

RESULTS H1 2019

"Greenyard decided to opt for a full stand-alone scenario based on the encouraging recovery"

November 2019

GREENYARD

Co-CEOs Hein Deprez & Marc Zwaaneveld

CFO Geert Peeters

for a healthier future

PRELIMINARY NOTES

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Glossary. All definitions for Alternative Performance Measures (APM's) are available in the glossary of the half year/annual report of Greenyard.

KEY HIGHLIGHTS | Greenyard decides to opt for a full stand-alone scenario based on the encouraging recovery in H1

In the first half year of AY 19/20, **Greenyard's recovery proved to be faster and stronger than expected**, demonstrated by a significant increase of operational results.

Therefore, it **obviates the need to raise capital or to continue to investigate the sale of Greenyard's Belgian Prepared activities**, thereby respectively avoiding shareholder dilution and safeguarding Prepared's operational cash flows in the company.

Greenyard's relationship banks **confirm their belief** in a stand-alone recovery by **extending the waiver period** and providing the necessary **flexibility to implement its Transformation Plan**.

RESULTS H1 2019 | Executive Summary

Stabilising sales

€ 1.968,9m

-0,5%

Improving adjusted EBITDA

€ 47,6m

+15,7%
(PY H2: € 23,3m)

Resilient operating cash generation

€ 3,7m

incl. working cap.
€ -50,7m

TRANSFORMATION PLAN | 5 tracks and various priority projects

1 Sourcing

- Evolution from spot buying to sustainable buying programmes with preferred suppliers
- Division-wide waste management

2 Procurement

- Most improvement opportunities cross-country and/or cross-division
- 'Control tower' and improvements in the procurement process

3 Indir. / Overhead

- Standardisation of processes and systems among entities
- Fresh segment's IT roll-out will support monitoring and control on opex and capex

4 Supply Chain

- Cost-efficient transport across division
- New tendering
- Planning

5 Strategy & Sales

- New partnerships

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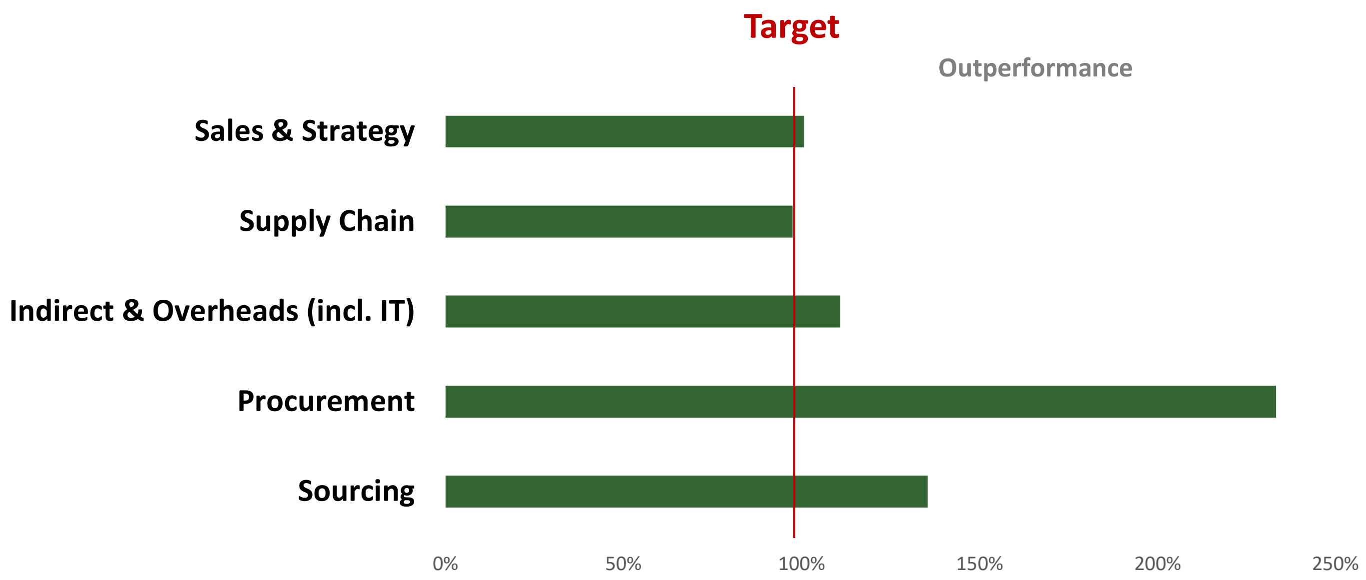
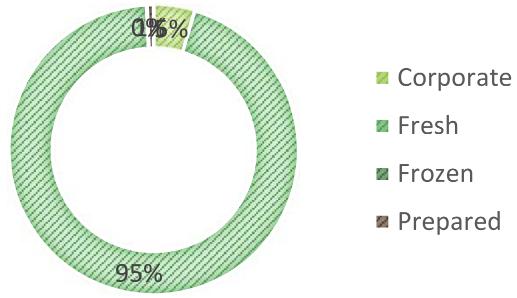
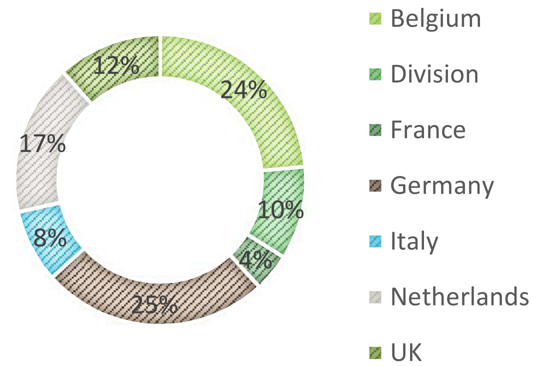
TRANSFORMATION PLAN | Operational recovery thanks to stringent implementation of the Transformation Plan, embedding continuous improvement culture







- Current outperformance of its HY Transformation targets.
- On top, the redundancy of 334 FTE being 79% of the annual target of 414, has been realised
- After H1 ramp-up, acceleration ongoing in transformation and culture.

STRATEGY & SALES: PARTNERSHIPS | New partnerships providing a robust basis for a profitable future, starting gradually from H2 onwards

Discussion → Negotiation → Implementation → Live

ah	5-yr contract renewed in Jan/19, extend DC in Ridderkerk
REWE	LoI signed in Oct/19, develop dedic. org.
	Ramp-up ongoing since May/19
TESCO	Successful go-live in Sep/19
DELHAIZE	New DC in Boom ready, go-live mid Nov/19
Other	

Common partnership principles

- Category purchasing
- Organisational alignment
- Logistical alignment
- Transparent cost structure and planning across the chain
- Integrated quality control
- Exchange real-time information
- Increase value throughout the chain, a.o. waste reduction

OPERATIONAL PERFORMANCE | Sales stabilising

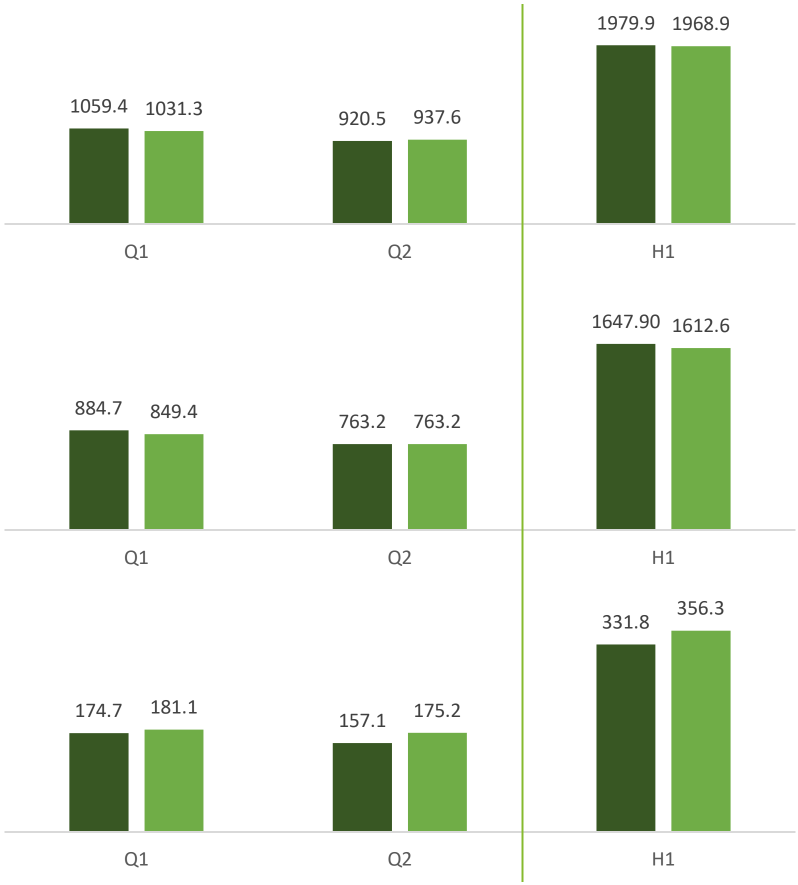
AY 18/19

AY 19/20

Group

Fresh

Long Fresh



-0,5%

-2,1%

+7,4%

- Sales stabilising (-0,5%).
- Month on month positive evolution.
- Evidencing regaining volumes at positive margin improvement.

- Termination of some loss-making sales in first half of the 6m.
- Some shortages (e.g. avocado's) in Q1.
- Month on month positive evolution.
- Partnerships will mainly be reflected in the financials in the second half of the AY.

- Month on month improvement versus last year.
- Fully recovered from last year's recall
- Higher volumes in the Long Fresh Segment, strong growth with the food service and industry customers.

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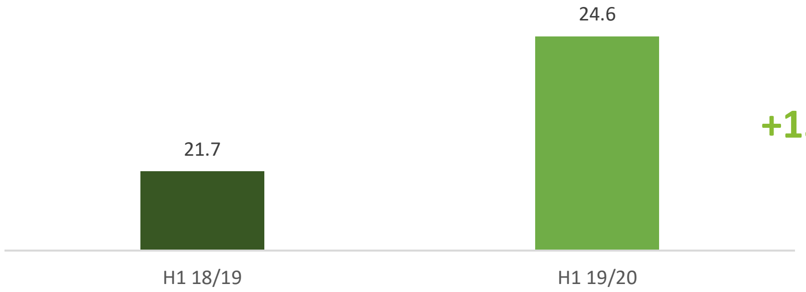
OPERATIONAL PERFORMANCE | Significant margin recovery thanks to the Transformation Plan

Group

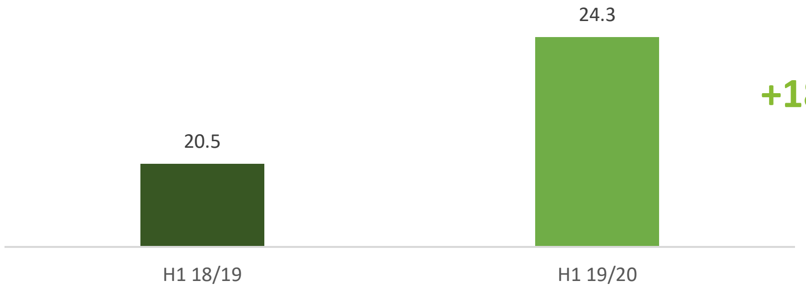
+15,7%

Fresh



+13,6%

Long Fresh



+18,6%

- Strong recovery of adjusted EBITDA.
- Last 4 months at a more stable level.
- adjusted EBITDA increased significantly (+15.7%) primarily thanks to Transformation Plan.

- Even in lower season months, improvement versus last year.
- Margin improving significantly month on month, mainly on the back of efficiency improvements and stronger cost control.

- Strong performance in full HY versus last year.
- No further Listeria effect.
- Higher volumes, better capacity utilisation and strong cost control underlying the improvement.

FROM EBIT TO ADJ. EBITDA | non-cash impairments on non-core, limited adjustments and first time application of IFRS16

H1 19/20 (in EURm)	Fresh	Long-Fr	Unalloc.	Total
EBIT	-10,7	2,1	-6,4	-15,0
Deprec. And Amort.	28,9	18,8	0,6	48,3
Impairm. PPE & Bio-assets	21,9	7,6	-	29,5
EBITDA	**40,1**	**28,5**	**-5,9**	**62,7**
Reorg. Costs	-1,7	-1,5	0,7	-2,5
M&A, disp. & proj. costs	0,8	0,3	3,6	4,8
Costs legal claims	0,8	0,2	-	0,9
Result on sale subs/NCI	1,4	-	-	1,4
Result on sale assets	-1,1	0,1	-	-1,0
Listeria related costs	-	-1,9	-	-1,9
Adjustments	**0,6**	**-2,8**	**4,7**	**2,5**
IFRS 16	**-16,0**	**-2,2**	**-0,1**	**-18,3**
Divestitures	**-**	**0,7**	**-**	**0,7**
Adj. EBITDA	24,6	24,3	-1,3	47,6

- ❑ **Non-cash one-off Impairment.** € -29,5m. Balance review of non-core assets
- ❑ **Adjustments** for € -2,5m
  - Reorganisation: partial release
  - Projects: disposals, cornerstone
  - Claims limited
  - Results on M&A: non-core + acquisition control Bardsley
  - Listeria: partial release
- ❑ **IFRS 16**, € +18,3m
  - Lease liability: € 229,6m
  - Interest € 5,3m, depreciation: € 16,1m
  - Asset-light strategy in Fresh

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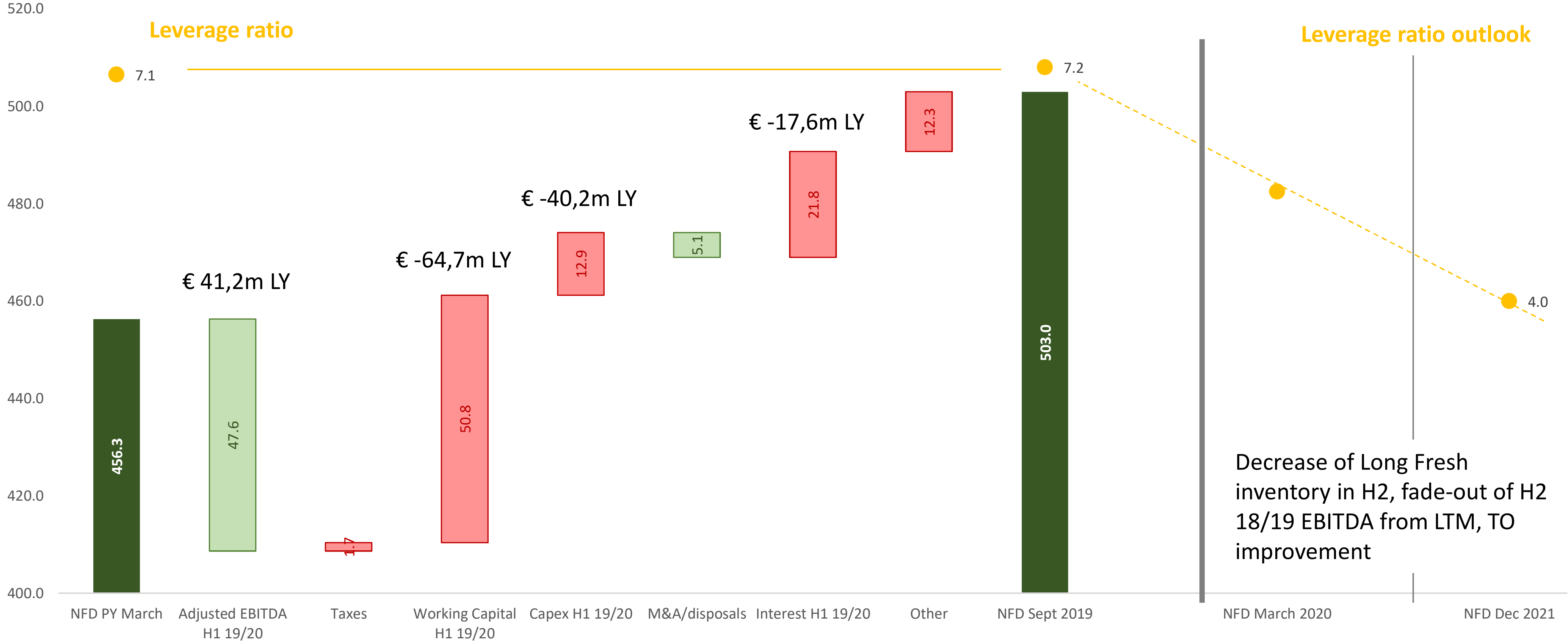
NET FINANCIAL DEBT | increase mainly due to seasonal inventory build-up in Long Fresh, leverage ratio stabilizes and is expected to decrease to 4,0x by end 2021



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STAND-ALONE | Agreement with relationship banks: confirms their belief in management to implement the Transformation Plan

- Extension of waiver period until refinancing moment in December 2021.
- Reduction of costs related to the financing agreement.
- Encouraging recovery obviates the need for a capital increase or sale of Belgian Prepared activities.
- Deleveraging can be done on own strength.

OUTLOOK & MANAGEMENT FOCUS | H2 2019 and beyond

Manage variability and uncertainty in this phase of transformation,
Embed continuous improvement attitude in culture’

Stand alone reduce **leverage** to **around 4,0x** by December 2021

A healthier leverage

Reach **€ 88-93m** of a**djusted EBITDA** for AY 19/20

Profitability

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Q & A

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