



# ANALYST CONFERENCE CALL

H1 16/17 RESULTS SEPTEMBER 2016

*Sint-Katelijne-Waver – November 23, 2016*

**GREENYARD** 

*for a healthier future*

---

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

---

# 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.

The majority of the Presentation refers to LFL numbers, which implies that comments are made as if both Univeg and Peatinvest were already consolidated for 6 months in FY 2015/2016 for underlying performance reasons.

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 or agents. The shareholders of the Company and their respective subsidiaries and associated companies and their respective directors, officers, employees and agents 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.

This Presentation has not been submitted to the FSMA for approval.

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.

---

# Content

1	Key highlights & financials
2	Sales evolution
3	REBITDA evolution
4	Segmental Sales and REBITDA
5	Financial Result & Net profit
6	Capex
7	Net debt
8	Refinancing
9	Outlook
10	Strategy update

# 1 – Key highlights

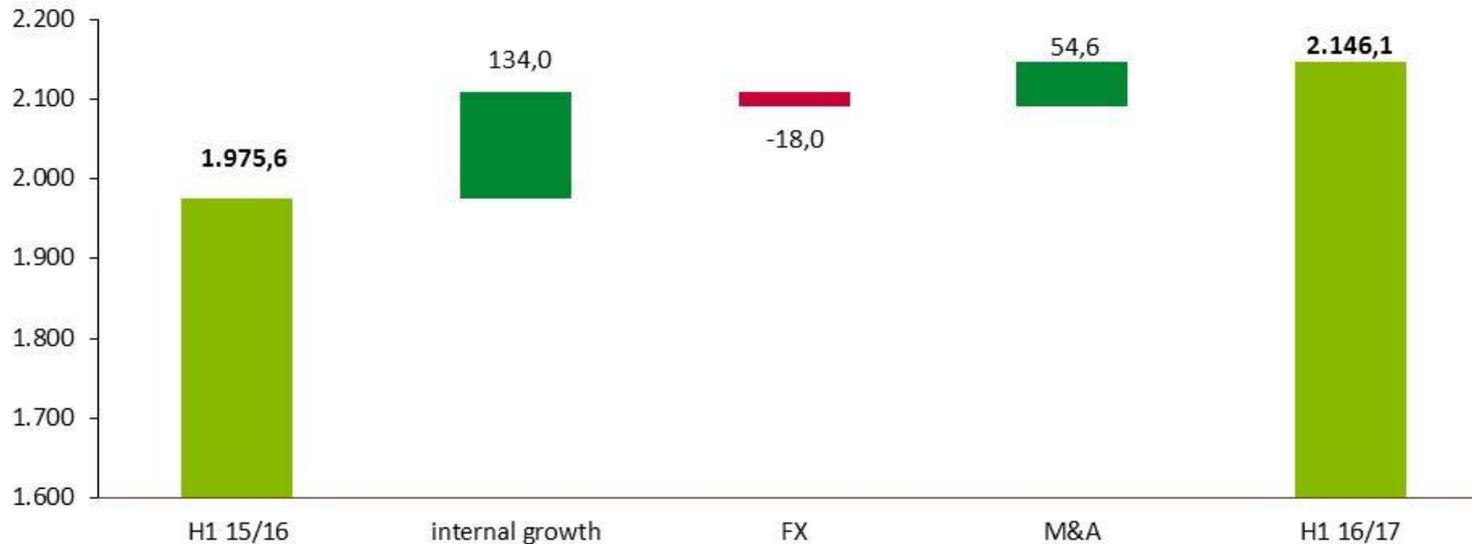
(in € million)	H1 15/16*	H1 16/17	YoY
Sales	1.975,6	2.146,1	8,6%
REBITDA	72,5	77,7	7,2%
REBITDA margin %	3,7%	3,6%	
Net result	2,2	6,8	210%
EPS	0,05	0,15	210%
NFD	415,4	379,0	-8,8%
NFD/ LTM REBITDA	3,1	2,7	

- (1) Sales up 8,6% thanks to strong internal growth
- (2) REBITDA up 7,2% driven 'Fresh' & 'Horticulture'
- (3) Long Fresh performs well despite price pressure & weather impact
- (4) Investments in future growth ongoing
- (5) Leverage improved to 2,7x (vs. 3,1x September '15)
- (6) Refinancing is being investigated
- (7) Strategic development & quest for synergies on track

\* Like-for-like as if Fresh & Horticulture were included for 6 months in H1 15/16

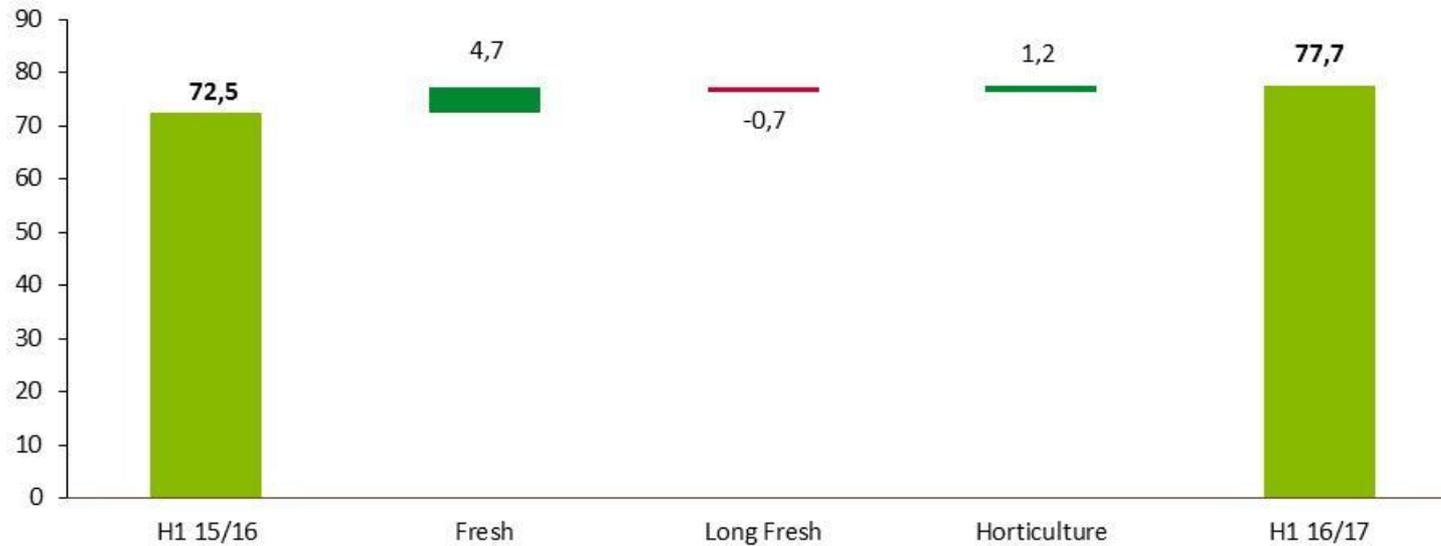
Like-for-like in the presentation: Sales, REBITDA & Net financial charges

## 2 – Sales evolution – Strong internal growth driving top line



- Overall sales growth of 8,6%
- Internal growth of 6,8% driven by Fresh and Long Fresh supported by ongoing price-mix improvements & volume growth
- Lutèce included for the first time boosts top line by 2,8%
- FX had a small negative impact (-0,9%), mainly due to the GBP
- Core markets continue to perform strongly

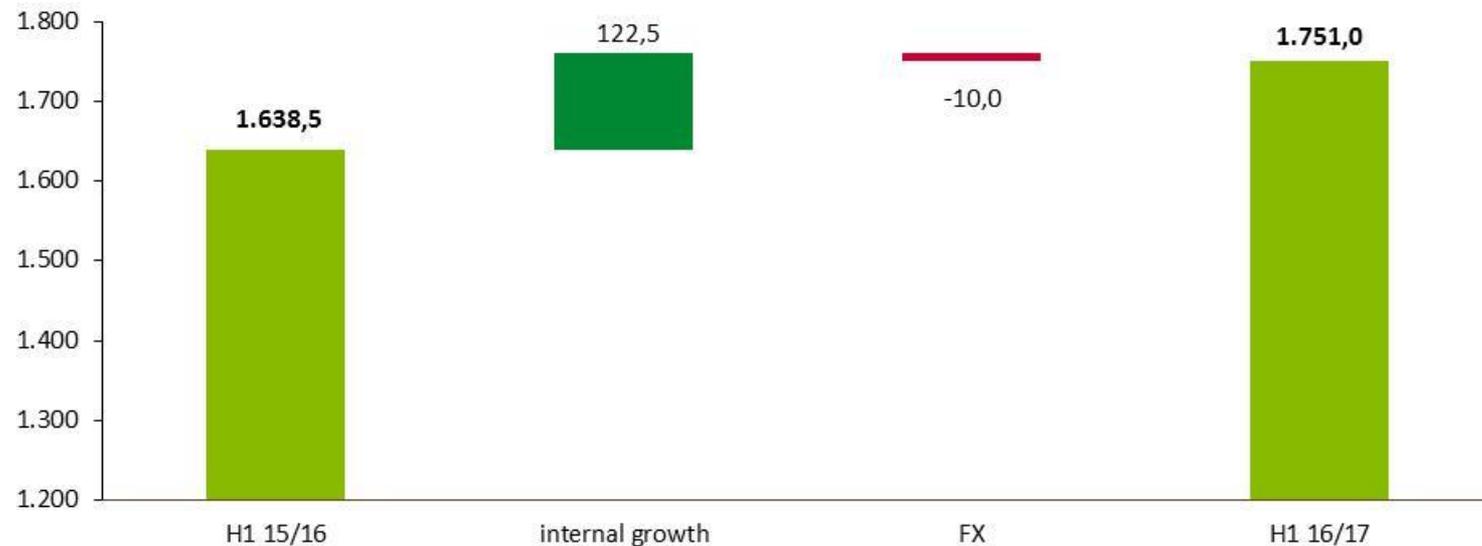
### 3 – REBITDA – up 7,2% driven by Fresh & Horticulture



#### Segment overview:

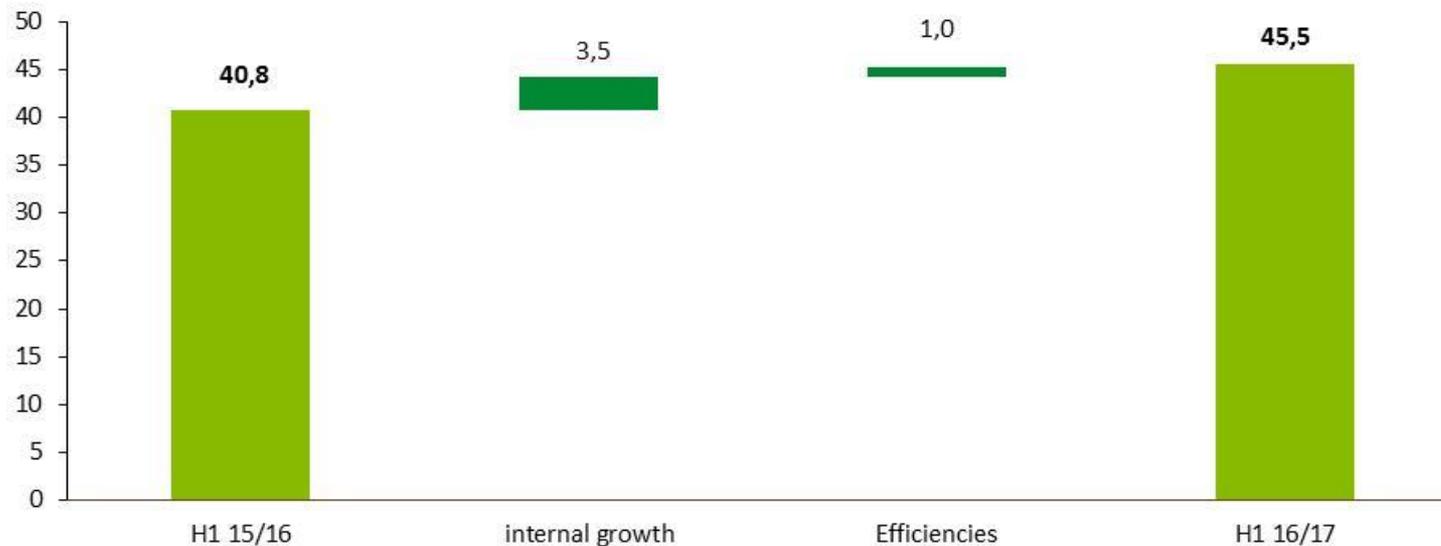
- **Fresh'** REBITDA strongly up (+11,5%) driven by strong growth in core markets, ongoing pricing and price-mix improvement as well as an enhanced underlying performance after adjusting cost base
- **Long Fresh** reports a 2,5% drop despite some headwinds
- **Horticulture's** REBITDA up 30% thanks to improved product mix

## 4 – Fresh – Strong internal growth boosts sales



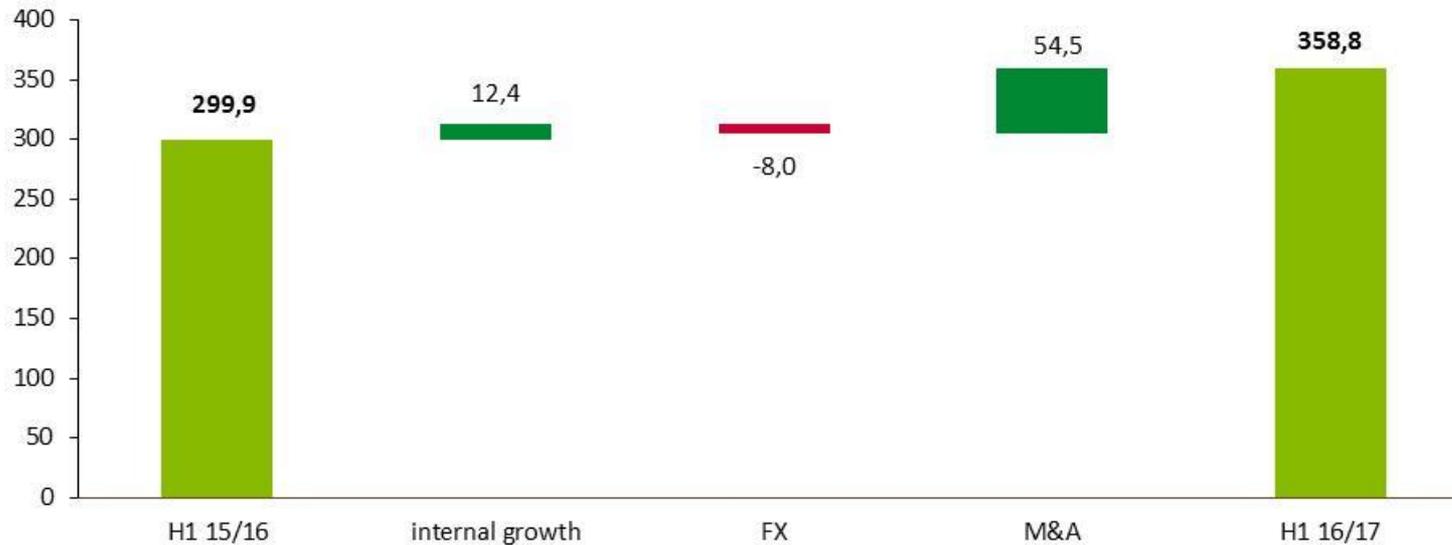
- Sales up strongly (+6,9%) driven by internal growth (7,5%) whereas FX is slightly negative (-0,6%) mainly related to the GBP
- Core markets such as Germany, Netherlands perform strongly but also Poland & Czech Republic continue their growth
- ‘Growth markets’ grew in line with the entire division at constant currencies
- Product mix continues to be favoured by strong demand in exotics, Ready-To-Eat F&V and mixes (convenience)

## 4 – Fresh – REBITDA boosted by top line & ongoing trends



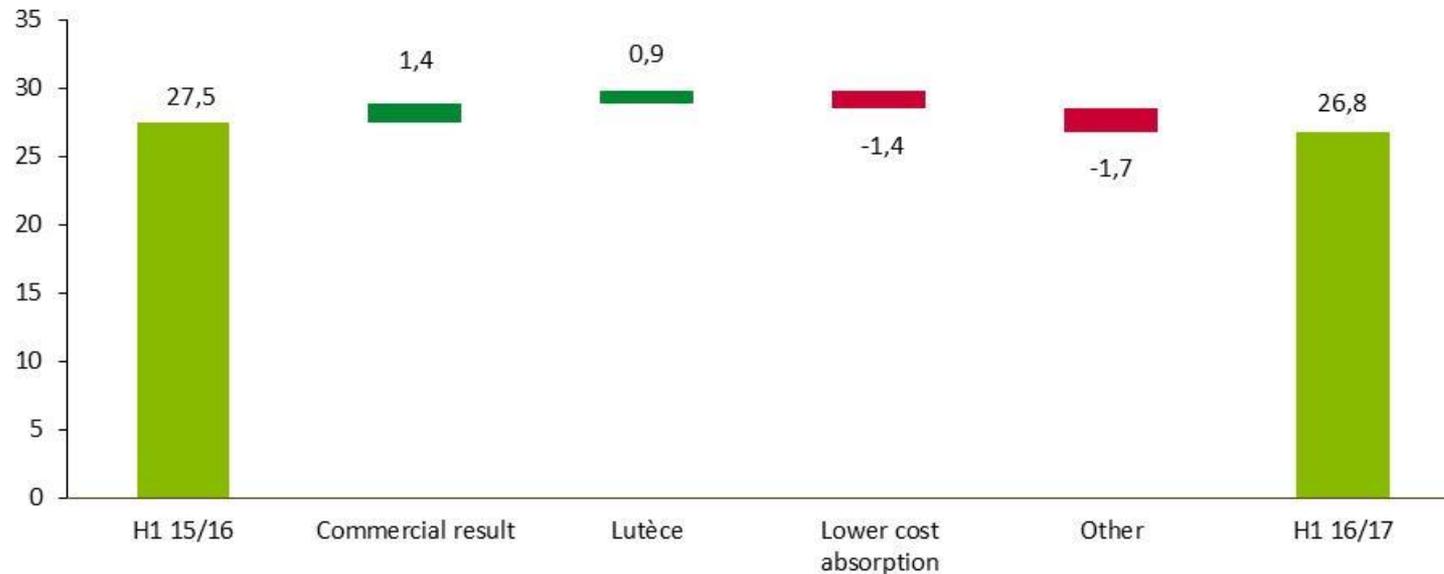
- REBITDA increases significantly (+11,5%) propelled by internal growth (8,6%) as positive pricing, price-mix and volume growth are continuing
- Margin increased by 10bps to 2,6%
- Ongoing demand for Ready-to-Eat and convenience in many markets
- Efficiencies relate to ongoing optimisations as well as good cost control in our sourcing operations

## 4 – Long Fresh – Internal growth & Lutèce drivers of top line



- Sales growth of 19,6% is driven by a strong internal growth (+4,1%) and the acquisition of Lutèce (+18,2%)
- Volume growth, pricing and also price-mix, driven by portfolio management, supported the strong internal growth of 4,1%
- First consolidation of Lutèce added € 54,5m to sales & integration is on track
- FX impacted sales negatively by 2,8% driven by the GBP

## 4 – Long Fresh – REBITDA stable despite pricing & lower cost absorption



- REBITDA only slightly lower (-2,5%) despite pricing & lower cost absorption
- FROZEN - Strong internal growth thanks to volume, price and price-mix which is clearly supported by portfolio management efforts
- PREPARED – Pricing pressure continues and also weather impacted operations
- Lutèce contributed as anticipated – integration is on track

## 5 – Financial result – Interest savings continue

(in € million)	H1 15/16*	H1 16/17	YoY
Interest expenses	-20,9	-18,6	2,3
Exchange (gains) / losses & MTM	-2,3	-5,3	-3,0
Other financial charges	-2,9	-2,9	0,0
<b>Net financial income &amp; costs</b>	<b>-26,1</b>	<b>-26,7</b>	<b>-0,6</b>

- Important savings in interest charges of € 2,3m are the result of lower leverage & improved cash efficiencies (working capital)
- These underlying savings were more than compensated by exchange losses & MTM of € 3,0m. These relate largely to non-cash FX translation losses on intercompany loans in GBP and PLN

\* Like-for-like

## 5 – Net reported profit

(in € million)	H1 15/16*	H1 16/17	YoY
PBT	5,7	12,9	7,2
income tax expense / (income)	-5,8	-6,1	-0,3
<b>Net profit</b>	<b>0,0</b>	<b>6,8</b>	<b>6,8</b>

- Net reported profit comes in at € 6,8m, a strong YoY increase due to the consolidation impact of Fresh & Horticulture
- The tax rate of 47,2% exceeds our normalised level, explained by non-tax deductible charges and non-recognition of deferred tax benefits. Reducing our effective tax rate remains a priority for the Group

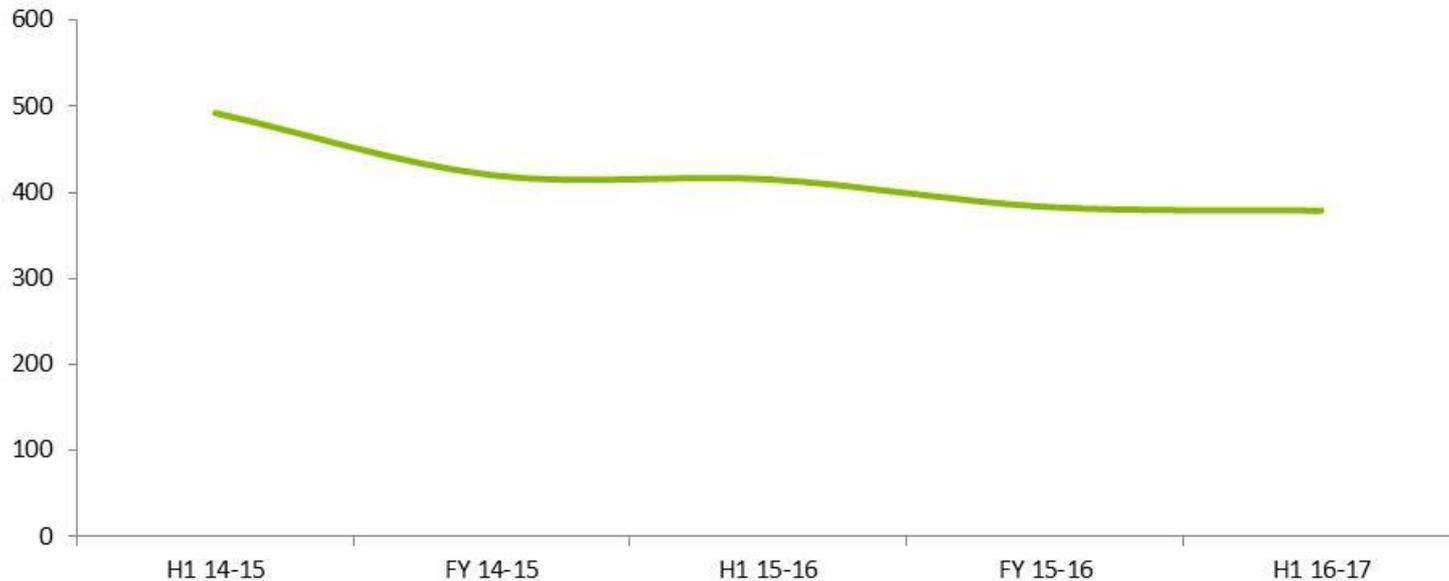
\* Based on consolidated numbers

---

## 6 – CAPEX – Lower YoY due to timing, investments are ongoing

- CAPEX spending -13,2% YoY to € 21,5 (consolidated numbers) due to phasing of investments:
  - **Fresh** - strong drop as major projects have some delay and is anticipated to be expensed in H2 – main investments relate to Ben Fresh, ripening as well as capacity increases
  - **Long Fresh** – decrease in spending due to phasing of investments. By year-end the level of investments is anticipated not to drop YoY as efficiency improvement programs are ongoing
  - **Horticulture** - strong increase but from a low comparison base

## 7 – Net financial debt – Decline despite M&A & less factoring



- Net debt decreased by € 36,5m YoY to € 379,0m. Compared to year end, the drop amounts to € 3,9m.
- As a result, leverage dropped to 2,7x, a significant drop vs. H1 15/16 (3,1x) and also a drop vs. FY 15/16 (2,8x)
- Debt reduction was realised despite significant M&A (Lutèce acquisition) and a sizeable drop in our factoring program (-€ 17,5m to € 341,0m)

---

## 8 – Refinancing – On track

- Greenyard envisages to optimise its financing structure
- Currently this is under investigation
- At the time of the merger, the following guidance was provided:
  - € 12m annual savings
  - € 18m one-off costs
- We will communicate when more information is available

---

## 9 – Outlook – Gradually progressing towards our targets

- Strong start of the year for the Group
- For the remainder of the year, focus per segment:
  - **Fresh** – further strengthening integration and sourcing
  - **Long Fresh** – improve margins & successfully integrate Lutèce
  - **Horticulture** – continue growing via innovation in a profitable way
- We continue working on rolling out our 5 strategic priorities for the group:
  1. Mission, Vision, Values - ‘Greenyard’ one identity
  2. Drive top line to reach € 200m sales synergies: Cross selling /Innovation / Category management
  3. Cost synergies - work on both OPEX & CAPEX
  4. Corporate initiatives
  5. Talent development
- After a solid start, Greenyard is well positioned to deliver profitable growth and to unlock the synergy potential going forward of the business combination

---

# Corporate calendar

## Corporate calendar:

- Q3 trading update – February 23, 2017
- FY results – June 7, 2017



## Q&A

For further information:  
Investor Relations contact  
[kris.kippers@greenyardfoods.com](mailto:kris.kippers@greenyardfoods.com)  
+32 (0)15/32 42 49

**GREENYARD** 

*for a healthier future*

We are  
**GREENYARD** 

*for a healthier future*