BAKKAVÖR

BRINGING THE BEST TO THE TABLE

Annual Results 2015

For the 52 weeks ended 26 December 2015

11 February 2016

Business Highlights

Agust Gudmundsson

Strategic Progress

- Focus on growth markets through acquisitions and investment

- Strengthening of ownership structure supports Group’s long-term strategic objectives

- Leverage ratio below 3 times allows for more cost effective financing structure

Trading Progress

Continued revenue growth with a strong recovery in our International performance

Adjusted EBITDA margin improvement underpinned by productivity investments

Excellent cash conversion strengthens Group's position for future growth

UK trading environment

Fresh prepared foods market ahead of wider UK grocery reflecting preference for high-quality chilled foods

Underlying growth impacted by ongoing deflationary environment

Introduction of National Living Wage presents challenge for food sector as a whole

International operations

Further reshaping of international portfolio to focus on core growth regions

Strategic acquisition of B.Robert's Foods expands customer base and builds geographic presence

Encouraging Asian revenue growth reflects improved pricing and increased customer demand

Progress in the year

Unique focus on the fast moving FPF sector

Value creation for customers through offering of premium quality foods and value for money

Continuous improvements to resources, processes and products through re-investment

DEVELOPING INNOVATIVE PRODUCTS

9 industry awards for product quality and innovation

PROGRESSIVE CUSTOMER PARTNERSHIPS

5 major supplier awards from our customers

FOCUSING ON EXCELLENT OPERATIONAL DELIVERY

>5,000 different products made across Group to JIT model

GENERATING STRONG CASH FLOWS

£92.6m of free cash generated in 2015

MAKING INVESTMENTS THAT MEET TARGETED RETURNS

<3 times leverage at year end 2015

Strengthened ownership structure

Long term investors with wide range of experience in food sector globally

Fully supportive of Group's long term strategy

Offer to buy back remaining outstanding shares on same terms

Financial Review

Peter Gates

Financial overview

£m	FY 2015	FY 2014	Change
Revenue	1,674.5	1,633.5	3%
Revenue: Like-for-like	*1,646.2*	*1,620.2*	*2%*
Adjusted EBITDA	129.7	113.3	14%
Adjusted EBITDA margin	7.7%	6.9%	80bps
Free cash flow	92.6	43.7	48.9

Like-for-like revenue growth driven by International Segment with UK broadly flat

EBITDA margin up 80 bps reflecting productivity investments and volume gains

Excellent cash conversion supports investment for further growth

UK performance

£m	FY 2015	FY 2014	Change
Revenue	1,519.0	1,520.1	-
Revenue: Like-for-like	*1,511.4*	*1,502.3*	*1%*
Adjusted EBITDA	124.1	112.9	10%
Adjusted EBITDA margin	8.2%	7.4%	80bps

Revenue growth impacted by deflationary environment and exit from low margin business

EBITDA margin improvement through efficiency benefits from investments and volume gains

Labour costs continue to rise and expected to continue with the impact of National Living Wage

International performance

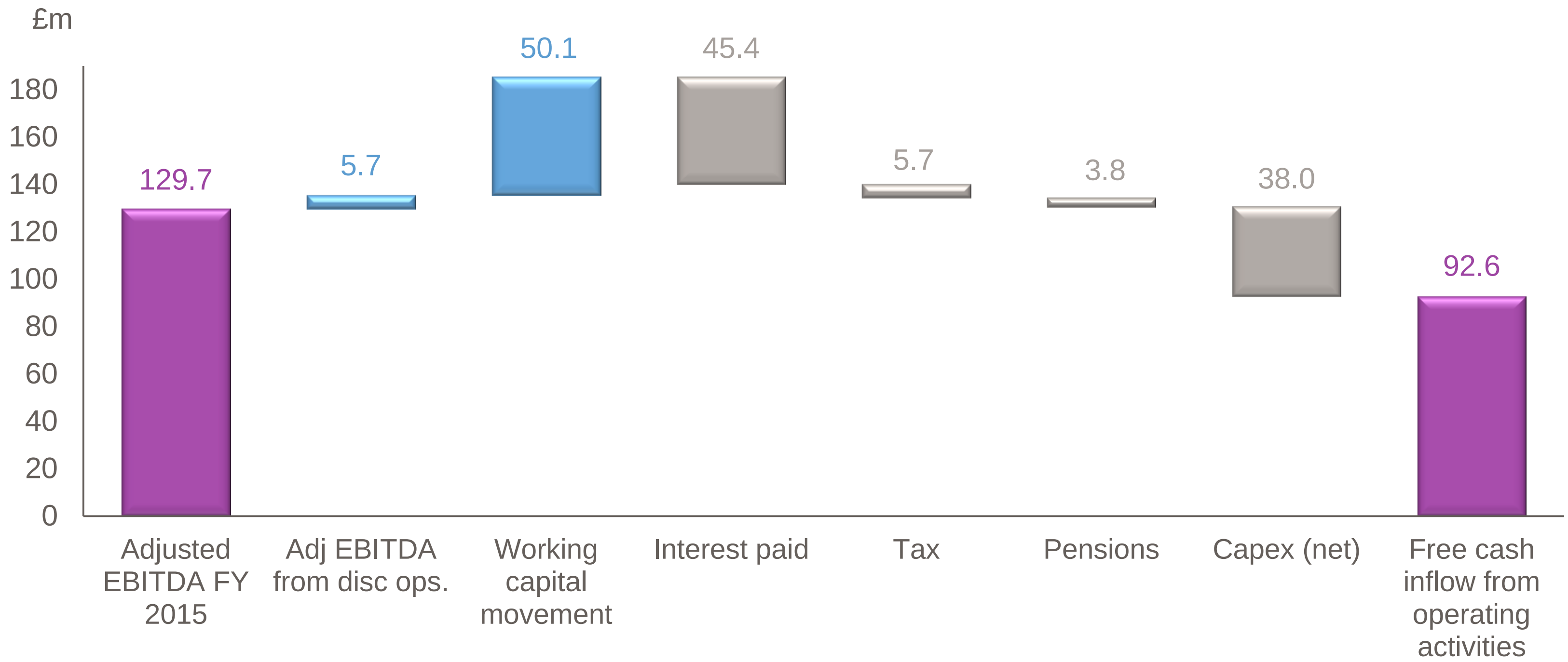
£m	FY 2015	FY 2014	Change
Revenue	155.5	113.4	37%
Revenue: Like-for-like	*134.8*	*117.9*	*14%*
Adjusted EBITDA	5.6	0.4	1,300%
Adjusted EBITDA margin	3.6%	0.4%	320bps

Strong like-for-like revenue growth, with statutory revenue and EBITDA boosted by US acquisition

EBITDA margin improvement mainly through volume growth driving efficiencies, and recovery of Asian business

Belgian operations restructured to drive future margin improvements

Free cash

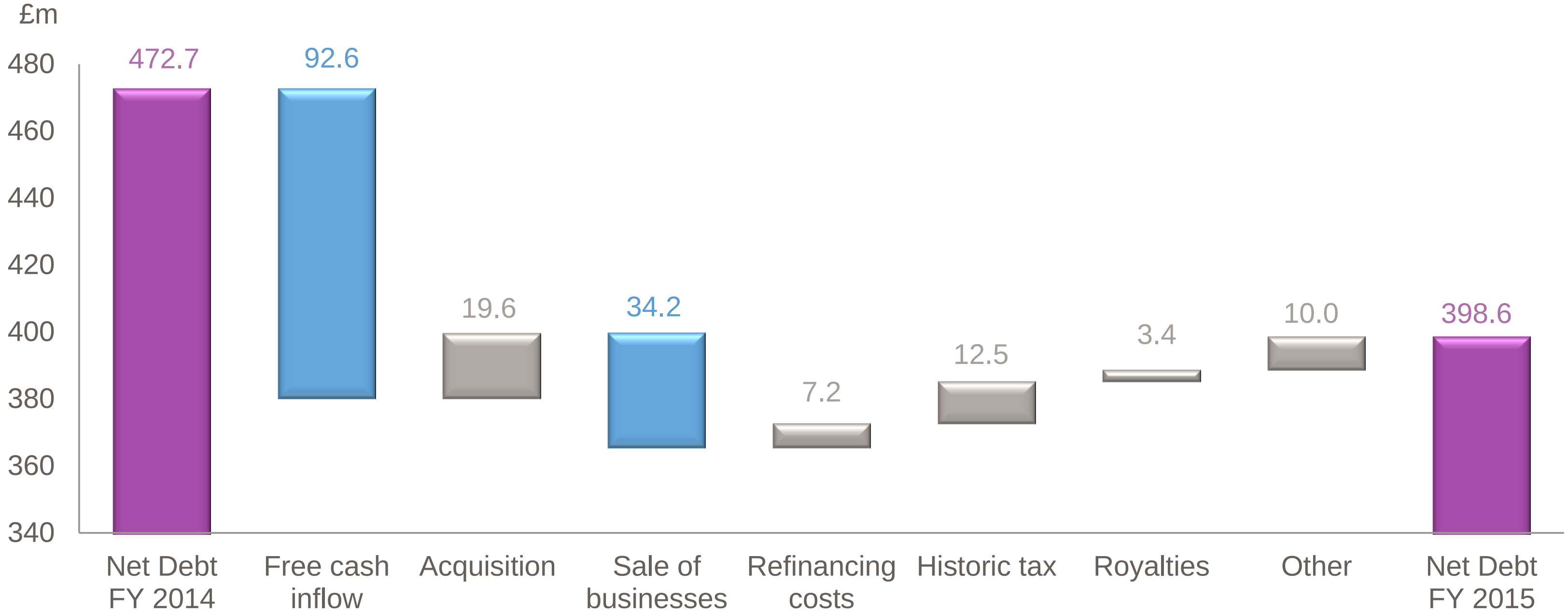


Benefits from focused working capital management delivered £50m inflow

Lower interest costs following refinancing in April 2015

Benefit in the year from rephasing of capital projects

Net debt



Proceeds from sale of businesses partly offset by acquisition of B.Robert's Foods

Refinancing costs include £5.8m for call premium on part redemption of 2018 bonds

Payment of £12.5m in respect of historic UK tax liabilities. 'Other' items include new finance lease and exceptional charges

Key ratios

£m	Q4 2015
Leverage covenant	<4.60 x
Actual	3.0 x
Headroom	35%
Interest cover covenant	>2.30 x
Actual	3.2 x
Headroom	29%

Leverage reduced to 3.0x from 3.9x in Q4 2014

Covenant headroom increased to more than 25%

Headroom on interest cover will increase with full year impact of refinancing

Outlook and Q&A

Agust Gudmundsson

Outlook

Strong performance in 2015 with clear strategy and strong positions in growing market

Expect trading environment to remain tough with ongoing deflation and introduction of National Living Wage

Strengthened ownership structure and lower leverage create step change for Group

Appendix

Q4 Financial overview

£m	Q4 2015	Q4 2014	Change
Revenue	419.3	412.4	2%
Revenue: Like-for-like	*414.5*	*410.1*	*1%*
Adjusted EBITDA	34.0	27.5	24%
Adjusted EBITDA margin	8.1%	6.7%	140bps
Free cash flow	27.2	12.7	14.5

Continuing and discontinued operations – Full Year

£m		FY 2015			FY 2014	
	Cont.	Disc.	Total	Cont.	Disc.	Total
Revenue	1,674.5	32.8	1,707.3	1,633.5	59.1	1,692.6
Gross profit	468.1	11.8	479.9	438.3	18.0	456.3
Operating profit	89.6	15.3	104.9	62.3	4.8	67.1
Profit before tax	49.2	15.2	64.4	11.2	4.4	15.6
Adjusted EBITDA	129.7	5.7	135.4	113.3	6.6	119.9

Continuing and discontinued operations – Q4 2015

£m	Q4 2015			Q4 2014		
	Cont.	Disc.	Total	Cont.	Disc.	Total
Revenue	419.3	-	419.3	412.4	16.0	428.4
Gross profit	115.4	-	115.4	108.3	6.0	114.3
Operating profit	27.7	0.2	27.9	13.4	2.4	15.8
Profit before tax	29.6	0.2	29.8	3.0	2.1	5.1
Adjusted EBITDA	34.0	-	34.0	27.5	3.0	30.5

Composition of net debt

£m	Dec 2015
Cash and cash equivalents	(97.0)
Fixed rate bond 8.25% 2018	191.9
Fixed rate bond 8.75% 2020	148.8
Term loan	150.0
Receivables securitisation	-
Other loans and overdrafts	-
Finance leases	4.9
Operational net debt	**398.6**

Statutory balance sheet

£m	Dec 2015	Dec 2014
Goodwill	643	642
Intangible assets	5	9
Other non-current assets	292	296
Current assets	241	266
Operational net debt	(399)	(473)
Other liabilities	(425)	(417)
Net assets	**357**	**323**

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1986 - 2016

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CELEBRATING 30 YEARS