

*for a healthier future*

# MYKOGEN – A transformational move

**ANALYST PRESENTATION**

*Sint-Katelijne-Waver – June 14, 2017*



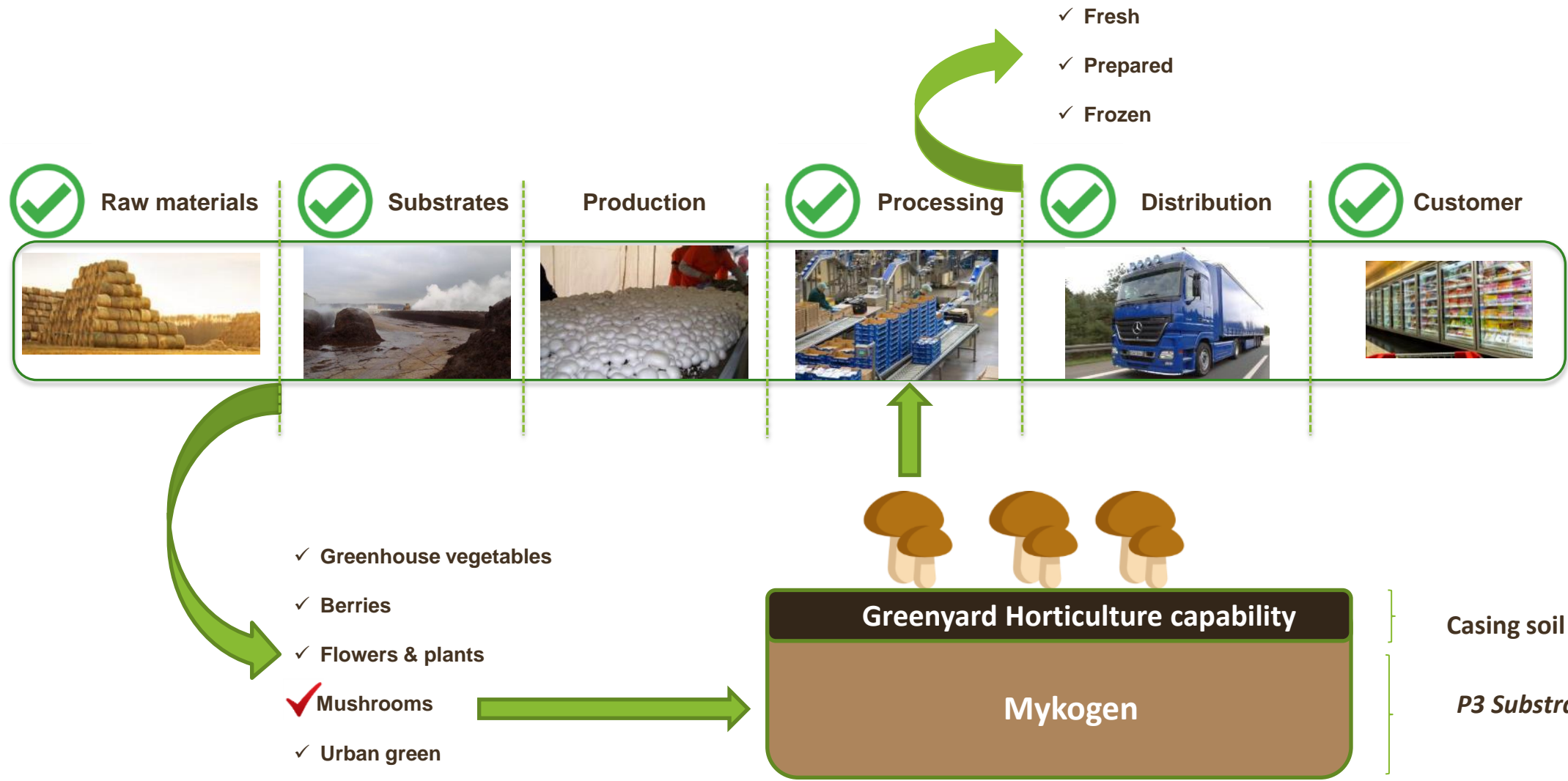
*for a healthier future*

---

# Content

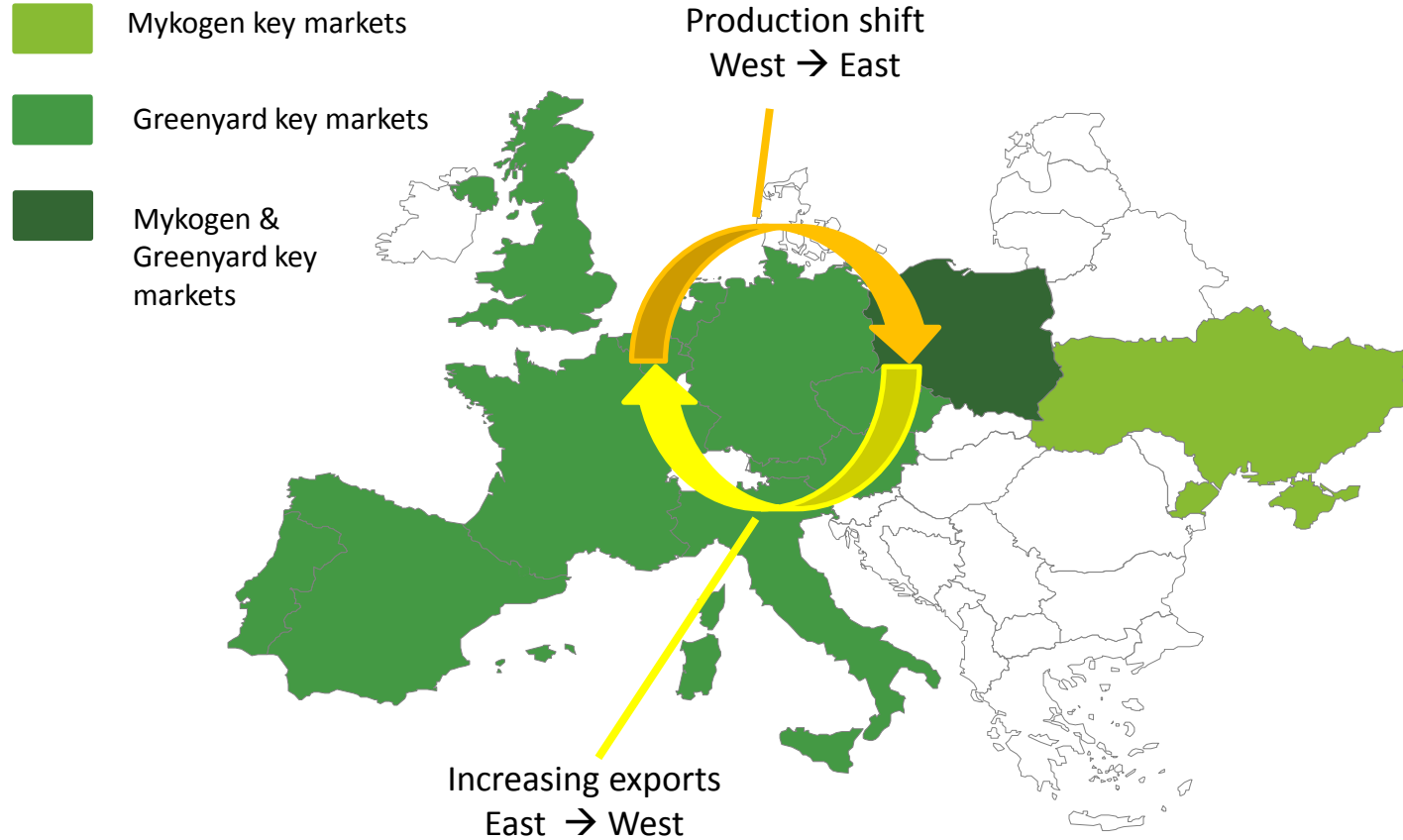
- 1 Setting the scene - Product
- 2 Setting the scene - Markets
- 3 Mykogen in a nutshell
- 4 Production facilities
- 5 Attractive market trends
- 6 Transaction rationale
- 7 Transaction details

# 1 Setting the scene – Product: A milestone to be active in most parts of the value chain

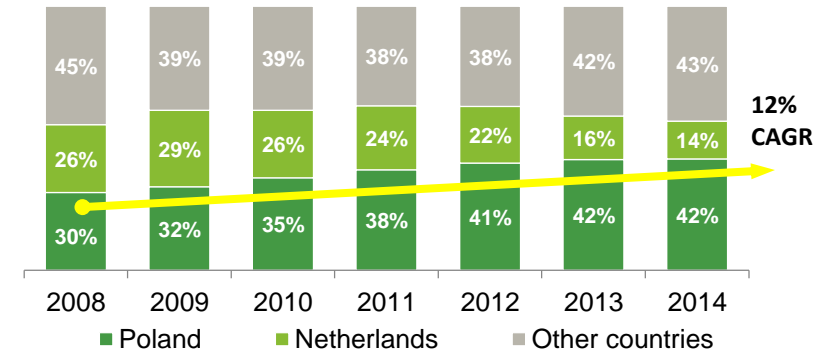


2

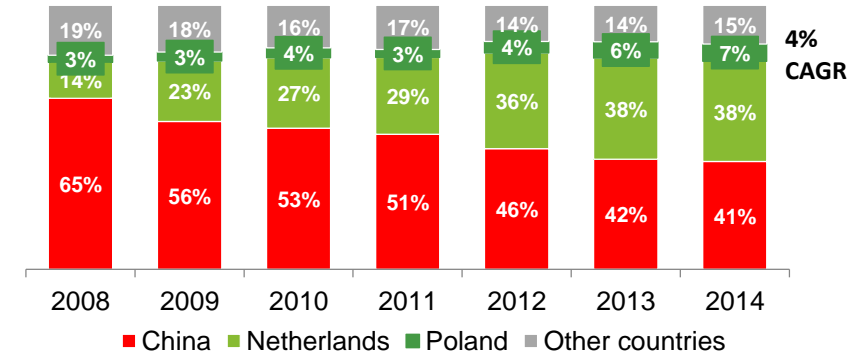
# Setting the scene – Markets: Strong trends to support future growth of the business



### Global Exports of Fresh Mushrooms

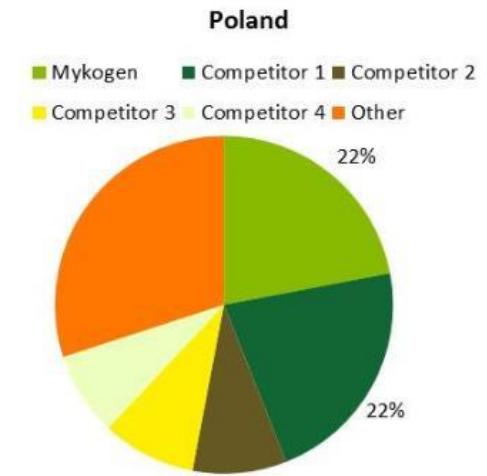
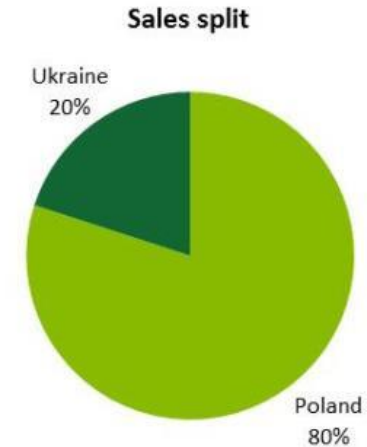


### Global Exports of Processed Mushrooms



### 3 Mykogen in a nutshell – Leading player in attractive mushroom substrates segment

- Leading player with top quality mushroom growing media in the key mushroom market in Europe
- Family owned company founded in 1978, acquired by Abris Private Equity in 2012
- Acquired Fungis in April 2016 after which Mykogen became joint market leader in Poland
- 2016 sales & EBITDA of € 37m & € 13,5 with a sales CAGR of 8% in the last 4 years
- Active in Poland (22% market share) & Ukraine (>50% market share)
- Headquartered in Karszew, Poland with 4 production facilities in Poland and Ukraine
- > 300 employees
- Experienced management team with impressive track record



4

**Production facilities –State-of-the-art sites, ideally located – also for sourcing**

**Karszew**



- ◆ Established in 1978
- ◆ P3 built in 2004
- ◆ Expanded in 2013-2014

**Wola Makowska**



- ◆ Established in 1991
- ◆ P3 built in 2006
- ◆ Acquired by Mykogen in early 2016

**Villya**



- ◆ Established and built in 2008
- ◆ Started production in 2009
- ◆ Largest manufacturer of phase II in Ukraine with 50%-60% market share

**Uman**



- ◆ Established and built in 2016
- ◆ Operational since Q4 2016
- ◆ Full-scale production since 2017
- ◆ Potential to expand from current 6 up to 20 tunnels



## 5 Attractive market trends – Mykogen benefits from strong underlying growth trends

### Key drivers for future growth :

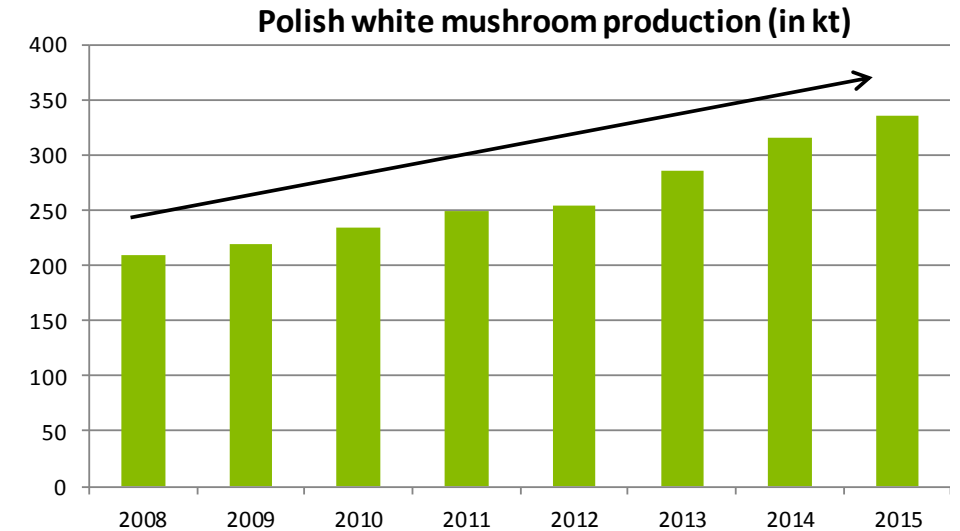
- Ongoing shift to East of Europe for handpicked mushroom production
- Attractive market for production (e.g. labour and sourcing of raw materials)
- Increasing demand for mushrooms (meat replacement)

### Poland

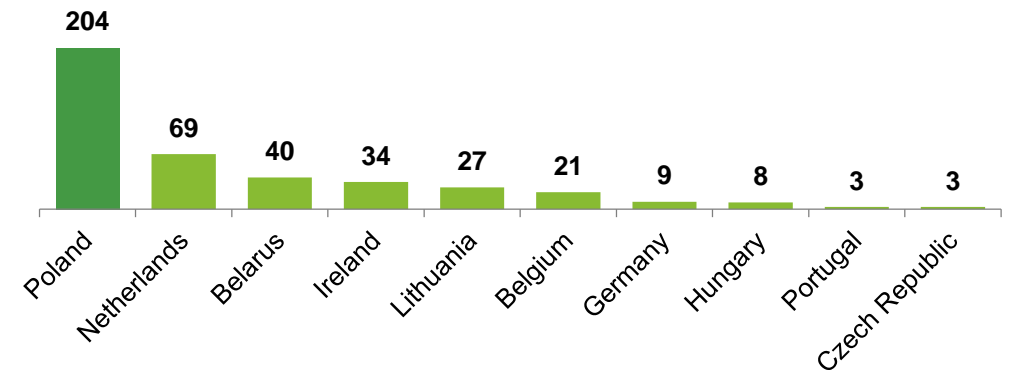
- Poland became Europe's largest mushroom production country; Globally they are n°3
- Polish market witnessed a strong CAGR of 7.6% since '08
- Exports grew by double digit in recent years

### Ukraine

- Ukraine still in early stage but offers strong competitive advantages for Mykogen



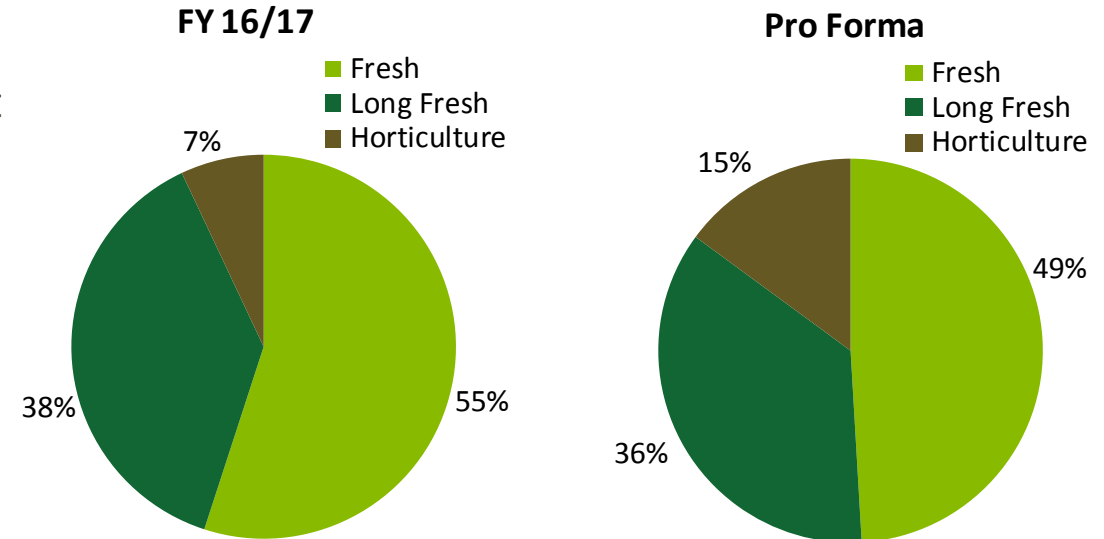
### Top Fresh White Mushroom Exporters in Europe (in kt)



## 6 Transaction rationale– Horticulture to become a key part of Greenyard

- ✓ Transformational step for Horticulture, positioning it for further strategic development in the future
- ✓ Addition of a high quality, market leading player in its segment
- ✓ Entry into the attractive mushroom substrate business enhances Greenyard's overall growth profile and profitability
- ✓ Greenyard strengthens its connection to the grower base and position across the value chain
- ✓ Addition of experienced management team
- ✓ Unlocks synergies Group wide (cross-segmental synergies with Fresh, Frozen and Prepared (Lutèce) )
- ✓ Sound balance sheet – strong financial ratios post transaction

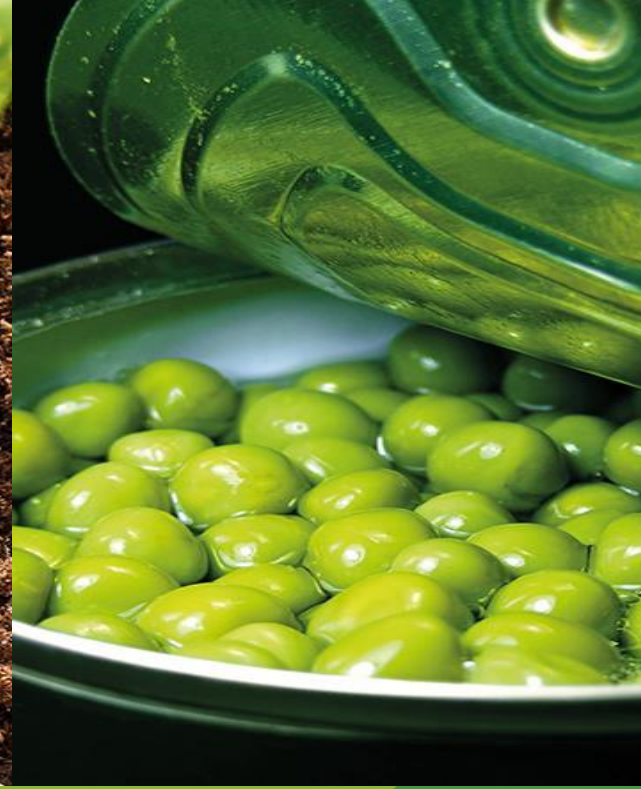
EBITDA distribution





## 7 Transaction details – Main effects of this transformational deal

- Purchase price of € 93m (Enterprise Value)
- Implied multiple of 6,9x EV/EBITDA (2016a)
- Financing from existing credit facilities
- Combined with divestments, net debt/EBITDA will increase by a limited 0.3x to 2.5x (FY 2016/2017 pro-forma)
- The acquisition will be immediately accretive to earnings: Adjusted EPS 16/17 would increase by more than 25%
- Completion of the transaction, expected in H2 2017, is subject to the receipt of customary regulatory approvals
- Enhancing impact on Greenyard's overall EBITDA margin (increases from 3,4% to 3,7%)
- Horticulture to represent ~15% of Group EBITDA after the transaction



## Q&A