

GOODVALLEY

Since



1994

Home of Quality

INTERIM REPORT Q1 2019

CONFERENCE CALL 27 MAY 2019

25
years

of
GOODVALLEY

Sustainable Farming
Since 1994



Agenda

WELCOME TO GOODVALLEY

GROUP HIGHLIGHTS

MARKET DEVELOPMENTS

SEGMENTS

GROUP FINANCIALS

OUTLOOK 2019

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

GOODVALLEY MAINTAINED STRONG PERFORMANCE IN THE FACE OF CHALLENGING MARKET CONDITIONS

FINANCIALS

DKK 322m

Revenue declined to DKK 322 due to lower pig prices following a continued oversupply of meat in the market

11.5%

Adjusted EBITDA of DKK 37 million, yielding an Adjusted EBITDA margin of 11.5%

2019

Maintains outlook for 2019 with an expected revenue of 1,400-1,550 million and adjusted EBITDA of 220-280 million

EFFICIENCY

33 pigs per sow

The Group reached a record-level of **33 pigs sold per sow**

2.74 kilo

Stable and low **feed conversion ratio** of 2.74 kilo feed per kilo pork

5.78 meat to feed ratio

The **meat to feed ratio** dropped significantly from 7.13 in Q1 2018 driven by higher feed prices and lower pig prices

ORGANISATIONAL STRUCTURE

Organisation

Time and resources have been devoted in **building strong teams** across markets, making the company ready for future growth

Board of Directors

Goodvalley welcomed **Leif Bergwall Hansen** to the Board of Directors

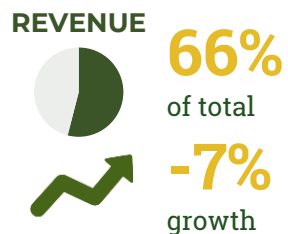
Generational change

July 1st Tom Axelgaard will hand over the **CEO position** to Hans Henrik Pedersen in a well-planned generational change

Market developments

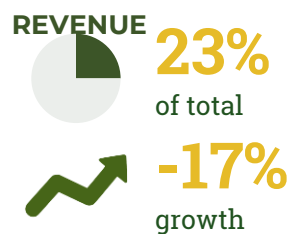
POLAND

- Lower pig and pork prices and high feed costs



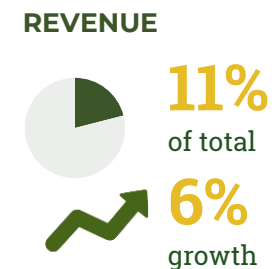
UKRAINE

- Lower pig prices and higher feed prices
- Decreased volumes from lower weight gain due to feed composition

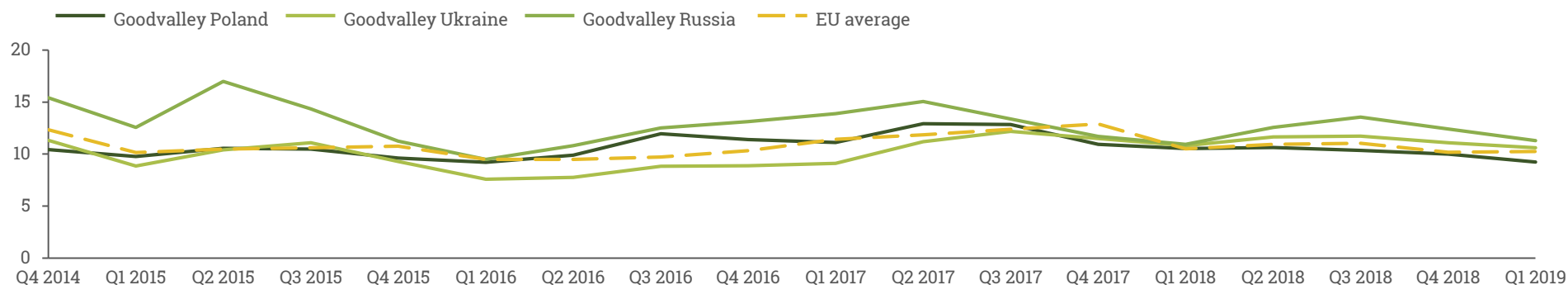


RUSSIA

- Optimised operational performance based on LEAN initiatives



2014-2018 PIG PRICES DKK/KG (CARCASS WEIGHT)



¹EU 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

Revenue and earnings in the pig segment were under pressure

- Low pig prices across our markets at an avg. of DKK 9.96 per kg
- Lower volumes in Ukraine
- A significant drop in the meat to feed ratio to 5.78

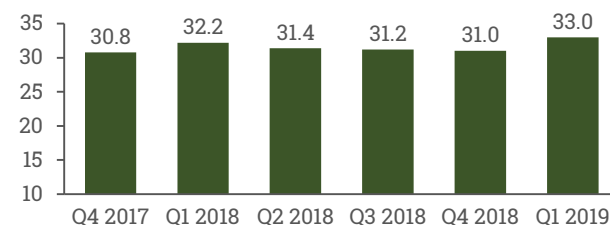
Continued operational improvements

- Increased number of pigs sold per sow to 33.0 from 32.2 in comparison period
- Maintained stable feed conversion ratio at 2.74 (Q1 2018: 2.75).

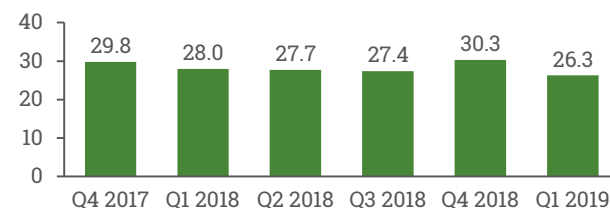


DKK million	Q1 2019	Q1 2018	2018
External revenue	138	149	605
Internal revenue	78	98	420
REVENUE	216	247	1,025
EBITDA	33	81	200
ADJUSTED EBITDA	28	57	210
ADJUSTED EBITDA MARGIN	12.8%	23.1%	20.5

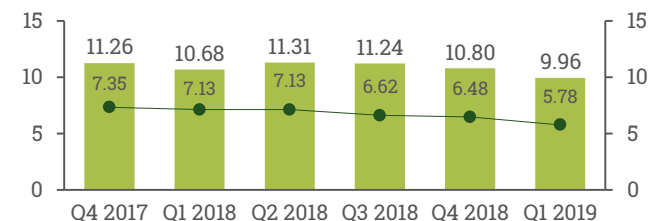
PIGS SOLD PER SOW, HEADS



PIGS SOLD, THOUSAND TONNES (LIVE WEIGHT)



PIG PRICE, DKK/KG AND MEAT TO FEED RATIO



Food segment

Decline in volumes and revenue

- Oversupply of pork in Europe led to lower pig prices
- Split between deboned and value-added products remained largely unchanged

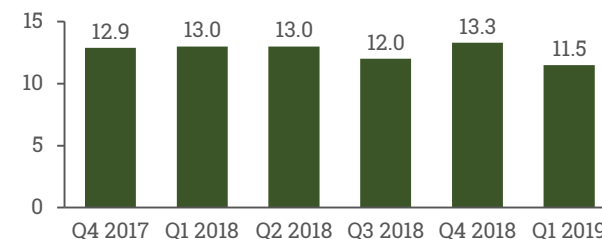
Products launched in Goodvalley brand

- Sales continue to pick up day-by-day, but branded products still constitute a small share of segment sales

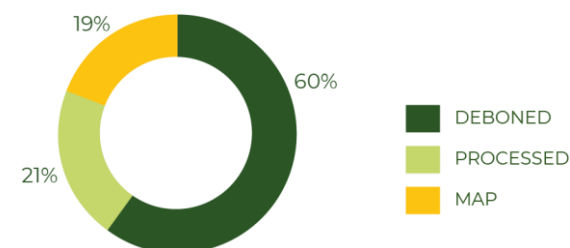


DKK million	Q1 2019	Q1 2018	2018
REVENUE	161	189	733
EBITDA	(4)	6	(17)
EBITDA MARGIN	(2.3%)	3.3%	(2.3%)

SALE OF PORK, THOUSAND TONNES



SALES SPLIT, %



Arable and Energy segments

Arable

- Revenue increased due to higher external sales

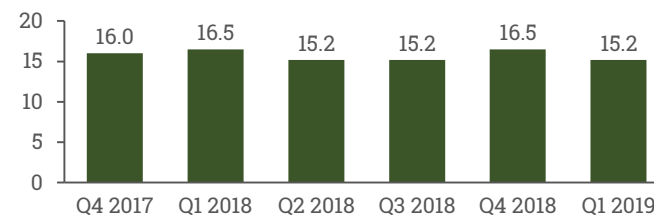
Energy delivered a stable production

- Revenue was DKK 17 million
- EBITDA was lower at 3 million due to lower prices on certificates in Poland



DKK million	Q1 2019	Q1 2018	2018
External revenue	10	-	38
Internal revenue	8	8	140
REVENUE	18	8	178
EBITDA	4	5	7
EBITDA MARGIN	24.2%	56.7%	3.9

PRODUCED ELECTRICITY, GWH



DKK million	Q1 2019	Q1 2018	2018
External revenue	10	12	58
Internal revenue	7	7	23
REVENUE	17	19	81
EBITDA	3	6	14
EBITDA MARGIN	15.4%	32.4%	17.3%

Group financials

Revenue dropped to DKK 322 million

- Driven by pig prices and lower volumes
- Negative effects were somewhat alleviated by improved efficiency

Earnings impacted by market conditions

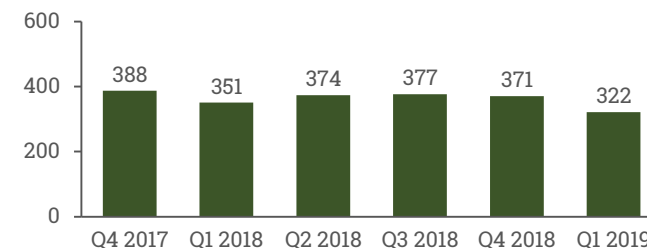
- Adjusted EBITDA came to DKK 37 million

Cash flow development

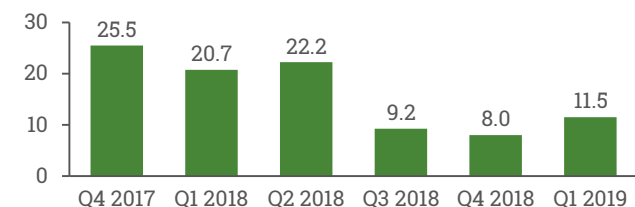
- Operating cash flows amounted to DKK 26 million

DKK million	Q1 2019	Q1 2018	2018
REVENUE	322	351	1,473
EBITDA	42	97	212
Herd price adjustment	(5)	(24)	10
ADJUSTED EBITDA	37	73	222
ADJUSTED EBITDA MARGIN	11.5%	20.7%	15.1%
EBITDA margin	13.0%	27.6%	14.4%

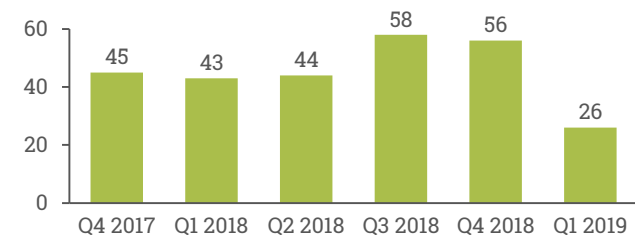
REVENUE, DKK MILLION



ADJUSTED EBITDA MARGIN, %



OPERATING CASH FLOW, DKK MILLION



Outlook 2019

FINANCIAL OUTLOOK

Goodvalley maintains full year guidance for 2019

- Revenue of DKK 1,400-1,550 million
- Adjusted EBITDA of DKK 220-280 million

Guidance is based on

- Increased capacity due to stable upgrades
- Strong operational performance
- Expectation of an avg. pig price of DKK 11.2 per kilo slaughter pig

DKK million	2019 outlook
Revenue	1,400-1,550
Adjusted EBITDA	220-280

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 2019 is based on an average market pig price 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.



Questions

Contact information



TOM AXELGAARD
CEO



HANS HENRIK PEDERSEN
CFO

FINANCIAL CALENDAR 2019

27 AUGUST 2019 : INTERIM REPORT Q2 2019

27 NOVEMBER 2019 : INTERIM REPORT Q3 2019

GOODVALLEY A/S

Vesterbrogade 4A

DK-1620 Copenhagen

Tel.: +45 76 52 20 01

Mail: investor@goodvalley.com

Web: www.goodvalley.com



Appendix

Key figures and financial ratios

DKK million	Q1 2019	Q1 2018	2018
Income statement			
Revenue	322	351	1,473
Total income	380	410	1,493
Gross profit	66	122	333
EBITDA	42	97	212
<i>Adjusted EBITDA</i>	<i>37</i>	<i>73</i>	<i>222</i>
EBIT	7	68	91
Financial items, net	(8)	(10)	(65)
Profit/(loss) for the period	(2)	58	18
<i>Adjusted profit</i>	<i>(16)</i>	<i>30</i>	<i>36</i>
Cash flow			
Operating activity	26	43	194
Investing activity	(20)	(38)	(269)
Free cash flow	6	5	75
Financing activity	(10)	(3)	(28)
Balance sheet			
Non current assets	2,016	1,833	1,927
Net working capital	494	579	475
Invested capital	2,509	2,412	2,402
Total assets	2,727	2,793	2,630
Equity	1,275	1,310	1,230
Net interest-bearing debt	1,232	1,098	1,171

DKK million	Q1 2019	Q1 2018	2018
Financial ratios			
Gross margin	20.4	34.8	22.6
EBITDA margin	13.0	27.6	14.4
<i>Adjusted EBITDA margin</i>	<i>11.5</i>	<i>20.7</i>	<i>15.1</i>
EBIT margin	2.0	19.5	6.2
Free cash flow / revenue	2.0	1.3	(5.1)
Cash conversion	73.0	6.7	87.4
Capex	22	42	257
NIBD/Adjusted EBITDA LTM	6.7	2.7	5.3
Equity ratio	46.8	46.2	46.8
ROIC	2.1	13.0	3.9
FTE	2,222	2,277	2,327
Share ratios			
Earnings per share, DKK	0.04	1.08	0.3

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

Goodvalley Bond Obligor Group¹

DKK million	Q1 2019	Q1 2018	2018
Goodvalley Bond Obligor Group			
Revenue	288	318	1,305
Total Income	335	370	1,323
EBITDA	30	84	144
<i>Adjusted EBITDA</i>	<i>28</i>	<i>65</i>	<i>153</i>
Net interest-bearing debt	1,184	1,081	1,177
Adjusted EBITDA LTM	121	359	153
NIBD/Adjusted EBITDA LTM	9.5	3.0	7.7

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