



ter**b**eke

driven by **the zeal for your everyday meal**

Dag van de tips

Dirk Goeminne

October 8 2016

Agenda

- ▮ Who are we?
- ▮ What thrives us?
- ▮ Processed meats headlines
- ▮ Ready meals headlines
- ▮ Consolidated figures
- ▮ Why look at Ter Beke

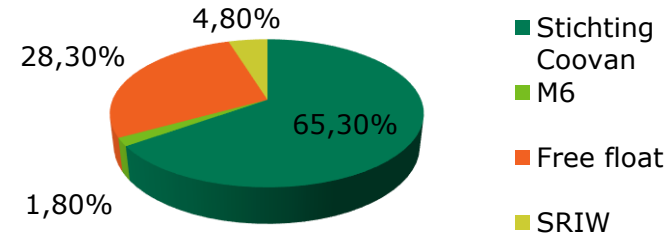


Ter Beke Introduction

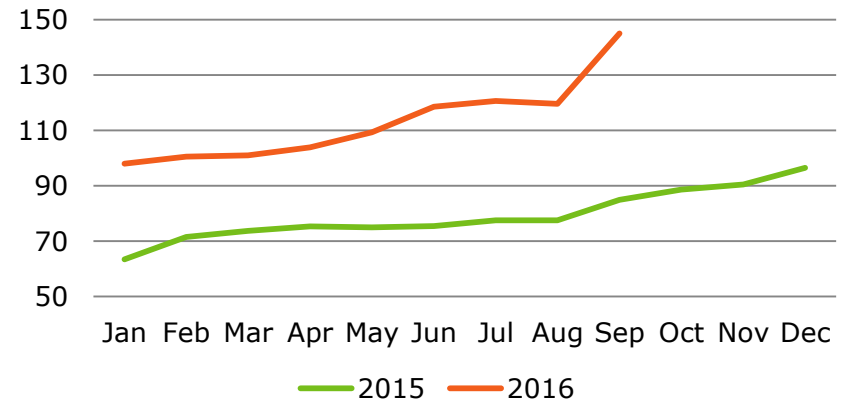
Ter Beke (Euronext Brussel: TERB)

- Concern
- Markets its assortment in more than 10 European countries
- 2 core activities:
 - Processed meats
 - Fresh ready meals
- 7 industrial sites in Belgium and the Netherlands
- Employs approximately 1,650 people
- Generated a turnover of EUR 399 million in 2014.

Shareholder structure



Share price evolution



Ter Beke ambitiously preparing the future



FOCUS ON **STRUCTURAL PROFITABILITY** AND **SHAREHOLDER VALUE**



CLEAR GROWTH STRATEGY IN PROCESSED MEATS



CLEAR GROWTH STRATEGY IN READY MEALS



When it comes to food, the primary consumer trends remain
taste, quality & indulgence

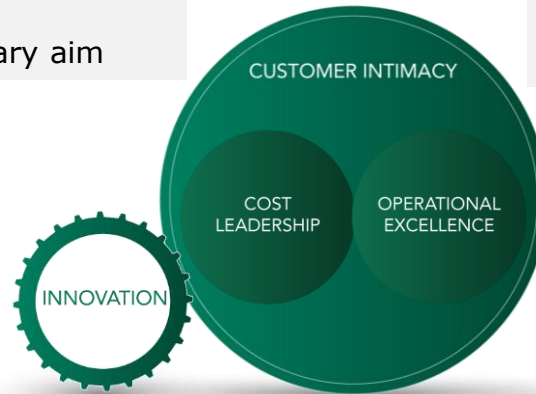
Strategic value & growth must be generated through:

CUSTOMER INTIMACY

- ▢ Our customers are at the heart of our operations
- ▢ Satisfied customers are our primary aim

OPERATIONAL EXCELLENCE

- ▢ We strive to excel in everything we do
- ▢ We do the right things and we do them right
- ▢ We do not compromise on quality



COST LEADERSHIP

- ▢ We manage ourselves and our operations as efficiently as possible
- ▢ We aim to reduce direct and indirect spend as much as possible

INNOVATION

- ▢ Innovation must be the driving force of our strategy and our organization
- ▢ New products, processes and services are an absolute prerequisite for growth

These values inspire and shape our behavior

TEAMWORK

We commit ourselves to work **together** to realise the Ter Beke goals. Working relationships are based on mutual **respect**, trust, listening and support.

RESULT DRIVEN

The realization of common and agreed **objectives** is the driver of our actions. We contribute in an efficient way to the **execution** of the strategy.

INTEGRITY

We are OPEN and HONEST in all our relations

INNOVATIVE

We encourage **entrepreneurial attitude** to create and launch forward looking solutions that generate value and **differentiate** us from our competitors.

CUSTOMER FOCUSED

We are driven by the desire to provide solutions for current and future demands of our **customers** and **consumers**.

Corporate Social Responsibility Plan 2015-2020

Ter Beke fully committed towards all its stakeholders, e.g.

- ▮ **Customer satisfaction,**
 - ▮ Top 20% customer satisfaction
- ▮ **Supply chain integrity,**
 - ▮ 100% GFSI certification of factories and suppliers
- ▮ **Animal welfare standards on meat and other animal products**
 - ▮ 100% in own branded products
- ▮ **Healthy living**
 - ▮ Less energy, fat and saturated fat (20% below competitors average)
 - ▮ Increasing vegetable intake (50% more)
- ▮ **Environmental friendly production**
 - ▮ No GMO's – No irradiated ingredients
 - ▮ 25% less energy & water use and waste water
- ▮ **Packaging materials**
 - ▮ Maximize reuse, recyclable or produced from recycled materials
 - ▮ If not, Compost Home and Bio-based packaging material



Our inspiration – Other relevant market & consumer trends

These trends will inspire and fuel all of our innovation efforts



Living better for less



Fun & Convenience



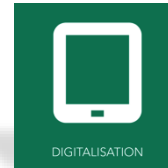
More older consumers, smaller households



CSR & Transparency



Health & Wellness



Digitalisation

Our Competitive Environment

Our head on competitors

Me2-competitors, fighting for the same contracts and having similar competence

Our category competitors

Inspiring competitors, active in our markets but also in many other niches or adjacent categories

Our newborn competitors

Future competitors, active in new potentially interesting categories or highly specialized niche operators, adjacent to our categories





Processed meats headlines

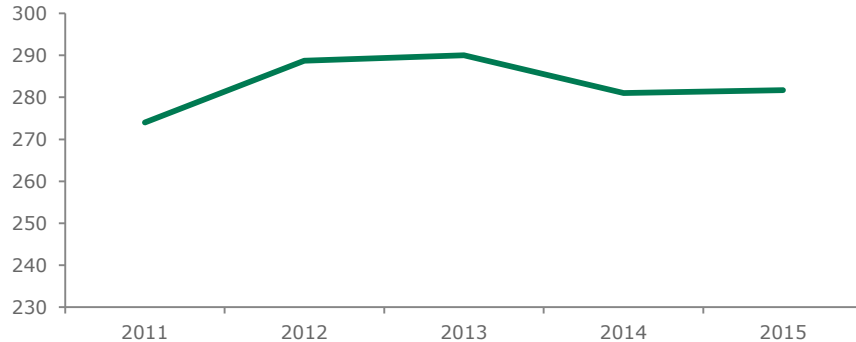
Strategy for processed meats

- ▮ Offers a qualitative full range of products
- ▮ Offers added value services to clients
- ▮ Operates in Benelux, UK and Germany
 - ▮ Nr 1 in Belgium in processed meats
 - ▮ Nr 1 in Benelux on service slicing
- ▮ Competitive advantage
 - ▮ Constant respect of agreed quality
 - ▮ Category concept development
 - ▮ Service slicing
 - ▮ Tailor and Boost

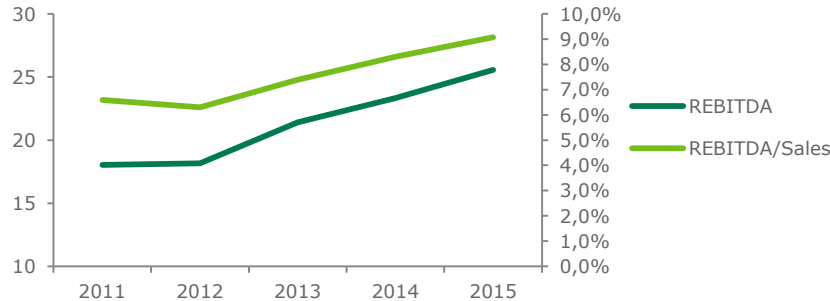


Processed Meats

Sales Evolution (in Mio EUR)



REBITDA & REBITDA/Sales Evolution (in Mio EUR)

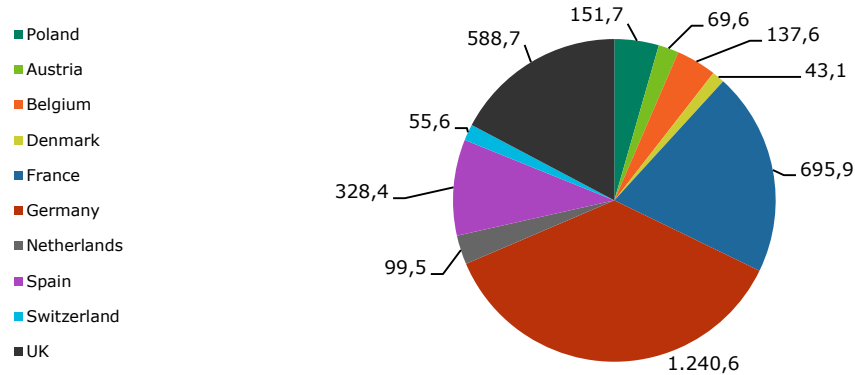


Processed Meats Division

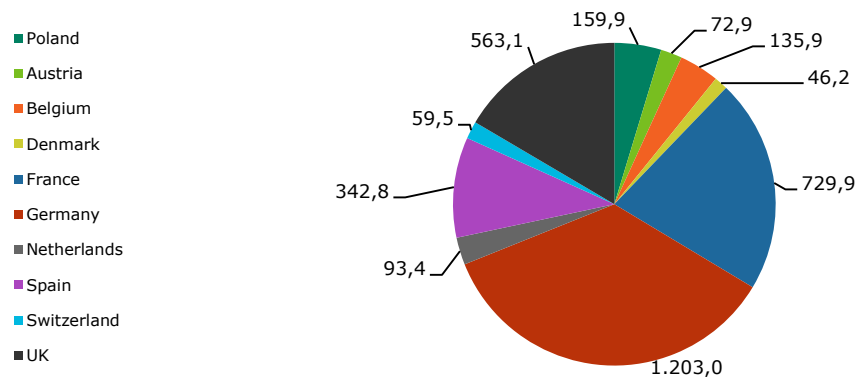
- producer and slicer of processed meats for the Benelux, the UK and Germany;
- 2 production plants in Belgium (Wommelgem and Waarschoot)
- 5 centres for the slicing and packaging of processed meats
 - 3 in Belgium (Waarschoot, Wommelgem and Veurne)
 - 2 in the Netherlands (Wijchen and Ridderkerk)
- innovating in the pre-packed processed meats segment;
- distribution brands and own brand names L'Ardennaise®, Pluma® and Daniël Coopman®;
- employs approximately 1050 staff.

The European Chilled Processed Meats Market

European Chilled processed meats market 2015



European processed meats market 2020



Findings

- b** The European Chilled processed meats category is over 5.7 million tons and over 60 Bn Euro
- b** The volume grows by 1% in Western Europe by 2020
- b** Value is driven by growth from Eastern Europe, with 39% value growth, whilst Western is expected to grow 15% between 2015 and 2020.
- b** Germany is the biggest processed meats market (36%) but shows a slight decline over the forecast period
- b** Value driven growth really starts to take hold in Western Europe

Some impressions on innovation within the Processed Meats Division

Multi Layer Packaging





Ready meals headlines

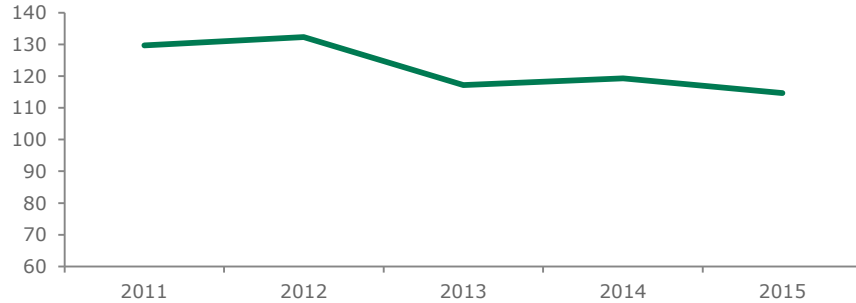
Strategy for ready meals

- ▮ Offers a qualitative range of chilled lasagna and pasta meals
- ▮ Operates in most Western European countries
 - ▮ European nr.1 in fresh lasagna
- ▮ Come a casa is a valuable brand in Belgium
- ▮ Clear growth strategy
 - ▮ 50% Pasta Food Company (joint venture) in Poland operational since end 2013
 - ▮ 33% of Stefano Toselli, French competitor on the European lasagna market
 - ▮ 2018 : option on 100% of Pasta Food Company and Stefano Toselli

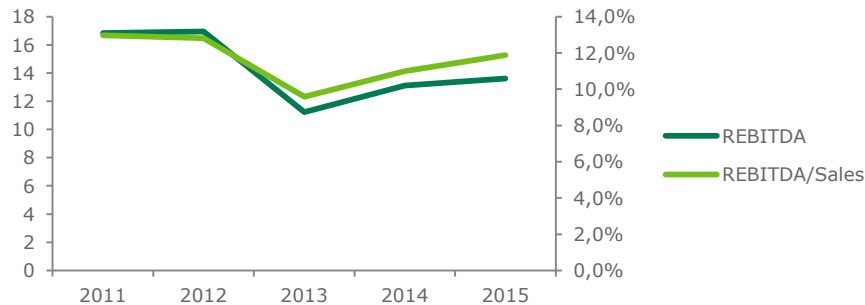


Ready Meals

Sales evolution (in Mio EUR)



REBITDA & REBITDA/Sales Evolution (in Mio EUR)



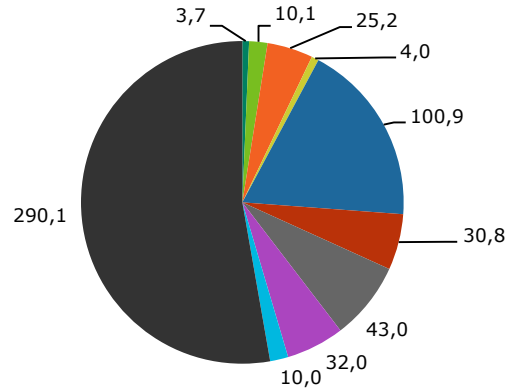
Ready Meals Division

- produces fresh ready meals for the European market;
- market leader in chilled lasagne in Europe;
- 7 highly automated production lines in 2 specialized production sites in Belgium
 - (Wanze and Marche-en-Famenne);
- brand names Come a casa® and Vamos® in addition to distribution brands;
- employs approximately 600 staff;
- joint venture The Pasta Food Company established in Poland (2011);
- 33% minority interest in Stefano Toselli

The European Chilled Ready Meals Market

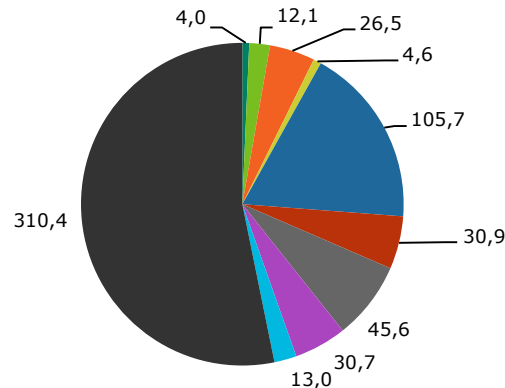
2015 Volume

■ Poland
 ■ Austria
 ■ Belgium
 ■ Denmark
 ■ France
 ■ Germany
 ■ Netherlands
 ■ Spain
 ■ Switzerland
 ■ UK



2020 Volume

■ Poland
 ■ Austria
 ■ Belgium
 ■ Denmark
 ■ France
 ■ Germany
 ■ Netherlands
 ■ Spain
 ■ Switzerland
 ■ UK



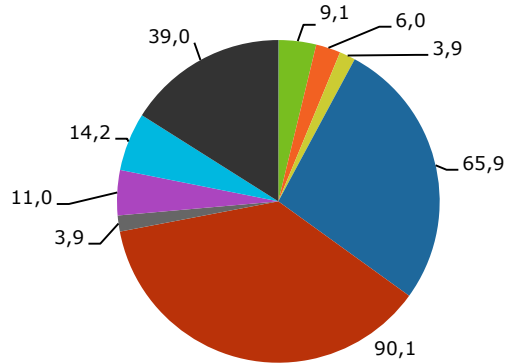
Findings

- The chilled ready meals segment is the fastest growing segment in the market, both in volume (+18% by 2018) and in value (+13% by 2018)
- All countries are growing, but the **United Kingdom** takes a 53% share and continues to grow at a good rate. The growth in the UK over the next five years is higher than the individual 2015 markets of Poland, Austria, Denmark & Switzerland.
- Austria**, **Switzerland** and **France** are up and coming whilst Germany is forecast to see a slight decline.

The European Chilled Fresh Pasta Market

European Chilled fresh pasta market 2015

■ Poland
■ Austria
■ Belgium
■ Denmark
■ France
■ Germany
■ Netherlands
■ Spain
■ Switzerland
■ UK

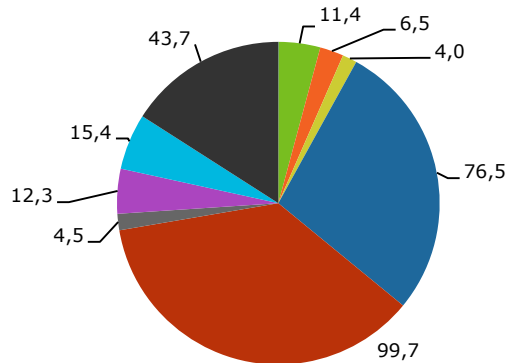


Findings

- Chilled Fresh Pasta is a growing segment, but value creation needs to be monitored
- Germany takes the pole position with a 37% market share. France and the United Kingdom are also key countries in this market.

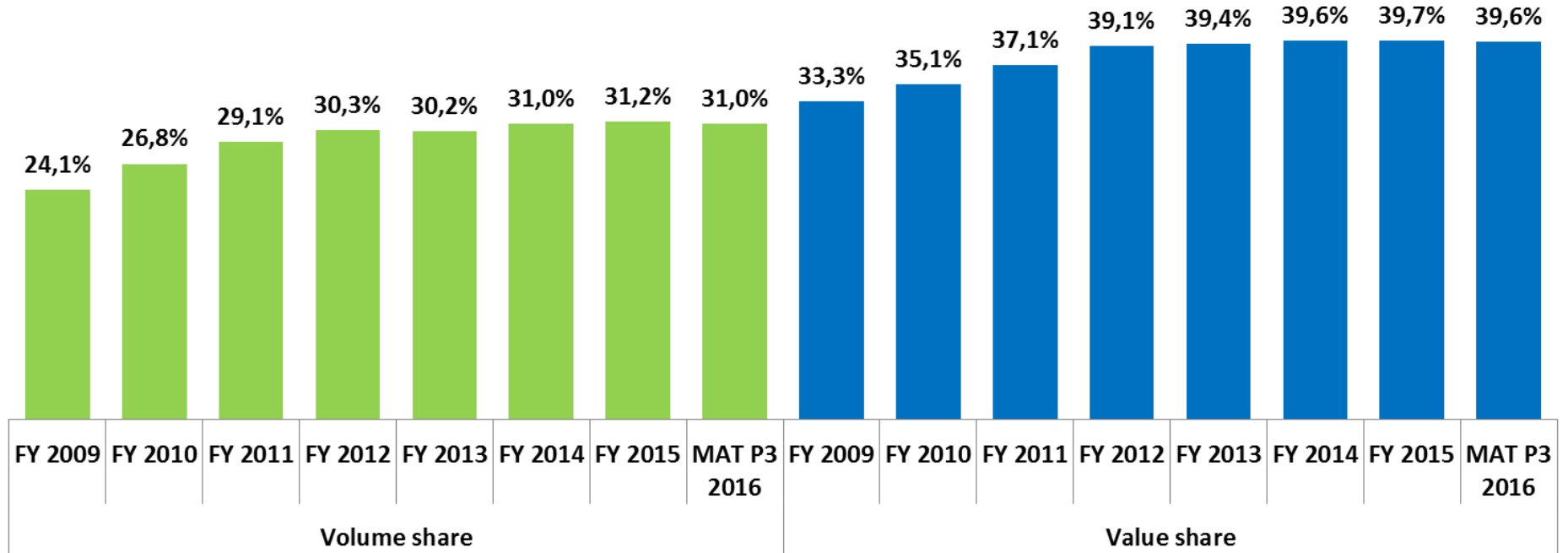
European Chilled fresh pasta market 2020

■ Poland
■ Austria
■ Belgium
■ Denmark
■ France
■ Germany
■ Netherlands
■ Spain
■ Switzerland
■ UK



Come a casa confirms as a brand in Belgium

MARKET Share Come a Casa Lasagne + Pasta in Open Market (Volume/Value)



Bron: Nielsen MAT
P3 2016

Some impressions on innovation within the Ready Meals Division

b Launch Come a casa[®] Delicious



Farfalle Pancetta



Lasagne Royale



Ravioli di Mare

Some impressions on innovation within the Ready Meals Division

Launch Tapas concept



Enterprises accounted for under the equity method

Pasta Food Company

- 50% Joint venture
- Delayed roll out of commercial plan
- EBITDA positive break even despite low volumes



October 8 2016

Dag van de Tips

Stefano Toselli

- 33% Participation
- Result only on last 4 months



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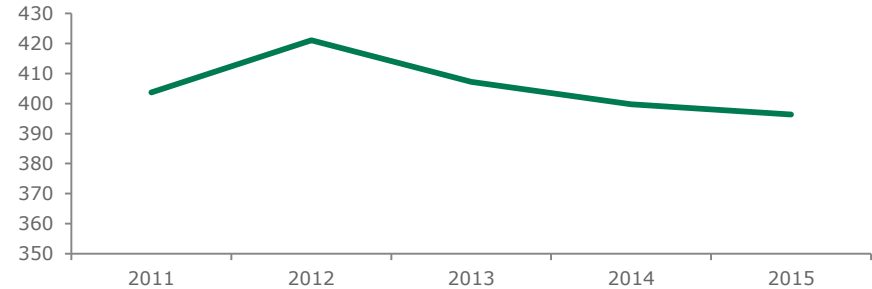


Consolidated Figures

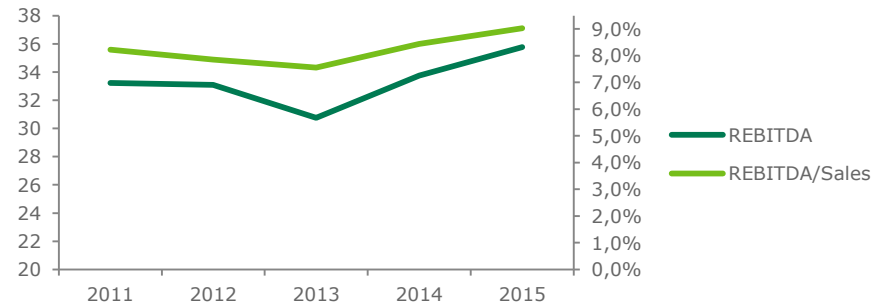
Ter Beke Consolidated

- Difficult economic environment
 - Price pressure from retail/consumer
 - Raw material price increases 2011-2012
 - Food crisis lasagna 2013
- Ter Beke structured for growth
 - Cost reduction program
 - Investment program
 - Strong balance sheet

Sales Evolution (in Mio EUR)

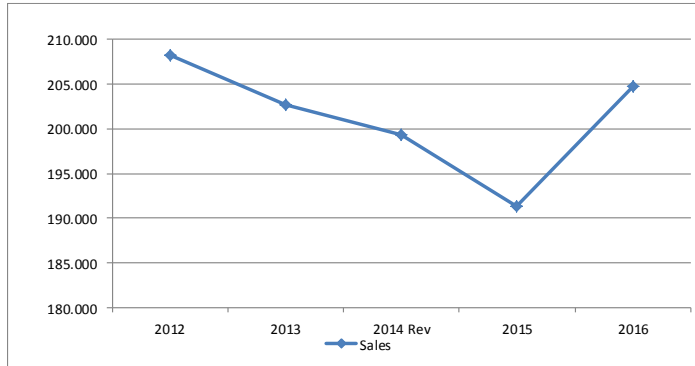


REBITDA & REBITDA/Sales evolution (in Mio EUR)

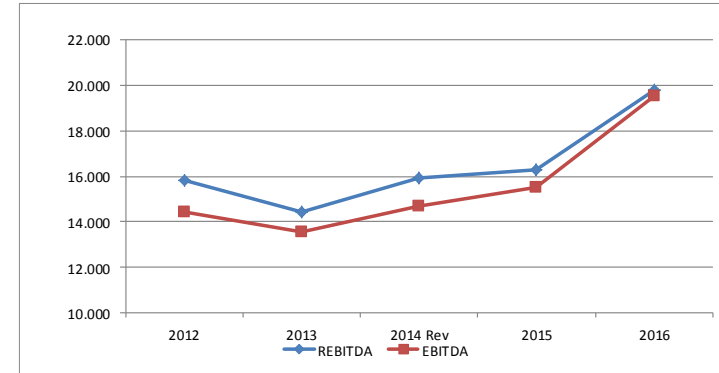


Increasing sales accelerates profit evolution

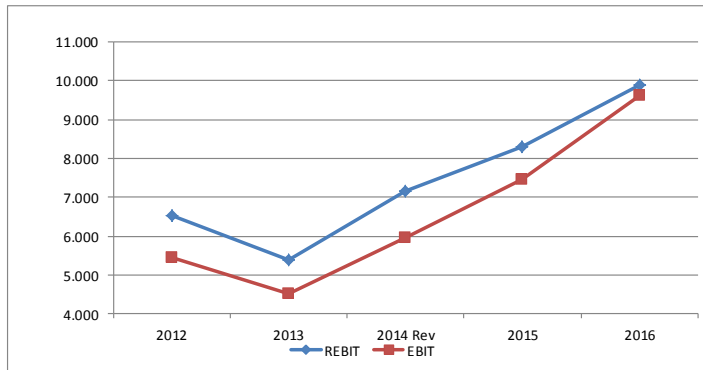
Sales Evolution (in 000 Eur)



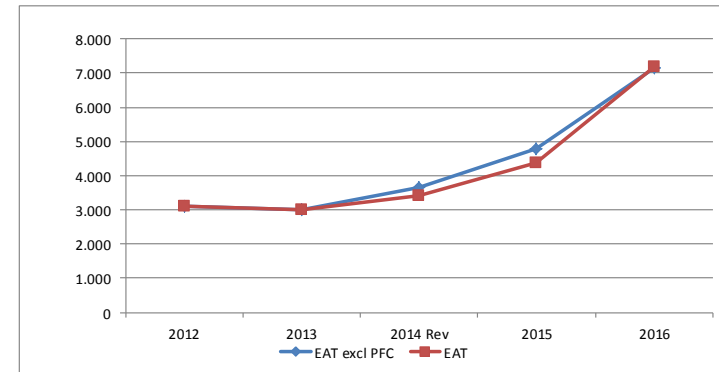
(R)EBITDA evolution (in 000 Eur)



(R)EBIT evolution (in 000 Eur)



EAT evolution (in 000 Eur)

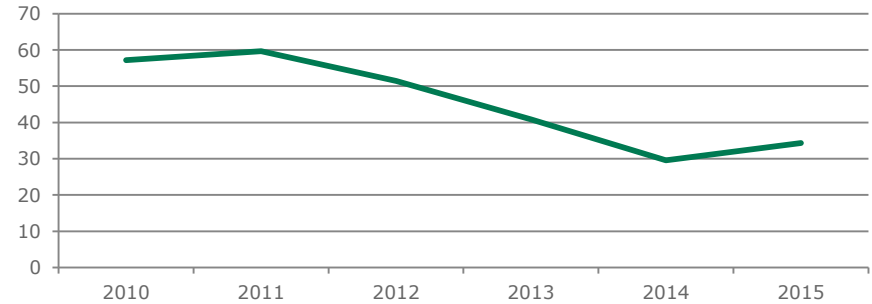


Ter Beke Consolidated

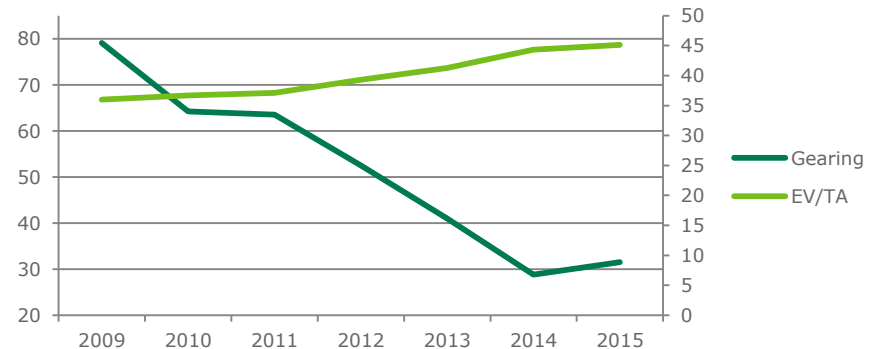
Strong financial evolution

- Strong operational cashflow leading to recurring annual free cashflow
 - Increase in dividend yield
 - Net debt decreases over time
 - Steady reinforcement of Equity / Total Asset ratio
-
- Ready for Next Step

Evolution Net Financial Debt (in Mio Eur)



Evolution Gearing & Equity (in Mio EUR) / Total asset ratio (in %)



Why look at Ter Beke

- ▮ Strong commercial position in various markets
- ▮ Committed management
- ▮ Steady dividend yield
- ▮ Ambitiously preparing the future
 - ▮ Financially ready
 - ▮ Opole ready



Thank you!



terbeke

driven by **the zeal for your everyday meal**