Greenyard shows record-high results, crossing the € 5bn sales and Adjusted EBITDA increasing 11,5% to € 186,5m

Sint-Katelijne-Waver, Belgium, 23 May 2024

Key highlights

- Significant increase in net sales (like-for-like): + 10,9% to € 5,1bn, crossing the € 5bn sales mark for the first time in Greenyard's 40-year history;
- With an 11,5% growth, Adjusted EBITDA increased even faster than net sales, landing at € 186,5m, above earlier guidance of € 175-€ 180m;
- Net result increased by 63% to € 15,2m resulting in an increase of EPS from 16cts to 28cts;
- Net Financial Debt[1] drops by another 4% to € 266,3m, despite the impact of inflation on the value of the inventories and more investments;
- Leverage of the Group drops below 2,00x to 1,87x;
- Greenyard's Board of Directors will present to its shareholders at the Annual Shareholders' Meeting on 20 September 2024 its proposal to increase the dividend by 150% from € 0,10 to € 0,25 per share for the full year ended March 2024;
- Greenyard reiterates its estimates to reach net sales of € 5,4bn and an Adjusted EBITDA of € 200-210m by full year 2025-2026 (financial year ending in March 2026).

- *Interested parties are invited to listen in on a live webcast today by visiting the following link: https://event.webcasts.com/starthere.jsp?ei=1672334&tp_key=538e9ddd01. The call will begin promptly at 2.00 p.m. (CET). A replay of the call will be available on Greenyard's Investor Relations webpage in the subsequent days.*

Quote of the CEO:

Francis Kint, CEO said: *"We are very proud to realise these results in a challenging environment, characterised by a second year of inflation. Greenyard improved both in volume and prices.*

The Long Fresh segment (frozen and ambient fruit and vegetable product categories) reached sales just shy of the € 1bn sales mark, whilst further strengthening the operational profitability margin. This is the result of a successful expansion in value-added convenience products, e.g., by adding a line of frozen pure-plant gelato products. In turn, the Fresh segment has continued to expand its business with key ICR customers (ICR stands for Integrated Customer Relationships).

Both segments benefit from the trend of consumers seeking to increase the intake of fruit and vegetables in all its forms, to eat healthier and consume food that is produced in sustainable food chains. The achievements during this fiscal year and our plans to increase margins by focusing even more on our strongest business units, makes us confident to reach the € 200m-€ 210m Adjusted EBITDA level by full year 2025/26."

[1] Excluding lease accounting

Figure 1 – Key financials

Key financials (in €'000 000)	AY 23/24	AY 22/23	Difference
Sales (reported)	5 135,9	4 690,1	9,5%
Sales (like-for-like)[1]	5 072,4	4 575,8	10,9%
Adjusted EBITDA	186,5	167,3	11,5%
Adjusted EBITDA-margin %	3,6%	3,6%	
Net result	15,2	9,3	
Earnings per share (in €)	0,28	0,16	
Net financial debt (excl. lease accounting)	266,3	277,3	-4,0%
Leverage	1,87	2,19	

[1] Like-for-like sales are the reported sales corrected for the sales of divestitures (Greenyard Fresh UK and Greenyard Fresh France incl. subsidiaries).

Sales. Greenyard sales increased with 10,9% or € 496,6m on a like-for-like basis, from € 4 575,8m to € 5 072,4m. The growth is driven by both volume growth of +2,7% and price increases (+7,3%), the latter to cover higher input costs.

Adjusted EBITDA. The Adjusted EBITDA increased with € 19,2m from € 167,3m to € 186,5m which represents a growth of 11,5%. Greenyard was able to successfully increase its operational profitability in absolute terms thanks to high crop yields in Long Fresh, further process efficiency and growth within its unique Integrated Customer Relationships. This evidences the success and resilience of the business model in an economic context marked by inflation, consumer purchasing power reduction and climate change.

Net Result. Greenyard reports a net result that increased by 63% from € 9,3m in the same period last year to € 15,2m thanks to the improved operating result and limited non-recurring costs partly compensated by the gain on the sale of assets in Brazil and UK. The increase of the operational result has been partly offset by higher interest costs.

Net Financial Debt. Net Financial Debt (NFD) was significantly reduced by € 11,0m compared to 31 March 2023, to € 266,3m on 31 March 2024. This translates into a leverage of 1,87x, down from 2,19x on 31 March 2023. This result was achieved thanks to the increased operational result and the successful management of the cash conversion cycle, despite the increase in inventory and the increased investments.

Quote of the CFO:

Nicolas De Clercq, CFO said: *"The Company has again shown a strong performance, particularly in these challenging market circumstances. There is an impact of inflation on the inventory levels, however, thanks to the strong working capital management, the net debt decreased. Also, the increased interest rates had an important impact on the financial cost, but thanks to the increased operational result, net profit increased to € 15,2 million. Volume grew further and inflation could be charged through in most cases, which creates a promising platform for further growth of the result and cash flow of the Group."*

Segment review

1. Fresh

Figure 2 – Sales and Adjusted EBITDA evolution

Key segment figures - FRESH in €'000 000	AY 23/24	AY 22/23	Difference
Sales (reported)	4 143,8	3 814,5	8,6%
Sales (like-for-like)[(1)]	4 080,1	3 700,3	10,3%
Adjusted EBITDA	96,7	95,1	1,7%
Adjusted EBITDA-margin %	2,3%	2,5%	

[(1)] *Like-for-like sales are the reported sales corrected for the sales of divestitures (Greenyard Fresh UK and Greenyard Fresh France incl. subsidiaries).*

Sales. Like-for-like (LfL) Fresh sales increased by +10,3% YoY or € 379,8m, to € 4 080,1m. Sales within the Integrated Customer Relationships thereby grew from 75% to 79% of Fresh segment sales which provides a stable financial basis in these volatile economic times. The sales growth is mainly explained by price increases amounting to 5,6%, and a positive volume effect of 3,8% driven by extra programs within the ICR customers. Price dynamics in Fresh are not only driven by input cost inflation but also by supply-demand volatility in the different F&V categories caused by elements like weather, geopolitical changes, etc.

Adjusted EBITDA. The Adjusted EBITDA of the Fresh segment is € 1,6m higher than in AY 22/23 particularly thanks to the strong result of the Integrated Customer Relationships. Greenyard's long-term oriented customer relationships were very resilient in the current volatile economic environment and generated volumes and margins that proved to be more robust than the overall market.

2. Long Fresh

Figure 3 – Sales and Adjusted EBITDA evolution

Key segment figures - LONG FRESH in €'000 000	AY 23/24	AY 22/23	Difference
Sales (reported)	992,2	875,6	13,3%
Sales (like-for-like)	992,2	875,6	13,3%
Adjusted EBITDA	89,2	72,3	23,5%
Adjusted EBITDA-margin %	9,0%	8,3%	

Sales. LfL Long Fresh sales increased by +13,3% YoY to € 992,2m, up € 116,6m from € 875,6m. This double-digit sales growth is driven by 14,0% price increases following several waves of price negotiations to compensate higher production input prices. This positive evolution was only slightly offset by a negative volume growth of 1,9% due to temporarily lower stock levels held by customers.

Adjusted EBITDA. In absolute terms, the Adjusted EBITDA grew with € 16,9m. The growth and margin evolution is driven by higher crop yields than last year, mainly thanks to a strong pea season in the UK and thanks to accelerated sales price increases. The margin increases from 8,3% to 9,0%, driven by the production efficiencies and solid product portfolio management.

Adjustments

Figure 4 – Adjustments made for one-off items from operating activities

EBIT - Adjusted EBITDA	AY 23/24				AY 22/23			
	Fresh €'000	Long Fresh €'000	Unallocated €'000	TOTAL €'000	Fresh €'000	Long Fresh €'000	Unallocated €'000	TOTAL €'000
EBIT	**19 448**	**54 253**	**-1 826**	**71 875**	**11 609**	**38 914**	**-1 815**	**48 709**
Depreciation and amortisation	72 038	34 411	1 422	107 870	67 077	33 239	1 041	101 358
Impairment other	539	-	-	539	-	-	-	-
EBITDA	**92 025**	**88 663**	**-404**	**180 284**	**78 686**	**72 154**	**-773**	**150 067**
Reorganisation costs and reversal of provision for reorganisation costs (-)	1 308	742	770	2 819	4 693	44	319	5 056
Corporate finance related project costs	139	68	209	416	1	-	362	363
Costs related to legal claims	69	-	20	88	1 412	1 023	25	2 460
Income related to legal claims	-	-243	-	-243	-640	-	-	-640
Result on sale of assets	-1 622	-	-	-1 622	-	-977	-	-977
Other	-	-	-	-	1 424	13	28	1 465
Adjustments	**-106**	**566**	**998**	**1 458**	**6 890**	**102**	**735**	**7 727**
Current year EBITDA of divestitures[(1)]	4 755	-	-	4 755	9 505	-	-	9 505
Divestitures (not in IFRS 5 scope)	**4 755**	**-**	**-**	**4 755**	**9 505**	**-**	**-**	**9 505**
Adjusted EBITDA	**96 674**	**89 230**	**594**	**186 497**	**95 081**	**72 256**	**-38**	**167 298**

[(1)] Divestitures relate to Greenyard Fresh UK and Greenyard Fresh France incl. subsidiaries.

EBIT amounted to € 71,9m compared to € 48,7m last year. In AY 23/24 adjustments are materially lower than last year, while depreciation and amortization costs increased due to an increase in investments.

As to adjustments, these decreased from € 7,7m last year to € 1,5m this year, with main impacts this year being provisions related to reorganization costs e.g., redundancy and contract termination expenses in Fresh Germany as well as reorganizations within the Long Fresh segment and corporate headquarters. The adjustments of this year also benefited from the positive result on the sale of unutilized land in Brazil and the sale of a building in our UK Fresh subsidiary.

The adjustment for current year's EBITDA of divestitures includes the same entities as last year, Greenyard Fresh UK and Greenyard Fresh France (incl. subsidiaries). For Greenyard Fresh UK, the operational wind-down has been completed and the liquidation has been initiated in March 2024. With regard to Greenyard Fresh France (incl. subsidiaries), next steps were taken in reorganising the local operations.

Finance result

Figure 5 – Finance result

Net finance income/cost (-)	AY 23/24 €'000	AY 22/23 €'000
Interest expense	**-56 304**	**-42 593**
Interest income	**1 761**	**232**
Foreign exchange gains/losses (-)	5 211	561
Fair value gains/losses (-) on IRS	-613	8 075
Bank and other financial income/cost (-)	-1 678	-696
Other finance result	**2 920**	**7 940**
TOTAL	**-51 623**	**-34 422**

The interest expenses increased with € 13,7m due to the increased EURIBOR rates, which impacted the non-hedged portion of our credit lines and factoring programs. This effect was amplified by our increased sales (9,5%) which led to higher factoring volumes.

Foreign exchange gains in AY 23/24 are mainly related to Polish Zloty. Note that in AY 22/23, a fair value gain was incurred originating from an interest rate swap contract related to factoring which was not designated as a hedging instrument.

Income taxes and net result

Figure 6 – Income taxes and net result

Consolidated income statement	AY 23/24 €'000	AY 22/23 €'000
Profit/loss (-) before income tax	**20 252**	**14 287**
Income tax expense (-)/income	-5 050	-4 999
Profit/loss (-) for the period	**15 202**	**9 289**
PROFIT/LOSS (-) FOR THE PERIOD	**15 202**	**9 289**
Attributable to:		
The shareholders of the Company	13 717	7 822
Non-controlling interests	1 485	1 467

Income tax for AY 23/24 amounts to € 5,1m (AY 22/23: € 5,0m). This implies a consolidated effective tax rate of 24,94% (AY 22/23: 34,99%). The current tax expenses result from improved profit before tax positions of tax-paying entities within the Group. The deferred tax movement is attributable to timing differences mainly on property, plant & equipment and customer relationships, and to the recognition of previously unrecognized deferred tax assets on unused tax losses and credits.

Financial position

Cash Flow

The cash inflow from operating activities amounted to € 170,9m in AY 23/24, compared to a cash inflow from operating activities of € 163,9m in AY 22/23, or an increase of € 6,9m. This increase is mainly the result of better operational results as discussed above which is offset by a decrease in working capital of € 6,7m in AY 23/24 compared to a decrease of € 33,8m the year before, or a net impact of € 27,0m. Although the inventories increased further in AY 23/24 due to inflation of input costs and trade and other receivables increased due to the sales growth, the working capital further improved thanks to the successful management of the cash conversion cycle.

Maintenance CAPEX was up by € 6,4m as Greenyard deems it of utmost importance to maintain its equipment at the highest standards. In AY 23/24, net interests paid (excl. other financial expenses) have increased by € -14,4m from € -38,4m in AY 22/23 to € -52,8m in AY 23/24 due to increased EURIBOR rates which impacted the non-hedged portion of our credit lines and factoring programs. This effect was amplified by our increased sales (9,5%) which led to higher factoring volumes.

Figure 7 – Free Cash flow

Free cash flow amounted to € 35,4m. After expansion, dividends and treasury shares the free cash flow amounted to € 16,9m.

Consolidated free cash flow	AY 23/24 €'000	AY 22/23 €'000
Operating cash flow before lease payments	179 722	143 657
Lease Payments	-36 796	-32 804
Working Capital	6 744	33 773
Income taxes paid	-15 612	-13 496
Interests paid (incl. other financial expenses)	-54 764	-39 004
Capital expenditures - maintenance	-43 882	-37 434
FREE CASH FLOW	**35 411**	**54 693**
Capital expenditures - expansion	-17 924	-19 284
Proceeds from sale of financial and intangible assets and PPE	4 869	2 521
Acquisition of subsidiaries	-518	-
Treasury shares	87	340
Dividend payments	-5 070	-139
FREE CASH FLOW AFTER EXPANSION, DIVIDENDS AND TREASURY SHARES	**16 855**	**38 131**

In the capital allocation of the Company, € 17,9m was used for expansion and € 5,1m was paid out as dividend. The expansion CAPEX in AY 23/24 in Fresh mainly relates to the further roll-out of the new ERP, new trailers/trucks (including electric trucks) as well as new citrus and mango lines. In Long Fresh, the investments mainly concern a new sauce unit and cauliflower cheese line as well as replacement and automation investments in production facilities.

Outlook statement

Based on the current expectations and assumptions for the coming years, taking note of the current and prospective very uncertain macro-economic circumstances, Greenyard confirms its outlook for sales of € 5 400m and an Adjusted EBITDA between € 200m and € 210m by March 2026.

Subsequent events

Greenyard acquired 100% of the shares of the Belgian company Crème de la Crème in April 2024. Crème de la Crème is a food tech expert that develops, manufactures, and sells ice (gelato) products and frozen desserts, with a clear focus on the pure-plant category. The acquisition is an immediate catalyst for Greenyard in transforming the total frozen snack category, with the clear goal of letting consumers enjoy indulgent and pleasurable pure-plant food experiences and follows the successful acquisition of Italian pure-plant ice Gigi in the spring of 2023. It fits in Greenyard's strategy to create a full range of healthy, pure-plant products for any moment of the day.

There are no other major events after the balance sheet date which have a major impact on the further evolution of the Group.

Change in consolidation perimeter

No major changes occurred in the consolidation scope during AY 23/24.

Statement statutory auditor

The statutory auditor, KPMG Bedrijfsrevisoren – Réviseurs d'Entreprises, represented by Filip De Bock, has confirmed that the audit procedures, which have been substantially completed, have not revealed any material misstatement in the accounting information included in the Company's annual announcement.

APPENDIX 1: Consolidated income statement

Consolidated income statement	AY 23/24 €'000	AY 22/23 €'000
Sales	5 135 949	4 690 110
Cost of sales	-4 804 427	-4 395 409
Gross profit/loss (-)	**331 521**	**294 701**
Selling, marketing and distribution expenses	-103 760	-100 108
General and administrative expenses	-168 630	-162 290
Other operating income/expense (-)	12 352	15 963
Share of profit/loss (-) of equity accounted investments	391	443
EBIT	**71 875**	**48 709**
Interest expense	-56 304	-42 593
Interest income	1 761	232
Other finance result	2 920	7 940
Net finance income/cost (-)	**-51 623**	**-34 422**
Profit/loss (-) before income tax	**20 252**	**14 287**
Income tax expense (-)/income	-5 050	-4 999
Profit/loss (-) for the period	**15 202**	**9 289**
PROFIT/LOSS (-) FOR THE PERIOD	**15 202**	**9 289**
Attributable to:		
The shareholders of the Company	13 717	7 822
Non-controlling interests	1 485	1 467

APPENDIX 2: Consolidated statement of financial position

Assets	31 March 2024	31 March 2023
	€'000	€'000
NON-CURRENT ASSETS	**1 214 558**	**1 239 001**
Property, plant & equipment	309 264	320 423
Goodwill	477 504	477 504
Intangible assets	172 261	177 299
Right-of-use assets	210 004	205 049
Investments accounted for using equity method	9 107	8 650
Other financial assets	7 294	16 852
Deferred tax assets	27 393	31 554
Trade and other receivables	1 730	1 670
CURRENT ASSETS	**761 502**	**734 205**
Inventories	406 070	375 382
Trade and other receivables	269 076	239 012
Other financial assets	288	455
Cash and cash equivalents	84 359	119 357
Assets classified as held for sale	1 709	-
TOTAL ASSETS	**1 976 060**	**1 973 206**

Equity and liabilities	Note	31 March 2024	31 March 2023
		€'000	€'000
EQUITY		**489 572**	**486 037**
Issued capital		337 692	337 692
Share premiums		317 882	317 882
Consolidated reserves		-181 552	-182 624
Cumulative translation adjustments		-1 680	-2 764
Non-controlling interests		17 230	15 850
NON-CURRENT LIABILITIES		**539 152**	**615 839**
Employee benefit liabilities		13 799	13 735
Provisions		9 453	9 117
Interest-bearing loans		295 766	351 534
Lease liabilities		195 384	200 810
Other financial liabilities		2 120	-
Trade and other payables		1 508	3 142
Deferred tax liabilities		21 122	37 501
CURRENT LIABILITIES		**947 336**	**871 330**
Provisions		4 121	3 796
Interest-bearing loans		36 329	29 922
Lease liabilities		31 086	30 445
Other financial liabilities		706	1 278
Trade and other payables		875 094	805 889
TOTAL EQUITY AND LIABILITIES		**1 976 060**	**1 973 206**

APPENDIX 3: Consolidated statement of cash flows

Consolidated statement of cash flows	AY 23/24 €'000	AY 22/23 €'000
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, OPENING BALANCE	**119 356**	**98 026**
CASH FLOW FROM OPERATING ACTIVITIES (A)	**170 853**	**163 934**
EBIT	**71 875**	**48 709**
Income taxes paid	**-15 612**	**-13 496**
Adjustments	**107 847**	**94 948**
Amortisation of intangible assets	22 190	20 516
Depreciation of property, plant & equipment and right-of-use assets	86 185	80 841
Write-off on stock/trade receivables	1 142	381
Increase/decrease (-) in provisions and employee benefit liabilities	631	-5 928
Gain (-)/loss on disposal of property, plant & equipment	-2 318	-1 245
Share based payments and other	409	826
Share of profit/loss (-) of equity accounted investments	-391	-443
Increase (-) /decrease in working capital	**6 744**	**33 773**
Increase (-)/decrease in inventories	-26 590	-37 347
Increase (-)/decrease in trade and other receivables	-37 607	2 274
Increase/decrease (-) in trade and other payables	70 941	68 847
CASH FLOW FROM INVESTING ACTIVITIES (B)	**-57 455**	**-54 197**
Acquisitions (-)	**-62 324**	**-56 719**
Acquisition of intangible assets and property, plant & equipment	-61 806	-56 719
Acquisition of subsidiaries	-518	-
Disposals	**4 869**	**2 521**
Disposal of intangible assets and property, plant & equipment	4 869	2 521
CASH FLOW FROM FINANCING ACTIVITIES (C)	**-155 880**	**-88 064**
Dividend payment	-5 070	-139
Acquisition/sale treasury shares	87	340
Proceeds from borrowings, net of transaction costs	154 000	479 112
Repayment of borrowings	-213 337	-495 570
Payment of principal portion of lease liabilities	-36 796	-32 804
Net interests paid	-52 790	-38 353
Other financial expenses	-1 974	-650
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**-42 482**	**21 673**
Effect of exchange rate fluctuations	-1 000	-343
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, CLOSING BALANCE	**75 874**	**119 356**
Of which:		
Cash and cash equivalents	84 359	119 357
Bank overdrafts	8 485	1

APPENDIX 4: Reconciliation net financial debt

Reconciliation net financial debt	31 March 2024 €'000	31 March 2023 €'000
Cash and cash equivalents	-84 359	-119 357
Interest-bearing bank debt (non-current/current)	247 021	292 409
Interest-bearing lease & lease back debt (non-current/current)	85 074	89 047
Lease liabilities (non-current/current)	226 470	231 254
As reported	**474 206**	**493 353**
Net capitalised transaction costs related to the refinancing	6 296	6 557
Net financial debt	**480 502**	**499 910**
Lease accounting (IFRS 16)	-214 219	-222 626
Net financial debt (excl. lease accounting)	**266 283**	**277 285**

The annual report and financial statements will be released on 19 June 2024 and will be available on the Greenyard website.

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About Greenyard

Greenyard (Euronext Brussels: GREEN) is a global market leader in fresh, frozen and prepared fruit and vegetables, flowers and plants. Counting Europe's leading retailers amongst its customer base, Greenyard offers efficient and sustainable solutions to customers and suppliers through best-in-class products, market leading innovation, operational excellence and outstanding service.

Its vision is to make lives healthier by helping people enjoy fruit and vegetables at any moment, easy, fast and pleasurable, while fostering nature. With around 8 600 employees operating in 23 countries worldwide, Greenyard identifies its people, and customer and supplier relationships, as the key assets which enable it to deliver goods and services worth around € 5,0 billion per annum.

www.greenyard.group

Glossary

CAPEX	Capital expenditures
EBIT	Operating result
EPS	Earnings per share
IRS	Interest rate swap
Liquidity	Current assets (including assets classified as held for sale)/Current liabilities(including liabilities related to assets classified as held for sale)
Leverage	NFD (for leverage) / Adjusted EBITDA (for leverage)
Net financial debt (NFD)	Interest-bearing debt (at nominal value) after the impact of lease accounting (IFRS 16) less bank deposits, cash and cash equivalents and restricted cash
Net financial debt (NFD) excl. lease accounting	Interest-bearing debt (at nominal value) before the impact of lease accounting (IFRS 16) less bank deposits, cash and cash equivalents and restricted cash
NFD (for leverage)	Net financial debt (NFD) excl. lease accounting
Net result	Profit/loss (-) for the period
Adjusting items	Adjusting items are one-off expenses and income that in management's judgement need to be disclosed by virtue of their size or incidence. Such items are included in the consolidated income statement in their relevant cost category, but separately disclosed in the chapter *Key financial information* reconciling EBIT to Adjusted EBITDA. Transactions which may give rise to adjusting items are principally restructuring and reorganisation activities, impairments, disposal of assets and investments, claims, IFRS 3 acquisition accounting and corporate finance related projects and the effect of the accelerated repayment of certain financial indebtedness.
Adjusted EBITDA	EBIT corrected for depreciation, amortisation and impairments excluding adjusting items, excluding EBIT corrected for depreciation, amortisation and impairments from minor operations that are divested or divestment is in process (not within the scope of IFRS 5).
Adjusted EBITDA (for leverage)	Adjusted EBITDA excluding the impact of lease accounting (IFRS 16)
Adjusted EBITDA margin%	Adjusted EBITDA/ Sales
LTM	Last twelve months
LTM Adjusted EBITDA	Last twelve months Adjusted EBITDA, corrected for acquisitions and disposals on a like-for-like basis
LTM Adjusted EBITDA (for leverage)	Last twelve months Adjusted EBITDA, corrected for acquisitions and disposals on a like-for-like basis and excluding the impact of lease accounting (IFRS 16)
Working capital	Working capital is the sum of the inventories, trade and other receivables (non-current and current) and trade and other payables (current). In this respect trade and other receivables are corrected for long-term (financing) receivables and accrued interest income and trade and other payables exclude accrued interest expenses anddividend payable.
AY 22/23	Accounting year ended 31 March 2023
AY 23/24	Accounting year ended 31 March 2024