

Trading update Q3 2017: Strong and profitable brand growth

Q3 2017 highlights

- Reported revenue growth of 7.2% (YTD: 11.8%)
- Own brands autonomous growth of 8.9% (YTD: 8.2%)
- EBITE increases to €12.8 million; EBITE margin of 8.7% (YTD: EBITE 43.4m, 9.2%)

Consolidated key figures Q3 2017

In € million, unless stated otherwise

	Q3 2017	Q3 2016	9m 2017	9m 2016	% increase
Revenue	147.4	137.5	473.0	423.2	11.8%
Autonomous revenue development of own brands ¹	8.9%		8.2%		
EBITDAIE²	15.1	12.0	49.8	40.5	23.0%
Normalised operating result (EBITE)	12.8	10.0	43.4	35.0	24.0%
Operating result (EBIT)	12.2	8.6	42.2	33.0	27.9%
Net financing costs	(0.2)	(0.9)	(1.7)	(1.5)	
Income tax expense	(3.5)	(1.7)	(11.7)	(9.2)	
Profit for the period	8.5	6.0	28.8	22.3	29.1%
Net debt	69.6	35.3			

¹Including adjustments for currency effects and acquisitions/divestments.

²Operating result before depreciation, amortisation, impairments and exceptional items.

Q3 review

Q3 was another solid quarter for Wessanen. Overall, our own brands achieved accelerated growth compared to H1 and many of them recorded yet again double digit growth.

Our German brands are all back in growth as a result of the successful turn-around plans. We have achieved more listings in Grocery, especially drugstores with Tartex and Clipper and in the HFS channel re-launched and innovated our Breakfast Cereals under Allos and added more Dairy Alternatives variants.

Bjorg has yet again grown market share in the organic market in France. The gluten-free range launched earlier in the year continues to outperform our business plan and we have launched new almond based Dairy Alternatives and a large range of Vegetarian Meals, which is a strong growth market in France.

Clipper and Whole Earth have produced double digit growth numbers both in the UK and internationally. Clipper has launched a new range of green teas in the UK which is 100% organic and fair trade and Kallo has started a national outdoor and digital campaign aiming to switch consumers to healthier alternatives such as the new protein rice cakes. The relaunch of Mrs Crimble's is now being activated in the trade and new products such as sharing tubs and cracker extensions have been launched.

In our Spanish business, we are launching a range of Dairy Alternatives and Vegetarian Meals under Ecocesta, leveraging the portfolio of the Wessanen family.



In the Benelux, Whole Earth peanut butter is performing very well, as well as the recently launched Zonnatura Dairy Alternatives which have already assumed the No. 1 position in organic in the Grocery channel.

We are executing a number of key operations projects such as in-sourcing, factory restructuring and logistics optimization and the integration of our acquisitions from 2016 is progressing well.

In Q3 revenue increased by 7.2% to €147.4 million. Autonomous growth of our own brands was 8.9% and total autonomous revenue growth amounted to 2.6% as a result of continued decline in Private Label and Distribution brands (around (20%)). The acquisition of Piramide, Ineobio, Mrs Crimble's and Biogran contributed 5.2% to revenue and the depreciation of the British pound contributed (0.8)%.

EBITE increased by €2.8 million to €12.8 million, mainly driven by higher gross profit and lower overhead expenses, including lower share-based payment expenses of €0.9 million, and the effect of the acquisitions made in 2016. Higher A&P investments partly offset the EBITE increase. Depreciation and amortisation expenses increased by €0.4 million, resulting in an EBITDAIE of €15.1 million.

We remain confident that 2017 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 2017

- Total reported growth is expected to be low double-digit, with continued strong growth of own brands and the effect of 2016 acquisitions being partly offset by lower private label and distribution brand sales
- We expect EBITE % of revenue to be above 8% for the full year
- Net financing costs around €2.0-2.5 million
- Tax rate around 30%
- Capital expenditures €12-14 million
- Depreciation and amortisation €9-10 million

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 5843. 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.

Important dates

13.02.2018 Publication Q4 and FY 2017 results

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 2016, our revenue was €570 million and we employed on average 993 people. Our mission is Healthier Food, Healthier People, Healthier Planet 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 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.