

GOODVALLEY

Since  1994

Home of Quality

INTERIM REPORT Q1 2018

Conference call – 29 May 2018

Agenda

WELCOME TO GOODVALLEY

GROUP HIGHLIGHTS

MARKETS

SEGMENTS

GROUP FINANCIALS

OUTLOOK 2018

STRATEGY

Q&A SESSION

SPEAKERS



TOM AXELGAARD
CEO

Founded Goodvalley in 1994



HANS HENRIK PEDERSEN
CFO

Goodvalley since 2016

DISCLAIMER

This presentation contains forward-looking statements.

Such statements are subject to risks and uncertainties as various factors, many of which are beyond Goodvalley A/S' control, may cause actual developments and results to differ materially from the expectations contained in the presentation.

Group highlights

SOLID FINANCIAL AND OPERATIONAL PERFORMANCE POSITION GOODVALLEY FOR FUTURE GROWTH

FINANCIALS

-4%

Revenue declined 4 % to DKK 351 million driven by lower volumes due to temporary capacity reductions

DKK 73m

Adjusted EBITDA of DKK 73 million, yielding an Adjusted EBITDA margin of 20.7%

2018

We maintain our guidance for 2018 with Adjusted EBITDA of DKK 340-425 million

HIGH AND IMPROVED EFFICIENCY

32.2 pigs per sow

Improved from 30.5 in Q1 2017

2.75 kilo

Stable and low **feed conversion ratio** of 2.75 kilo feed per kilo pork

7.1 meat to feed ratio

The **meat to feed ratio** increased to 7.1 from 7.0 in Q1 2017

IN GREAT SHAPE FOR THE FUTURE

Global GAP

Significant farm renovations related to **Global GAP certification**

RWA

Goodvalley continues to promote the new **RWA and GMO-free products**

New land

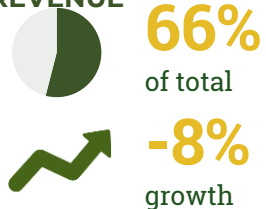
We secured the **corporate rights for 6,500 hectares** of leasehold farmland in Ukraine

Market developments

POLAND

- Reduced slaughter pig capacity
- Introducing premium branded products

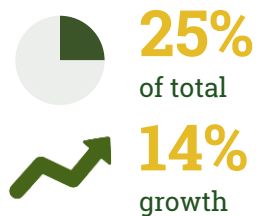
REVENUE



UKRAINE

- Renovations and upgrades
- Secured 6,500 of land

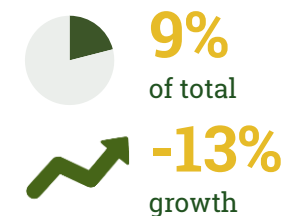
REVENUE



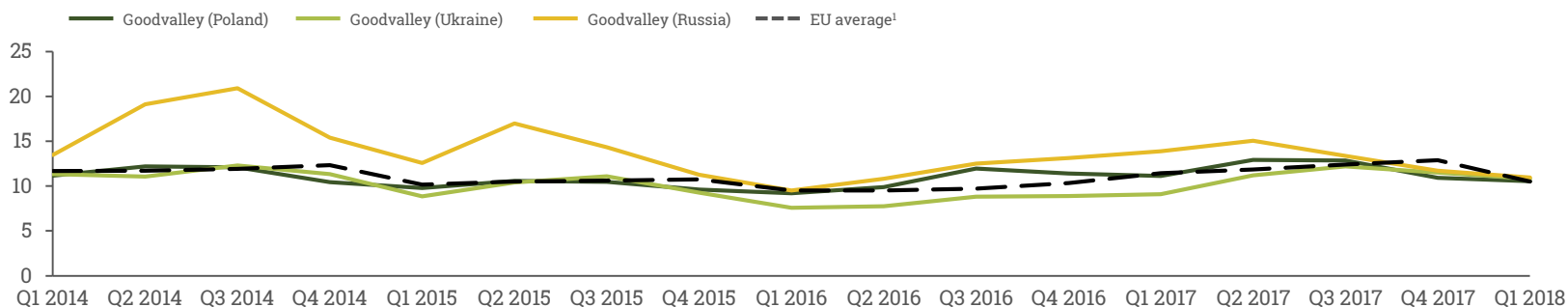
RUSSIA

- Improved operational performance
- Lower pig prices

REVENUE



2014-2017 PIG PRICES DKK/KG (CARCASS WEIGHT)



¹ EU average based on EU (weighted average) market prices for pig carcass grade E in the E.U. (European Commission)
Source: Company information and World Bank (Global Economy Prospects, January 2018). Real growth based on constant 2010 U.S. dollar GDP weights

Pig segment

Slaughter pig volumes declined due to reduced capacity

- Revenue declined 6.1% to DKK 247 million
- Ended production at two leased finisher farms in Poland
- Stable renovations in Ukraine

Earnings driven by high efficiency

- Adjusted EBITDA declined 22% to DKK 57 million
- Increased number of pigs sold per sow to 32.2 from 30.5 in Q1 2017

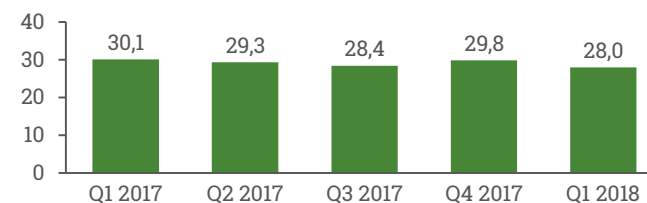


| DKK million | Q1 2018 | Q1 2017 | 2017 |
|-------------------------------|--------------|--------------|--------------|
| External revenue | 149 | 167 | 701 |
| Internal revenue | 98 | 96 | 434 |
| REVENUE | 247 | 263 | 1,135 |
| EBITDA | 81 | 82 | 368 |
| ADJUSTED EBITDA | 57 | 73 | 374 |
| ADJUSTED EBITDA MARGIN | 23.1% | 27.9% | 33.0% |

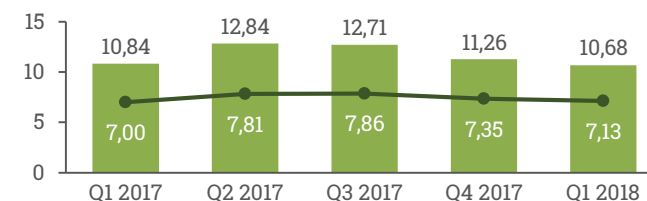
PIGS SOLD PER SOW PER YEAR, HEADS



PIGS SOLD, THOUSAND TONNES (LIVE WEIGHT)



PIG PRICE, DKK/KG AND MEAT TO FEED RATIO



Food segment

Increased volume in tonnes sold

- Revenue increased 4% to DKK 189 million
- The product mix remained stable

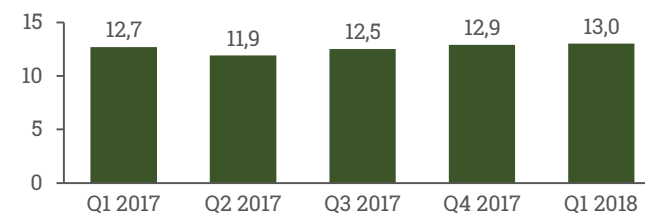
Earnings impacted by slightly lower input prices

- EBITDA increased to DKK 6 million from DKK 1 million in Q1 2017

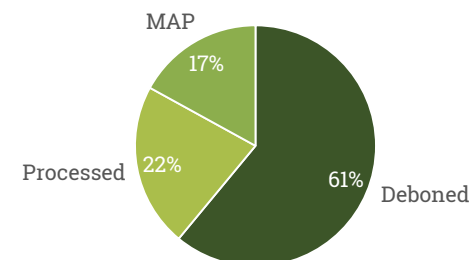


| DKK million | Q1 2018 | Q1 2017 | 2017 |
|----------------------|---------|---------|--------|
| REVENUE | 189 | 182 | 767 |
| EBITDA | 6 | 1 | (9) |
| EBITDA MARGIN | 3.3% | 0.3% | (1.2%) |

SALE OF PORK, THOUSAND TONNES



SALES SPLIT, %



Arable and Energy segments

Arable revenue increased

- Revenue grew to DKK 8 million
- EBITDA was stable at DKK 5 million
- Expansion of land bank with 6,500 hectares to 34,500 hectares total

Stable performance in Energy

- Revenue was largely unchanged at DKK 19 million
- Market price developments caused slight decline in EBITDA to DKK 6 million



| DKK million | Q1 2018 | Q1 2017 | 2017 |
|----------------------|----------|----------|------------|
| External revenue | - | - | 54 |
| Internal revenue | 8 | - | 121 |
| REVENUE | 8 | - | 175 |
| EBITDA | 5 | 6 | 39 |
| EBITDA MARGIN | n.a. | n.a. | 22.3% |



| DKK million | Q1 2018 | Q1 2017 | 2017 |
|----------------------|--------------|--------------|--------------|
| External revenue | 12 | 15 | 61 |
| Internal revenue | 7 | 5 | 24 |
| REVENUE | 19 | 20 | 85 |
| EBITDA | 6 | 8 | 17 |
| EBITDA MARGIN | 32.4% | 40.0% | 20.0% |

PRODUCED ELECTRICITY, GWH



Group financials

Revenue declined due to Pig segment volumes

- Revenue declined 4% to DKK 351 million
- Strong operational performance

Earnings driven by high efficiency

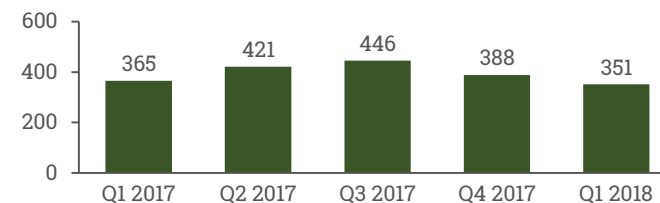
- Adjusted EBITDA came to DKK 73 million
- Net profit increased slightly to DKK 58 million

Solid cash flow development

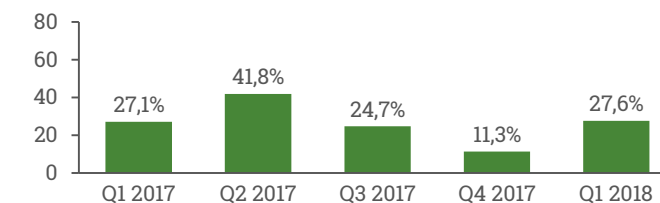
- Operating cash flows amounted to DKK 43 million

| DKK million | Q1 2018 | Q1 2017 | 2017 |
|-------------------------------|---------|---------|-------|
| REVENUE | 351 | 365 | 1,620 |
| EBITDA | 97 | 99 | 426 |
| Herd price adjustment | (24) | (9) | 5 |
| ADJUSTED EBITDA | 73 | 90 | 431 |
| ADJUSTED EBITDA MARGIN | 20.7% | 24.6% | 26.6% |
| EBITDA margin | 27.6% | 27.1% | 26.3% |

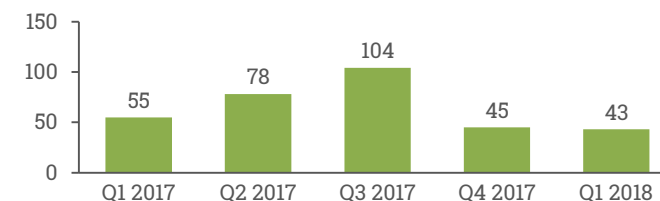
REVENUE, DKK MILLION



EBITDA MARGIN, %



OPERATING CASH FLOW, DKK MILLION



Outlook 2018

FINANCIAL OUTLOOK

Goodvalley maintains full year guidance for 2018

- Revenue of DKK 1,550-1,700 million
- Adjusted EBITDA of DKK 340-425 million

Performance is expected to be impacted by

- Continued high production efficiency
- Good stock of quality crops harvested
- Adverse impact of lower pig prices

| DKK million | 2018 outlook | 2017 actuals |
|-----------------------------|--------------|--------------|
| Revenue | 1,550-1,700 | 1,620 |
| Adjusted EBITDA | 340-425 | 431 |
| <i>Reported EBITDA 2017</i> | - | 426 |

COMMENTS AND ASSUMPTIONS

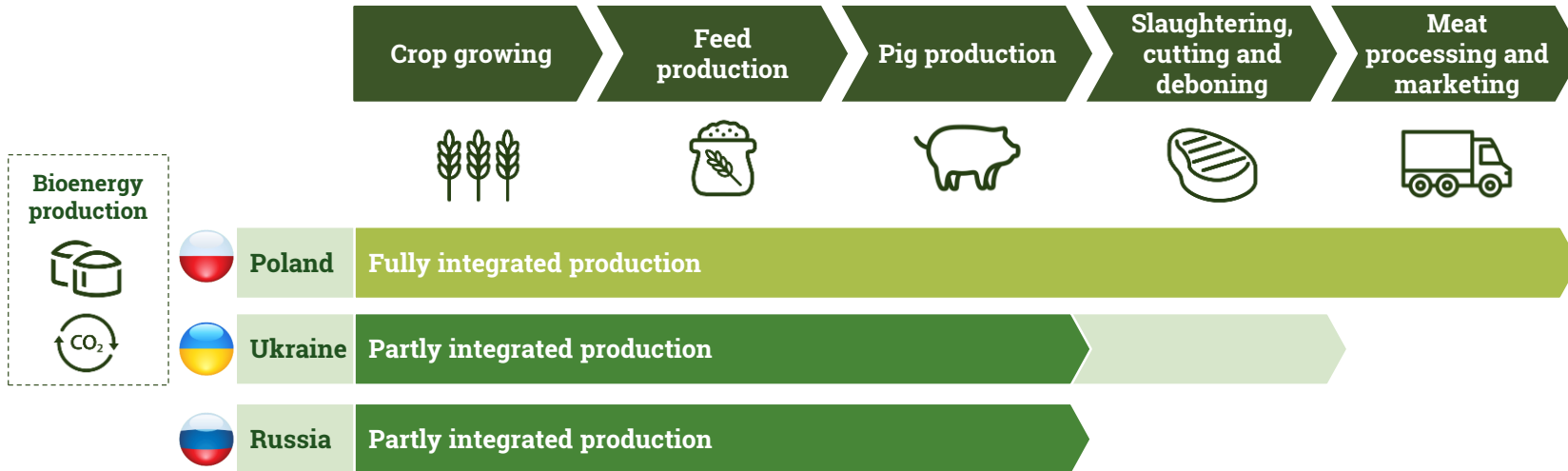
The earnings outlook is presented at fixed herd price in terms of Adjusted EBITDA to reduce fluctuations in guidance and provide optimum conditions for assessing Goodvalley's operational efficiency and performance specifically and in isolation from changes in market prices for live pigs, potentially entailing material fair value adjustments of the Group's biological assets on the balance sheet date.

The outlook for 2018 is based on an average market price for live pigs of DKK 11.2 per kilo and fixed exchange rates as well as the prevailing economic situation in Goodvalley's markets. The outlook represents our current expectations for the development in the Group's revenue and Adjusted EBITDA, and Goodvalley's reported EBITDA may thus deviate significantly from this outlook.

Strategy

EXPANDING CAPACITY TO STRENGTHEN VERTICAL INTEGRATION

VALUE CHAIN BY GEOGRAPHY



MULTIPLE LEVERS TO DRIVE GROWTH AND ENHANCED PROFITABILITY

Optimisation

- Sustainability based on Danish know how
- Superior efficiency standards
- Outperforming peers on KPIs

Capacity expansion

- Increase pig production
- Feed, land base and green energy
- New slaughterhouse in Ukraine and expansion in Poland

Strengthen consumer focus

- Branded premium products tailored to specific markets
- Margin expansion and reduced exposure to bulk market
- Capitalising on sustainability and environmental protection

New geographies

- Expansion into selected new markets
- Acquisitions or greenfield
- Clear selection criteria



Questions

Contact information



TOM AXELGAARD
CEO



HANS HENRIK PEDERSEN
CFO

FINANCIAL CALENDAR 2018

21 August Q2 interim report

27 November Q3 interim report

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Appendix

Key figures and financial ratios

| DKK million | Q1 2018 | Q1 2017 | 2017 |
|-------------------------------------|-----------|-----------|------------|
| Income statement | | | |
| Revenue | 351 | 365 | 1,620 |
| Total income | 410 | 407 | 1,653 |
| Gross profit | 122 | 116 | 511 |
| EBITDA | 97 | 99 | 426 |
| <i>Adjusted EBITDA</i> | <i>73</i> | <i>90</i> | <i>431</i> |
| EBIT | 68 | 68 | 304 |
| Financial items, net | (10) | (14) | (135) |
| Profit/(loss) for the period | 58 | 54 | 169 |
| Cash flow | | | |
| Operating activity | 43 | 55 | 274 |
| Investing activity | (38) | (28) | (143) |
| Free cash flow | 5 | 27 | 131 |
| Financing activity | (3) | (50) | 28 |
| Balance sheet | | | |
| Non current assets | 1,833 | 1,924 | 1,833 |
| Net working capital | 579 | 571 | 532 |
| Invested capital | 2,412 | 2,495 | 2,365 |
| Total assets | 2,793 | 2,694 | 2,751 |
| Equity | 1,310 | 1,259 | 1,265 |
| Net interest-bearing debt | 1,098 | 1,231 | 1,100 |

| DKK million | Q1 2018 | Q1 2017 | 2017 |
|---|--------------|--------------|--------------|
| Key financials | | | |
| Gross margin | 34.8% | 31.9% | 31.5% |
| EBITDA margin | 27.6% | 27.1% | 26.3% |
| <i>Adjusted EBITDA margin</i> | <i>20.7%</i> | <i>24.6%</i> | <i>26.6%</i> |
| EBIT margin | 19.5% | 18.7% | 18.8% |
| Free cash flow / Revenue | 1.3% | 7.3% | 8.1% |
| Cash conversion | 6.7% | 38.8% | 43.1% |
| Investments in property, plant and equipment | 42 | 32 | 152 |
| NIBD/Adjusted EBITDA LTM | 2.7x | 4.3x | 2.6x |
| Equity ratio | 46.2% | 46.7% | 46.0% |
| ROIC | 13.0% | 7.4% | 12.9% |
| FTE | 2,277 | 2,332 | 2,232 |
| Share ratios | | | |
| Earnings per share, DKK | 1 | 1 | 3 |

Note: Years 2013-2016 have been restated in accordance with new accounting principles

Goodvalley Bond Obligor Group¹

| DKK million | Q1 2018 | 2017 |
|--------------------------------------|-----------|------------|
| Goodvalley Bond Obligor Group | | |
| Revenue | 318 | 1,460 |
| Total Income | 370 | 1,495 |
| EBITDA | 84 | 375 |
| <i>Adjusted EBITDA</i> | <i>65</i> | <i>374</i> |
| Net interest-bearing debt | 1,081 | 1,081 |
| Adjusted EBITDA LTM | 359 | 374 |
| NIBD/Adjusted EBITDA LTM | 3.0 | 2.9 |

¹Bond Obligor Group consists of: Goodvalley A/S, Finansax ApS, Goodvalley Agro SA, Goodvalley Sp. Z o.o. Goodvalley Ukraine LLC