

Welcome to the Analyst Meeting

IMPROVE

INNOVATE



Juni YTD



General comments

Quick reminder of acquisitions made in 2017

1. The results of the companies acquired in 2017 are included in the income statement in full for the first time. These companies give Ter Beke a production footprint in countries with 170 million consumers and are :
 1. For processed meat : Offerman (production and service slicing)
 2. For ready meals :
 1. Stefano Tosseli and Pasta Food Company : Increased market share in fresh Mediterranean pasta meals in Europe
 2. KK Fine Foods : frozen ready meals focused on the UK Food Service market
2. It is important to note that:
 1. these companies contributed together and individually according to plan
 2. the integration of the companies in Ter Beke is being done on plan or sooner than planned
 3. first synergies are being achieved (i.e. purchasing)

General comments

Market conditions

1. Processed Meat

1. Reminder TB : Benelux + specialties in the UK and Germany
2. Raw material prices going in different directions
3. Continued slightly shrinking Per Capita Consumption
4. Strong competition in both products and services (slicing) because of excessive capacity, leading to consolidation in the market
5. Strong competition among retailers (not new)

2. Ready Meals

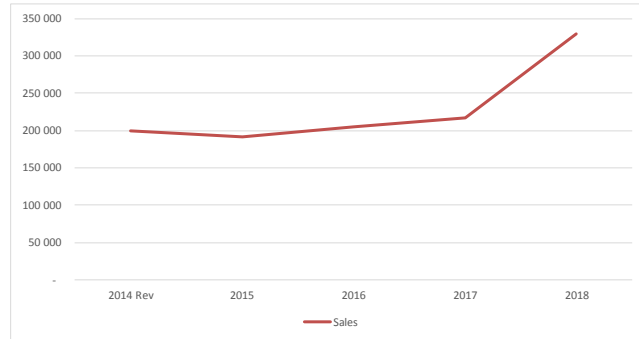
1. Reminder TB : narrow product focus and European-wide presence
2. Raw material prices going in different directions
3. Growing market as consumption of mediteranean past meals increases
4. Increased interest from discount retail and Food Service market

3. In both, there is an increased focus on:

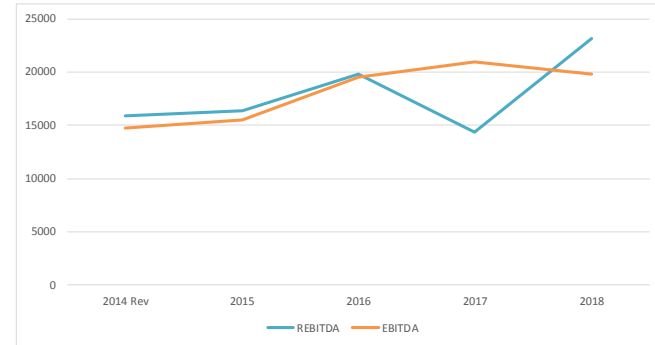
1. Food safety => increasing role for TB to provide know-how and solutions
2. Health => continuous NPD for improved recipees
3. Sustainability with focus on “plastic issue” in packaging

Half Year Evolution – key data

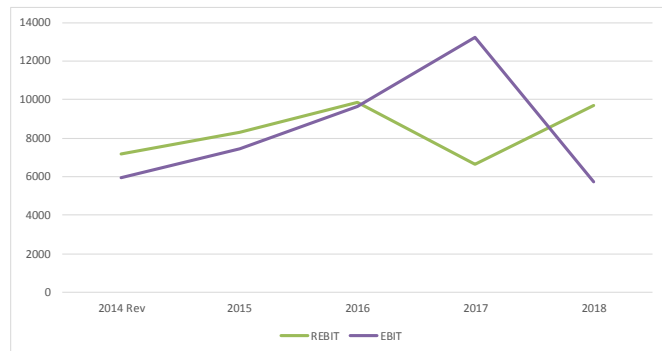
Sales Evolution (in 000 EUR)



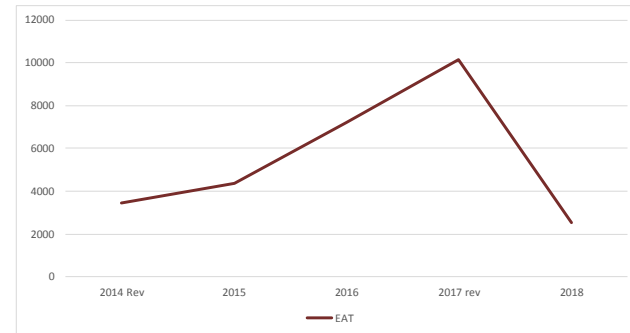
(R)EBITDA evolution (in 000 EUR)



(R)EBIT evolution (in 000 EUR)



EAT evolution (in 000 EUR)

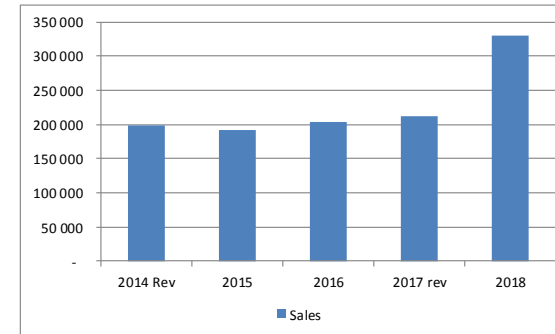


Ter Beke Consolidated – June YTD

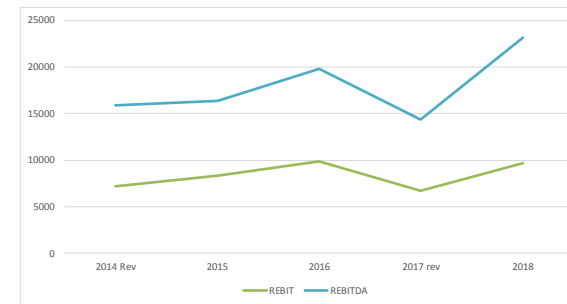
Headlines

- ◆ Major effect of non recurring in 2018 and 2017 requires use of non recurring in comments (see next slide)
- ◆ New acquisitions
 - ◆ Integration on track
 - ◆ Contribute positively to sales and result
- ◆ FreshMeals improves substantially
- ◆ Processed Meats prepares the future in a consolidating market
- ◆ Strong operating cash flow (Ebitda and working capital management), resulting in net debt decrease despite heavy investments
- ◆ Long term financing agreement closed

Sales Evolution (in 000 EUR)



REBITDA and REBIT evolution (in 000 EUR)



To compare results, non recurring items need to be taken into account

Close to 10M swing from 2017 to 2018

Non recurring per 30 june (in '000 EUR)

in '000 EUR	<u>30/06/2018</u>	<u>30/06/2017</u>
Profit from operating activities (EBIT)	5 747	13 252
Severance payments	1 299	317
Realised added value on sale of property	0	-721
Acquisition costs	242	500
Results of the phased acquisition	0	-6 689
Strategic study	1 330	
Start-up costs of new packaging concept project	420	
Restructuring costs Zoetermeer	170	
Impairment Zoetermeer	483	
Current profit from operating activities (REBIT)	9 691	6 659
EBITDA	19 838	20 971
Severance payments	1 299	317
Realised added value on sale of property	0	-721
Acquisition costs	242	500
Results of the phased acquisition	0	-6 689
Strategic study	1 330	0
Start-up costs of new packaging concept project	420	0
REBITDA	23 129	14 378



Meats

Processed



Processed Meats

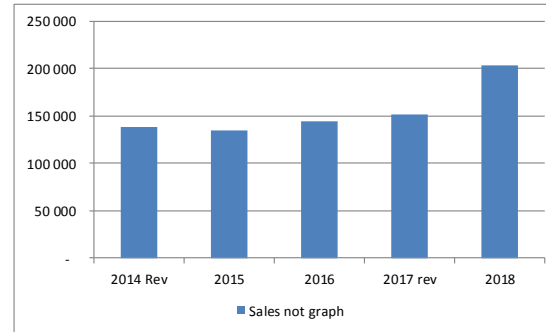
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Processed Meats – June YTD

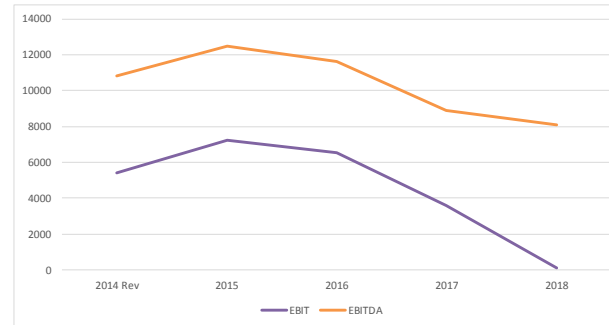
Headlines

- ◆ Offerman contributes positively to result
- ◆ Difficult market
 - ◆ Price pressure in market with overcapacity
 - ◆ Fluctuating raw material prices
- ◆ Preparing the future
 - ◆ Start-up Rainbow project (service slicing of broad product range for large retailer)
 - ◆ Zoetermeer closure (production moved to Borculo and Wommelgem)
 - ◆ Launch of new brand for Food service channel in NL (“Fairbeleg”)
 - ◆ Accelerated implementation of INFOR (TerBeke’s ERP system) in Offerman

Sales Evolution (in 000 EUR)



EBITDA and EBIT evolution (in 000 EUR)





Ready-to-eat

Fresh meals



Ready Meals

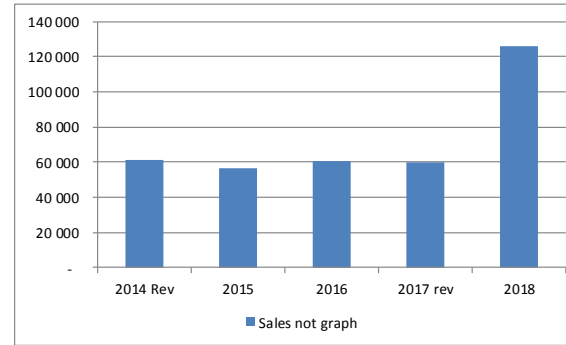
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Ter Beke Ready Meals – June YTD

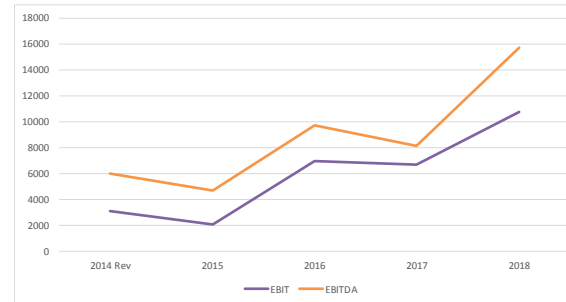
Headlines

- ◆ Market growth all over Europe
- ◆ New acquisitions
 - ◆ contribute positively to sales and result
 - ◆ first synergies achieved
- ◆ NPD & Innovation
 - ◆ Health, “clean label”, ...
 - ◆ Respond to specific customer demands
- ◆ Good prospects in all channels
 - ◆ Increasing demand for convenience
 - ◆ Increasing demand in foodservice due to decreasing in house capabilities and time

Sales Evolution (in 000 EUR)



EBITDA and EBIT evolution (in 000 EUR)



Financial



Impact IFRS-15

in '000 EUR	<u>30/06/2018</u>	<u>Adjustments</u>	<u>Reclassifications</u>	<u>30/06/2018</u> IFRS 15	<u>30/06/2017</u>	<u>Adjustments</u>	<u>Reclassifications</u>	<u>30/06/2017</u> IFRS 15
Revenu	336 446	0	-6 832	329 614	217 266	0	-5 653	211 613
Trade goods, raw and auxiliary materials	-189 954			-189 954	-124 397			-124 397
Services and miscellaneous goods	-64 327		6 832	-57 495	-40 584		5 653	-34 931
Wages and salaries	-60 757			-60 757	-38 400			-38 400
Depreciation costs and impairments on non-current assets	-13 872			-13 872	-7 662			-7 662
Write-offs and provisions	-219			-219	-57			-57
Other operating income	897			897	1 209			1 209
Other operating expenses	-2 467			-2 467	-812			-812
Result of phased acquisition	0			0	6 689			6 689
Result of operating activities	5 747	0	0	5 747	13 252	0	0	13 252

Consolidated income statement 30/06/2018

in '000 EUR	<u>30/06/2018</u>	<u>30/06/2017</u>
Revenu	329 614	211 613
Trade goods, raw and auxiliary materials	-189 954	-124 397
Services and miscellaneous goods	-57 495	-34 931
Wages and salaries	-60 757	-38 400
Depreciation costs and impairments on non-current assets	-13 872	-7 662
Write-offs and provisions	-219	-57
Other operating income	897	1 209
Other operating expenses	-2 467	-812
Result of phased acquisition	0	6 689
Result of operating activities	5 747	13 252
Financial income	80	289
Financial expenses	-2 236	-510
Result of operating activities after net financing expenses	3 591	13 031
Tax	-1 084	-3 455
Result after tax before share in the result of enterprises accounted for using the equity method	2 507	9 576
Share in enterprises accounted for using the equity method	0	571
Profit of the period	2 507	10 147
Profit in the financial year: share third parties	41	
Profit in the financial year: share group	2 466	10 147
Basic profit per share	1,42	5,86
Diluted profit per share	1,42	5,86

Consolidated balance sheet 30/06/2018 vs 31/12/2017

in '000 EUR	<u>30/06/2018</u>	<u>31/12/2017</u>
Assets		
Non-current assets	243 770	242 573
Goodwill	76 535	76 523
Intangible non-current assets	29 001	30 163
Tangible non-current assets	134 269	132 807
Interests using equity method		0
Loans to joint venture		0
Deferred tax assets	3 902	3 003
Other long term receivables	63	77
Long-term interest-bearing receivables		0
Current assets	179 595	157 163
Stocks	36 671	34 788
Trade- and other receivables	115 459	115 862
Cash and cash equivalents	27 465	6 513
Total assets	423 365	399 736

Consolidated balance sheet 30/06/2018 vs 31/12/2017

in '000 EUR

Liabilities

Shareholders equity	120 692	125 308
Capital and issue premiums	53 191	53 191
Reserves	65 848	70 506
Non-controlling interests	1 653	1 611
Deferred tax liabilities	9 925	10 290
Long-term liabilities	145 949	52 164
Provisions	5 383	5 289
Long-term interest-bearing liabilities	136 733	43 306
Other long-term liabilities	3 833	3 569
Short-term liabilities	146 799	211 974
Short-term interest-bearing obligations	13 981	90 132
Trade liabilities and other debts	112 951	101 379
Social liabilities	15 016	16 211
Tax liabilities	4 851	4 252
Total liabilities	423 365	399 736

Consolidated cashflow (1/2)

in '000 EUR	<u>30/06/2018</u>	<u>30/06/2017</u>
Operating activities		
Result before taxes	3 591	13 031
Interest	1 154	356
Dividend from equity method	0	0
Depreciation costs and impairments on non-current assets	13 872	7 662
Write-downs (*)	491	164
Provisions	-73	-31
Gains and losses on disposal of fixed assets	231	-721
Results after phased acquisition	0	-6 689
Cash flow from operating activities	19 266	13 772
Change in receivables more than 1 year	14	-14
Change in stock	-2 160	-1 389
Change in receivables less than 1 year	1 798	5 314
Change in operational assets	-348	3 911
Change in trade liabilities	7 978	-2 617
Change in debts relating to remuneration	-1 260	221
Change in other liabilities, accruals and deferred income	481	1 310
Change in operational debts	7 199	-1 086
Change in the operating capital	6 851	2 825
Tax paid	-2 907	-3 155
Net cash flow from operating activities	23 210	13 442

Consolidated cashflow (2/2)

in '000 EUR		
Investment activities		
Acquisition of intangible and tangible non-current assets	-11 740	-5 468
Acquisition of shares in associated companies	0	-13 955
New loans	0	0
Total increase in investments	-11 740	-19 423
Sale of tangible non-current assets	81	1 105
Repayment of loans	0	0
Total decrease in investments	81	1 105
Cash flow from investment activities	-11 659	-18 318
Financing activities		
Change in short-term financial debts	-59 134	0
Increase in long-term debts	120 000	14 000
Repayment of long-term debts	-43 374	-5 685
Interest paid interest (via income statement)	-1 154	-356
Dividend paid by parent company	-6 930	-6 064
Cash flow from financing activities	9 408	1 895
Net change in cash and cash equivalents	20 959	-2 981
Cash funds at the beginning of the financial year	6 513	16 068
Translation differences	-7	-5
Cash funds at the end of the financial year	27 465	13 082

Evolution external segment reporting - June 2018

in '000 EUR	30/06/2018			30/06/2017		
	Processed meats	Ready Meals	Total	Processed meats	Ready Meals	Total
Segment income statement						
Segment sales	203 366	126 248	329 614	151 312	60 301	211613
Segment results	137	10 763	10 900	3 570	6 681	10 251
Non-allocated results			-5 153			3 001
Net financing cost			-2 156			-221
Taxes			-1 084			-3 455
Result of companies according to equity method			0			571
Consolidated result			2 507			10 147
Other segment information						
Segment investments	11 871	2 061	13 932	2 738	1 770	4 508
Non-allocated investments			1 082			1 186
Total investments			15 014			5 694
Segment depreciations and non-cash costs	7 950	4 963	12 913	5 337	1 436	6 773
Non-allocated depreciations and non-cash costs			1 178			946
Total depreciations and non-cash costs			14 091			7 719