

# Nomad Foods

Earnings Conference Call  
Q2 2016 Update  
Thursday, August 25<sup>th</sup> 2016



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Nomad Foods Limited also utilizes certain additional non-IFRS key performance indicators. Nomad Foods believe these indicators provide an important alternative measure with which to monitor and evaluate the Company's ongoing financial results, as well as to reflect its acquisitions. For a reconciliation of these metrics against the most comparable IFRS metrics, please see the reconciliation tables included in the Company's second quarter earnings press release furnished to the Securities and Exchange Commission on a Form 6-K.

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# Today's Presenters



**Stéfan Descheemaeker**  
CEO



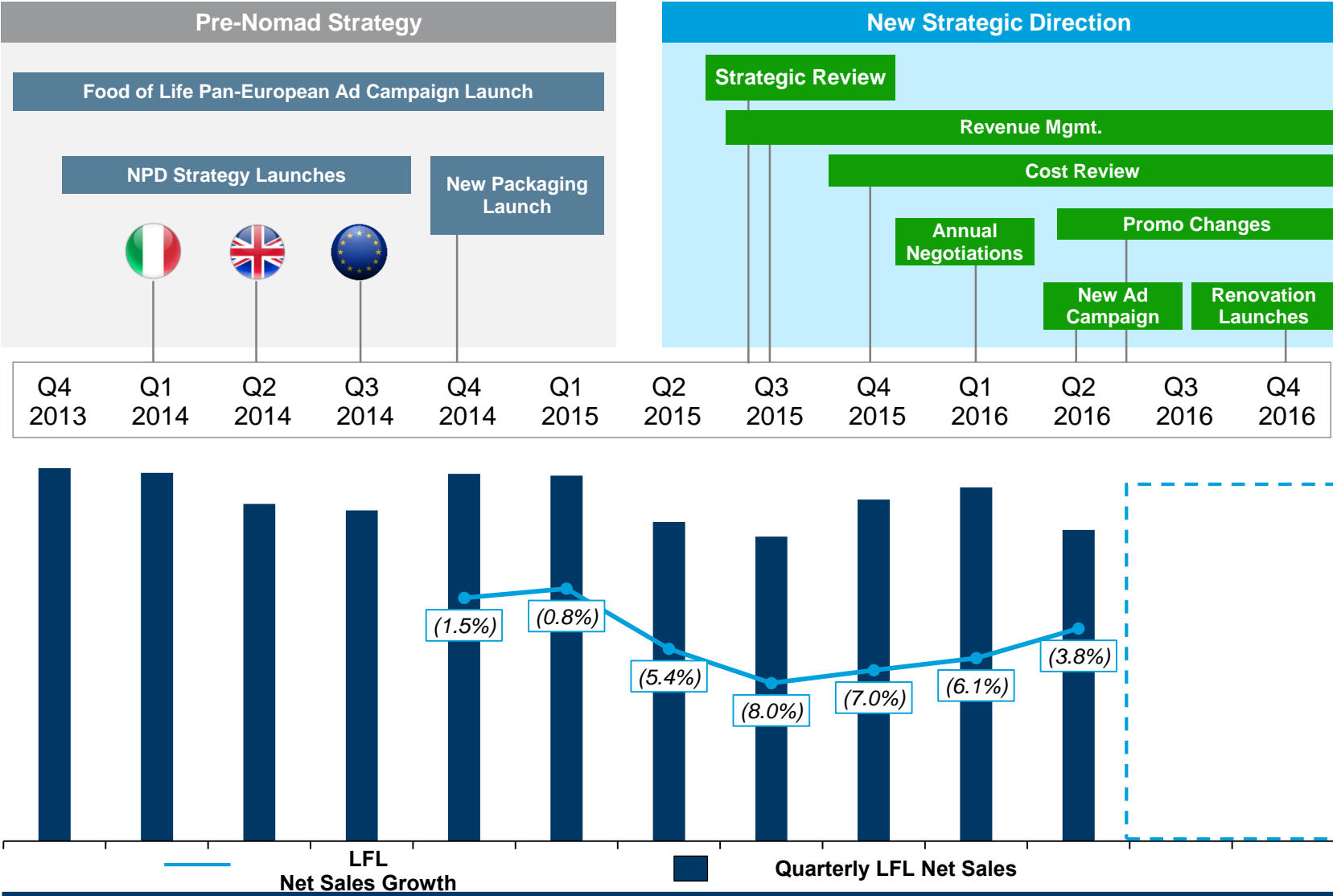
**Paul Kenyon**  
CFO



**Nomad Foods**

**Q2 2016 Financial  
Performance**

# Nomad Net Sales Performance by Quarter



# Q2 2016 As Adjusted Operating Performance

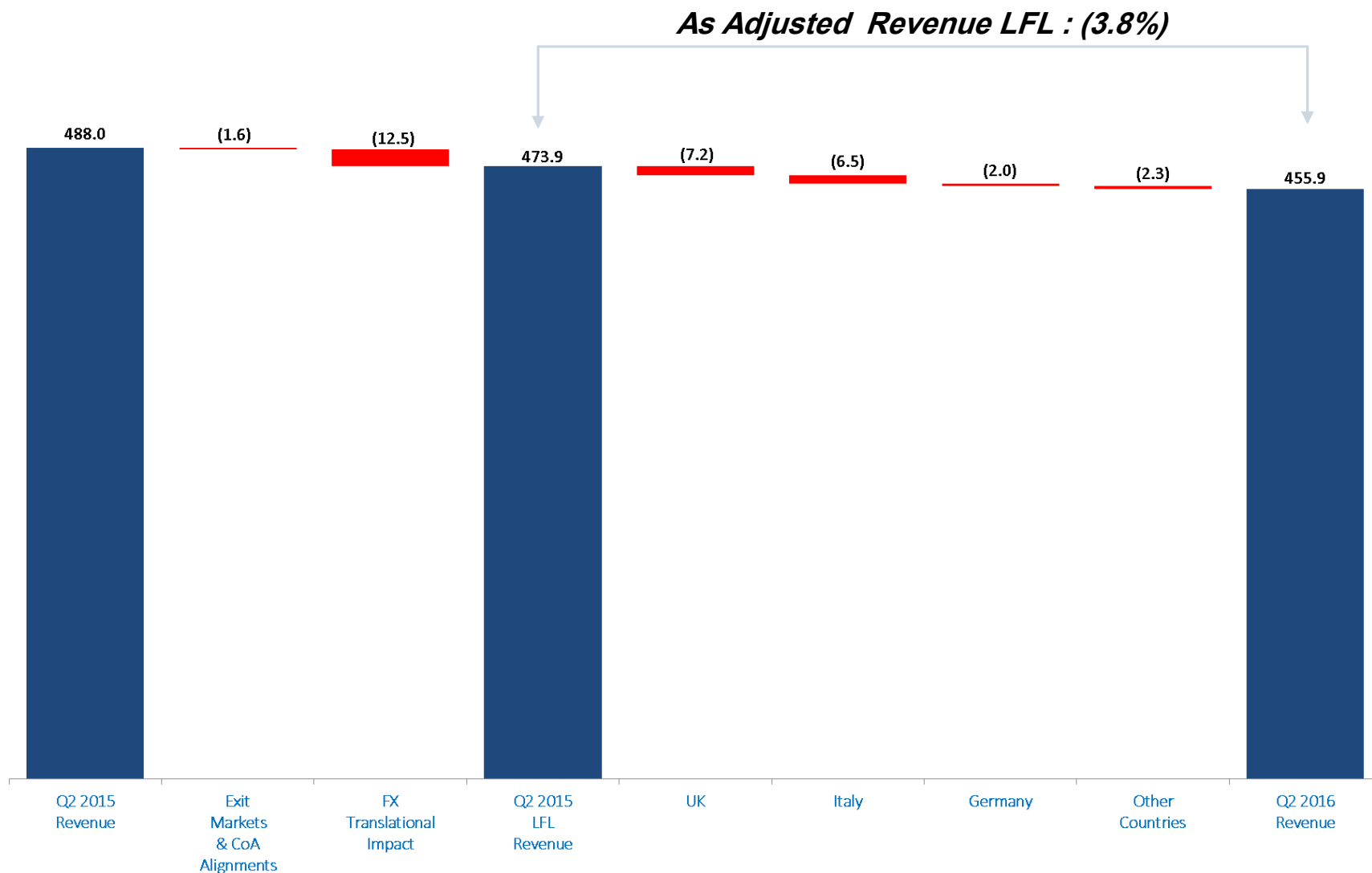
€m	Q2/16	Q2/15	Delta
<b>Revenue</b>	<b>455.9</b>	<b>488.0</b>	<b>-32.1</b>
<b>Gross Profit</b>	<b>139.6</b>	<b>148.4</b>	<b>-8.8</b>
<i>Gross profit margin (%)</i>	<i>30.6%</i>	<i>30.4%</i>	<i>0.2%</i>
A&P	-25.8	-37.9	12.1
<i>A&amp;P (% Revenues)</i>	<i>5.7%</i>	<i>7.8%</i>	<i>-2.1%</i>
Indirects	-48.6	-50.7	2.1
<i>Indirects (% Revenues)</i>	<i>10.7%</i>	<i>10.4%</i>	<i>0.3%</i>
Depreciation & Amortisation	12.7	13.1	-0.4
<b>Adjusted EBITDA</b>	<b>77.9</b>	<b>72.9</b>	<b>5.0</b>
<i>Adj EBITDA margin (%)</i>	<i>17.1%</i>	<i>14.9%</i>	<i>2.2%</i>
Depreciation & Amortisation	-12.7	-13.1	0.4
Net Financing Costs	-19.2	-18.8	-0.4
Taxation	-10.6	-9.4	-1.2
<b>Adjusted Profit</b>	<b>35.4</b>	<b>31.6</b>	<b>3.8</b>
<b>Adjusted EPS</b>	<b>0.19</b>	<b>0.18</b>	<b>0.01</b>

# Q2 2016 As Adjusted Performance Highlights

## Q2 2016 Performance

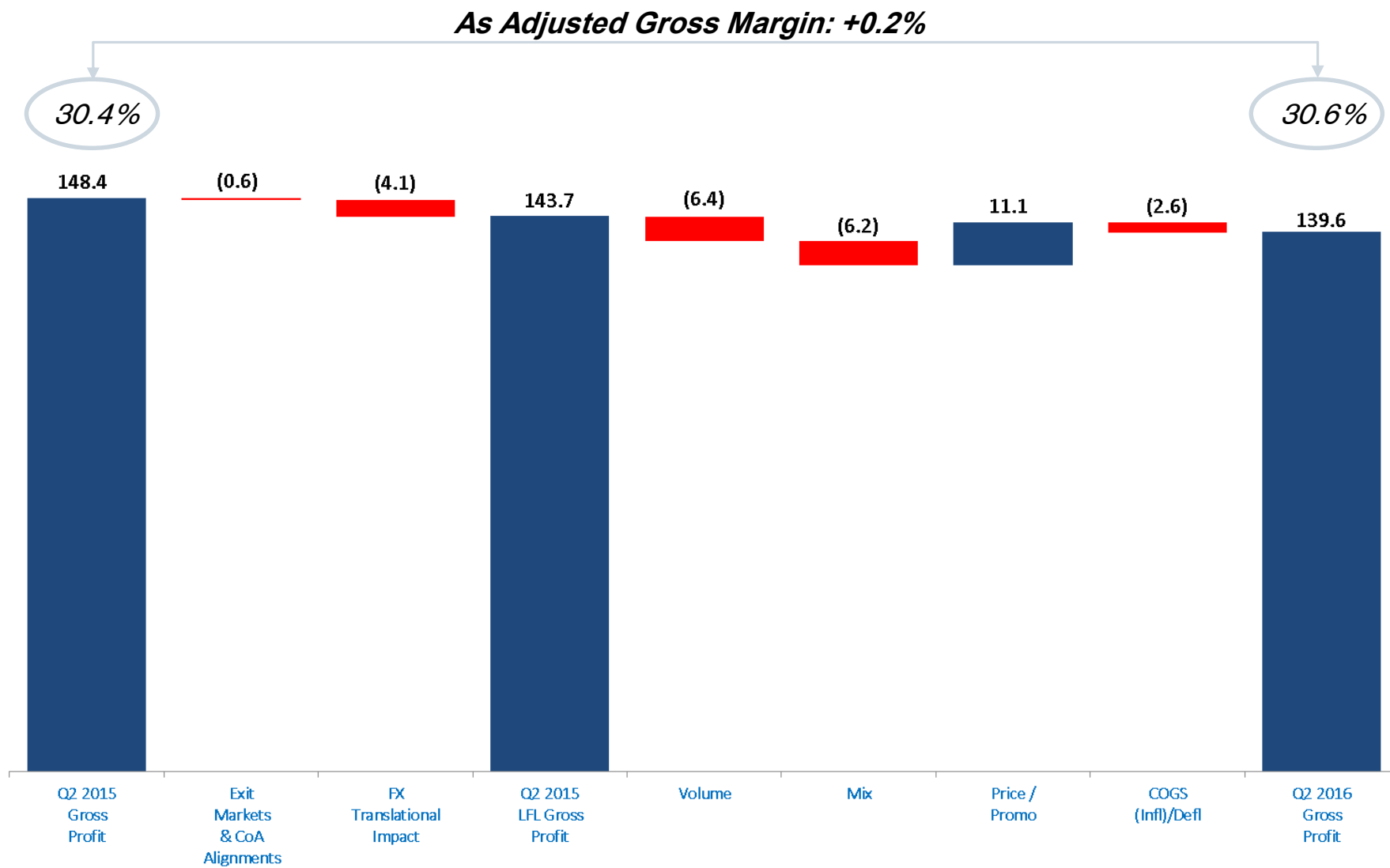
- Net revenue was down €32.1m or 6.6%, year-on-year. Adjusting for currency impacts and the exit from Russia, the like-for-like decline was 3.8% - a 2.3% improvement on the rate of decline in the first quarter. As has been the case in the past few quarters, the decline in sales was driven by the Group's three largest markets, namely the UK, Italy and to a lesser extent Germany, although each of these markets again showed reduced rates of decline year-on-year compared to the prior quarter.
- Gross Profit declined €8.8m driven primarily by lower sales volumes.
- Gross Margin improved by 0.2%, driven by favourable pricing year-on-year, improved trade terms management and a reduction in input costs.
- A&P investment was €12.1m lower as the Group re-phased advertising spend to align with the anticipated launch of the new advertising in the second half of the year.
- Indirect costs were €2.1m lower year-on-year due to synergy realisation and the benefits from the Group's lean reorganisation programme.
- Resulting Q2 2016 As Adjusted EBITDA was €77.9m, representing 17.1% of revenues.
- As Adjusted Earnings per Share increased by 1 Euro cent year-on-year, due to the increase in profit.

# Q2 2016 As Adjusted Revenue Bridge

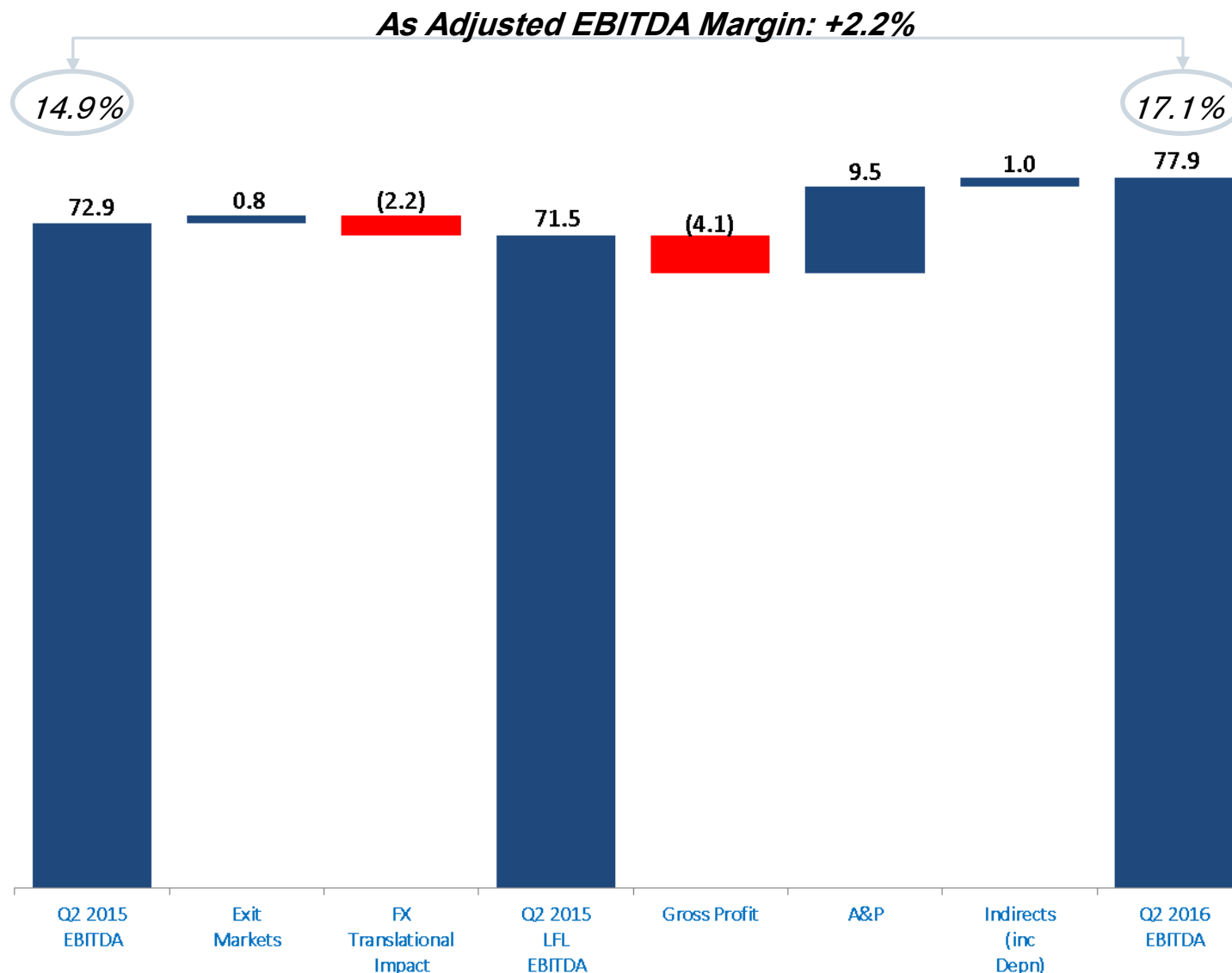




# Q2 2016 As Adjusted Gross Profit Bridge



# Q2 2016 As Adjusted EBITDA Bridge



# YTD 2016 As Adjusted Operating Performance

€m	YTD 16	YTD 15	Delta
<b>Revenue</b>	<b>1,003.0</b>	<b>1,058.8</b>	<b>-55.8</b>
<b>Gross Profit</b>	<b>307.1</b>	<b>327.1</b>	<b>-20.0</b>
<i>Gross profit margin (%)</i>	<i>30.6%</i>	<i>30.9%</i>	<i>-0.3%</i>
A&P	-54.5	-69.5	15.0
<i>A&amp;P (% Revenues)</i>	<i>5.4%</i>	<i>6.6%</i>	<i>-1.2%</i>
Indirects	-99.7	-103.5	3.8
<i>Indirects (% Revenues)</i>	<i>9.9%</i>	<i>9.8%</i>	<i>0.1%</i>
Depreciation & Amortisation	24.8	24.4	0.4
<b>Adjusted EBITDA</b>	<b>177.7</b>	<b>178.5</b>	<b>-0.8</b>
<i>Adj EBITDA margin (%)</i>	<i>17.7%</i>	<i>16.9%</i>	<i>0.8%</i>
Depreciation & Amortisation	-24.8	-24.4	-0.4
Net Financing Costs	-38.1	-37.6	-0.5
Taxation	-26.4	-26.7	0.3
<b>Adjusted Profit</b>	<b>88.4</b>	<b>89.8</b>	<b>-1.4</b>
<b>Adjusted EPS</b>	<b>0.48</b>	<b>0.50</b>	<b>-0.02</b>

# YTD 2016 As Adjusted Performance Highlights

## YTD 2016 Performance

- Net revenue was down €55.8m or 5.3%, year-on-year. Adjusting for currency impacts, the exit from Russia, an additional trading day in Q1 2016 due to the leap year and the business acquisition of La Cocinera in Spain, the like-for-like decline was 5.0%. As has been the case in the past few quarters, the decline in sales was driven by the Group's three largest markets, namely the UK, Italy and Germany, although each of these markets showed a reduced rate of decline year-on-year compared to the second half of 2015.
- Gross Profit declined €20.0m driven primarily by lower sales volumes.
- Gross Margin declined by 0.3%, driven by an adverse mix and the dilutive effect of the La Cocinera acquisition, partly offset by pricing year-on-year, improved trade terms management and a reduction in input costs.
- A&P investment was €15.0m lower as the Group re-phased advertising spend to align with the anticipated launch of the new advertising.
- Indirect costs were €3.8m lower year-on-year due to synergy realisation and the benefits from the Group's lean reorganisation programme.
- Resulting YTD 2016 As Adjusted EBITDA was €177.7m, representing 17.7% of revenues.
- As Adjusted Earnings per Share decreased by 2 Euro cents year-on-year, due to the decrease in profit.

# YTD 2016 As Adjusted Cash flow

	YTD 16 €m	YTD 15 <sup>(1)</sup> €m	DELTA €m
<b>As Adjusted EBITDA</b>	<b>177.7</b>	<b>178.5</b>	<b>(0.8)</b>
Loss on disposal of property, plant & equipment	0.2	-	0.2
Working Capital movement	13.2	19.4	(6.2)
Pensions & Other Provisions movements	(2.0)	(4.0)	2.0
Capital Expenditure	(12.3)	(18.9)	6.6
<b>As Adjusted Operating Cash flow (excl. Tax)</b>	<b>176.8</b>	<b>175.0</b>	<b>1.8</b>
Tax Paid	(5.4)	(16.3)	10.9
<b>As Adjusted Operating Cash flow</b>	<b>171.4</b>	<b>158.7</b>	<b>12.7</b>
Restructuring & Non-Recurring	(32.0)	(90.1)	58.1
Contingent consideration for purchase of Frudesa brand	(8.0)	-	(8.0)
<b>As Adjusted Cash flow available for Debt Servicing</b>	<b>131.4</b>	<b>68.6</b>	<b>62.8</b>
Net Interest & Other Financing Costs paid <sup>(2)</sup>	(31.3)	(32.4)	1.1
<b>As Adjusted Cash flow available for Debt Repayment</b>	<b>100.1</b>	<b>36.2</b>	<b>63.9</b>

As Adjusted Operating Cash flow Conversion <sup>(3)</sup>	<b>99.5%</b>	<b>98.0%</b>
As Adjusted Free Cash flow <sup>(4)</sup>	140.1	126.3

LTM (to June 2016) Pro Forma As Adjusted Cash Conversion <sup>(5)</sup> 75.6%

- 1) All YTD 15 figures are Pro Forma/Pro Forma As Adjusted.  
2) 2015 pro forma payment based on 2016 forecast cash payments.  
3) Calculated as Operating cash flow (excl. Tax) over As Adjusted / Pro Forma As Adjusted EBITDA.  
4) Cash flow available for Debt Repayment excluding Restructuring & Non-Recurring and Contingent consideration for purchase of Frudesa brand.  
5) No comparative data available for LTM (Last Twelve Months) Q2 2015.



# Nomad Foods

## Q&A