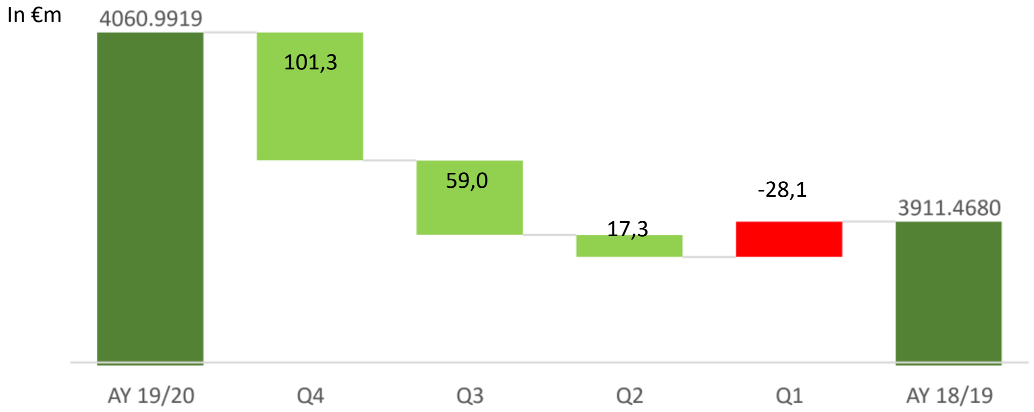
Three pillar transformation approach

1 Revitalisation commercial relationships	2 Operational excellence	3 Footprint ratio-nalisation & cash mindset
• Long term relationships • Increased relevance • Action plan loss-making volumes • Innovation at a correct price	• Transport & logistics optimisation • Group procurement • Cost discipline • Development joint sourcing	• Divestments non-core business • Better asset utilisation • Focus on debtors/creditors • Improved inventory management

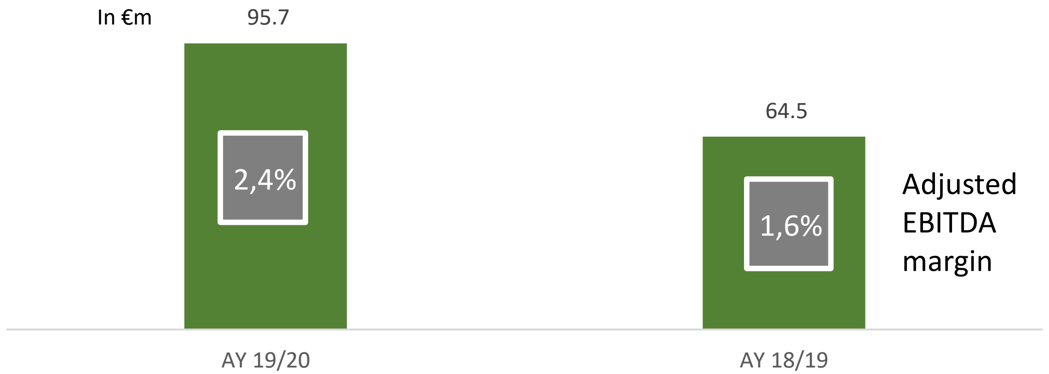
Culturally embedded **Continuous improvement**

Key financials Group | Transformation driving the recovery, 3-week COVID-19 impact is only minor on adjusted EBITDA (< € 2,0m)

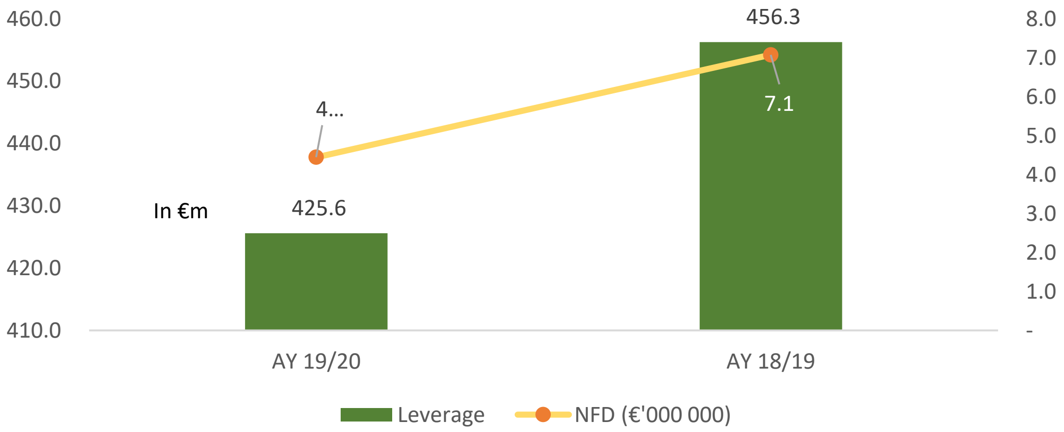
1 Quarter by quarter accelerating Group net sales increase over AY 19/20 (+3,8%)



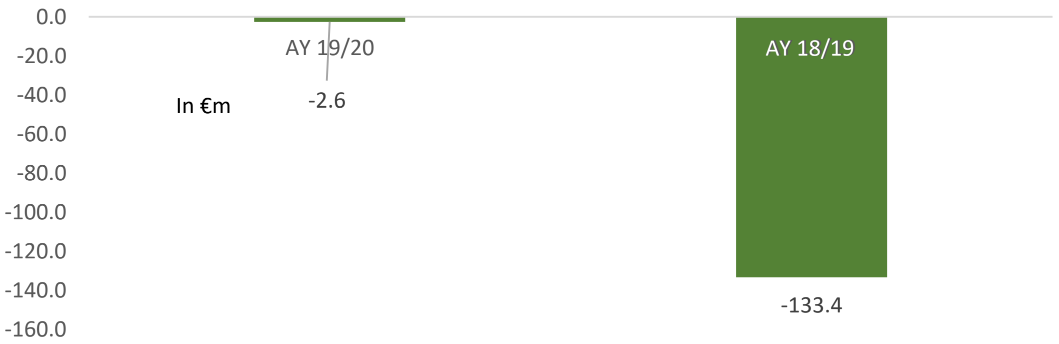
2 Thanks to transformation and commercial incentives recovery of adjusted EBITDA by 48,4%



3 Cash mindset and improved working capital reduce nominal debt and leverage



4 Bringing EBIT to € -2,6m (of which € +12,5m in H2) from € -133,4m last year



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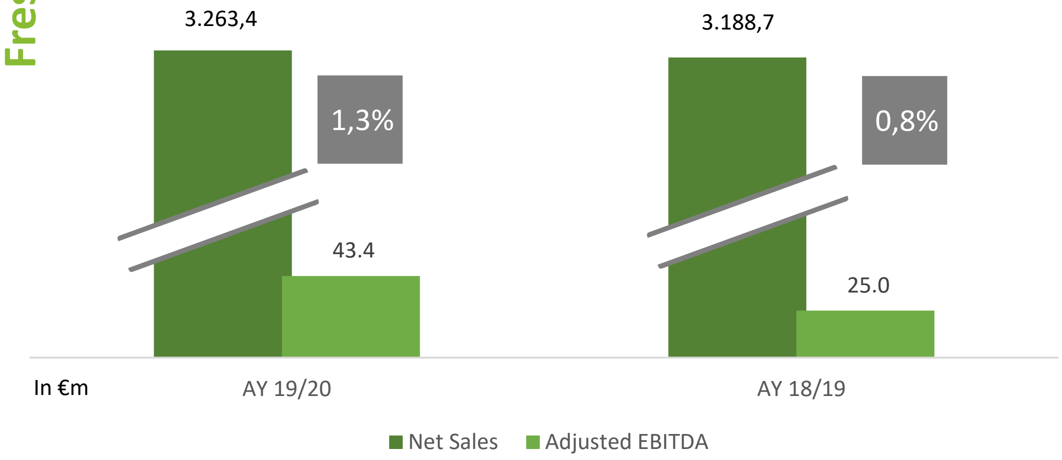
Key Financials Segments | Both segments benefit from the transformation

Fresh

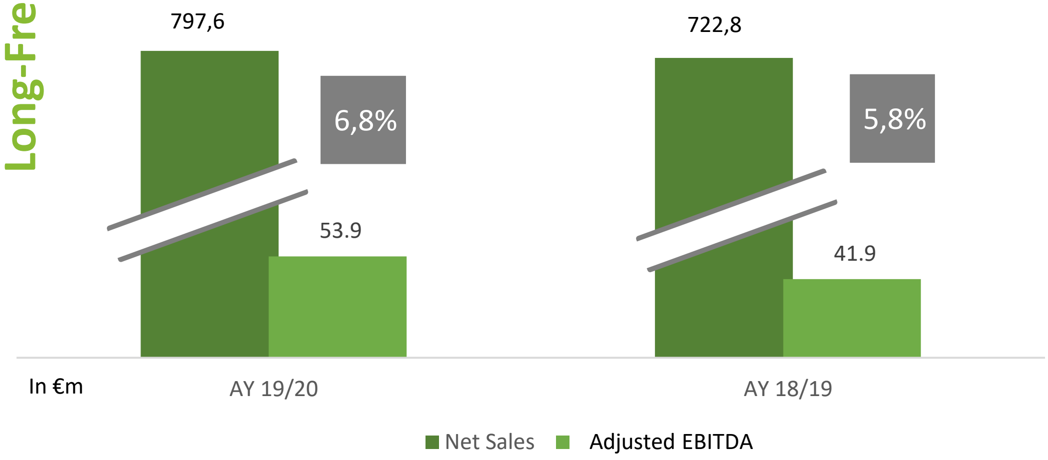
Sales increased by 2,3%, adjusted EBITDA by 73,9%



- Fresh sales amounted to € 3.263,4m, up € 74,7m from € 3.188,7m last year (+2,3%).
- Profitable growth thanks to the revitalisation of the commercial relationships and ramping up of the partnerships. This also includes a recovery of the loss-making volumes that were terminated.
- Fresh was able to implement its transformation initiatives including a strong cost control, workforce resizing, efficiency improvements, purchase leverage and waste control.
- Management teams in several countries have been strengthened.
- The negative trend of decreasing profitability was reversed.

Long-Fresh

Sales increased by 10,4%, adjusted EBITDA by 28,8%



- Long Fresh sales amounted to € 797,6m, up € 74,9m from € 722,8m (+10,4%).
- Sales to retail customers increased a.o. due to the new partnership with Tesco in Frozen (fruit & vegetable). Also important growth in convenience as well in Frozen as in Prepared.
- Frozen fully recovered from the difficult ‘Listeria’ year 18/19.
- Important improvement in capacity utilisation and production efficiency as well as savings in logistics and overhead costs. A key driver is better co-ordination among production facilities.
- Focus on price strategy, but pressure in mushroom market is high.

Result evolution | Strong operational results improve net result, which is still negative due to one-off costs (part non-cash) and interests but improving further in H2 19/20

	H1 19/20	H2 19/20	AY 19/20	AY 18/19	Growth
Sales	1.968,9	2.092,1	4.061,0	3.911,5	3,8%
Cost of sales	-1.848,7	-1.964,6	-3.813,3	-3.712,5	2,7%
Gross Profit	120,2	127,5	247,7	199,0	24,5%
% gross margin	6,1%	6,1%	6,1%	5,1%	19,9%
Overhead	-135,2	-115,1	-250,2	-332,4	-24,7%
% overhead on sales	-6,9%	-5,5%	-6,2%	-8,5%	-27,5%
EBIT	**-15,0**	**12,5**	**-2,6**	**-133,4**	**-98,1%**
Net finance cost	-29,6	-31,2	-60,8	-38,0	60,2%
Results before taxes	**-44,6**	**-18,7**	**-63,4**	**-171,4**	**-63,0%**
Income taxes	-0,2	-4,4	-4,6	-20,6	-77,7%
Net result continued operations	**-44,9**	**-23,1**	**-68,0**	**-192,0**	**-64,6%**
Discontinued operations	0,0	0,0	0,0	-45,7	-100,0%
Net result	**-44,9**	**-23,1**	**-68,0**	**-237,7**	**-71,4%**
EBIT	**-15,0**	**12,5**	**-2,6**	**-133,4**	**-98,1%**
Depreciation and amortisation	48,3	47,6	95,9	66,6	43,9%
IFRS 16 EBITDA impact	-18,3	-19,4	-37,7	0,0	-
Impairment goodwill	0,0	0,0	0,0	78,9	-100,0%
Reorganisation costs	-2,5	1,9	-0,5	15,0	-103,6%
Disposal and financing project costs	4,8	0,5	5,3	4,5	18,0%
Result on sale subs./assets (incl. impairment)	28,5	-2,1	26,4	-0,8	-3511,6%
Listeria related net result	-1,9	0,1	-1,7	25,7	-106,8%
Other (claims, LT receivables, divestiture, …)	3,8	7,0	10,8	7,9	35,9%
Adjusted EBITDA	**47,6**	**48,1**	**95,7**	**64,5**	**48,4%**

Interest cost linked to higher facility usage and interest rates. **Other finance** costs include waiver fee, and a last year's positive gain on sale of financial assets. IFRS 16 interest impact in FY 19/20 amounts to € 12,8m.

Next year: finance costs will be decreasing due to lower leverage, Nov/19 consent with banks and repayment of the retail bond.

LY **goodwill** on Long Fresh has been impaired (€ -78,9m). This year there are no goodwill impairments

LY important accruals were taken for the **reorganization** (€ -15m). Actual costs this year proved to be slightly lower.

These costs relate to advisor fees related to **disposals** and bank **financing**. Some projects a.o. cornerstone investor and sale of core business were stopped in November 2019.

Mainly related to **Flowers UK** i.e. cash flow projections on biological assets and an impairment on Prepared NL assets.

LY important accruals were taken for the **Listeria recall** (€ -25,7m). Actual net costs this year proved to be lower.

Next year: adjustments will be decreasing as advisors and projects are reduced to a minimum, impairment test based on current business plans.

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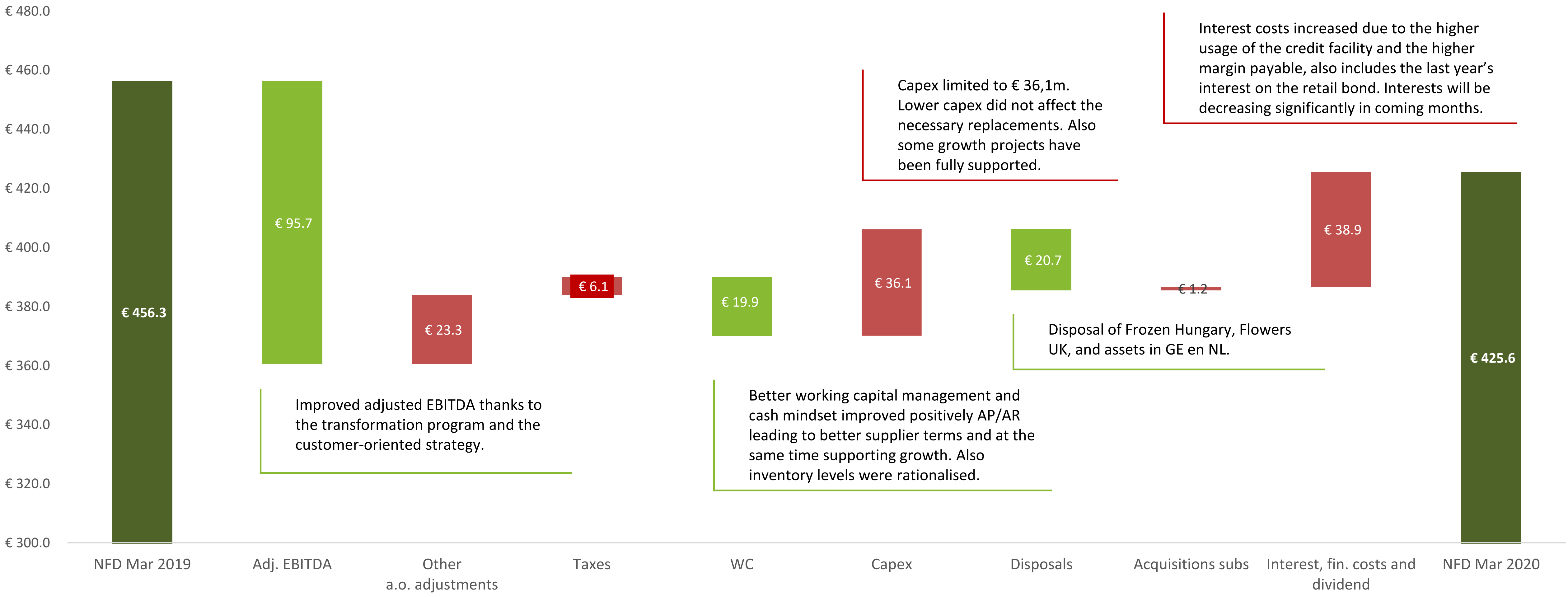
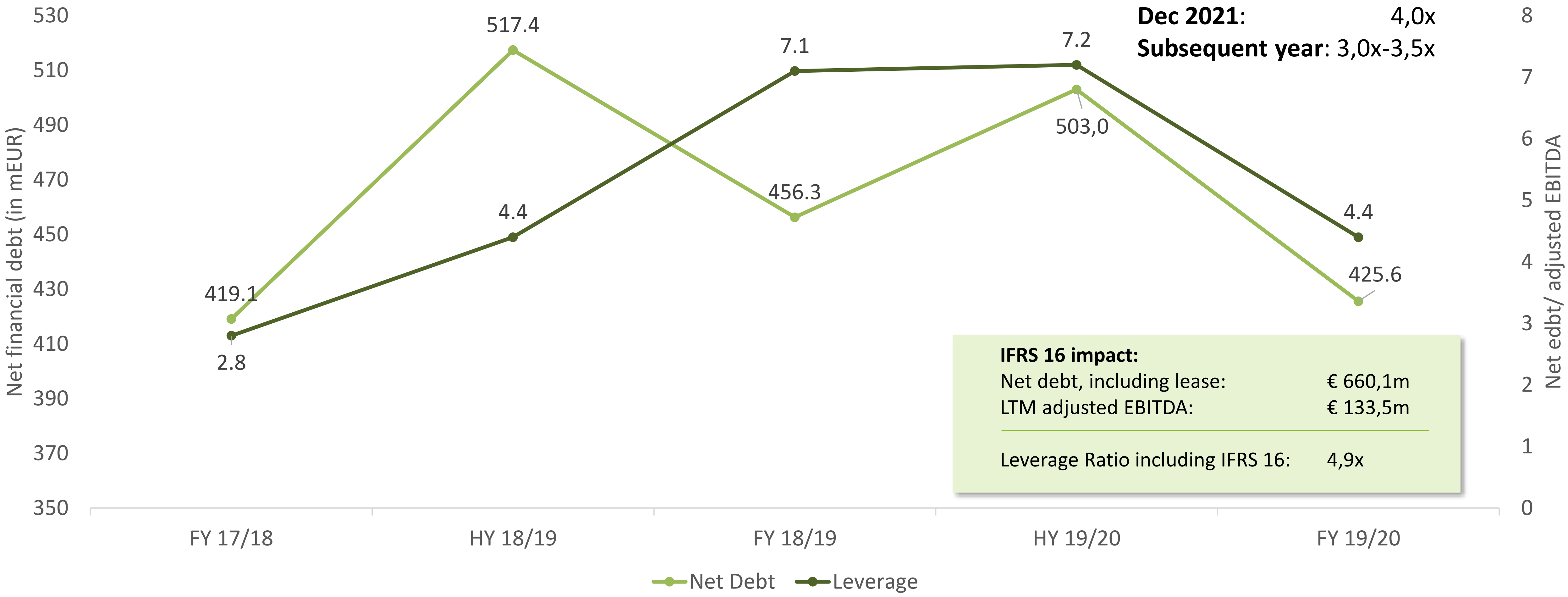
Net financial debt evolution | Improvement by € 30,7m with stronger profitability, working capital and disposals as the main drivers of reducing debt



Leverage evolution | Leverage below 4,5x and thus returns gradually back towards ‘normal’ levels after a sudden spike in FY 18/19



Dec 2021: 4,0x
Subsequent year: 3,0x-3,5x

IFRS 16 impact:

Net debt, including lease:	€ 660,1m
LTM adjusted EBITDA:	€ 133,5m
Leverage Ratio including IFRS 16:	4,9x

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Focus on sustainability | Clear targets, transparent reporting

Climate action

"In recent months, we have made the necessary efforts to map our company carbon footprint (scope 1 & 2), including an initial analysis of our indirect emissions (scope 3)."

Target: Full publication of our carbon emission footprint, including scope 1, 2 and 3 emissions

Water stewardship

"Water is a critical resource for growing fruit and vegetables. This makes Greenyard particularly conscious about rational and sustainable water usage in our own operations and throughout our value chain. "

Target: Water risk assessment for 90 % of our grower base by 2022, 100% by 2025.

Responsible sourcing

"Throughout the value chain, ensuring social standards is of utmost importance for Greenyard. Greenyard has established the ambition to conduct business with suppliers that can assure compliance with international and national employment legislation, particularly in risk countries. "

Target: 90% responsible sourcing by 2022, 100% responsible sourcing by 2025.

Zero waste

"Greenyard faces the important trade-off between packaging and food shelf–life. Careful use of packaging and by designing it to be recyclable, reusable and lighter in weight, Greenyard protects and extends the life of products, while helping to reduce food waste at the consumer end."

Target: 99% of our consumer packaging will be recyclable by 2022, 100% by 2025

Outlook

Based on the current progress and plans Greenyard expects an adjusted EBITDA (excluding IFRS 16 impact) for the full year ending 31 March 2021 to range between € 100,0m and € 105,0m.

- *Although Greenyard proves to be very resilient to the COVID-19 pandemic, this outlook is subject to potential uncertainty surrounding COVID-19 and its potential implications on the world economy.*
- *Assessing the current situation and risk mitigation, Greenyard is not expecting the weather conditions of the past months to have a material impact on the guidance or results.*

"We live in turbulent times. Our society, our customer landscape and our Company have changed. This change was needed and will gear us up for the future. The way we have responded to the challenge of securing the food supply chain during the COVID-19 quarantine period, clearly demonstrates Greenyard's strength and relevance."

Quote of Hein Deprez, co-CEO

"This fiscal year started after the announcement of the Transformation Plan. Thanks to a lot of hard work with contributions from every employee in Greenyard, we proved to be able to realise the profitability potential and untapped efficiencies. This sets the basis for a healthy financial growth. The Transformation will turn into Continuous Improvement with a lot of new actions identified for FY 20/21."

Quote of Marc Zwaaneveld, co-CEO

Q&A session

For more information:

Investor Relations Manager

Dennis Duinslaeger
dennis.duinslaeger@greenyard.group

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