

TER BEKE
06/2021
RESULTS

ANALYST
MEETING

AUGUST 27, 2021



Resil[↑]ence
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SALE CAPTIVE TO REDDUCE COST-BASE

Leverage 1,5 x

INNOVATIONS

Piet Sanders new CEO

Ready for Growth

SOLID RECOVERY

ZBB IMPACT

'UNITY'

27M U-FBITDA

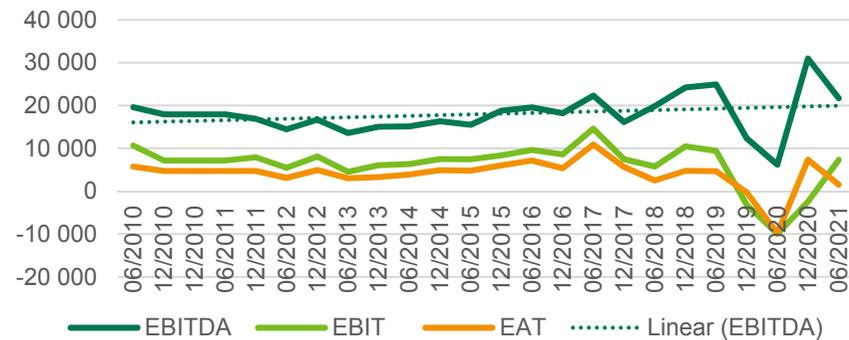
NET DEBT 92 M

TER BEKE CONSOLIDATED

HEADLINES

- ◆ Small decrease in sales:
 - ◆ Covid related within Ready Meals → KK Fine Foods (Q1 2020 was still pre-covid)
 - ◆ Non-profitable contracts ended within Processed Meat division
- ◆ Recovery EBITDA continued:
 - ◆ Impact restructurings undertaken, especially 'Unity'
 - ◆ ZBB programme
 - ◆ As expected & previously announced: Captive sale negative impact **4,3 Mio EUR** & CEO replacement impact **1,1 Mio EUR**
- ◆ Solid net debt performance: 92 Mio EUR, Leverage **1,5 x U-EBITDA**

LONG TERM EVOLUTION



NON UNDERLYING ITEMS (IN 000 EUR)

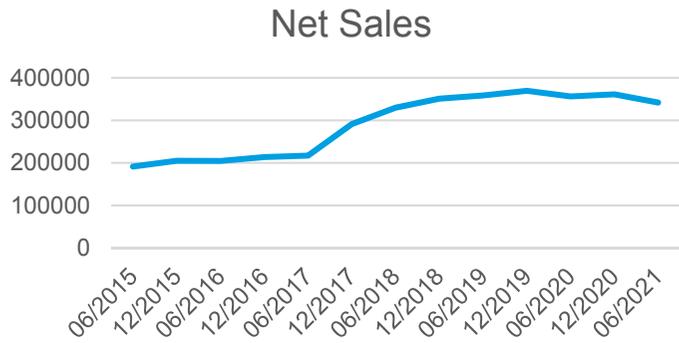
In '000 EUR	30/06/2021	30/06/2020
Profit from operating activities (EBIT)	7 297	-9 971
Back on Track (incl severance payments)		2 176
Project 'unity' in the Netherlands		2 313
Impairment fixed assets Offerman		1 248
M & A costs		
Recall impact		379
Increase in restructuring provision		1 531
Costs related to the change in CEO	1 085	
Impact sale Captive TB Luxembourg	4 329	
Expenses directly related to COVID-19		
Underlying profit from operating activities	12 711	-2 324
EBITDA	21 700	6 176
Severance payments		2 176
Project 'unity' in the Netherlands		2 313
M & A costs		
Recall impact		379
Costs related to the change in CEO	1 085	
Impact sale Captive TB Luxembourg	4 329	
Expenses directly related to COVID-19		1 531
Underlying EBITDA	27 114	12 575

HEADLINES

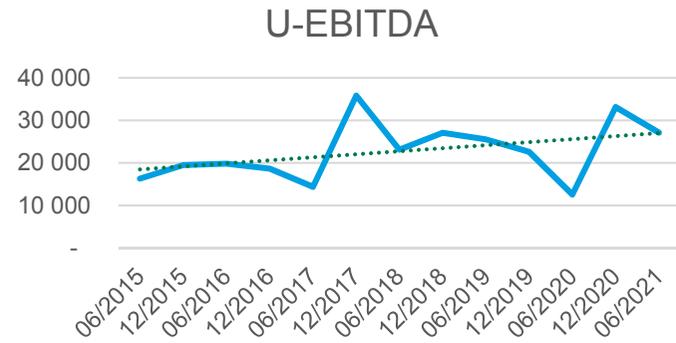
- ◆ Captive sale as previously announced
- ◆ CEO change impact
- ◆ Covid-19 expenses not adjusted, no longer significant
- ◆ No large restructuring expenses

EVOLUTION H1 2021

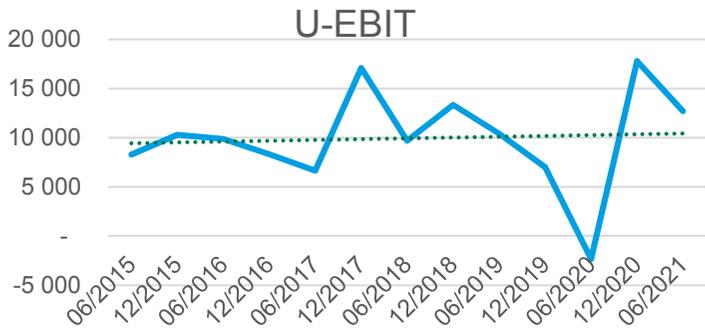
Net Sales Evolution (in 000 EUR)



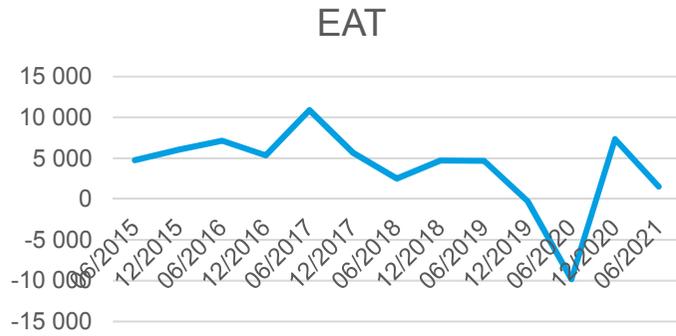
(U)-EBITDA Evolution (in 000 EUR)



(U)-EBIT Evolution (in 000 EUR)



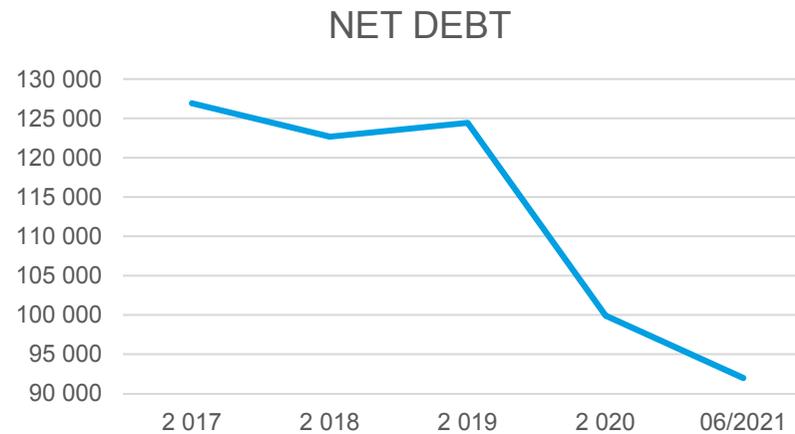
EAT Evolution (in 000 EUR)



NET DEBT

HEADLINES

- ◆ Good cash generation thanks to solid operating cashflow. Working capital steady.
- ◆ Despite impact sale Captive
- ◆ Capex in line with plan
- ◆ Leverage 1,5 x U-EBITDA, liquidity headroom >120 Mio EUR per 30/6/2021



LOOKING FORWARD: Continue recovery!

- ◆ Piet Sanders to start as CEO on October 1st
- ◆ Long Term Revenue Growth Focus
- ◆ Maintain ZBB efforts
- ◆ Covid sales impact gradually decreasing
- ◆ Raw material volatility & commodity pricing / pass-thru
- ◆ Finance costs to decrease in H2
- ◆ Effective tax rate H2 to normalize



PROCESSED MEATS

August 27, 2021



TER BEKE PROCESSED MEATS DIVISION

HEADLINES

- ◆ Nr.1 in processed meats in the Benelux
 - ◆ Largest slicer and packager
 - ◆ Able to cover 65% of product range in production logs
 - ◆ Private Label Retail focus
 - ◆ Branded OTC & wholesale offering
- ◆ Difficult market
 - ◆ Price pressure in market with overcapacity
 - ◆ Increasing competition of alternatives
- ◆ 2021 events
 - ◆ Positive effects of
 - ◆ Project Unity integration in NL
 - ◆ Operational efficiency progress
 - ◆ ZBB programme
 - ◆ Non-profitable contracts review
 - ◆ However countered by
 - ◆ Challenges on availability of packaging products

READY MEALS

August 27, 2021



TER BEKE READY MEALS DIVISION

HEADLINES

- ◆ **Nr.1 chilled Italian pasta meals in Europe**
 - ◆ Geographic expansion of sales continues
 - ◆ Pan-European supply from 4 lasagne & pasta meals factories & 1 frozen world cuisine factory
 - ◆ Strong position in retail, KK fine foods focus on both foodservice & retail
- ◆ **Sales evolution**
 - ◆ KK Fine Foods sales impacted by Covid
 - ◆ Demand gradually recovering
- ◆ **2021 events**
 - ◆ Positive effects of
 - ◆ Expansion programme PFC
 - ◆ Retail growth at KK Fine Foods
 - ◆ ZBB focus
 - ◆ However countered by
 - ◆ Covid impact on sales (vs Q1 2020: pre-covid)
 - ◆ Commodity price volatility & price pass-thru



FINANCIALS

30/6/2021

August 27, 2021



CONSOLIDATED INCOME STATEMENT 30/6/2021

In '000 EUR	30/06/2021	30/06/2020
Revenu	341 803	356 197
Trade goods, raw and auxiliary materials	-200 633	-224 520
Services and miscellaneous goods	-52 696	-56 024
Wages and salaries	-62 181	-67 429
Depreciations costs and impairments	-14 617	-16 287
Impairments, write-offs and provisions	214	140
Other operating income	1 549	1 456
Other operating expenses	-6 142	-3 504
Result of operating activities	7 297	-9 971
Financial income	702	470
Financial expenses	-2 979	-2 366
Result of operating activities after net financing expenses	5 020	-11 867
Tax	-3 495	2 056
Result of the period	1 525	-9 811
Result in the financial year: share third parties	-83	-109
Result in the financial year: share group	1 608	-9 702
Basic profit per share	0,91	-5,6
Diluted profit per share	0,91	-5,6

HEADLINES

- ◆ Sales decrease due to covid & non-profitable contract review
- ◆ Salary & Overhead reductions
 - ◆ Project Unity integration in NL
 - ◆ ZBB efforts
- ◆ Negative impact CEO replacement (-1,1 Mio) & Captive sale (-4,3 Mio)
- ◆ Financial expenses high but decreasing as leverage comes down
- ◆ High effective tax rate H1 but normalizing towards H2

Consolidated Balance Sheet 30/6/2021

In '000 EUR	30/06/2021	31/12/2020
Assets		
Non-current assets	236.851	245.108
Goodwill	78.150	77.759
Intangible assets	21.529	22.224
Tangible non-current assets	129.393	136.463
Deferred tax assets	7.698	8.587
Other long term receivables	81	75
Current assets	137.025	156.492
Stocks	38.790	37.865
Trade- and other receivables	87.073	99.484
Cash and cash equivalents	9.596	19.143
Assets classified as held for sale	1.566	
Total assets	373.876	401.600
Liabilities		
Shareholders equity	112.421	116.578
Capital and issue premiums	56.782	56.782
Reserves	54.069	58.041
Non-controlling interests	1.570	1.755
Deferred tax liabilities	5.345	4.636
Long-term liabilities	101.085	114.631
Provisions	3.591	3.897
Long-term interest-bearing liabilities	93.156	106.873
Other long-term liabilities	4.338	3.861
Short-term liabilities	155.025	165.755
Short-term interest-bearing obligations	8.409	12.179
Trade liabilities and other debts	125.235	133.197
Social liabilities	19.792	18.603
Tax liabilities	1.589	1.776
Total liabilities	373.876	401.600

HEADLINES

- ◆ Asset held for sale: unused building Aalsmeer. Sale going thru in Q3
- ◆ Scrip dividend payment already accounted for. Large take-up shares instead of cash.
- ◆ Working capital overall in line with year-end position.

Cashflow Statement per 30/6/2021

In '000 EUR	30/06/2021	30/06/2020
Operating activities		
Result before taxes	5 020	-11 867
Interest	1 403	955
Depreciations costs and impairments	14 617	16 287
Write-downs (*)	248	761
Provisions	-346	-431
Gains and losses on disposal of fixed assets	3 998	135
Cash flow from operating activities	24 940	5 840
Change in receivables more than 1 year	0	0
Change in stock	-730	-2 392
Change in receivables less than 1 year	12 064	22 015
Change in operational assets	11 334	19 623
Change in trade liabilities	-12 805	-529
Change in debts relating to remuneration	1 443	4 791
Change in other liabilities, accruals and deferred income	-815	-3 088
Change in operational debts	-12 177	1 174
Change in the operating capital	-843	20 797
Tax paid	-1 903	-1 695
Net cash flow from operating activities	22 194	24 942

HEADLINES

- ◆ Operating cash flow solid
- ◆ Working capital overall maintained

Cashflow Statement per 30/6/2021

Net cash flow from operating activities	22 194	24 942
Investment activities		
Acquisition of intangible and tangible non-current assets	-8 931	-14 011
Acquisition of shares in participations	0	0
Total increase in investments	-8 931	-14 011
Sale of tangible non-current assets	166	25
Sale of shares in participations	-3 840	
Total decrease in investments	-3 674	25
Cash flow from investment activities	-12 605	-13 986
Financing activities		
Change in short-term financial debts	-2 760	-3 077
Increase in long-term debts	373	23 637
Repayment of long-term debts	-15 156	-21 481
Interest paid interest (via income statement)	-1 403	-955
Acquisition of non-controlling interest	-266	
Dividend paid by parent company	0	0
Cash flow from financing activities	-19 212	-1 876
Net change in cash and cash equivalents	-9 623	9 080
Cash funds at the beginning of the financial period	19 143	26 826
Translation differences	76	-87
Cash funds at the end of the financial period	9 596	35 819

HEADLINES

- ◆ Capex in line with plan – no delay
- ◆ Sale of captive as previously announced having a one off negative impact. -3,8 Mio
- ◆ Debt repayments & generally improved cash management

Evolution external segment reporting

In '000 EUR	30/06/2021			30/06/2020		
	Processed Meats	Ready Meals	Total	Processed Meats	Ready Meals	Total
Segment income statement						
Segment sales	216.052	125.751	341.803	222.310	133.887	356.197
Segment results	9.031	7.261	16.292	-13.182	7.084	-6.098
Non-allocated results			-8.995			-3.873
Net financing cost			-2.277			-1.896
Taxes			-3.495			2.058
Result of companies according to equity method			0			0
Consolidated result			1.525			-9.811
Other segment information						
Segment investments	3.917	2.506	6.423	7.361	7.430	14.791
Non-allocated investments			733			442
Total investments			7.156			15.233
Segment depreciations and non-cash costs	8.434	5.501	13.935	10.179	4.694	14.873
Non-allocated depreciations and non-cash costs			488			1.274
Total depreciations and non-cash costs			14.403			16.147

Segmentinformatie

Comparison of key data per business segment In '000 EUR

	Processed Meats	Ready Meals	Non-allocated	Total
EBIT 2021	9 031	7 261	-8 995	7 297
EBIT 2020	-13 182	7 084	-3 873	-9 971
Variance	22 213	177	-5 122	17 268
EBITDA 2021	17 465	12 762	-8 527	21 700
EBITDA 2020	-3 003	11 778	-2 599	6 176
Variance	20 468	984	-5 928	15 524

Comparison of key data per business segment In '000 EUR

	Processed Meats	Ready Meals	Non-allocated	Total
U-EBIT 2021	9 031	7 261	-3 581	12 711
U-EBIT 2020	-6 900	8 334	-3 758	-2 324
Variance	15 931	-1 073	177	15 035
U-EBITDA 2021	17 465	12 762	-3 113	27 114
U-EBITDA 2020	2 031	13 028	-2 484	12 575
Variance	15 434	-266	-629	14 539

QUESTIONS

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August 27, 2021

