

Healthier
food
Healthier
people
Healthier
planet

Press release

Q1 2015 results

 wessanen

Q1 2015 highlights

- Autonomous revenue growth of 8.9%, driven by 8.4% volume growth
- EBITE up to €12.3 million as result of higher gross profit, good cost control and first time inclusion Abafoods; marketing investments increased markedly
- Abafoods, acquired early January, performs well and in line with our expectations
- Divestment ABC completed, marking our full dedication to healthy and sustainable food

Consolidated key figures Q1 2015

In € million, unless stated otherwise	Q1 2015	Q1 2014	% increase
Revenue	131.7	109.4	20.4%
Autonomous revenue development ¹	8.9%		
Normalised operating result (EBITE)	12.3	9.2	34%
Operating result (EBIT)	12.2	9.1	34%
Profit/(loss) after income tax from continuing operations	7.8	5.3	47%
Profit/(loss) from discontinued operations	4.8	(0.3)	-
Profit/(loss) for the period	12.6	5.0	152%
Net cash/(debt)	18.8	(56.6)	-
Earnings per share (in €)	0.17	0.07	143%
Average nr. of outstanding shares (x 1,000)	75,898	75,771	

¹ Including adjustments for currency effects and acquisitions/divestments

CEO statement

Christophe Barnouin (CEO) commented: "Our first quarter was a good start of the year, sustaining the healthy growth of the previous periods. We recorded an autonomous growth of almost 9%, mainly due to volume, with our own brands growing double digit. Abafoods, which we acquired early January, performed well and in line with our expectations. Its integration is well on track.

We have increased our marketing investments in the quarter and we are to grow it for 2015 as well. We however plan the phasing of our spending to be different from last year, being more weighted to the first half.

Innovations and line extensions such as Allos Hofgemüse, Bjorg fourrés lemon, Isola Bio cereal drinks and Clipper teas perform well. Focal areas remain to realise new listing and expand shelf space as we did successfully in the past periods.

Today, we are purely dedicated to healthy and sustainable food. Since we successfully completed the divestment of US-based ABC at the end of March, all of us at Wessanen focus exclusively on organic food, fair trade, vegetarian and good nutrition. Every day we all contribute to one unified goal, 'healthier food, healthier people, healthier planet'."

2015 guidance on revenue, marketing and profitability

For the remainder of 2015, we expect our own brands to grow in line with market growth of 5-7%. Revenue of third party brands is expected to be lower as a consequence of ending three distribution contracts in previous periods. Private label sales will grow as a result of Abafoods.

For 2015, we are increasing our marketing investments, although the phasing will be different than last year. Last year, we invested more in the second half than in the first half and the fourth quarter had the largest absolute spending in the year. For 2015, marketing investments are more weighted to the first half of the year. On a quarterly basis, the larger marketing spending is planned for the second and third quarter.

For the full year, excluding the effect of the Abafoods acquisition, we expect EBITE to be higher than last year. We expect EBITE in the first half of 2015 to be broadly in line with last year as a result of increased marketing spending.

Brand and category review

In the first quarter, our own brands performed well, growing double digit. While most of the growth has been driven by a strong performance of the existing product portfolio and promotions, faster listing of innovations and line extensions as well as pipeline filling contributed as well to the strong performance in the quarter. Allos, Bjorg, Clipper, Kallø, Whole Earth and Zonnatura, amongst others, have performed strongly. Newly acquired Isola Bio performed well in both the Italian health food stores channel and via export. Revenue of third party brands was lower, while private label sales increased due to the first time inclusion of Abafoods.



All main categories performed well. Dairy alternatives saw strong growth at Bjorg, Bonneterre and Almond Breeze. The unique expertise in dairy alternatives at Abafoods has considerably strengthened our R&D and production capabilities. Sweets in between benefitted from strong performance of Bjorg, Gayelord Hauser, Allos, Zonnatura and Bonneterre. Growth at the hot drinks category was driven by strong performance of Clipper in the UK, Netherlands, Germany, France and export.



Financial review

Continuing operations

In € million	Q1 14	Q2 14	Q3 14	Q4 14	FY 2014	Q1 2015
Revenue	109.4	108.6	105.7	106.9	430.6	131.7
EBITE – Branded	10.0	8.1	5.5	3.6	27.2	12.9
EBITE - Non-allocated	(0.8)	0.1	(0.6)	(2.3)	(3.6)	(0.6)
EBITE	9.2	8.2	4.9	1.3	23.6	12.3
Exceptional items	(0.1)	(0.6)	-	(2.3)	(3.0)	(0.1)
EBIT	9.1	7.6	4.9	(1.0)	20.6	12.2

Revenue increased 20.4% to €131.7 million. Autonomous revenue growth amounted to 8.9% of which volume contribute 8.4% and price/mix 0.5%. The appreciation of the British pound contributed 2.0% and the first time inclusion of Abafoods 9.9% (€10.8 million). The absence of intercompany sales contributed (0.4)%. The ending of three distribution contracts in previous periods impacted revenue by €3 million negatively.

EBITE increased 34% to €12.3 million as a result of increased gross profit, good cost control and the first time inclusion of Abafoods. Marketing expenses increased markedly versus last year. The operating result of €12.2 million included exceptional items of €(0.1) million.

Net financing cost amounted to €(0.8) million (Q1 2014: €(0.9) million). Next to interest expenses due to the acquisition of Abafoods, currency results of €(0.6) million were recorded, relating to exchange rate differences on intercompany loans (mainly working capital financing).

Income tax expenses were €(3.6) million (Q1 2014: €(2.9) million). Excluding the release for uncertain tax positions of €0.3 million, the effective income tax rate was 34.2%.

Profit from continuing operations increased 47% to €7.8 million (Q1 2014: €5.3 million). Earnings per share amounted to €0.11 versus €0.07 last year.

Financial review – discontinued operations

The divestment of ABC was completed per 31 March 2015. Net proceeds amounted to €51 million, including working capital adjustments. Profit from discontinued operations (net of income tax) was €4.8 million, including the recycling of an accumulated exchange rate gain of €4.0 million.

Financial review – total Wessanen

Profit for the period amounted to €12.6 million (Q1 2014: €5.0 million). Earnings per share increased to €0.17.

The net cash position decreased to €18.8 million (year end 2014: €27.3 million) as a result of the acquisition of Abafoods, the divestment of ABC, the cash from operations and a seasonal increase in working capital.

Guidance FY 2015 (continuing operations only)

- Wessanen is expected to report a higher EBITE in 2015 versus 2014
- Net financing costs around €1.5-2 million
- Tax rate around 35%
- Capital expenditures €8-9 million
- Depreciation and amortisation €7-8 million

Important dates 2015/2016

Friday 24 July	Q2 results / semi-annual report
Thursday 22 October	Q3 results
Friday 19 February	Q4 and FY results

Analyst & investor meeting

At 10h00 CET, an analyst, investor & media conference call will be hosted by Ronald Merckx (CFO) and Carl Hoyer (VP Corporate Communications & Investor Relations). The dial-in number is +31.20.716.8250 or 08000.222.330 (toll free) (no access code). A live audio webcast of the conference call can be followed via www.wessanen.com. The press release and presentation are available for download at www.wessanen.com.

Media, investor & analyst enquiries

Carl Hoyer (VP Corporate Communications & Investor Relations)

Phone +31.20.3122.140 / +316.123.556.58

Carl.hoyer@wessanen.com

Company profile

Wessanen is a leading company in the European market for healthy and sustainable food. In 2014, we realised revenue from continuing operations of €431 million with on average 822 employees. We believe we have a role to play in resolving global food challenges. To do that we make food that is good for people and for our planet. We therefore focus on organic food, vegetarian, fair trade and good nutrition.

Our aspiration is to build a European champion in healthy and sustainable food. Operating mainly in the Benelux, France, Germany, Italy and the UK, we manage and develop well-known local brands such as Allos, Alter Eco, Bjorg, Bonneterre, Clipper, Gayelord Hauser, Isola Bio, Kallø, Tartex, Whole Earth and Zonnatura.

Note on forward-looking statements

This press release includes forward looking statements. Other than reported financial results and historical information, all statements included in this press release, including, without limitation, those regarding our financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. These forward-looking statements are based on our current expectations and projections about future events and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

Many of these risks and uncertainties relate to factors that are beyond Wessanen's ability to control or estimate precisely, such as future market conditions, the behaviour of other market participants and the actions of governmental regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and are subject to change without notice. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be traded, we have no intention or obligation to update forward-looking statements.

Condensed consolidated income statement

In € millions, unless stated otherwise

	Q1 2015	Q1 2014
	(unaudited)	Restated ^{1,2} (unaudited)
<i>Continuing operations</i>		
Revenue	131.7	109.4
Operating result	12.2	9.1
Net financing costs	(0.8)	(0.9)
Profit before income tax	11.4	8.2
Income tax expense	(3.6)	(2.9)
Profit after income tax from continuing operations	7.8	5.3
<i>Discontinued operations</i>		
Profit/(loss) from discontinued operations, net of income tax	4.8	(0.3)
Profit for the period	12.6	5.0
Attributable to equity holders of Wessanen	12.6	5.0
Earnings per share (in €)		
Attributable to equity holders (basic)	0.17	0.07
from continuing operations	0.11	0.07
from discontinued operations	0.06	0.00
Average number of shares (in thousands)		
Basic	75,898	75,771
Average USD exchange rate (USD per €)	1.1101	1.3706
Average GBP exchange rate (GBP per €)	0.7354	0.8253

¹ ABC qualified as discontinued operation as from 30 September 2014. Accordingly, the income statement of ABC for the full year 2014 has been reported as part of the 'Profit/(loss) from discontinued operations, net of income tax'.

² 'Revenue' and 'Other operating expenses' have been restated for a change in accounting policy related to customer discounts, resulting in a reclassification of €(0.5) million from 'Other operating expenses' to 'Revenue' (full year 2014: €(2.9) million).

