

Welcome to the Analyst Meeting
March 2020

IMPROVE

INNOVATE



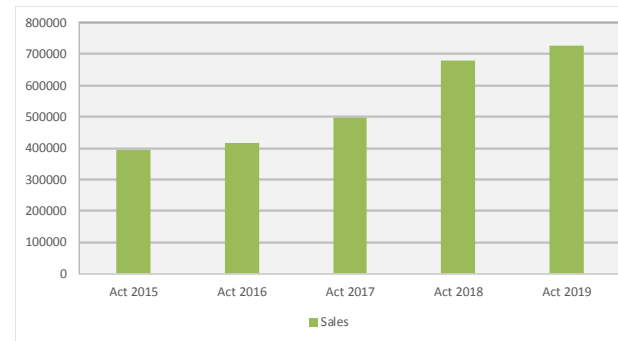
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TER BEKE CONSOLIDATED

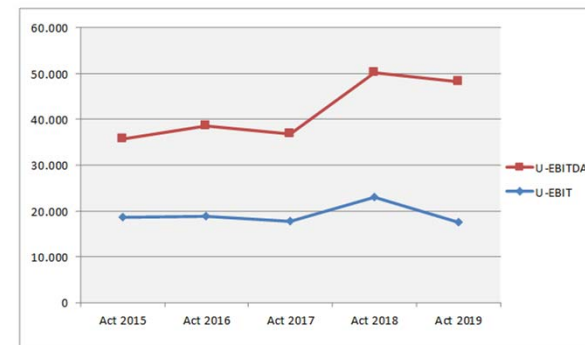
HEADLINES

- ◆ Sales increase +7%, positive in both divisions
 - ◆ Processed Meats +4,2%, despite recall in Q4
 - ◆ Ready Meals + 11%
- ◆ Positive underlying evolution in both divisions, wiped out by :
 - ◆ Underlying result impacted by ASF and increased PPV:
 - ◆ Margin pressure in 2019 in both divisions, but mainly processed meat
 - ◆ New sales price increases only possible as from 2020
 - ◆ Underlying effect of listeria (effects not directly traceable to recall)
- ◆ Like for like U-EBITDA in line with guidance
- ◆ Major impact of non recurring items in 2019:
 - ◆ Recall Offerman (Listeria)
 - ◆ Redundancy costs

Sales Evolution (in 000 EUR)



U-EBITDA and U-EBIT evolution (in 000 EUR)



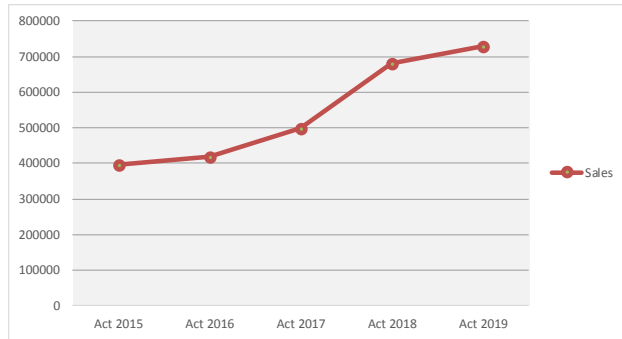
Impact IFRS-16

New IFRS rule starting 1/1/2019 – No changes on 2018 figures

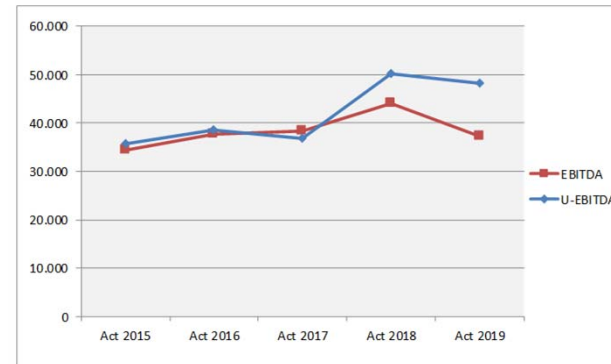
	<u>31/12/2019</u>
Tangible non-current assets (right of use)	11 185
Impact on total assets	11 185
Transferred losses	-126
Deferred taxes	-39
Long-term lease liabilities	8 619
Short-term lease liabilities	2 722
Revenue to be transferred	9
Impact on total equity and liabilities	11 185
Impact on EBITDA	3 138
Impact on EBIT	209
Impact on net financing costs	-375
Impact on EAT	-127

EVOLUTION 2019

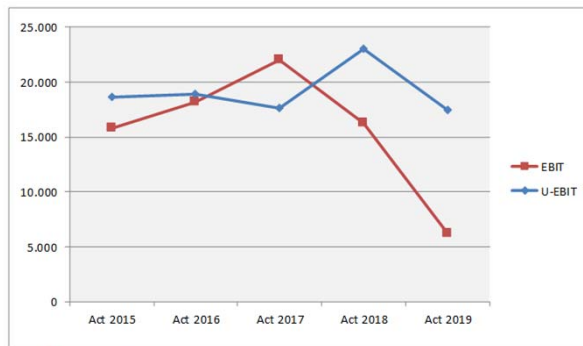
Sales Evolution (in 000 EUR)



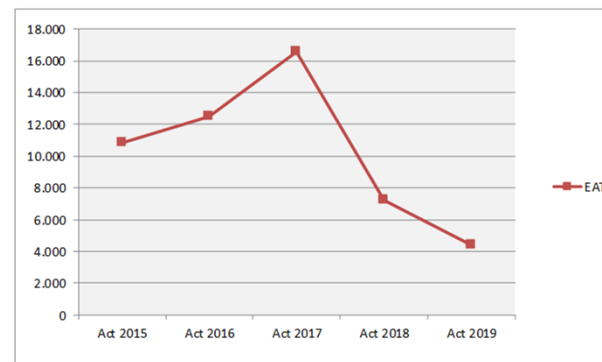
(U)-EBITDA Evolution (in 000 EUR)



(U)-EBIT Evolution (in 000 EUR)



EAT Evolution (in 000 EUR)



NON RECURRING ITEMS (IN 000 EUR)

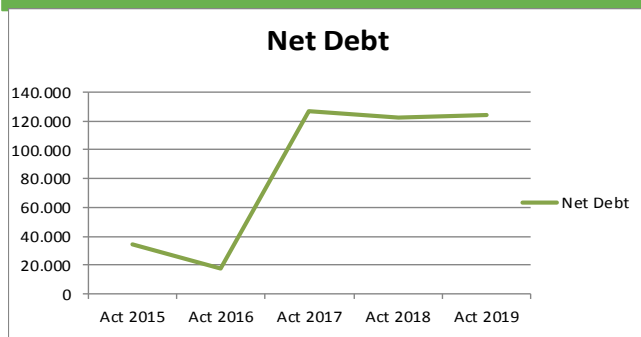
	<u>31/12/2019</u>	<u>31/12/2018</u>
Severance payment (incl social costs)	3 125	3 822
Claim vs sellers Stefano Toselli	-438	
Costs of phased acquisition		242
M & A costs	125	
Recall	7 914	
Strategic study		1 252
Start up costs project new packaging concept		356
Realised losses Zoetermeer		511
Restructuring expenses Zoetermeer		240
Impairment on building Aalsmeer	500	
Impairment Zoetermeer		386
Total non-underlying costs	11 226	6 809

HEADLINES

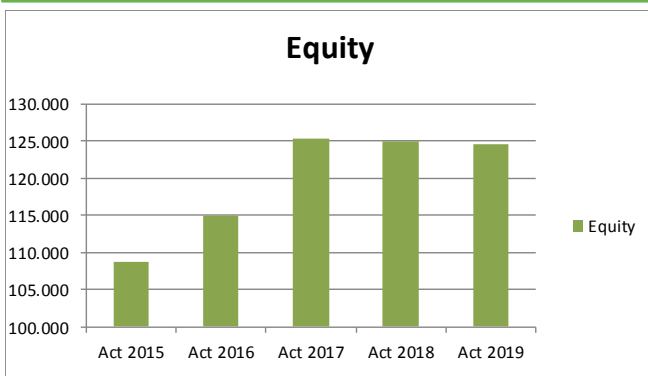
- ◆ Restructuring costs
 - ◆ of which +- 50% for partial closing of Aalsmeer plant
- ◆ Recall costs Listeria Offerman business
- ◆ Impairment on building Aalsmeer
- ◆ Claim vs sellers of Stefano Toselli

NET DEBT AND EQUITY EVOLUTION

Net debt evolution (in 000 euro)



Equity evolution (in 000 euro)



HEADLINES

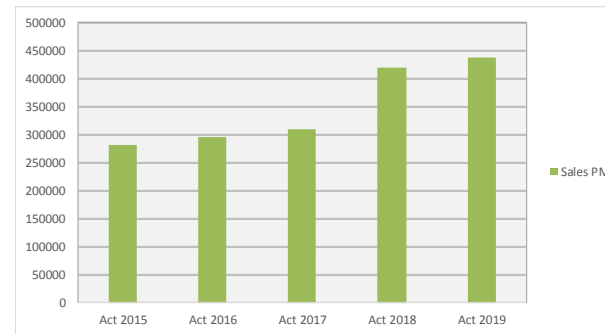
- ◆ Net debt slightly increased to EUR 124.4 Mio
 - ◆ IFRS-16 impact of 11,2 Mio
 - ◆ Like for like decrease in net debt of 9,6 Mio
 - ◆ Dividend paid: 6,9 million
 - ◆ After 19.7 million net investments
 - ◆ After 11.2 million non-recurring costs
 - ◆ Thanks to strong net cashflow from operating activities

TER BEKE PROCESSED MEATS DIVISION

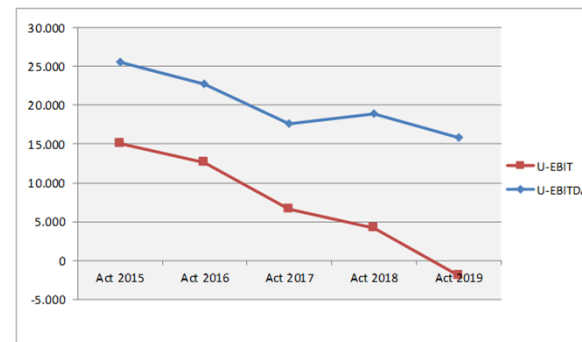
HEADLINES

- ◆ Nr 1 in processed meats in the Benelux
 - ◆ Largest slicer and packager of processed meat products in the Benelux with six plants
- ◆ Difficult market
 - ◆ Price pressure in market with overcapacity
 - ◆ Increasing competition of alternatives
- ◆ 2019 events
 - ◆ Positive effects of
 - ◆ Strong revenue growth (+4,2%) despite effect of recall in the Netherlands
 - ◆ Improved efficiency in plants, especially Veurne
 - ◆ New product development efforts will lead to new product launches beyond meat in 2020
 - ◆ Continued focus on sustainable and user-friendly packaging
 - ◆ Acquisition of De Kock-De Brie, specialist in tongue and liver products
 - ◆ Wiped out by
 - ◆ increased raw material prices, difficult to pass on in the short term
 - ◆ Effects of recall

Sales Evolution (in 000 EUR)



U-EBITDA and U-EBIT evolution (in 000 EUR)

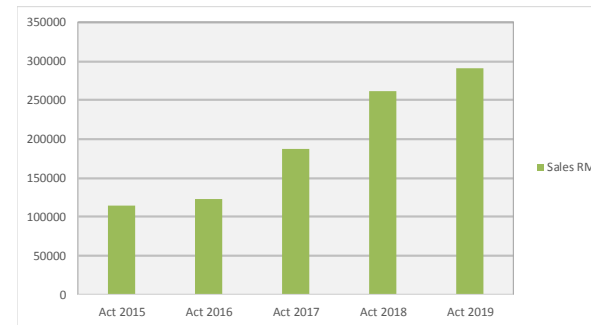


Ter Beke Ready Meals – December YTD

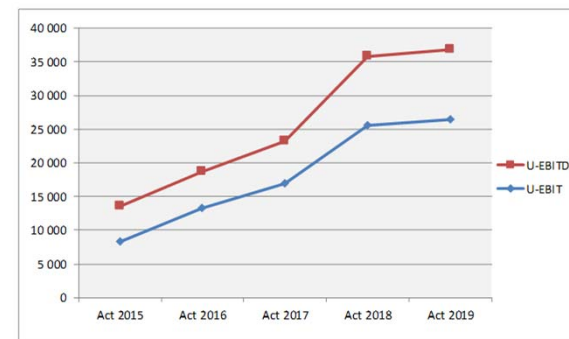
Headlines

- ◆ Strong organic sales growth (+12%)
 - ◆ Strong regional growth in Southern Europe and Poland
 - ◆ Continued focus on quality, innovation and category management pays off
- ◆ Strong investment in Come a casa brand in Belgium
- ◆ Commercial succes requires investment in new production capacity in 2020, to be ready in 2021
 - ◆ More than 8 Mio EUR in Poland
 - ◆ More than 6 Mio EUR in KK Fine Foods

Sales Evolution (in 000 EUR)



U-EBITDA and U-EBIT evolution (in 000 EUR)



Financial



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CONSOLIDATED INCOME STATEMENT 2019

On 31 December 2019 and 2018
All amounts in '000 Euro

	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenu	728 132	680 460	100,0%	100,0%
Trade goods, raw and auxiliary items	-442 586	-399 416	-60,8%	-58,7%
Services and miscellaneous goods	-116 124	-116 286	-15,9%	-17,1%
Employee expenses	-127 100	-119 640	-17,5%	-17,6%
Depreciation costs	-30 602	-27 126	-4,2%	-4,0%
Impairments, write-downs and provisions	-436	-692	-0,1%	-0,1%
Other operating income and expenses	-5 079	-1 082	-0,7%	-0,2%
Results of operating activities	6 205	16 218	0,9%	2,4%
Financial income	385	358	0,1%	0,1%
Financial expenses	-3 632	-3 748	-0,5%	-0,6%
Results of operating activities after net financing expenses	2 958	12 828	0,4%	1,9%
Taxes	1 457	-5 587	0,2%	-0,8%
Result for the financial year before result from business account for using the equity method	4 415	7 241	0,6%	1,1%
share in the result of enterprises accounted for using the equity method	0	0	0,0%	0,0%
Profit of the financial year	4 415	7 241	0,6%	1,1%

HEADLINES

- ◆ Sales growth of 7% vs 2018
- ◆ Higher purchase prices due to ASF/dairy increases
- ◆ Effects of IFRS-16 impacts services and miscellaneous goods and depreciation
- ◆ Other operating expenses include claims from clients due to listeria event
- ◆ Taxes become positive:
 - ◆ Deferred tax asset recognized on polish tax subsidies due to the positive profit evolution in Pasta Food Company

Consolidated Balance Sheet 2019

as at 31 December 2019 and 2018
All amounts in 000 EUR

	<u>2019</u>	<u>2018</u>
Assets		
Non-current assets	252 148	243 591
Goodwill	78 224	76 456
Intangible non-current assets	26 116	28 651
Tangible non-current assets	138 126	133 382
Participations using equity method		
Loans to joint venture		
Deferred tax assets	9 604	5 027
Other long-term receivables	78	75
Long-term interest-bearing receivables		
Current assets	186 874	181 387
Inventories	40 733	36 304
Trade and other receivables	119 316	121 908
Cash and cash equivalents	26 825	23 175
Total assets	439 022	424 978

HEADLINES

- ◆ Goodwill increase mainly result of DKDB acquisition
- ◆ Increase in tangible and intangible fixed assets of 2,2 Mio due to
 - ◆ IFRS-16 opening position +12,3
 - ◆ Opening balance DKDB + 0,4
 - ◆ Investments +21,4
 - ◆ Disposals - 0,5
 - ◆ Depreciation and impairment -31,0
 - ◆ Other - 0,4
- ◆ DTA increase mainly result from Pasta Food Cy
- ◆ Working capital improvement of 12,1 Mio

Consolidated Balance Sheet 2019

	<u>2019</u>	<u>2018</u>	HEADLINES
Liabilities			
Shareholders' equity	124 176	125 028	
Capital and share premiums	53 191	53 191	
Reserves	69 051	70 184	
Non-controlling interest	1 934	1 653	
Deferred tax liabilities	5 768	9 340	◆ Lower provision for defined benefit plan, mainly due to changed legislation
Long-term liabilities	147 970	139 683	◆ Other debts include claims to clients due to listeria
Provisions	4 588	5 835	
Long-term interest-bearing liabilities	139 279	130 042	
Other long-term liabilities	4 103	3 806	◆ Social liabilities include restructuring cost Aalsmeer at year end
Current liabilities	161 108	150 927	
Current interest-bearing liabilities	11 980	15 812	
Trade liabilities and other payables	127 725	115 423	
Social liabilities	19 291	15 890	
Tax liabilities	2 112	3 802	
Total liabilities	439 022	424 978	



Cashflow Statement

as at 31 December 2019 and 2018
All amounts in 000 EUR

HEADLINES

	<u>2019</u>	<u>2018</u>
Operating activities		
Result before taxes	2 958	12 828
Interest	2 038	2 144
Depreciation	30 602	27 126
Write-downs (*)	296	495
Provisions	10	197
Gains and losses on disposal of fixed assets	132	757
Result of phased acquisition		
Cash flow from operating activities	36 036	43 547
Change in receivables more than 1 year		14
Change in inventory	-4 477	-2 001
Change in receivables less than 1 year	2 579	-5 391
Change in operational assets	-1 898	-7 378
Change in trade liabilities	5 436	12 716
Change in debts relating to remuneration	3 520	-561
Change in other liabilities, accruals and deferred income	4 355	906
Change in operational debts	13 311	13 061
(Change)/decrease in the operating capital	11 413	5 683
Taxes paid	-7 766	-9 526
Net cash flow from operating activities	39 683	39 704

- ◆ Net cashflow from operations equal to 2018
- ◆ Strong change in working capital



Cashflow Statement

HEADLINES

as at 31 December 2019 and 2018
All amounts in 000 EUR

	<u>2019</u>	<u>2018</u>
Investment activities		
Acquisition of intangible and tangible non-current assets	-18 519	-27 435
Acquisition of participating interest in associated companies	-1 490	
Total increase in investments	-20 009	-27 435
Sale of tangible non-current assets	303	452
Total decrease in investments	303	452
Cash flow from investment activities	-19 706	-26 983
Financing activities		
Change in short-term financial debts	-1 657	-59 575
Increase in long-term debts	1 299	120 000
Repayment of long-term debts	-7 031	-47 401
Interest paid interest (via income statement)	-2 038	-2 144
Dividend paid by parent company	-6 930	-6 930
Cash flow from financing activities	-16 357	3 950
Net change in cash and cash equivalents	3 620	16 671
Cash funds at the beginning of the financial year	23 175	6 513
Translation differences	30	-9
Cash funds at the end of the financial year	26 825	23 175

Evolution external segment reporting

	2019			2018		
	Processed meats	Ready Meals	Total	Processed meats	Ready Meals	Total
Segment income statement						
Segment net turnover	437 594	290 538	728 132	420 146	260 314	680 460
Segment results	-12 146	24 984	12 838	1 227	23 674	24 901
Non-allocated results			-6 633			-8 683
Net financing cost			-3 247			-3 390
Taxes			1 457			-5 587
Share in businesses accounted for using the equity method			0			0
Consolidated result			4 415			7 241
Other segment information						
Segment investments	11 637	6 271	17 908	20 612	5 573	26 185
Non-allocated investments			1 189			1 785
Total investments			19 097			27 970
Segment depreciation and non-cash costs	18 131	10 459	28 590	15 368	9 990	25 358
Non-allocated depreciation and non-cash costs			2 448			2 460
Total depreciation and non-cash costs			31 038			27 818

Segmentinformatie

Vergelijking segmentinformatie	Processed Meat	Ready Meals	Niet Toegerekend	Totaal
EBIT 2019	-12 146	24 984	-6 633	6 205
EBIT 2018	1 227	23 674	-8 683	16 218
Variance	-13 373	1 310	2 050	-10 013
EBITDA 2019	5 985	35 443	-4 185	37 243
EBITDA 2018	16 595	33 664	-6 223	44 036
Variance	-10 610	1 779	2 038	-6 793
IFRS-16 impact				
EBIT 2019	185	17	7	209
EBITDA 2019	2 426	494	218	3 138

Vergelijking segmentinformatie	Processed Meat	Ready Meals	Niet Toegerekend	Totaal
U-EBIT 2019	-1 935	26 360	-6 994	17 431
U-EBIT 2018	4 174	25 581	-6 728	23 027
Variance	-6 109	779	-266	-5 596
U-EBITDA 2019	15 826	36 819	-4 546	48 099
U-EBITDA 2018	18 935	35 748	-4 464	50 219
Variance	-3 109	1 071	-82	-2 120
IFRS-16 impact				
U-EBIT 2019	185	17	7	209
U-EBITDA 2019	2 426	494	218	3 138