

**TER BEKE
2020 RESULTS**

**ANALYST
MEETING**

MARCH 1, 2021



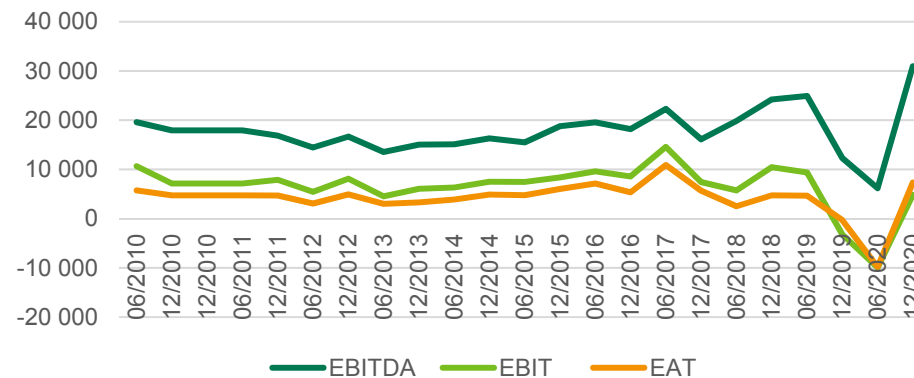
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TER BEKE CONSOLIDATED

HEADLINES

- ◆ Top line overall -1,5% due to Covid predominantly.
- ◆ H1 challenges (Pork pricing / efficiency NL post recall / Covid) turned around in H2
 - ◆ Raw material pricing normalised
 - ◆ Restructuring impact visible, especially in NL (Project unity: merger Offerman – Ter Beke legacy)
 - ◆ Back on track and ZBB measures contributed
- ◆ Solid net debt performance: 25Mio cash generation, net debt at <100Mio, Leverage 2,2x U-EBITDA

LONG TERM EVOLUTION



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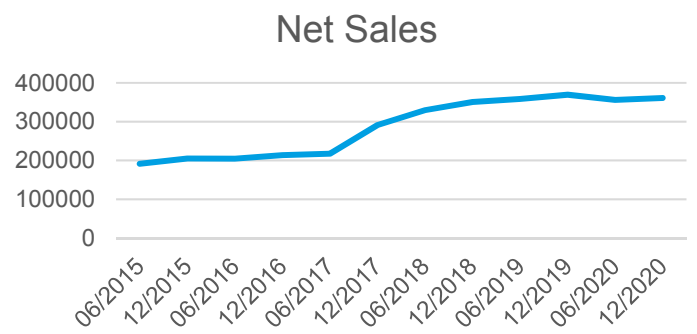
WHAT CHANGED IN H2 vs H1?

- ◆ Purchase Prices improved vs H1
- ◆ Impact restructuring in H1: Fixed cost reduction & non-repeat of restructuring expenses
- ◆ Operational improvements –KPI's back to normal level
- ◆ Covid impact 2nd lockdown less severe vs. lockdown 1

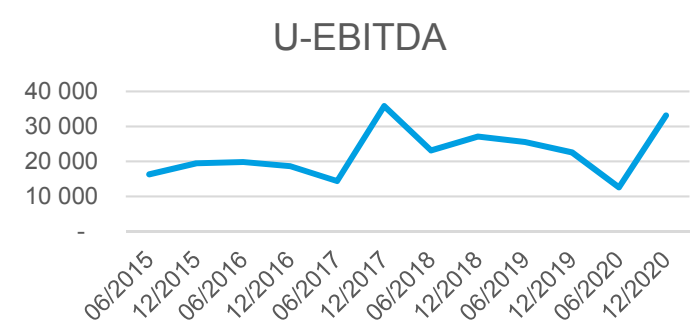
EUR'000	H1 2020	H2 2020
U-EBITDA	12,575	33,136
EBITDA	6,176	30,964
U-EBIT	-2,324	17,794
EBIT	-9,971	14,810
EAT	-9,811	7,348

EVOLUTION 2020

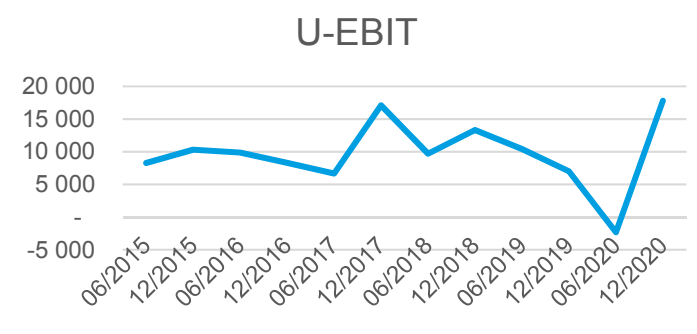
Net Sales Evolution (in 000 EUR)



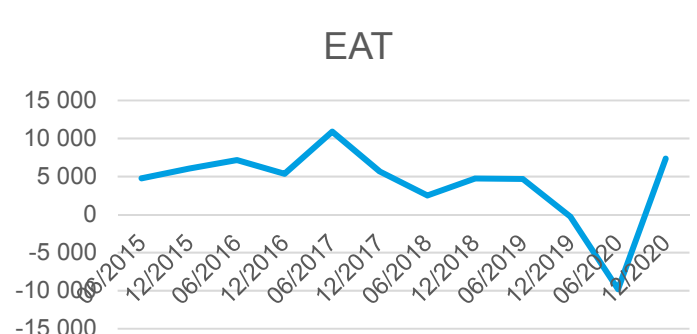
(U)-EBITDA Evolution (in 000 EUR)



(U)-EBIT Evolution (in 000 EUR)



EAT Evolution (in 000 EUR)



NON UNDERLYING ITEMS (IN 000 EUR)

	<u>31/12/2020</u>	<u>31/12/2019</u>
Severance payment (incl social costs)	3 942	3 125
Project 'unity Netherlands'	4 361	
Claim vs sellers Stefano Toselli		-438
Costs of acquisitions		125
Recall	379	7 914
Covid-19 expenses	1 886	
Others	63	
Impairment on building Aalsmeer		500
non-underlying items (in EBIT)	10 631	11 226

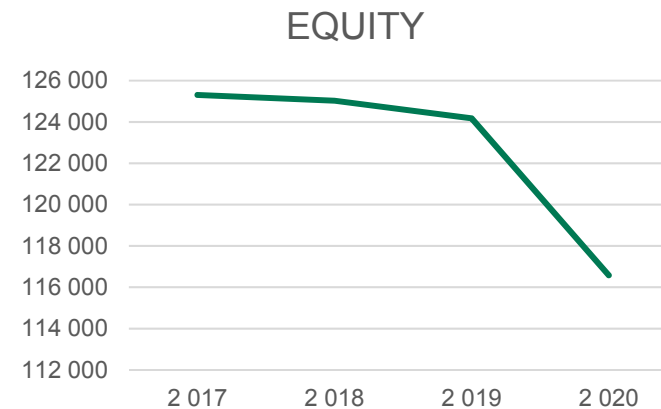
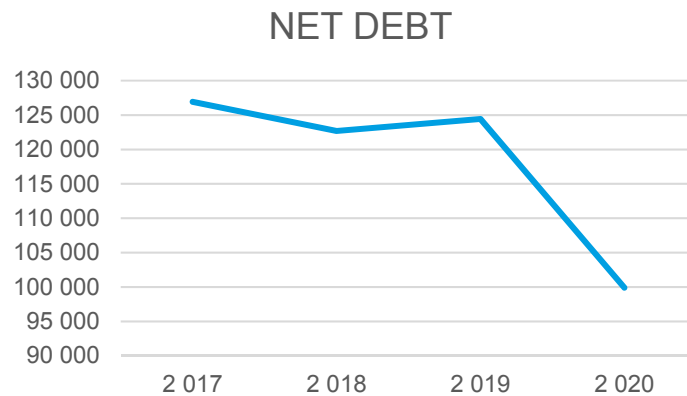
HEADLINES

- ◆ Restructuring 'back on track' in BE /NL / UK mainly
- ◆ Integration Dutch businesses – project Unity.
 - ◆ Releases
 - ◆ Simplification structure
 - ◆ 1 management team
 - ◆ 2 Mio non-cash related to accelerated depreciation building & machines Aalsmeer
- ◆ Covid-19 expenses
 - ◆ Protection equipment
 - ◆ Cleaning expenses etc.
 - ◆ Mainly related to H1

NET DEBT & EQUITY

HEADLINES

- ◆ Good cash generation thanks to solid operating cashflow & working capital improvement
- ◆ Despite high Capex (as expected) due to investment in expansion project in Opole, Poland
- ◆ Equity impacted by OCI Fx impact and results - to bounce back in 2021
- ◆ Leverage 2,2x U-EBITDA, liquidity headroom 117 Mio EUR per 31/12/2020



LOOKING FORWARD

- ◆ Proposed scrip dividend (NL: keuzedividend) of 4€. Uninterrupted dividend since start listing.
- ◆ Ebitda 2021 to exceed 2020 (except unforeseen matters).
- ◆ CEO departure 30/6/2021 – recruitment underway
- ◆ Probable disposal of Captive company in Luxembourg after strategic review:
 - ◆ External cover available
 - ◆ Increasing compliance expenses
 - ◆ One-time negative impact on EAT and Cash estimated between 4 and 5 million EUR



PROCESSED MEATS

MARCH 1, 2021

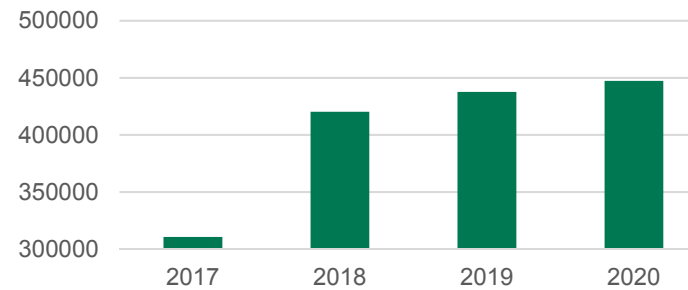


TER BEKE PROCESSED MEATS DIVISION

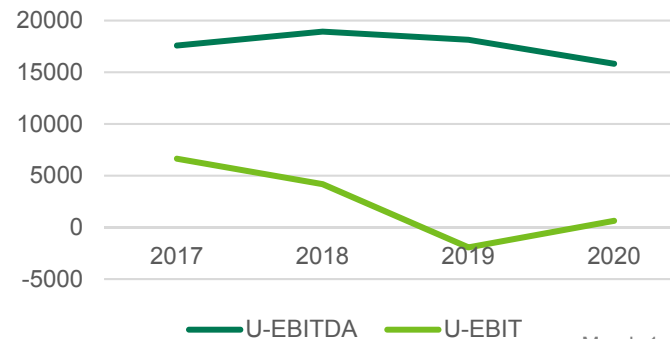
HEADLINES

- ◆ **Nr.1 in processed meats in the Benelux**
 - ◆ Largest slicer and packager
 - ◆ Able to cover 65% of product range in production logs
 - ◆ Private Label Retail focus
 - ◆ Branded OTC & wholesale offering
- ◆ **Difficult market**
 - ◆ Price pressure in market with overcapacity
 - ◆ Increasing competition of alternatives
- ◆ **2020 events**
 - ◆ Positive effects of
 - ◆ Market volume increases in retail due to increased consumption & reduced slicing on shop floor (due to quality & regulatory requirements) → Net sales +2,2%
 - ◆ Restructuring & integration of the business in the Netherlands
 - ◆ Restructuring in Belgian units as part of Back on track programme
 - ◆ ZBB programme
 - ◆ However countered by
 - ◆ High one off expenses related to the restructurings in H1
 - ◆ High raw material prices in H1
 - ◆ Aftermath of Recall & transfer of volumes Aalsmeer in H1

Sales Evolution (in 000 EUR)



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



READY MEALS

MARCH 1, 2021

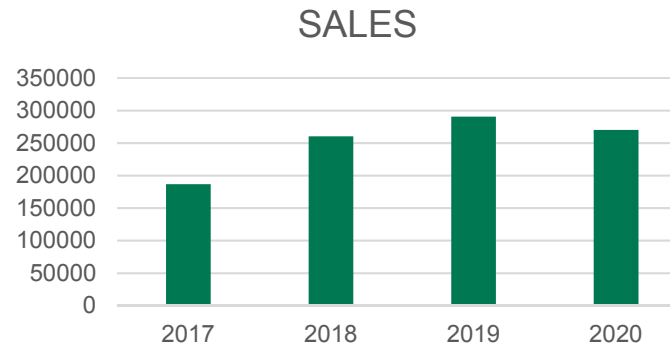


TER BEKE READY MEALS DIVISION

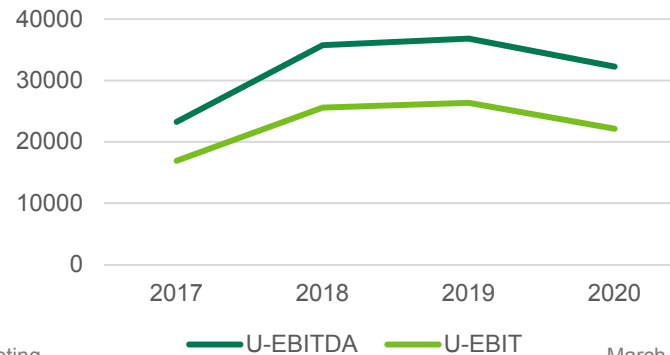
HEADLINES

- ◆ **Nr.1 chilled Italian pasta meals in Europe**
 - ◆ Geographic expansion of sales continues
 - ◆ Pan-European supply from 4 lasagne & pasta meals factories & 1 frozen world cuisine factory
 - ◆ Strong position in retail, KK fine foods focus on both foodservice & retail
- ◆ **Difficult year due to Covid**
 - ◆ KK Fine Foods sales drop significant due to covid
 - ◆ 1st Lockdown impacting lasagne retail sales
- ◆ **2020 events**
 - ◆ Positive effects of
 - ◆ Solid operational performance in difficult circumstances
 - ◆ Come a casa positive feedback on rebranding
 - ◆ Expansion programme Opole Poland (on track & on budget)
 - ◆ Retail growth at KK Fine Foods
 - ◆ However countered by
 - ◆ High raw material prices in H1
 - ◆ Covid impact on top-line, triggering net sales decrease by -7% (entirely attributable to KK Foodservice decline)

Sales Evolution (in 000 EUR)



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





FINANCIALS

2020

MARCH 1, 2021



CONSOLIDATED INCOME STATEMENT 2020

Consolidated income statement				
as at 31 December 2020 and 2019				
	2020	2019		delta
Revenue	717 422	728 132		-1%
Trade goods, raw and auxiliary items	-442 650	-442 586		0%
Services and miscellaneous goods	-110 518	-116 124		-5%
Employee expenses	-126 376	-127 100		-1%
Depreciation costs	-31 450	-30 602		3%
Impairments, write-downs, and provisions	-851	-436		95%
Other operating income	3 839	2 235		72%
Other operating expenses	-4 577	-7 314		-37%
Result of operating activities	4 839	6 205		-22%
Financial income	760	385		97%
Financial expenses	-5 892	-3 632		62%
Results of operating activities after net financing expenses	-293	2 958		-110%
Taxes	-2 170	1 457		-249%
Result for the financial year before result from businesses accounted for using the equity method	-2 463	4 415		-156%
Share in the result of enterprises accounted for using the equity metho	0	0		
Profit in the financial year	-2 463	4 415		-156%
Profit in the financial year: share third parties	-77	190		-141%
Profit in the financial year: share group	-2 386	4 225		-156%

HEADLINES

- ◆ Sales decrease by 1,5% due to Covid
- ◆ Volatile raw material prices
- ◆ Overhead expense reduction following 'Back on track' programme – however with high one off restructuring expense due to staff releases
- ◆ Accelerated depreciation machines & building Aalsmeer.
- ◆ Higher Financial expenses due to 1,2 Mio EUR impact on EUR denominated loan towards Pasta Food Company in Poland.
- ◆ Taxes 2019 positive due to:
 - ◆ Deferred tax asset recognized on polish tax subsidies due to the positive profit evolution in Pasta Food Company
- ◆ Effective tax rate 2020 influenced by
 - ◆ Effect of different tax rate in other countries
 - ◆ Non-recognized DTA impact
 - ◆ Disallowed expenses

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Consolidated Balance Sheet 2020

Consolidated balance sheet		
as at 31 December 2020 and 2019		
	<u>2020</u>	<u>2019</u>
Assets		
Non-current assets	245 108	252 148
Goodwill	77 759	78 224
Intangible non-current assets	22 224	26 116
Tangible non-current assets	136 463	138 126
Participations using equity method		
Loans to joint venture		
Deferred tax assets	8 587	9 604
Other long-term receivables	75	78
Long-term interest-bearing receivables		
Current assets	156 492	186 874
Inventories	37 865	40 733
Trade and other receivables	99 484	119 316
Cash and cash equivalents	19 143	26 825
Total assets	401 600	439 022

HEADLINES

- ◆ Decrease in tangible and intangible fixed assets of 1,7 mainly due to accelerated depreciation of machinery & building in Aalsmeer (2 Mio EUR)
- ◆ Inventories slightly lower due to Covid (Foodservice products)
- ◆ Significant improvement on working capital
- ◆ Cash to be considered together with financial debt. Net debt improvement by almost 25 Mio.

Consolidated Balance Sheet 2020

Liabilities	<u>2020</u>	<u>2019</u>
Shareholders' equity	116 578	124 176
Capital and share premiums	56 782	53 191
Reserves	58 041	69 051
Non-controlling interest	1 755	1 934
Deferred tax liabilities	4 636	5 768
Long-term liabilities	114 631	147 970
Provisions	3 897	4 588
Long-term interest-bearing liabilities	106 873	139 279
Other long-term liabilities	3 861	4 103
Current liabilities	165 755	161 108
Current interest-bearing liabilities	12 179	11 980
Trade liabilities and other payables	133 197	127 725
Social liabilities	18 603	19 291
Tax liabilities	1 776	2 112
Total liabilities	401 600	439 022

HEADLINES

- ◆ Lower indebtedness after focus on working capital
- ◆ Provision purchase remaining shares in KK fine Foods relatively stable due to long-term expected recovery. After year-end, 1% was purchased in January 2021. (9% remaining after transaction)
- ◆ Accounts payable improved versus 2019

Cashflow Statement

HEADLINES

	<u>2020</u>	<u>2019</u>
Operating activities		
Result before taxes	-293	2 958
Interest	2 678	2 038
Depreciation	31 450	30 602
Write-downs (*)	2 032	296
Provisions	-50	10
Gains and losses on disposal of fixed assets and trade receivables	28	132
Result of phased acquisition	0	0
Cash flow from operating activities	35 845	36 036
Decrease/(increase) in receivables more than 1 year		
Decrease/(increase) in inventory	1 701	-4 477
Decrease/(increase) in receivables less than 1 year	17 610	2 579
Decrease/(increase) in operational assets	19 311	-1 898
Increase/(decrease) in trade liabilities	7 688	5 436
Increase/(decrease) in debts relating to remuneration	-754	3 520
Increase/(decrease) in other liabilities, accruals and deferred income	-3 046	4 355
Increase/(decrease) in operational debts	3 888	13 311
(Increase)/decrease in the operating capital	23 199	11 413
Taxes paid	-2 696	-7 766
Net cash flow from operating activities	56 348	39 683

- ◆ Net cash flow from operating activities improved by 16,7 Mio EUR mainly due to a working capital improvement.

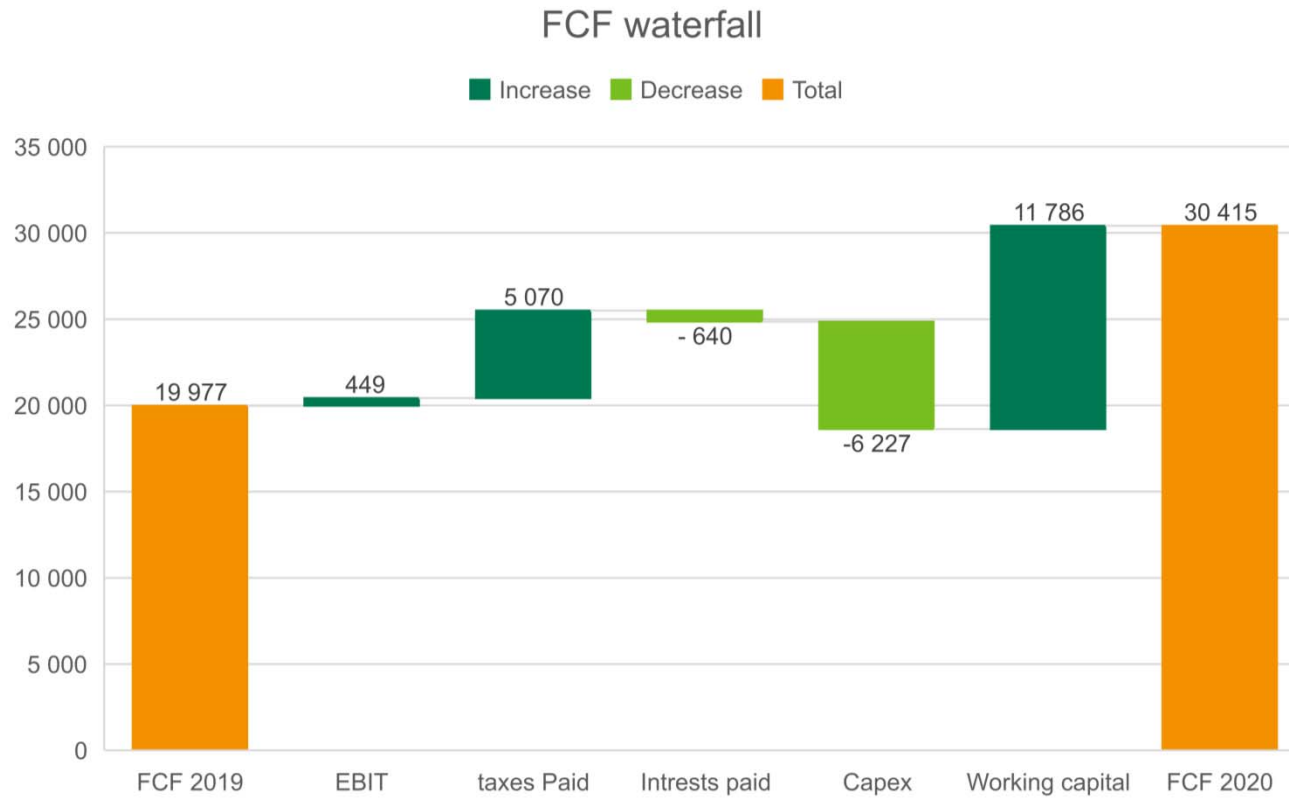
Cashflow Statement

HEADLINES

	<u>2020</u>	<u>2019</u>
Investment activities		
Acquisition of intangible and tangible non-current assets	-27 656	-18 519
Acquisition of subsidiary		-1 490
Total increase in investments	-27 656	-20 009
Sale of intangible and tangible non-current assets	1 723	303
Total decrease in investments	1 723	303
Cash flow from investment activities	-25 933	-19 706
Financing activities		
Increase/(decrease) in short-term financial debts	-2 742	-1 657
Increase in long-term debts	857	1 299
Repayment of long-term debts	-30 062	-7 031
Interest paid interest (via income statement)	-2 678	-2 038
Capital increase (decrease)	3 591	
Dividend paid by parent company	-6 930	-6 930
Cash flow from financing activities	-37 964	-16 357
Net change in cash and cash equivalents	-7 549	3 620
Cash funds at the beginning of the financial year	26 825	23 175
Translation differences	-133	30
Cash funds at the end of the financial year	19 143	26 825

- ◆ Increased investment activity as expected – predominantly linked to capacity expansion in Opole, Poland factory.
- ◆ Various other energy efficiency & quality enhancing investments done during 2020.
- ◆ RCF remains main source of external financing.
- ◆ Capital increase linked to scrip dividend in 2020.

Cashflow Statement



Evolution external segment reporting

	2020 FY			2019 FY		
	Processed meats	Ready Meals	Total	Processed meats	Ready Meals	Total
Segment income statement						
Segment net turnover	447 241	270 181	717 422	437 594	290 538	728 132
Segment results	-7 127 [*]	19 480	12 353	-12 146	24 984	12 838
Non-allocated results			-7 514			-6 633
Net financing cost			-5 132			-3 247
Taxes			-2 170			1 457
Share in businesses accounted for using the equity method			0			0
Consolidated result			-2 463			4 415
Other segment information						
Segment investments	11 693	16 674	28 367	11 637	6 271	17 908
Non-allocated investments			1 059			1 189
Total investments			29 426			19 097
Segment depreciation and non-cash costs	19 247	10 441	29 688	18 131	10 459	28 590
Non-allocated depreciation and non-cash costs			2 613			2 448
Total depreciation and non-cash costs			32 301			31 038

Segmentinformatie

Segment information	Processed Meat	Ready Meals	Non Allocated	Totaal
EBIT 2020	-7 127	19 480	-7 514	4 839
EBIT 2019	-12 146	24 984	-6 633	6 205
Variance	5 019	-5 504	-881	-1 366
	-41%	-22%	13%	-22%
EBITDA 2020	12 120	29 921	-4 901	37 140
EBITDA 2019	5 985	35 443	-4 185	37 243
Variance	6 135	-5 522	-716	-103

Segment information	Processed Meat	Ready Meals	Non Allocated	Totaal
UEBIT 2020	630	22 147	-7 307	15 470
UEBIT 2019	-1 935	26 360	-6 994	17 431
Variance	2 565	-4 213	-313	-1 961
	-133%	-16%	4%	-11%
UEBITDA 2020	18 142	32 263	-4 694	45 711
UEBITDA 2019	15 826	36 819	-4 546	48 099
Variance	2 316	-4 556	-148	-2 388

QUESTIONS

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