

Press release 2 September 2016 – 7:30 a.m.

Regulated information

www.terbeke.com

FIRST SEMESTER 2016 CONSOLIDATED RESULTS

KEY FIGURES AND HEADLINES

- Ter Beke group:
 - Net result growth of 64.5%.
 - The consolidated turnover increased by EUR 13.3 million EUR (+6.9%) to EUR 204.7 million;
 - REBITDA amounts to EUR 19.8 million in 2016 compared to EUR 16.3 million in 2015 (+21.4%).
 - The first half of 2016 includes EUR 0.3 million in non-recurring expenses.
 - This concerns redundancy payments.
 - As a result of the above:
 - EBITDA amounts to EUR 19.6 million compared to EUR 15.5 million in 2015 (+26.2%)
 - EBIT amounts to EUR 9.6 million compared to EUR 7.5 million in 2015 (+28.8%)
 - the result after taxes amounts to EUR 7.2 million compared to EUR 4.4 million in 2015 (+64.5%)
 - net cash flow amounts to EUR 17.1 million compared to EUR 12.8 million in 2015 (+33.5%)
- Processed Meats Division:
 - Growth in turnover due to the development of new packaging concepts on the basis of insights acquired from recent consumer studies.
 - Continued focus on the profitability of the product range and extensive cost control.
 - Investment in the growth strategy in the Dutch market is reaping its first rewards.
- Ready Meals Division:
 - Profitable growth in turnover through the launch of new products and concepts.
 - Continued focus on the profitability of the product range and extensive cost control.
 - Successful repackaging of the Come a casa® product range



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CONSOLIDATED KEY FIGURES FIRST SEMESTER 2016

Income statement in 000 EUR	30/06/16	30/06/15	Δ %
Revenue (net turnover)	204.683	191.409	6,9%
REBITDA ⁽¹⁾	19.806	16.314	21,4%
EBITDA ⁽²⁾	19.550	15.493	26,2%
Recurring result of operating activities (REBIT)	9.877	8.288	19,2%
Result of operating activities (EBIT)	9.621	7.467	28,8%
Net financing costs	-126	-898	-86,0%
Result of operating activities after net financing costs (EBT)	9.495	6.569	44,5%
Taxes	-2.339	-1.799	30,0%
Result after tax before share in the result of enterprises accounted for using the equity method	7.156	4.770	50,0%
Share in enterprises accounted for using the equity method	49	-389	112,6%
Earnings after taxes (EAT)	7.205	4.381	64,5%
Net cash flow ⁽³⁾	17.085	12.796	33,5%
Financial position in 000 EUR	30/06/16	31/12/15	
Balance sheet total	243.516	241.528	0,8%
Equity	109.630	108.843	0,7%
Net financial debts ⁽⁴⁾	24.030	34.312	-30,0%
Equity/Total assets (in %)	45,0%	45,1%	
Gearing Ratio ⁽⁵⁾	21,9%	31,5%	
Key figures in EUR per share	30/06/16	30/06/15	
Number of shares	1.732.621	1.732.621	
Average number of shares	1.732.621	1.732.621	
Net cash flow	9,86	7,39	33,5%
Earnings after taxes	4,16	2,53	64,5%
EBITDA	11,28	8,94	26,2%

(1) REBITDA: EBITDA from recurring operating activities

(2) EBITDA: earnings before taxes + depreciation + amortization + changes in provisions

(3) Net cash flow: earnings after taxes + depreciation + amortization + changes in provisions

(4) Net financial debts: interest bearing liabilities – interest bearing receivables, cash and cash equivalents

(5) Gearing ratio: Net financial debt/Equity



NOTES TO THE CONSOLIDATED KEY FIGURES

Turnover

The total group turnover in the first six months increased by EUR 13.3 million (+6.9%) from EUR 191.4 million to EUR 204.7 million.

The turnover of the processed meats division increased by EUR 9.1 million (+6.7%), while that of the ready meals division increased by EUR 4.2 million (+7.4%). The growth in turnover in the processed meats division was somewhat offset by the loss of a major UK-based contract in June 2016. The full impact of this will be felt in the last six months of the year.

The increase in turnover in both divisions is the consequence of continued efforts in profitable consumer-focused products and market intelligence over the last few years. Furthermore, the roll-out of this growth strategy in the processed meats division in the Dutch market is reaping its first rewards.

Result of operating activities

The investments made by the group in 2015 in researching consumer behaviour have enabled a number of new products and concepts to be launched in both divisions.

The effects of the rise in turnover, together with the continued focus on the profitability of the product range and cost control have led to a substantial improvement in the results.

The REBITDA increased by EUR 3.5 million (+21.4%) from EUR 16.3 million in the first half of 2015 to EUR 19.8 million in the same period in 2016.

In the ready meals division, this is reinforced by higher sales and by the different timings in the publicity surrounding the Come a casa® brand. Whilst most investment in brand advertising in 2015 took place in the first half of that year, it will be in the second half of 2016 that the group will focus additional publicity on the launch of a new top range of speciality products under this brand name.

On the other hand, the positive impact of the increase in turnover in the processed meats division will not fully offset the effects of the downward trend in Sterling as a result of Brexit. On top of this, in the first half of the year, the group invested significantly in the long-term strategy of the processed meats division and its organisation.

The non-cash costs in the first half of 2016 (EUR 9.9 million) were EUR 1.9 million higher than the same period in 2015. This increase can be primarily ascribed to provisions for the long-term incentive of the CEO and the depreciation of the investments in the new ERP system which was





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successfully rolled out in the ready meals division in late 2015 and which will be rolled out in the processed meats division in 2016-2017.

Consequently, the REBIT increased by 19.2%, from EUR 8.3 million in 2015 to EUR 9.9 million in 2016.

The non-recurring result for the first six months in both 2016 and 2015 is made up of a limited number of significant redundancy payments. These amounted to a total of EUR 0.8 million in 2015 and EUR 0.3 million in 2016.

The EBITDA increased by EUR 4.1 million (+26.2%) from EUR 15.5 million in 2015 to EUR 19.6 million in 2016 and the EBIT increased by EUR 2.2 million (+28.8%) from EUR 7.5 million in 2015 to EUR 9.6 million in 2016.

Net financing costs

In 2016, the net financing expenses in the first half of the year were EUR 0.8 million lower than in the same period in 2015, mainly due to the positive exchange rate differences.

The positive exchange rate differences are primarily the result of the revaluation of our hedging instruments to the market value. This means that a weaker Sterling results in a higher value of the hedging (and vice versa). On the other hand, a weaker post-Brexit Sterling in the second half of the year will have a negative impact on the exchange rate results and our competitive status in the UK.

Taxes

The tax rate in the first half of 2016 (24.6%) was slightly lower than in June 2015 (27.4%).

Balance sheet

Under IAS-34, the balance sheet figures of 30 June 2016 are to be compared with those of 31 December 2015. Changes in balance sheet items are limited as there have been no changes in the scope of consolidation since 31 December 2015.

Fixed assets decreased by EUR 0.8 million. This is mainly because of EUR 7.2 million in investments minus EUR 8.7 million in depreciations and write-downs and a new loan made to the Pasta Food Company of EUR 0.7 million.

Net debt decreased by EUR 10.2 million. This is the result of the incoming cash flow from operations (EUR 24.4 million), compared to an outgoing cash flow from net paid investments (EUR 7.7 million) and dividend and interest payments (EUR 6.5 million).





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The equity difference is chiefly the result of the profit after tax over the first six months minus the dividend that was allocated over the previous financial year.

Investments

The investments of EUR 7.2 million in the first half of 2016 relate primarily to the ongoing investments in efficiency and changes to the infrastructure at the various sites. EUR 8.6 million was invested in the first semester of 2015.

PROSPECTS FOR 2016

The group is confident that, barring unforeseen market circumstances, the results for 2015 will surpass those of 2014.

HALF YEAR FINANCIAL REPORT

The half year financial report of the group is available on www.terbeke.com in the Investor Relations module.

The half year financial report contains the condensed consolidated financial statements drawn up in accordance with IAS 34, the declaration without reservations of the auditor on his limited review and the other legally required specifications.

CONTACTS

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You can also consult this press release and send your questions to us via the Investor Relations module of our website (www.terbeke.com)

FINANCIAL CALENDAR

Annual result 2016:

22 February 2017 before market opening

Annual report 2016:

At the latest on 24 April 2017

General Meeting of Shareholders 2017:

24 May 2017 at 11 a.m.



TER BEKE IN BRIEF

Ter Beke (Euronext Brussel: TERB) is an innovative Belgian fresh foods concern that markets its assortment in 10 European countries. The group has 2 core activities: processed meats and fresh ready meals; it has 7 industrial sites in Belgium and the Netherlands and employs approximately 1,650 people. Ter Beke generated a turnover of EUR 396.3 million in 2015.

Processed Meats Division:

- producer and slicer of processed meats for the Benelux, the UK and Germany;
- 2 production plants in Belgium (Wommelgem and Waarschoot) and 5 centres for the slicing and packaging of processed meats, 3 of which are in Belgium (Wommelgem, Waarschoot and Veurne) and 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.

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).

