

# Nomad Foods

## Barclays Global Consumer Staples Conference

September 5, 2018





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# Nomad Foods Overview

**€2.2B**  
Net Revenues

**13**

Primary Countries  
Across Western Europe

**#1**

In Western Europe's

**€25B**

Savory  
Frozen Food Category

**90%**

Of Core Portfolio Ranked  
#1 Or #2 In Market Share

**4,600**

Company  
Employees



# First Half 2018 Financial Results Overview

Organic Revenue Growth	Year-On-Year Change In Gross Margin	Adjusted EBITDA Growth	Adjusted EPS Growth
<b>+2.1%</b>  +1.4% price 0.7% volume/mix	<b>+120bp</b>  to 31.6% of sales	<b>+14%</b>  to €192mn	<b>+31%</b>  to €0.63/share

**Raised Full Year 2018 Guidance to Adjusted EBITDA of €365 - €370 million and Adjusted EPS of €1.14 – €1.17**



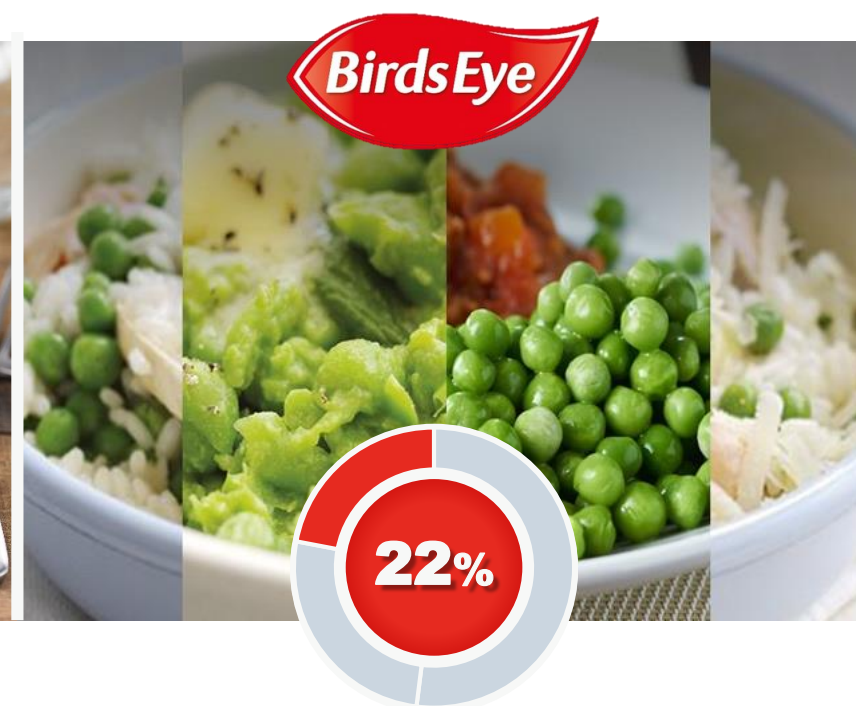


# Company Overview

Nomad Foods



# A Portfolio Anchored by Three Power Brands



## Two New Brands Joined Nomad Foods in 2018



Acquired April 2018



Acquired July 2018



# Timeless Brands With A Rich Heritage





# Powerful Icons With Strong Brand Awareness





# Diversified Portfolio Across Savory Frozen Food

## FISH

40% OF REVENUES



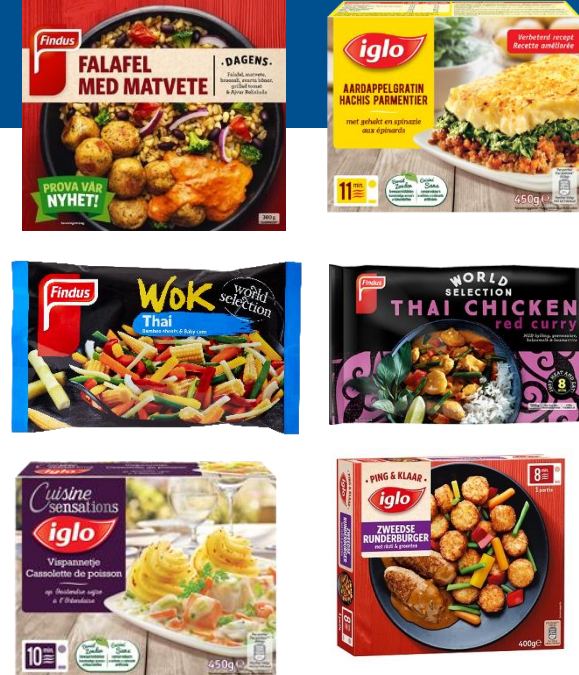
## VEGETABLES

20% OF REVENUES



## MEALS

10% OF REVENUES



## POULTRY

10% OF REVENUES



# The Undisputed Leader in Western Europe Savory Frozen Food

Nomad Foods



Western Europe  
Savory Frozen Food

€25<sup>B</sup>














Total Retail Sales Value



# Strong Market Share at the Local Category Level

**90%** of core portfolio

**#1 or 2** in market share

	 UK	 Italy	 Germany	 Sweden	 France	 Norway	 Austria	 Spain	 Belgium	 Netherlands	 Portugal	 Finland	 Ireland
Seafood	#1	#1	#1	#1	#1	#1	#1	#1		#1	#2	#1	#2
Vegetables	#1	#1	#1	#1	#2	#1	#1	#1	#1	#1	#1	#1	#2
Ready Meals	#2	#1		#1	#2	#1	#1	#1	#1	#1	#1	#2	#1
Poultry	#1		#1		#1		#1		#1		#1		#1



# Growth Strategy

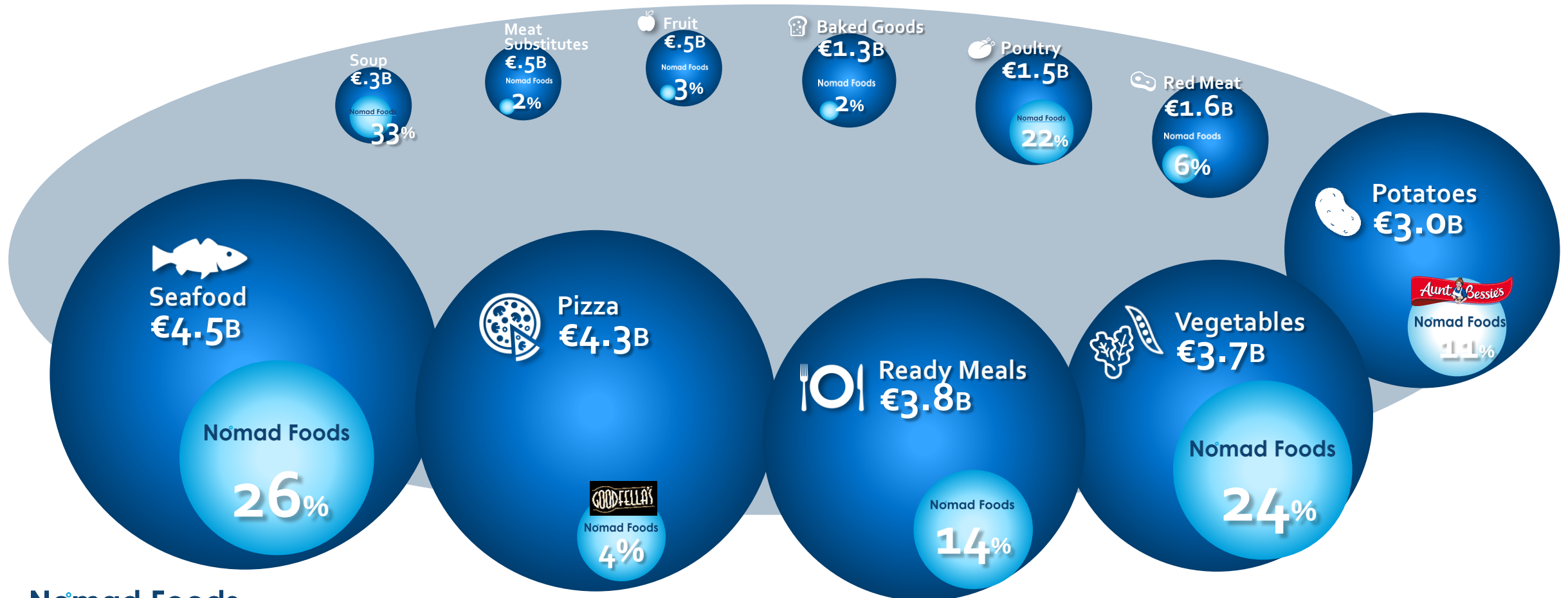
Nomad Foods



# Room to Grow Share in New and Existing Categories

Western Europe Savory Frozen

## Market Share by Category

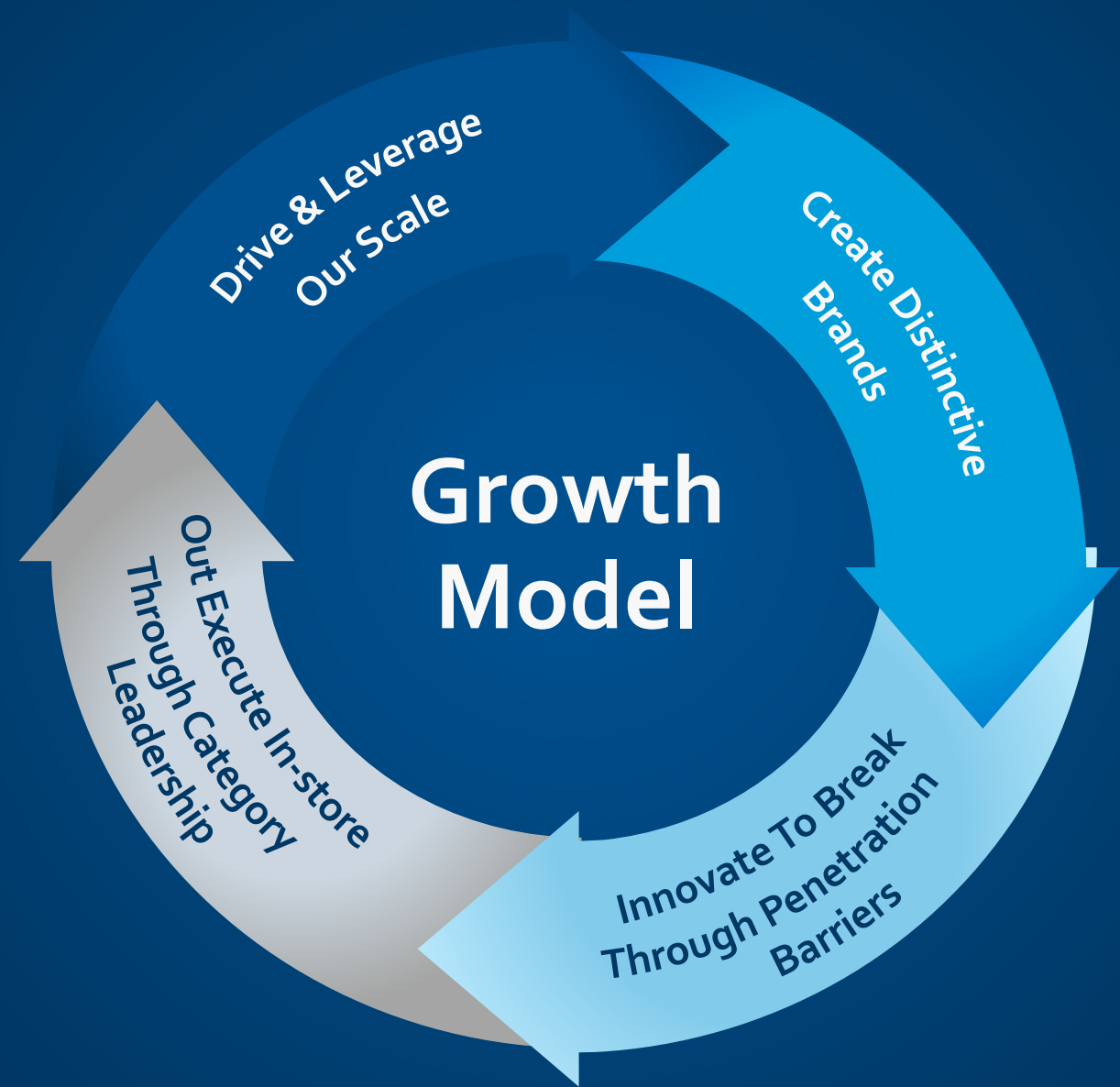


# A Clear Set of Priorities With A Proven Model

1 Core Growth

2 Innovation

3 Category Growth





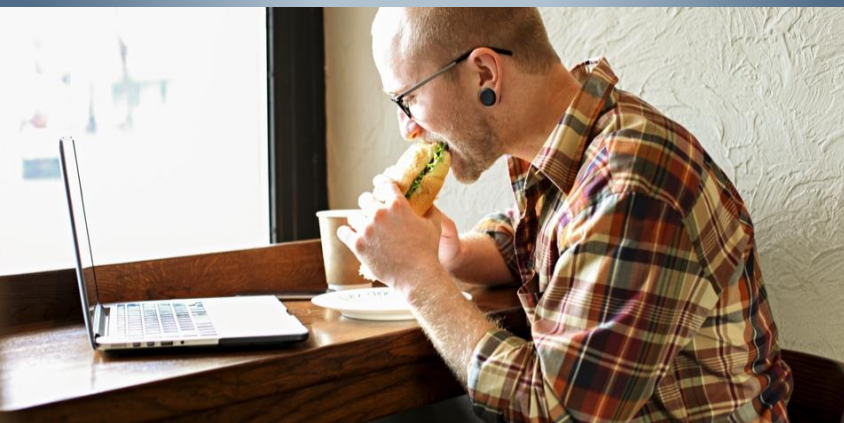
# Core Growth Remains a Primary Focus in 2018





# Frozen Food is Aligned With Consumer Trends

Shorter Meal Times



Nutrition



Over-Indexed to Online



Lower Carbon Footprint



Sustainable Sourcing



Reduced Waste





# Evolving with Changing Consumer Shopping Habits

## E-commerce Explosion



## Discounter Expansion



## Large Stores Re-Invigoration

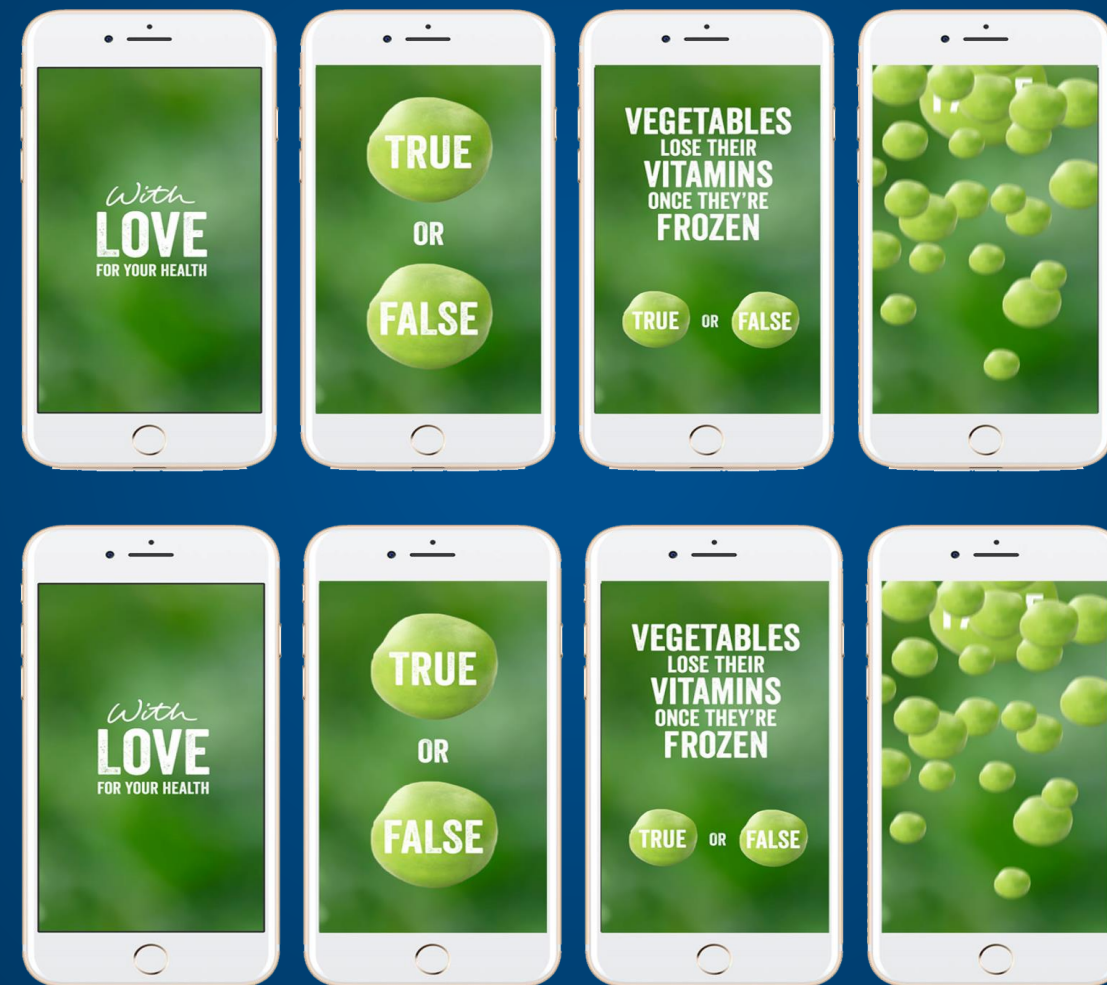
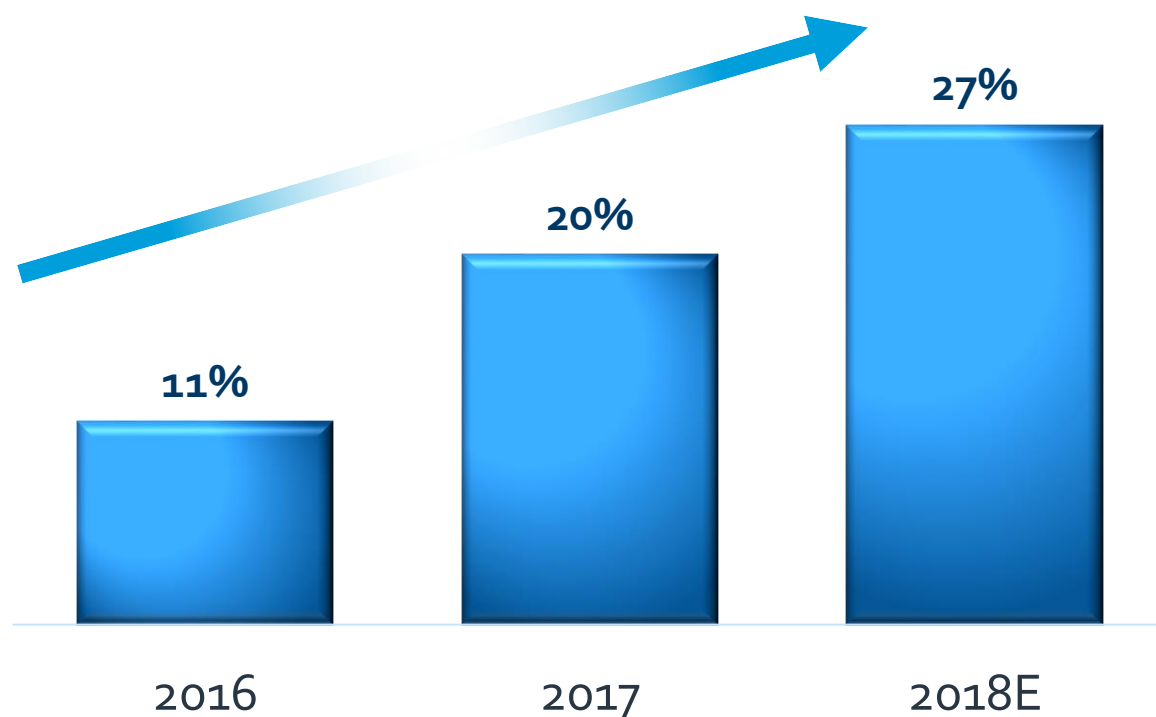


## Small Shopping Trip Increasing



# Deploying Digital Capabilities

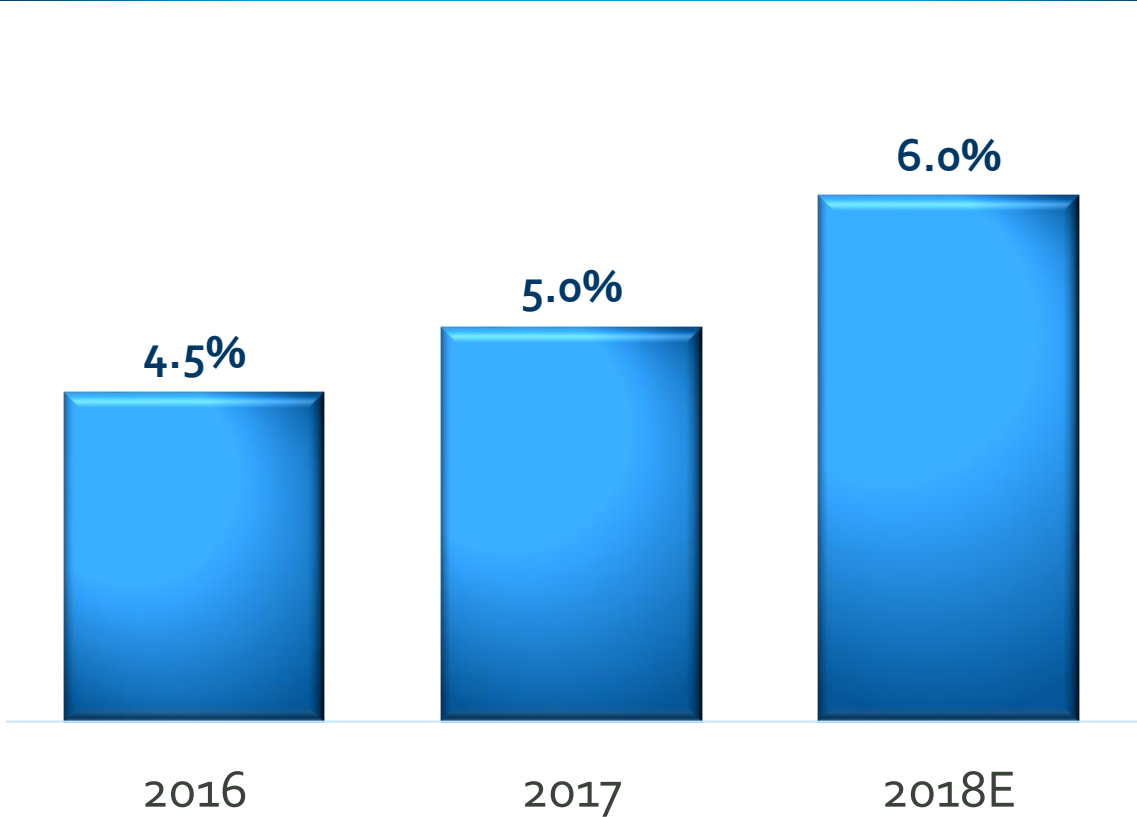
Digital as a % of Nomad Foods Total Advertising Spend





# Building an Innovation Pipeline Behind Key Macro Trends

New Launches as a Percent of Nomad Foods Net Revenues



Plant Protein

Convenience

Vegetarian

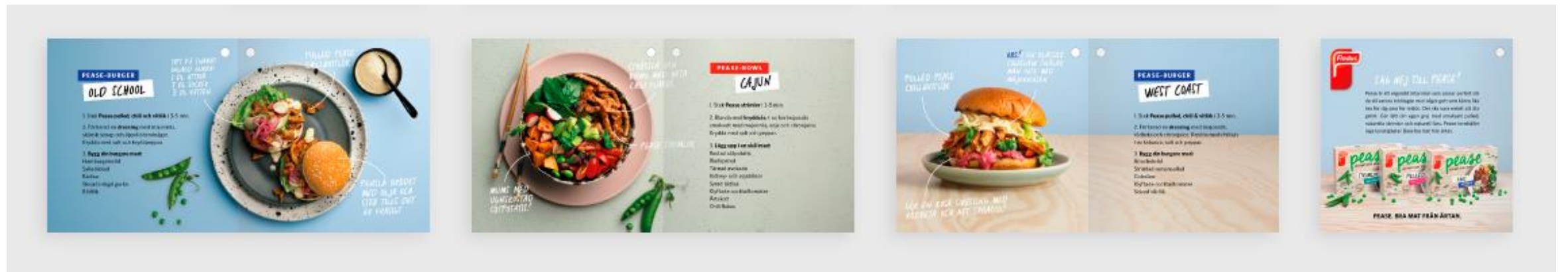
Health & Wellness

# The European Activation of Veggie Power Recently Began in Portugal





# Activation of Plant Protein Begins in Sweden with *pease* in Q3'18



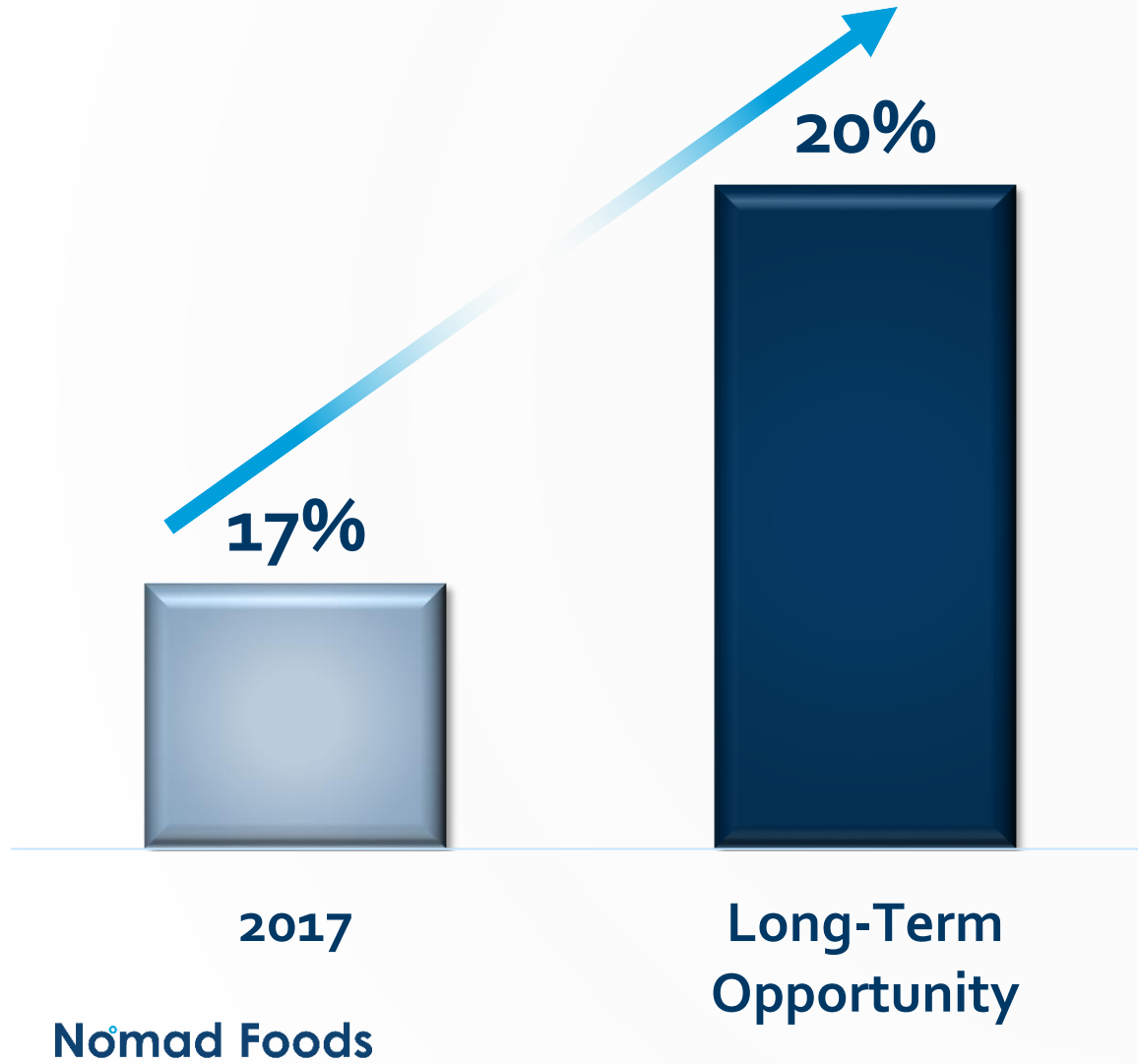




# Shareholder Value Creation



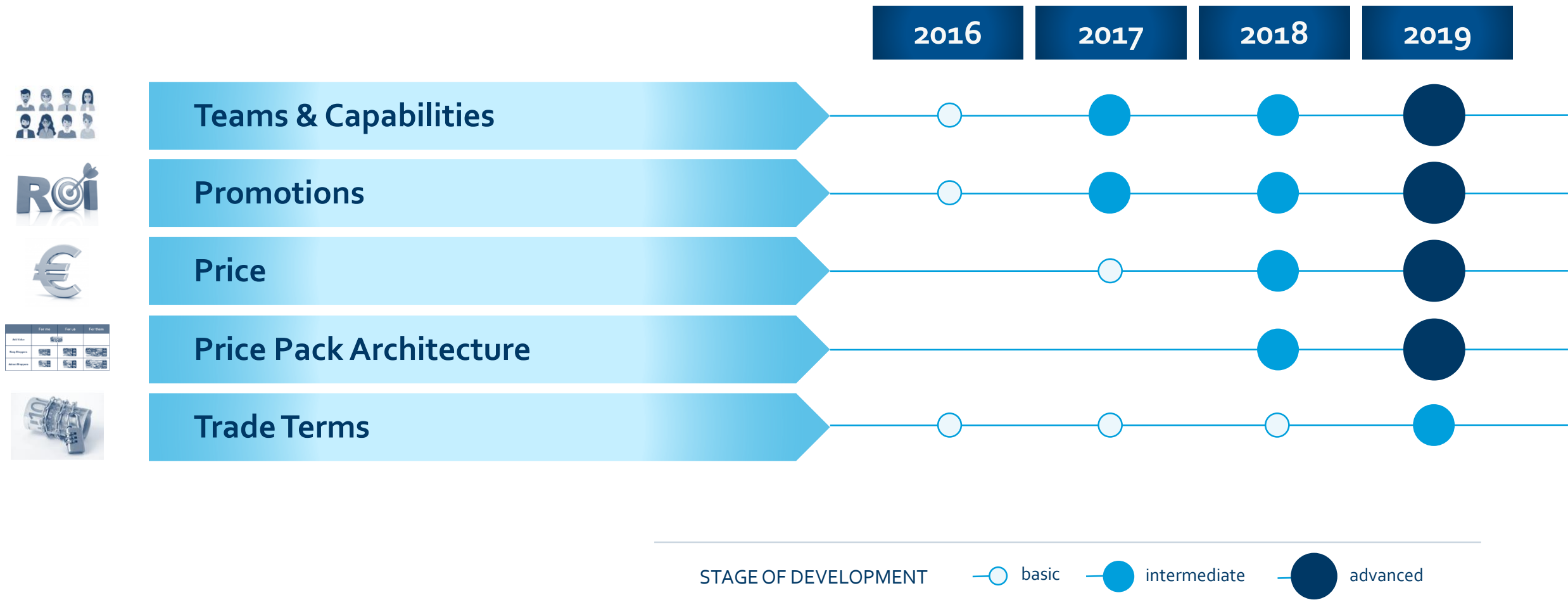
# EBITDA Margin Expansion A Key Driver of Shareholder Value



## EBITDA Margin Drivers

- 1 Net Revenue Management
- 2 Supply Chain Optimization
- 3 Expense Discipline

# Strengthening Net Revenue Management Capabilities into 2018 and 2019





# Drivers of Supply Chain



**Lean  
Manufacturing**



**Factory  
Footprint  
Optimization**



**Procurement  
Productivity**



# Funding Growth With Discipline





# An Advantaged Balance Sheet with Strong Cash Flow Characteristics

Strong Cash Flow Conversion

Actively Managed Capital Structure

Value Creation through Capital Allocation

**90%**

Target Cash Conversion

**under 3%**

Cost of Debt

**~70%**

Of Interest Rate Exposure is Fixed

**2024**

Earliest Debt Maturity

# Acquisition Criteria

Market Leading Brands with Protective Moats

Niche Categories with Opportunities for Growth

Cash Flow Generation

Strong Management

Scale and Skill Synergies

Valuation Discipline





# UK Portfolio Following Aunt Bessie's and Goodfella's Acquisitions



~40% of UK pro-forma revenues



# 2018 Guidance

Organic Revenue Growth	Adjusted EBITDA	Adjusted EPS
growth at a <b>Low-single digit</b> percentage rate	approximately <b>€365 to €370</b> million	approximately <b>€1.14 to €1.17</b> per share

2018 guidance equates to the following when translated into US dollars, the Company's equity trading currency:

- **Adjusted EBITDA** of approximately **\$423 to \$429 million**
- **Adjusted EPS** of approximately **\$1.32 to \$1.36 per share**

Translation of guidance into US dollars is for illustrative purposes and is based on the USD/Euro exchange rate of 1.16, as of August 8, 2018.



# Generate Shareholder Value by Leveraging Our Assets and Capabilities

## Create a Leading Global Consumer Food Company

### HIGH QUALITY ASSETS

Distinctive Brands

Pan-European Scale

Talented People

### OPERATIONAL EXCELLENCE

Growing from the Core

Net Revenue Management

Supply Chain Efficiency

### FINANCIAL DISCIPLINE

Cost Consciousness

Cash Flow Generation

Capital Allocation

Generate Sustainable Shareholder Value

Nomad Foods

# Q&A

