

# Analyst Update 2023 FY Results

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WHAT'S  
COOKING?

# Agenda

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What's Cooking 2023 Results

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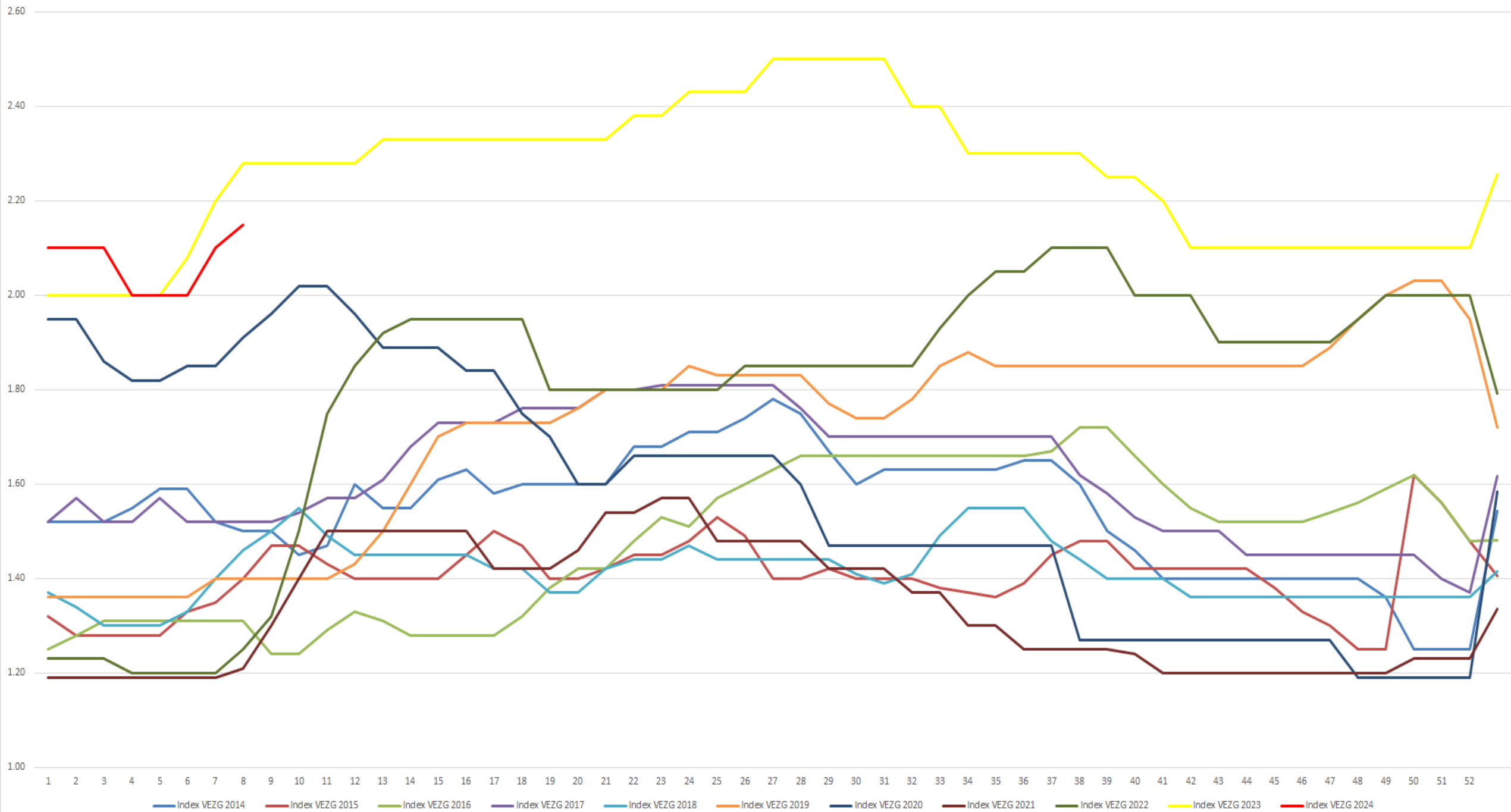
# What's Cooking 2023 results

## *Trading highlights*

- **Sales increase: 6.5%**
- **Inflation continued** - mainly for animal proteins :
  - VEZG all time high prices!
  - Cost of conversion from live pig → parts purchased even increased further:
    - Slaughtering expenses / supply - demand
  - Other ingredients: also steep inflation e.g. tomatoes, vegetables,...
- **Salary inflation** was significant, as expected
- **Pass-thru of inflation:**
  - Improving time lag versus previous years
  - More automated pass-thru mechanisms
  - Shortened contracts vs previous 1 year fixed contracts
  - Transparent & resilient



VEZG - Evolution 2014-2024



# What's Cooking 2023 results

## *Trading Highlights*

- **Sales Volumes Savoury & Ready Meals**

- Volumes started off weaker in Ready meals, but traction towards H2 and especially into Q4
- Focus on quality & portfolio extension: e.g. vegan ready meal introductions in H2
- Volumes in savoury in line with expectation but with a more resilient price-pass thru (up or down)
- Focus on quality believed to prevail in the longer term
- New packaging designs in savoury: sustainability & shelf appeal – leading the way!





# What's Cooking 2023 results

## Trading Highlights

- Underlying EBITDA increase 31% to 50 Mio EUR
  - Despite investments in people & costs related to the new strategy: innovation, sustainability, ICT
  - Operational efficiency projects drive performance shift:
    - DRIVE programme focused on cost optimizations throughout the value chain
    - WAR ON WASTE programme to reduce food waste in the chain
    - SUSTAINABILITY initiatives to lower usage of energy, water, heat (steam)
- Non-underlying EBITDA expenses:
  - 2.9 Mio related to closure of Aalsmeer facility (final production March 2024) → relocation to other Dutch sites
  - 0.9 Mio related to rebranding
  - 0.6 Mio related to plant based innovation & research



# What's Cooking 2023 results

## Trading Highlights

- Higher Finance expenses
  - Due to increase in EURIBOR
  - BOE rate increases (but UK became cash positive 2nd half)
- Tax expense in line with expectations
  - 33% effective tax rate
- EAT increases from 4.5 mio EUR in 2022 to 7.7 Mio EUR in 2023
- EPS 4.17 EUR per share° in 2023 vs 2.33 EUR per share in 2022

°based on weighted average number of shares





# What's Cooking 2023 Results

## *Cash Flow Highlights*

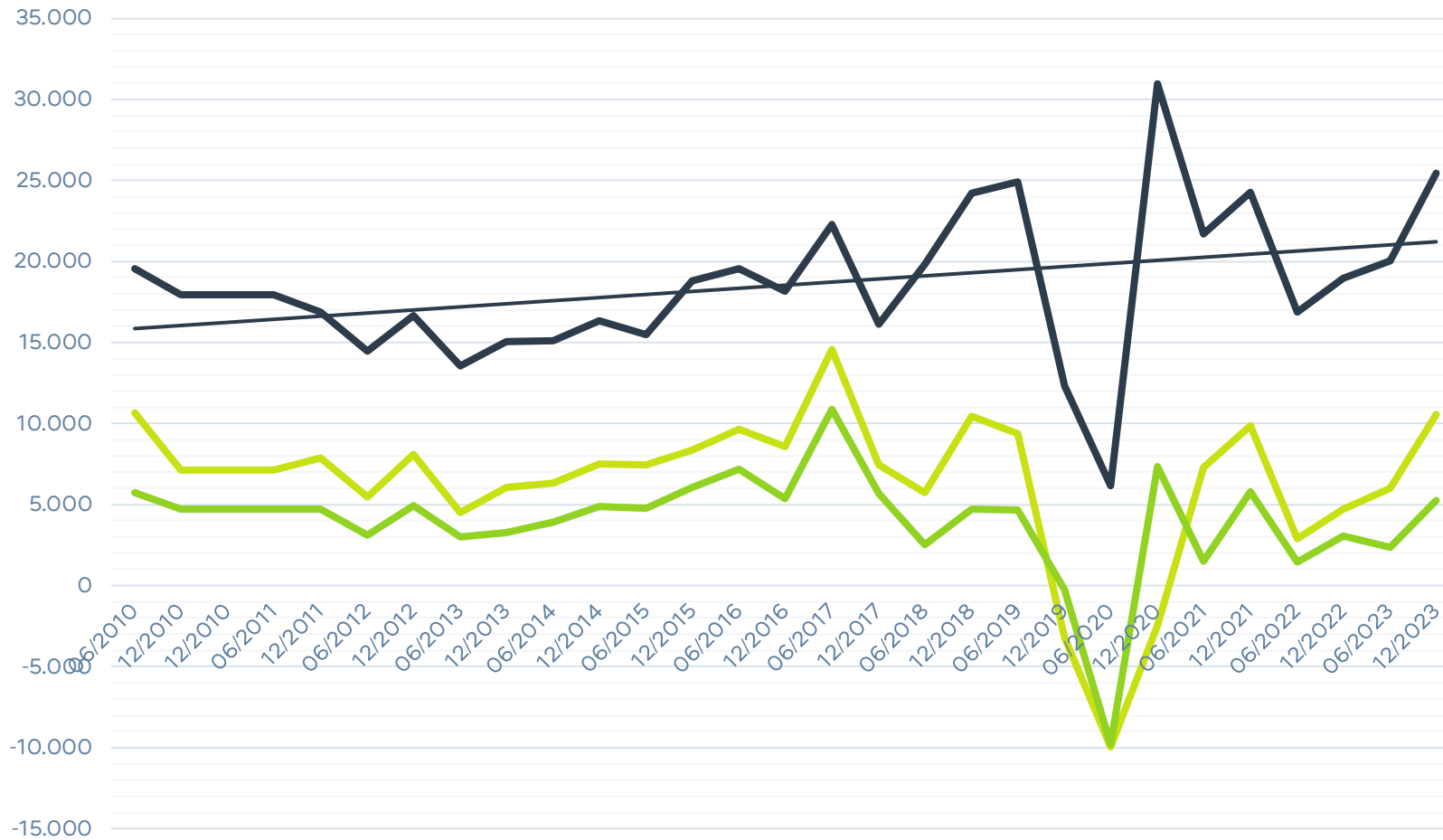
- Operating cashflow improved from 36.6 Mio EUR in 2022 to 43.8 Mio EUR in 2023
  - Improved operational performance
  - Small further working capital improvement
- Investment activities: -23.6 Mio EUR
  - Packaging machinery
    - Focus on sustainability & packaging innovation
  - Building adaptations
    - Cooling & Energy reduction
    - Food safety upgrades
  - Supply chain solutions investments
  - Quality & capacity adjustments:
    - Grilling capacity & quality improvements
    - Investments to allow rooftop consolidation in NL
- Acquired remaining 9% in What's Deeside (now own 100%) for 4 Mio EUR



# EBITDA – EBIT – EAT

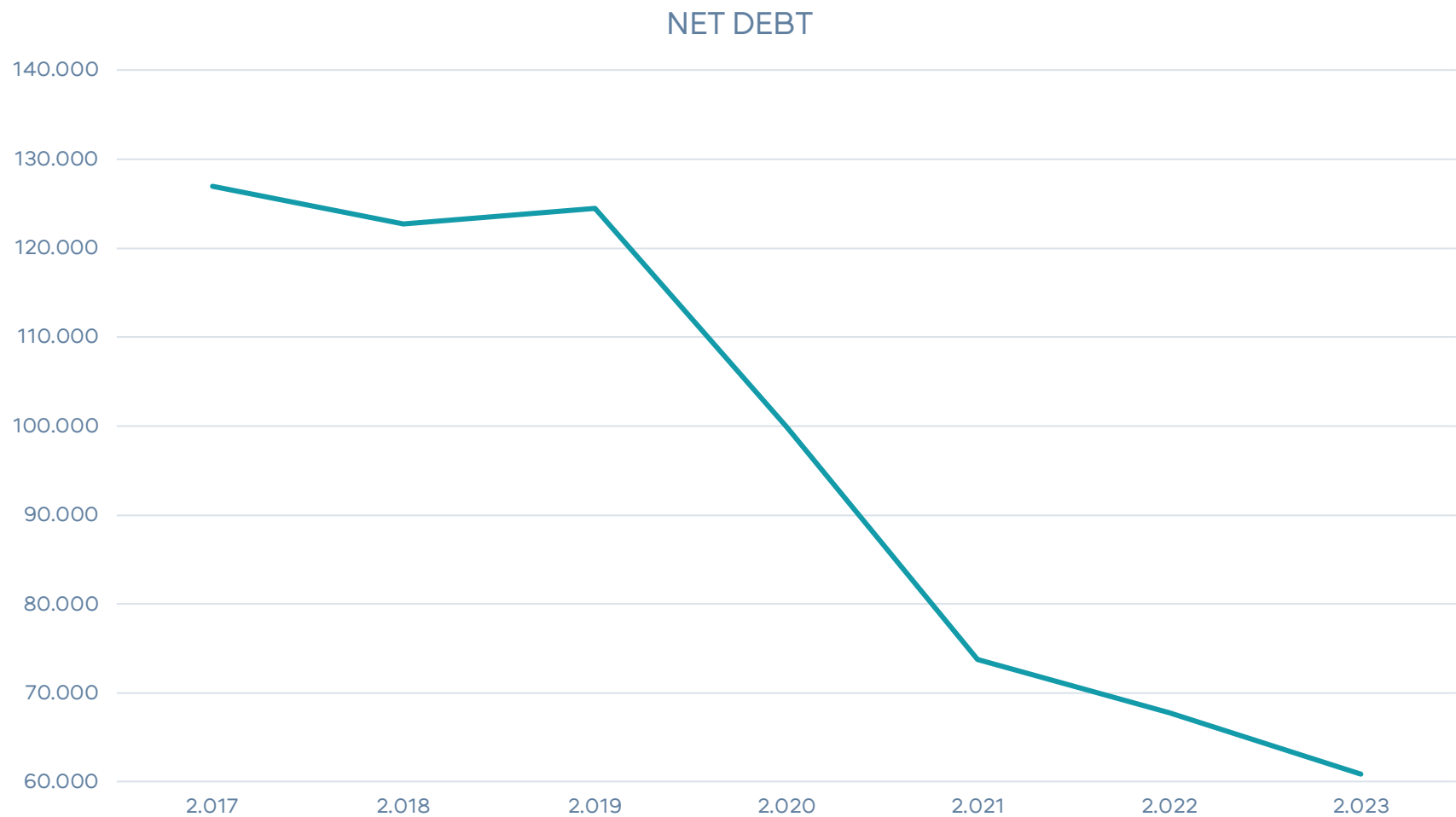
## LONG TERM EVOLUTION

— EBITDA — EBIT — EAT — Linear (EBITDA)



- Sales growth accelerated by inflation (& pass-thru)
- EBITDA helped by operational improvements
- EAT impacted by higher interest costs & taxation
- Gradual recovery

# Net debt evolution (including IFRS16 leases)



- In line with expectations
- Solid liquidity headroom
- Limited impact Leases (IFRS16)
- Leverage 1,2x U-EBITDA at year-end 2023



# Dividend Proposal

*Proposal by the Board for approval by the Shareholders:*

- Increase dividend by 7% after a few years of unchanged dividend
- 4.28 gross / share
- No scrip dividend
- Payable July 2024 - as usual





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# What's Cooking in 2024 & beyond

*Courageous & Confident!*

- Inflation is not over – but we are better equipped than in the past to avoid huge impact on bottom-line
- Food ingredient commodities remain dependent on weather, climate....
- So far no real impact from farmer strikes / protests in Europe
  - If availability of retail distribution centres is an issue – it may impact all food companies supplying into retail
  - We are supportive of efforts to ensure a fair profit distribution within the value chain is guaranteed, including farmers but also including food manufacturing businesses
- Ready Meal contract wins 2023 to have full effect in 2024
- Savoury rooftop consolidation & closure of Aalsmeer site on track. Expected to deliver some benefits in 2024 with full year run-rate benefits in 2025
- Savoury appointment of Teun Haegens as SBU Director
- Drive efficiency project & War on Waste projects are continuing to show benefits
  - Value Chain Optimizations (benefitting CUSTOMERS, CONSUMERS & WHATS)
  - Sustainability boost (benefitting the PLANET)
  - Financial Results



# What's Cooking in 2024 & beyond

*Courageous & Confident!*

- Investments in supply chain resilience put in place in 2023 should allow improved customer service levels in 2024, especially in Belgium

→ Overall, expecting to confirm or improve on 2023 results

- Longer term:

- Expecting a higher capex demand in Ready Meals to benefit from organic growth opportunities in the market

# Refinancing RCF

*Refinancing brings financial stability and allows for continued growth*

- **RCF with pool of existing and new banks**
  - 5 year agreement, extendable by 2 times 1 year
  - 175 Mio EUR
  - Allowing leverage up to 3.5x (but with spikes in case of acquisition)
  - Pricing not materially different from current RCF
- **Goal to link sustainability targets of the group with the RCF in the future**
  - Expected to finalize this 'linking' in 2024
  - Aligned with our strategy



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Our purpose



**Day by day**, we make  
**sustainable** food  
consumption **second nature**

by increasing the appetite for delicious, convenient  
food with care for both people and planet

We have set ourselves  
**challenging targets**  
towards **2030**



## Must do Targets

-  World-class Safety & Food Safety
-  Sustainable profitable growth

## Strategic Beliefs

-  Engaged Employees
-  Rebuild Innovation
-  Portfolio Refocus
-  Grow Excellence
-  Digital Acceleration
-  Lead our industry in sustainability

# Strategy Update. What's stirring?

- New R&D team & strategy launched
  - Investment in people = complete & will start showing first benefits!
  - What consumers want: Delicious, Nutritious, Affordable & Sustainable!!
  - Product - Packaging - Process
- Sustainability boost: 1<sup>ST</sup> EXTENSIVE SUSTAINABILITY REPORT OVER FY 2023
  - CO2 calculated for ALL products & ALL components
  - KPI tracking / dashboard system installed group-wide
  - Green energy transition 'on track'
  - Extension of 'war on waste' programme & 'Drive' programme
  - 'Yes we care' programme running well → culture shift
    - Ambassadors
    - Workstreams
  - Ecovadis supplier engagement programme started → Scope 3 value chain collaboration = KEY

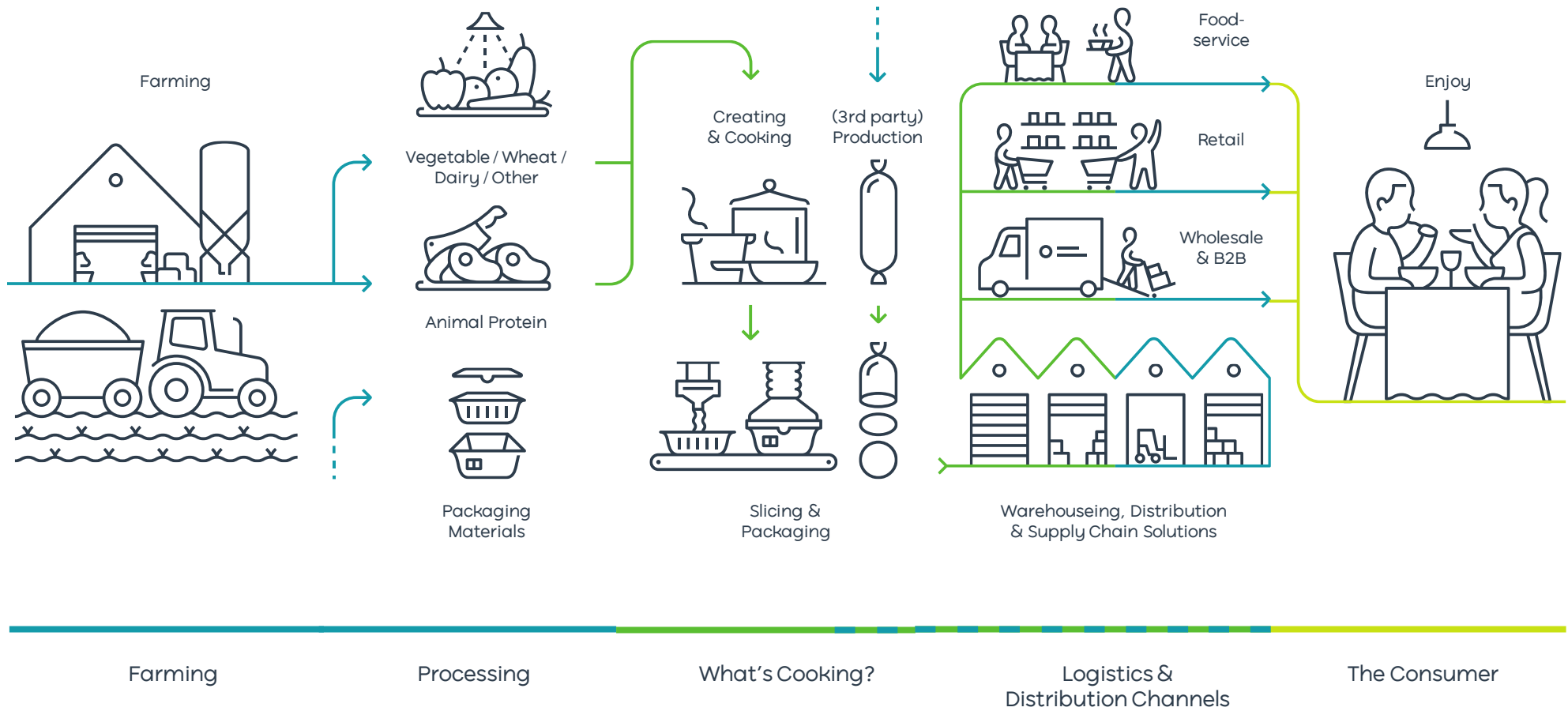




# Value Chain



● What's Cooking? ● 3rd Party ● Consumer



# Strategy Update. What's stirring?



- Customer focus & sales excellence
  - Partnerships to achieve common goals
    - DELICIOUS
    - NUTRITIOUS
    - SUSTAINABLE (SBTI)
    - AFFORDABLE
  - Sustainability is NOT per definition more expensive...



# Strategy Update. What's stirring?



- **New name & Logo well received**
  - New company, new ambition – Long term strategy updated in October 2023
  - Regained confidence & courage
  - Engagement levels going up
- **Digital acceleration made tangible**
  - Roadmap defined
  - Supply chain acceleration went well
  - BPA architecture ongoing

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day by day. cooking up  
a better world