

Greenyard continues double-digit growth in Q3 and reveals its ambitious long-term plans

Sint-Katelijne-Waver, Belgium, 25 February 2021

Highlights

- Both Fresh and Long Fresh segments continue to perform well, resulting in a double-digit increase in group sales in Q3 as well as in the first nine months of financial year 2020/2021, mainly driven by volume growth in the long-term customer relationships.
- Based on current estimates and projections, Greenyard expects its adjusted EBITDA for the full financial year ending 31 March 2021 to land at the upper end of its earlier guidance of € 106m - 110m.
- Therefore, Greenyard estimates to reach a net debt/adjusted EBITDA towards 3,5x (before application of IFRS 16) by the end of financial year 2020/2021, down from 3,9x in September 2020 and ahead of its earlier announced 3,7x.
- After turning the page on its company transformation, and based on current estimates, projections and assumptions in accordance with the basis of the drivers and actions underlying the long-term plan, Greenyard is announcing its clear ambitions for the next four years (up to and including financial year 2024/2025):
 - For financial year 2021/2022 Greenyard is aiming to achieve an adjusted EBITDA towards € 120m, and a leverage close to 3,0x (before application of IFRS 16).
 - The company has designed an organic growth trajectory for both segments with a long-term CAGR ambition of 2,5% on group sales over the next four years.
 - Together with defined gross margin and cost improvements, this should enable Greenyard to reach its long-term ambition of an adjusted EBITDA towards € 150m by the end of financial year 2024/2025.
 - This will lead to an EBITDA margin improvement from 2,6% in the first half of this financial year to around 3,0% in four years.
 - Greenyard intends to further engage in value creating projects based on a CAPEX budget between € 60m and € 65m for the next four years.
 - Debt reduction remains a key objective with a long-term net financial debt/adjusted EBITDA leverage ratio target (before application of IFRS 16) structurally between 2,0x and 2,5x to be achieved in less than two years from now.
 - Compared to earlier years the expected results will be more resilient since the company expects to see more than 70% of its sales from the Fresh segment coming from long-term integrated relationships. The Long Fresh segment is less volatile thanks to its one-year contracts.
- Greenyard is making good progress to secure a comprehensive refinancing by the end of financial year 2020/2021 to refinance debt due to mature at the end of calendar year 2021, at its maturity date, with bank debt remaining a key component in such refinancing.

Hein Deprez, co-CEO: “We continue to demonstrate that our unique strategic model of integrating with customers to create long-term, sustainable and stable relationships inherently secures stable growth in sales and profitability. Over the past two years, we have been able to accelerate the roll-out of this strategy thanks to further professionalisation of the group. This professionalisation has equally facilitated economies of scale, best practices, and efficiency gains across both segments”.

Marc Zwaaneveld, co-CEO: “Over the past two years, our focus has been to develop Greenyard for the next phase of its existence. The key words are resilience, agility and continued professional governance. With a management team committed for the long-term this will lead to solid and sustainable growth involving all stakeholders in the supply chain.”

1. Continuing positive results reflected in solid Q3 performance

Sales increase. The positive sales results continued their pace in the third quarter of the financial year, resulting in a +10,3% year-on-year sales increase, both for the quarter and for the first nine months of the year.

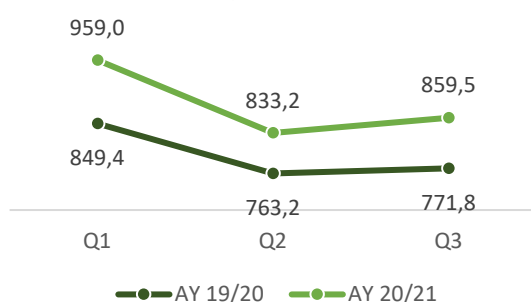
Fresh. Fresh segment sales increased in Q3 by +11,4% versus Q3 of the previous financial year and by +11,2% for the first nine months of the financial year versus the same period of the previous financial year. The sales increase was predominantly driven by higher volumes arising from the long-term relationship.

Long Fresh. Long Fresh segment sales increased in Q3 by +6,4% versus Q3 of the previous financial year and by +6,6% for the first nine months of the financial year versus the same period of the previous financial year. Higher sales in the retail and food industry more than offset lower in food service sales.

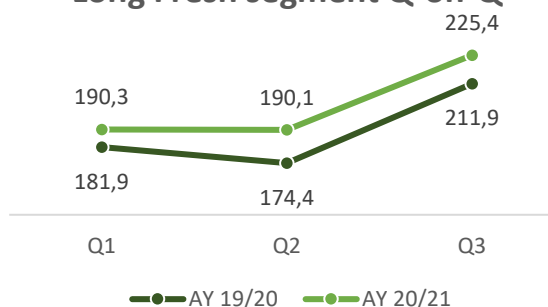
Sales figures Q3 20/21

(in € million)	Q3 20/21	Q3 19/20	YoY	9m 20/21	9m 19/20	YoY
Sales continued operations	1085,0	983,7	10,3%	3257,6	2952,6	10,3%
Fresh	859,5	771,8	11,4%	2651,8	2384,4	11,2%
Long Fresh	225,4	211,9	6,4%	605,8	568,2	6,6%

Fresh segment Q-on-Q



Long Fresh segment Q-on-Q



2. Underpinning full year guidance

Based on the continued positive performance and on currently available information and forecasts, Greenyard reconfirms its previous adjusted EBITDA guidance of € 106m - 110m and expects to land at the upper end of that range for the full financial year 2020/2021.

The expectation of reaching the upper end of the range and improvement of cash generation driving down net financial debt, would also allow the company to further deleverage towards 3,5x net financial debt/adjusted EBITDA (before application of IFRS 16) by the end of financial year 2020/2021. The lower leverage takes into account a further decrease in nominal debt, among others by the repayment of the accordion debt, granted by its relationship banks in June 2019.

3. A basis for new long-term ambitions

After focusing on the Transformation Plan (as announced in the 15 March 2019 press release *“Greenyard announces its Transformation Plan unlocking large untapped potential for a healthy future”*), Greenyard is turning the page with revised long-term ambitions as set out in this section. These ambitions are based on current estimates, projections and assumptions.

An organic growth trajectory in both the Fresh and Long Fresh segment set out by Greenyard’s management, is the basis for a revised and ambitious plan for the next four years.

Greenyard’s ambition is to further increase its group sales, with an expected long-term CAGR of 2,5% over the coming four-year period.

Greenyard estimates the group’s adjusted EBITDA for the next financial year, ending March 2022, to increase towards € 120m. By the end of the financial year 2024/2025, Greenyard’s ambition is to grow the adjusted EBITDA towards € 150m, with a resulting adjusted EBITDA margin target of around 3,0%. In addition, this margin is considered to be more stable thanks to the higher proportion of sales in long-term contracted relationships.

Greenyard is aiming for an annual run-rate CAPEX over the next four years of between € 60m and € 65m, to structurally develop Greenyard’s asset base to execute and deliver on its ambitions.

The expected growth is underpinned by several pillars that Greenyard intends to prioritise and invest in over the coming four-year period:

- A roadmap defining four concrete sustainability commitments, including climate action, water stewardship, responsible sourcing and achieving zero waste. It is Greenyard’s clear sustainability ambition to play a leading role in the sector. The company believes that greater effort and investment in sustainability go hand in hand with adding economic value.
- Deepening Greenyard’s unique long-term relationships with customers to provide more added-value services remunerated by a stable adjusted EBITDA margin profile. Long-term relationships foster the opportunity to grow the assortment, including in higher growth categories such as frozen fruit and meal kits, to optimise the supply chain, improve product quality and reduce waste, as well as to introduce innovation.
- Further development of Greenyard’s asset base and production capabilities with high ROCE investments, including in automation, capacity extension, quality and increased efficiency to

be able to offer such added value services and improve service levels even more for customers.

- A smart sourcing strategy to attract new growers and retain important growers. By investing in the supply chain through innovative cooperations, Greenyard can bundle the group expertise and create alignment in the group with an objective for improved economic terms, as well as a more sustainable supply. The latter entails lower waste, intelligent and efficient logistical use and balanced supply and demand. With the sourcing strategy Greenyard aims to secure its availability and supply of the most sought-after categories and be a catalyst in the further professionalisation of the agricultural sector.
- Further strengthening the group's internal organisation, while maintaining an agile organisation and governance by continuing to improve cooperation between segments, divisions, departments and entities, leveraging scale, expertise, know-how and purchasing power. Examples include group-wide procurement processes, divisionally centralised transport and logistics and other services. All without losing sight of the entrepreneurial spirit, a Greenyard core value.
- Further increasing resilience to external factors through a more robust business profile, processes and structures and better risk management, including a continuing focus on securing comprehensive long-term relationships, decreasing volatility from operations and results. By the end of the four-year period, Greenyard aims to have more than 70% of Fresh segment sales contracted over the long term with a stable adjusted EBITDA margin. In addition, in the Long Fresh segment, improved reliability in S&OP forecasting (supply chain harmonisation) and cost discipline in customer and product portfolios are also expected to contribute to achieving its ambitions.
- Strong corporate governance, under the leadership of the two co-CEOs and the CFO, supported by a Leadership Team. Greenyard and its managements' interests are aligned to execute Greenyard's strategy through long-term incentives.

Greenyard's ambition for the financial year ending March 2022 is a net financial debt/adjusted EBITDA ratio close to 3,0x (before application of IFRS 16) and aims for a long-term net financial debt/adjusted EBITDA ratio between 2,0x and 2,5x (before application of IFRS 16) in less than 2 years, with the aim of structurally remaining between this range in the years thereafter.

4. Refinancing

The group's renewed long-term ambitions mark another milestone for Greenyard and provide additional reassurance to stakeholders.

A key component of the new capital structure will remain bank debt provided by Greenyard's current relationship banks. Greenyard is making good progress to secure a comprehensive refinancing by the end of the current financial year (March 2021) for the purpose of refinancing, at its maturity date, the debt maturing at the end of calendar year 2021.

Financial calendar:

FY results:	15 June 2021 (before market)
Q1 trading update:	30 August 2021 (before market)
AGM:	17 September 2021
H1 results:	16 November 2021 (before market)

For additional information, please contact Greenyard NV:

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About Greenyard

Greenyard (Euronext Brussels: GREEN) is a global market leader in fresh, frozen and prepared fruit and vegetables, flowers and plants. Counting Europe's leading retailers amongst its customer base, Greenyard offers efficient and sustainable solutions to customers and suppliers through best-in-class products, market leading innovation, operational excellence and outstanding service.

Its vision is to make lives healthier by helping people enjoy fruit and vegetables at any moment, easy, fast and pleasurable, while fostering nature.

With around 9.000 employees operating in 23 countries worldwide, Greenyard identifies its people, and customer and supplier relationships, as the key assets which enable it to deliver goods and services worth around €4 billion per annum.

www.greenyard.group