
CONSOLIDATED ANNUAL RESULTS 2016

KEY FIGURES AND HEADLINES

- Ter Beke group realises the best result ever:
 - Net result growth of 22.0%.
 - The consolidated turnover increased by EUR 22.2 million (+5.6%) to EUR 418.6 million;
 - REBITDA amounts to EUR 38.5 million in 2016 compared to EUR 35.8 million in 2015 (+7,5%).
 - EUR 0.7 million non-recurring expenses were incurred in 2016. This concerns redundancy payments amounting to EUR 1.3 million and a benefit of EUR 0.6 million for the sale of BINET SA.
 - As a result of the above:
 - EBITDA amounts to EUR 37.7 million compared to EUR 34.3 million in 2015 (+10.1%)
 - EBIT amounts to EUR 18.1 million compared to EUR 15.8 million in 2015 (+14.9%)
 - the result after taxes amounts to EUR 12.6 million compared to EUR 10.3 million in 2015 (+22.0%)
 - net cash flow amounts to EUR 32.0 million compared to EUR 29.3 million in 2015 (+9.6%)
 - Net financial debt is reduced by nearly 50% in 2016
- Processed Meats Division:
 - The turnover in this division increased by 5.1%.
 - Additional investments in the growth strategy in the Dutch market are reaping the initial rewards and more than compensate for the loss of a volume contract in the English market half way through 2016 and the adverse effects of the drop in value of the British pound.
 - Multilayer Packaging concept launched for meat products.
 - Continued focus on the profitability of the product range and extensive cost control.
- Ready Meals Division:
 - The turnover in this division increased by 7.1% thanks to the launch of new products and concepts.
 - Continued focus on the profitability of the product range and extensive cost control.
 - Successful repackaging of the Come a casa[®] product range
- Proposal to pay a gross dividend of 3.50 EUR per share over 2016.



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CONSOLIDATED KEY FIGURES (1)

<u>In '000 EUR</u>	<u>2016</u>	<u>2015</u>	<u>Δ%</u>
Revenu (net turnover)	418.563	396.319	5,6%
REBITDA	38.459	35.779	7,5%
EBITDA (2)	37.735	34.273	10,1%
Recurring operating result (REBIT) (3)	18.914	18.594	1,7%
Operating result (EBIT)	18.190	15.829	14,9%
Net financing costs	-429	-1.201	
Operating result after net financing costs (EBT)	17.761	14.628	21,4%
Taxes	-5.258	-3.817	
Result after tax before share in the result of enterprises accounted for using the equity method	12.503	10.811	15,7%
Share in enterprises accounted for using the equity method	59	-513	
Earnings after taxes (EAT)	12.562	10.298	22,0%
Net cash flow (4)	32.048	29.255	9,5%
Total assets	249.651	241.528	3,4%
Equity	114.969	108.843	5,6%
Net financial debt (5)	17.547	34.312	-48,9%
Equity/Total assets	46,1%	45,1%	2,2%
Gearing ratio (6)	15,3%	31,5%	-51,6%
<u>In EUR per share</u>			
Number of shares	1.732.621	1.732.621	0,0%
Average number of shares	1.732.621	1.732.621	0,0%
Net cash flow	18,50	16,88	9,5%
Earnings after taxes	7,25	5,94	22,0%
EBITDA	21,78	19,78	10,1%

- (1) The consolidated income statement and balance sheet can be found at the end of this press release
 (2) EBITDA = Operating result + depreciation + impairments + changes in provisions
 (3) REBIT = EBIT corrected for non recurring operating results
 (4) Net cashflow = Result after tax before share in the result of enterprises accounted for using the equity method + depreciation + impairments + changes in provisions
 (5) Net financial debt = interest bearing liabilities – interest bearing receivables, cash and cash equivalents
 (6) Gearing ratio = Net financial debt / Equity



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NOTES TO THE CONSOLIDATED KEY FIGURES

Turnover

The total Group turnover increased by EUR 22.2 million (+5.6%) from EUR 396.3 million to EUR 418.6 million

The turnover of the ready meals division increased by EUR 8.1 million compared to 2015 (+7.1%) thanks to the launch of new products and concepts. For example, in September 2016 the Group launched a new range of ultra-fresh lasagne and pasta meals under the brand name Come a casa[®] Delicious. Growth was also realized in the Spanish, French and Dutch retail channel.

The turnover of the Processed Meats Division increased by EUR 14.1 million (+5.1%). This increase is mainly due to considerable growth in the Netherlands, as a result of strategic investments in this market made by the Group. The Sharing Tapas concept was successfully launched in the Dutch retail channel. The growth in the Netherlands compensates amply the loss of a volume contract in the English market half way through 2016 and the negative effect of the decrease in value of the British pound on turnover. In addition, the launch in Belgium of the Multilayer Packaging concept for meat products contributed to the increase in turnover of the division.

REBITDA, EBITDA, REBIT and Operating result (EBIT)

	<u>2016</u>	<u>2015</u>	<u>Δ</u>
REBITDA	38.459	35.779	2.680
Redundancy payments	-1.291	-1.506	215
Result sale Binet SA	567	0	567
EBITDA	37.735	34.273	3.462
Depreciations costs and impairments	-17.428	-17.877	449
Impairments, write offs and provisions	-2.117	-567	-1.550
EBIT	18.190	15.829	2.361
EBIT	18.190	15.829	2.361
Redundancy payments	1.291	1.506	-215
Result sale Binet SA	-567		-567
Impairment fixed assets Binet SA		1.259	-1.259
REBIT	18.914	18.594	320

The REBITDA rose by EUR 2.7 million (+7.5%) from EUR 35.8 million in 2015 to EUR 38.5 million in 2016.

This is both a consequence of the increased turnover in the second half of the year as well as the continued focus on the profitability of the product range and extensive cost control in both divisions.



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However, the cost control measures are not preventing the Group from working on various developments for the future.

For example, in September 2016 the Group launched a completely new range of ultra-fresh lasagne and pasta meals under the brand name Come a casa[®] Delicious for which a major promotional campaign was established.

The Group also invested in two production lines for launching its Multilayer Packaging concept for meat products, which was extremely well received.

In 2016, the Group also successfully launched products in its primary meat products categories (salami, poultry and cooked ham) and in the first half of the year, also invested in restyling the packaging of its ready meals range which is marketed under the brand name Come a casa[®]. For the development of private label products, we continuously work together with our customers on the desired improvement and innovations in our product range.

Additional investments in efficiency improvements in the factories and the investment in ERP software have allowed us to optimize our business processes.

In 2016, redundancy payments decreased by EUR 0.2 million compared to 2015. In addition, a EUR 0.6 million non recurring result was booked on the sale of the company Binet SA.

This caused the EBITDA to increase by EUR 3.5 million (+10.1%), from EUR 34.3 million in 2015 to EUR 37.7 million in 2016.

Depreciation costs and impairments decrease by EUR 0.4 million and depreciations, write-offs and provisions increase by EUR 1.6 million compared to 2015, mainly due to the provision that was set up for the CEO long term remuneration.

As announced over the last years, this remuneration is formed by a component for exceptional growth in shareholder value achieved by the end of the CEO's mandate in 2018. Based on the current results, a provision of EUR 2.2 million was set up in this respect (EUR 0.6 million in 2015).

Hence, the EBIT increased by EUR 2.4 million (+14.9%), from EUR 15.8 million in 2015 to EUR 18.2 million in 2016.

In 2015, an impairment of EUR 1.3 million was booked on the fixed assets of BINET SA. This explains, along with the other non-recurring items mentioned above, the REBIT increase by 1.7%, from EUR 18.6 million in 2015 to EUR 18.9 million in 2016.

Net financing costs

In 2016, the net-financing costs were EUR 0.8 million lower than in 2015, mainly due to the results on the financial hedging on the British pound.



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Taxes

The tax rate for 2016 (29.6%) is higher than in 2015 (26.1%).

Investments

The investments of EUR 14.8 million made during 2016 relate primarily to the continuation of efficiency and infrastructure investments at the various sites and the further roll-out of the ERP package. In 2016, the Group also invested in two production lines for launching its Multilayer Packaging concept for meat products, which was extremely well received. In 2015, investments amounted to EUR 16.9 million.

Balance sheet

Non-current assets decreased by EUR 4.9 million. This is mainly due to the sale of BINET SA, owner of the facility in Herstal, following the termination of our own production of dried and cured meats in 2014.

Net financial debt decreased by EUR 16.8 million. This is the result of the incoming cash flow from operations (EUR 36.4 million in 2016 compared to only EUR 28.1 million in 2015) compared to an outgoing cash flow from net paid investments (EUR 12.6 million) and dividend and interest payments (amounting to EUR 6.9 million).

The equity difference is chiefly the result of after-tax profit minus the dividend that was granted over the previous financial year.

Dividend proposal

The Board of Directors will propose to the General Meeting of Shareholders to maintain the gross dividend at 3.50 EUR per share over 2016 in order to maintain the necessary funds to finance the growth strategy within the company.

EXTERNAL CONTROL

The statutory auditor, DELOITTE Auditors BV o.v.v.e. CVBA, represented by Mrs. Charlotte Vanrobaeys, has confirmed that its auditing work, which is essentially completed, has brought no significant correction to light which would have to be reflected in the bookkeeping information included in this press release.

PROSPECTS FOR 2017

In 2017, the group will work towards a heightened focus on the profitability of the product range and on extensive cost-savings and reductions.

The group is confident that, barring unforeseen market circumstances, the results for 2017 will surpass those of 2016.



Daniel Coopman

terbeke

driven by the zeal for your everyday meal

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Regulated information

www.terbeke.com

CONTACTS

For questions about this press release or for further information, please contact:

René Stevens
CFO
Tel. +32 (0)9 370 13 45
rene.stevens@terbeke.be

You can also consult this press release and send your questions to us via the Investor relations module of our website (www.terbeke.com)

FINANCIAL CALENDAR

Annual report 2016:	At the latest on 24 April 2017
General Meeting of Shareholders 2017:	24 May 2017 at 11 a.m.
First semester 2017 results:	1 September 2017 before market opening

TER BEKE IN BRIEF

Ter Beke (Euronext Brussel: TERB) is an innovative Belgian fresh foods concern that markets its assortment in 10 European countries. The group has 2 core activities: processed meats and fresh ready meals; it has 7 industrial sites in Belgium and the Netherlands and employs approximately 1,650 people. Ter Beke generated a turnover of EUR 418.6 million in 2016.

Processed Meats Division:

- producer and slicer of processed meats for the Benelux, the UK and Germany;
- 2 production plants in Belgium (Wommelgem and Waarschoot) and 5 centres for the slicing and packaging of processed meats, 3 of which are in Belgium (Wommelgem, Waarschoot and Veurne) and 2 in the Netherlands (Wijchen and Ridderkerk);
- innovating in the pre-packed processed meats segment;
- distribution brands and own brand names L'Ardennaise[®], Pluma[®] and Daniël Coopman[®];
- employs approximately 1050 staff.

Ready Meals Division:

- produces fresh ready meals for the European market;
- market leader in chilled lasagne in Europe;
- 7 highly automated production lines in 2 specialized production sites in Belgium (Wanze and Marche-en-Famenne);
- brand names Come a casa[®] and Vamos[®] in addition to distribution brands;
- employs approximately 600 staff;
- joint venture The Pasta Food Company established in Poland (2011).



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CONSOLIDATED INCOME STATEMENT

On 31 December 2016 and 2015

All amounts in '000 Euro

	<u>2016</u>	<u>2015</u>
Revenu	418.563	396.319
Trade goods, raw and auxiliary materials	-227.177	-208.660
Services and miscellaneous goods	-81.016	-80.812
Wages and salaries	-73.577	-74.110
Depreciation costs and impairments on non-current assets	-17.428	-17.877
Impairments, write-offs and provisions	-2.117	-567
Other operating income and expenses	942	1.536
Result of operating activities	18.190	15.829
Financial income	841	476
Financial expenses	-1.270	-1.677
Result of operating activities after net financing expenses	17.761	14.628
Tax	-5.258	-3.817
Result after tax before share in the result of enterprises accounted for using the equity method	12.503	10.811
Share in the result of enterprises accounted for using the equity method	59	-513
Profit of the year	12.562	10.298
Basic profit per share	7,25	5,94
Diluted profit per share	7,25	5,94



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CONSOLIDATED BALANCE SHEET

On 31 December 2016 and 2015

All amounts in '000 Euro

	<u>2016</u>	<u>2015</u>
Assets		
Non-current assets	144.337	149.201
Goodwill	35.204	35.204
Intangible non-current assets	5.323	5.410
Tangible non-current assets	79.536	85.005
Joint venture using equity method	12.307	12.635
Loans to joint venture	1.870	850
Long term interest bearing receivables	10.000	10.000
Other long term receivables	97	97
Deferred tax assets	0	0
Current assets	105.314	92.327
Stocks	22.256	20.421
Trade and other receivables	66.990	64.860
Trade receivables	59.088	56.989
Other receivables	7.902	7.871
Cash and cash equivalents	16.068	7.046
Total assets	249.651	241.528
Liabilities		
Shareholder equity	114.969	108.843
Capital and share premiums	53.191	53.191
Reserves	61.778	55.652
Non-controlling interest	0	0
Deferred tax liabilities	4.335	5.852
Long-term liabilities	38.112	43.455
Provisions	5.312	3.062
Long-term interest-bearing liabilities	32.800	40.393
Other long term liabilities	0	0
Short-term liabilities	92.235	83.378
Short-term interest-bearing liabilities	10.815	10.965
Trade liabilities and other debts	66.779	58.830
Trade liabilities	62.962	55.339
Other debts	3.817	3.491
Social liabilities	11.322	10.685
Tax liabilities	3.319	2.898
Total liabilities	249.651	241.528



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