



Greenyard investor presentation

10 December 2020 – KBC Small and Mid Cap Conference



for a healthier future

| PRELIMINARY NOTES

Safe harbor statement - This presentation may contain forward-looking statements. Such statements reflect the current views of management regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Greenyard is providing the information in this document as of this date and does not undertake any obligation to update any forward-looking statements contained in this presentation in light of new information, future events or otherwise. Greenyard disclaims any liability for statements made or published by third parties and does not undertake any obligation to correct inaccurate data, information, conclusions or opinions published by third parties in relation to this or any other information issued by Greenyard.

Glossary - All definitions are available in the Glossary of the Half Year Report

Greenyard's transformation | Mission and ambition

“to make lives healthier by helping people enjoy fruit and vegetables, at any moment, easy, fast and pleasurable, whilst fostering nature”


- Deeper integration with customers and growers enabling more stable and resilient results
- Operational excellence and continuous improvement as new embedded way of working
- Best in class in corporate governance and risk management
- Being industry leader in sustainability leading to additional economic value



Overview and strategy

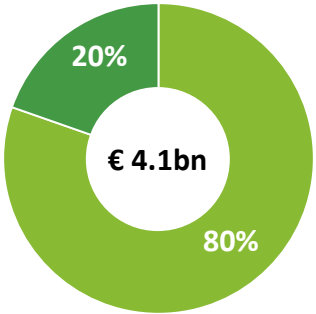
About Greenyard | Greenyard is a global leader in fruit and vegetables processing, services and logistics in three main business lines, serving mainly retail customers

Greenyard is structured across two segments and three divisions

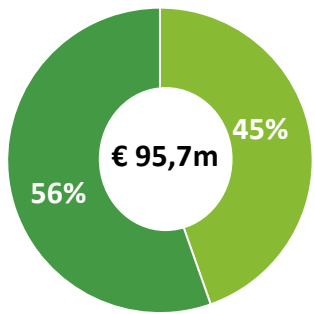
FRESH	LONG FRESH	
	FROZEN	PREPARED
Sourcing and sales of fresh fruit & vegetables	Sourcing, production and sales of frozen fruit & vegetables	Sourcing, production and sales of canned fruit & vegetables
		

Business split

FY 2019/20 Sales split



FY 2019/20 adj. EBITDA split



■ Fresh
■ Long Fresh

Outlook 20/21: € 106-110m

Leading positions in its three markets, serving 19 out the 20 main retailers in Europe



N°2 in **fresh** fruit and vegetables in Europe



N°2 in **frozen** fruit and vegetables in Europe

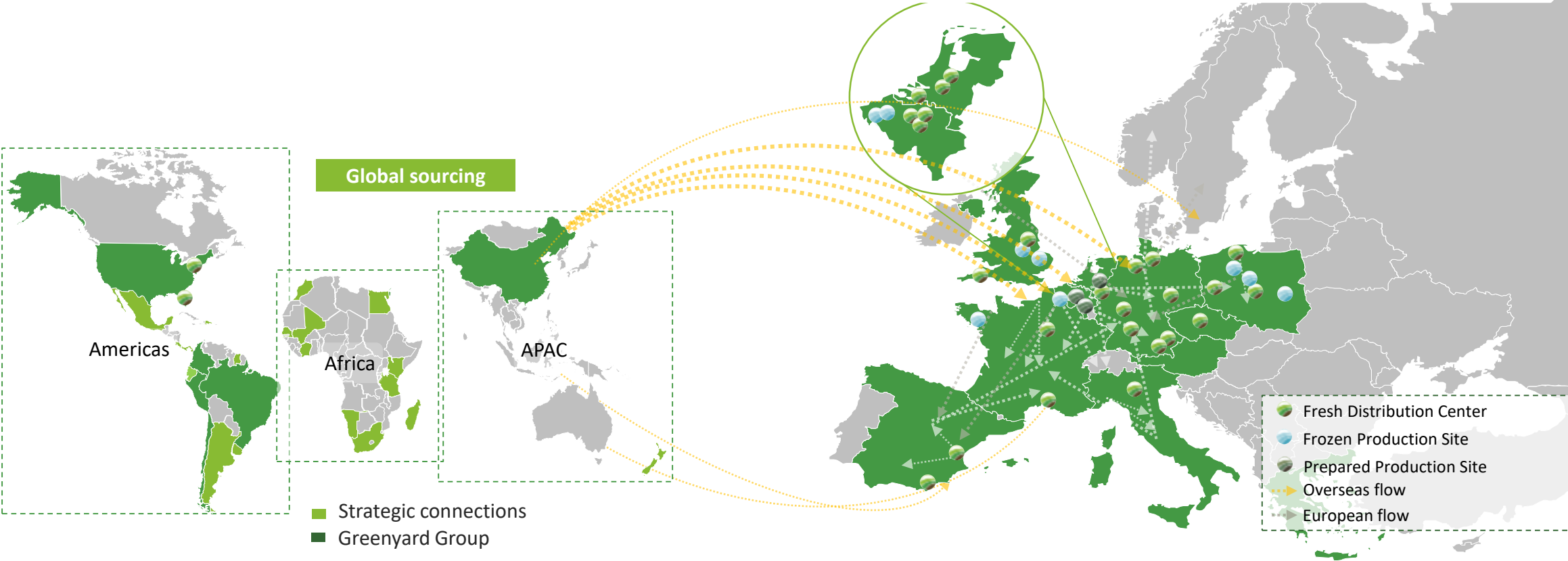
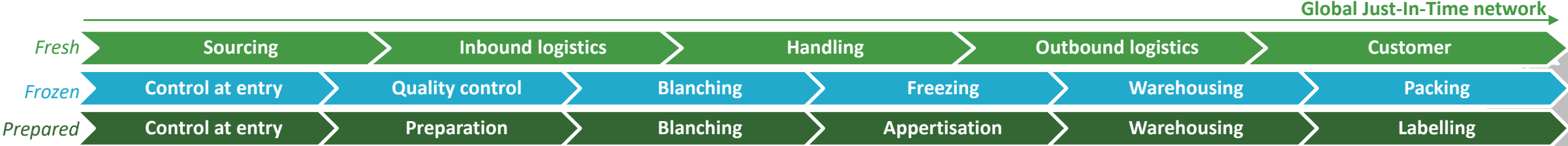


N°5 **preserved** fruit and vegetables in Europe

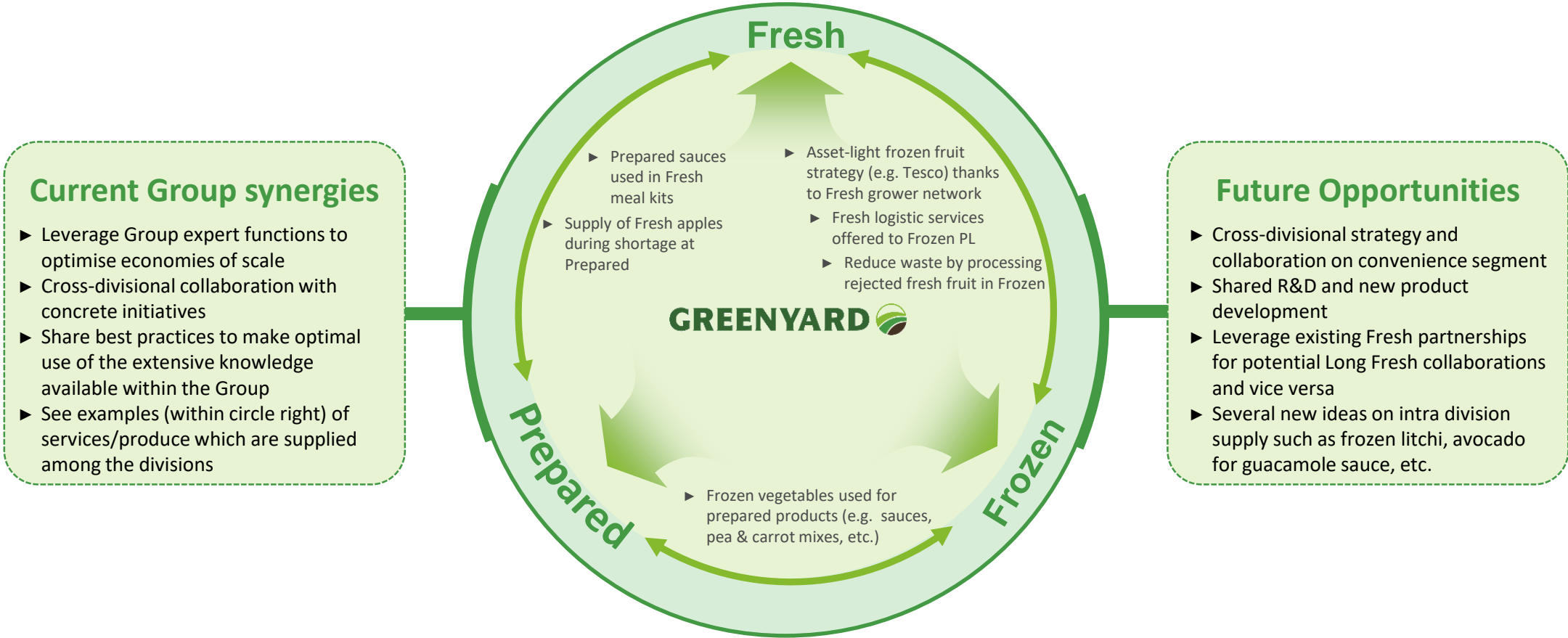


N°1 in **preserved** mushrooms globally

Global footprint | Thanks to its global network of growers and excellent supply chain management services, Greenyard manages to fulfill customers' high standards



Unique combination | With its unique combination, the 3 divisions are strengthening each other a.o. by cross-supplying services and produce



KEY HIGHLIGHTS HY 2020/2021

KEY FINANCIAL HIGHLIGHTS H1 2020 | Executive Summary



Double-digit
sales growth

€ 2.172,6m

+10,3%



Fast increasing
adjusted EBITDA

€ 56,6m

+18,9%



Strong operating
cash generation

€ 69,6m

€ 3,7m LY



Improving
Leverage

3,9x

vs. 7,2x LY and
4,4x March '20

KEY HIGHLIGHTS | HY 2020/2021



Clear growth in sales (+10,3%) and adjusted EBITDA (+18,9%)



Increasingly stable profitability



Successful focus on de-risking Greenyard



Refinancing process ongoing and on track



Sustainability going hand in hand with adding economic value



Clear growth in sales and adjusted EBITDA in uncertain economic times



Brexit

- Limited sales exposure in each of the divisions
- At least partial natural hedge in most exposed division (Frozen)
- Preparations on track, cooperation with customers and growers



COVID-19

- New reality.
- How we deal with it: Guarantee supply chain in uncertain times earns trust
- Positive volume effect in retail customer segment, negative volume effect in Food Service in Long Fresh

Uncertain times



Resilience & agility



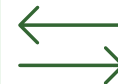
Sales

- Ramp-up integrated customer relationships
- Broadening customer relationships
- Close cooperation with customer and suppliers facilitates finding solutions
- Diversified customer portfolio



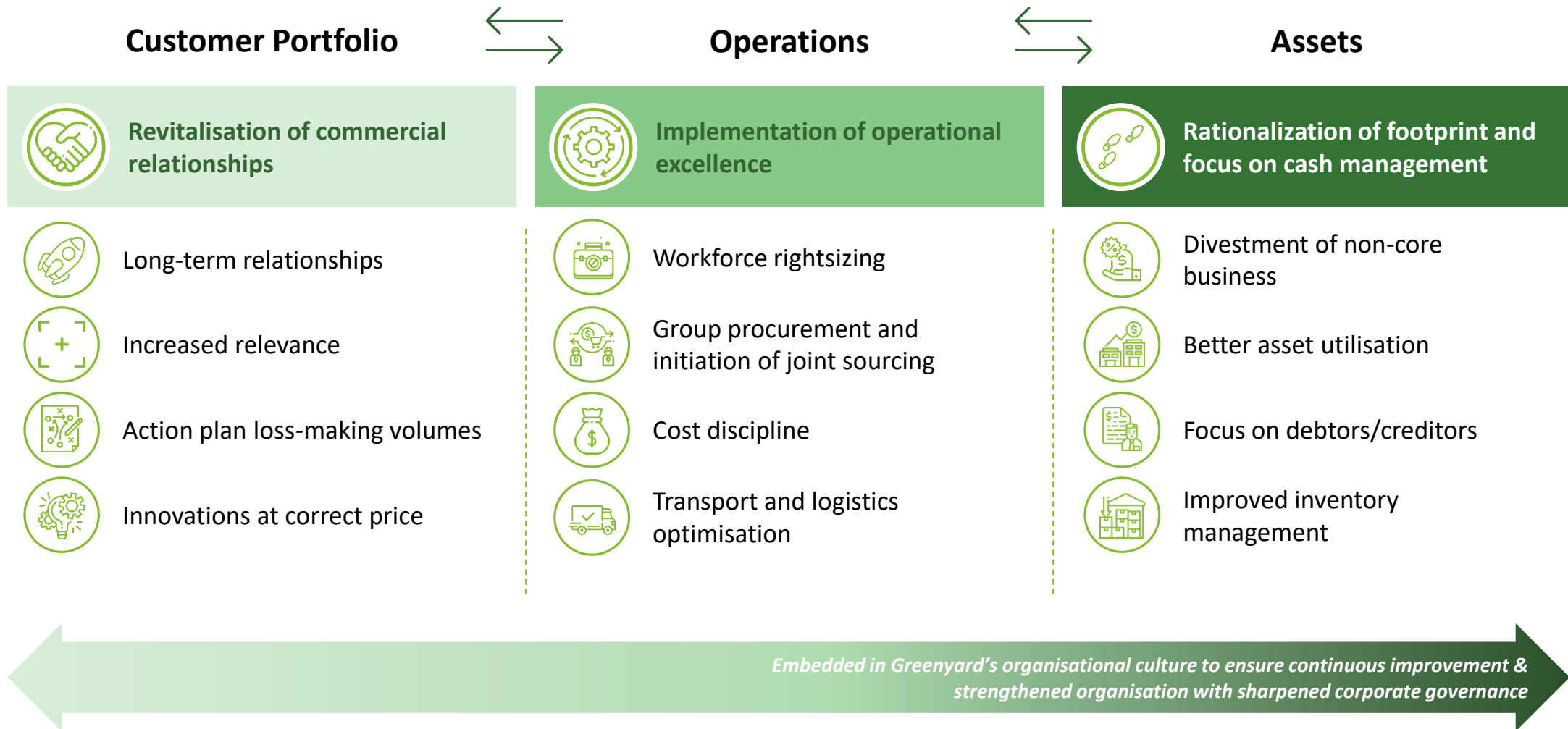
Adjusted EBITDA + margin

- Increased added value services
- Improved efficiency and cost structure
- Innovation
- Correct price for service/product



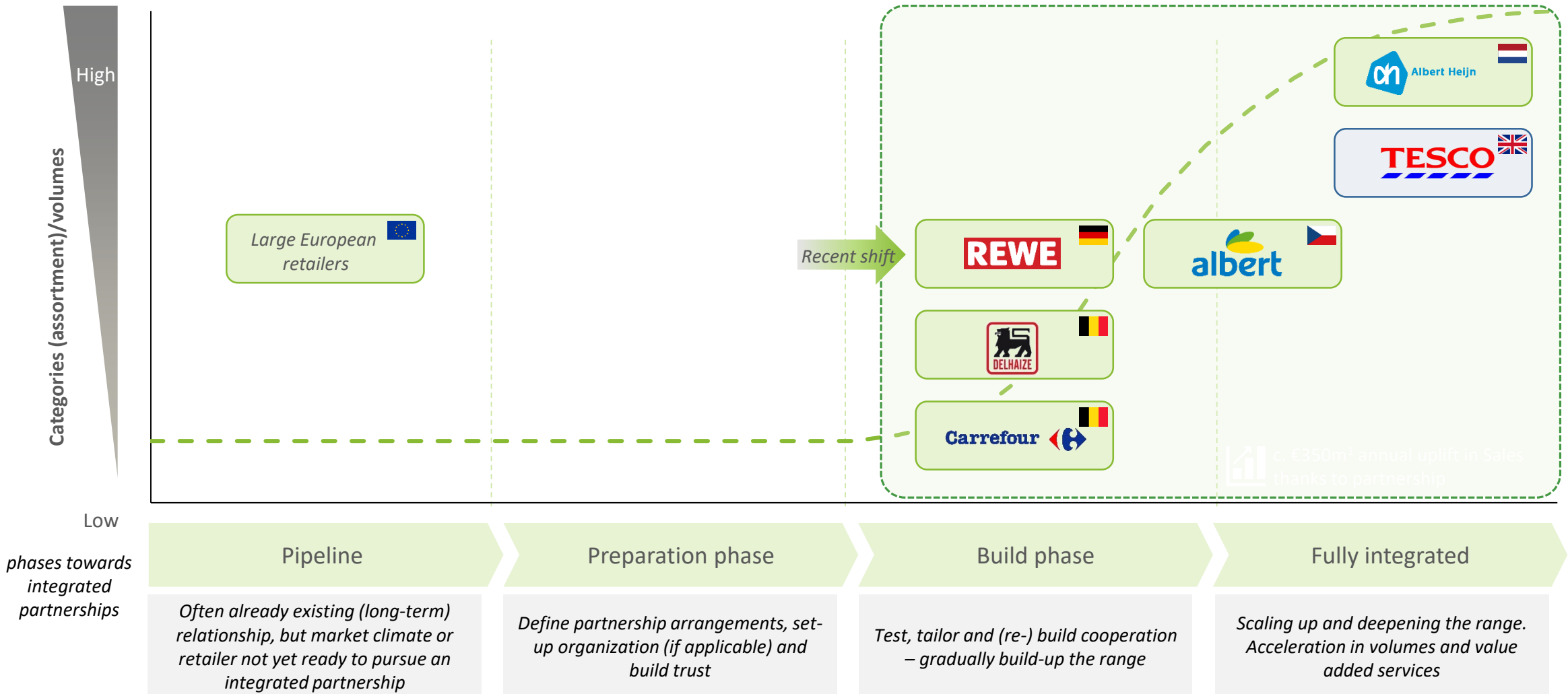


Increasingly stable profitability | successful 3 pillar approach



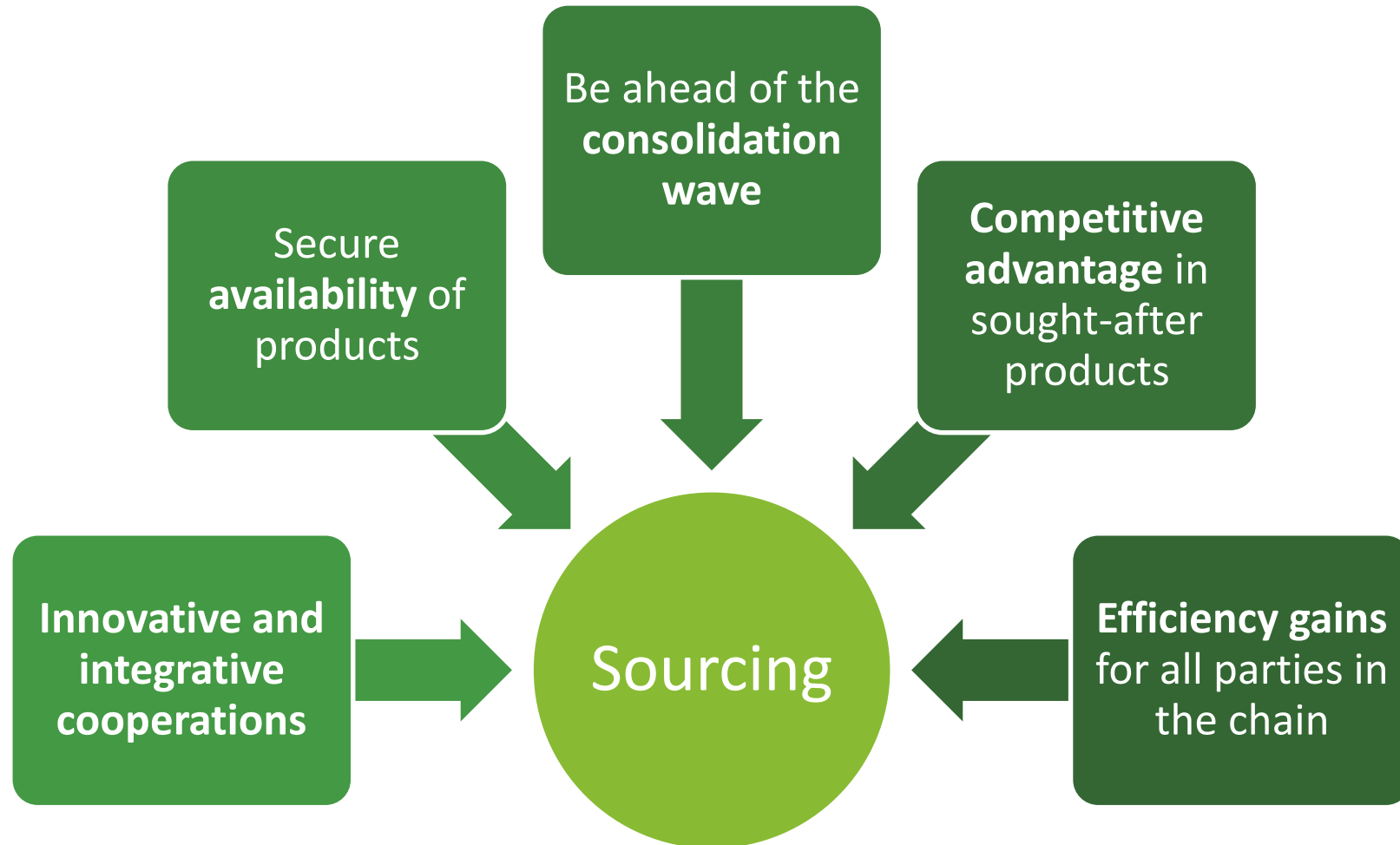


Increasingly stable profitability | New partnerships prove the relevance of the integrated partnership model resulting in higher volumes and solid margins





Increasingly stable profitability | Integration in the entire chain through collaboration with growers and joint sourcing





Increasingly stable profitability | Transformation office to identify and unlock untapped cost efficiency potential across the whole Group

REALISED TRANSFORMATION INITIATIVES (APRIL '19 – AUGUST '20)

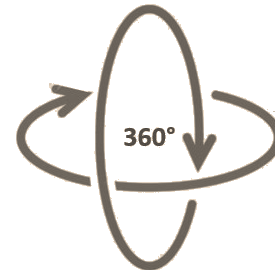
- ▶ Logistics efficiency in Fresh Germany
- ▶ Road: increase load factor in Belgium
- ▶ Production rationalisation/yield improvement
- ▶ Productivity improvement (temporary labour)
- ▶ Group Transport Management System – ongoing

Sourcing



- ▶ Waste management program in the Netherlands
- ▶ Evolution from spot buying to sustainable buying programs
- ▶ Group joint sourcing initiatives ongoing

Operational Excellence



Indirect spend



- ▶ Significant reduction in workforce Change of management teams across all divisions and on group level
- ▶ Shift in mindset to focus on profitability and cash and increased best practice sharing across divisions and countries

Organisation



- ▶ Road: increase Baltic carrier in Italy and the Netherlands
- ▶ Sea freight cost improvement
- ▶ Packaging specifications optimisation
- ▶ Temporary labour renegotiated in Belgium
- ▶ Facility cleaning optimisation in Belgium
- ▶ Harmonisation IT standards



Successful focus on de-risking Greenyard | Key Elements



More volumes through integrated commercial partnerships



Long term innovative and integrative cooperation in the entire chain, particularly with growers



Debt reduction is key commitment



Cash mindset



Corporate governance & risk management



Refinancing ongoing and on track



Financial results will positively contribute to refinancing process

- Conversations with capital providers are constructive and positive.
- Process is on track so far.



Greenyard aims to refinance by end of financial year.

- Greenyard's syndicated loan and convertible bond both mature in December 2021.



Greenyard is looking into a refinancing whereby bank debt remains a key component.

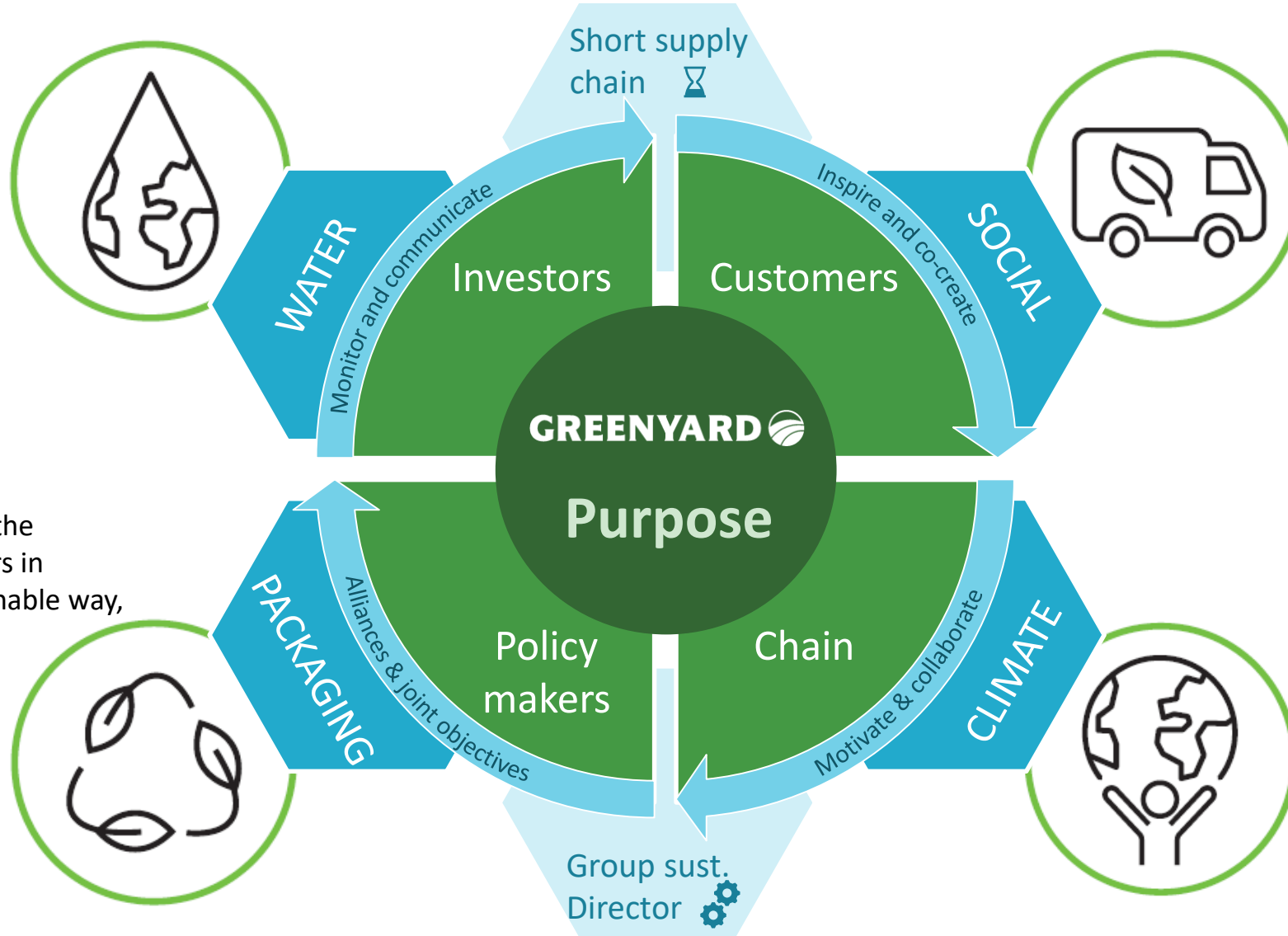
- Objective to keep financial costs under control, optimising FCF



Sustainability going hand in hand with adding economic value

Sustainability is to become part of every day decisionmaking, embedded in the entire organisation, whereby adding economic value and sustainability go hand in hand.

Greenyard believes it is the responsibility of all actors in society to act in a sustainable way, including companies



Join our customers in working on sustainability and transparency in various fields and parts of the value chain

Not only our own footprint needs to improve, but it will become crucial to motivate our partners in the chain to work on sustainability



Sustainability going hand in hand with adding economic value | 4 concrete commitments


#1

We will reduce our greenhouse gas (GHG) emissions by 50% by 2025

(2018: n/a)

152.478 tonnes CO₂-eq.

We will set long-term Science Based Targets no later than 2022



#2

We will assess the water risks of 100% of our grower base by 2025

We started in 2019 with water-intensive crops and our own processing sites



#3

100% of our consumer packaging will be recyclable by 2025

(2018: 97%)

98%



#4

100% of our grower base located in risk origins will be certified for social compliance by 2025

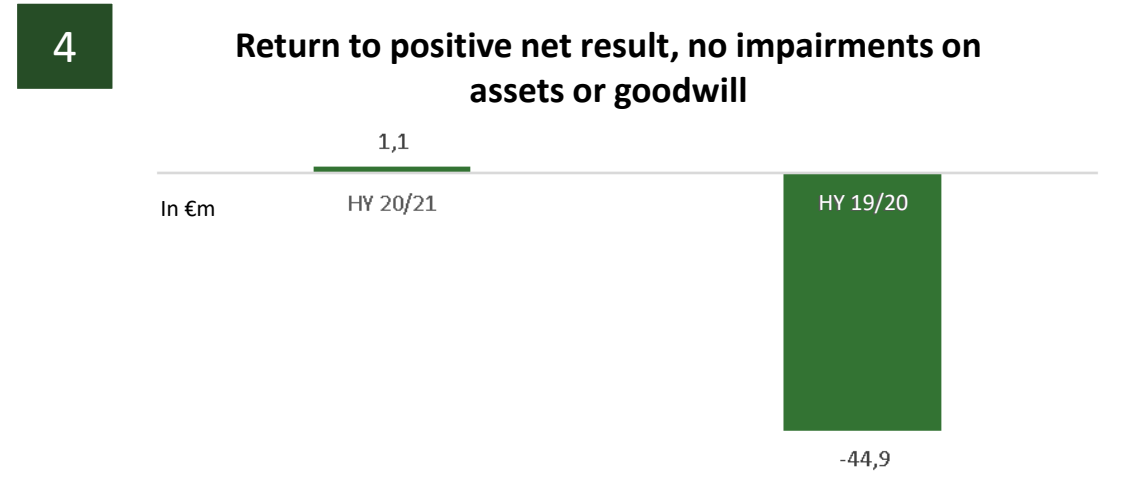
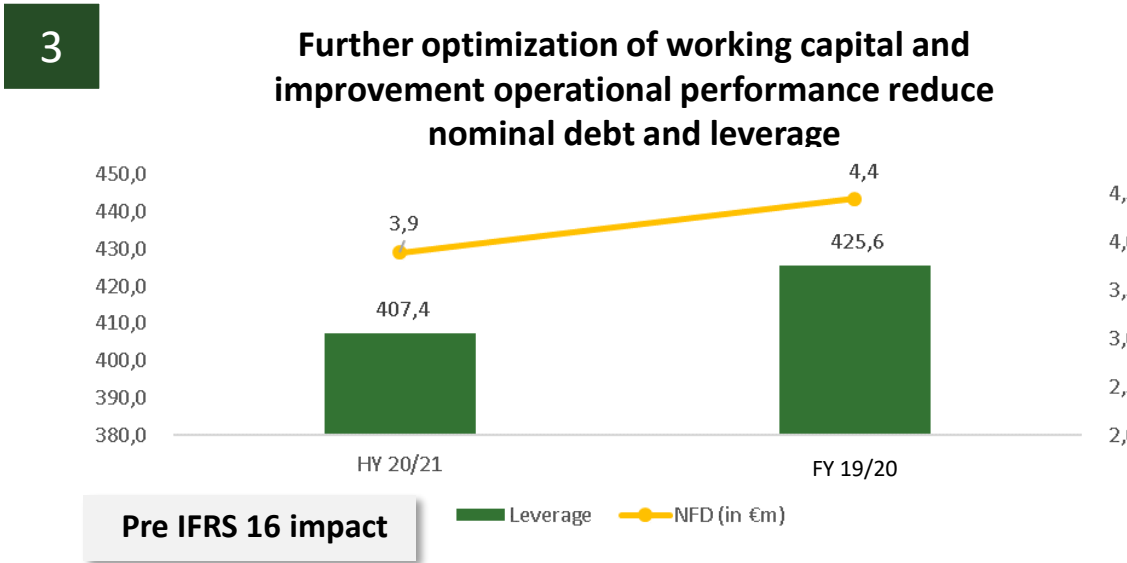
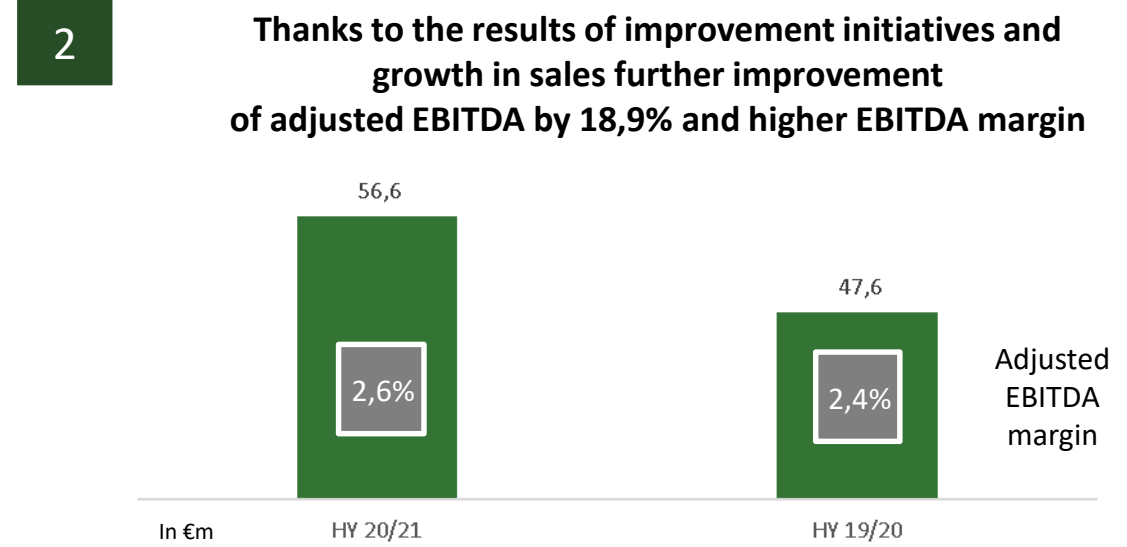
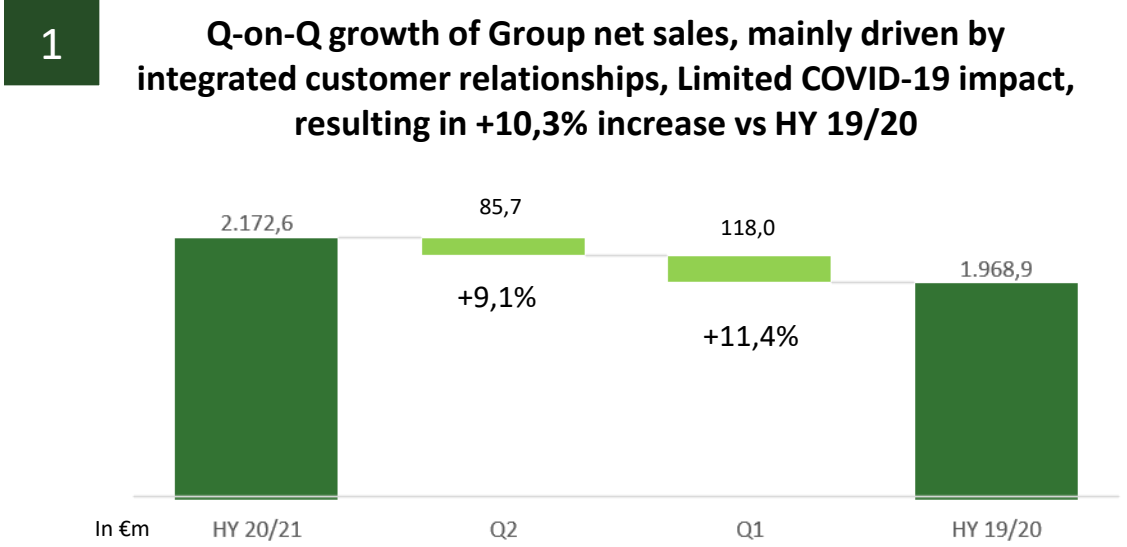
(2018: n/a)

78%

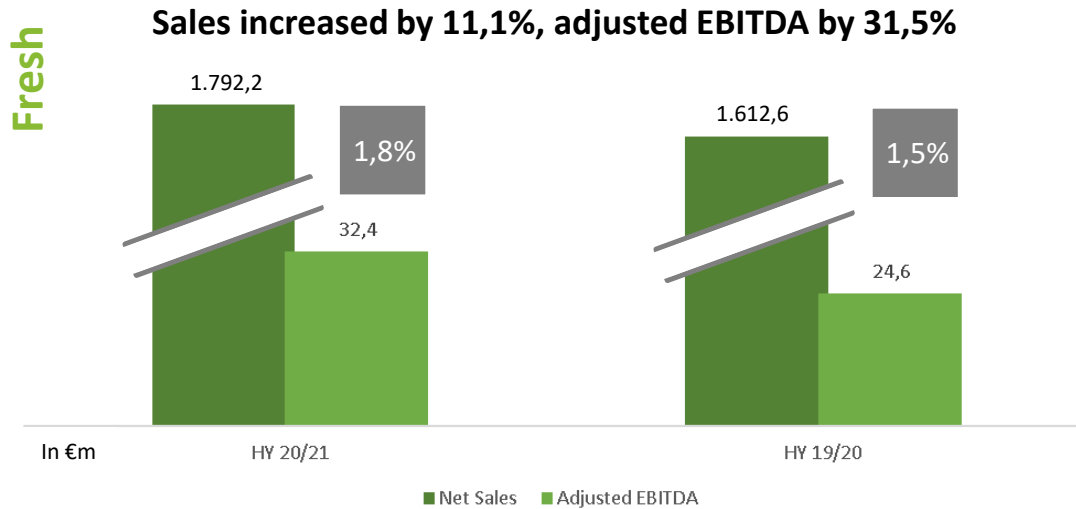


KEY HIGHLIGHTS HY 2020/2021

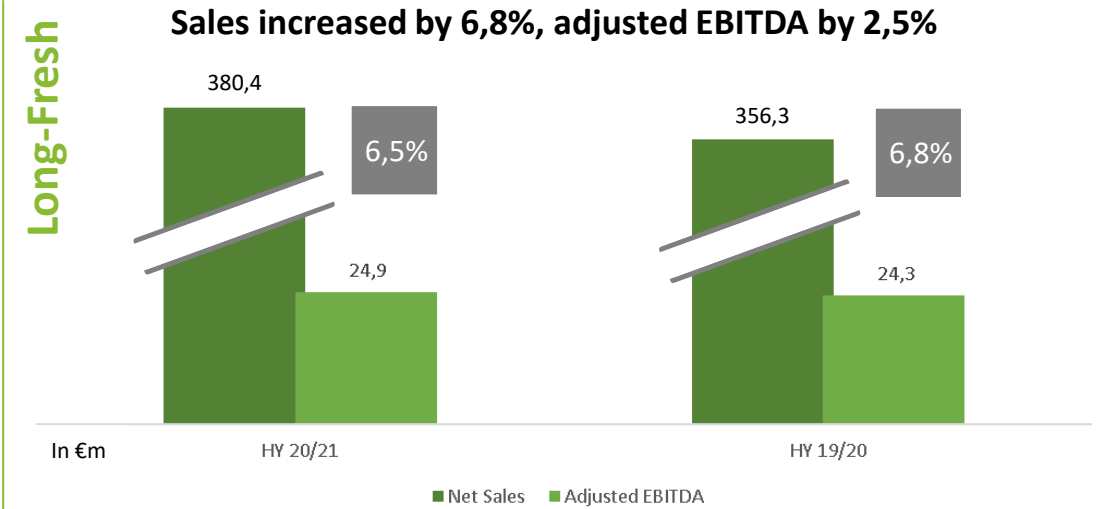
Key financials Group | Continued growth and positive net result on the back of strong sales and further improvement initiatives



Key Financials Segments | Improvement in sales and profitability in both segments



- Fresh sales amounted to € 1.792,2m, up € 179,6m from € 1.612,6m last year (+11,1%).
- Profitable growth thanks to further development integrated customer relationships. To a lesser extent also supported by higher volumes resulting from the shift to at-home consumption following COVID-19 induced measures (however without material margin impact due to additional costs).
- Fresh was able to benefit fully from the ramp-up of last year's initiated transformation initiatives. Besides, revival of underperforming activities in combination with increased sales are leading to stable margin improvement.



- Long Fresh sales amounted to € 380,4m, up € 24,1m from € 356,3m (+6,8%).
- Sales are growing steadily, despite the shift from out-home consumption temporarily impacting food service customers. As this segment represents less than 20% of sales, this was more than compensated by an increase in sales to retail customers.
- Sales growth, o.a. fruit and operational efficiency gains facilitated a further increase in Adjusted EBITDA, though margin has slightly decreased due to lower than expected agricultural yields during the summer.
- Nevertheless, margin has slightly decreased due to lower than expected agricultural yields during the summer, and additional incurred COVID costs.

Result evolution | Strong operational results and very limited non-recurring items translate into positive net result

	HY 20/21	HY 19/20	Growth
Sales	2.172,6	1.968,9	10,3%
Cost of sales	-2.028,7	-1.848,7	9,7%
Gross Profit	144,0	120,2	19,8%
% gross margin	6,6%	6,1%	8,6%
Overhead	-116,9	-135,2	-13,6%
% overhead on sales	-5,4%	-6,9%	-21,7%
EBIT	27,1	-15,0	-280,3%
Net finance cost	-23,5	-29,6	-20,7%
Results before taxes	3,6	-44,6	-108,1%
Income taxes	-2,5	-0,2	982,8%
Net result continued operations	1,1	-44,9	-102,5%
Discontinued operations	0,0	0,0	-
Net result	1,1	-44,9	-102,5%
EBIT	27,1	-15,0	-280,3%
Depreciation and amortisation	49,0	48,3	1,6%
Impairment PP&E and assets HFS	0,0	29,5	-100,0%
Reorganisation costs	3,1	-2,5	-225,7%
Disposal and financing project costs	0,1	4,8	-98,2%
Result on sale of subsidiaries	-3,0	0,0	-
Result on sale of assets	-0,8	-1,0	-23,8%
Listeria related net result	0,0	-1,9	-100,0%
Other adjustments	0,9	3,1	-71,6%
IFRS 16 EBITDA impact	-20,2	-18,3	10,2%
Divestitures (not in IFRS 5 scope)	0,4	0,7	-37,0%
Adjusted EBITDA	56,6	47,6	18,9%

Net finance costs: decrease mainly due to lower usage of credit lines and decrease in interest rates. Includes of IFRS 16 impact of € 5,3m.

Income taxes: partial usage of deferred tax assets, while last year important DTA impairments were taken.

Depreciations: includes an impact of IFRS 16 amounting to € 17,2m; D&A stable due to investments in line with depreciation level.

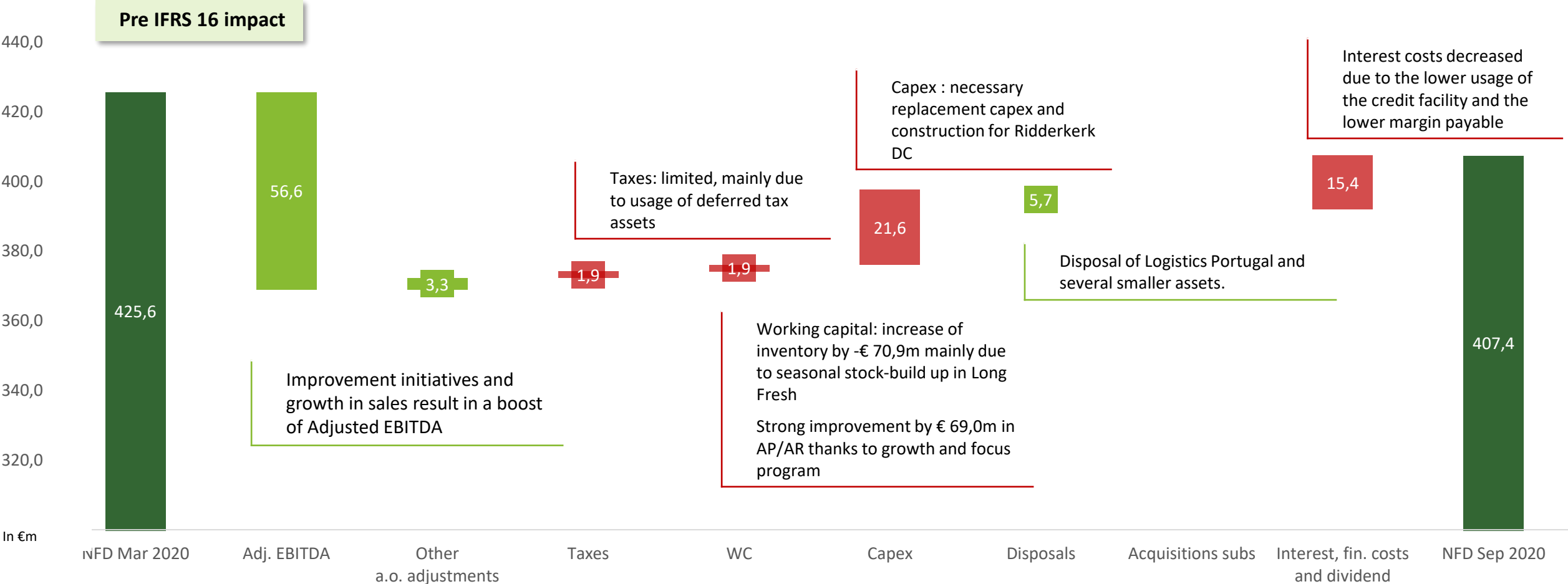
Impairment: no more impairment, last year impairments taken mainly on intangible assets in UK.

Reorganisation costs: costs related to the further execution of the transformation program.

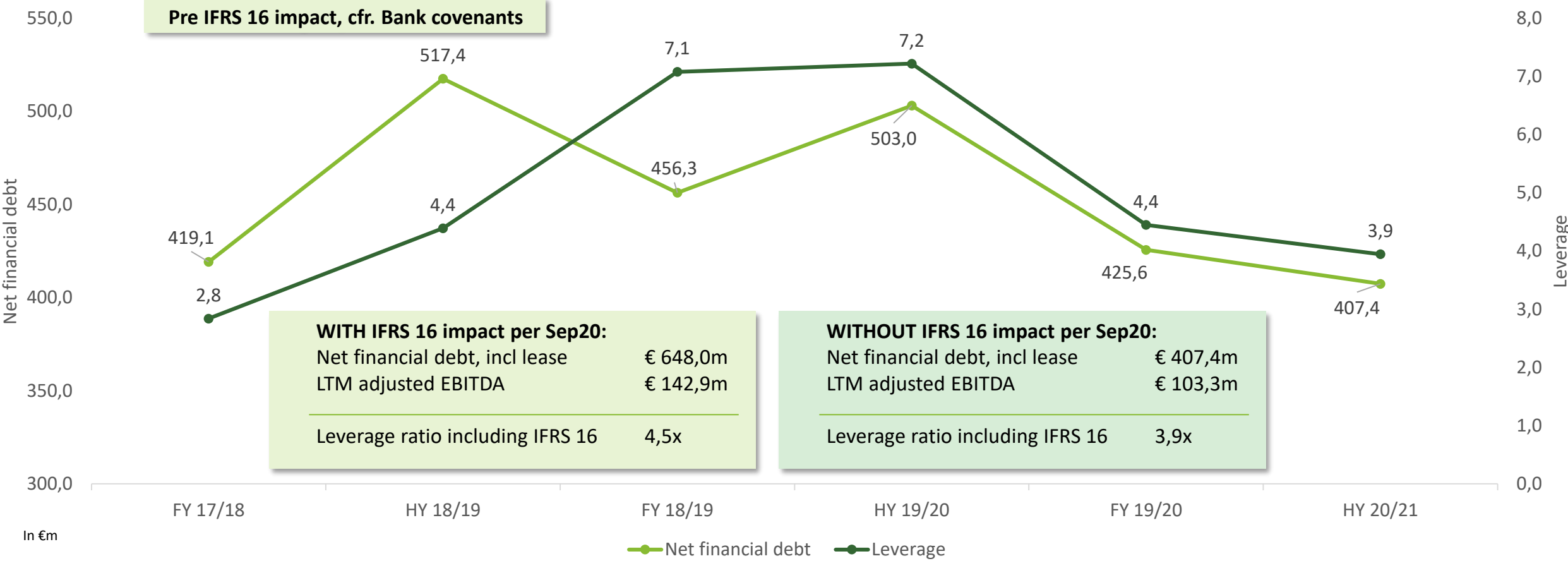
Disposal and financing project costs: advisory costs last year linked to the disposal program and bank financing process

Result on sale: mainly gain realized on the disposal of Logistics Portugal.

Net financial debt evolution | Improvement by € 18,2m with strong profitability, improvement in working capital, disposal proceeds and reduction of interest costs



Leverage evolution | Continuing our deleverage track, leverage drops below 4,0x, which is almost half compared to the year before



Outlook | profitability and leverage

1

Adjusted EBITDA of € 106-110m for full financial year 2020/2021

2

Leverage ratio around 3,7x (pre-IFRS 16) for the full financial year
2020/2021

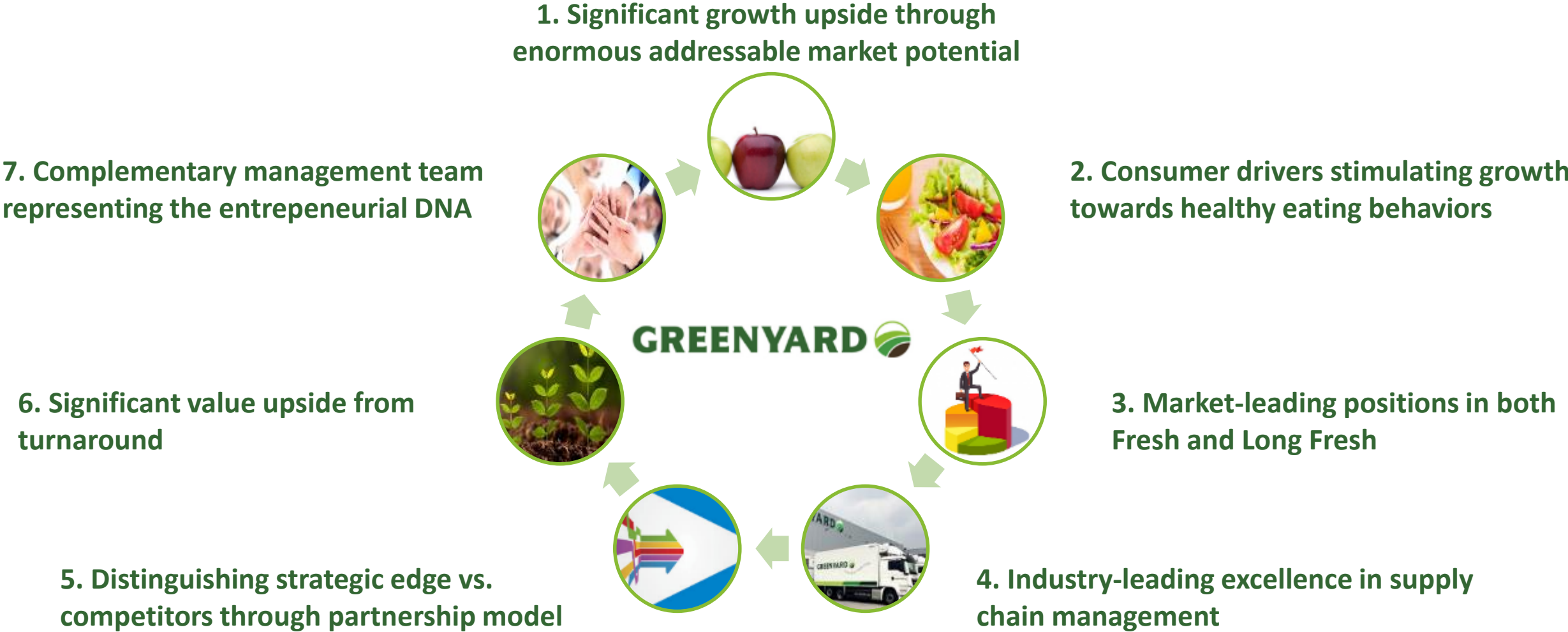
3

Leverage ratio (pre-IFRS 16) close to 3,0x by the end of the financial year
(2021/2022) and evolve permanently below 3,0x thereafter



APPENDIX: GREENYARD IN MORE DETAIL

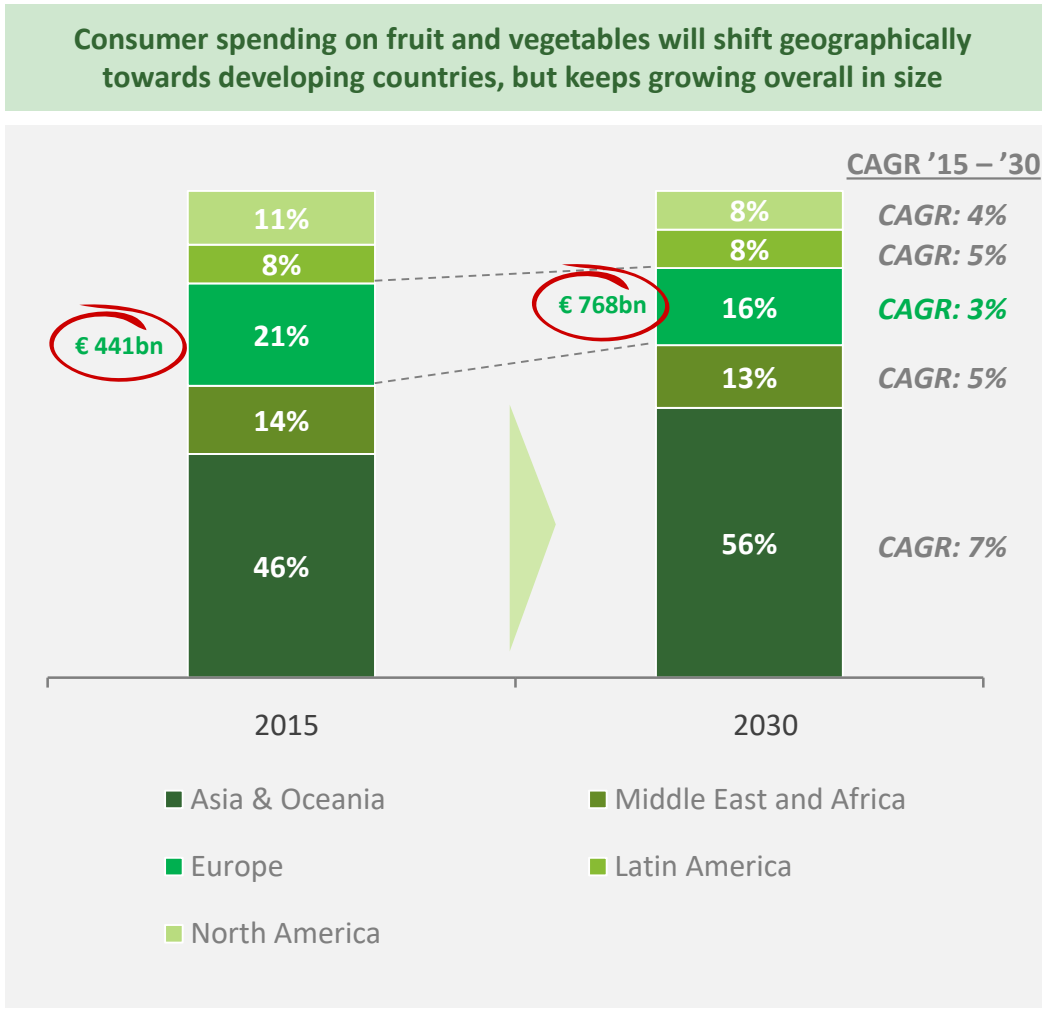
Industry leader | Greenyard is uniquely positioned to offer best-in-class services and an unmatched product offering



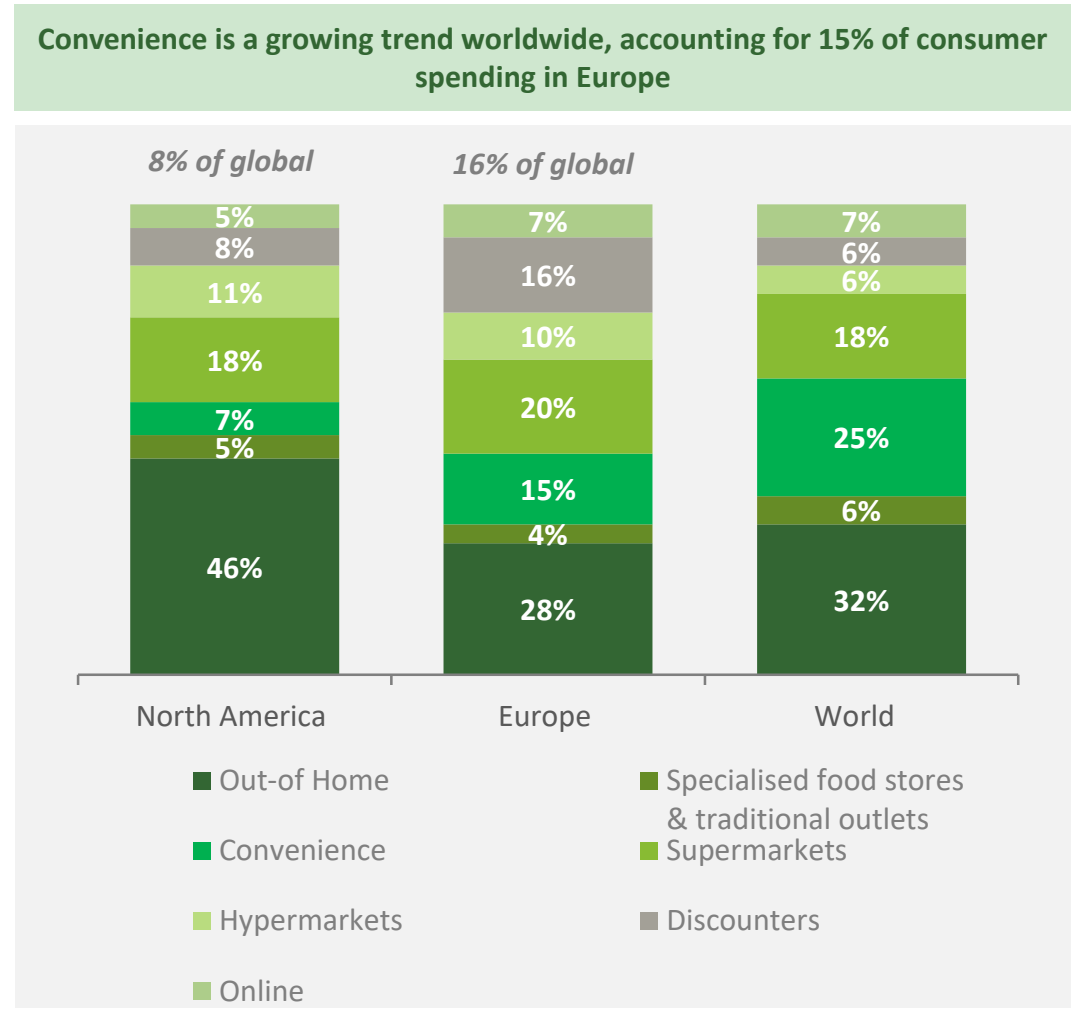


Market | The Global Fruit & Vegetables market presents an enormous addressable market with further growth outlook, substantially served by food retail by 2030...

Consumer spending on fruit & vegetables – Geography dynamic, 2015-2030



Consumer spending on fruit & vegetables – Geography and Channel, 2030

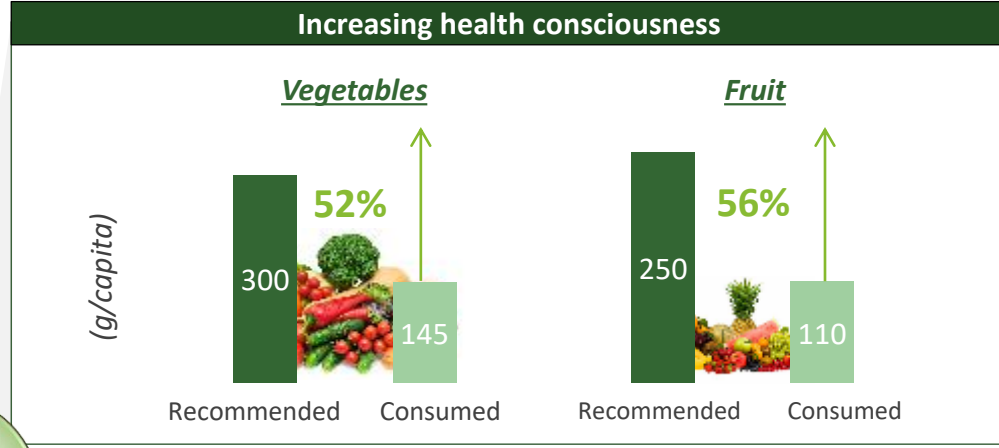




Market trends | Greenyard leveraging on consumer market trends supporting growing demand

Favourable societal trends

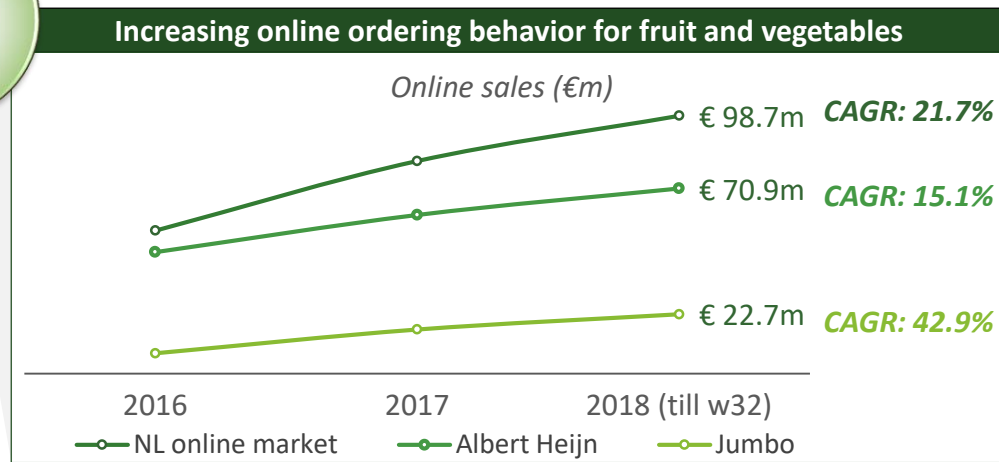
Healthy living Rise of illness and obesity	Diversity Fun in everyday cooking
Convenience Increasing time pressure on consumer	Premium Increasing trend of novelty products
Meat reduction Rise of vegetarianism	Sustainability Rising environmental concerns



MARKET DRIVERS

Sustainability & traceability

More local products	➔ Greater transparency in the supply chain and increase of 'local-for-local'
More seasonal products	➔ Provenance labels enhance consumption of local seasonal fruit and vegetables
Environmentally friendly packaging	➔ More information on sustainability of products and efforts to achieve this





Market position | As a market leader with a unique position in its three core divisions, Greenyard is serving the majority of the top retailers in its core regions

MARKET LEADER

FRESH

30 distribution sites

1,8 million tons/year supply

ca. 5,500 employees

MARKET LEADER

FROZEN

10 facilities

450,000 tons/year production

ca. 2,000 employees

MARKET LEADER

PREPARED

3 facilities

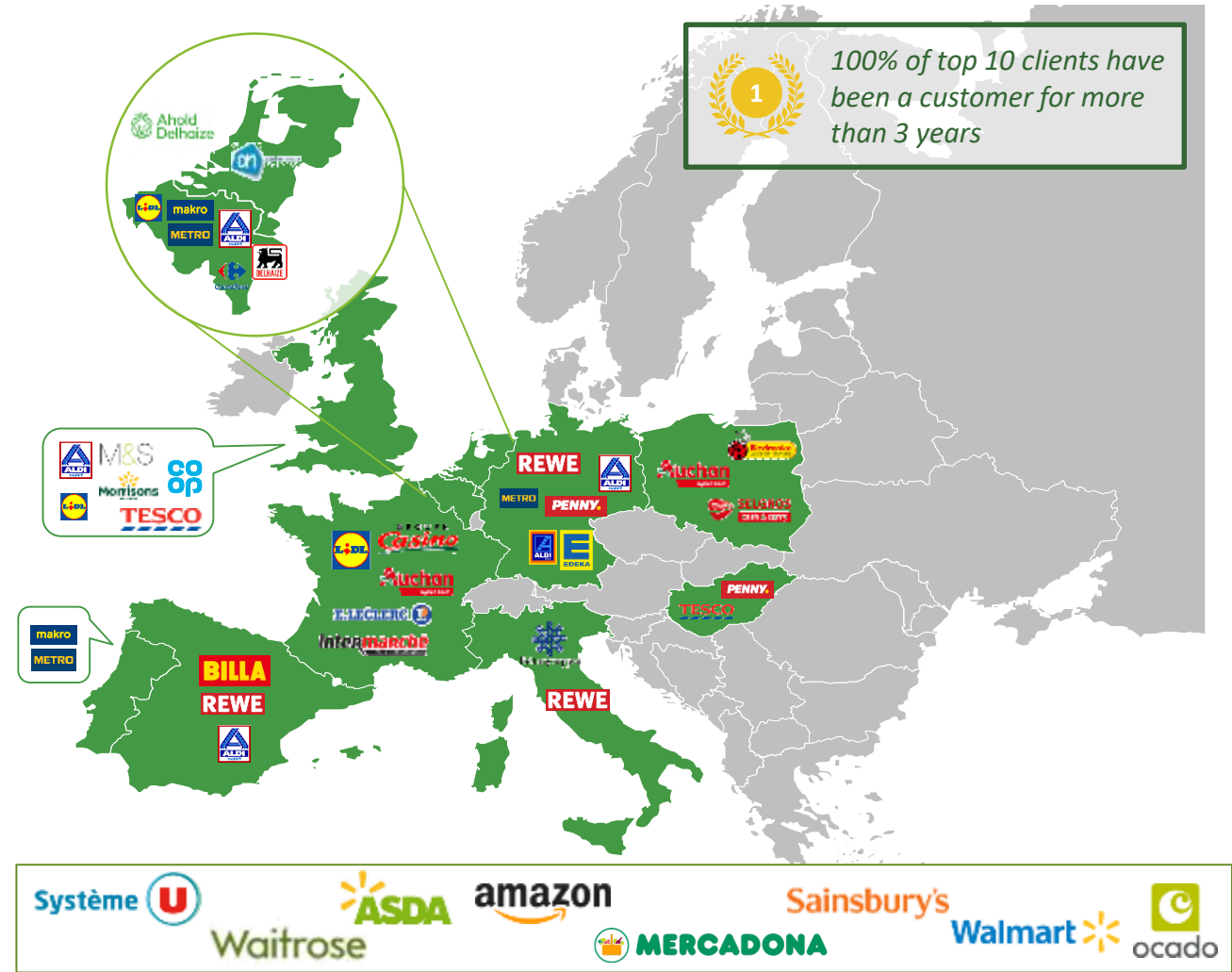
320,000 tons/year production

ca. 1,000 employees

#2 EU
#3 WW

#2 EU

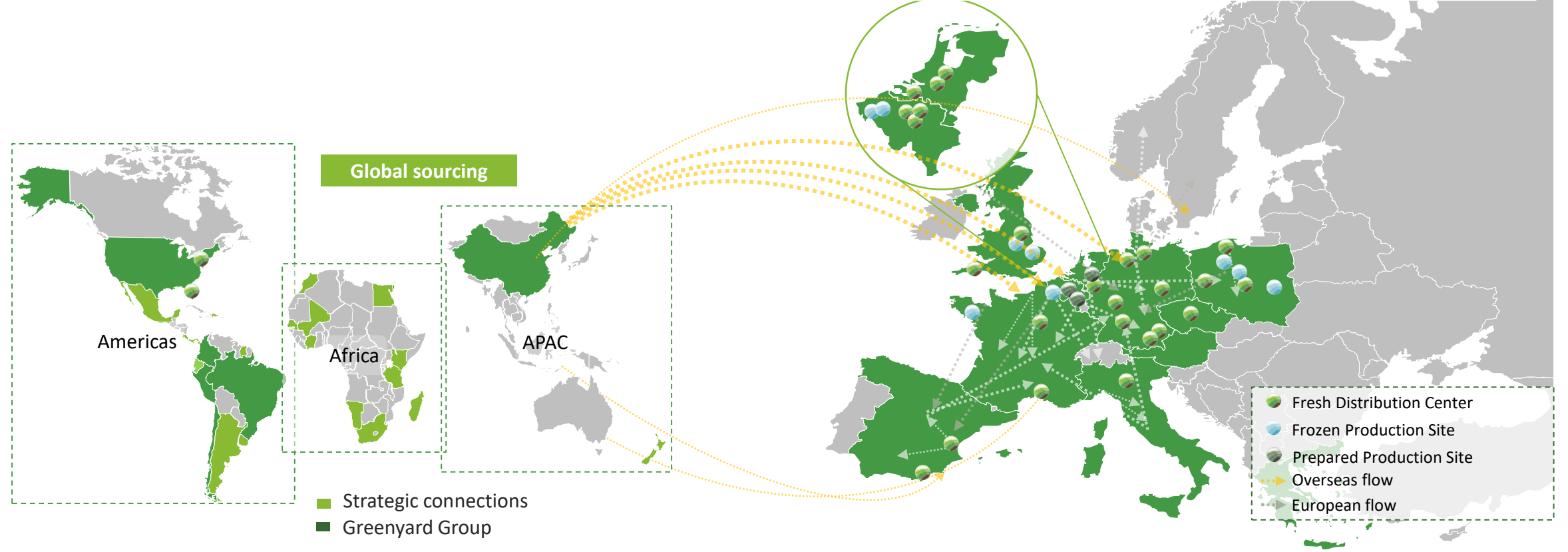
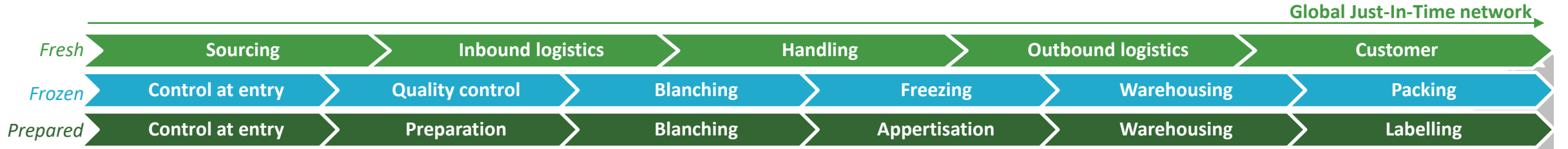
#5 EU
#1⁽¹⁾



(1) mushrooms



Global footprint | Thanks to its global network of growers and excellent supply chain management services, Greenyard manages to fulfill customers' high standards



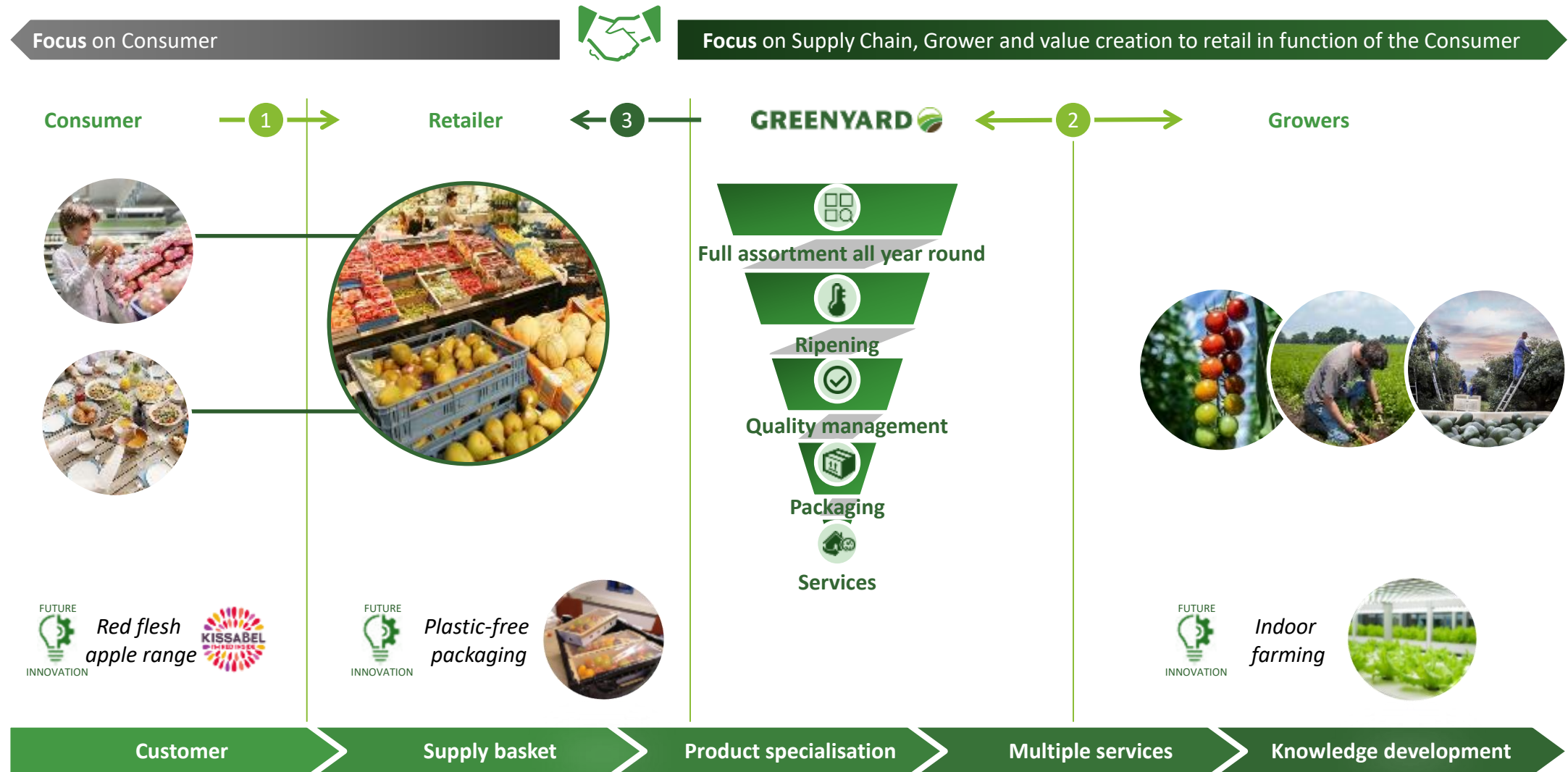


We work for the top retailers in the world





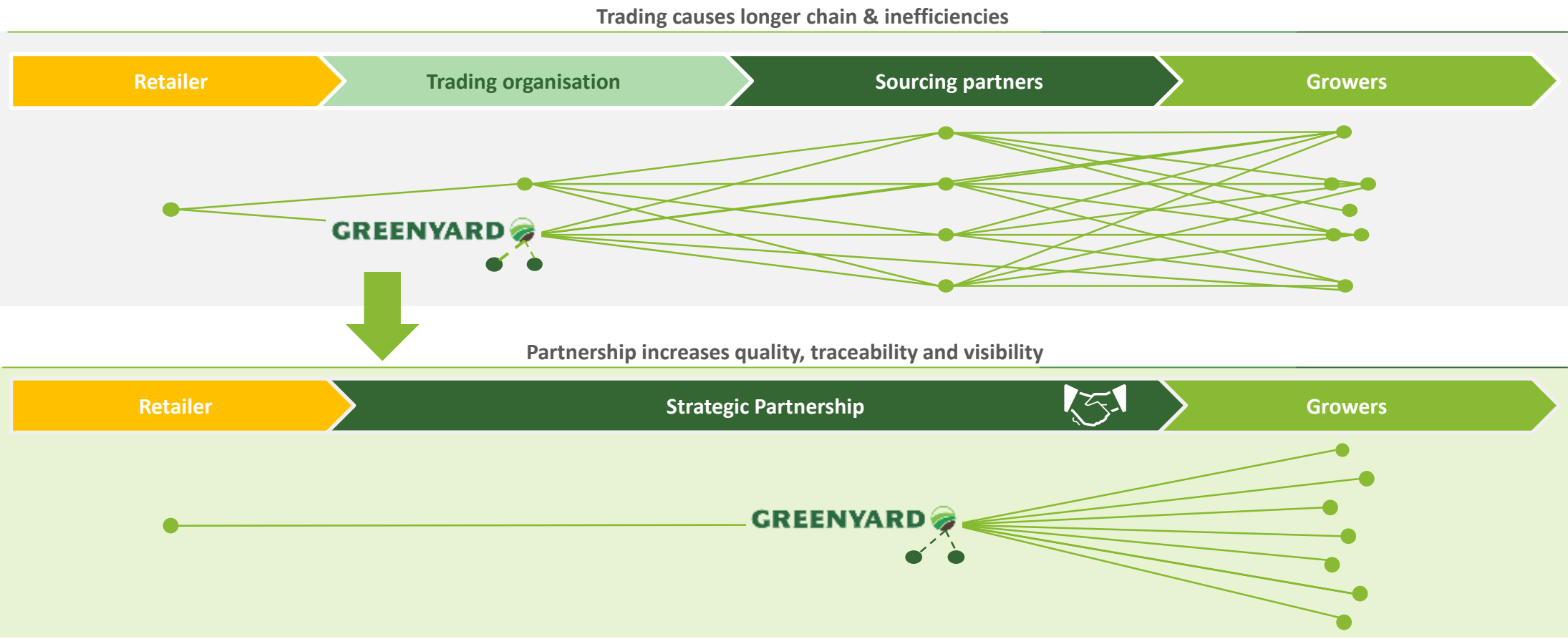
... adding value in every step of the value chain, by providing clients highly advanced supply chain management services from “field to fork”





Being a frontrunner in rationalising the fruit & vegetables value chain towards an omni-beneficial long term partnership model...

Greenyard is in the process of convincing retailers to evolve from less efficient trading or direct sourcing models, towards an omni-beneficial partnership model





Partnerships are becoming an increasingly important leg of the model

Bakker Belgium and Delhaize sign a strategic value chain agreement

28 May 2019



FRESH

Greenyard and Carrefour Belgium sign an agreement in principle to strengthen their commercial relationship

23 April 2019



FRESH

Greenyard Frozen UK and Tesco become partners to help consumers enjoy a full range of frozen, fruits, vegetables and herbs

30 April 2019



LONG FRESH

Breakthrough in the German fresh produce market: REWE Group and Greenyard develop new partnership model

19 September 2019



FRESH





...while the system is gradually shifting to accommodate Greenyard's new partnership model which allows for integration flexibility in features, terms and conditions

Key Partnership Principles		Advantages
Full Assortment	Sourcing / assortment determined by retailer and Greenyard	<ul style="list-style-type: none">✓ Better assortment, products, availability and taste for the customers✓ Stable volume allocation at a stable price for growers✓ Reduced waste
	Geographical exclusivity (i.e. no trading allowed)	
Integrated Supply chain	Transparent supply chain	
	Integrated systems (e.g. in warehousing or IT)	
	All/majority of F&V flows controlled by Greenyard	
	All stores on platform	
Stable margins	Transparent cost-plus structure	<ul style="list-style-type: none">✓ Consistent quality and price✓ Retailer can focus on core competence (i.e. marketing and sales)✓ Promotions at the right time and for the right product✓ Strong visibility of earnings
	Retail price determined by retailer and advised by Greenyard	
	Incentives (e.g. quality, innovation, etc.)	



In January 2019, a dedicated team was appointed, tasked with preparing, steering and executing the Transformation Plan resulting in a swift recovery

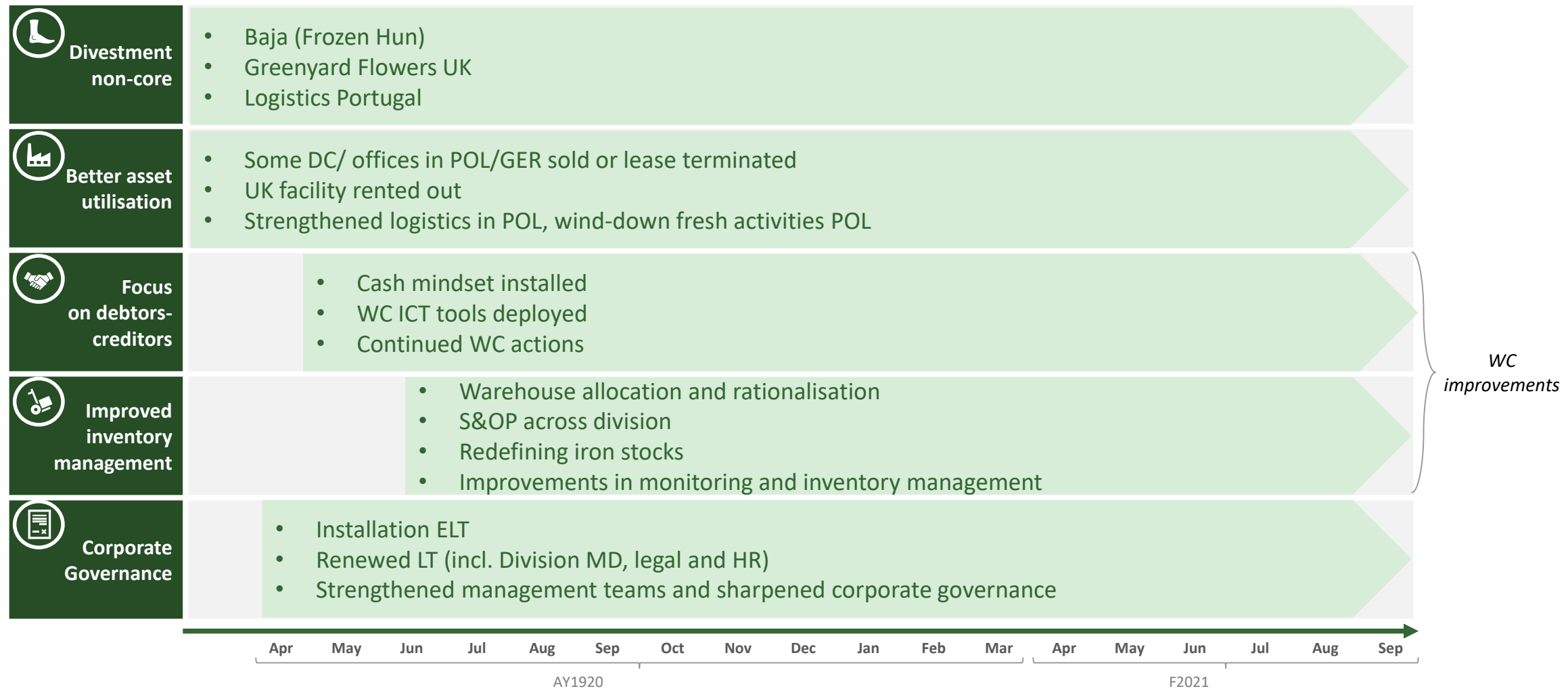
Key Take-aways

<p>T.O. Initiation</p>	<ul style="list-style-type: none"> • Short-term headwinds led to the establishment of the Transformation Plan • In January, Marc Zwaaneveld, co-CEO, was appointed to lead the process, drawing from vast experience in executing transformative situations 						
<p>Team</p>	<ul style="list-style-type: none"> • Transformation Team is responsible for the planning and stringent execution • Divisional management teams remain responsible for daily line management of the Business • The team is dedicating their time to a large extent to the Transformation Plan and report directly into the Executive Team and the Board of Directors 						
<p>Assessment</p>	<ul style="list-style-type: none"> • a top-down assessment of improvement programs was performed • Management performed a bottom-up analysis, underpinning the initiatives 						
<p>Scope</p>	<p>1 Sourcing</p>	<p>2 Procurement</p>	<p>3 Indirect & Overheads</p>	<p>4 Supply Chain</p>	<p>5 Strategy and Sales</p>	<p>6 Long Fresh</p>	<p>7 Workforce rightsizing</p>



Successful focus on de-risking Greenyard | Rigorous and continued focus on cash led to an improved net financial debt position

OVERVIEW RECENT CASH MANAGEMENT INITIATIVES





... supported and led by a complementary Senior Management Team fully engaged and focused

EXECUTIVE MANAGEMENT



HEIN DEPREZ
Co-CEO

- Co-CEO as of January 2018
- Focuses on the roll-out of Greenyard's strategic partnership model with its retailers
- Founded Univeg in 1987, which later became Greenyard Fresh



MARC ZWAANEVELD
Co-CEO

- Started at Greenyard as of January 2019
- Responsible for business and transformation
- Led the turnaround as CEO of Van Gansewinkel Group (2014-2017)
- CFO and Vice-Chairman at Suez Benelux & GE (until 2011)



GEERT PEETERS
CFO

- CFO as of September 2018
- CFO at Metallo Group from 2012-2018
- Finance Director Belux Suez from 2010-2012
- Senior Manager in Corporate Finance & Recovery at Deloitte and PwC, where he started in 1997

FRESH



MAARTEN VAN HAMBURG
MD - Fresh (Bakker)

- MD Bakker Division as of 2020
- MD Bakker NL 2017-2020
- Sales Manager Bakker 2014-2017
- After various international senior positions in large retailers
- Passion for Food & Sustainable entrepreneurship.



CHARLES-HENRI DEPREZ
MD - Fresh

- MD at Greenyard Fresh division as of 2019
- Managing Director at Greenyard Frozen segment as of January 2018
- Worked as Head of Finance Department at Bakker Barendrecht and Project Manager at Expofrut

LONG FRESH



ERWIN WUYTS
MD - Frozen

- MD at Greenyard Frozen division as of 2019
- Development strategic plan business unit frozen patisserie
- Before, he was assigned the role of MD at Lutosa (2009-2017)



DOMINIEK STINCKENS
MD - Prepared

- Managing Director at Greenyard Prepared segment as of July 2015
- Joined Scana-Noliko In 1989 where he became general manager in 1997
- In 2000, he led the Management Buy Out until summer 2012



Contact

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