



IMPROVE

INNOVATE



TER BEKE GROUP

OUR HISTORY

1948



1986



1994



1996



2005



2006



2007



2011



50%

2015

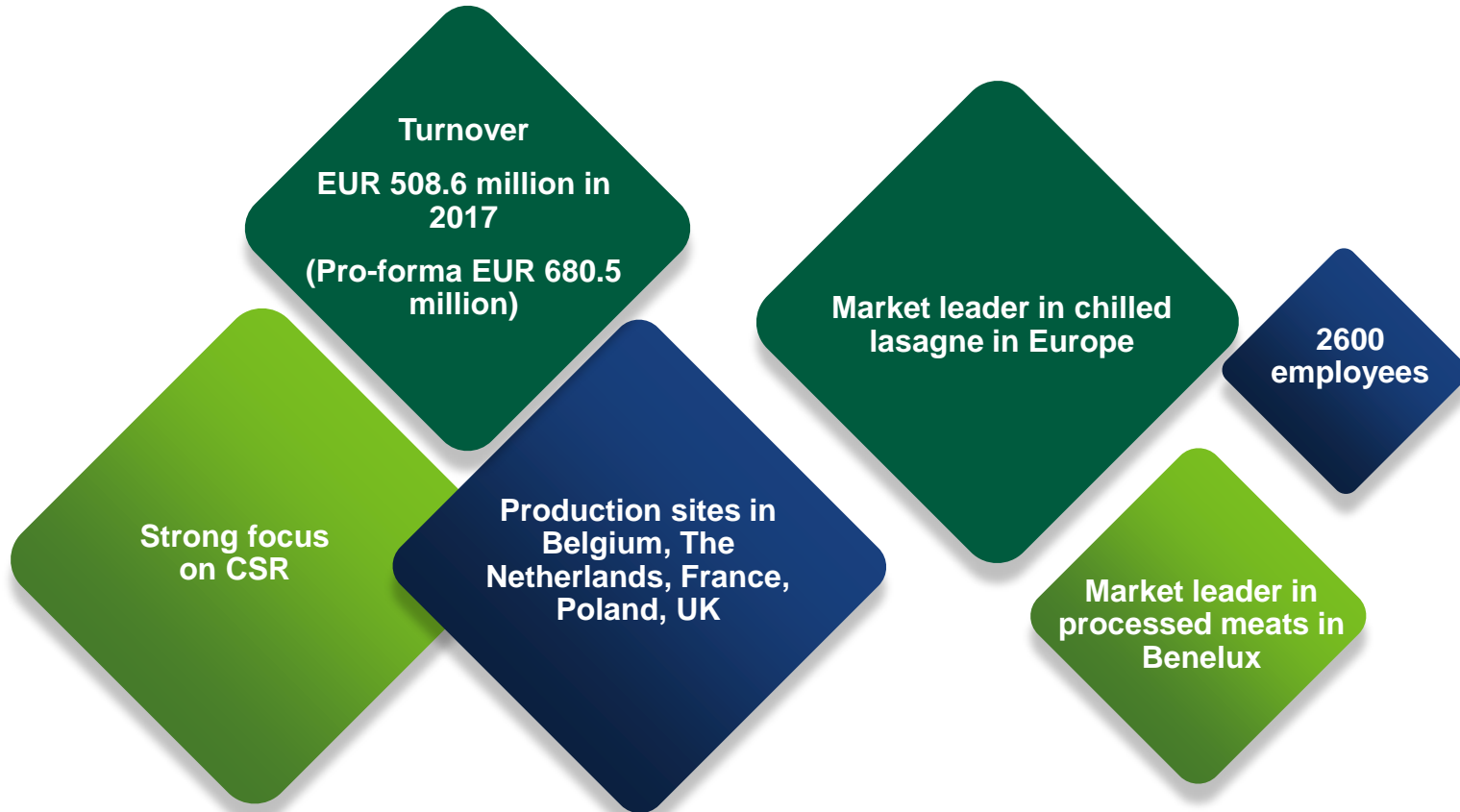


33%

2017



OUR GROUP



OUR MISSION

Encompassed in a single word : ZEAL. We apply this zeal to accomplish our mission : to bring delicious high-quality products to every dining table. And for this reason, we endorse our name Ter Beke with :

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

Enthusiasm.
Determination. Drive.
Dedication. Eagerness.
Passion. Sincerity.

This is what drives us.

“Driven by the zeal for
your everyday meal”

OUR OBJECTIVES AND STRATEGY



INNOVATION



CUSTOMER
SATISFACTION



COST
LEADERSHIP



OPERATIONAL
EXCELLENCE



Preferred supplier



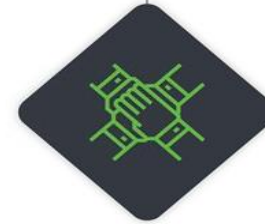
Growth



Innovation

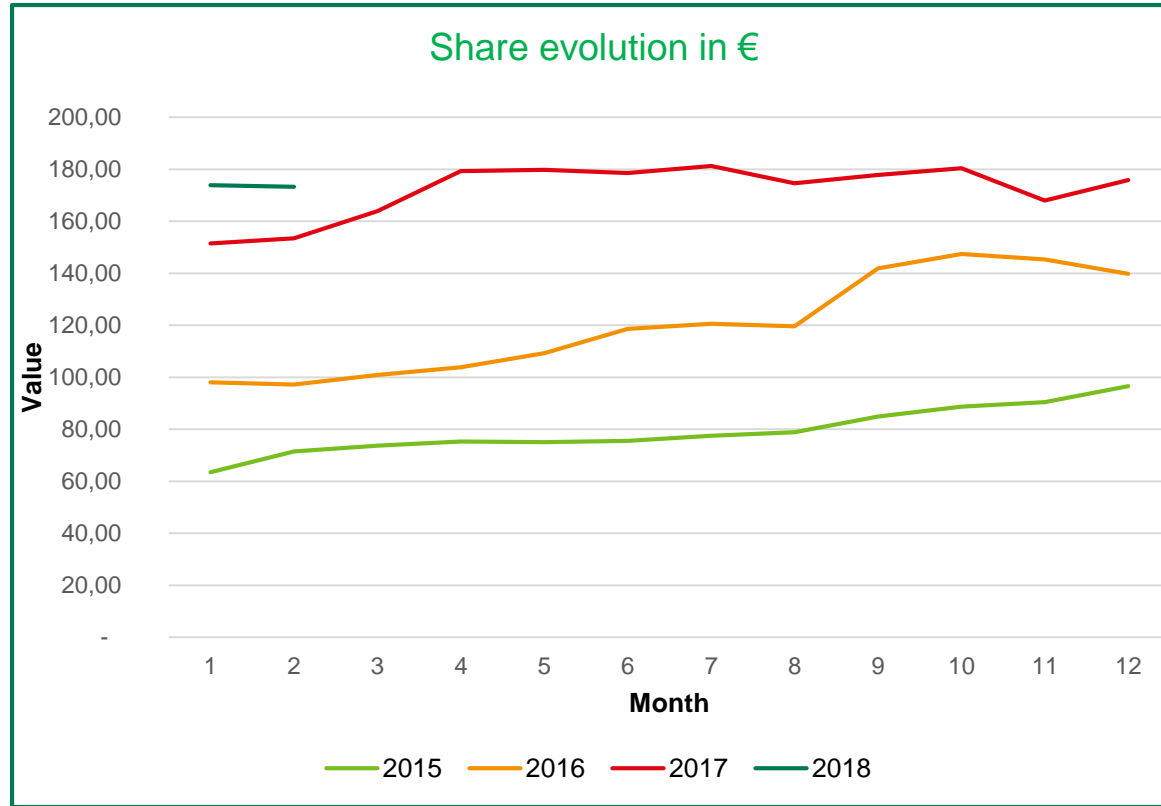


Sustainability



Top team

OUR EVOLUTION



OUR 4 STRATEGIC ACQUISITIONS

◆ Ready Meals:



- ◆ Ter Beke becomes indisputable European market leader in fresh lasagna

- ◆ Firm foot on ground in UK, largest market in fresh meals in Europe
- ◆ Frozen competence / innovation
- ◆ Strong in foodservice channel

◆ Processed Meats:



- ◆ Step towards Benelux market leadership in processed meats

OVERVIEW 2017

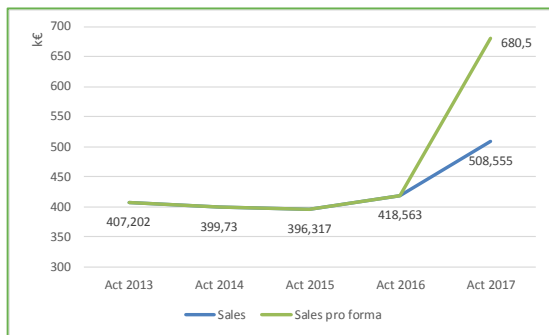
- ◆ Strong raw material price increases
- ◆ Strong competitive environment, especially in processed meats
- ◆ Ter Beke continues to:
 - ◆ Invest in innovative concepts to deliver value for customer
 - ◆ Invest in the quality of its organisation
 - ◆ To focus on increasing profitability of product range and continuous cost control



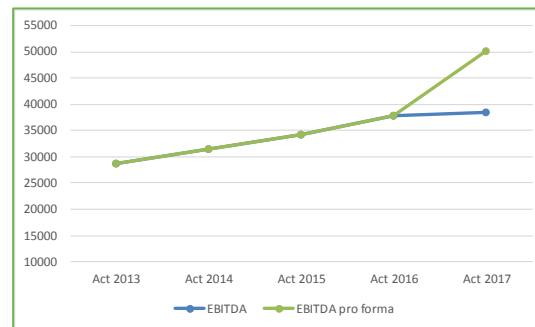
ALONE
WE CAN DO SO LITTLE,
TOGETHER
WE CAN DO SO
MUCH

TER BEKE CONSOLIDATED – First fruits of acquisition

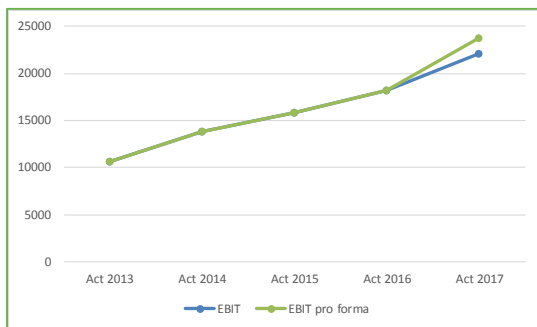
Sales Evolution (in 000 euro)



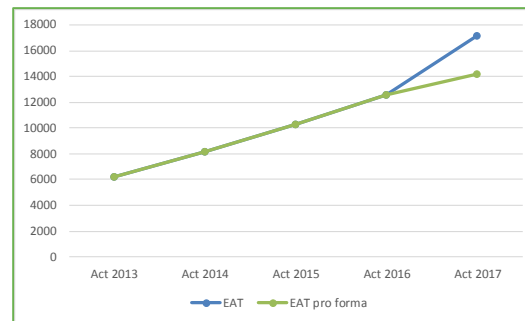
EBITDA evolution (in 000 euro)



EBIT evolution (in 000 euro)

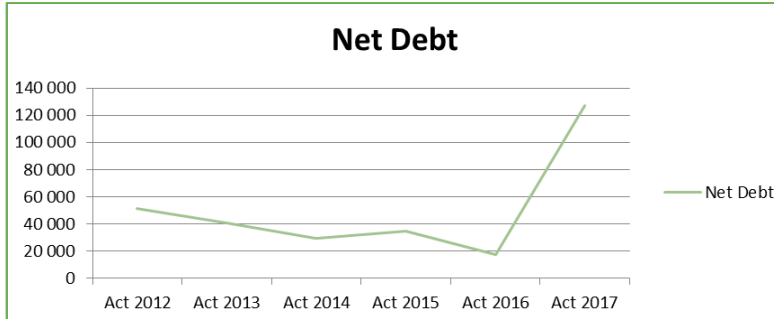


EAT evolution (in 000 euro)

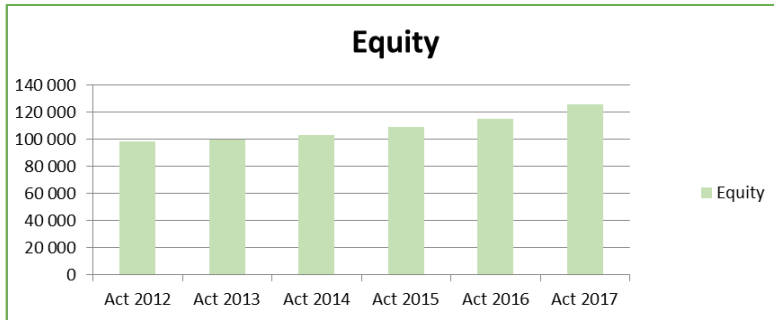


NET DEBT AND EQUITY EVOLUTION

Net debt evolution (in 000 euro)



Equity evolution (in 000 euro)



HEADLINES

- ◆ Net debt increased to EUR 126.9 million. This increase was caused by both the costs of the acquisitions and the existing net debt of these companies.
- ◆ Proposal to pay a gross dividend of 4,00 EUR per share over 2017



Fresh processed meat

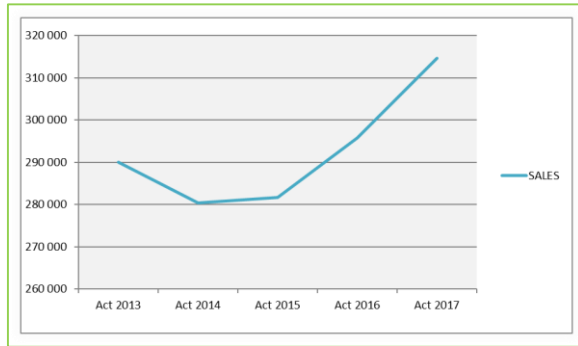
Service slicing

Our fresh processed meat
and service slicing activities

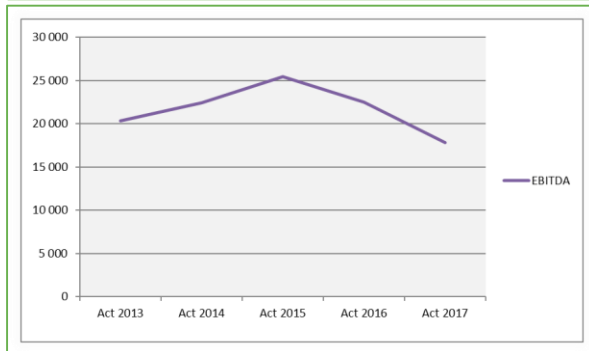
ANALYST MEETING

OUR PROCESSED MEATS DIVISION

SALES evolution (in 000 euro)



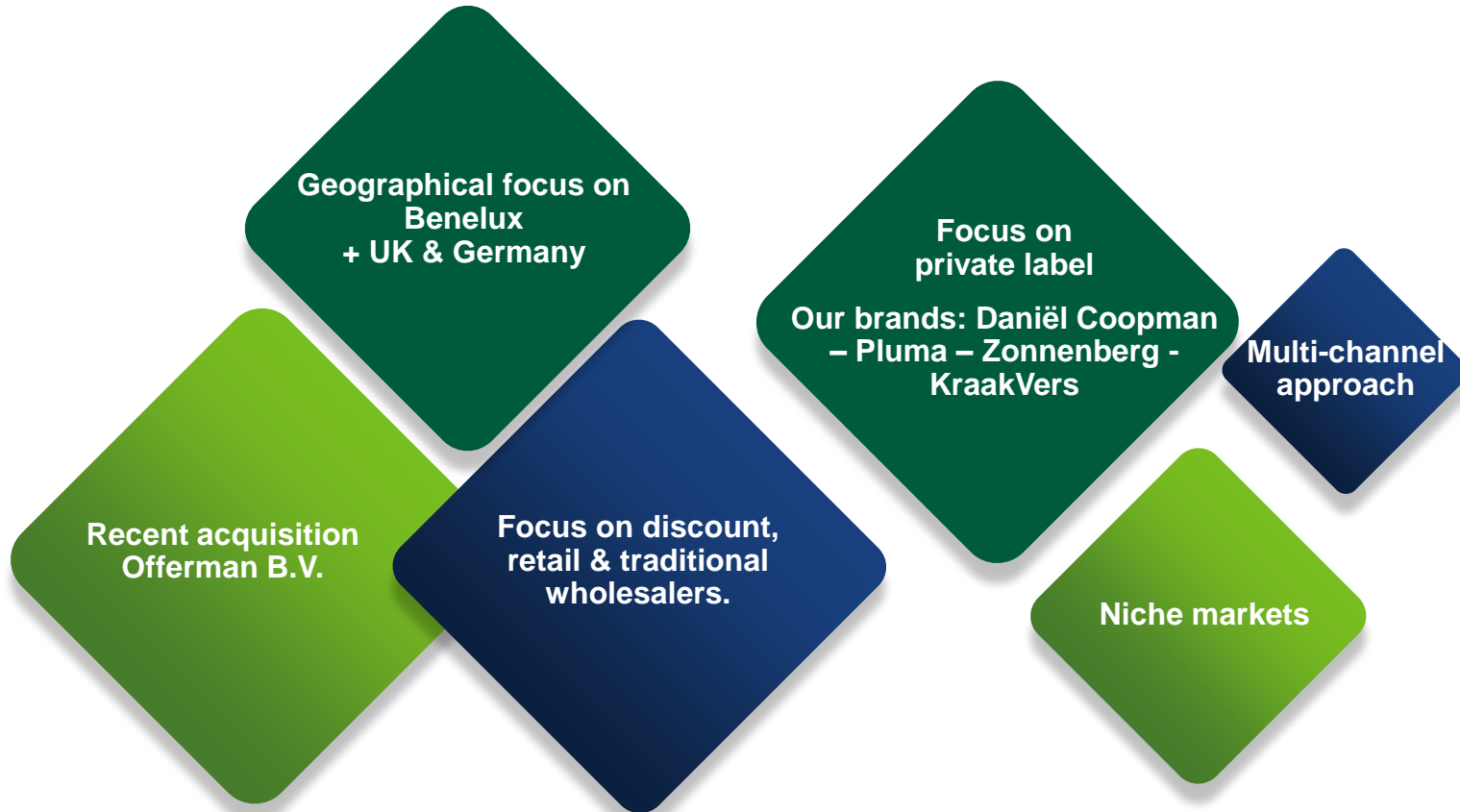
EBITDA evolution (in 000 euro)



HEADLINES

- ◆ The turnover of this division increased by 6.4%.
- ◆ This is primarily down to successful ongoing implementation of the growth strategy in the Netherlands and Belgium.
- ◆ Key innovations in products and concepts.
- ◆ Multi-Layer Packaging increasingly successful.
- ◆ Margins came under pressure due to unexpected sharp increases in raw materials prices on one side and the pressure on prices due to the effects of market consolidation on the other side.
- ◆ Uninterrupted focus on increasing the profitability of the product range and continuous cost control.

OUR PROCESSED MEATS DIVISION



OUR AMBITION



PRODUCT & CONCEPT – Salami – Cooked ham – Poultry – Paté – Cooked meats – Dried & Cured

Products

Prepacked slices

Meal components

Snacking

Fine processed meats

Services

R & D

Packaging

Distribution

Category management



TER BEKE AND OFFERMAN



Offerman represents a reinforcement for Ter Beke:

- ◆ Production of processed meats and for slicing
- ◆ Geographic → doubling of position in the Dutch market
- ◆ Partly complementary client-portfolio and significant strengthening of position with Jumbo
- ◆ Stronger position in food service



CONSOLIDATED POSITION AS MARKET LEADER

TER BEKE AND OFFERMAN

Production, packaging, sale of processed meats (no canned meats)

◆ 3 sites in NL:

- ◆ **Aalsmeer** – Slicing & packaging of cold cuts (produced elsewhere) for out-of-home
- ◆ **Borculo** – Production of cooked meats and traditionally cold-cuts
- ◆ **Zoetermeer** – Production of liver and tongue specialities



terbeke
driven by the zeal for your everyday meal



OFFERMAN





Ready-to-eat

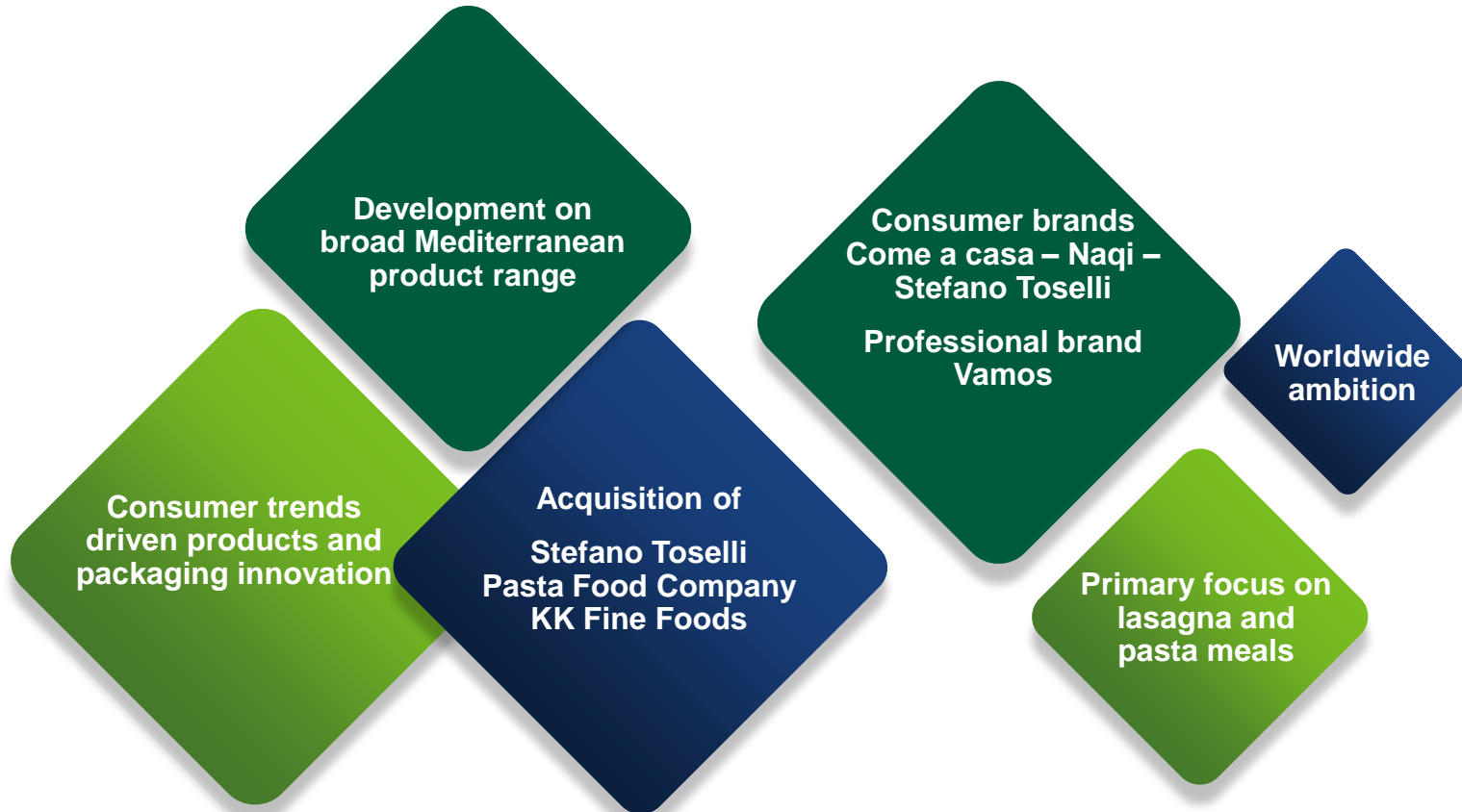


Fresh meals



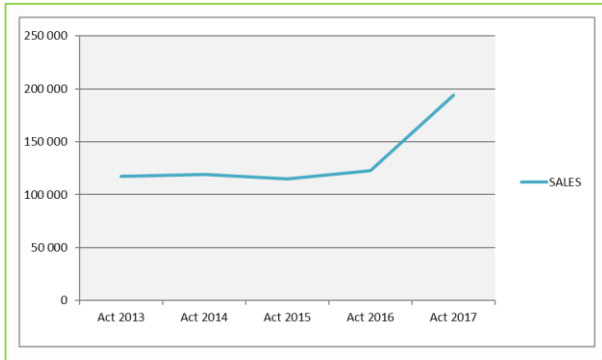
Our ready
Meals activities

OUR READY MEALS DIVISION

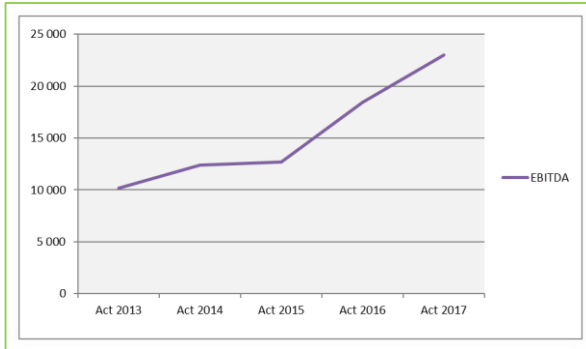


OUR READY MEALS DIVISION

SALES evolution (in 000 euro)



EBITDA evolution (in 000 euro)



HEADLINES

- ◆ The turnover of this division increased by 58%. This increase was achieved in almost all countries and channels, resulting in an increased market share.
- ◆ Margins came under pressure due to unexpected sharp increases in raw materials prices. From the second half of the year, adjustments in sales prices partially compensated for the increases in raw materials prices.
- ◆ Successful investment in innovation, with an expansion of the product ranges of both private labels and own brands.
- ◆ Expansion of sales to new countries in Europe.
- ◆ Uninterrupted focus on increasing the profitability of the product range and continuous cost control.

OUR AMBITION: BECOME WORLD PLAYER - Current presence



Very strong position in

- ◆ Western Europe
- ◆ North Europe
- ◆ Central-East Europe

Weaker position in

- ◆ South Europe

Export to Italy!



PRODUCT & CONCEPT – Lasagne – Pasta – Pizza – Fresh & Frozen

Products

Single serve portions

Family pack

Plates

Innovations

Services

R & D

Packaging

Distribution

Category management



TER BEKE AND STEFANO TOSELLI / PASTA FOOD COMPANY



All parties agreed to call options for the benefit of Ter Beke on :

- ◆ the 50% shares in the Polish joint venture company, held by GS&DH Holdings, as well as on
- ◆ the shares in Stefano Toselli SAS, so that Ter Beke may acquire 100% of the share capital of Stefano Toselli SAS.

With the intention to :

- ◆ Build synergies in product portfolio and logistics
- ◆ Optimize market channels



CREATE A STRONG EUROPEAN READY MEALS GROUP

TER BEKE AND STEFANO TOSELLI / PASTA FOOD COMPANY



Mézidon-Canon
France



Opole
Poland



Marche-en-Famenne
Belgium

Wanze
Belgium



TER BEKE AND KK FINE FOODS



A reinforcement for Ter Beke:

- ◆ Production of fresh ready meals, sold frozen
- ◆ Geography → firm foothold in UK market
- ◆ Complementary product portfolio
- ◆ Stronger position in foodservice



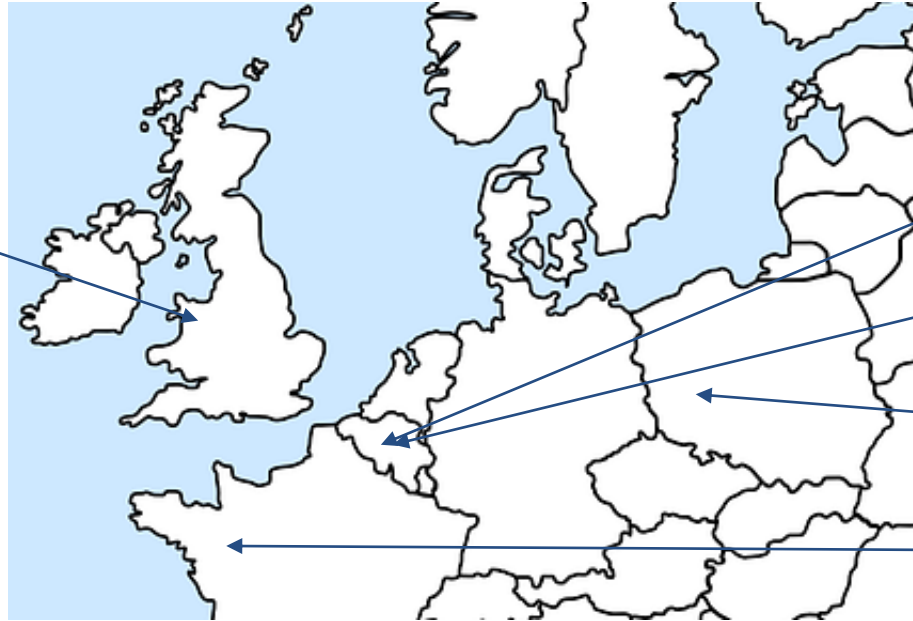
STRONGER MARKET LEADER POSITION

TER BEKE AND KK FINE FOODS



Deeside, Flintshire
United Kingdom

- ◆ Production and distribution of fresh ready-meals sold frozen
- ◆ Distribution in Foodservice & Retail market



terbeke
driven by the zeal for your everyday meal

Marche-en-Famenne
Belgium

Wanze
Belgium

Opole
Poland

Mézidon-Canon
France





Figures

Facts



Financial reports
Ter Beke Group
Consolidated

CONSOLIDATED INCOME STATEMENT 31/12/2017

Ter Beke Group

as at 31 December 2017 and 2016 - in '000 EUR

Consolidated income statement

	<u>2017</u>	<u>2016</u>
Revenue	508 555	418 563
Trade goods, raw and auxiliary items	-292 646	-227 177
Services and miscellaneous goods	-99 172	-81 016
Employee expenses	-87 079	-73 577
Depreciation costs	-18 830	-17 428
Impairments, write-downs, and provisions	2 439	-2 117
Other operating income	3 983	2 266
Other operating expenses	-1 921	-1 324
Result of phased acquisition	6 689	
Result of operating activities	22 018	18 190
Financial income	294	841
Financial expenses	-1 738	-1 270
Results of operating activities after net financing expenses	20 574	17 761
Taxes	-4 006	-5 258
Result for the financial year before result from businesses accounted for using the equity method	16 568	12 503
Share in the result of enterprises accounted for using the equity method	571	59
Profit in the financial year	17 139	12 562
Profit in the financial year: share third parties	32	
Profit in the financial year: share group	17 107	12 562
Basic earnings per share	9,87	7,25
Diluted earnings per share	9,87	7,25

ANALYST MEETING

CONSOLIDATED BALANCE SHEET TER BEKE – 31/12/2017

Ter Beke Group

as at 31 December 2017 and 2016 - in '000 EUR

Consolidated balance sheet

	<u>2017</u>	<u>2016</u>
Assets		
Non-current assets	242 573	144 337
Goodwill	76 523	35 204
Intangible non-current assets	30 163	5 323
Tangible non-current assets	132 807	79 536
Participations using equity method	0	12 307
Loans to joint venture	0	1 870
Deferred tax assets	3 003	0
Other long-term receivables	77	97
Long-term interest-bearing receivables	0	10 000
Current assets	157 163	105 314
Inventories	34 788	22 256
Trade and other receivables	115 862	66 990
Cash and cash equivalents	6 513	16 068
Total assets	399 736	249 651

CONSOLIDATED BALANCE SHEET TER BEKE – 31/12/2017

Liabilities		
Shareholders' equity	125 308	114 969
Capital and share premiums	53 191	53 191
Reserves	70 506	61 778
Non-controlling interest	1 611	0
Deferred tax liabilities	10 290	4 335
Long-term liabilities	52 164	38 112
Provisions	5 289	5 312
Long-term interest-bearing liabilities	43 306	32 800
Other long-term liabilities	3 569	0
Current liabilities	211 974	92 235
Current interest-bearing liabilities	90 132	10 815
Trade liabilities and other payables	101 379	66 779
Social liabilities	16 211	11 322
Tax liabilities	4 252	3 319
Total liabilities	399 736	249 651

SEGMENTED INCOME STATEMENT – 31/12/2017

	2017			2016		
	Processed meats	Ready Meals	Total	Processed meats	Ready Meals	Total
Segment income statement						
Segment net turnover	314 630	193 925	508 555	295 844	122 719	418 563
Segment results	6 839	16 653	23 492	12 350	13 047	25 397
Non-allocated results			-1 474			-7 207
Net financing cost			-1 444			-429
Taxes			-4 006			-5 258
Share in businesses accounted for using the equity method			571			59
Consolidated result			17 139			12 562
Segment balance sheet						
Segment non-current assets	90 353	111 241	201 594	93 091	22 957	116 048
Non-allocated non-current assets			40 979			28 289
Total consolidated non-current assets			242 573			144 337
Segment liabilities	82 754	48 102	130 856	57 565	27 168	84 733
Non-allocated liabilities			268 880			164 918
Total consolidated liabilities			399 736			249 651
Other segment information						
Segment investments	5 303	6 128	11 431	9 732	3 280	13 012
Non-allocated investments			2 041			1 820
Total investments			13 472			14 832
Segment depreciation and non-cash costs	10 948	6 338	17 286	10 136	5 404	15 540
Non-allocated depreciation and non-cash costs			-895			4 005
Total depreciation and non-cash costs			16 391			19 545

CONSOLIDATED CASH FLOW STATEMENT – 31/12/2017

Consolidated cash flow statement		
as at 31 December 2017 and 2016		
	<u>2017</u>	<u>2016</u>
Operating activities		
Result before taxes	20 574	17 761
Interest	1 209	887
Dividend from equity method		333
Depreciation	18 830	17 428
Write-downs (*)	352	49
Provisions (**)	-2 840	2 116
Gains and losses on disposal of fixed assets	-795	-642
Result after phased acquisition	-6 689	
Cash flow from operating activities	30 641	37 932
Change in receivables more than 1 year	26	
Change in inventory	1 015	-1 843
Change in receivables less than 1 year	-11 736	-3 286
Change in operational assets	-10 695	-5 129
Change in trade liabilities	9 438	7 542
Change in debts relating to remuneration	1 276	664
Change in other liabilities, accruals	-1 389	370
Change in operational debts	9 325	8 576
(Change)/decrease in the operating capital	-1 369	3 447
Taxes paid	-7 493	-5 021
Net cash flow from operating activities	21 779	36 358

CONSOLIDATED CASH FLOW STATEMENT – 31/12/2017

Investment activities		
Acquisition of intangible and tangible non-current assets	-13 714	-14 485
Acquisition of participating interest in associated companies	-66 726	0
New loans	0	-1 020
Total increase in investments	-80 440	-15 505
Sale of tangible non-current assets	1 227	0
Sale of participating interest		2 920
Repayment of loans		0
Total decrease in investments	1 227	2 920
Cash flow from investment activities	-79 213	-12 585
Financing activities		
Change in short-term financial debts	53 753	0
Increase in long-term debts	14 555	3 025
Repayment of long-term debts	-13 159	-10 768
Interest paid interest (via income statement)	-1 209	-887
Dividend paid by parent company	-6 064	-6 064
Cash flow from financing activities	47 876	-14 694
Net change in cash and cash equivalents	-9 558	9 079
Cash funds at the beginning of the financial year	16 068	7 046
Translation differences	3	-54
Movement in the group consolidation		-3
Cash funds at the end of the financial year	6 513	16 068

THANK YOU