



Lievegem, February 25th, 2022 – 7:30 a.m.

Consolidated results for 2021

**Ter Beke confirms progress with its 2021 results and strong net debt reduction
Imperial-Stegeman acquisition on track.
Focus on long term sustainable and profitable growth.**

Key figures and headlines

Ter Beke Group:

Due to the ending of non-profitable contracts in the Processed Meats division and the impact of Covid-19 in Ready Meals the consolidated turnover decreases by 2,9%: from 717,4 million to 696,9 million EUR. This despite a further growth in the net turnover within the Ready Meals division.

In the first half of the year the Group confirmed its recovery of the underlying results. In the second half, the focus remained on the profitability of the Processed Meats segment and managing the cost inflation which especially affects the Ready Meals segment. The Group also announced the intended acquisition of Imperial-Stegeman, the Benelux activities of the Campofrio Group.

The non-underlying costs (EUR 6,9 million in total for 2021) were high in the first semester due to the sale of the reinsurance company (captive) which had a negative impact on EBITDA and EAT (EUR 4,2 million) as well as the expenses linked to the CEO change (EUR 0,9 million). In the second half of the year, there were only expenses linked to the proposed acquisition of Imperial-Stegeman (EUR 1,8 million). In 2020 the non-underlying expenses were significantly higher (EUR 10,6 million) and contained mainly the restructuring expenses in The Netherlands and Belgium (EUR 6,3 million cash costs and EUR 2,0 million non-cash costs) as well as expenses related to the Covid-19 pandemic (EUR 1,9 million).

As a result of the above:

- UEBITDA in 2021 amounts to EUR 52,8 million compared to EUR 45,7 million in 2020 (+16%)
- EBITDA in 2021 amounts to EUR 45,9 million compared to EUR 37,1 million in 2020 (+24%)
- UEBIT in 2021 amounts to EUR 24,0 million compared to EUR 15,5 million in 2020 (+55%)
- EBIT in 2021 amounts to EUR 17,1 million compared to EUR 4,8 million in 2020 (+254%)
- The result after taxes amounts to EUR +7,3 million in 2021 against EUR -2,5 million in 2020 (+398%)

At EUR 48,3 million, the cash flow from operating activities was significantly better compared to 2020 (EUR 35,8 million).

The net financial indebtedness was reduced by EUR 26,1 million, from EUR 99,9 million to EUR 73,8 million. The group thus confirms the focus on a net debt reduction, after having already reduced the net debt by more than EUR 25 million in 2020.



The Group – lead by the new CEO – works on the execution of a long term strategic plan in which sustainability will play a key role: sustainability in terms of E.S.G., of the financial results and profitable organic growth of the Group. This despite the challenges present in the short term, as elaborated further below.

Impact Covid-19

Covid-19 remained to impact the operations in 2021. Especially the increased absence figures due to illness and the volatile sales to foodservice customers as well as the supply issues with respect to purchases remained a topic in 2021. Thanks to the dedication of all employees and the focus on preventative measures the group was however able to limit the financial impact on the results.

Processed Meats Division:

The division's turnover decreased by 5%: from EUR 447,2 million to EUR 422,9 million, mainly due to the cancellation of non-profitable contracts.

The merging of the Dutch activities (Project 'Unity') which was started in 2020 and completed in 2021 ensured an even greater focus on a sustainable, profitable growth. New concepts and products were launched and ensured a further improvement of the results. Except for the cost of pork meat, all ingredients and packaging expenses increased significantly. The pass-through of these cost increases will remain crucial for the Group in 2022.

The following projects and improvements were equally implemented in 2021:

- An investment in a new retail concept for the Dutch market where the focus is on artisanal slicing and packaging.
- Various investments in sustainability of our facilities and products.

The above resulted in an improvement of the underlying EBITDA result of the segment by 59%: from EUR 12,1 million in 2020 to EUR 28,9 million in 2021.

The intended acquisition of Imperial-Stegeman (after approval of the transaction) should allow the business unit to offer branded product next to the existing offering of private label products. In addition, there will also be a focus on the production and sales of vegetarian and hybrid (meat and vegetables) products, as well as the sale of snacking products in the Benelux and abroad. The Group has meanwhile received the positive advice of the works councils. The group counts on an approval from the competition authorities and is 'on track' to complete this acquisition as soon as this approval is obtained.

Ready Meals Division:

The division revenues increased by 1% despite the impact of Covid-19 on sales towards foodservice customers. In 2020, there was no impact of Covid-19 in the first quarter of the year. KK Fine Foods, which business is focused on supplying UK Foodservice customers, was hit the hardest but was able to – thanks to the agile and pro-active growth in the retail segment- limit the impact of the pandemic.

The high inflation in costs of raw materials, other ingredients, packaging, logistic expenses and energy costs triggered a very significant and continuing inflation in the cost of our products. The persistent pass-through of cost inflation is a permanent focus point for the group. We also refer to the paragraph 'Prospects for 2022'.

PRESS RELEASE
Regulated information



The group continued to invest in new product introductions – amongst others the ‘summer lasagna’ (the first cold-served lasagna for retail and foodservice customers, launched in the summer of 2021) as well as the Come a Casa ® Pastalini and Balleroni products which were launched at Belgian retailers in late 2021 (tasty Mediterranean frozen snacks). The continued efforts in launching new products and the expansion of the Come a Casa ® brand are will remain at the core of the group’s strategy.

Proposed dividend

The Board of Directors proposes to the General Shareholders Meeting to maintain the gross dividend per share over 2021 at EUR 4,00 in the form of a scrip dividend.

Post balance sheet events

None

Prospects for 2022

Ter Beke stands for sustainability – towards the environment, but also towards its relationship with suppliers and customers. The group therefore continues to focus on passing through the continued cost inflation of its products. Sustainability of margins is crucial to allow for investments longer-term and to ensure focus on new consumer trends in order to ensure continued support to the strategy of the customers.

We also refer to the press release dated February 15th, 2022 in respect of the prospects for 2022 and its linked challenges.

PRESS RELEASE
Regulated information



Consolidated results 2021

<u>Consolidated key figures in 000 EUR</u>	<u>2021</u>	<u>2020</u>	<u>Δ%</u>
Revenue (net turnover)	696 906	717 422	-2,9%
Underlying EBITDA (1)	52 806	45 711	15,5%
EBITDA (2)	45 939	37 140	23,7%
Underlying operating result (UEBIT)	24 016	15 470	55,2%
Operating result (EBIT)	17 149	4 839	254,4%
Net financing costs	-3 652	-5 132	-28,8%
Operating result after net financing costs (EBT)	13 497	-293	-4706,5%
Taxes	-6 164	-2 170	184,1%
Earnings after taxes (EAT)	7 333	-2 463	-397,7%
<u>Financial position in 000 EUR</u>			
Balance sheet total	381 805	401 600	-4,9%
Equity	121 445	116 578	4,2%
Net financial debt (3)	73 763	99 909	-26,2%
Equity/Total assets	31,8%	29,0%	9,6%
Gearing ratio (4)	60,7%	85,7%	-29,1%
<u>In EUR per share</u>			
Number of shares	1 794 217	1 767 281	1,5%
Average number of shares	1 780 860	1 749 951	1,8%
Net cash flow per share	20,28	17,01	19,2%
Consolidated Earnings after taxes	4,09	-1,39	-393,3%
EBITDA per share	25,60	21,02	21,8%

- (1) UEBITDA: EBITDA from underlying operating activities
 (2) EBITDA: operating result + depreciations + impairments + changes in provisions
 (3) Net financial debts: interest-bearing liabilities – interest-bearing receivables, cash and cash equivalents
 (4) Gearing ratio: Net financial debts/Equity



Additional information on the consolidated results for 2021

Notes to the balance sheet

The increase in goodwill is entirely due to the evolution of the British Pound against the Euro.

The decrease in tangible and intangible fixed assets is mainly the result of a further depreciation of the intangible assets and the sale of 2 industrial buildings that were no longer in use, located in Aalsmeer and Deeside. These buildings were no longer used for production at the time of the sale. They were sold for a value that was similar to the net book value of the buildings.

The Group invested EUR 17,8 million in fixed assets in 2021 compared to EUR 28,7 million over the same period in 2020. This mainly concerns the continuation of efficiency investments, adjustments to the infrastructure in the various locations and projects to improve sustainability. In prior year, investments also included to the expansion of production capacity at the plant in Opole, Poland.

Net financial liabilities decrease by EUR 26,1 million to EUR 73,8 million. This decrease is achieved by an improvement in the operating cash flow, a further improvement of the working capital as well as the sale of the 2 industrial buildings. The decrease was realized despite the sale of the captive (cash outflow of EUR 3,9 million) and the payment of the scrip-dividend (net impact of EUR 4,3 million EUR after taking into account the impact of the share capital increase).

The net cash flow from operating activities amounts to EUR 50,8 million and is slightly below the level of 2020 (EUR 56,3 million), mainly due to the significant improvement in net working capital in 2020.

The calculation of net financial liabilities as at 31 December 2021 and 2020 is as follows:

Net financial debts

in EUR'000	<u>31/12/2021</u>	<u>31/12/2020</u>
Cash and cash equivalents	-11 544	-19 143
Long-term interest-bearing liabilities	79 728	106 873
Short-term interest-bearing liabilities	5 579	12 179
Net financial debts	73 763	99 909

PRESS RELEASE
Regulated information



Notes to the income statement

The most important points were explained in the Key figures and headlines section of this report.

UEBIT and UEBITDA - which represent the recurring or underlying business performance - are now called underlying EBIT or underlying EBITDA respectively. The calculation for Ter Beke is as follows:

Result of operating activities			
In EUR'000			
		<u>31/12/2021</u>	<u>31/12/2020</u>
EBITDA		45 939	37 140
Depreciation and impairment of non-current assets		-28 468	-31 450
Write downs and provisions		-322	-851
Result of operating activities (EBIT)		17 149	4 839

		<u>31/12/2021</u>	<u>31/12/2020</u>
Result of operating activities (EBIT)		17 149	4 839
Severance payment (incl social costs)			3 942
Project 'unity Netherlands'			4 361
Recall			379
Covid-19 expenses			1 886
Costs of acquisitions		1 754	
Others			63
Costs due to change in CEO		875	
Impact sale captive TB Luxemburg		4 238	
Underlying operating result (UEBIT)		24 016	15 470
EBITDA		45 939	37 140
Severance payment (incl social costs)			3 942
Project 'unity Netherlands'			2 364
Costs of acquisitions		1 754	
Costs due to change in CEO		875	
Impact sale captive TB Luxemburg		4 238	
Covid-19 expenses			1 886
Recall			379
UEBITDA		52 806	45 711

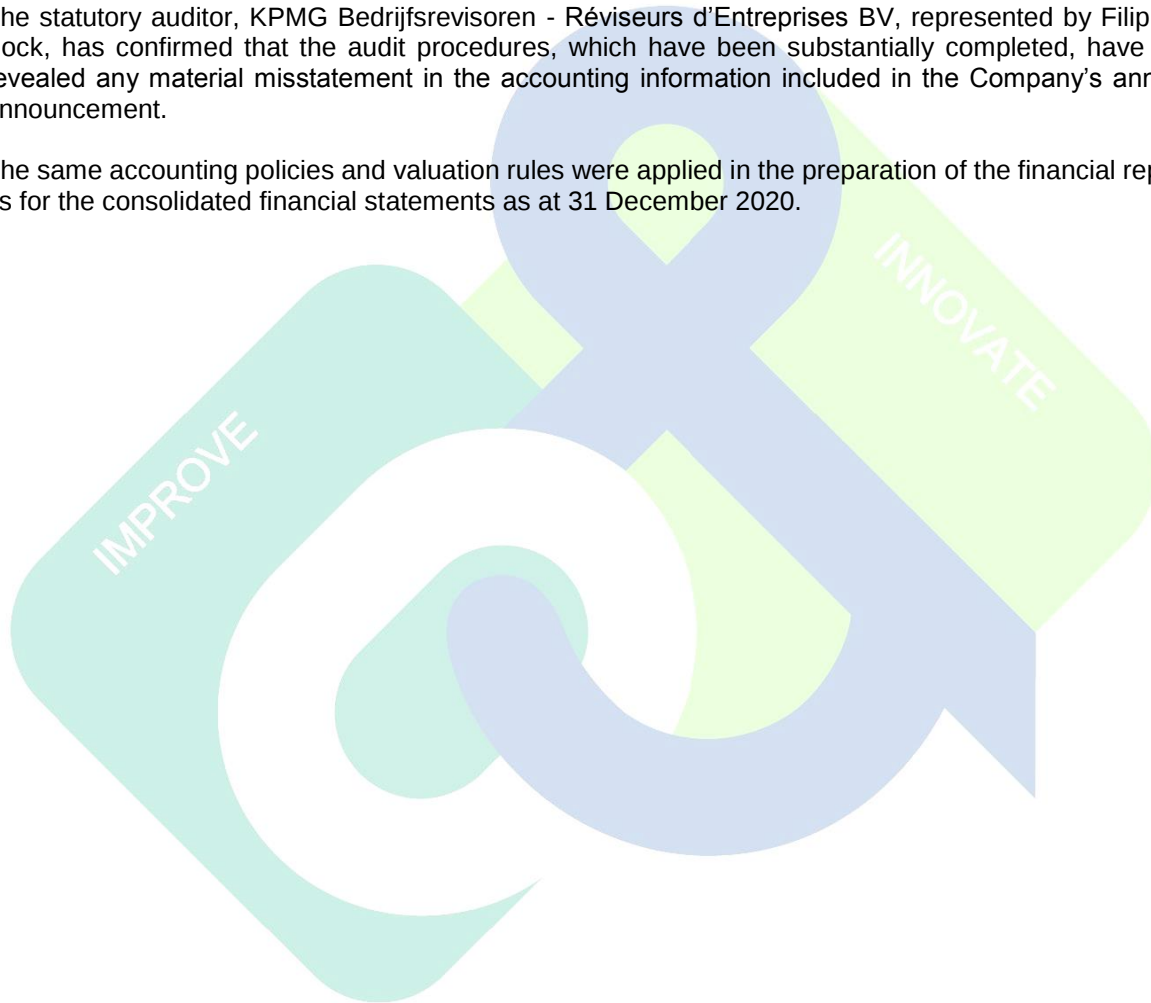
PRESS RELEASE
Regulated information



External control:

The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises BV, 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.

The same accounting policies and valuation rules were applied in the preparation of the financial report as for the consolidated financial statements as at 31 December 2020.



PRESS RELEASE
Regulated information



Contacts:

For questions about this press release or for further information, please contact:

Piet Sanders*
CEO
Tel. +32 9 370 13 17
piet.sanders@terbeke.be

Yves Regniers°
CFO
Tel. +32 9 370 13 17
yves.regniers@terbeke.be

* Permanent representative of BV Leading For Growth
° Permanent representative of BV ESROH

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

For more information about Ter Beke, visit www.terbeke.com.

Financial calendar

Annual report 2021:
General Shareholders Meeting 2022:
Results first semester of 2022:

Latest April 22nd, 2022
May 25th, 2022
Latest August 26th, 2022



Ter Beke Group

Financial year ending on 31 December 2021 and 2020
All amounts in 000 EUR

Consolidated income statement

Financial year ending on 31 December 2021 and 2020

	2021	2020
Revenue	696 906	717 422
Trade goods, raw and auxiliary items	-415 414	-442 650
Services and miscellaneous goods	-110 131	-110 518
Wages and salaries	-122 696	-126 376
Depreciation costs and impairments	-28 468	-31 450
Impairments, write-offs, and provisions	-322	-851
Other operating income	3 892	3 839
Other operating expenses	-6 618	-4 577
Result of operating activities	17 149	4 839
Financial income	717	760
Financial expenses	-4 369	-5 892
Results of operating activities after net financing expenses	13 497	-293
Taxes	-6 164	-2 170
result for the financial year	7 333	-2 463
Result for the financial year: share third parties	-13	-77
Result for the financial year: share group	7 346	-2 386
Basic earnings per share	4,09	-1,39
Diluted earnings per share	4,09	-1,39



Consolidated balance sheet

Financial year ending on 31 December 2021 and 2020
In EUR'000

	<u>2021</u>	<u>2020</u>
Assets		
Non-current assets	231 701	245 108
Goodwill	78 332	77 759
Intangible assets	20 464	22 224
Tangible non-current assets	124 978	136 463
Deferred tax assets	7 852	8 587
Other long-term receivables	75	75
Current assets	150 104	156 492
Inventories	38 596	37 865
Trade and other receivables	99 964	99 484
Cash and cash equivalents	11 544	19 143
Total assets	381 805	401 600
Liabilities		
Shareholders' equity	121 445	116 578
Capital and issue premiums	59 572	56 782
Reserves	60 196	58 041
Non-controlling interest	1 677	1 755
Deferred tax liabilities	6 525	4 636
Long-term liabilities	87 993	114 631
Provisions	3 878	3 897
Long-term interest-bearing liabilities	79 728	106 873
Other long-term liabilities	4 387	3 861
Current liabilities	165 842	165 755
Short term interest-bearing liabilities	5 579	12 179
Trade liabilities and other debts	138 132	133 197
Social liabilities	20 257	18 603
Tax liabilities	1 874	1 776
Total liabilities	381 805	401 600



Consolidated cash flow statement in EUR'000		
as at 31 December 2021 and 2020		
	2021	2020
Operating activities		
Result before taxes	13 497	-293
Interest	2 000	2 678
Depreciation costs and impairments	28 468	31 450
Write-downs (*)	567	2 032
Provisions	-27	-50
Gains & losses on disposal of fixed assets	3 812	28
Cash flow from operating activities	48 317	35 845
Decrease/(increase) in receivables more than 1 year		
Decrease/(increase) in inventory	-687	1 701
Decrease/(increase) in receivables less than 1 year	-334	17 610
Decrease/(increase) in operational assets	-1 021	19 311
Increase/(decrease) in trade liabilities	6 488	7 688
Increase/(decrease) in debts relating to remuneration	2 003	-754
Increase/(decrease) in other liabilities, accruals and deferred income	-1 126	-3 046
Increase/(decrease) in operational debts	7 365	3 888
(Increase)/decrease in the operating capital	6 344	23 199
Tax paid	-3 901	-2 696
Net cash flow from operating activities	50 760	56 348
Investment activities		
Acquisition of intangible and tangible non-current assets	-19 279	-27 656
Total increase in investments	-19 279	-27 656
Sale of intangible and tangible non-current assets	5 112	1 723
Sale of shares in participations	-3 900	
Total decrease in investments	1 212	1 723
Cash flow from investment activities	-18 067	-25 933
Financing activities		
Increase/(decrease) in short-term financial debts	-1 451	-2 742
Increase in long-term debts	921	857
Repayment of long-term debts	-33 316	-30 062
Interest paid interest (via income statement)	-2 000	-2 678
Acquisition of non-controlling interest	-266	
Capital increase (decrease) (**)	2 791	3 591
Dividend paid by parent company (***)	-7 069	-6 930
Cash flow from financing activities	-40 390	-37 964
Net change in cash and cash equivalents	-7 697	-7 549
Cash funds at the beginning of the financial year	19 143	26 825
Translation differences	98	-133
Cash funds at the end of the financial year	11 544	19 143
	11 544	19 143
(*) Also includes adjustments that are part of the financial result. This was 1 132 KEUR in 2020 and 219 KEUR in 2021		
(**) Share Capital increase following Scrip Dividend: shareholders choosing for shares rather than cash		
(***) Dividend paid in cash by the parent company		

(***) Dividend distributed over 2020 € 4,00 (net € 2,80) per share or KEUR 7,069 of which KEUR 4,278 paid in cash and the balance distributed via the creation of 26.936 new shares, which led to a strengthening of the equity by KEUR 2,791.

PRESS RELEASE
Regulated information



in EUR'000		2021	
	Processed meats	Ready Meals	Total
Segment income statement			
Segment net turnover	422 863	274 043	696 906
Segment results	11 985	17 691	29 676
Non-allocated results			-12 527
Net financing cost			-3 652
Taxes			-6 164
Consolidated result			7 333
Segment balance sheet			
Segment non-current assets	113 790	113 718	227 508
Non-allocated non-current assets			4 193
Total consolidated non-current assets			231 701
Segment liabilities	101 039	64 056	165 095
Non-allocated liabilities			216 710
Total consolidated liabilities			381 805
Other segment information			
Segment investments (*)	10 988	6 688	17 676
Non-allocated investments			1 027
Total investments			18 703
Segment depreciation and non-cash costs	16 922	10 682	27 604
Non-allocated depreciation and non-cash costs			1 186
Total depreciation and non-cash costs			28 790
(*) Investments including new capital grants			

PRESS RELEASE
Regulated information



Comparable Segment information in EUR'000	Processed Meats	Ready Meals	Not Allocated	Total
EBIT 2021	11 985	17 691	-12 527	17 149
EBIT 2020	-7 127	19 480	-7 514	4 839
Variance	19 112	-1 789	-5 013	12 310
EBITDA 2021	28 907	28 373	-11 341	45 939
EBITDA 2020	12 120	29 921	-4 901	37 140
Variance	16 787	-1 548	-6 440	8 799
Non-Underlying 2021 U-EBIT			-6 867	-6 867
U-EBITDA			-6 867	-6 867
Comparable Segment information	Processed Meats	Ready Meals	Not Allocated	Total
UEBIT 2021	11 985	17 691	-5 660	24 016
UEBIT 2020	630	22 147	-7 307	15 470
Variance	11 355	-4 456	1 647	8 546
UEBITDA 2021	28 907	28 373	-4 474	52 806
UEBITDA 2020	18 142	32 263	-4 694	45 711
Variance	10 765	-3 890	220	7 095