



Sligro Food Group N.V.

PRESS RELEASE

SLIGRO FOOD GROUP Q3 2019 TRADING UPDATE

Sligro Food Group N.V.'s sales for the first three quarters (39 weeks) of 2019 were €1,740 million, an increase of 1.1% (Q3: 2.3%) compared with €1,722 million for the corresponding period in 2018. Excluding the effect of acquisitions and the impact of IFRS 15, sales declined by 0.4% (Q3: -2.5%).

x € million	Q3		Cumulative	
	2019	2018	2019	2018
Netherlands	550	540	1,572	1,563
Belgium	55	51	168	159
Total	605	591	1,740	1,722

In the Netherlands, sales of €30 million flowed from the acquisition of De Kweker. Organic sales in the third quarter declined by 3.2%. In July and August there was a sharp fall in organic sales, in September, Sligro reported organic growth. In Belgium, organic sales in the third quarter rose by 4.7%.

We have seen a sharp fall in sales in particular among customers who came to us from the partnership with Heineken. We believe there are two important reasons for this. First of all, the split from Heineken's former wine supplier earlier this year. Secondly, pending the integration, we are not yet able to honour our promise to our joint customers: one order, one drop, one invoice.

We are gradually recovering wine business, and the first physical integration of premises in early October in the Rotterdam region is an important and major step towards making good our promise to the customers of Sligro and Heineken. From 2020, this will gradually lead to a recovery in sales and cost savings.

Outlook

The transition that Sligro Food Group worked on last year is also dominating 2019 as a whole and is also expected to dominate a part of next year. At the same time, a number of large, strategic projects are being carried out. In this phase, we are largely seeing the costs of these projects reflected in our figures. This coincides with a phase in which market growth in the countries where we operate has weakened and cost inflation is high.

The adverse effect of this combination was already visible in the half-year figures and we anticipate a decline in profit in the second half of the year. As usual, the fourth quarter is very important for us, but based on the current insights, in this transitional year we expect to achieve an EBIT between €40 and €45 million for the year as a whole.

Veghel, 17 October 2019

On behalf of Sligro Food Group N.V.

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Sligro Food Group comprises foodservice companies in the Netherlands and Belgium that operate in the food and beverages wholesale market, providing a comprehensive package of food and food-related products and services. Sligro Food Group strives to be a high-quality company achieving steady, managed growth for all its stakeholders. In 2018, it reported sales from continuing operations of €2,346 million, generating a net profit of €46 million. The average number of employees on a full-time basis in 2018 was 4,056. Sligro Food Group's shares are listed on Euronext Amsterdam.