

Greenyard gives trading update and revises AY 2018/19 profitability guidance

Sint-Katelijne-Waver, Belgium, 27/08/2018 – Greenyard (Euronext Brussels: GREEN)

- In Q1, sales came in at € 1,093.7m, slightly down from last year (-1,5%). Segment performance in Q1:
 - Fresh sales were down 2.4% vs last year and amounted to € 884.7m. The solid sales increase in the Bakker operations, the Netherlands and France could not offset the decline in sales in Germany, Belgium and Poland.
 - Long Fresh: dropped 2.1% versus last year to € 174.7m. Frozen activities realized solid growth despite the exceptional warm weather, but this was offset by underperforming sales in Prepared activities due to the termination of some unprofitable contracts and the ramp-up and delivery of new contracts.
 - Horticulture sales increase to € 34.4m (+35% vs last year) as a result of increased sales to Belgian retail customers of potting soil and mulches and to Polish professional customers. The remainder can be attributed to the acquisition and consolidation of the Mycoculture business.

While overall underlying volume demand remained stable compared to Q1 LY, a number of factors are weighing down on Greenyard's profitability:

- The recent recall of frozen products potentially contaminated with *Listeria monocytogenes*. Recall and related costs will negatively impact our financials for AY 2018/19, whereby we have no indications at this point in time to change our estimated amount of € 30m (net after insurance), of which less than 20% will impact our full year REBITDA, as communicated in our press release of 17 July.
- The exceptional warm and dry summer period triggers irregularities in harvesting which results in fluctuations in volumes and prices of commodities thus impacting the financial performance of our Fresh and Long Fresh segments. In the Long Fresh sector, for some products, potential shortages between 30 and 50% are expected.
- Our Fresh markets experience a continued challenging pricing competition. Greenyard is implementing in the German and Belgian market new and future proof operating models and distribution footprint, but these will only yield results over the medium term.

Profitability evolution on half year will be further disclosed, as planned, in our AY 2018/19 half year results on 20 November 2018. Today, based on preliminary financial information and projections, and based on current price levels, we forecast that our underlying full year REBITDA

will be around 25% below last year's profitability, instead of reaching a 10% REBITDA growth versus last year, as guided in our earlier press release of 2 May.

We are executing action plans to progressively improve profitability over the course of 2018 and 2019. In addition, price increases are still possible, but are hard to estimate at this point in time.

One important action plan relates to the company's efforts to mitigate the effects of the recent recall of potentially contaminated frozen products, produced by our Hungarian facility. We are happy to announce that all tests in this facility, performed by Greenyard together with external experts and confirmed by the Hungarian authorities' own test, had a favorable outcome (i.e. negative on the presence of *Listeria monocytogenes*). This opens the way for a re-start of this facility on short term. We plan a more comprehensive release of information about the status of these actions relating to Listeria as soon as more comprehensive details on customer claims will become available in the coming weeks.

Greenyard's CEO, Hein Deprez:

"Despite only a slight decrease in sales, this quarter was marked by longer than expected pricing pressure and competition in our markets, unforeseen factors such as the recall for the potential Listeria contamination and the exceptional weather circumstances.

Based on new forecasts, including the above elements, we revise our profitability guidance for AY 2018/2019, well below last year's profitability, and have implemented action plans to restore profitability going forward. Moreover and in view of deleveraging Greenyard's balance sheet, the Board of Directors has requested management to review the strategic options of its business portfolio.

Looking ahead, we remain firmly focused and committed to further strengthening our global operations while driving profitable growth over the long-term, and are taking the necessary steps while ensuring the support of all our stakeholders ."

Greenyard will offer investors the possibility to discuss above contents of this press release during a call at 14 hrs CET today. Participants will be asked to dial-in 5 to 10 minutes in advance and will be requested to give the confirmation code, name and title of the call. The confirmation code is 4263338.

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Financial Calendar

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|-----------------------|----------------------------------|
| • AGM | September 21, 2018 |
| • H1 results | November 20, 2018 (after market) |
| • Capital Markets Day | November 21, 2018 |

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About Greenyard

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

Our vision is to make lives healthier by helping people enjoy fruit & vegetables at any moment, easy, fast and pleasurable, whilst fostering nature.

With more than 10,000 employees operating in 27 countries worldwide, Greenyard identifies its people and key customer and supplier relationships as the key assets which enable it to deliver goods and services worth more than 4 billion euro per annum.

www.greenyard.group