

terbeke
Fresh Food Group

VFB

4 Oktober 2014

Agenda

- Ter Beke introduction
- Mission, strategic value drivers, values
- Our inspiration
- Processed meats headlines
- Ready meals headlines
- Consolidated figures



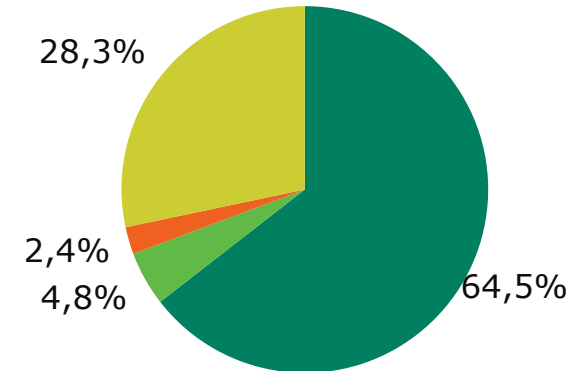
Ter Beke Introduction

Ter Beke (Euronext Brussel: TERB)

- innovative Belgian fresh foods concern
- markets its assortment in 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 407 million in 2013.

Shareholder Structure

- Stak Coovan
- SRIW
- M6
- Free Float





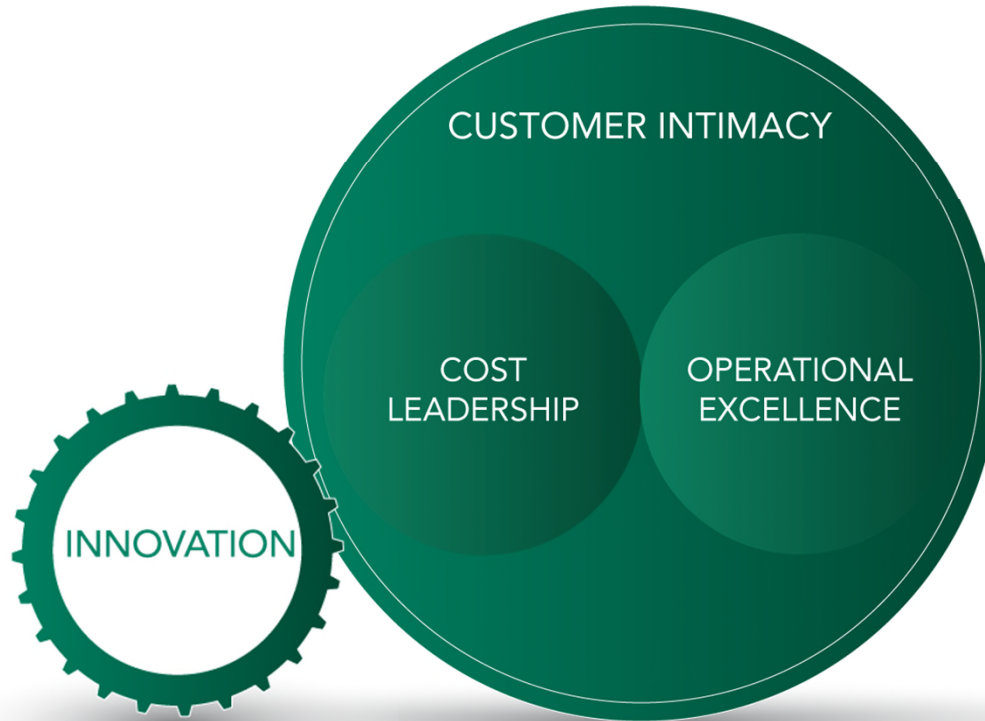
Mission – Strategic value drivers - Values



We want to be One Ter Beke,
driven by the zeal for your everyday meal.

Dirk Goeminne, CEO

Strategic value & growth must be generated through:



Our strategic value drivers

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 @ Ter Beke

We fully assume our responsibility towards all our stakeholders

- Towards our **customers**
- Towards our **colleagues**
 - Towards our **suppliers**
- Towards our **shareholders**
- Towards the **environment**
 - Towards **society**

Our inspiration





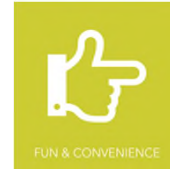
When it comes to food, the primary consumer trends remain
taste, quality & indulgence

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 inspiration – Our competitive environment

Our head on competitors

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

Examples:

- Ready Meals: Mamma Lucia, Stefano Toselli, Freiburger, Condeli, ...
- Processed Meats: Campofrio Food Group, Detry, Volys Star, Zwanenberg, Compaxo, DGS, Herta, Alimpex, ...
- Service slicing: Slippens, Menken, ...

Our category competitors

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

Examples: Culinor, Fleury Michon, Vaco, Panzani, Madrange, Sodebo, Bell, ...

Our newborn competitors

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

Examples: Rabbit, Star meals, Plukon, Quorn, ...



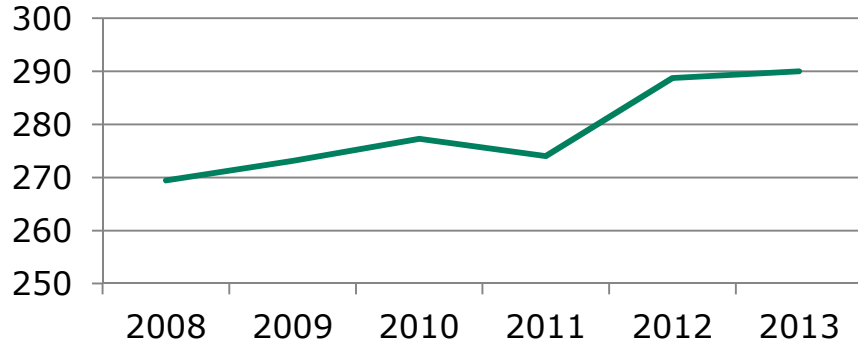
Processed meats headlines

Processed Meats

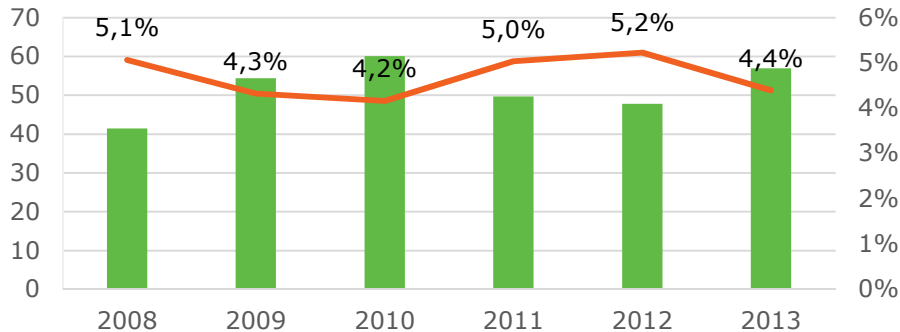


Processed Meats

Sales Evolution (Mio EUR)



EBITDA and EBITDA/Sales Evolution

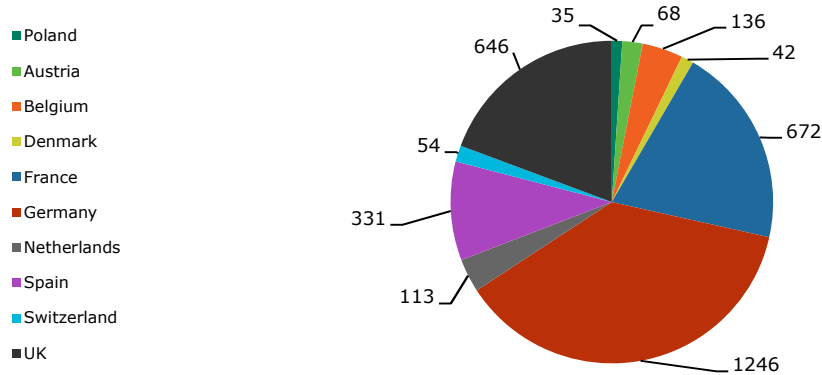


Processed Meats Division

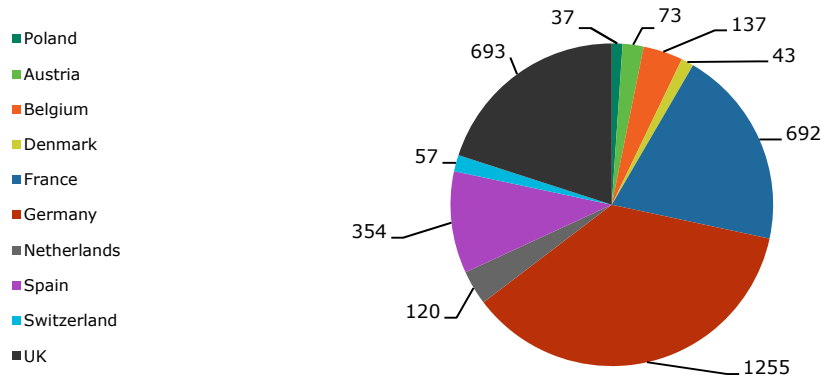
- producer and slicer of processed meats for the Benelux, the UK and Germany;
- 2 production plants in Belgium (Wommelgem and Waarschoot)
- 4 centres for the slicing and packaging of processed meats
 - 2 in Belgium (Wommelgem and Veurne)
 - 2 in the Netherlands (Wijchen and Ridderkerk)
- innovating in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

The European Processed Meats Market

European processed meats market 2013 (KT)



European processed meats market 2018 (KT)



Findings

- The European processed meats category is over 3 million tons and over 30 billion EUR
- The volume grows by 4% by 2018
- The value is under pressure: -1% by 2018
- Germany is the biggest processed meats market (37%) but shows poor growth
- The United Kingdom pushes the processed meats market



We want to become the **most advanced, automated & flexible** processed meats producer, slicer and supplier.



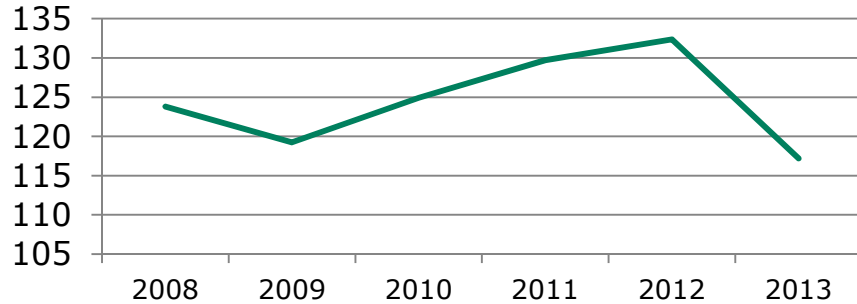
Ready meals headlines

Ready Meals

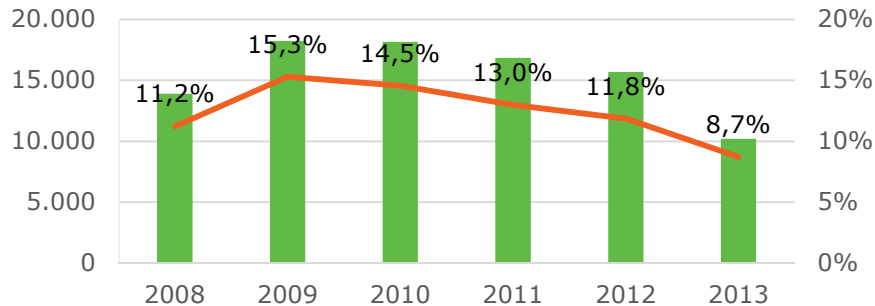


Ready Meals

Sales evolution (in Mio EUR)



EBITDA and EBITDA/Sales evolution

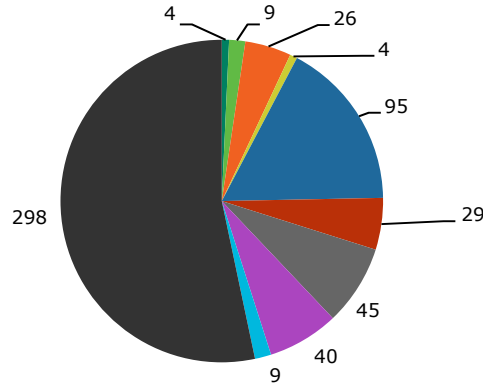


Ready Meals Division

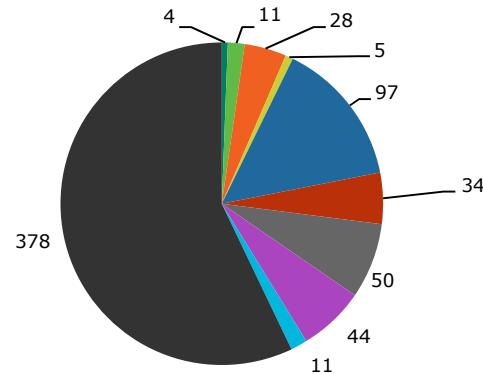
- produces fresh ready meals for the European market;
- market leader in chilled lasagne in Europe;
- 2 production sites in Belgium
 - (Wanze and Marche-en-Famenne);
- brand names Come a casa® and Vamos® in addition to distribution brands;
- employs approximately 600 staff;
- joint venture The Pasta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

The European Chilled Ready Meals Market

2013 Volume



2018 Volume

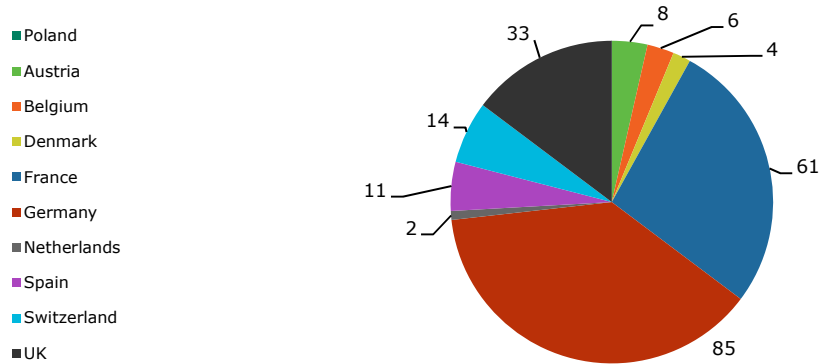


Findings

- 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 is responsible for 80% of the growth between 2013 and 2018.
- **Austria, Switzerland and Germany** are up and coming!

The European Fresh Pasta Market

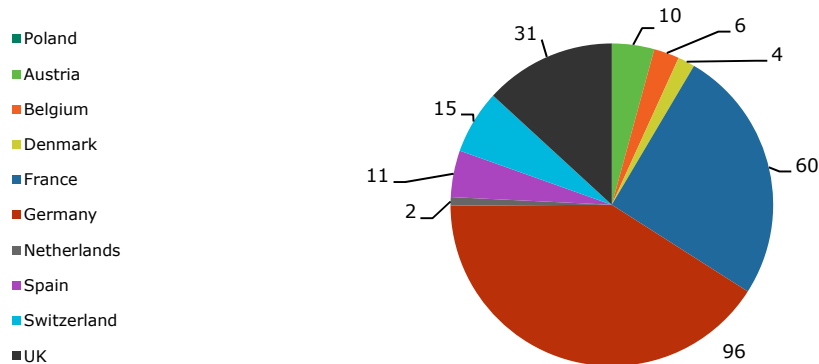
European fresh pasta market 2013 (KT)



Findings

- Chilled Fresh Pasta is a growing segment, but value creation needs to be monitored
- Germany takes the pole position with a 38% market share. Germany is responsible for 85% of the growth of this segment by 2018.
- France and the United Kingdom are also key countries in this market.

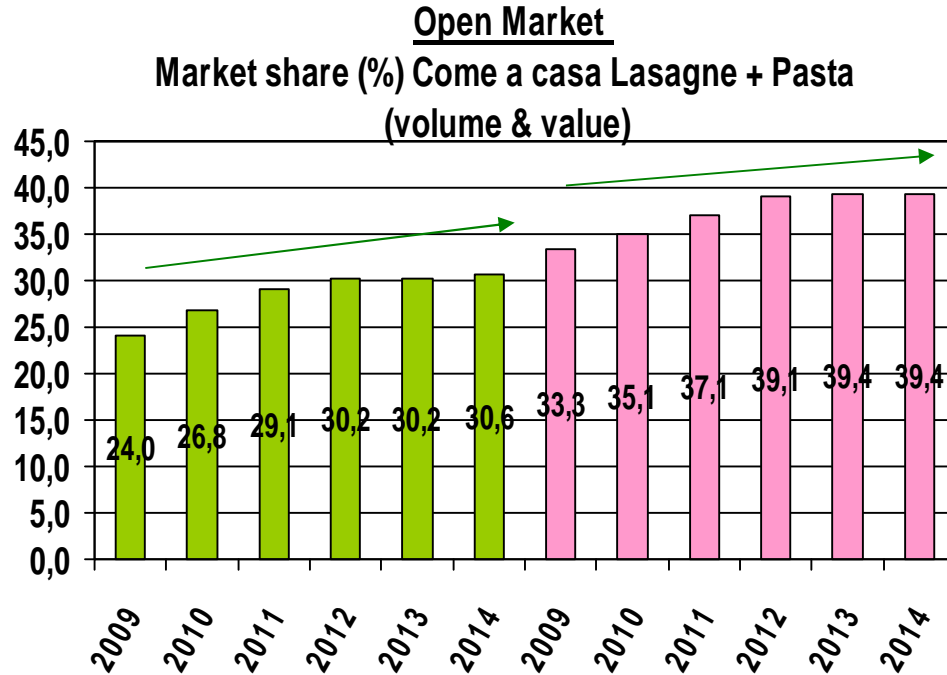
European fresh pasta market 2018 (KT)





We want to be our customers' **logic first choice** for lasagne

Come a casa confirms in Belgium



Excluding Pizza
2009, 2010, 2011, 2012,
2013: Ac Nielsen, MAT
P13
2014: Ac Nielsen, MAT P6

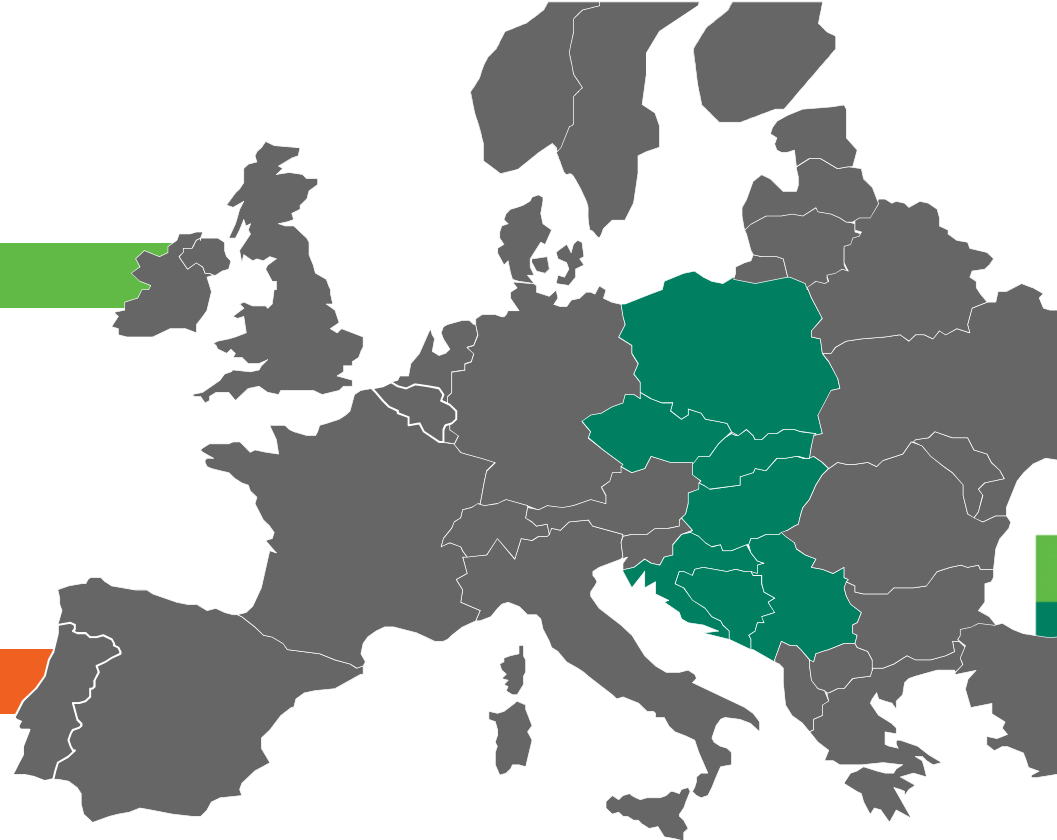
The Pasta Food Company Project CEE

Opole Plant

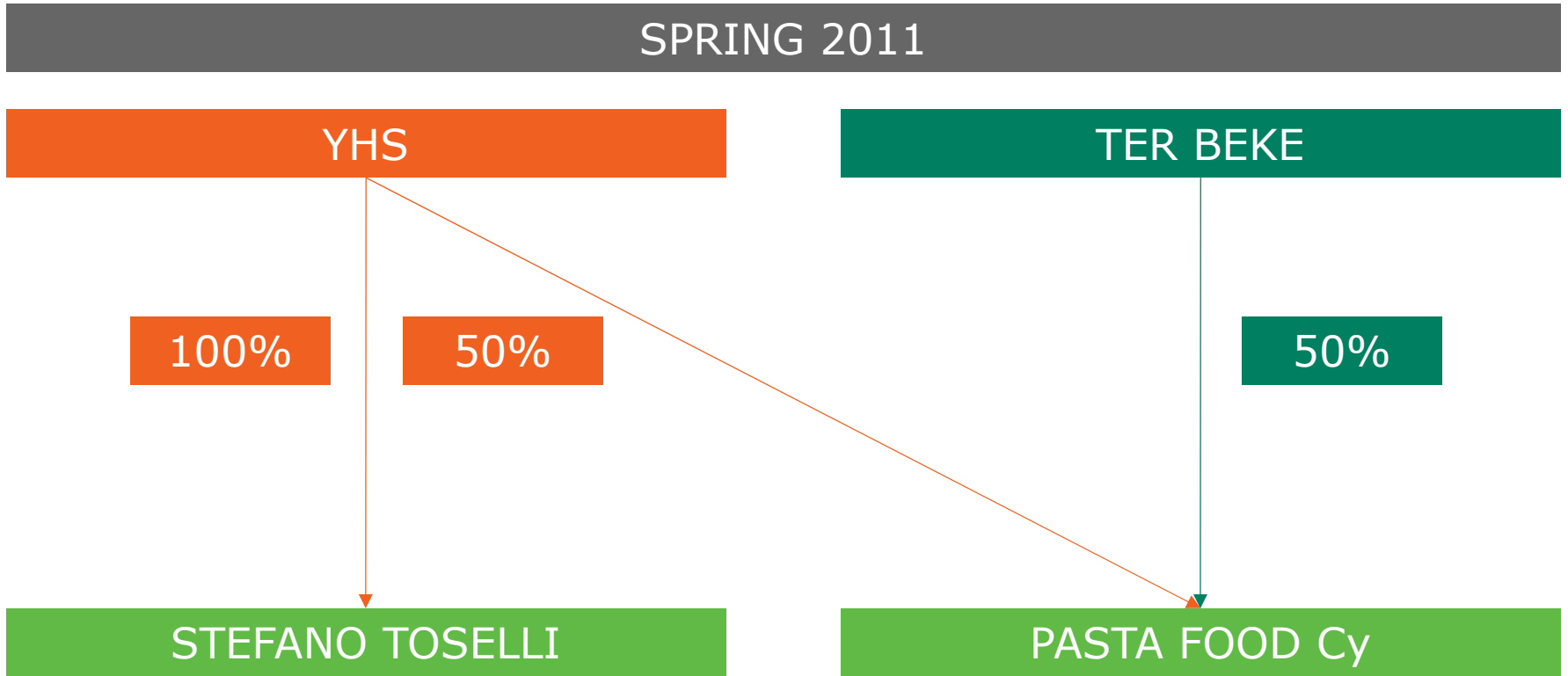
- The Opole plant construction was slightly delayed
- The plant is operational

Commercially Ready

- Existing contracts roll-out started
- Promising contacts with other major retailers



Overall structure of the Project



Overall structure of the Project

END GAME IN 2018, WHEN SUCCESSFUL

YHS

TER BEKE

100%

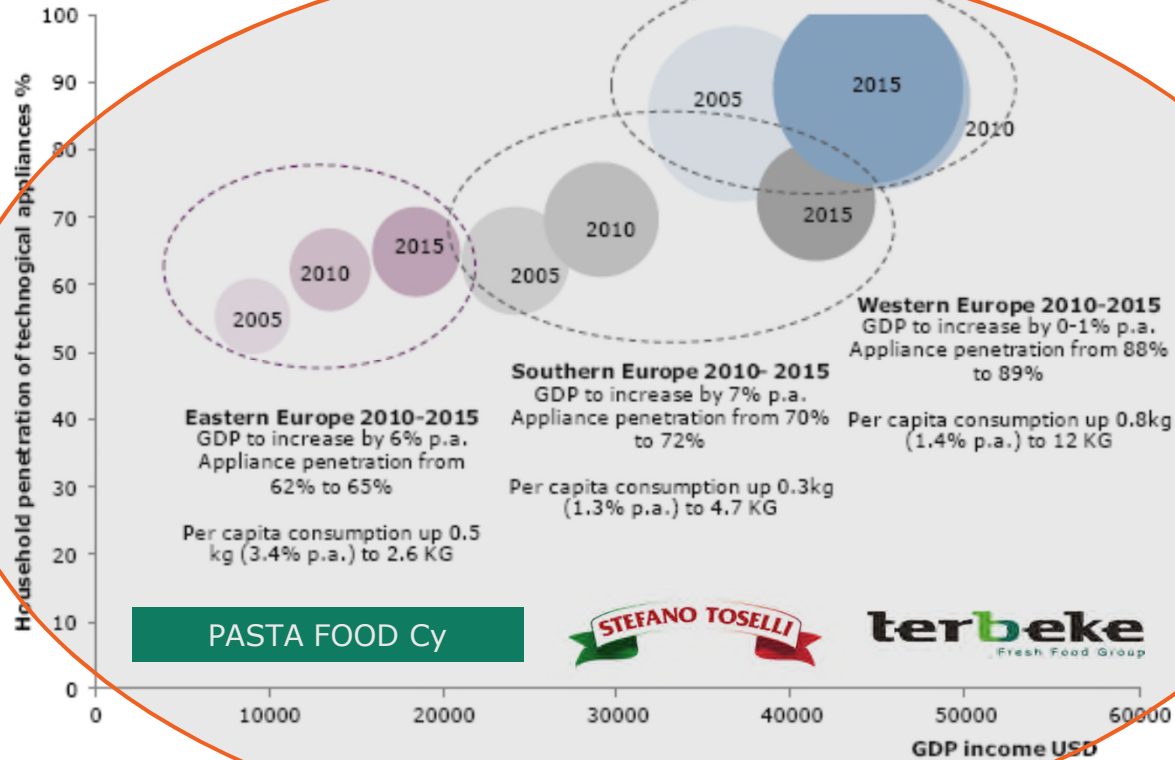
100%

STEFANO TOSELLI

PASTA FOOD Cy

Ter Beke's long term strategic end game

Forecast 2015 income, appliance penetration and ready meal consumption



Euromonitor, Eurostat, IMF, Rabobank 2010

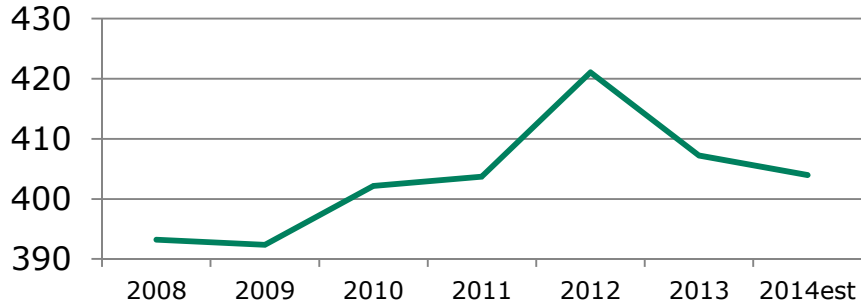




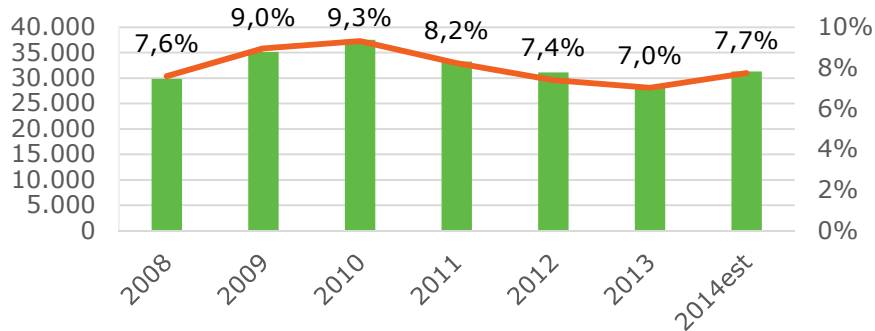
Consolidated Figures

Ter Beke Consolidated

Sales Evolution (Mio EUR)



EBITDA and EBITDA/Sales evolution



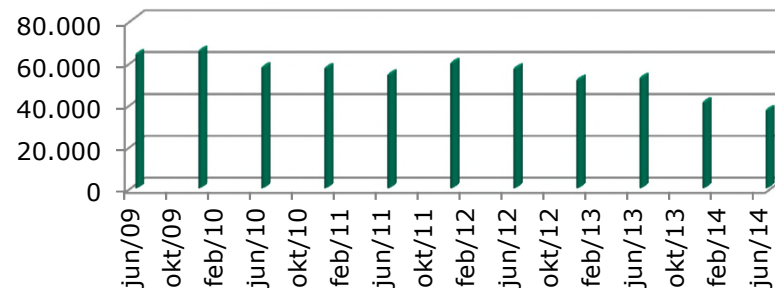
- Difficult economic environment
 - Price pressure from retail/consumer
 - RM price increases 2011-2012
 - Food crisis lasagna 2013
- Ter Beke builds the future
 - Cost reduction program
 - Investment program
 - Strengthening balance sheet

Ter Beke Consolidated

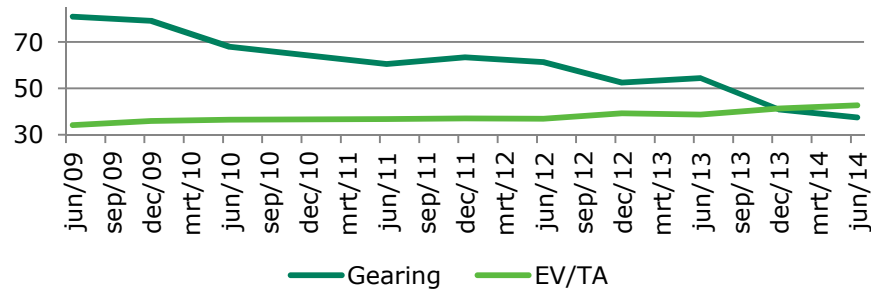
Strong financial evolution

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

Evolution Net Financial Debt (in 000 Eur)



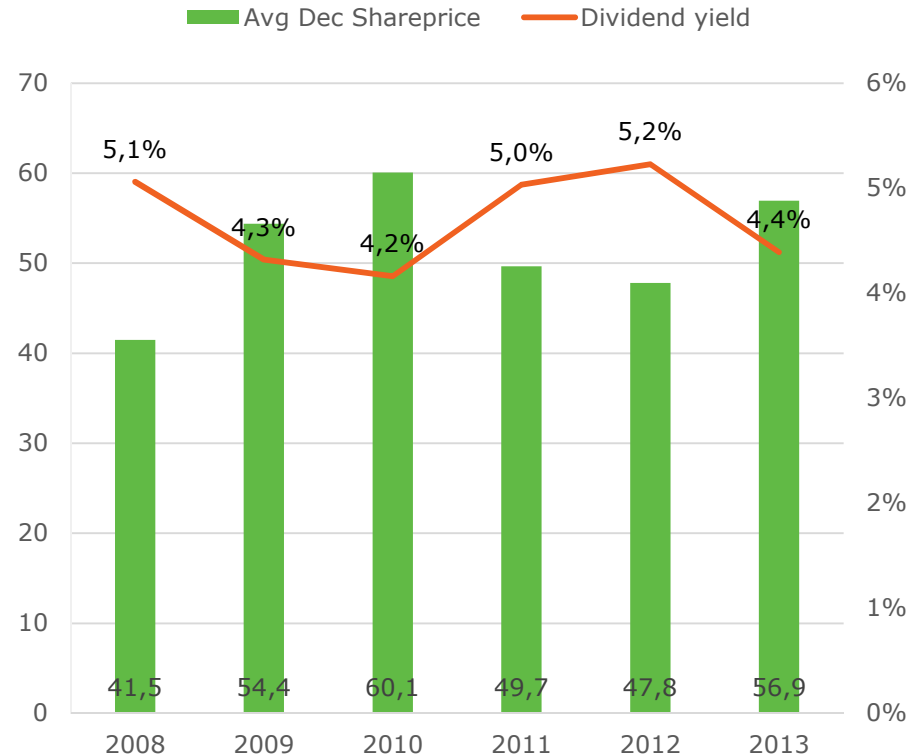
Evolution Gearing en Equity/Total asset ratio (in %)



Investment case Ter Beke

- Strong commercial position in various markets
- Committed management
- Ambitiously preparing the future
 - Financially ready
 - Opole ready
- Attractively priced share
- Attractive steady dividend yield

Share Price and Dividend Yield



Thank you!



terb·e·ke

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