

TER BEKE  
12/2022  
RESULTS

ANALYST  
MEETING

Feb 24th, 2023



## Agenda

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- ◆ 2022 financials – looking back
- ◆ 2023 & Beyond
- ◆ Imperial-Stegeman update
- ◆ Sustainability update
- ◆ Q&A session





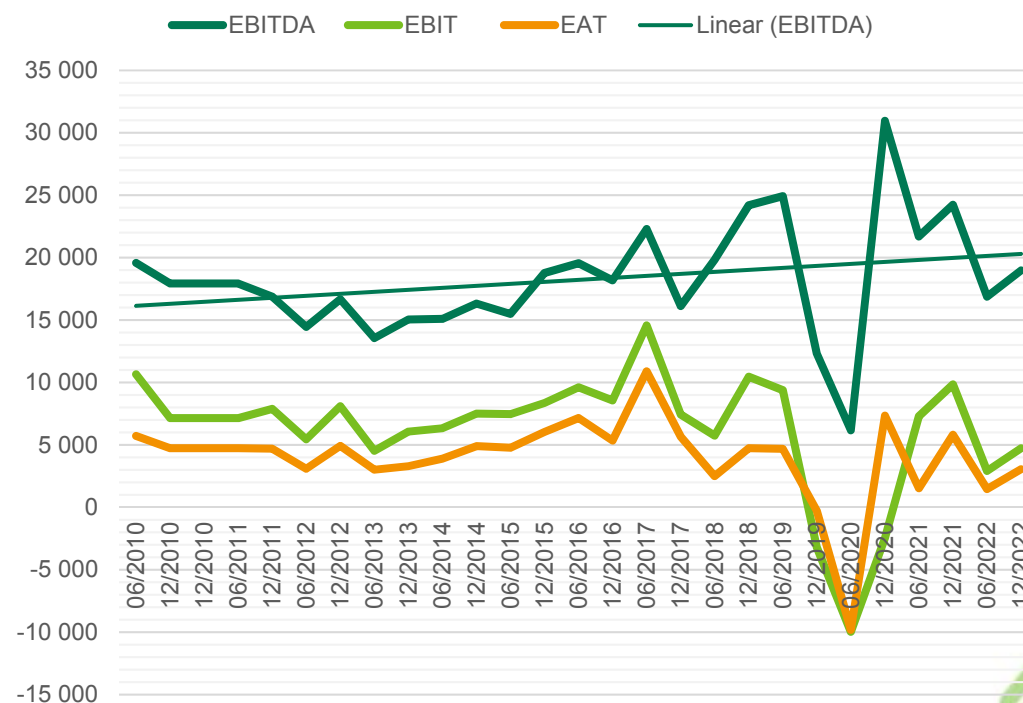
2022  
FINANCIALS

# CONSOLIDATED RESULTS – 2022

## HEADLINES

- ◆ **Solid sales Growth: +12%**
  - ◆ Price increases: (cost pass-thru) = main driver for sales growth.
  - ◆ Foodservice rebound, esp. in UK
  - ◆ Savoury consumption declining slightly + contract non-renewals impact – Ready meals market demand remains solid but contract renewals remain tough.
  - ◆ Limited impact of non-delivery due to contractual discussions / supply chain disruption towards customers
- ◆ **EBITDA suffered due to cost inflation: -22%**
  - ◆ Cost inflation huge on all categories
  - ◆ Pass-thru of inflation = delayed
  - ◆ Non-underlying expenses : € 2,3 Mio
- ◆ **Solid net debt performance:**
  - ◆ 68 Mio EUR, Leverage 1,8 x U-EBITDA

## LONG TERM EVOLUTION



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## 2022 SEGMENT DETAILS

EUR'000	Savoury	Ready Meals	Non-allocated	Total
Net sales	442 518	338 867	0	781 385
EBITDA	18 606	21 995	-4 740	35 861
EBIT	2 325	11 456	-6 134	7 647
Net financing expense			-1 449	-1 449
Taxes			-1 589	-1 589
Share of result in Davai BV			-89	-89
<b>Consolidated Result</b>				<b>4 520</b>

## NON UNDERLYING ITEMS (IN 000 EUR)

### HEADLINES

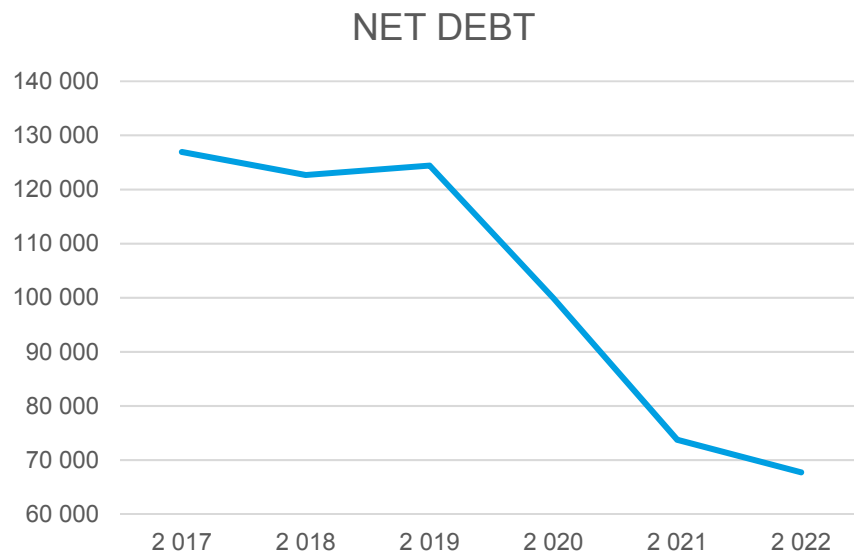
In EUR'000	<u>31/12/2022</u>	<u>31/12/2021</u>
Result of operating activities (EBIT)	7 647	17 149
Costs of acquisitions	2 259	1 754
Costs due to change in CEO	0	875
Impacte sale captive TB Luxemburg	0	4 238
<b>Underlying operating result (UEBIT)</b>	<b>9 906</b>	<b>24 016</b>
EBITDA	35 861	45 939
Costs of acquisitions	2 259	1 754
Costs due to change in CEO	0	875
Impacte sale captive TB Luxemburg	0	4 238
<b>Underlying EBITDA</b>	<b>38 120</b>	<b>52 806</b>

◆ Acquisition expenses related to Imperial-Stegeman acquisition



# NET DEBT

## HEADLINES



- ◆ Lower operating cash flow due to cost inflation impact on results
- ◆ Limited working capital change impact as increased inventory (9 Mio impact) to make supply chain more rigid was neutralized by payables improvement
- ◆ Capex cashflow -25 Mio, partly related to projects already started in 2021. New investments in upgrade buildings & equipment / sustainability.
- ◆ Scrip dividend kept 2,6 Mio cash in the company.
- ◆ Leverage 1,8 x U-EBITDA
- ◆ RCF facility extended in H1, 2022: Expires mid 2025



2023 & Beyond





## 2023 & Beyond

### IN GENERAL

- ◆ Inflation & availability of raw materials remains volatile & uncertain. The group cannot hedge all commodities due to 'fresh' nature & non-liquid markets for key commodities.
- ◆ Risk of non-delivery to customers due to availability of materials & supply chain constraints has (at present) reduced versus 2022, however the risk has not disappeared completely, so could resurface.
- ◆ Sales contract with more flexible terms in view of high inflation. Gained / lost volumes can impact results faster compared to past.
- ◆ New strategic axes (sustainability / R&D / digitization / People resources) will increase corporate expenses. However, confident about longer term benefit to the Group.



## 2023 & Beyond

### SAVOURY

- ◆ Volume expected to decline:
  - ◆ Non renewal contracts
  - ◆ Slightly declining market as 'new products' are not yet growing as fast as decline in 'base products'
  - ◆ New focus area's / products expected to gain traction mainly mid/longer term.
- ◆ Operational adjustments are made to adapt to new market (volume) circumstances
- ◆ Continued focus on value chain optimizations:
  - ◆ Value for money for consumers
  - ◆ Nutritionally balanced, good quality products
  - ◆ Innovations to increase sustainability & maintain or improve nutritional balance / taste
- ◆ Combined estimated result (bar unforeseen circumstances)
  - ◆ U-EBITDA ranging between 2021 & 2022 performance.



# 2023 & Beyond

## READY MEALS

- ◆ Sales:
  - ◆ Expecting to see cost inflation reflected in new sales agreements
  - ◆ Shorter contracts or inflation linked contracts to adapt sales prices quicker in case of inflation / deflation of certain major input costs.
- ◆ Operational setup & automation investments completed in the past are an asset to keep prices attractive to customers & consumers.
- ◆ Continued focus on value chain optimizations:
  - ◆ Value for money for consumers
  - ◆ Nutritionally balanced, good quality products
  - ◆ Innovations to increase sustainability & maintain or improve nutritional balance / taste
- ◆ Continue Come a Casa ® expansion in Eastern Europe
- ◆ Combined estimated result (bar unforeseen circumstances)
  - ◆ U-EBITDA gradually improving towards 2021 performance





# Imperial Stegeman Update

Analyst Meeting

Feb 24th, 2023

# Imperial-Stegeman

## Update on intended acquisition

### ◆ Regulatory

- ◆ 1<sup>st</sup> phase completed. Both Belgium & The Netherlands in 2<sup>nd</sup> phase
- ◆ Time consuming process
- ◆ Visibility on exact timing = difficult

### ◆ Works councils

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

- ◆ **Strategy remains unchanged, but completion would be an accelerator to the new strategic axes!**



Sustainability Update



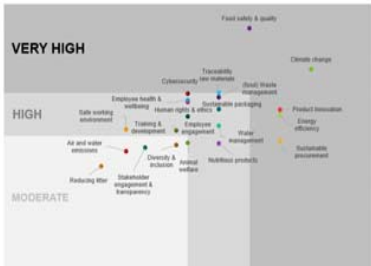
**YES WE  
CARE.**

# Sustainability Update

## STRATEGIC & FOCUSED

- ◆ Double materiality matrix prepared: stakeholder questionnaires / peer review
- ◆ Strategic 'wheel' and topics defined + targets set (more communications to follow)
- ◆ Corporate & Product carbon footprint almost final
- ◆ Governance setup = complete, including Sustainability Board Committee
- ◆ KPI (Agnostic, sector & company specific ) tracking tool installed
- ◆ Importance of scope 3 efforts
- ◆ Sustainability Culture goes beyond 'compliance' – it comes from the heart!
- ◆ Strategy at the core





FINANCIAL MATERIALITY



+ KPI's & Targets



Corporate & Product

R&D  
Marketing



ecovadis Suppliers  
terbeke Customers



SUSTAINABILITY CULTURE





# QUESTIONS

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Feb 24<sup>th</sup>, 2023



Ter Beke turns

75

on Feb 27, 2023!