terbeke

driven by **the zeal for your everyday meal**

HALF-YEAR FINANCIAL REPORT
FIRST SEMESTER 2019

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1. KEY FIGURES AND HEADLINES

Ter Beke Group:

In 2018, the results of the companies acquired in 2017 were included in the income statement in full for the first time. For this reason, the results for 2019 and 2018 are comparable. The main achievements are:

- Turnover increased considerably, from EUR 329.6 million to EUR 358.6 million, which is an 8.8% increase.
- The EBIT improved from EUR 5.7 million to EUR 9.4 million despite a sharp rise in raw material prices (addition explanation below).
- Since the end of 2018 the debt position has decreased by EUR 12.8 million, if one neutralises the impact of IFRS 16 (EUR 11.6 million).

The improved results are a combination of:

- Higher contribution due to the increase in turnover.
- Lower overheads due to measures taken at the end of 2018.
- Efficiency improvements in various factories, including the one faced with start-up costs following a significant expansion project in 2018.
- Decreased non-underlying costs (previously named non-recurring costs), which were relatively high in 2018, partly due to the closure of the factory in Zoetermeer.

As in 2018, the four companies acquired (in 2017) continue to perform well. In the first half of the year, they contributed jointly and individually to the turnover and result according to plan. Integration activities continued in 2019, and in April Offerman was successfully migrated to the common ERP platform.

Raw material prices and other costs rose sharply in the first half of the year:

- As a result of the African swine fever outbreak in China, this country – that represents approximately 50% of world production and consumption – is importing more pork, which has pushed up prices considerably throughout the entire chain.
- Prices of other key ingredients such as dairy products (cheese & milk powder) and some vegetables (onions & potatoes) also rose significantly during the first half of the year; this in response to poor harvests in 2018.
- Other important cost items such as wages, energy and transport experienced sharp price increases in comparison to the same period last year.

Due to the combination of all these factors:

- underlying EBITDA amounts to EUR 25.5 million compared to EUR 23.1 million in 2018 (+10.4%)
- EBITDA amounts to EUR 24.9 million compared to EUR 19.8 million in 2018 (+25.6%)
- underlying EBIT amounts to EUR 10.4 million compared to EUR 9.7 million in 2018 (+7.5%)
- EBIT amounts to EUR 9.4 million compared to EUR 5.7 million in 2018 (+63.4%)
- the result after taxes amounts to EUR 4.7 million compared to EUR 2.5 million in 2018 (+86.9%)

Processed Meats Division:

The turnover of the Processed Meats Division increased by EUR 14.9 million (+7.3%) compared to 2018. This is mainly thanks to investments made in previous years for specific customer-focused projects.

In 2018, for example, considerable funds were invested in the Dutch factories, namely the ‘slicing and packaging’ capacity, for which Ter Beke is reaping the rewards in 2019.

In Belgium (Veurne) a ‘slicing and packaging’ project was started mid-2018 for the major part of a customer's product range. As well as the increase in turnover, the efficiency improvements initiated in the second half of 2018 were continued in 2019.

The processed meats industry – both for products and slicing activities – is still characterised by fierce price competition, which ultimately benefits consumers. For this reason, increases in raw material prices (e.g. pork) can only be incorporated to a limited extend in Belgium.

In the Netherlands, meat and processed meats with the ‘Beter Leven’ label have a considerable market share. To encourage pig farmers to implement the animal welfare criteria of the ‘Beter Leven’ concept, they rightly receive a premium. Through the so-called ‘automatic price changes’, this premium is applied throughout the chain, and the rise in prices of raw materials is translated into the price of the final product. In Belgium too, many are calling for such a programme to be introduced which would guarantee animal welfare and the viability of the entire chain.

In the Benelux, UK and Germany – where Ter Beke is mainly active in processed meats – many consumers show a growing interest in healthier recipes (such as less salt), better traceability and sustainable production. Sustainability in the processed meats industry mainly concerns stronger collaboration in the chain and recyclable packaging. Ter Beke holds a leading position in this regard.

Ready Meals Division:

The turnover of the Ready Meals Division increased by EUR 14.1 million (+11.1%) compared to 2018, solely through organic growth.

Since the acquisition in 2017 of Stefano Toselli (France), Pasta Food Company (Poland) and KK Fine Foods (UK), Ter Beke now has a network of five production centres, which means it can supply all of Europe. Ter Beke is – as you may recall – European market leader in its Ready Meals segment, in brief: chilled, Mediterranean pasta meals.

The acquisition of KK Fine Foods provided Ter Beke with a "Brexit-proof" footprint in the UK.

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All of the Division's business units score strongly when it comes to organic growth:

- Freshmeals (manufactured in Marche and Wanze) introduced new innovative products in late 2018 and 2019 in response to new trends ('snacking', 'food to share', etc.). Halal products were also introduced in cooperation with a strong player in that market.
- Stefano Toselli introduced a successful range of vegetarian products, among other things.
- Pasta Food Company – Ter Beke's 'beachhead' in Central and Eastern Europe – keeps growing by 'double digits' thanks to further regional expansion and additions to the lasagne portfolio.
- KK Fine Foods – originally active as partner to large pub and catering chains – is now successful with its 'develop and cook to order' concept for English supermarkets.

The ready meals industry in Europe continues to offer good prospects in all channels:

- The retail segment (including discount) is increasing shelf space to meet demand for convenience and in response to competition from home-delivered meals.
- The capacity to prepare meals in the food service channel is diminishing and Ter Beke's products offer a solution.

2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TER BEKE GROUP PER 30 JUNE 2019

CONDENSED CONSOLIDATED BALANCE SHEET

in '000 EUR	30/06/2019	31/12/2018
Assets		
Non-current assets	250 476	243 591
Goodwill	76 436	76 456
Intangible non-current assets	27 241	28 651
Tangible non-current assets	141 035	133 382
Deferred tax assets	5 686	5 027
Other long term receivables	78	75
Current assets	**174 051**	**181 387**
Stocks	38 376	36 304
Trade- and other receivables	114 088	121 908
Cash and cash equivalents	21 587	23 175
Total assets	**424 527**	**424 978**
Liabilities		
Shareholders equity	**122 588**	**125 028**
Capital and issue premiums	53 191	53 191
Reserves	67 701	70 184
Non-controlling interests	1 696	1 653
Deferred tax liabilities	**8 673**	**9 340**
Long-term liabilities	**138 490**	**139 683**
Provisions	6 318	5 835
Long-term interest-bearing liabilities	128 099	130 042
Other long-term liabilities	4 073	3 806
Short-term liabilities	**154 776**	**150 927**
Short-term interest-bearing obligations	14 959	15 812
Trade liabilities and other debts	119 570	115 423
Social liabilities	16 742	15 890
Tax liabilities	3 505	3 802
Total liabilities	**424 527**	**424 978**

CONDENSED CONSOLIDATED INCOME STATEMENT

in '000 EUR	30/06/2019	30/06/2018
Revenu	**358 593**	**329 614**
Trade goods, raw and auxiliary materials	-213 961	-189 954
Services and miscellaneous goods	-55 657	-57 495
Wages and salaries	-62 579	-60 757
Depreciations costs and impairments	-15 007	-13 872
Impairments, write-offs and provisions	-523	-219
Other operating income	765	897
Other operating expenses	-2 238	-2467
Result of operating activities	**9 393**	**5 747**
Financial income	326	80
Financial expenses	-2 164	-2236
Result of operating activities after net financing expenses	**7 555**	**3 591**
Tax	-2 870	-1 084
Result after tax before share in the result of enterprises accounted for using the equity method	**4 685**	**2 507**
Profit of the period	**4 685**	**2 507**
Profit in the financial year: share third parties	49	41
Profit in the financial year: share group	4 636	2 466
Basic profit per share	2,68	1,42
Diluted profit per share	2,68	1,42

CONDENSED COMPREHENSIVE INCOME

in '000 EUR	30/06/2019	30/06/2018
Profit of the reported period	4 685	2 507
Other elements of the result recognised in the shareholders' equity		
Other elements of the result that can subsequently be reclassified to the results		
Translation differences	9	-141
Cash flow hedge	-204	-15
Other elements of the result that cannot subsequently be reclassified to the results		
Revaluation of net liabilities regarding defined benefit pension schemes	0	-36
Related deferred taxes	0	-1
Comprehensive income	**4 490**	**2 314**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in '000 EUR	Capital	Primes d'émission	Bénéfices réservés	Couverture du flux de trésorerie	Pensions et taxes	Option achat/vente des intérêts minoritaires	Ecarts de conversion	Attribuable aux actionnaires	Intérêts minoritaires	Total	Nombre d'actions
Balance on 1 January 2018	**4 903**	**48 288**	**74 093**	**55**	**-840**	**-3 296**	**494**	**123 697**	**1 611**	**125 308**	**1 732 621**
Dividend			-6 930					-6 930		-6 930	
Results in the financial year			2 466					2 466	41	2 507	
Other elements of the comprehensive result for the period				-15	-37		-142	-194	1	-193	
Comprehensive result for the period			2 466	-15	-37	0	-142	2 272	42	2 314	
Balance on 30 June 2018	**4 903**	**48 288**	**69 629**	**40**	**-877**	**-3 296**	**352**	**119 039**	**1 653**	**120 692**	**1 732 621**
Balance on 1 January 2019	**4 903**	**48 288**	**74 348**	**-149**	**-913**	**-3 296**	**194**	**123 375**	**1 653**	**125 028**	**1 732 621**
Dividend			-6 930					-6 930		-6 930	
Results in the financial year			4 636					4 636	49	4 685	
Other elements of the comprehensive result for the period				-204			15	-189	-6	-195	
Comprehensive result for the period			4 636	-204	0	0	15	4 447	43	4 490	
Balance on 30 June 2019	**4 903**	**48 288**	**72 054**	**-353**	**-913**	**-3 296**	**209**	**120 892**	**1 696**	**122 588**	**1 732 621**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

in '000 EUR	30/06/2019	30/06/2018
Operating activities		
Result before taxes	7 555	3 591
Interest	1 075	1 154
Depreciations costs and impairments	15 007	13 872
Write-downs (*)	28	491
Provisions	376	-73
Gains and losses on disposal of fixed assets	92	231
Cash flow from operating activities	24 133	19 266
Change in receivables more than 1 year	0	14
Change in stock	-2 167	-2 160
Change in receivables less than 1 year	7 422	1 798
Change in operational assets	5 255	-348
Change in trade liabilities	2 876	7 978
Change in debts relating to remuneration	1 221	-1 260
Change in other liabilities, accruals and deferred income	1 527	481
Change in operational debts	5 624	7 199
Change in the operating capital	10 879	6 851
Tax paid	-4 084	-2 907
Net cash flow from operating activities	**30 928**	**23 210**
Investment activities		
Acquisition of intangible and tangible non-current assets	-9 654	-11 740
Total increase in investments	-9 654	-11 740
Sale of tangible non-current assets	22	81
Total decrease in investments	22	81
Cash flow from investment activities	-9 632	-11 659
Financing activities		
Change in short-term financial debts	-2 141	-59 134
Increase in long-term debts	363	120 000
Repayment of long-term debts	-13 108	-43 374
Interest paid interest (via income statement)	-1 075	-1 154
Dividend paid by parent company	-6 930	-6 930
Cash flow from financing activities	**-22 891**	**9 408**
Net change in cash and cash equivalents	**-1 595**	**20 959**
Cash funds at the beginning of the financial year	23 175	6 513
Translation differences	7	-7
Cash funds at the end of the financial year	**21 587**	**27 465**

(*) includes adjustments that are part of the financial result. This is EUR -118,280 in 2019 and zero in 2018

3. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INFORMATION ON THE COMPANY

Ter Beke (Euronext Brussels: TERB) is an innovative Belgian fresh foods concern that markets its assortment in many European countries.

The Group has two core activities: processed meats and fresh ready meals; it has 12 industrial sites in Belgium, the Netherlands, France, Poland and the United Kingdom and has approximately 2,700 employees. Ter Beke realised a turnover of EUR 680.5 million in 2018.

READY MEALS DIVISION

- Produces fresh ready meals for the European market
- Market leader in chilled lasagne in Europe
- Two specialised production sites in Belgium (Wanze and Marche-en-Famenne), one in France (Mézidon-Canon), one in Poland (Opole) and one in the United Kingdom (Deeside)
- Brand names Come a casa®, Vamos® and Stefano Toselli® in addition to numerous private labels
- Employs approximately 1,300 staff

PROCESSED MEATS DIVISION

- Producer and slicer of processed meats for the Benelux, the UK and Germany
- Two production sites in Belgium (Wommelgem and Lievegem) and one in the Netherlands (Borculo)
- Six centres for slicing and packaging meat products: three in Belgium (Wommelgem, Lievegem and Veurne) and three in the Netherlands (Wijchen, Ridderkerk and Aalsmeer)
- Innovating in the segment for pre-packaged meat products; private labels and own brands such as Pluma®, Daniël Coopman®, Kraak-Vers® and FairBeleg®
- Employs approximately 1,400 staff

DECLARATION OF CONFORMITY

The above condensed interim consolidated financial statements are set up in accordance with IAS 34 interim financial reporting, as accepted by the EU. These statements do not contain all information required for full annual accounts and need to be read together with the consolidated annual accounts for the reporting period ending 31 December 2018, as published in the annual report to the shareholders on the financial year 2018.

These condensed consolidated financial statements were approved for publication by the Board of Directors on 29 August 2019.

VALUATION AND INTERPRETATION RULES

The valuation rules used in preparing these condensed interim consolidated financial statements are consistent with those set out and applied in preparing the consolidated financial statements for the accounting period ending 31 December 2018, except for the application of IFRS 16.

The impact is as follows:

	30/06/2019
Tangible non-current assets – user rights	11 531
Effect on total assets	**11 531**
Transferred loss	-69
Deferred taxes	-29
Long-term lease liabilities	9 075
Short-term lease liabilities	2 512
Revenue to be transferred	42
Effect on total equity and liabilities	**11 531**
Impact on EBITDA	1 450
Impact on EBIT	84
Impact on the net financing costs	-182
Impact on EAT	-69

IFRS 16 requires the lessee to activate all lease and rental obligations on the balance sheet. The liability reflects all future lease payments associated with the lease agreement valued at current value. The asset reflects the right to use the asset during the agreed term of the lease.

Ter Beke has applied IFRS 16 with effect from 1 January 2019, in accordance with the transitional provisions, using the adjusted retrospective method. In other words, this means that the cumulative effect of applying IFRS 16 is recognised as a restatement in the opening balance of the transferred result at 1 January 2019, without restatement of the comparative figures.

As a result of applying IFRS 16, we have recognised lease liabilities for lease agreements that were formerly recognised as operating lease in accordance with IAS 17. These lease liabilities were recognised at the present value of the remaining lease obligations, and discounted according to our 'marginal interest rate' applicable on 1 January 2019. On 1 January 2019, our weighted average 'marginal interest rate' used for the valuation of the lease liabilities was 3.35%.

The differences between our total operating lease obligations, as reported in our consolidated financial statements per 31 December 2018, and the total lease liabilities recognised in the consolidated balance sheet per 1 January 2019, are explained below.

Operating lease liabilities recognised at 31 December 2018	**14 895**
Less: discounting effect using the lessee's marginal interest rate on the initial application date	
Less: other	-1 579
	-956
Leasing debt recognised at 1 January 2019	**12 360**
Of which:	
short-term lease liabilities	2 400
long-term lease liabilities	9 960

The change in the valuation rule had the following effect on our consolidated balance sheet at 1 January 2019:

Tangible non-current assets (right to use non-current assets)	12 360
Lease liabilities (short term and long term)	12 360

On implementation date we used the following practical exemptions, as permitted by IFRS 16:

- Using the previous definition of a lease (as designated by IAS 17) for all contracts that existed on the date of first adoption.
- Using a single ‘marginal interest rate’ for a group of leases with the same characteristics.
- Using previous estimates of loss-making lease contracts, rather than testing for impairments.
- Recognising all operating lease contracts with a remaining term of less than 12 months at 1 January 2019 as short-term leases.

The application of these exemptions meant that the Group did not capitalise EUR 2.7 million in the first half of 2019.

The impact on the lease costs resulting from the capitalisation amounts to EUR 1.5 million lower costs of services and other goods.

The impact of the new standard on depreciation charges amounts to EUR 1.4 million.

The application of IFRS 16 has no material impact on the operating result (EUR 84,000) and the net result (EUR -69,000).

Changes to the valuation rules effective from 1 January 2019 due to the application of IFRS 16:

Whereas until the end of 2018 we made a distinction between financial leases (recognised on the balance sheet) and operational leases (obligations not included in the balance sheet), from 1 January 2019, we recognise user rights on the balance sheet and corresponding lease liabilities (valued at present value). These liabilities reflect the future lease payments, estimated on the commencement date of the leases. After initial recognition the lease liabilities are valued based on the amortised cost price.

The user rights (mainly consisting of the amount of the initial valuation of the lease debt) are valued at cost price and depreciated linearly over their estimated useful life. The user rights are shown on the balance sheet together with the tangible non-current assets under own management and the lease liabilities are shown as short and long-term lease liabilities.

Each lease payment is allocated to the lease liability on the one hand and the financial expenses on the other hand.

IFRIC 23, Uncertainty over Income Tax Treatments, is applicable from 1 January 2019. The application of IFRIC 23 does not have any tangible impact on the reporting per 30 June 2019.

GENERAL

The General Meeting of Shareholders of 29 May 2019 approved the dividend proposed by the Board of Directors (EUR 4.00/share). The awarded dividend amounted to a total of EUR 6,930,484.00, of which more than 99.9% had been paid out per 30 June 2019.

The results of the Group are hardly influenced by seasonal effects, except for a higher level of activity in December.

NOTES TO THE BALANCE SHEET

Under IAS 34, the balance sheet figures of 30 June 2019 need to be compared with those of 31 December 2018.

The increase of EUR 7.7 million in tangible non-current assets is mainly due to the application of IFRS 16 for EUR 11.5 million. This increase was partially limited as the depreciation was higher than the investments.

In the first half of 2019, the Group invested EUR 8.8 million in non-current assets (including EUR 538,000 due to IFRS 16) as opposed to EUR 15.0 million in the same period in 2018. These relate primarily to the continuation of efficiency investments, infrastructure adjustments at the various sites and the further roll-out of the ERP package.

In addition, receivables decreased by EUR 7.8 million from EUR 121.9 million to EUR 114.1 million.

Net debt decreased by EUR 1.2 million to EUR 121.5 million. This decrease can be explained primarily by the net cash flow from operating activities of EUR 30.9 million, less EUR 9.6 million of paid investments (adjusted for revenue from disinvestments), as well as paid dividends and interests amounting to EUR 8.0 million, the repayment of EUR 13.3 million of long-term debts and the recognition of EUR 11.6 million of lease liabilities due to the application of IFRS 16.

The net debt as of 30 June 2019 and 31 December 2018 has been calculated as follows:

	30/06/2019	31/12/2018
Cash and cash equivalents	-21 587	-23 175
Long-term interest-bearing liabilities	128 099	130 042
Short-term interest-bearing liabilities	14 959	15 812
Net financial debts	**121 471**	**122 679**
of which IFRS 16	11 587	

The equity difference is chiefly the result of the profit after tax in the first six months minus the dividend that was allocated over the previous financial year.

NOTES TO THE INCOME STATEMENT

The most important points were explained in the Key figures and headlines section of this report.

REBIT and REBITDA – which reflect the recurring or underlying business performance – are now referred to as the underlying EBIT or underlying EBITDA respectively. The calculation at Ter Beke is as follows:

	30/06/2019	30/06/2018
EBITDA	**24 923**	**19 838**
Depreciation and impairments on non-current assets	-15 007	-13 872
Write-downs, and provisions	-523	-219
Result of operating activities (EBIT)	**9 393**	**5 747**

	30/06/2019	30/06/2018
Profit from operating activities (EBIT)	9 393	5 747
Severance payments	484	1 299
Acquisition costs	0	242
M & A costs	125	0
Strategic study	0	1 330
Start-up costs of new packaging concept project	0	420
Increase in restructuring provision	417	0
Restructuring costs Zoetermeer	0	170
Impairment Zoetermeer	0	483
Underlying profit from operating activities (U EBIT)	**10 419**	**9 691**
EBITDA	24 923	19 838
Severance payments	484	1 299
M & A costs	125	0
Acquisition costs	0	242
Strategic study	0	1 330
Start-up costs of new packaging concept project	0	420
Underlying EBITDA	**25 532**	**23 129**

Results of operating activities

The ‘Services and miscellaneous goods’ category comprises:

in '000 EUR	30/06/2019	30/06/2018
Temporary workers and persons put at the disposal of the company	10 635	10 380
Repair & Maintenance	10 245	9 757
Marketing & Sales costs	2 378	3 030
Transport costs	15 715	14 363
Energy	6 584	6 010
Rent	2 659	4 020
Fees	4 238	5 850
Other	3 203	4 085
Total	**55 657**	**57 495**

In 2019, the ‘rent’ category comprises short-term leases and low-value leases that Ter Beke has not capitalised (based on the possible exemptions in IFRS 16).

The decrease compared to 2018 is mainly due to the ‘rent’ capitalised in 2019 under IFRS 16 for an amount of EUR 1,450,000.

The ‘Other operating income’ and ‘Other operating expenses’ categories comprise:

Other operating income

'000 EUR	30/06/2019	30/06/2018
Recovery of wage-related costs	259	419
Profits from the disposal of assets	21	72
Recovery insurances	67	31
Others	418	375
Total	**765**	**897**

Other operating expenses

	30/06/2019	30/06/2018
Local taxes	1 830	1 949
Others	408	518
Total	**2 238**	**2 467**

‘Other operating expenses’ include some realised amortisation.

Net financing costs

In the first half of 2019, the net financing costs were in line with 30/06/2018. They include EUR 182,000 in interest expenses related to lease agreements due to the application of the new IFRS 16 standard.

KEY DATA PER BUSINESS SEGMENT

in '000 EUR	30/06/2019			30/06/2018		
	Processed Meats	**Ready Meals**	**Total**	**Processed Meats**	**Ready Meals**	**Total**
Segment income statement						
Segment sales	218 249	140 344	358 593	203 366	126 248	329 614
			358 593			
Segment results	741	12 495	13 236	137	10 763	10 900
Non-allocated results			-3 843			-5 153
Net financing cost			-1 838			-2 156
Taxes			-2 870			-1 084
Result of companies according to equity method			0			0
Consolidated result			4 685			2 507
Other segment information						
Segment investments	5 094	3 380	8 474	11 871	2 061	13 932
Non-allocated investments			394			1 082
Total investments			8 868			15 014
Segment depreciations and non-cash costs	8 835	5 492	14 327	7 950	4 963	12 913
Non-allocated depreciations and non-cash costs			1 203			1 178
Total depreciations and non-cash costs			15 530			14 091

Comparison of key data per business segment	**Processed Meats**	**Ready Meals**	**Non-allocated**	**Total**
EBIT 2019	741	12 495	-3 843	9 393
EBIT 2018	137	10 763	-5 153	5 747
Variance	604	1 732	1 310	3 646
EBITDA 2019	9 576	17 987	-2 640	24 923
EBITDA 2018	8 087	15 726	-3 975	19 838
Variance	1 489	2 261	1 335	5 085
IFRS-16 impact				
EBIT 2019	78	2	3	83
EBITDA 2019	1 116	233	101	1 450

Comparison of key data per business segment	**Processed Meats**	**Ready Meals**	**Non-allocated**	**Total**
U-EBIT 2019	903	13 325	-3 809	10 419
U-EBIT 2018	1 814	11 401	-3 524	9 691
Variance	-911	1 924	-285	728
U-EBITDA 2019	9 838	18 300	-2 606	25 532
U-EBITDA 2018	9 111	16 364	-2 346	23 129
Variance	727	1 936	-260	2 403
IFRS-16 impact				
U-EBIT 2019	78	2	3	83
U-EBITDA 2019	1116	233	101	1450

CALCULATION OF EARNINGS PER SHARE

Calculation earnings per share	**30/06/2019**	**30/06/2018**
Number of outstanding ordinary shares per 1 January	1 732 621	1 732 621
Effect of issued ordinary shares		
Weighted average number of outstanding ordinary shares per 30 June of the financial year	1 732 621	1 732 621
Net profit	**4 636**	**2 466**
Average number of shares	1 732 621	1 732 621
Basic profit per share	**2,68**	**1,42**
Calculation diluted earnings per share	**30/06/2019**	**30/06/2018**
Net profit	4 636	2 466
Average number of shares	1 732 621	1 732 621
Dilution effect warrant plans		
Adjusted average number of shares	1 732 621	1 732 621
Diluted profit per share	**2,68**	**1,42**

PROSPECTS FOR 2019

The Group is confident that, barring unforeseen market circumstances, the underlying operating results for 2019 will surpass the underlying operating results for 2018, even without taking the impact of IFRS 16 into consideration.

RELATED PARTY TRANSACTIONS

In the first semester of 2019, no related party transactions occurred that had a material influence on the financial position or the results of the Group in that period.

MATERIAL RISKS AND UNCERTAINTIES

The material risks and uncertainties for the remainder of 2019 are largely the same as described in the annual report on the financial year 2018. These relate primarily to the quality and price fluctuations of the raw materials used.

4. DECLARATION BY THE RESPONSIBLE PERSONS

The undersigned, Francis Kint*, Managing Director, and René Stevens, Chief Financial Officer, declare that, to their knowledge:

- the condensed interim consolidated financial statements for the first semester of 2019, established in accordance with the International Financial Accounting Standards (IFRS), provide a true and fair view of the estate, the financial position and the results of Ter Beke NV and the consolidated companies;
- the half-year report provides a true and fair view of the important events of the first semester of the financial year 2019, of the related party transactions and of the material risks and uncertainties for the remainder of the financial year.

Lievegem, 29 August 2019

Francis Kint	René Stevens
Chief Executive Officer	Chief Financial Officer

* permanent representative of BVBA Argalix

5. REPORT FROM THE STATUTORY AUDITOR ON THE HALF-YEAR INFORMATION

Ter Beke NV

Report on review of the consolidated interim financial information of Ter Beke NV for the six-month period ended on 30 June 2019

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed statement of financial position as at June 30, 2019, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the period of six months then ended, as well as the notes.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Ter Beke NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union.

The consolidated condensed statement of financial position shows total assets of 424 528 (000) EUR and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 4 636 (000) EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Ter Beke NV has not been prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union.

Ghent, August 29 2019

The statutory auditor

DELOITTE Bedrijfsrevisoren / Réviseurs d’Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Charlotte Vanrobaeys

6. CONTACTS

If you have any questions regarding this half-year financial report or you would like further information, please contact:

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You can also review this half-year financial report and send us your questions through the Investor relations module on our website (www.terbeke.com). The Dutch version of this half-yearly report is the sole official version

7. FINANCIAL CALENDAR

Annual Results 2019:	28 February 2020 before market opening
Annual Report 2019:	At the latest on 30 April 2020
General Shareholders Meeting 2020:	28 May 2020

8. TER BEKE IN BRIEF

Ter Beke (Euronext Brussels: TERB) is an innovative Belgian fresh foods concern that markets its assortment in many European countries.

The Group has two core activities: processed meats and fresh ready meals; it has 12 industrial sites in Belgium, the Netherlands, France, Poland and the United Kingdom and has approximately 2,700 employees. In 2018, Ter Beke realised a turnover of EUR 680.5 million.

READY MEALS DIVISION

- Produces fresh ready meals for the European market
- Market leader in chilled lasagne in Europe
- Two specialised production sites in Belgium (Wanze and Marche-en-Famenne), one in France (Mézidon-Canon), one in Poland (Opole) and one in the United Kingdom (Deeside)
- Brand names Come a casa®, Vamos® and Stefano Toselli® in addition to numerous private labels
- Employs approximately 1,300 staff

PROCESSED MEATS DIVISION

- Producer and slicer of processed meats for the Benelux, the UK and Germany
- Two production sites in Belgium (Wommelgem and Lievegem) and one in the Netherlands (Borculo)
- Six centres for slicing and packaging meat products: three in Belgium (Wommelgem, Lievegem and Veurne) and three in the Netherlands (Wijchen, Ridderkerk and Aalsmeer)
- Innovating in the segment for pre-packaged meat products; private labels and own brands such as Pluma®, Daniël Coopman®, Kraak-Vers® and FairBeleg®
- Employs approximately 1,400 staff