Press Release

Greenyard shows solid topline results with a further increase in net sales and Adjusted EBITDA

Sint-Katelijne-Waver, Belgium, 19 November 2024

Key highlights:

- Increase in like-for-like Net Sales (+6,1% or € +152,7m) to € 2 641,0m, thanks to +2,4% inflation compensating measures, a +2,9% volume increase driven by the Fresh segment and +0,8% increase in service sales and transport recharges.
- Adjusted EBITDA notes a 4,6% increase, to € 94,4m.
- Net Result of € 1,2m ends below last year's level, due to further restructuring costs, higher depreciations and a gain on the sale of property, plant & equipment last year.
- Strong reduction of both debt and leverage ratio (from 2,39x to 1,92x year-on-year) is achieved by an improved operational cash flow and net working capital, and this even despite a higher inventory, the acquisition of Crème de la Crème, the share buyback program and dividend payments.
- Good progress in realising ESG ambitions and CSRD reporting. Improvement examples are an increase on renewable energy to 64% ensuring that Greenyard will reach its $C0_2$-reduction ambitions this year. Also, on packaging the Group is on target to reach 100% recyclability.

Greenyard confirms its ambitions of reaching € 5 400m in sales and between € 200m–210m of Adjusted EBITDA by March 2026.

Highlights per segment

- The Fresh segment like-for-like Net Sales grows with 6,5% to € 2 164,3m. Mainly thanks to higher volumes and an increase in the revenues from our Integrated Customer Relationships (ICR), bringing the percentage of ICR-sales in Fresh from 78% to 79%. The Adjusted EBITDA slightly decreased by € -0,3m over the same period in the previous year, or -0,6% due to, amongst others, higher sorting and packing labour costs.
- Like-for-like Sales in the Long Fresh segment have increased by € 20,4m compared to the same period last year to € 476,7m, or a 4,5% increase. This is mostly a result of the annualization of inflation mitigating actions, particularly in Frozen. These are partially offset by a negative volume effect of -4,3% caused by lower sales to the Food Service channel in Frozen and lower vegetable volumes in Prepared. Processing and packing volumes in the Long Fresh segment are back in line with last year after a catch-up in the 2nd quarter of AY 24/25. The EBITDA margin increases from 8,2% last year to 8,6%.

CEO Francis Kint commented: "*After successfully navigating our business during two challenging years in 2022 and 2023, which were marked by unseen inflation, we reached good operational results in the first half of this financial year 24/25. Our net sales increased, and we further improved our Adjusted EBITDA. This was driven by sustained volume growth, particularly in the Fresh segment, and by managing optimal price levels across both segments, Fresh and Long Fresh.*

At the same time, we're already actively preparing for next financial year by further enhancing challenging businesses on the one hand and reducing overhead in certain divisions on the other. Additionally, we see further opportunities for operational improvements in the future. The future of food is right in line with our core business, and thanks to the agility of both our people and our operations, we can fully support our customers and growers in the further growth of the consumption of pure-plant foods."

Group Results

Key financials (in €'000 000)	H1 24/25	H1 23/24	Difference
Sales (reported)	2 667,8	2 521,3	5,8%
Sales (like-for-like)(1)	2 641,0	2 488,3	6,1%
Adjusted EBITDA	94,4	90,3	4,6%
Adjusted EBITDA-margin %	3,5%	3,6%	
Net result	1,2	7,0	
EPS (in €)	0,01	0,13	
NFD (excl. lease accounting)	280,7	316,0	-11,2%
Leverage	1,92	2,39	

(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. Group sales increased year-on-year by € 146,6m, up from € 2 521,3m to € 2 667,8m for the first six months of the current financial year. This is a 6,1% increase on a like-for-like basis, driven by +2,4% inflation compensating measures (including -€ 0,6m FX impact on the USD, GBP, PLN and CZK), a +2,9% volume increase in the Fresh segment and +0,8% increase in service sales (Fresh) and transport recharges.

Adjusted EBITDA. The Adjusted EBITDA increased from € 90,3m to € 94,4m, or +4,6%, thanks to a positive volume variance in the Fresh segment and price increases and energy aid in the Long Fresh segment. The Adjusted EBITDA margin slightly decreased from 3,6% to 3,5% for the first six months of the financial year.

By segment

Fresh

Key segment figures - FRESH in €'000 000	H1 24/25	H1 23/24	Difference
Sales (reported)	2 191,2	2 065,0	6,1%
Sales (like-for-like)(1)	2 164,3	2 032,0	6,5%
Adjusted EBITDA	51,7	52,0	-0,6%
Adjusted EBITDA-margin %	2,4%	2,5%	

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

The Fresh segment achieved a sales growth of +6,1%, generating an additional € 126,2m in sales in the first six months of the financial year. The like-for-like sales increase of 6,5% was mainly attributable to a positive volume effect of +4,5% mainly driven by increased volumes within the Integrated Customer Relations that now represent 79% of sales in the Fresh segment versus 78% in the same period last year. Furthermore, sales increase with +1,4% thanks to sales price increases on Fruit & Vegetables and an increase in service sales of +0,6%.

The Adjusted EBITDA decreased by € -0,3m over the same period in the previous year, or -0,6% due to, amongst others, increased labour costs due to higher sorting and packing activities caused by lower quality of produce, an early Easter with flower volumes and margins accounted for in AY 23/24, continued margin pressure and a late start of the citrus season in the US. This was partially compensated by a strong volume growth in the Integrated Customer Relations.

Long Fresh

Key segment figures - LONG FRESH in €'000 000	H1 24/25	H1 23/24	Difference
Sales (reported)	476,7	456,3	4,5%
Sales (like-for-like)	476,7	456,3	4,5%
Adjusted EBITDA	41,2	37,4	10,2%
Adjusted EBITDA-margin %	8,6%	8,2%	

Sales in the Long Fresh segment have increased by € 20,4m compared to the same period last year, or a +4,5% increase. This increase is explained by +6,5% price increases as part of annualization of inflation mitigating actions and +2,2% transport recharges in Frozen, partially offset by a negative volume effect of -4,3% caused by lower sales to the Food Service channel in Frozen and lower vegetable volumes in Prepared.

The Adjusted EBITDA increased from € 37,4m to € 41,2m, or by 10,2%, versus the same period last year. This is an increase with € 3,8m, driven by margin improvement initiatives and energy aid in Frozen, despite increased marketing costs in Frozen. Processing and packing volumes in the Long Fresh segment are back in line with last year after a catch-up in the 2nd quarter of AY 24/25. The margin of the Prepared division is lower than last year due to increased purchase prices for apples and potatoes, and worse raw material and labour yields due to decreased product quality following severe weather conditions. The EBITDA margin increases from 8,2% last year to 8,6%.

EBIT

EBIT amounts to € 31,4m which is € -4,0m compared to the same period last year driven by reorganization costs such as provisions for the closure of Fresh France, reorganizations in Fresh Germany and higher depreciations in Fresh and Long Fresh, partially compensated by an increase in Adjusted EBITDA.

Net Result

Greenyard reports a net result of € 1,2m for the first half of the financial year, which is € 5,8m below the same period last year. The higher Adjusted EBITDA was offset by higher restructuring costs, depreciations and a lower level of deferred tax income partially offset by lower current income taxes. Also note that last year, a gain from sale of property, plant & equipment was realized for an amount of € 1,6m.

CAPEX

€ 33,0m was spent in the last six months on CAPEX, of which € 12,9m or 39% related to maintenance and replacement, where the remainder or € 20,1m was spent for further capacity expansion and efficiency improvements. 44% of the CAPEX was spent in the Fresh segment, 52% in the Long Fresh segment and 4% in Corporate.

The main projects in the Fresh segment were for ERP systems, the new mango sorting line and increasing capacity and quality. In Long Fresh, Greenyard invested in an Individual Quick Freezing (IQF) grader and halls engine room in Frozen, and a cardboard packaging machine in Prepared.

Financial Position

Excluding lease accounting and in line with the Bank definitions in Greenyard's' credit facilities, net financial debt (NFD) was further reduced by € 35,3m compared to 30 September 2023, to € 280,7m on 30 September 2024. This translates into a leverage of 1,92x, down from 2,39x the same period last year, thanks to the operating cashflow, an improved NWC, despite a higher inventory, the acquisition of Crème de la Crème, the share buyback program and dividend payments in October 2023.

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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 21 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 € 5,1 billion per annum.

www.greenyard.group

APPENDIX 1: Condensed consolidated income statement

Condensed consolidated income statement	H1 24/25 €'000	H1 23/24 €'000
Sales	2 667 837	2 521 266
Cost of sales	-2 495 625	-2 359 220
Gross profit/loss (-)	**172 212**	**162 046**
Selling, marketing and distribution expenses	-54 246	-50 292
General and administrative expenses	-90 813	-82 563
Other operating income/expense (-)	4 017	6 242
Share of profit/loss (-) of equity accounted investments	238	4
EBIT	**31 408**	**35 437**
Interest expense	-26 446	-27 585
Interest income	159	684
Other finance result	352	758
Net finance income/cost (-)	**-25 935**	**-26 143**
Profit/loss (-) before income tax	**5 473**	**9 294**
Income tax expense (-)/income	-4 306	-2 322
Profit/loss (-) for the period	**1 167**	**6 972**
PROFIT/LOSS (-) FOR THE PERIOD	1 167	6 972
Attributable to:		
The shareholders of the Company	506	6 314
Non-controlling interests	661	659

Earnings per share from continuing operations (in € per share)	H1 24/25	H1 23/24
Basic	0,01	0,13
Diluted	0,01	0,13

APPENDIX 2: Condensed consolidated statement of financial position

Assets	30 September 2024 €'000	31 March 2024 €'000
NON-CURRENT ASSETS	**1 203 136**	**1 214 558**
Property, plant & equipment	315 109	309 264
Goodwill	477 504	477 504
Intangible assets	169 358	172 261
Right-of-use assets	201 921	210 004
Investments accounted for using equity method	9 346	9 107
Other financial assets	82	7 294
Deferred tax assets	28 557	27 393
Trade and other receivables	1 258	1 730
CURRENT ASSETS	**854 452**	**761 502**
Inventories	490 977	406 070
Trade and other receivables	257 043	269 076
Other financial assets	1 018	288
Cash and cash equivalents	103 666	84 359
Assets classified as held for sale	1 749	1 709
TOTAL ASSETS	**2 057 589**	**1 976 060**

Equity and liabilities	30 September 2024 €'000	31 March 2024 €'000
EQUITY	**465 483**	**489 572**
Issued capital	337 692	337 692
Share premium and other capital instruments	317 882	317 882
Consolidated reserves	-205 440	-181 552
Cumulative translation adjustments	-2 355	-1 680
Non-controlling interests	17 704	17 230
NON-CURRENT LIABILITIES	**570 171**	**539 152**
Employee benefit liabilities	13 843	13 799
Provisions	9 501	9 453
Interest-bearing loans	335 527	295 766
Lease liabilities	185 583	195 384
Other financial liabilities	4 559	2 120
Trade and other payables	1 898	1 508
Deferred tax liabilities	19 260	21 122
CURRENT LIABILITIES	**1 021 934**	**947 336**
Provisions	6 750	4 121
Interest-bearing loans	31 140	36 329
Lease liabilities	31 709	31 086
Other financial liabilities	2 115	706
Trade and other payables	950 221	875 094
TOTAL EQUITY AND LIABILITIES	**2 057 589**	**1 976 060**

APPENDIX 3: Condensed consolidated cash flow statement for the six months ended 30 September 2024

Condensed consolidated statement of cash flows	H1 24/25 €'000	H1 23/24 €'000
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, OPENING BALANCE	75 874	119 356
CASH FLOW FROM OPERATING ACTIVITIES (A)	78 956	38 257
EBIT	**31 408**	**35 437**
Income taxes paid	**-8 892**	**-10 031**
Adjustments	**58 918**	**51 205**
Amortisation of intangible assets	11 801	10 768
Depreciation of property, plant & equipment and right-of-use assets	44 296	42 935
Write-off on stock/trade receivables	636	-553
Increase/decrease (-) in provisions and employee benefit liabilities	2 714	-95
Gain (-)/loss on disposal of property, plant & equipment	-395	-2 070
Share based payments and other	105	223
Share of profit/loss (-) of equity accounted investments	-238	-4
Increase (-) /decrease in working capital	**-2 478**	**-38 354**
Increase (-)/decrease in inventories	-79 297	-79 754
Increase (-)/decrease in trade and other receivables	11 273	-1 658
Increase/decrease (-) in trade and other payables	65 546	43 057
CASH FLOW FROM INVESTING ACTIVITIES (B)	-34 352	-29 750
Acquisitions (-)	**-35 630**	**-34 368**
Acquisition of intangible assets and property, plant & equipment	-32 963	-33 858
Acquisition of subsidiaries (net of cash)	-2 667	-510
Disposals	**1 278**	**4 617**
Disposal of intangible assets and property, plant & equipment	1 278	4 617
CASH FLOW FROM FINANCING ACTIVITIES (C)	-18 714	-69 777
Acquisition/sale treasury shares	-4 300	117
Proceeds from borrowings, net of transaction costs	90 218	56 792
Repayment of borrowings	-59 089	-81 635
Payment of principal portion of lease liabilities	-19 305	-18 002
Net interests paid	-25 428	-26 214
Other financial expenses	-809	-834
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	25 891	-61 270
Effect of exchange rate fluctuations	-677	43
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, CLOSING BALANCE	101 088	58 129
Of which:		
Cash and cash equivalents	103 666	58 130
Bank overdrafts	2 578	1

APPENDIX 4: Reconciliation of net financial debt

Reconciliation net financial debt	30 September 2024 €'000	31 March 2024 €'000
Cash and cash equivalents	-103 666	-84 359
Interest-bearing bank debt (non-current/current)	285 660	249 135
Interest-bearing lease & lease back debt (non-current/current)	81 007	82 960
Lease liabilities (non-current/current)	217 291	226 470
As reported	**480 292**	**474 206**
Net capitalised transaction costs related to the refinancing	5 641	6 296
Net financial debt	**485 933**	**480 502**
Lease accounting (IFRS 16)	-205 211	-214 219
Net financial debt (excl lease accounting)	**280 722**	**266 283**

Glossary

CAPEX	Capital expenditures
EBIT	Operating result
EPS	Earnings per share
ICR	Integrated Customer Relationships
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 derivatives, 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 derivatives, 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).
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 andother receivables are corrected for long-term (financing) receivables and accrued interest income and trade and other payables exclude accrued interest expenses anddividend payable.
Sales (like-for like)	Reported sales of the period adjusted for operations that are divested or divestment is in process
AY 24/25	Accounting year ending 31 March 2025
AY 23/24	Accounting year ended 31 March 2024
H1 24/25	First half year of accounting year ending 31 March 2025
H1 23/24	First half year of accounting year ended 31 March 2024