



## **ANALYST MEETING**

**FY 17/18 RESULTS MARCH 2018**

*Westrozebeke – June 6, 2018*



*for a healthier future*

---

## Disclaimer

This presentation has been prepared by the management of Greenyard NV (the Company). It provides information on the Company and its subsidiaries. Save where otherwise indicated, the Company is the source of the content of this presentation.

This Presentation contains statements and estimates about anticipated future performances. Such statements and estimates are based on various assumptions and assessments of known and unknown risks, uncertainties and other factors, which were deemed reasonable when made but may or may not prove to be correct. Actual events are difficult to predict and may depend upon factors that are beyond control. Therefore, actual results, financial conditions, performances or achievements, or market results, may turn out to be materially different from any future results, performances or achievements expressed or implied by such statements and estimates. Given these uncertainties, no representations are made as to the accuracy or fairness of such forward-looking statements, forecasts and estimates.

No representation or warranty, express or implied, is or will be made in relation to this Presentation or in relation to any other written or oral information made available to any recipient in connection with any further investigation of the Company and no responsibility or liability is or will be accepted in relation to it by the shareholders of the Company or by any of their respective directors, officers, employees, agents or representatives. The shareholders of the Company and their respective subsidiaries and associated companies and their respective directors, officers, employees, agents or representatives expressly disclaim any and all liability which may be based on any errors in this Presentation or omissions therein.

In providing the Presentation, the Company does not undertake any obligation to provide any recipient with access to any additional information or to update this Presentation or any other information provided or to correct any inaccuracies therein that may become apparent.

Any recipient of the Presentation that is potentially investing in the Company, is recommended to seek its own independent financial, legal or other advice to conduct their own investigation and analysis of the Company. When contemplating a decision to invest, recipients of the Presentation should base their decision on their own research of the Company themselves.

Rounding difference may occur in this press release as most of the tables are in € m.

All disputes in respect of this document will be resolved exclusively in the courts of Belgium under Belgian Law.

By receiving this document you agree to be bound by the foregoing limitations and restrictions.

---

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

---

## Key Messages




- The past year, Greenyard navigated through turbulent waters. Results were below expectations due to difficult market circumstances in some of our core markets.
- Accelerated by our new management, we remain committed to adapt our organisation (including our geographical footprint and organisational design) to come closer to our retailers and provide added value for all our partners: the consumer, the retailer and the grower.
- By keeping this focus, we are confident that we can make the difference in strengthening our position as global leader in fruit and vegetables in all its forms.
- Our ongoing strategic customer intimacy initiatives are bearing fruit, as evidenced by the agreement with Carrefour for First in Fresh services to the Carrefour franchises.
- We are driving efforts to develop and quickly roll out new innovations within the Group, to find new solutions and products that meet the challenges of our partners and increase our profitability.
- Sustainability touches the heart of our strategy and that of our partners. We are designing a tailor-made sustainability framework to address 5 global challenges in the food sector through 12 drivers.

---

## Key Financials

- Group net sales declined 1,7% YoY to € 4.175,9m.
- As guided, REBITDA has decreased by 3,8% to € 140,2m. REBITDA margin stable at 3,4%.
- Refinancing of last year continues to result in € 11,5m of interest savings YoY (excluding last year's one off impact of the early redemption of the Fresh high yield notes).
- Net debt increased to € 419,1m, resulting in a leverage of 2,8x.
- Net results increased from € 0,7m to € 3,4m.
- Earnings per share are up to € 0,07.

## We adapt to changing circumstances

Segment	Performance	We adapt
 <p><b>Fresh</b></p>	<ul style="list-style-type: none"> <li>• Loss of volumes, mainly GER and BE are lagging.</li> <li>• Sourcing and pricing are drivers of the loss of volumes.</li> <li>• Growth markets US and France continue to perform above average.</li> <li>• Margin remained largely stable (-0,1%) thanks to ongoing solid demand for Ready-to-Eat &amp; Convenience.</li> </ul>	<ol style="list-style-type: none"> <li>1. Gaining more categories with existing customers and winning new customers, such as FIF in BE.</li> <li>2. We continue to build and expand our partnerships with the retailers and growers (fork to field). We strategically acquired Mor International in Israel.</li> <li>3. We invested o.a. in new DCs in Germany and a cold storage facility in the USA.</li> <li>4. Facilitated by a strengthened leadership team.</li> </ol>
 <p><b>Long Fresh</b></p>	<ul style="list-style-type: none"> <li>• Stable sales and REBITDA.</li> <li>• 8bps margin improvement.</li> <li>• Frozen: driven by price increases and improved product/customer mix.</li> <li>• Prepared: bad weather impacted supply and caused higher prices and operational inefficiencies.</li> </ul>	<ol style="list-style-type: none"> <li>5. Continue to improve our product/customer mix.</li> <li>6. Renegotiations for year contracts.</li> <li>7. Expectations for a stable harvest in 2018.</li> <li>8. Velden building and Bree warehouse extended.</li> </ol>
 <p><b>Horti</b></p>	<ul style="list-style-type: none"> <li>• Sales and REBITDA grew.</li> <li>• Bad weather in March postponed sales.</li> </ul>	<ol style="list-style-type: none"> <li>9. Increased our sale of winter products, improving our operational efficiencies</li> <li>10. Mykogen acquired end of 2017, sourcing platform for mushrooms</li> </ol>

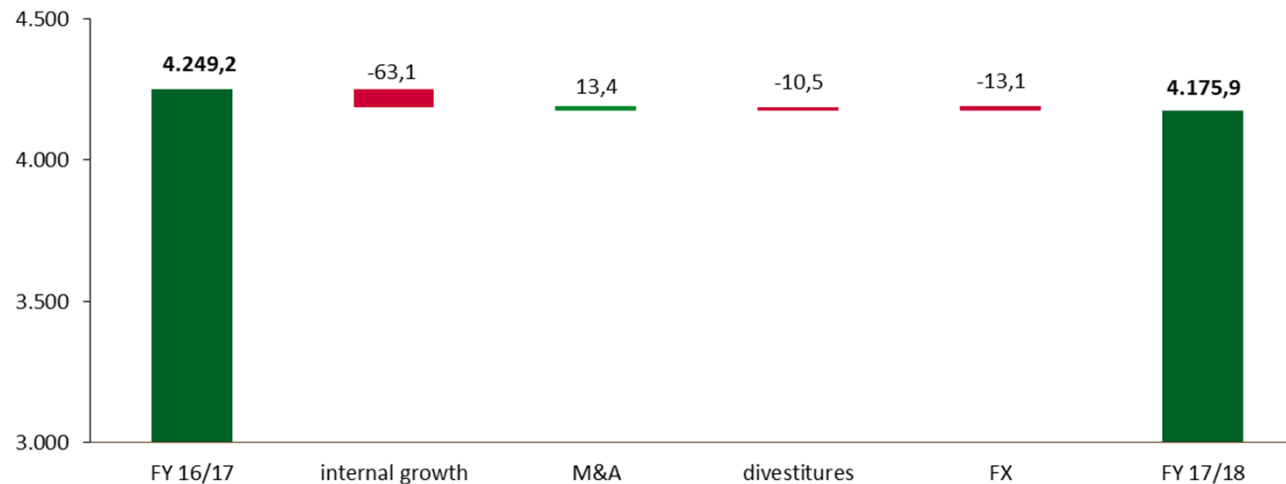
*“Greenyard is well positioned to deliver **profitable growth** and to unlock the **synergy potential** of the business combination going forward.”*

---

## Recalibrated for future profitable growth

(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	

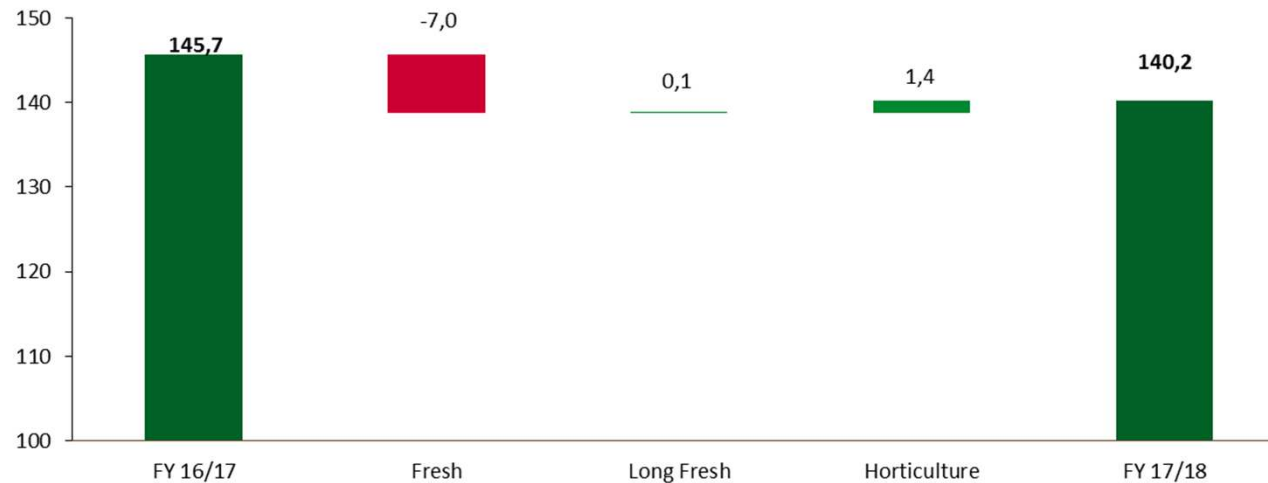
## Despite flat sales for Long Fresh and strong growth in Horticulture, 1,7% decrease in group sales, attributable to Fresh



- Net sales are down 1,7% driven by deceleration of our growth (-1,5%), limited M&A (0,3%), some divestitures (-0,2%) and negative FX effects (-0,3%), mainly driven by GBP and USD movements.
- Core markets, and in particular BE and GER, are experiencing high competition and lower volumes, mainly in vegetables and bananas. Further to that, the start up of Phase II of our First in Fresh project was delayed until April of this year.
- Deceleration in growth was mainly due to Fresh (-2,4%), despite ongoing price-mix improvements and growth in our growth markets that could not compensate lower volumes. Long Fresh performed stable with an internal growth of 0,1% with Horticulture growing 1,8% internally, but 20,2% including M&A.

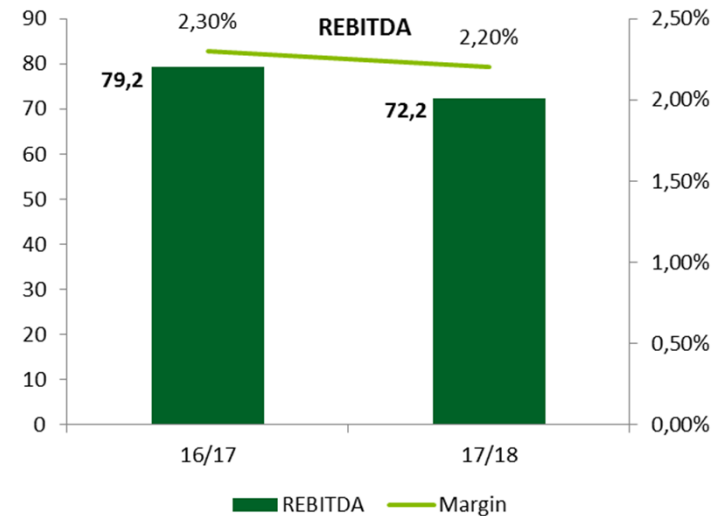
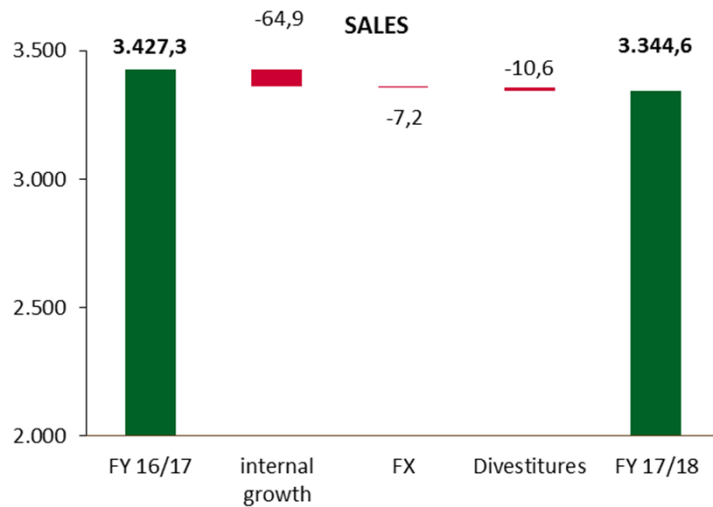


## Positive impact due to M&A impact Mycoculture could not offset the REBITDA decline in Fresh



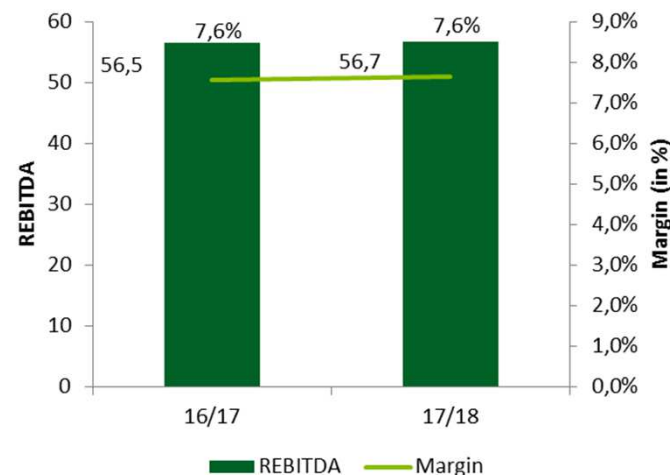
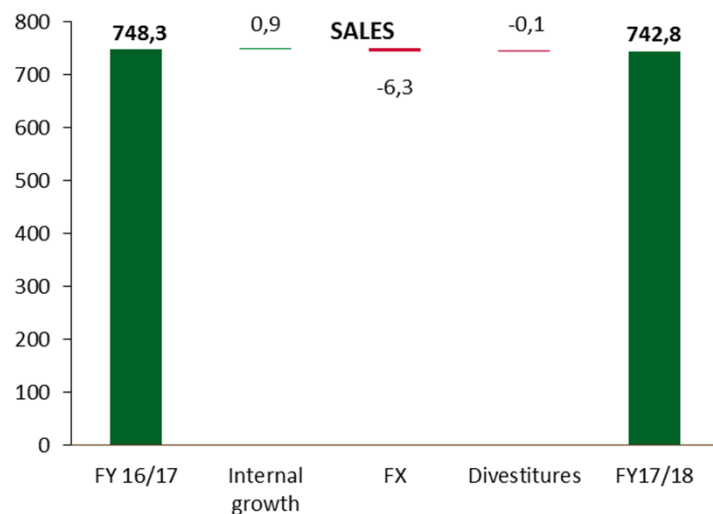
- Fresh' REBITDA dropped due to lower sales volume.
- Strong market pressure in Prepared resulted in a margin decline, with increased costs for some raw materials (such as apples), and supply-related inefficiencies. Frozen delivered a decent full year performance and margin improvements (product/ mix optimization and price increases), but also experienced some supply issues and subsequent lower processing volumes for France and Flanders.
- Horticulture's REBITDA increased by € 1,4m, due to a postponement of the higher spring sales because of the weather.

## Fresh volumes below expectations



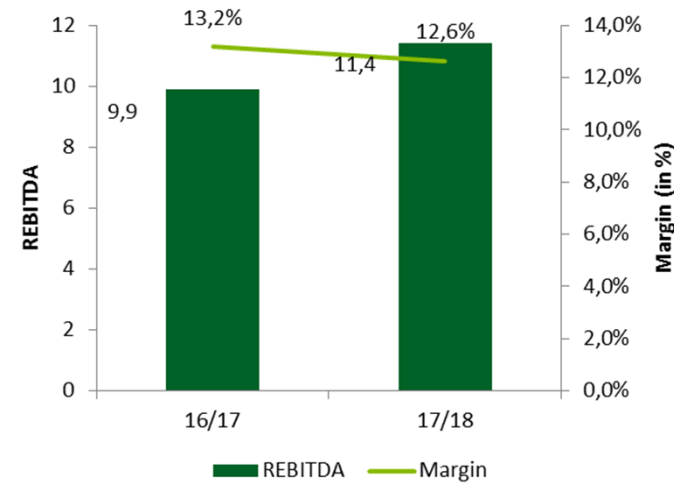
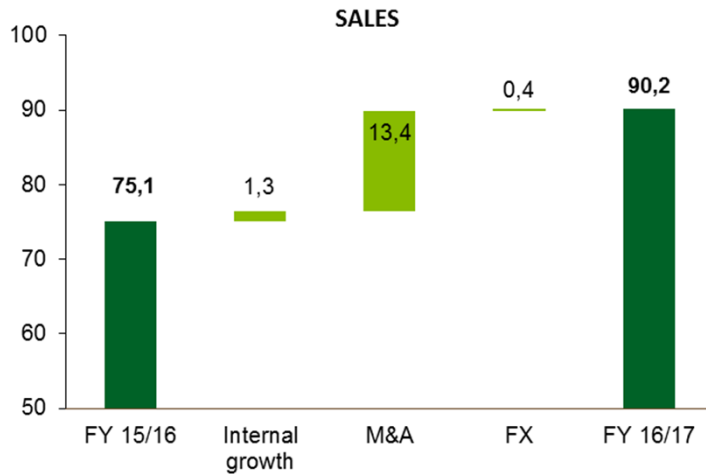
- Sales declined of 2.4% mainly driven by decline in internal growth (-1.9%) and FX (-0,2%) due to GBP and USD and no M&A activity in Fresh
- GER and BE lagging, NL showing solid growth
- Growth markets US and France continue to perform above average. UK still impacted by Brexit.
- REBITDA down € 7,0m as margins were impacted by weak pricing and loss of volume.
- Margin remained largely stable (-0,1%) thanks to ongoing solid demand for Ready-to-Eat & convenience.

## Long Fresh proving stability in difficult market



- Sales growth of 0,1%, however, negative FX impact (-0,8%), driven by GBP.
- Internal growth driven by Frozen Price/Mix improvements, offset for a large part by continuing pricing pressure in Prepared.
- REBITDA constant at € 56,7m (+0,3%), resulting in an 8bps margin improvement.
- FROZEN: driven by a combination of price increases and product/customer mix
- PREPARED: pricing pressure continues and weather impacted operations , as well as high input prices for some categories, resulting in operational inefficiencies.

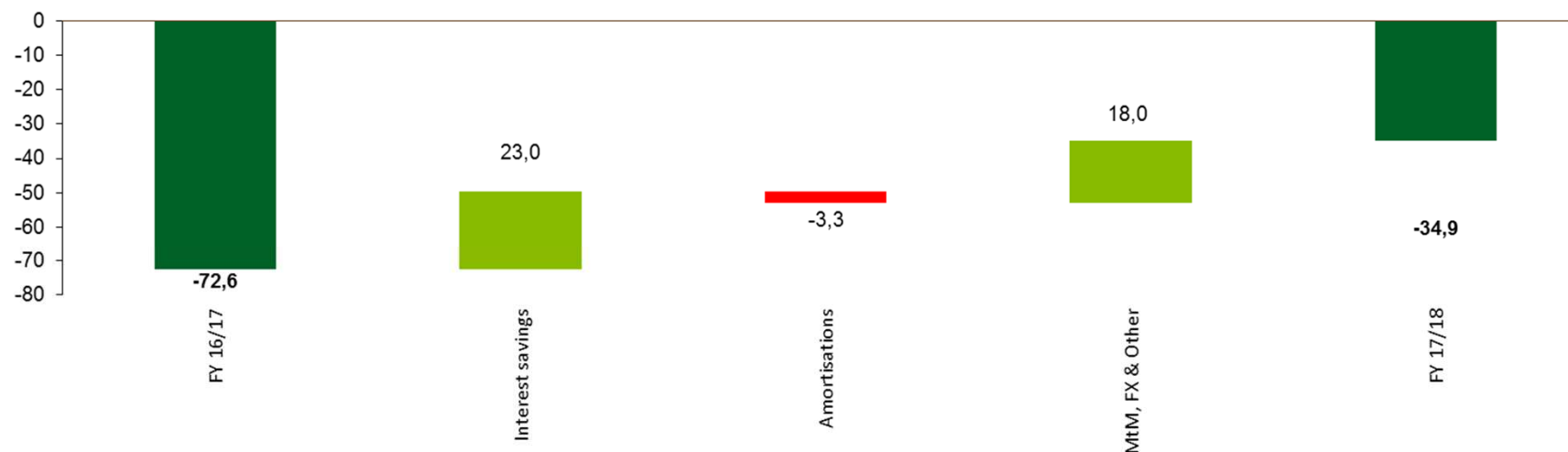
## Horticulture continues to grow in sales and profitability



- Sales are up 20,2% YoY, in particular driven by the Mykogen acquisition (17,8%) and a positive FX impact (0,5%).
- Growth was impacted by the weather in March, postponing the gardening season and therefore the sales season for Horticulture.

- In a year with lower product sales, winter products were still succesful.
- Still, thanks to our acquisition of Mykogen, Horticulture REBITDA grew € 1,5m.

## Decrease of finance costs as a result of interest savings and LY being affected by one-off refinancing costs and FV adjustments



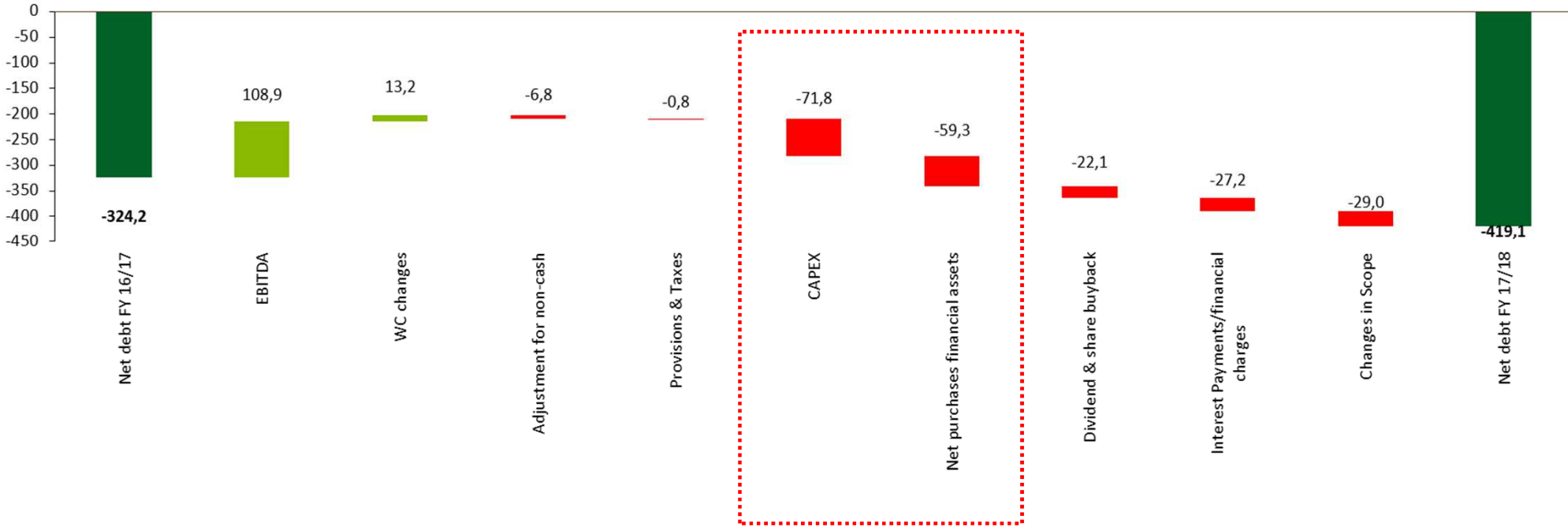
- Last year's refinancing resulted in interest savings of € 23,0m YoY (underlying savings amounted to € 11,5m, excluding last year's one-off refinancing costs).
- No fair value adjustment on the conversion option of the convertible bond included in FY 17/18, following the waiver agreement for the exercise of the Cash Alternative Settlement Option per November 23, 2017.
- Unfavorable FX result (-€ 0,8m) improved compared to last year (mainly linked to GBP).

## EPS up from last year, but net profit impacted by non-recurring items

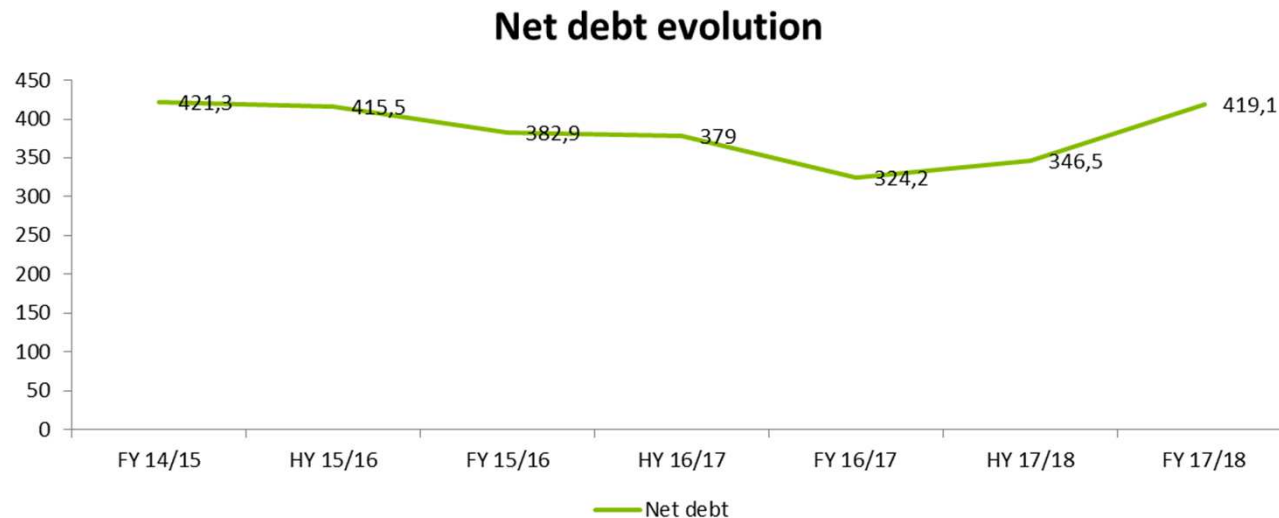
(in € million)	FY 16/17	FY 17/18	YoY
Profit before taxes	0,8	5,6	4,8
Income tax expense / (income)	-0,1	-2,1	-2,1
<b>Net result</b>	<b>0,7</b>	<b>3,4</b>	<b>2,7</b>
<b>Net result - part of the Group</b>	<b>0,9</b>	<b>2,9</b>	

- Net reported profit comes in at € 3,4m, up from € 0,7m last year
- Tax charge of € 2,1m implies a corporate tax rate of 38,5%. This is driven by one-off tax benefits as a result of streamlining the corporate structure as well as structural improvements towards a lower ETR
- Earnings per share increase from € 0,02 to € 0,07

**Decreasing YoY net financial debt trend countered by Mycoculture acquisition, higher capex and higher non-recurring expenses.**



## Investments in the future increase net debt



- Net debt increased by € 94,9m YoY to € 419,1m.
- Leverage increased to 2,8x, returning temporarily to a level of FY 14/15.
- The halt to our debt reduction is the result of the combination of a lower (Adjusted) REBITDA and the Mycoculture acquisition, higher capex and higher non-recurring items.



---

## CAPEX

Total CAPEX spending increased to € 71,8m in an anticipated phased-in scenario versus last year. The largest part of investments were made in maintenance (47%), followed by capacity increases (30%) and efficiency-related capex (16%):

- **Fresh** – As guided last year, CAPEX for this year increased and related mainly to new DCs in Germany, replacement and improvement CAPEX at Bakker and in our Belgian operations, as well as for equipment for our US site.
- **Long Fresh** – Strong increase in CAPEX, in particular in our Prepared operations with a high investment in Velden. In our Frozen operations, CAPEX was mainly focused on Greenyard Frozen France (Moréac), UK and Flanders.
- **Horticulture** – Increase YoY with a main focus capacity increases, and for replacements, for a large part in Belgium.



## Strategy update

**GREENYARD** 

*for a healthier future*

# From Fork to Field



## Consumers



### We offer additional services:

- Ripening
- Packaging
- Quality control
- Full assortment all year round
- Services

## Retailer



### We are committed to the growers:

- Advice and know-how
- Fair prices
- Long term relationships

## Growers



### Suzu is looking for new products and services:

- New trends are driving consumer behaviour
- Retailers are looking for solutions that respond to the new trends and their challenges



## Partner to our consumer: Following Suzy's preferences



1

### Finding Global Trends & Foodwaves

- Foodwaves
- Lasting 5-10 years

2

### Create Innovative products

- What are the trends that are here to stay?
- We have (co-) developed a variety of new and innovative products to satisfy the needs of the consumer in 6 opportunity areas

3

### Find solutions for our customers

- By helping the consumer, we help the retailer find new USPs towards their customers

## Partnering with the retailer: A dedicated customer model



### 1 Developing the fruit and vegetables category

- Together with the retailer increasing the consumption
- USP and differentiating product for the retailer
- Full category allows the consumer to choose the right product at his chosen time
- Already experimenting in a number of stores

### 2 Sharing data for fresh and timely deliveries

- Together with the retailer, we can predict consumption
- Based on this data, we can help the consumer choose the best products at the right time
- Better promotions
- Right quantity at the right time preventing waste
- Transparency throughout chain

## Partnering with the grower: Establishing a direct link



### 1 Matching supply - demand

- We anticipate sales and consumer trends
- To focus on the right products
- To avoid surpluses and waste
- Assist the grower with experience and know-how

### 2 Joint sourcing

- Our Mycoculture division allows us to grow a network of mushroom growers that use our mycoculture substrates
- Opens a range of growers that can offer their produce to the Greenyard group

### 3 Closing the loop

- Greenyard Horticulture uses waste of our other segments to use in its potting soil products
- By using our potting soil products, we help growers produce tastier qualitative products in a more sustainable way





Innovation and Sustainability at the core of our business

**GREENYARD** 

*for a healthier future*

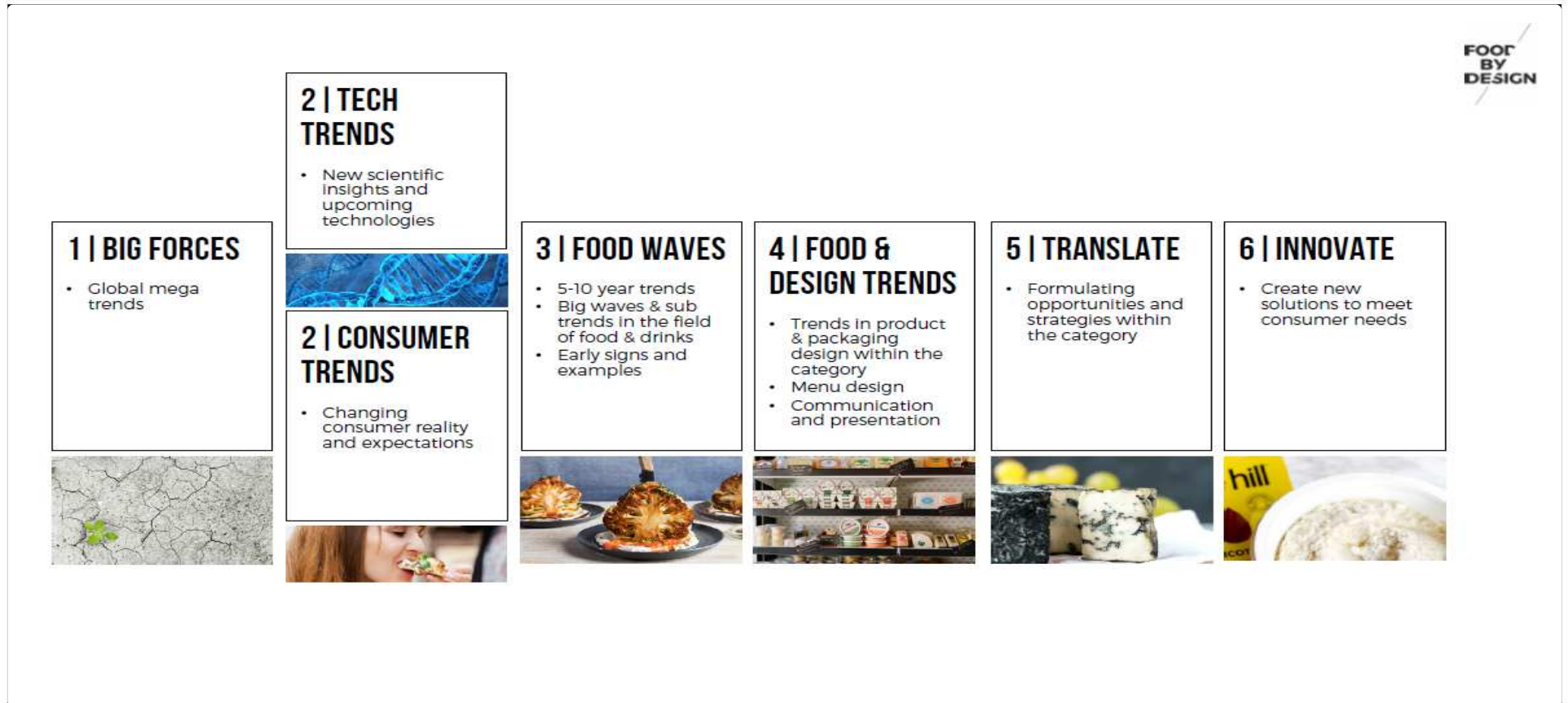
---

# Innovation is key for future growth





# Greenyard's trend study



Source: Food by Design

# Trends translated into 15 foodwaves



1 | SCATTERED HEALTH



2 | PLANT POWER



3 | NOVEL FOODS



4 | CRAFTSMANSHIP RE-INVENTED



5 | EATERTAINMENT



6 | SHORTER FOOD CHAINS



7 | FOOD CONNECTED



8 | EARTH CONSCIOUS



9 | SLOW FOODS



10 | NOMADIC EATING



11 | CONVENIENCE XL



12 | MULTI SENSORY DELIGHT



13 | FOOD VALUES



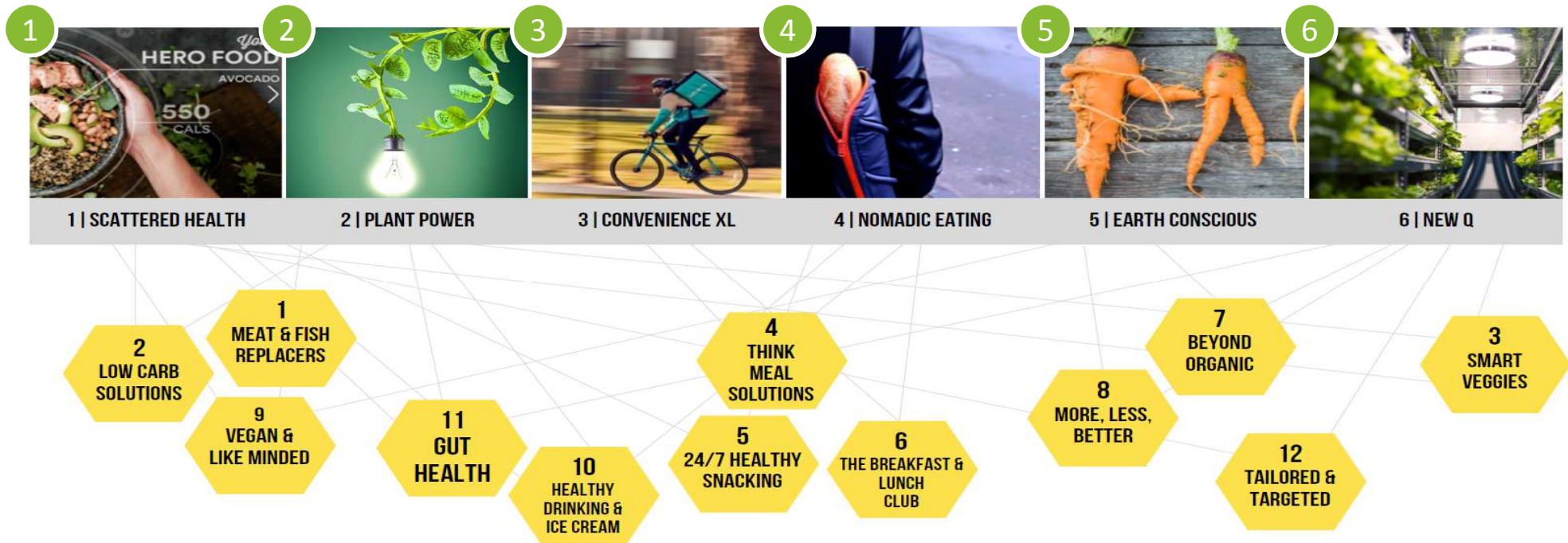
14 | GLOCAL CUISINE



15 | THE NEW Q

# FROM TRENDS TO OPPORTUNITY AREAS

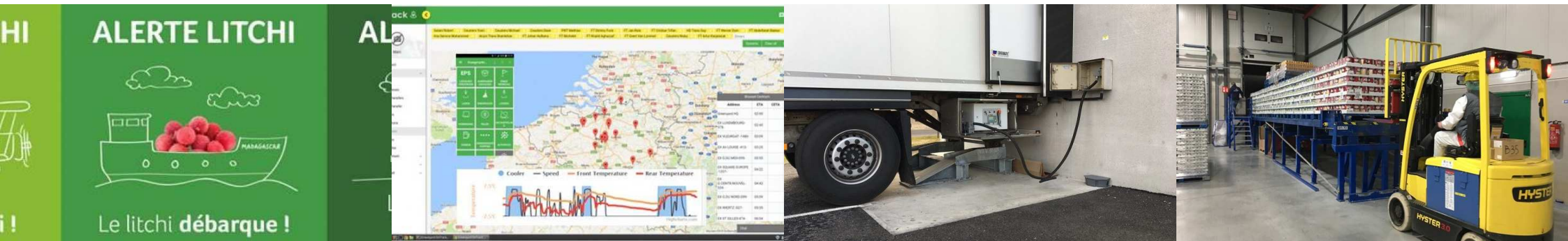
FOCUS ON 6 AREAS WITH HIGHEST STRATEGIC FIT GREENYARD





# Consumer centric innovation





## Technical innovations in various areas

- WhatsApp litchi marketing campaign towards our customers
- OnTrack app to monitor location, activities and critical parameters in our trucks
- Automatic Unloading



# ALBERTS

## Open for new experiences: Cooperation with startups

- Greenyard invested in Alberts, a fresh smoothie making machine
- Winner of European Food Nutrition Award 2017
- A healthy alternative for an unhealthy snack
- Compose your own smoothie

A strong vision and mission

for a healthier future



Taking into account (future) challenges while promoting healthy products

Vision

To make lives **healthier** by helping people **enjoy** fruits & vegetables, at any moment in an **easy, fast** and **pleasurable** way, while **fostering nature**.

Mission

We are committed to grow consumption of fruits and vegetables for a healthy future, by partnering with the best partners in the chain from fork to field to meet consumer needs – creating value for all.

# Global challenges for our food sector

1 Future food availability



2 Loss of biodiversity and degradation of natural resources

3 Social standards in supply chain

5 Pressure on agriculture

4 Decrease in active and healthy lifestyles



# Greenyard's sustainability framework

## for a healthier future



Global Challenges				
Decrease in active and healthy lifestyles	Loss of biodiversity and degradation of natural resources	Future food availability	Social standards in the supply chain	Pressure on agricultural sector

5 Pillars				
PEOPLE	PLANET	PROSPERITY	PEACE	PARTNERSHIP
Promoting people's well-being	Fostering responsible resource use	Ensuring food availability	Stimulating sustainable trade	Strengthening collaboration in the chain

12 strategic axes				
Healthy diet	Water & energy efficiency	Innovation & product development	Responsible sourcing	Collaboration with our producers
Food safety	Waste management		Ethics in our operations	Collaboration with our customers
Employee well-being	Biodiversity and responsible land-use			
Employee development				



1

## We use state-of-the-art technology to work towards a more sustainable chain

- Greenyard Fresh Belgium runner-up in anti-waste competition on the basis of our web-based platform Greenlight QC
- Bakker Barendrecht performed a trial with a vertical farm developed by Urban Crops.
- Greenyard Frozen UK recently installed a 600 kW bio gas engine at its King's Lynn wastewater treatment plant. Biogases recovered from the wastewater can now be used by the Combined Heat and Power (CHP) package to generate electricity and heat to run the plant.
- 1,536 solar panels were installed on the roof of Bakker Barendrecht's site. The power generated by these solar panels is equal to the power consumption of 100 households.
- Fresh.Point is a ground-breaking online residue monitoring platform for the European fruit and vegetable sector, aiming to cope more effectively with the demanding residue standards of European retail customers.



## 2 Strengthening collaboration in the chain

- Fostering a sustainable and responsible chain is not a path we can take alone.
- Greenyard sources its fruit and vegetables from a worldwide network of growers.
- To achieve our ambition of becoming a responsible supplier of high-quality, healthy and sustainable products, Greenyard needs to collaborate closely with all its partners.
- By providing training, sharing knowledge and optimizing workflows, sustainability becomes a central focus in all our activities.

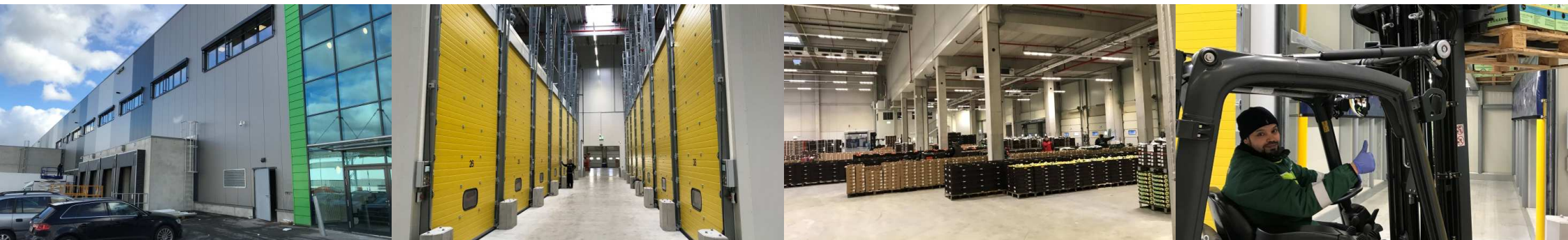


### 3

## Supplying a greener city

- The city of Ghent in BE wants to become climate neutral and needs “more green”.
- Where do you put those plants and trees in a packed city? On the roof!
- The city is developing the largest roof garden in Flanders: a surface of 3.200m<sup>2</sup>, complete with grass, footpaths and even trees.
- Greenyard’s Horticulture supplied products that add up to a volume of 1.300m<sup>3</sup>. Several innovative types of substrates were delivered to optimise the growth of plants and even trees on the roof.
- An “extra light” intensive substrate was even deliberately developed to allow more volume to be transported per truck load. This saved a total of seven truck rides for this volume.
- Fun facts: 1.300m<sup>3</sup> equals 16.000 wheel barrows, over 10.000 perennial plants of 40 different kinds were planted, it is the only public roof garden in Flanders, open to all.





#### 4

## Investing in the future with sustainability top of mind

- Greenyard Fresh Germany has constructed 2 new distribution centres in Germany.
- With efficient banana ripening facilities, Greenyard's new generation ready-to-eat ripening rooms, state-of-the-art packing and ready-to-eat sorting lines, as well as dedicated cooling facilities for fruit and vegetables, Eitting will set new standards in the distribution network of Greenyard Fresh in Germany.
- The standards will enable the company to serve its clients with high-quality products while consuming comparatively less energy than before.
- Part of our efforts to reorganise our footprint closer to our customers.





*Greenyard Frozen:  
an example of innovation and sustainability*

**GREENYARD** 

*for a healthier future*



## Westrozebeke: State-of-the-art freezing tunnel for peas and fresh cut vegetables

- Freezes 19,8 tonnes of peas per hour
- Annual capacity c. 45K tonnes of vegetables
- 10% of energy reduction vs previous tunnel
- Use of frequency regulators (increase of IQF-quality)

---

## Tour safety information & instructions

- **Safety measures**
- **Food safety measures**
- **No pictures please. We have provided high resolution pictures on your USB stick.**

---

## Corporate calendar

- Q1 trading update            29 August 2018 (after market)
- AGM                                21 September 2018 (2 PM CET)
- H1 results                        20 November 2018 (after market)
- Capital Markets Day            21 November 2018





## Q&A

For further information:  
Investor Relations contact  
[Dennis.duinslaeger@greenyard.group](mailto:Dennis.duinslaeger@greenyard.group)  
+32 (0)15/32 42 49

**GREENYARD** 

*for a healthier future*