

ForFarmers

2021 Results



Notifications and disclaimer

Reporting standards

The results in this presentation are derived from the ForFarmers 2021 financial statements which have been audited by the external auditor and have been drawn up in accordance with the International Financial Reporting Standards as adopted by the EU (IFRS).

General remark:

presented percentages are calculated on the rounded amounts in million euro with one decimal.

Supervision

In view of the fact that shares are freely traded on Euronext Amsterdam, ForFarmers operates under the supervision of the Financial Markets Authority (AFM) and the company acts in accordance with the prevailing regulations for share-issuing companies.

Important dates

24-02-2022	2021 Annual Results and 2021 Annual Report
14-04-2022	General Meeting of Shareholders
05-05-2022	Q1 2022 Trading update
11-08-2022	Publication 2022 half-year results
01-11-2022	Q3 2022 Trading update
23-02-2023	2022 Annual Results and 2022 Annual Report

Forward-looking statements

This presentation contains forward-looking statements, including those relating to ForFarmers legal obligations in terms of capital and liquidity positions in certain specified scenarios. In addition, forward-looking statements, without limitation, may include such phrases as “intends to”, “expects”, “takes into account”, “is aimed at”, “plans to”, “estimated” and words with a similar meaning. These statements pertain to or may affect matters in the future, such as ForFarmers future financial results, business plans and current strategies. Forward-looking statements are subject to a number of risks and uncertainties, which may mean that there could be material differences between actual results and performance and expected future results or performances that are implicitly or explicitly included in the forward-looking statements. Factors that may result in variations on the current expectations or may contribute to the same include but are not limited to: developments in legislation, technology, jurisprudence and regulations, share price fluctuations, legal procedures, investigations by regulatory bodies, the competitive landscape and general economic conditions. These and other factors, risks and uncertainties that may affect any forward-looking statements or the actual results of ForFarmers, are discussed in the last published annual report. The forward-looking statements in this presentation are only statements as of the date of this document and ForFarmers accepts no obligation or responsibility with respect to any changes made to the forward-looking statements contained in this document, regardless of whether these pertain to new information, future events or otherwise, unless ForFarmers is legally obliged to do so.



Results

2021



Agenda

Highlights 2021 & market developments - Yoram Knoop

Financial Results 2021 - Roeland Tjebbes

Strategic Update & Outlook - Yoram Knoop

Questions



“For ourselves and our customers 2021 was a turbulent year in which we were impacted by challenges including rising input costs, animal diseases and pressure on the agricultural sector.”

“We fully dedicate ourselves to a sustainable future for our stakeholders in line with our mission For the Future of Farming”



Highlights

2021

2021 turbulent: rising raw material and energy costs, animal diseases and increasing pressure on agricultural sector

Underlying EBITDA: -18.7% YoY

Dividend per share: €0.29 equal to in 2020

Prolonged Covid measures leading to some volume but mainly margin pressure due to overcapacity

Spike in raw materials and energy prices

Animal diseases
(African Swine Fever & Avian Influenza)

Customers in liquidity squeeze:
raw material prices rose faster than prices for dairy, meat and egg prices

Pig prices extremely low; pig farmers facing financial problems

Acquisition of De Hoop Mengvoeders (mainly broiler feed, NL) and Mühldorfer Pferdefutter (horse feed, DE)

Integration according to plan and results better than anticipated in business plan

Implementation efficiency plans 2021- 2022 ahead of plan (LFL decline of ftes: 101)

Continued efforts in Innovation throughout the feed chain

Progress with sustainability initiatives

Changes in Executive Board and Executive Committee

Central where possible, but mainly local, close to the customer

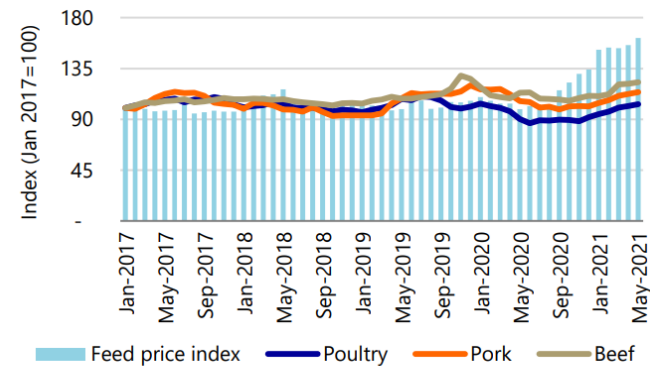
Evaluation strategy started



Market developments per country

in 2021

Figure 1: Global broiler, beef, and pork prices vs. feed cost monitor, 2017-2021



Source: Bloomberg, Food and Agriculture Organization of the United Nations, national statistics, Rabobank 2021

The Netherlands

Ongoing uncertainty regarding agri policy after general elections (Nitrogen debate)
 Pig herd smaller due to 'warm restructuring'
 AI² outbreaks in beginning and end 2021
 More and more welfare concepts broilers to retailers ('better life plus')

Belgium

Dairy and pig herds smaller
 Export ban on pig meat to non-EU countries lifted; no benefit due to oversupply of pigs in EU
 Cattle farmers especially impacted by prolonged Covid measures

Germany

ASF¹ detected in East Germany, leading to export bans to non-EU countries
 Significant competition in market due to overcapacity
 Increased demand for robotic milking in dairy sector

Poland

As of summer 2021, poultry farmers filling barns due to reduction of frozen stock broiler meat combined with lifting of Covid measures
 AI, leading to temporary export ban to non-EU countries

United Kingdom

Brexit effective as of 1 January 2021
 New agricultural policy focusing on sustainability targets a.o.
 Logistics impacted by shortage of drivers due to Brexit

Agenda

Highlights 2021 & market developments - Yoram Knoop

Financial Results 2021 - Roeland Tjebbes

Strategic Update & Outlook - Yoram Knoop

Questions



Underlying EBITDA development

<i>(in €m)</i>	2021	2020	Total %	<i>Fx</i>	<i>M&A</i>	<i>LFL</i> ¹	<i>Comments</i>
Total Feed volume (in mT)	9.7	9.7	-0.8%	-	2.5%	-3.2%	Fairly stable in NL/BE due to acquisitions, stable in DE/PL but decline in UK
<i>Of which: Compound Feed</i>	6.8	6.8	0.2%	-	3.4%	-3.2%	Up in NL/BE due to acquisitions, up in DE/PL but down in UK
Gross profit	436.3	433.2	0.7%	0.8%	4.5%	-4.5%	LFL decline due to LFL volume decline and high raw material prices not fully passed on to customers
<i>Underlying operating expenses</i>	-396.6	-372.6	6.4%	0.9%	3.2%	2.4%	Increase due to acquisitions and higher energy prices which could not be passed on in the chain, volume related costs fell (LFL) and lower number ftes (LFL)
Underlying EBIT	40.7	61.6	-33.9%	0.3%	12.2%	-46.4%	Lower gross profit and higher operating expenses
Underlying depreciation and amortisation	-37.5	-34.6	8.4%	1.0%	4.3%	3.0%	Increase due to acquisitions and higher investments in line with Build to Grow 2025 programmes
Underlying EBITDA	78.2	96.2	-18.7%	0.5%	9.4%	-28.6%	LFL underlying EBITDA decline in all clusters



Presented percentages have been calculated on the rounded amounts in million euro with one decimal and additions may lead to small differences due to rounding;

1. LFL stands for Like-For-Like; and means the change excluding currency impact and acquisitions and divestments.

Profit development

<i>(in €m)</i>	2021	2020	Comments
Underlying EBIT	40.7	61.6	Lower gross profit and higher operating expenses
Underlying Net Finance result	-3.0	-2.6	Higher interest charges due to higher debt position following acquisition De Hoop Mengvoeders
Share of profit of equity-accounted investees	3.8	4.1	Normalising of transshipment activities (HaBeMa)
Underlying Income tax expenses	-12.0	-16.4	
Non-controlling interests	0.4	0.5	
Underlying profit	29.0	46.3	
Incidental items	-17.0	-32.1	Incl. implementation efficiency plans, impairment of acquired intangible assets and gains on sales of two mills; 2020 included impairment goodwill Tasomix (PL)
Profit (attributable to owners of the company)	12.0	14.2	
Non-controlling interests	0.4	0.5	
Profit for the period	12.5	14.7	



Profit ratios

	2021	2020	Comments
Underlying profit (in €m)	29.0	46.3	
Underlying earnings per share (in €)	0.32	0.49	The impact of the share buy back programme (started 2 December 2021) was negligible
Underlying effective tax rate	31.9%	27.7%	Mainly due to announced statutory increase of NL and UK tax rates
Underlying EBITDA/Gross Profit	17.9%	22.2%	
ROACE¹ (EBITDA)	16.2%	19.4%	
ROACE (EBIT)	8.4%	12.4%	



General remark: additions may lead to small differences due to roundings;
 1. ROACE defined as underlying EBITDA(EBIT)/average capital employed over 12 month rolling average

Capital structure

<i>(in €m)</i>	31-12-2021	31-12-2020	Comments
Total Assets	943.4	816.7	Higher due to amongst others acquisitions
Equity	366.3	362.5	Due to addition of profit (€12.5m) minus dividend distribution (-€28.0m) and SBB (-€7.3m) plus OCI (€26.5m) comprising mainly remeasurement due to higher interest pension UK (€22.1m) and currency translation (€4.2m)
Solvency ratio	38.8%	44.4%	
Net working capital	37.5	33.4	Effect acquisitions and higher inventory and higher receivables positions, mainly due to higher raw material prices;
- Current assets ¹	407.4	319.1	
- Current liabilities ²	369.9	285.7	WC rose only slightly despite acquisitions and much higher raw material prices
Ratio overdue receivables	11.6%	12.5%	Better overdue ratio despite challenging market circumstances (Covid in combination with rising feed prices due to rising raw material prices)
Net Debt / (Cash)	28.7	-15.8	Higher due to acquisitions made



General remark: additions may lead to small differences due to rounding
 1. current assets excluding cash and cash equivalents;
 2. current liabilities excluding bank overdrafts and lease liabilities.

Cash flow development

<i>(in €m)</i>	2021	2020	Comments
Net cash flow from operating activities	54.7	98.1	Mainly due to lower results over the period and the increase in WC compared to a decrease in WC in 2020
Net cash flow from investing activities	-55.6	-28.8	Mainly due to the acquisitions and higher regular capex investments, partly offset by gain on sales of assets (2 mills)
Net cash flow from financing activities	-2.5	-47.5	Due to the use of the credit facility to fund the acquisitions
Net increase/decrease in cash and cash equivalents	-3.5	21.8	
Cash and cash equivalents (1 January)	38.0	15.4	
Currency translation effect	-0.8	0.9	
Cash and cash equivalents (31 December)	33.8	38.0	



Alternative Performance Measures¹ (incidental items)

<i>(in €m) adjustments on different levels</i>	Impairments		Business combinations and divestments		Restructuring		Other		Total APM items	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
On EBITDA ^A	-	-	1.7	5.2	-4.0	-1.2	-3.0	-	-5.3	4.1
On EBIT ^B	-4.4	-34.2	-6.7	-2.1	-3.9	-1.2	-3.0	-	-18.1	-37.4
On Net financing result ^C	-	-	-2.5	4.5	-	-	-	-	-2.5	4.5
On Tax ^D	1.0	-	1.7	0.7	0.9	0.3	-	-0.2	3.6	0.8
On Profit to shareholders	-3.4	-34.2	-7.5	3.2	-3.0	-0.9	-3.0	-0.2	-17.0	-32.1

Comments

2021: impairment of assets no longer in use (B)
2020: goodwill impairment Tasomix (PL)

2021: gain on sale of mill in UK and BE and land (NL)(A); balance of (A) and amortisation acquired intangible assets; accrual put option liability (C);
2020: gain on sale mills (A) remeasurement put option Tasomix (C)

2021: Implementation efficiency programme (A+B) and one-off severance package Executive Board members;
2020: various projects efficiency programme (A+B)

2021: additions to provisions for a.o. (legal) claims against ForFarmers

1. Underlying performance measures are alternative performance measures that are not defined by IFRS.
 For further information see Note 17 of the financial statements 2021; (A,B,C,D): reference note in the comment section;
 General remark: additions may lead to small differences due to rounding

Results

The Netherlands/Belgium

(in €m)	2021	2020	Comments
Total Feed volume (in kT)	5,069	5,086	Effect acquisition De Hoop Mengvoeders + Mülhdorfer Pferdefutter; LFL decline due to Covid, warm restructuring pig sector NL, decline herd BE and animal diseases; growth Reudink and Pavo
Revenue	1,416.8	1,237.3	Higher raw material prices which were not fully passed on
Gross profit	249.5	246.9	Acquisition effect mitigated by margin pressure due to high raw material prices and lower LFL volumes; GP/tonne remained stable
Underlying operating expenses	-201.2	-186.4	Acquisition effect and higher energy prices; personnel expenses stable (fte decline offset by acquisition effect); lower overhead allocation
Underlying EBITDA	61.3	72.6	
Underlying EBIT	48.5	61.4	
Underlying EBITDA/Gross profit	24.6%	29.4%	
ROACE (on underlying EBITDA)	29.2%	39.3%	
ROACE (on underlying EBIT)	23.1%	33.2%	



agroscoop®



Presented figures are calculated on the rounded amounts in € million with one decimal and additions may lead to small differences due to roundings

Results

Germany/Poland

<i>(in €m)</i>	2021	2020	Comments
Total Feed volume (in kT)	2,176	2,176	Total Feed volume growth in poultry, ruminants and swine down. Compound feed up in poultry in PL (recovery); pig sector suffering from low prices pigs; impact animal diseases
Revenue	645.4	562.8	Higher raw material prices
Gross profit	73.5	74.8	Mainly due to contract incident in DE; not being able to pass on higher raw material prices fully; small negative currency impact
Underlying operating expenses	-71.9	-69.6	Higher energy prices; decrease in ftes
Underlying EBITDA	9.1	12.2	
Underlying EBIT	2.5	5.3	
Underlying EBITDA/Gross profit	12.3%	16.4%	
ROACE (on underlying EBITDA)	6.3%	7.3%	
ROACE (on underlying EBIT)	1.7%	3.2%	



Presented figures are calculated on the rounded amounts in € million with one decimal and additions may lead to small differences due to roundings

Results

United Kingdom

(in €m)	2021	2020	Comments
Total Feed volume (in kT)	2,421	2,478	Mainly due to decline of compound feed volumes; loss of large customer in swine sector; ruminants stable and growth in poultry sector
Revenue	648.8	589.3	Higher raw material prices and currency impact of stronger Pound sterling
Gross profit	112.6	110.8	Positive currency effect, in local currency a decline due to lower compound feed volumes and margin pressure; GP/tonne improved
Underlying operating expenses	-110.5	-104.9	Fewer ftes due to implementation efficiency programme; production costs up on higher energy prices
Underlying EBITDA	15.8	18.2	
Underlying EBIT	2.2	5.9	
Underlying EBITDA/Gross profit	14.0%	16.4%	
ROACE (on underlying EBITDA)	13.2%	14.0%	
ROACE (on underlying EBIT)	1.9%	4.5%	



APOLLO
Healthy Growth for Healthy Profits

- ✓ Healthy Birds
- ✓ Efficient Growth
- ✓ Better Returns




VITA
FEEDING THE FUTURE



Are you getting the most out of your robots?

Our experts will be discussing:

- 💰 The key drivers in profitability
- 🤖 How to increase robot efficiency
- 📊 The true value of managing & utilising data

Thursday 27th May
7pm - 8pm



Key data



Revenue

2,671 ▲

€ x million

2020: 2,352 million

Gross profit

436.3 ▲

€ x million

2020: 433.2 million

Underlying EBITDA

78.2 ▼

€ x million

2020: 96.2 million

Operating profit

40.7 ▼

€ x million

2020: 61.6 million

Earnings per share

0.32 ▼

€

2020: 0.49

Dividend per share

0.29 ■

€

2020: 0.29



GHG emissions production

18.6 ▲

(kg CO₂ per tonne)

2020: 19.7 kg

GHG emissions logistics

8.0 ▲

(kg CO₂ per tonne)

2020: 8.7 kg

Responsible soy and palm oil

75% soy ■

70% palm oil

2020: 75% / 70%

Gender diversity

22% ▲

(% female)

2020: 21%

LTIs

28 ▲

2020: 24

Feed safety incidents

3 ▼

2020: 8



Agenda

Highlights 2021 & market developments - Yoram Knoop

Financial Results 2021 - Roeland Tjebbes

Strategic Update & Outlook - Yoram Knoop

Questions



Strategic Update 2021



Strategic update

2021

Sustainability

- Roll-out activities strategy 'Going Circular For the Future of Farming'
- Stakeholder Dialogue Survey
- Dairy initiative NL: 10% lower carbon-footprint/kg milk for customers of ForFarmers
- Internal Sustainability Ambassadors Network: e.g. project Biodiversity Lochem
- Biogas project initiated in NL: to lead to 85% reduction of gas use in Deventer mill

Ambition

- Employee engagement survey
- Lead to Grow program

Partnership

- Entered into new partnerships; e.g. regarding warehousing & delivery bagged goods in NL
- Stronger position in virtual chains (pigs and poultry)

Operational Excellence

- Footprint, BPO and general efficiency measures
- PMO office: project execution started and facilitated

Next Level Innovation

- Progress made with identifying projects

Customer Excellence

- E-business enhanced; roll-out plan on track
- OTIF¹ maintained at high levels during Covid

M&A

- De Hoop Mengvoeders (poultry, NL) - closed Q1 2021
- Mühldorfer Pferdefutter (horse feed, Germany), closed Q1 2021

In light of the changing agricultural markets, the strategy is currently being evaluated and will be tightened where necessary.
The outcome hereof will be announced later this year



1. 'OTIF means On Time In Full , relating to delivery of feed performance

Sustainability examples

2021

- Partnership ForFarmers UK and Sedamyl to increase DML offerings (SelcoPlus, SedaGold, Wheatfeed)
- Dairy initiative NL: 10% lower carbon-footprint/kg milk for customers of ForFarmers through non-LUC soy certificates
- EU commission to lift ban on use of processed animal protein (PAPs – meat and bone meal) as alternative protein ingredient in certain feeds
- Biogas project in NL to result in 85% less use of gas by mill
- Installation of solar panels on roofs Lochem site



Outlook & Guidance



Outlook per sector¹



Ruminants

.....

- Longer term: EU and global positive outlook
- European dairy- and meat consumption stabilising; consumption worldwide continues to increase
- Short term: small increase production in EU and continued high milk prices



Swine

.....

- Longer term: EU consumption of pig meat slowly declining
- Number of pigs likely to grow in UK (Brexit effect), but decreasing in NL ('warme sanering'), DE and BE
- Short term: ASF² and China import ban leads to oversupply and extremely low pig prices in EU



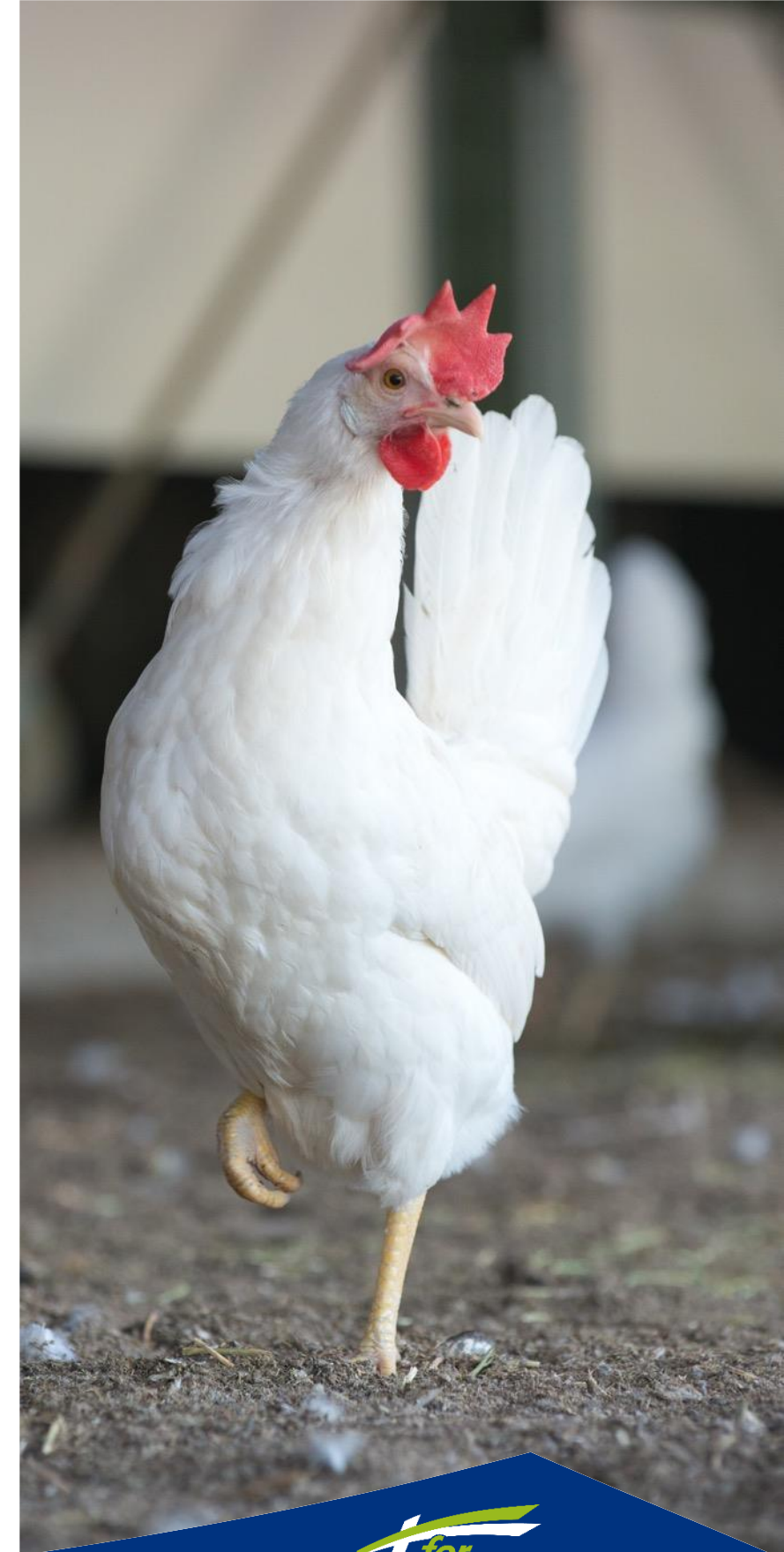
Poultry

.....

- Longer term: consumption poultry products continues to grow
- Increasing demand for welfare concepts (fewer animals, higher quality and margin)
- Increase in virtual integrations
- Short term: AI³ in some European countries limiting export possibilities

Guidance 2022

- ForFarmers expects raw material prices and energy prices to remain high, in light of circumstances including the worrisome political situation surrounding Russia and Ukraine
- Consequently, margins and costs are expected to remain under pressure as well as underlying EBITDA, which will show a substantial (LFL) decline particularly in the first half-year 2022
- The evaluation of the strategy is ongoing; the outcome hereof will be announced later this year, after the new CEO has started



Agenda

Highlights 2021 & market developments - Yoram Knoop

Financial Results 2021 - Roeland Tjebbes

Strategic Update & Outlook - Yoram Knoop

Questions



Contact

Caroline Vogelzang

Director Investor Relations

M. +31 6 10 949 161

Caroline.Vogelzang@forfarmers.eu

ForFarmers N.V.

Kwinkweerd 12

7241 CW Lochem

Nederland

**BUILD
— TO —
GROW
2025**



