

# ForFarmers

*Full year 2023 results*



# Notifications and disclaimer

## Reporting standards

The results in this presentation are derived from the ForFarmers interim 2023 financial statements which have not 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

11-04-2024	General Meeting of Shareholders
15-04-2024	Ex-dividend date
16-04-2024	Registration date
24-04-2024	Payment date dividend
02-05-2024	Q1 2024 Trading update
08-08-2024	2024 Half-year results
31-10-2024	Q3 2024 Trading update

## 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.



# Agenda

## Key events FY 2023

Financial results FY 2023

- Pieter Wolleswinkel, CEO

Our agenda 2024

- Hans Kerkhoven, (interim) CFO

Questions

- Pieter Wolleswinkel

# 2023 was a transition year for ForFarmers

- Implementation **strategy** is paying off:
  - > Organisational change aimed at greater **local responsibility** and cost-saving measures successfully implemented
  - > Purchase of Piast (Poland) and sale of compound feed business Belgium **positions ForFarmers stronger for growth**
  - > **Clear recovery** of market position and underlying profitability in H2 2023
- Sharpened mission:  
**For the Future of Farming** to safeguard sustainable & affordable food



# 2023 was a transition year for ForFarmers

- **Total volume:** 8.4 million tonnes (2022: 9.0 million tonnes):
  - > Adjusted for Belgian compound feed volumes **H2 23 in line with H1 23**
  - > **Strengthened market position** in slightly shrinking market in H2
- **Gross profit:** down 3.5% due to volume decline and volatile raw material and fertilizer prices  
H2: gross profit up 2.1% compared to 2022
- Underlying profitability decreased compared to 2022  
**H2 showed strong improvement** compared to H1 23 and H2 22
- **Underlying net profit:** €22.7 million  
Reported net loss: €1.0 million, mainly due to incidental non-cash items
- **Dividend proposal:** €0.15 per ordinary share representing 60% pay-out ratio (2022: €0.20)



# Operational and financial developments

## Netherlands/Belgium

- **Decline in volumes** partly due to sale of Belgian compound feed business
  - > Recovery of market position in swine sector through new customers
  - > Decrease in ruminants and poultry due to market circumstances
- **Gross profit** shows **clear improvement in H2** through local approach
- Decrease in underlying operating expenses due to lower energy costs and decrease in number of employees
- Decline in underlying profitability but **improvement in H2**
- **Cooperation in the chain** continues to develop, for example with Van Loon (beef cattle)
- **Continuing uncertainty** due to laws and regulations; impact farmer buy-out programmes not yet assessable

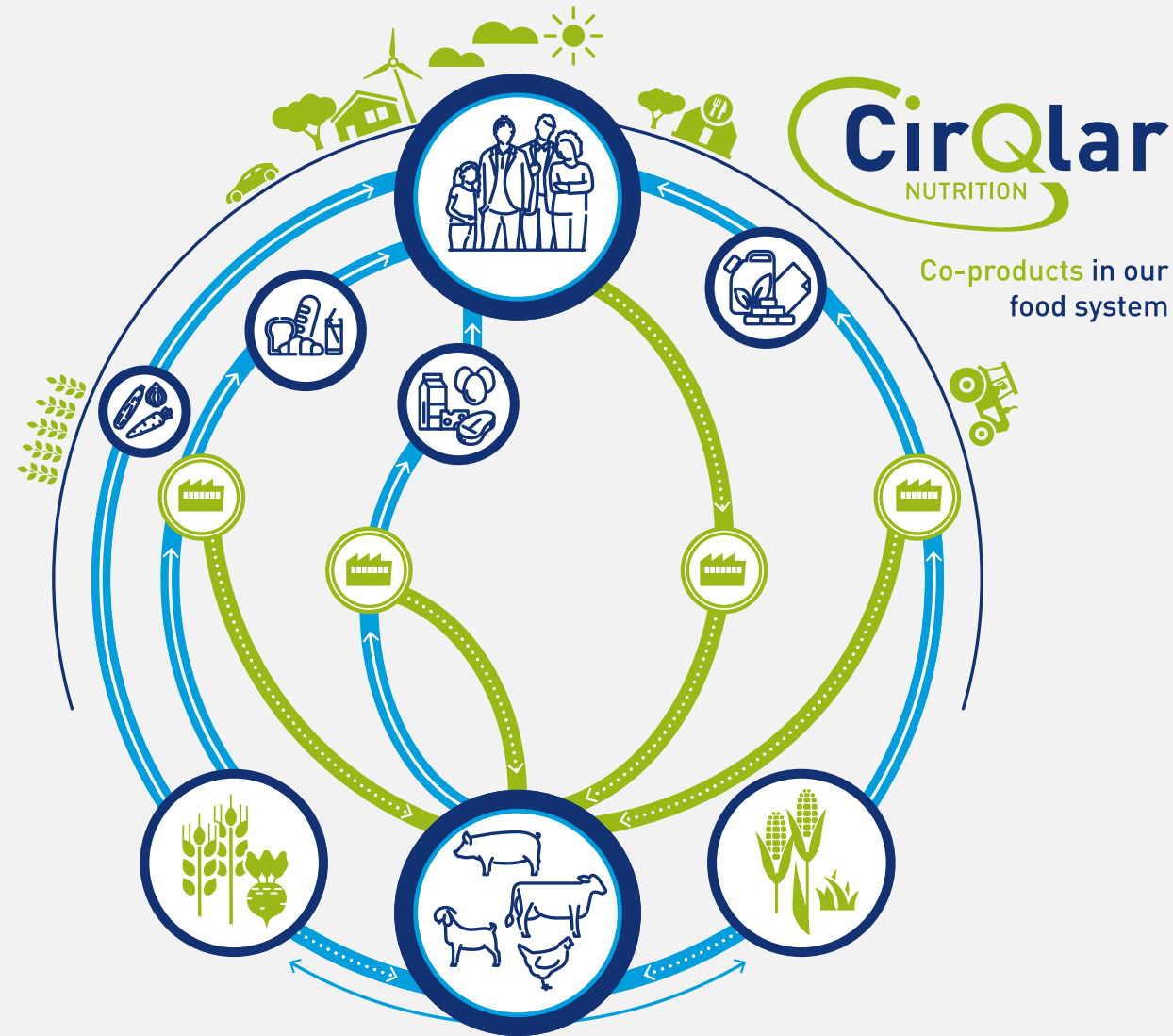
(in €m)	2023	2022
Total volumes (in kT)	4,213	4,705
Revenue	1,500.5	1,747.8
Gross profit	244.0	269.3
Underlying EBITDA	38.4	48.2
Underlying EBIT	26.0	35.8



# Co-products:

key part of sustainable feed solutions

- Co-products from e.g. the production of beer or cheese, and **not edible for humans**
- ForFarmers is strongly committed to **increasing the share** of co-products in the chain
  - > **Better use** of low-grade co-products
  - > Cooperation in **chain** crucial for progress
- All co-products activities are organised in **CirQlar**
- ForFarmers is **investing** continuously:
  - > Lochem production site expanded for liquid co-products in 2023



# Operational and financial developments

## Germany/Poland

- **Strong development** results
- **Volumes** down slightly
  - > Growth in poultry through strengthening market position
  - > Swine sector down due to shrinking herd, stabilisation H2 in Germany
  - > Ruminants less production at third parties
- **Gross profit up** 8 million euro
- **Market structure** well suited for local approach
- Only **slightly higher operating expenses** due to more flexible production and logistics
- Underlying **profitability strongly improved**

(in €m)	2023	2022
<b>Total volumes (in kT)</b>	<b>1,944</b>	<b>1,993</b>
Revenue	772.9	829.2
<b>Gross profit</b>	<b>106.5</b>	<b>98.6</b>
Underlying EBITDA	29.5	23.1
<b>Underlying EBIT</b>	<b>22.0</b>	<b>16.5</b>



# Processed Animal Proteins (PAP)

- **High quality protein**; ensures good poultry performance
- **Lower carbon footprint** due to reduced use of soy meal, for example
- Usage of PAPs **continues to rise**, especially in Germany and the Netherlands
- ForFarmers continuously **invests** in its factories to be able to process products such as PAPs



# Operational and financial developments

## United Kingdom

- **Total volume** showed slight decrease
  - > Ruminants strengthened its position, higher volumes
  - > Chain integration swine and poultry market leads to loss of customers
  - > Poultry also affected by avian flu
- **Gross profit** remained stable, a.o. due to higher share of ruminants
- Underlying **operating expenses** increased; higher production costs and impact, partly offset by lower energy costs
- Underlying **profitability** declined
- **Reorganisation** announced, process to divest two plants has commenced; deliveries to **customers** will be transferred to other ForFarmers locations

(in €m)	2023	2022
<b>Total volumes (in kT)</b>	<b>2,271</b>	<b>2,334</b>
Revenue	747.2	788.8
<b>Gross profit</b>	<b>126.3</b>	<b>126.4</b>
Underlying EBITDA	12.4	15.9
<b>Underlying EBIT</b>	<b>-0.5</b>	<b>2.3</b>



## Dairy in UK benefits from local approach

- Local approach leads to **stronger market position**
- **Competitive feed prices** for customers focused on lowest feed costs
- The **best advice** to customers seeking support to achieve better results
- Depending on customer needs, ForFarmers provides **tailor made** offerings
- **Growth of market share** at companies where cost price is leading, and in companies that need intensive support



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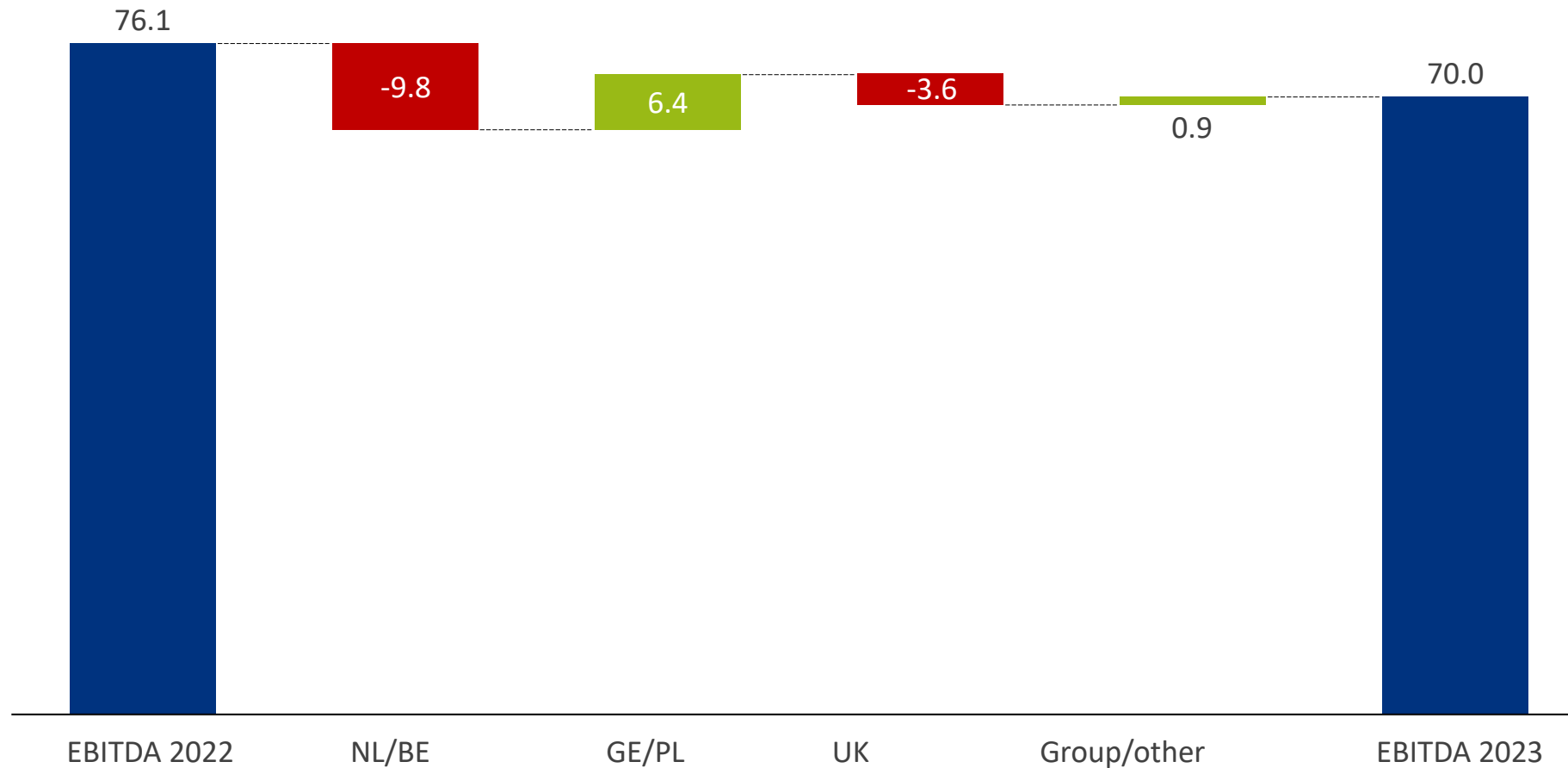
# Development underlying results

<i>(in €m unless otherwise stated)</i>	<b>FY 2023</b>	<b>FY 2022</b>	<b>Δ %</b>	<b>Δ like for like</b>	<b>Comments</b>
Total volumes (in mT)	<b>8.4</b>	<b>9.0</b>	-6.7%	-5.1%	Decline partly due to sale of Belgian compound feed business Decrease mainly pigs (market decline and price competition), poultry lower due to avian flu and welfare concepts, ruminants show growth
<i>Of which compound feed (in mT)</i>	5.9	6.3	-6.6%	-5.2%	
Revenue	2,974.7	3,315.0	-10.3%	-9.8%	Lower volumes and decreasing raw material and energy prices
<b>Gross profit</b>	<b>477.3</b>	<b>494.8</b>	-3.5%	-2.4%	Gross profit improved as a percentage of revenue as a result of lower raw material prices, mix effect and more effective buying and selling as we operate closer to the market
Underlying operating expenses	-445.7	-456.6	-2.4%	-0.9%	Decrease due to lower production volumes; personnel costs up slightly due to wage indexation combined with decrease in number of FTEs. Overhead costs down slightly
Underlying EBIT	32.7	38.9	-15.9%	-18.8%	
Underlying depreciation and amortisation	-37.3	-37.2			In line with 2022
<b>Underlying EBITDA</b>	<b>70.0</b>	<b>76.1</b>	<b>-8.0%</b>	<b>-8.6%</b>	Decrease in gross profit, partly compensated by lower operating expenses
Underlying EBITDA/Gross profit	<b>14.7%</b>	15.4%			Following decline in volumes

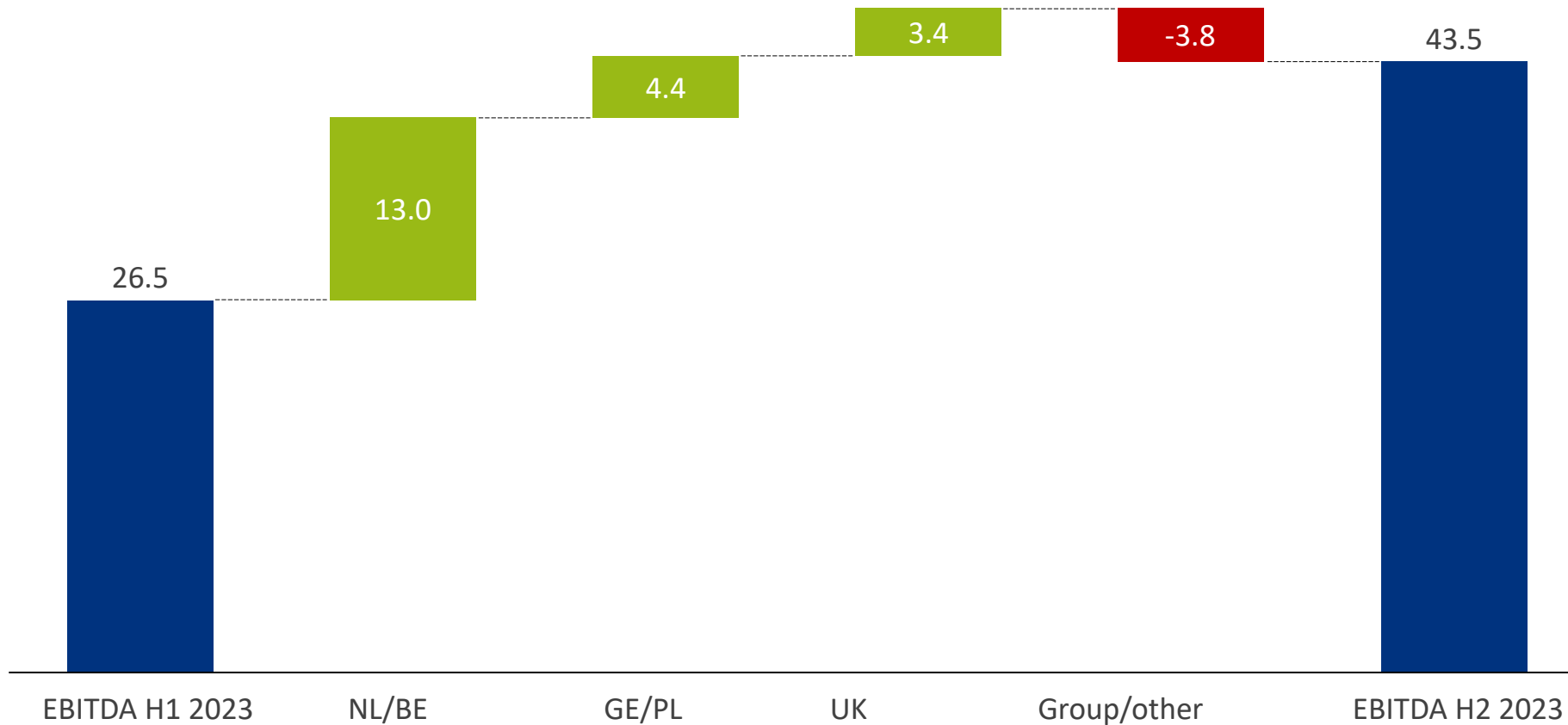


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# Development underlying EBITDA FY 2023



# Strong improvement second half of 2023



# Comparison H1 H2 2022 and 2023

		2023	2022	Total change in %	Like for like change in %
Gross profit	H1	234.8	257.3	-8.7%	-8.1%
	H2	242.5	237.5	2.1%	3.7%
Underlying operating expenses	H1	-226.6	-233.3	-2.9%	-2.1%
	H2	-219.1	-223.2	-1.8%	0.3%
Underlying EBITDA	H1	26.5	43.1	-38.5%	-38.5%
	H2	43.5	33.0	31.8%	30.6%



# Profit development

(in €m unless otherwise stated)

	FY 2023	FY 2022	Comments
<b>Underlying EBIT</b>	<b>32,7</b>	<b>38,9</b>	
Underlying net financing result	-7.3	-5.4	Increased interest rates and higher debt position, especially in H1
Share of profit of equity-accounted investees, net of tax	5.2	4.3	Improved results HaBeMa
Underlying income tax expenses	-5.1	-7.6	Underlying effective tax rate fell from 22.7% to 19.9%; mainly due to tax relief R&D costs Poland
<b>Underlying profit</b>	<b>22.7</b>	<b>30.0</b>	Decrease due to lower production volumes; personnel costs up slightly due to wage indexation combined with decrease in number of FTEs. Overhead costs down slightly
Underlying profit per share (in €)	0.25	0.33	
<b>APM's</b>	<b>23.7</b>	<b>12.0</b>	See next slide
<b>Profit/(Loss) (attributable to owners of the company)</b>	<b>-1.0</b>	<b>18.0</b>	Net profit in H2 2023 improved 94% compared to H2 2022
Non-controlling interests	2.9	0.2	
Profit/(Loss) for the period	1.9	18.2	
<b>ROACE<sup>1</sup> underlying EBIT</b>	<b>7.1%</b>	<b>7,8%</b>	



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



# Alternative Performance Measures

<i>In million euro</i>	2023	2022	Comments
<b>On EBITDA level:</b>			
Restructuring costs	-7.2	-3.6	Includes projects in various countries related to restructuring of the organisation
Business combinations and divestments	-0.2	-1.6	Costs related to M&A activities, including Piast and Belgium
Other gains and expenses	0.2	1.6	
<b>On EBIT level the following additional (non-cash) items:</b>			
Impairment	-13.8	-2.6	Related to sale Belgium (recognized in H1) and impairment fixed assets in UK
Amortisation intangible assets	-7.1	-8.3	Impairment acquired intangible assets
<b>On level net financing result (non-cash):</b>	<b>-2.4</b>	<b>-1.1</b>	The revaluation of and annual interest accrued on the put option liability in respect of Tasomix
<b>On tax level:</b>	<b>1.8</b>		Tax relief related to R&D costs Poland (years till 2023)
	<b>5.0</b>	<b>3.6</b>	Tax impact on APMs
<b>Total</b>	<b>-23.7</b>	<b>-12.0</b>	



*Underlying performance measures are alternative performance measures that are not defined by IFRS. For further information see Note 16 of the financial statements 2023; General remark: additions may lead to small differences due to rounding*

# Capital structure

<i>(in €m)</i>	<b>31-12-2023</b>	<b>31-12-2022</b>	<b>Comments</b>
<b>Total Assets</b>	<b>840.8</b>	<b>1.020.4</b>	Decrease in working capital and divestment Belgium
<b>Equity</b>	<b>320.4</b>	<b>344.2</b>	Addition of group profit (€1.9m), dividend payment (€21.0m), share buy-back (€1.7m) and other comprehensive income recognised directly in equity (€3.2m)
<b>Solvency ratio</b>	<b>38.1%</b>	<b>33.7%</b>	Decrease balance sheet total
<b>Net working capital</b>	<b>1.9</b>	<b>38.6</b>	Lower working capital levels due to decreased raw material prices and fewer overdue receivables
- Current assets <sup>1</sup>	356.8	490.4	
- Current liabilities <sup>2</sup>	354.9	451.8	
<b>Ratio</b>			
Overdue receivables	8.6%	10.6%	
Net debt <sup>3</sup>	21.4	68.6	Lower working capital and proceeds sale of Belgian activities
<b>Net debt/EBITDA<sup>4</sup></b>	<b>0.35</b>	<b>1.07</b>	



General remark: additions may lead to small differences due to rounding  
 1. current assets excluding cash and cash equivalents, and assets held for sale  
 2. current liabilities excluding bank overdrafts and lease liabilities  
 3. Excluding lease liabilities under IFRS 16  
 4. According to bank definitions

# Net cash flow development

<i>(in €m)</i>	<b>FY 2023</b>	<b>FY 2022</b>	<b>Comments</b>
<b>From operating activities</b>	<b>86.5</b>	<b>48.2</b>	Lower working capital due to lower raw material prices (inventory) and lower outstanding accounts receivable
From investing activities	-7.2	-34.8	Sale Belgium compound feed activities
From financing activities	-31.9	-50.2	Share buy-back programme 2022
<b>Net increase(-)/decrease(+) net debt</b>	<b>47.4</b>	<b>-36.4</b>	
Net debt (1 January)	-68.6	-28.7	
Currency translation effect	-0.2	-3.1	
Net debt (31 December)	-21.4	-68.6	



General remark: additions may lead to small differences due to roundings

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# Our agenda 2024 to support our customers

- **Focus on sustainability**, specifically on:
  - > Reducing **carbon footprint**
  - > Increasing **co-products**
  - > Protecting **biodiversity**
- Use the **strength of the local organisation** with the ambition of winning market share
- Focus on **cost control** in view of continuous inflation
- Reorganisation UK with emphasis on **more efficient production and reducing cost base**
- **Integration** Piast and Thunderbrook Equestrian
- Seeking acceleration of sustainability and integral efficiency through **chain cooperations**



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