

Welcome to the Analyst Meeting

IMPROVE

INNOVATE



terbeke
driven by the zeal for your everyday meal

Juni YTD



General comments

Consolidation perimeter June 2019 fully comparable to June 2018

- ◆ Ter Beke improves result in first semester 2019
 - ◆ Thanks to strong organic sales growth in both divisions
 - ◆ Despite strong increase in raw material prices and other costs

- ◆ The companies acquired in 2017
 - ◆ Continue to contribute together as well as individually as foreseen
 - ◆ Integrate further in 2019
 - ◆ Offerman successfully migrated to common ERP platform

- ◆ Ter Beke remains confident that, barring unforeseen market circumstances, the underlying operating results for 2019 will surpass the underlying operating results for 2018, even without taking the impact of IFRS 16 into consideration.

General comments

Market conditions

- ◆ Both
 - ◆ Sharp increase in raw material prices and other cost
 - ◆ ASF drives price of pork sharply upwards
 - ◆ Poor harvests in 2018 leads to price increases of other key ingredients such as dairy products (cheese & milk powder) and some vegetables (onions & potatoes)
 - ◆ Other important cost items such as wages, energy and transport experienced sharp price increases in comparison to the same period last year.
 - ◆ Ter Beke well positioned to handle traceability and sustainability challenges of the business
- ◆ Processed Meat
 - ◆ Reminder TB : Benelux + specialties in UK and Germany
 - ◆ Consumption slightly under pressure
 - ◆ Overcapacity in the market, leading to strong downward price pressure
 - ◆ Strong competition between retailers continues
- ◆ Ready Meals
 - ◆ Reminder TB : narrow product focus and European-wide presence
 - ◆ Growing market as consumption of mediterranean pasta meals increases
 - ◆ Increased interest from discount, retail and food service segment

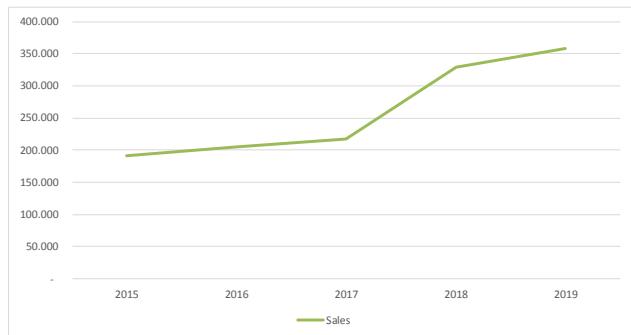
Impact IFRS-16

New IFRS rule starting 1/1/2019 – No changes on 2018 figures

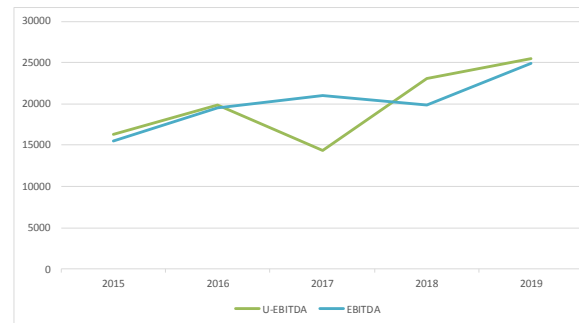
	<u>30/06/2019</u>
Tangible non-current assets – user rights	11 531
Effect on total assets	11 531
Transferred loss	-69
Deferred taxes	-29
Long-term lease liabilities	9 075
Short-term lease liabilities	2 512
Revenue to be transferred	42
Effect on total equity and liabilities	11 531
Impact on EBITDA	1 450
Impact on EBIT	84
Impact on the net financing costs	-182
Impact on EAT	-69

Half Year Evolution

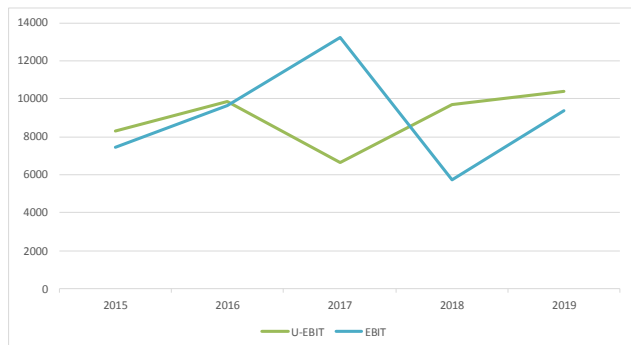
Sales Evolution (in 000 EUR)



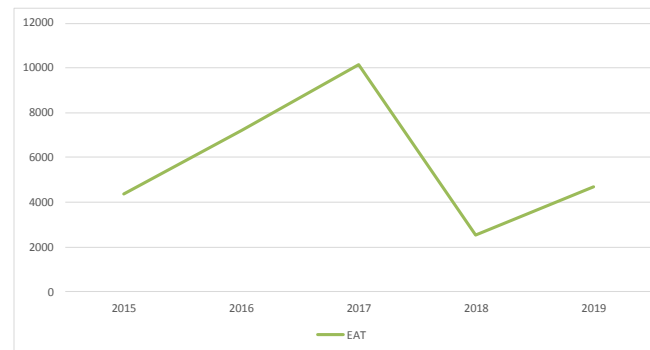
(U-)EBITDA evolution (in 000 EUR)



(U-)EBIT evolution (in 000 EUR)



EAT evolution (in 000 EUR)

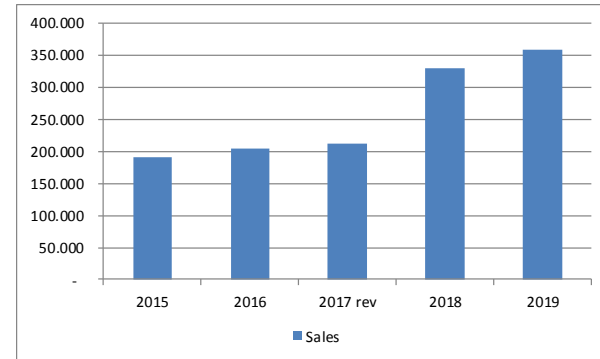


Ter Beke Consolidated – June YTD

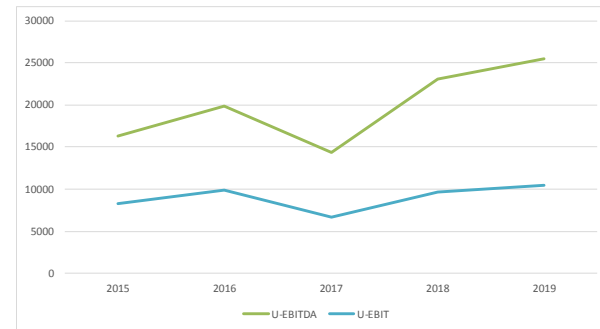
Headlines

- ◆ Improved results despite negative PPV and increased costs
- ◆ New acquisitions continue to contribute positively to result
- ◆ Positive sales evolution (+8,8%) in both divisions
- ◆ Strong performance of Ready Meals division
- ◆ Improved efficiency in Processed Meats limits effect of PPV
- ◆ Strong operational cash generation leads to lower net financial debt

Sales Evolution (in 000 EUR)



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



Non-underlying elements per 30 June

	2015	2016	YTD June	2018	2019
	Actual	Actual	2017	Actual	Actual
			Actual		
Non underlying					
Severance payments	-1 506	-1 291	-317	-1 299	-484
Realised added value on sale of property	-1 259	567	721		
Phased acquisition ST/PFC			6 689		
Due diligence costs			-500	-242	-125
Start-up costs of new packaging concept project				-420	
Strategic study				-1 330	
Impairment Zoetermeer				-483	
Restructuring provision Zoetermeer/ST				-170	-417
Non underlying EBIT as reported	-2 765	-724	6 593	-3 944	-1 026



Meats

Processed



Processed Meats

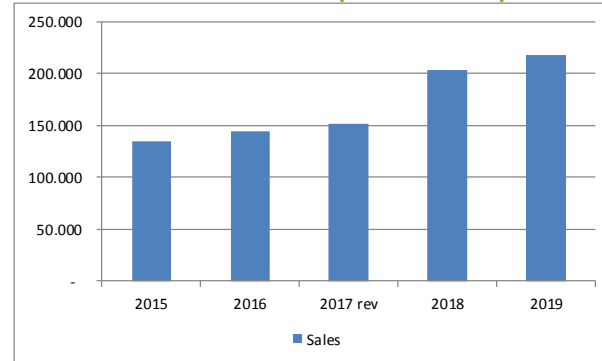
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Processed Meats – June YTD

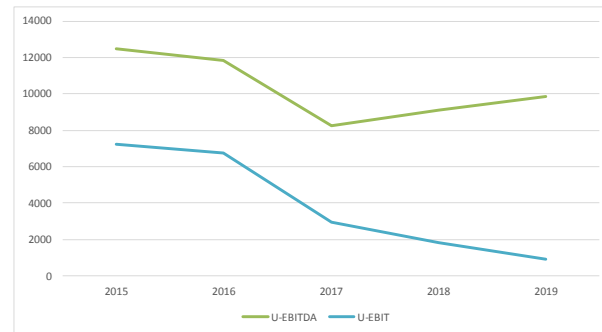
Headlines

- ◆ Underlying EBITDA increases thanks to
 - ◆ Sales increase (+7,3%)
 - ◆ Improved efficiency
 - ◆ Strong performance of Service Slicing
 - ◆ Positive effect of last year actions
- ◆ Processed Meats still under pressure
 - ◆ Overcapacity in the market continues
 - ◆ Price increases do not offset negative PPV effect
 - ◆ Especially in Belgium

Sales Evolution (in 000 EUR)



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





Ready-to-eat

Fresh meals



Ready Meals

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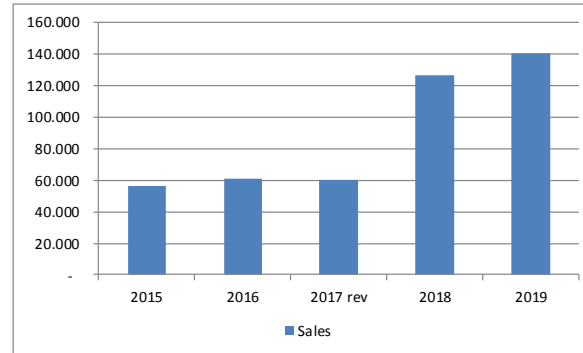
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Ter Beke Ready Meals – June YTD

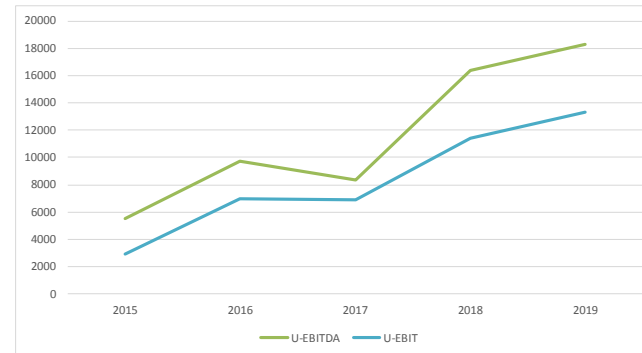
Headlines

- ◆ All business units perform better than last year thanks to
 - ◆ Strong organic sales growth (+11,1%)
 - ◆ Strong regional growth in Eastern Europe
 - ◆ New innovative product launches
 - ◆ Introduction of KK Fine Foods assortment to leading UK retailers

Sales Evolution (in 000 EUR)



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



Financial



Consolidated Income Statement per 30/06/2019

in '000 EUR	<u>30/06/2019</u>	<u>30/06/2018</u>
Revenu	358 593	329 614
Trade goods, raw and auxiliary materials	-213 961	-189 954
Services and miscellaneous goods	-55 657	-57 495
Wages and salaries	-62 579	-60 757
Depreciation costs	-15 007	-13 872
Impairments, write-offs and provisions	-523	-219
Other operating income	765	897
Other operating expenses	-2 238	-2467
Result of phased acquisition	0	0
Result of operating activities	9 393	5 747
Financial income	326	80
Financial expenses	-2 164	-2236
Result of operating activities after net financing expenses	7 555	3 591
Tax	-2 870	-1 084
Profit of the period	4 685	2 507
Profit in the financial year: share third parties	49	41
Profit in the financial year: share group	4 636	2 466
Basic profit per share	2,68	1,42
Diluted profit per share	2,68	1,42

Consolidated balance sheet 30/06/2019 vs 31/12/2018

in '000 EUR	<u>30/06/2019</u>	<u>31/12/2018</u>
Assets		
Non-current assets	250 476	243 591
Goodwill	76 436	76 456
Intangible non-current assets	27 241	28 651
Tangible non-current assets	141 035	133 382
Interests using equity method		0
Loans to joint venture		0
Deferred tax assets	5 686	5 027
Other long term receivables	78	75
Long-term interest-bearing receivables		0
Current assets	174 051	181 387
Stocks	38 376	36 304
Trade- and other receivables	114 088	121 908
Cash and cash equivalents	21 587	23 175
Total assets	424 527	424 978

Consolidated balance sheet 30/06/2019 vs 31/12/2018

in '000 EUR	<u>30/06/2019</u>	<u>31/12/2018</u>
Liabilities		
Shareholders equity	122 588	125 028
Capital and issue premiums	53 191	53 191
Reserves	67 701	70 184
Non-controlling interests	1 696	1 653
Deferred tax liabilities	8 673	9 340
Long-term liabilities	138 490	139 683
Provisions	6 318	5 835
Long-term interest-bearing liabilities	128 099	130 042
Other long-term liabilities	4 073	3 806
Short-term liabilities	154 776	150 927
Short-term interest-bearing obligations	14 959	15 812
Trade liabilities and other debts	119 570	115 423
Social liabilities	16 742	15 890
Tax liabilities	3 505	3 802
Total liabilities	424 527	424 978

Consolidated cashflow (1/2)

in '000 EUR	<u>30/06/2019</u>	<u>30/06/2018</u>
Operating activities		
Result before taxes	7 555	3 591
Interest	1 075	1 154
Depreciations costs and impairments	15 007	13 872
Write-downs	28	491
Provisions	376	-73
Gains and losses on disposal of fixed assets	92	231
Cash flow from operating activities	24 133	19 266
Change in receivables more than 1 year	0	14
Change in stock	-2 167	-2 160
Change in receivables less than 1 year	7 422	1 798
Change in operational assets	5 255	-348
Change in trade liabilities	2 876	7 978
Change in debts relating to remuneration	1 221	-1 260
Change in other liabilities, accruals and deferred income	1 527	481
Change in operational debts	5 624	7 199
Change in the operating capital	10 879	6 851
Tax paid	-4 084	-2 907
Net cash flow from operating activities	30 928	23 210

Consolidated cashflow (2/2)

Investment activities		
Acquisition of intangible and tangible non-current assets	-9 654	-11 740
Total increase in investments	-9 654	-11 740
Sale of tangible non-current assets	22	81
Total decrease in investments	22	81
Cash flow from investment activities	-9 632	-11 659
Financing activities		
Change in short-term financial debts	-2 141	-59 134
Increase in long-term debts	363	120 000
Repayment of long-term debts	-13 108	-43 374
Interest paid interest (via income statement)	-1 075	-1 154
Dividend paid by parent company	-6 930	-6 930
Cash flow from financing activities	-22 891	9 408
Net change in cash and cash equivalents	-1 595	20 959
Cash funds at the beginning of the financial year	23 175	6 513
Translation differences	7	-7
Cash funds at the end of the financial year	21 587	27 465

Evolution external segment reporting - June 2019

in '000 EUR	30/06/2019			30/06/2018		
	Processed Meats	Ready Meals	Total	Processed Meats	Ready Meals	Total
Segment income statement						
Segment sales	218 249	140 344	358 593	203 366	126 248	329 614
Segment results	741	12 495	13 236	137	10 763	10 900
Non-allocated results			-3 843			-5 153
Net financing cost			-1 838			-2 156
Taxes			-2 870			-1 084
Result of companies according to equity method			0			0
Consolidated result			4 685			2 507
Other segment information						
Segment investments	5 094	3 380	8 474	11 871	2 061	13 932
Non-allocated investments			394			1 082
Total investments			8 868			15 014
Segment depreciations and non-cash costs	8 835	5 492	14 327	7 950	4 963	12 913
Non-allocated depreciations and non-cash costs			1 203			1 178
Total depreciations and non-cash costs			15 530			14 091