Press release

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connecting to nature
wessanen

Strong operating result despite lower revenue

9m and Q3 2018 highlights

- Autonomous growth in own brands 0.9% for 9m (Q3: (1.5)%)
- EBITE of €42.9 million, equal to 9.2% of revenue, for 9m (Q3: €14.6 million, 10.1% of revenue)
- Abbot Kinney's, innovation leader in plant based yoghurt alternatives, acquired per 10 September 2018

Consolidated key figures

In € million, unless stated otherwise	**Q3 2018**	Q3 2017[1]	**9m 2018**	9m 2017[1]	% change
Revenue	**144.2**	**147.1**	**467.8**	**471.8**	**(0.8)%**
Autonomous revenue development of own brands[2]	(1.5)%		0.9%		
Normalised operating result (EBITE)	**14.6**	**12.8**	**42.9**	**43.4**	**(1.2)%**
EBITE as % of Revenue	10.1%	8.7%	9.2%	9.2%	
Operating result (EBIT)	**14.4**	**12.2**	**37.0**	**42.2**	**(12.3)%**
Net financing costs	(0.3)	(0.2)	(0.8)	(1.7)	
Income tax expense	(3.7)	(3.5)	(10.4)	(11.7)	
Profit for the period	**10.4**	**8.5**	**25.8**	**28.8**	**(10.4)%**
Net debt	65.4	69.6			

[1] 2017: Following the adoption of IFRS 15 'Revenue' has been restated by the amount of €(0.3) in Q3 and €(1.2) in 9m 2017 (FY 2017 €(1.4)), which is offset by 'Other operating expenses'.
[2] Including adjustments for currency effects.

Q3 review

Overall, own brands growth was below our expectations in Q3 while profit delivery was strong at 10.1% EBITE in % of revenue.

We expect the corrective action plans that we have put in place since Q2 to bring a return to revenue growth for own brands in Q4. Based on the results of Q3, however, we expect revenue growth at the bottom end or possibly below the previous guidance range for the year as a whole.

One main reason for the unsatisfactory own brands growth in the quarter was an accelerated decline of our brands in the UK due to Grocery listings we previously lost and lack of promotional support from the trade. Furthermore, the hot summer had an unexpectedly strong impact on our Tea and Coffee business which affected Zonnatura, Clipper, Alter Eco and Destination across countries.

In the French Grocery business, growth of our biggest brand Bjorg improved in Q3 while Gayelord Hauser continued to decline and Alter Eco (coffee) was also softer than in H1. Bonneterre had a difficult quarter as the HFS channel in France decelerated and we felt the impact of the previously announced restructuring related to the relocation of our distribution center.

We saw good results on Isola Bio in Italy as well as Allos and Tartex in Germany.

In Spain we continued to grow strongly in the Grocery channel with our Ecocesta brand.

The Private Label business declined at low double digit levels in Q3, in line with expectations. We reduced some Distribution activities in Spain as we focus on our own brands.

In Q3 revenue decreased by 2.0% to €144.2 million. Autonomous revenue growth of our own brands was (1.5)% and total autonomous revenue growth amounted to (2.2)% as a result of the further reduction of the private label and distribution business (around (10%)). The acquisition of Abbot Kinney's contributed 0.1% and the appreciation of the British pound contributed 0.1%.

EBITE increased by €1.8 million to €14.6 million, mainly driven by positive gross margin development and lower A&P due to different phasing of expenses compared to prior year.

Depreciation and amortisation expenses decreased by €0.1 million to €2.3 million. Exceptional items amount to €(0.2) million.

Income tax expenses were €(3.7) million. The effective income tax rate in the nine-month period ended 30 September 2018 of 30% is based on the latest estimate of the weighted average income tax rate for the full year.

Guidance FY 2018

- We expect low to moderate growth of own brands and a further reduction of private label sales
- We expect EBITE % of revenue at the level of prior year
- Net financing costs around €1.0-1.5 million
- Tax rate around 30%
- Capital expenditure of €11-13 million
- Depreciation and amortisation of €9-10 million

Important dates

12-02-2019 Publication Q4 and FY 2018 results

Analyst & investor meeting

At 10h00 CET, an analyst & investor conference call will be hosted by Christophe Barnouin (CEO) and Ronald Merckx (CFO). The dial-in number is **+31(0)20 531 5851**. 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

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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 own brands include many pioneers and market leaders: Allos, Alter Eco, Bjorg, Bonneterre, Clipper, Destination, El Granero, 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.