

Trading update Q1 2018: Continuous brand growth despite strong prior year comparison; guidance for 2018 affirmed

Q1 2018 highlights

- Autonomous growth in own brands 4.3%
- In-line with strategy, further reduction of private label and distribution business
- EBITE of €16.7 million, equal to 10% of revenue

Consolidated key figures Q1 2018

In € million, unless stated otherwise

	Q1 2018	Q1 2017 ¹	% change
Revenue	166.7	164.4	1.4%
Autonomous revenue development of own brands ²	4.3%		
Normalised operating result (EBITE)	16.7	19.0	(12.1)%
EBITE as % of Revenue	10.0%	11.6%	
Operating result (EBIT)	16.6	18.9	(12.2)%
Net financing costs	(0.2)	(0.6)	
Income tax (expense)/gain	(4.9)	(5.1)	
Profit for the period	11.5	13.2	(12.9)%
Net debt	49.5	74.2	

¹ 2017: Following the adoption of IFRS 15 'Revenue' has been restated by the amount of €(0.4) (FY €(1.4)), which is offset by 'Other operating expenses'.

² Including adjustments for currency effects and acquisitions/divestments.

Q1 review

Given some strong pipeline effects in Q1 2017, our branded sales growth in the first quarter of 2018 was softer in comparison to last year. Given the one-off nature of these effects and continued strong sales to the consumer and market share gains on several of our key brands we remain positive for the development of 2018 as a whole.

Investment in A&P in Q1 was higher than last year and is expected to accelerate growth in the coming 9 months.

As expected we saw double-digit decline in private label and distribution brands in the quarter.

Our biggest brand, Bjorg showed healthy growth but below prior year due to a significant pipeline fill in one of our main grocery customers in March 2017. Market share and consumer sell out were up and main innovations such as the organic gluten-free range, chilled vegetarian meal options and dairy alternative yoghurts performed well. Bonneterre had a good quarter in the HFS channel in France.

Zonnatura started the year with an impactful communications campaign with a well-known Dutch celebrity, Rico Verhoeven.

Clipper delivered another quarter of double-digit growth across most countries.

Isola Bio performed well ahead of last year in Italy but was affected by slower sales in some Export countries.

Press release

Amsterdam, 20 April 2018

Whole Earth grew at double-digit levels while Mrs Crimble's was flat in the UK as a result of pruning of non-core categories.

Our German business delivered good growth overall driven by extended Grocery listings for Clipper and a turnaround of Allos in the HFS trade. Tartex, however was negative in the quarter given a significant customer pipeline fill in Q1 2017.

In Spain we continued to grow strongly in the Grocery channel while performance in the HFS channel was softer.

Gayelord Hauser suffered a significant decline as consumers are leaving the dietetic market in France resulting in reduction of trade support. Our newly developed range of products is starting to gain traction.

In Q1 revenue increased by 1.4% to €166.7 million. Autonomous growth of our own brands was 4.3% and total autonomous revenue growth amounted to 1.7% as a result of continued decline in private label and distribution brands (above 10%). The depreciation of the British pound contributed (0.3)%.

We remain confident that 2018 will be a successful year for us and an important step in further strengthening our business and our position in the market place.



Guidance FY 2018

- We expect continued strong growth of own brands and a further reduction of private label sales
- We expect EBITE % of revenue to increase for the full year
- Net financing costs around €1.5-2.0 million
- Tax rate around 30%
- Capital expenditure of €11-13 million
- Depreciation and amortisation of €9-10 million

Important dates 2018

20-07-2018 Publication Q2 2018 interim results

19-10-2018 Publication Q3 2018 trading update

Analyst & investor meeting

At 10h00 CET, a conference call for analysts, investors, and media will be hosted by Ronald Merckx (CFO). The dial-in number is **+31(0)20 531 5845**. There will also be a live audio webcast via www.wessanen.com

The press release and presentation are available for download at www.wessanen.com.

Media, investor & analyst enquiries

Ronald Merckx (CFO)

Phone +31 (0)20 3122 126

Email ronald.merckx@wessanen.com

Twitter @Wessanen_250

Company profile

Wessanen is a leading company in the European market for healthy and sustainable food. In 2017, our revenue was €626 million and we employed on average 1,188 people. Our purpose is 'connect to nature' and we focus on organic, vegetarian, fair trade and nutritionally beneficial products.

Our family of companies is committed to driving positive change in food in Europe. Our core brands include many pioneers and market leaders: Allos, Alter Eco, Bjorg, Bonneterre, Clipper, Destination, El Granero, Gayelord Hauser, Isola Bio, Kallø, Mrs Crimble's, 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.
