

Boparan Holdings Ltd

**Q3 Results for
the 13 weeks ended
28th April 2018**

25th June 2018

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Headlines

Delivery against Strategic goals



Overall sales up 1.8% to £836.7m;
LFL sales up 1.3%

EBITDA in line with Q2 forecast

Good progress with delivery of strategic plan

Continued strong cash generation, balance sheet strengthened by £200m sale of Goodfella's pizza.

Building a Better Business

Delivery in line with expectations

Q3– THE FACTS

- Performance in line with Q2 expectations
- EBITDA impacted by exceptional snow disruption
- Cash performance strong, driven by Goodfella's sale and working capital improvements

FACTORS AFFECTING PERFORMANCE

- Inflationary pressures, not fully offset by price increases
- Underlying costs in Poultry still too high
- Snow disruption



Building a Better Business

A clear plan in place to deliver against

WHAT WE ARE DOING

- Investing in the core: Poultry and Chilled
- Modernising and driving efficiencies in UK Poultry

IMPROVING FINANCIAL FLEXIBILITY

- Focus on working capital efficiencies
- Progressing disposals of our non core businesses



Financial overview

	Q3 2017-18	Q3 2016-17	Y-o-Y Variance
Revenue: Like-for-like (£m)¹	836.7	826.1	1.3%
Revenue (£m)	836.7	821.9	1.8%
EBITDA: Like-for-like (£m)^{1,2}	27.7	37.5	(26.1)%
EBITDA margin: Like-for-like (%)^{1,2}	3.3%	4.5%	(120)bps
EBITDA (£m) ²	27.7	37.2	(25.5)%
Cash flow from operations (£m)³	212.1	9.6	202.5
Net Debt (£m)	622.6	794.7	(172.1)
LTM EBITDA (£m) ²	129.7	174.1	(44.4)
Net debt to EBITDA ratio²	4.8 x	4.56 x	0.24 x

Q3 results:

- EBITDA performance in line with expectations
- Cash flow strongly ahead
- Debt levels markedly down on last year, but gearing has increased temporarily whilst we deal with the short term issues impacting LTM EBITDA



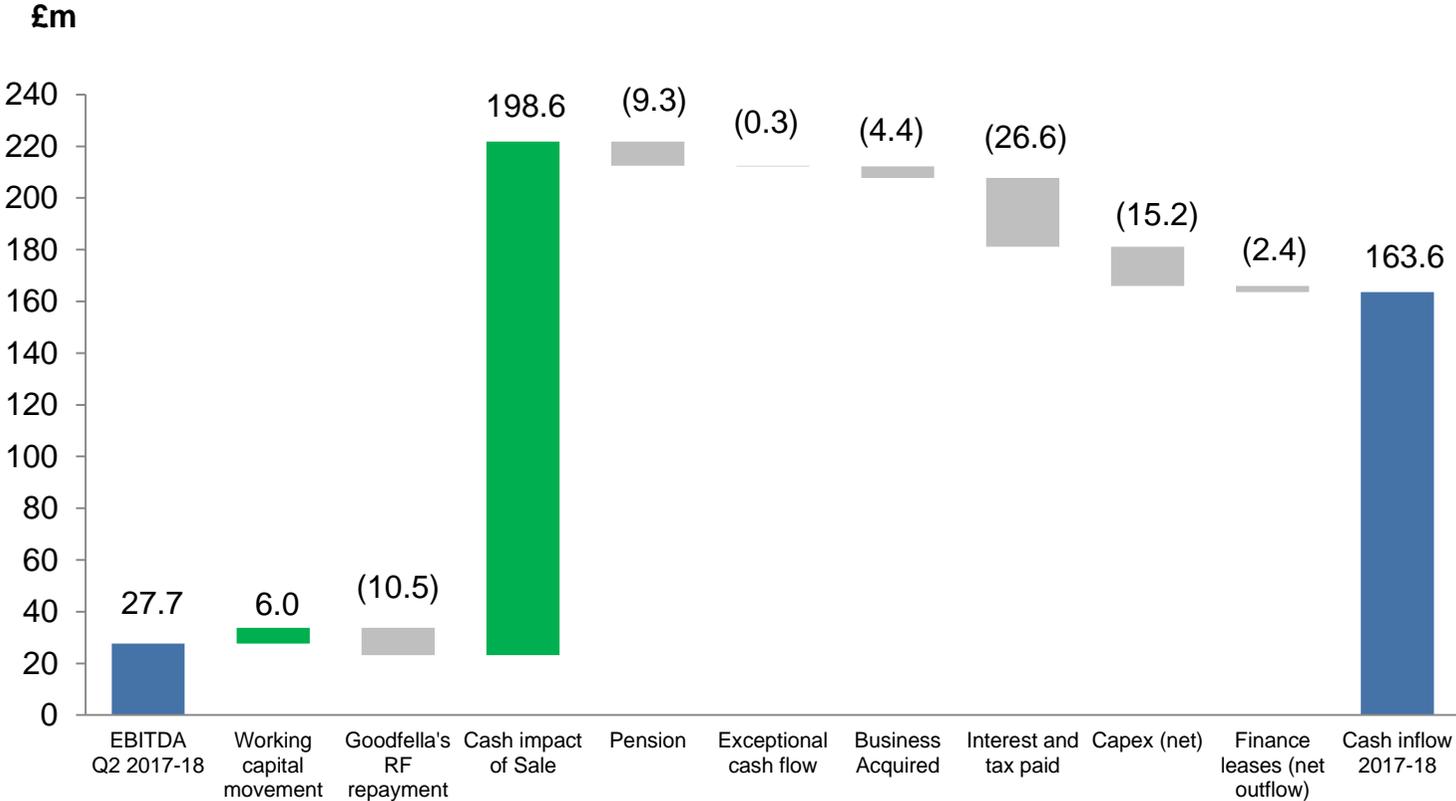
1. LFL Revenue & EBITDA comparatives adjusted for the impact of exchange rate movements year on year.

2. EBITDA excludes pension scheme admin expenses of £0.7m (Q3 2016-17: £0.7m).

3. Cash flow from operations includes sale proceeds.

Cashflow

Q3 2017/18 Cashflow



- Focus on working capital is paying off
- Maintaining agreed pension contributions
- Capex remains tightly controlled
- Pension includes £3m contribution into the GI scheme on sale

Debt Reduction

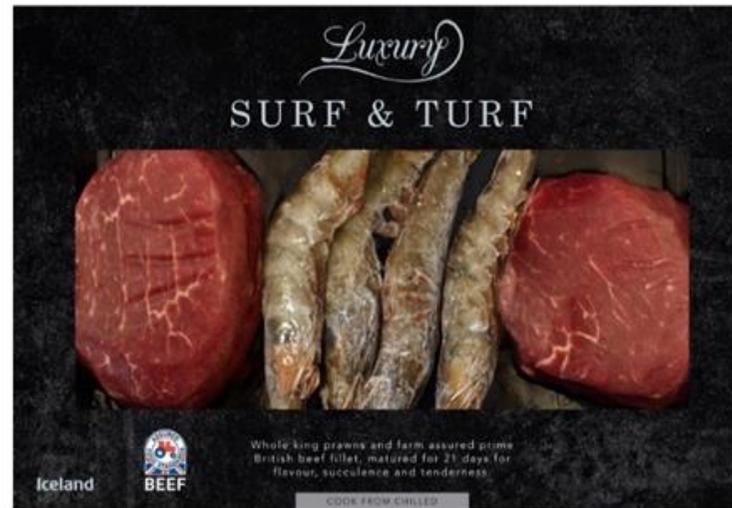
- We are using the majority of the net Pizza proceeds to repay debt
- £10.5m was used to repay RF lines
- A further £15m is being ear marked for contribution to the GI pension scheme over the next two years
- We are then going to use a further £125m to repay half of our 2019 bonds. We will commence this process next month

Protein performance

Protein – UK and European Poultry & Red Meat

Year on year	Q3 2017-18	Q3 2016-17	Y-o-Y Variance
Revenue: Like-for-like (£m)¹	588.6	581.8	1.2%
Revenue (£m)	588.6	578.1	1.8%
EBITDA: Like-for-like (£m)¹	5.7	17.3	(67.1)%
EBITDA margin: Like-for-like (%)¹	1.0%	3.0%	(200)bps
EBITDA (£m)	5.7	17.2	(66.9)%

- Like-for-like sales growth of 1.2%
- EBITDA impacted by unrecovered feed, beef and fish inflation, together with underlying heightened operating costs
- Plans to mitigate via reconfiguration of supply chain



¹ LFL Revenue & EBITDA comparatives adjusted for the impact of exchange rate movements year on year.

Chilled performance

Chilled – Meal Solutions

Year on year	Q3 2017-18	Q3 2016-17	Y-o-Y Variance
Revenue: Like-for-like (£m)¹	148.6	148.1	0.3%
Revenue (£m)	148.6	148.0	0.4%
EBITDA: Like-for-like (£m)^{1,2}	10.3	7.1	45.1%
EBITDA margin: Like-for-like (%)^{1,2}	6.9%	4.8%	210bps
EBITDA (£m) ²	10.3	7.1	45.1%

- Sales up by 0.4% reflecting new contract wins
- Successful price recovery beginning to offset commodity pressures
- Prior year cost reduction initiatives now coming through in full



1 LFL Revenue & EBITDA comparatives adjusted for the impact of exchange rate movements year on year.

2 EBITDA excludes pension scheme admin expenses £0.3m (Q3 2016-17: £0.3m).

Branded performance

Branded – Frozen & Biscuits

Year on year	Q3 2017-18	Q3 2016-17	Y-o-Y Variance
Revenue: Like-for-like (£m)¹	99.5	96.2	3.4%
Revenue (£m)	99.5	95.8	3.9%
EBITDA: Like-for-like (£m)^{1,2}	11.7	13.1	(10.7)%
EBITDA margin: Like-for-like (%)^{1,2}	11.8%	13.6%	(180)bps
EBITDA (£m) ²	11.7	12.9	(9.3)%

- Firmer pricing now feeding through into H2
- Some positive commodity tailwinds now feeding through which will continue into Q4
- Sales of Goodfella's for £200m



1 LFL Revenue & EBITDA comparatives adjusted for the impact of exchange rate movements year on year.

2 EBITDA excludes pension scheme admin expenses £0.4m (Q3 2016-17: £0.4m).

Summary

Building a Better Business

Change programme underway – but lots more to do in Poultry

Performance turnaround in Chilled

Solid business at our foundations

Back to Basics - continued focus on doing the basics well

Gradual turnaround; progress expected into Q4 and next year

