

TER BEKE
12/2021
RESULTS

ANALYST
MEETING

February 25th, 2022

STRONGER
TOGETHER

Agenda

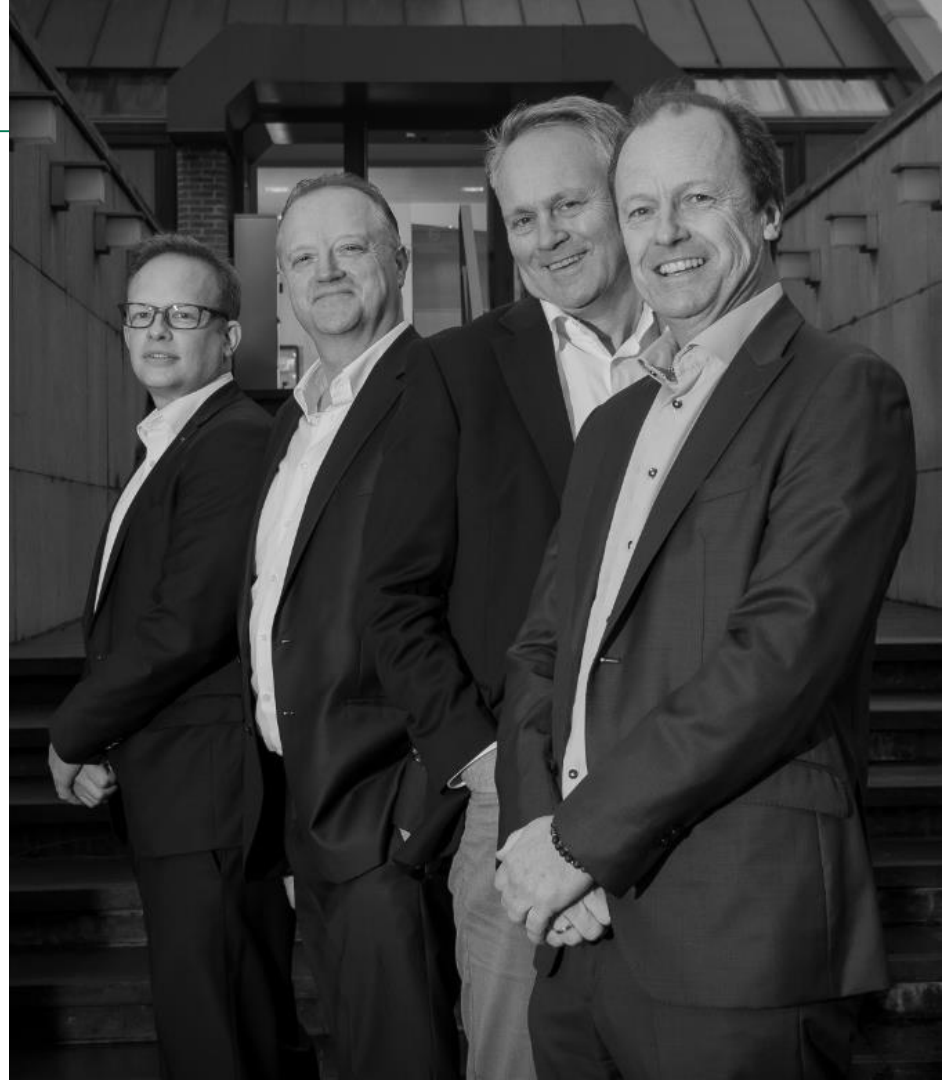
- ◆ Stronger together!
- ◆ 2021 financials – looking back
- ◆ 2022 & beyond – looking forward
- ◆ Imperial-Stegeman update
- ◆ Q&A session



Stronger Together

- ◆ Renewed dynamic within the group & teams
- ◆ Working on a long term strategy
- ◆ New energy, renewed focus
 - ◆ Food Group of the future
 - ◆ People focus
 - ◆ Sustainability & ESG focus
 - ◆ Quality focus
 - ◆ Branded position expansion
 - ◆ Explore geographic boundaries
 - ◆ Veggie / hybrid / innovation
- ◆ Imperial – Stegeman: lever to serve customers & consumers even better than today, focus on innovation & product development, sustainability.°

°subject to regulatory approval





2021
FINANCIALS

CONSOLIDATED RESULTS - 2021

HEADLINES

◆ Small decrease in sales:

- ◆ Covid related within Ready Meals → Foodservice impact (Q1 2020 was still pre-covid)
- ◆ Non-profitable contracts ended within Processed Meats

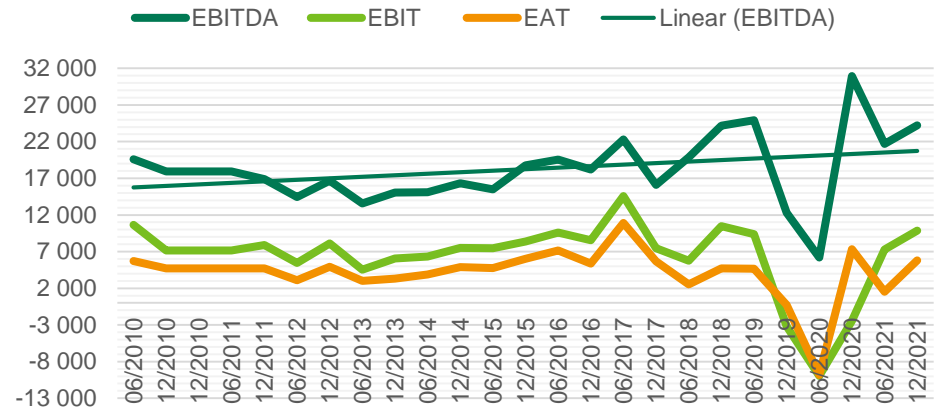
◆ Recovery EBITDA continued:

- ◆ Impact restructurings undertaken, especially 'Unity' within the Netherlands
- ◆ Focus on sustainable business model in times of extreme cost-inflation
- ◆ Non-underlying items: CEO replacement, Captive disposal & Imperial-Stegeman acquisition expenses

◆ Solid net debt performance:

- ◆ 74 Mio EUR, Leverage 1,4 x U-EBITDA

LONG TERM EVOLUTION



NON UNDERLYING ITEMS (IN 000 EUR)

HEADLINES

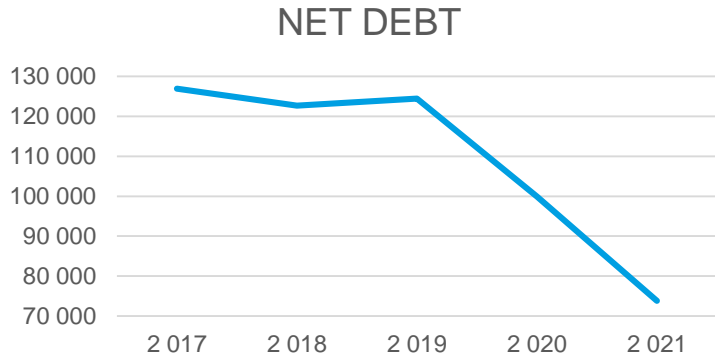
	31/12/2021	31/12/2020
EBIT	17 149	4 839
Project 'unity Netherlands'		4 361
Severance payment (incl social costs)		3 942
Covid-19 expenses		1 886
Recall		379
Others		63
Impacte sale captive TB Luxembourg	4 238	
Costs of acquisitions	1 754	
Costs due to change in CEO	875	
Underlying EBIT	24 016	15 470
EBITDA	45 939	37 140
Project 'unity Netherlands'		2 364
Severance payment (incl social costs)		3 942
Covid-19 expenses		1 886
Recall		379
Others		
Impacte sale captive TB Luxembourg	4 238	
Costs of acquisitions	1 754	
Costs due to change in CEO	875	
Underlying EBITDA	52 806	45 711

- ◆ Captive sale & change in CEO expenses
- ◆ Expenses related to Imperial-Stegeman intended transaction
 - ◆ Deep-dive Due Diligence (Insurance, Quality, Financial, Legal, environmental,...)
 - ◆ Legal advice regarding the transaction
- ◆ Covid-19:
 - ◆ Still has some impact on business in 2021, due to increased absence, foodservice etc.
 - ◆ Supply disruptions were minimised, thanks to efforts by teams
 - ◆ Impact overall less significant compared to 2020 – and considered part of normal operations.



NET DEBT

HEADLINES



- ◆ Good cash generation thanks to improved operating cashflow & incremental effort on working capital.
- ◆ Realised sale of 2 industrial buildings: UK (Deeside) & NL (Aalsmeer). Buildings were not in use & were sold at value almost equal to net book value. (one-off +5,1 Mio)
- ◆ Negative impact sale captive (one-off -3,9 Mio)
- ◆ Capex cashflow -19 Mio, lower than expected. Commitments to purchase were however in line (cash out 2022)
- ◆ Leverage 1,4 x U-EBITDA



INNOVATIONS

HEADLINES



Convenient & affordable solutions for consumers:

- ◆ Summer Lasagne – novel chilled ready to eat product launched summer 2021
- ◆ First Come a Casa® Frozen apéro products launched –festive season 2021
- ◆ Continued developments & brand extensions
- ◆ Marketing campaigns & TV adds to support
- ◆ Good new product development in Processed Meats but still developing route to market. Branded proposition gives added ‘trust’ for consumers.



Summer Lasagne





Frozen Apéro

2022 & Beyond



2022 & Beyond

HEADLINES

◆ **Cost inflation & pass-thru**

- ◆ Press release Feb 15, 2022:
 - ◆ Cost inflation is very significant, especially in Ready Meals
 - ◆ Ingredients, packaging but also energy, logistics, labour
 - ◆ Only option when desiring to offer a top quality product = pass thru increases
 - ◆ Working hard to make contractual relationships more 'sustainable'. Most customers understand, unfortunately not all.
 - ◆ Discussions with large retailer = still ongoing, not yet resolved.
- ◆ Ter beke supports regulatory initiatives to make food chain more sustainable.
 - ◆ Pass-thru of cost-increases: Farmers, Processors & Consumers interests: together for a more sustainable food chain
 - ◆ Animal welfare: 'better life' standards adoption by customers = encouraged by Ter Beke
 - ◆ Sustainability: eco & other initiatives = encouraged by Ter Beke

◆ **2022:**

- ◆ Transition year with likely impact of cost inflation, impact disrupted supply chain which may impact deliveries towards customers
- ◆ Not sacrificing long term investments needed to transform & ultimately serve consumers better long term
- ◆ Total Capex cash spending to be back at normal level (part due to carry-over 2021). Approved projects 2022 to be slightly lower compared to previous years
- ◆ Strategy update ongoing → new energy, renewed focus. Further updates: summer 2022



2022 & Beyond

PILLARS TO STRATEGY UPDATE

◆ Profitable growth strategy

- ◆ Organic growth through attractive & affordable customer propositions
- ◆ Brand extensions & geographic extensions
- ◆ Health & Consumer trend focussed: veggie, hybrid,

◆ Sustainability & ESG

- ◆ Aim to become a leader within Food sector
- ◆ Some fantastic initiatives taken in the past – acceleration planned in the future
 - ◆ Some examples will feature in the 2021 annual report
 - ◆ Appointed sustainability manager
 - ◆ Formalised, more rigid approach going forward

◆ People & Organization

- ◆ Renewed focus on communication, engagement, training & development
- ◆ Fantastic teams create fantastic products.





Imperial Stegeman Update

Imperial-Stegeman

Update

◆ Regulatory

- ◆ Making progress, but thorough process
- ◆ Visibility on exact timing = difficult
- ◆ 'Hope' to close transaction in Q2, 2022

◆ Works councils

- ◆ Positive advice obtained – teams fully on board regarding strategic fit
- ◆ Seeing value for consumers, innovation, geographic expansion etc.

◆ For now:

- ◆ We remain competitors – each with full focus on own business
- ◆ No distraction = key, selected external consultant to ensure integration goes smoothly, once approved by the competition authorities





Appendices



Consolidated Income Statement 31/12/2021

	2021	2020
Revenue	696 906	717 422
Trade goods, raw and auxiliary items	-415 414	-442 650
Services and miscellaneous goods	-110 131	-110 518
Employee expenses	-122 696	-126 376
Depreciation costs	-28 468	-31 450
Impairments, write-downs, and provisions	-322	-851
Other operating income	3 892	3 839
Other operating expenses	-6 618	-4 577
Result of operating activities	17 149	4 839
Financial income	717	760
Financial expenses	-4 369	-5 892
Results of operating activities after net financing expenses	13 497	-293
Taxes	-6 164	-2 170
result for the financial year	7 333	-2 463
Result for the financial year: share third parties	-13	-77
Result for the financial year: share group	7 346	-2 386
Basic earnings per share	4,09	-1,39
Diluted earnings per share	4,09	-1,39

Consolidated Balance Sheet 31/12/2021

In EUR'000	<u>2021</u>	<u>2020</u>
Assets		
Non-current assets	231 701	245 108
Goodwill	78 332	77 759
Intangible non-current assets	20 464	22 224
Tangible non-current assets	124 978	136 463
Deferred tax assets	7 852	8 587
Other long-term receivables	75	75
Current assets	150 104	156 492
Inventories	38 596	37 865
Trade and other receivables	99 964	99 484
Cash and cash equivalents	11 544	19 143
Total assets	381 805	401 600
Liabilities		
Shareholders' equity	121 445	116 578
Capital and share premiums	59 572	56 782
Reserves	60 196	58 041
Non-controlling interest	1 677	1 755
Deferred tax liabilities	6 525	4 636
Long-term liabilities	87 993	114 631
Provisions	3 878	3 897
Long-term interest-bearing liabilities	79 728	106 873
Other long-term liabilities	4 387	3 861
Current liabilities	165 842	165 755
Current interest-bearing liabilities	5 579	12 179
Trade liabilities and other payables	138 132	133 197
Social liabilities	20 257	18 603
Tax liabilities	1 874	1 776
Total liabilities	381 805	401 600

Cashflow Statement per 31/12/2021

	<u>2021</u>	<u>2020</u>
Operating activities		
Result before taxes	13 497	-293
Interest	2 000	2 678
Depreciation	28 468	31 450
Write-downs (*)	567	2 032
Provisions	-27	-50
Realised gains / losses	3 812	28
Cash flow from operating activities	48 317	35 845
Decrease/(increase) in receivables more than 1 year		
Decrease/(increase) in inventory	-687	1 701
Decrease/(increase) in receivables less than 1 year	-334	17 610
Decrease/(increase) in operational assets	-1 021	19 311
Increase/(decrease) in trade liabilities	6 488	7 688
Increase/(decrease) in debts relating to remuneration	2 003	-754
assif Increase/(decrease) in other liabilities, accruals and deferred income	-1 126	-3 046
Increase/(decrease) in operational debts	7 365	3 888
(Increase)/decrease in the operating capital	6 344	23 199
Taxes paid	-3 901	-2 696
Net cash flow from operating activities	50 760	56 348

Cashflow Statement per 31/12/2021 (continued)

Net cash flow from operating activities	50 760	56 348
Investment activities		
Acquisition of intangible and tangible non-current assets	-19 279	-27 656
Total increase in investments	-19 279	-27 656
Sale of intangible and tangible non-current assets	5 112	1 723
Sale of shares in associated companies	-3 900	
Total decrease in investments	1 212	1 723
Cash flow from investment activities	-18 067	-25 933
Financing activities		
Increase/(decrease) in short-term financial debts	-1 451	-2 742
Increase in long-term debts	921	857
Repayment of long-term debts	-33 316	-30 062
Interest paid interest (via income statement)	-2 000	-2 678
Acquisition of non-controlling interest	-266	
Capital increase (decrease) (**)	2 791	3 591
Dividend paid by parent company (***)	-7 069	-6 930
Cash flow from financing activities	-40 390	-37 964
Net change in cash and cash equivalents	-7 697	-7 549
Cash funds at the beginning of the financial year	19 143	26 825
Translation differences	98	-133
Cash funds at the end of the financial year	11 544	19 143

Evolution external segment reporting

in EUR'000	Processed meats	Ready Meals	Total 2021	Processed meats	Ready Meals	Total 2020
Segment income statement						
Segment net turnover	422 863	274 043	696 906	447 241	270 181	717 422
Segment results	11 985	17 691	29 676	-7 127	19 480	12 353
Non-allocated results			-12 527			-7 514
Net financing cost			-3 652			-5 132
Taxes			-6 164			-2 170
Consolidated result			7 333			-2 463
Segment balance sheet						
Segment non-current assets	113 790	113 718	227 508	120 935	118 524	239 459
Non-allocated non-current assets			4 193			5 649
Total consolidated non-current assets			231 701			245 108
Segment liabilities	101 039	64 056	165 095	105 570	53 244	158 814
Non-allocated liabilities			216 710			242 786
Total consolidated liabilities			381 805			401 600

Segment Information

Comparable Segment information in EUR'000	Processed meats	Ready Meals	Not allocated	Total
EBIT 2021	11 985	17 691	-12 527	17 149
EBIT 2020	-7 127	19 480	-7 514	4 839
Variance	19 112	-1 789	-5 013	12 310
EBITDA 2021	28 907	28 373	-11 341	45 939
EBITDA 2020	12 120	29 921	-4 901	37 140
Variance	16 787	-1 548	-6 440	8 799
Non-Underlying 2021				
U-EBIT			-6 867	-6 867
U-EBITDA			-6 867	-6 867
Comparable Segment information	Processed meats	Ready Meals	Not allocated	Total
UEBIT 2021	11 985	17 691	-5 660	24 016
UEBIT 2020	630	22 147	-7 307	15 470
Variance	11 355	-4 456	1 647	8 546
UEBITDA 2021	28 907	28 373	-4 474	52 806
UEBITDA 2020	18 142	32 263	-4 694	45 711
Variance	10 765	-3 890	220	7 095

