



# Nomad Foods

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Investor Presentation  
April 2017



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# Company & Market Overview

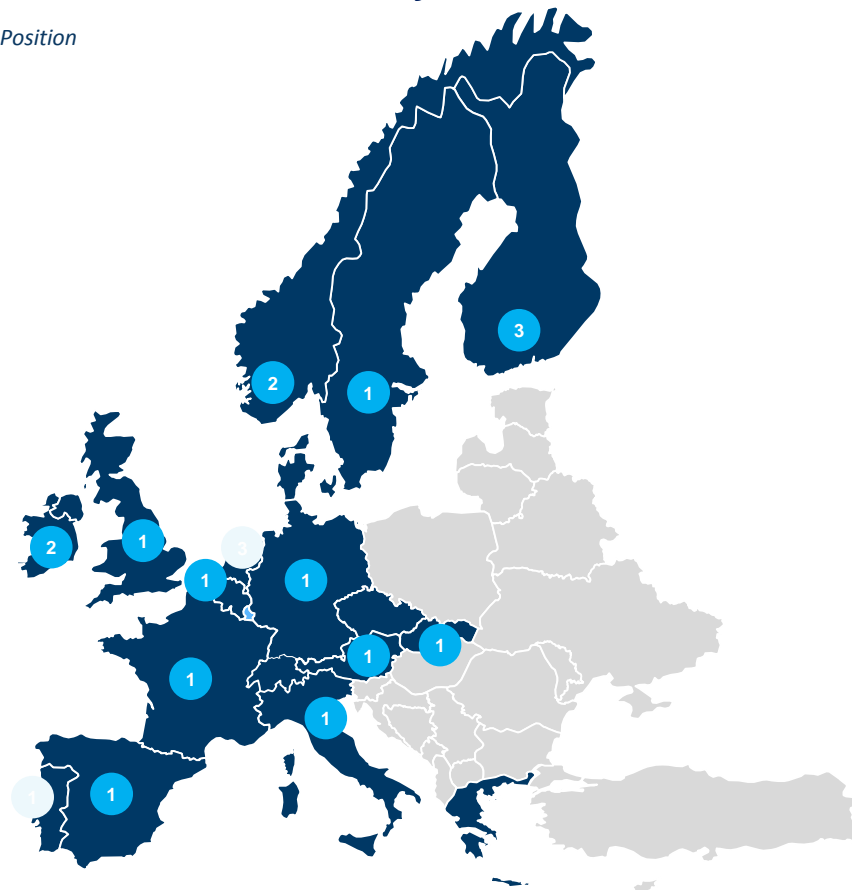


## Key Facts

- Leading branded frozen food player in Western Europe with sales of €1,928m (FY 2016A)
- Operations in 17 countries in Western Europe, commanding a 13.8% market share of the frozen food market (excluding ice cream)
- #1 branded frozen player in 10 countries including UK, Italy, Germany, France and Sweden
- Strong brands including Iglo, Findus and Birds Eye
- Adjusted EBITDA margin of 16.9%
- Successful integration platform with significant cash flow generation and synergies to fund external growth








































## #1 Branded Frozen Player in 10 Countries

● Market Position



# Geographic Overview





Nomad Foods

	UK 	Italy 	Germany 	Sweden 	France 
Brand Present					
Market Position					
Relative Share <sup>1</sup>	1.7x	2.9x	1.1x	1.3x	1.4x
Revenue and % of Revenue	€459m (24%)	€349m (18%)	€267m (14%)	€218m (11%)	€169m (9%)
Market Share in Nomad's Key Categories (%)	Total <sup>2</sup>  13.2	Total <sup>2</sup>  23.0	Total <sup>2</sup>  11.1	Total <sup>2</sup>  22.9	Total <sup>2</sup>  11.2
	Fish  19.1	Fish  22.3	Fish  26.0	Fish  41.5	Fish  47.8
	Vegetables  17.2	Vegetables  29.8	Vegetables  33.9	Vegetables  54.2	Vegetables  6.5
	Meals  6.1	Meals  29.6	Meals  4.9	Meals  41.3	Meals  8.8
	Poultry  32.0	Poultry  5.4	Poultry  25.7		Poultry  18.5



# Category Overview

Nomad Foods

Categories	Category Description	Nomad's Market Share <sup>1</sup>	Relative Market Share <sup>1, 2</sup>	# Countries with #1 Position	2016 Sales	% of 2016 Sales	Select Products
Fish	<ul style="list-style-type: none"> <li>Comprises of products such as fish fingers, coated fish and natural fish among others</li> </ul>	25.8%	5.6x	9	€760m	39%	
Vegetables	<ul style="list-style-type: none"> <li>Includes ready to eat vegetables products such as peas and cream spinach among others</li> </ul>	24.2%	7.8x	11	€383m	20%	
Meals	<ul style="list-style-type: none"> <li>Product offerings include ready to cook pasta, lasagna, pancakes, sofficcini, curries and others</li> </ul>	14.3%	1.9x	9	€198m	10%	
Poultry	<ul style="list-style-type: none"> <li>Products such as nuggets, grills and burgers</li> </ul>	21.8%	4.8x	7	€166m	9%	

# A Portfolio of Iconic Brands with Strong Heritage

Nomad Foods

## ... Underpinned by Iconic Brands and Assets with Strong Brand Equity

- Iconic brands with almost 100 years of history
- #1 consumer choice
- Brand recognition drives consumer trust and demand



[61] years history



[76] years history



[53] years history



[95] years history



[55] years history



[36] years history



Captain Birds Eye



Croustibat

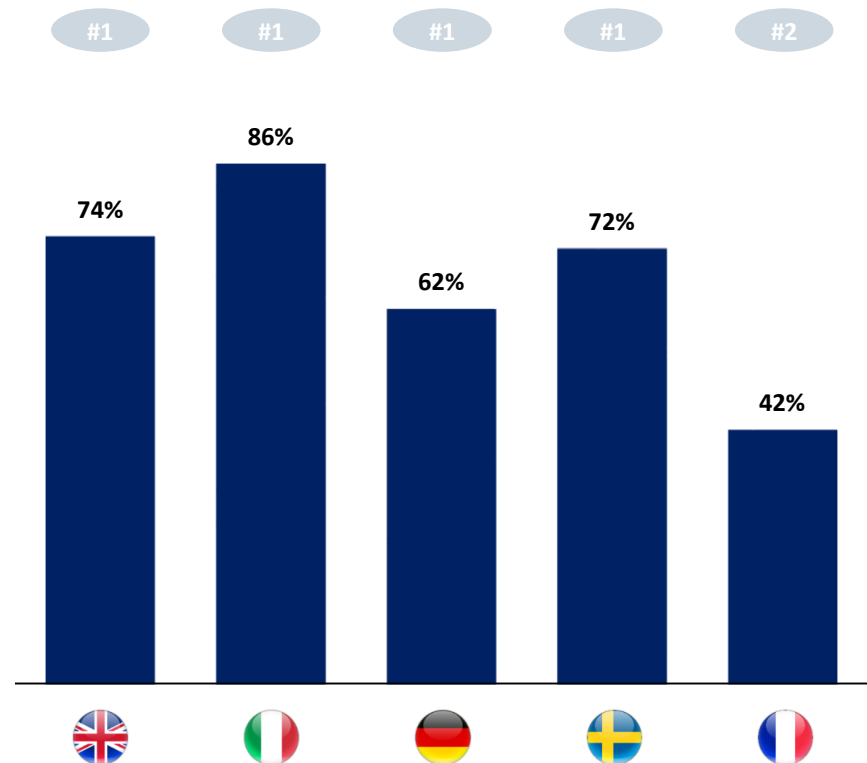


Carletto



Blubb

## 2016 Spontaneous Brand Awareness %<sup>(1)</sup>



Source: Ipsos.

(1) Due to spontaneous brand awareness questionnaire structure changes, 2016 scores are not directly comparable with 2015 scores published.

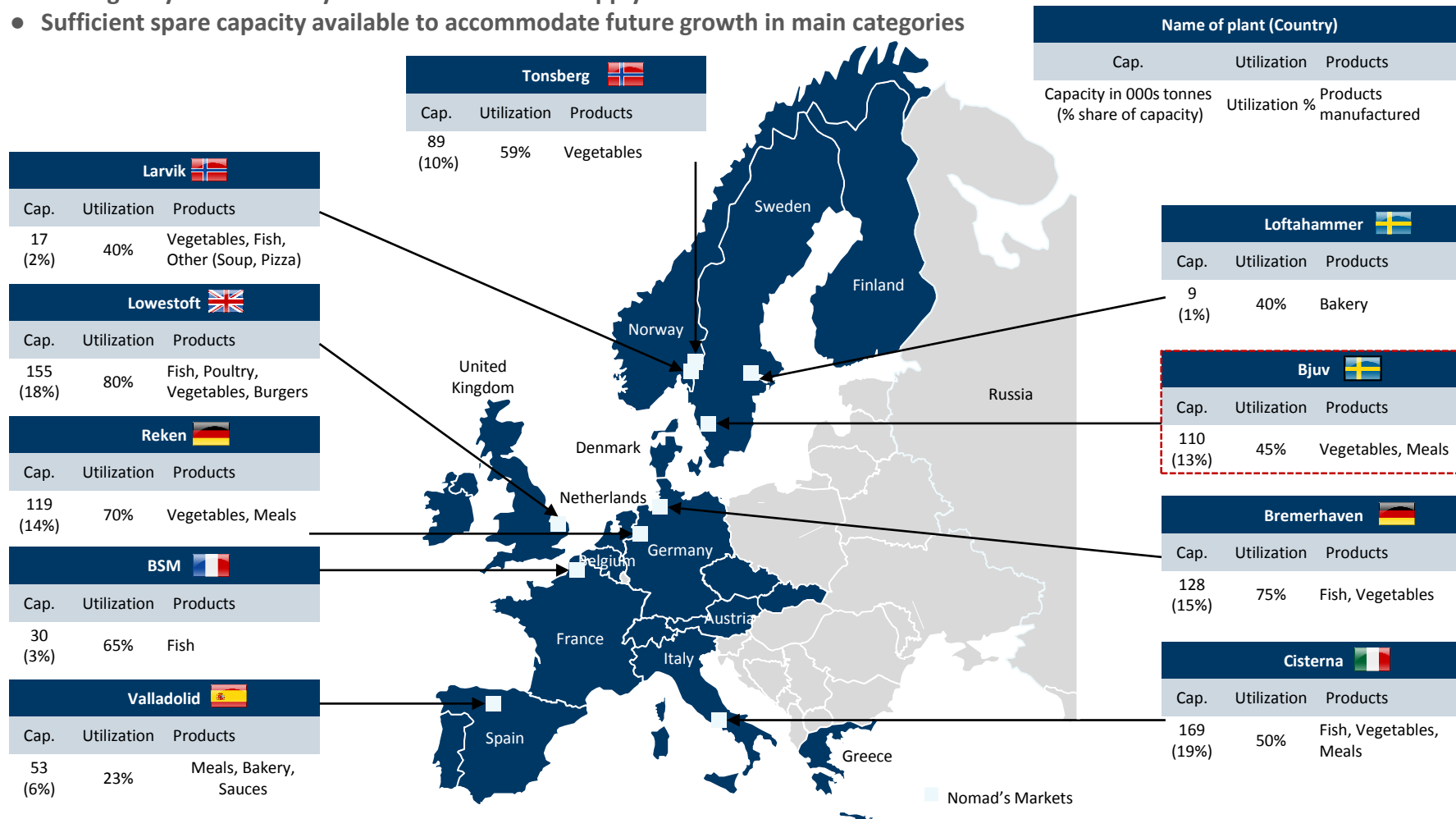
Spontaneous brand awareness rank



# Geographically Diversified Manufacturing Footprint

Nomad Foods

- 10 best-in-class / well-invested manufacturing facilities across Europe
- Strategically located in key markets with nimble supply chain able to serve local markets
- Sufficient spare capacity available to accommodate future growth in main categories



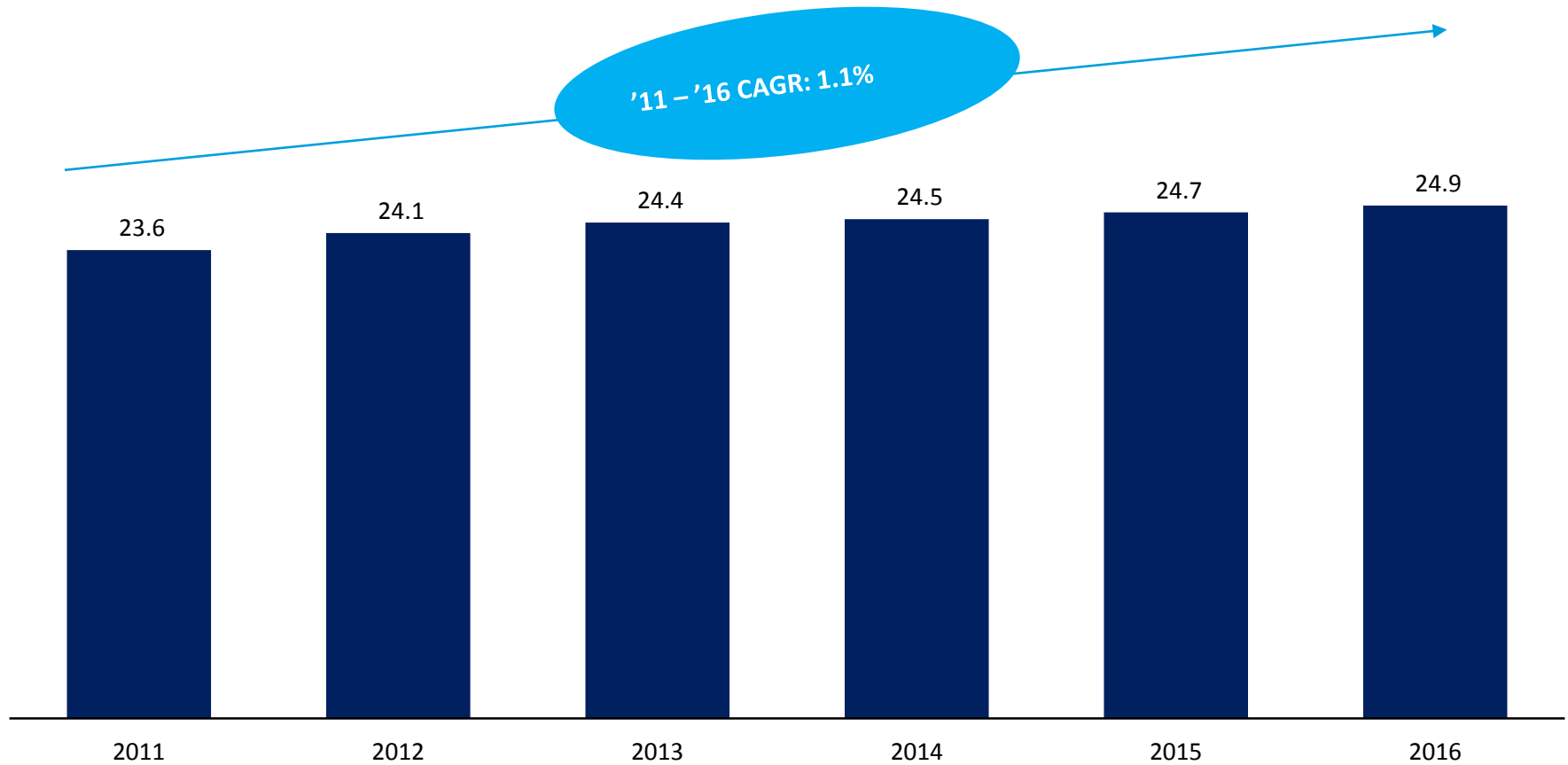
Bjuv Facility recently closed, production has been transferred to Reken, Valladolid, and Cisterna facilities.

# European Frozen Food is Large and Resilient

Nomad Foods

## Frozen Market Retail Value

(€bn)



# Market Leadership Across Most Business Lines

Nomad Foods

(€Millions)

	Frozen Fish	Frozen Vegetables	Frozen Meals	Frozen Poultry	Total Nomad
% Market Share in Respective Markets	25.8%	24.2%	14.3%	21.8%	
Market Position by Country (2015)					
Austria	1	1	1	1	1
Belgium	1	1	1	1	1
Finland	1	2	1		3
France	1	2	2	1	1
Germany	1	1	3	1	1
Ireland	2	1	2	1	2
Italy	1	1	1	5	1
Netherlands	1	1	1		3
Norway	1	1	1		2
Portugal	2	1	1	1	1
Spain	3	1	1	2	1
Sweden	1	1	1		1
UK	2	1	2	1	1
<b>Total #1 Positions</b>	<b>9</b>	<b>11</b>	<b>9</b>	<b>7</b>	<b>9</b>

11



# Organic Growth Strategy

A

- Redirect resources behind **Must Win Battles**

B

- Leverage our **local heroes**

C

- **Revenue management**: untapped and complementary

D

- **Cost efficiencies** (organic and synergies)

A

- Redirect resources behind **Must Win Battles**



# “Must Win Battles” Are Working

Nomad Foods

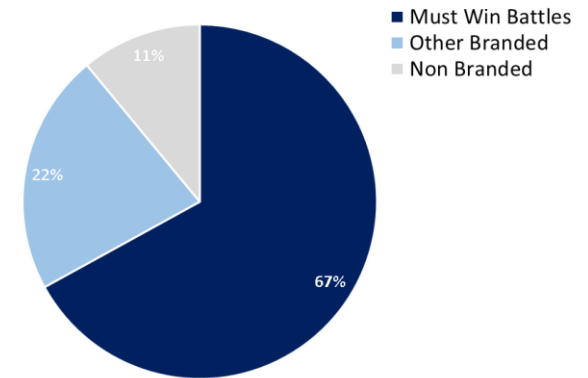
## What are “Must Win Battles”?

- A strategic cross-portfolio evaluation resulting in redirected resources to our most scalable sub-categories
- Key “Must Win Battles” criteria include market share, gross margin, growth potential and ROI
- A renewed focus on core products and local brand icons
- Examples include Fish Fingers, Spinach and Peas
- 360 degree activation through a coordination of product innovation, packaging renovation, in-store execution and media
- First major wave of activations began in 3Q16

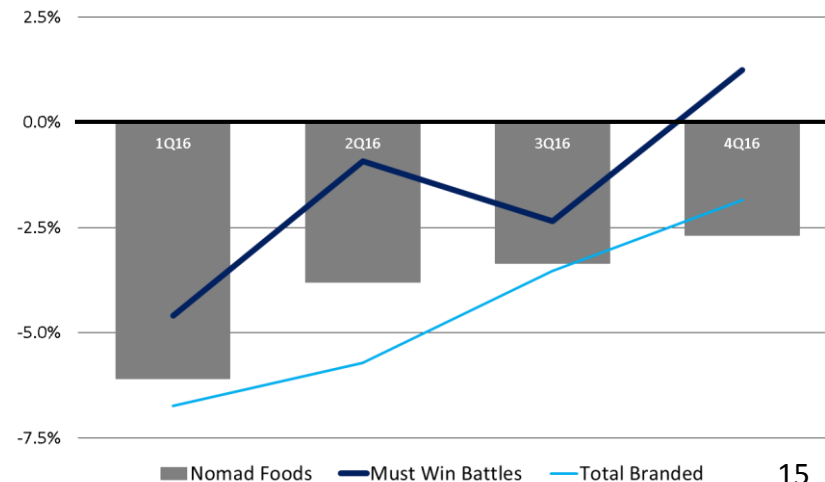
## Evidence of Progress Entering 2017

- Sales from “Must Win Battles” products represented 67% of Nomad Foods sales in 2016
- Related sales grew 1.2% in 4Q16, the first positive inflection
- A meaningful number of activations still to come in 1H17

“Must Win Battles” Represent the Majority of Sales

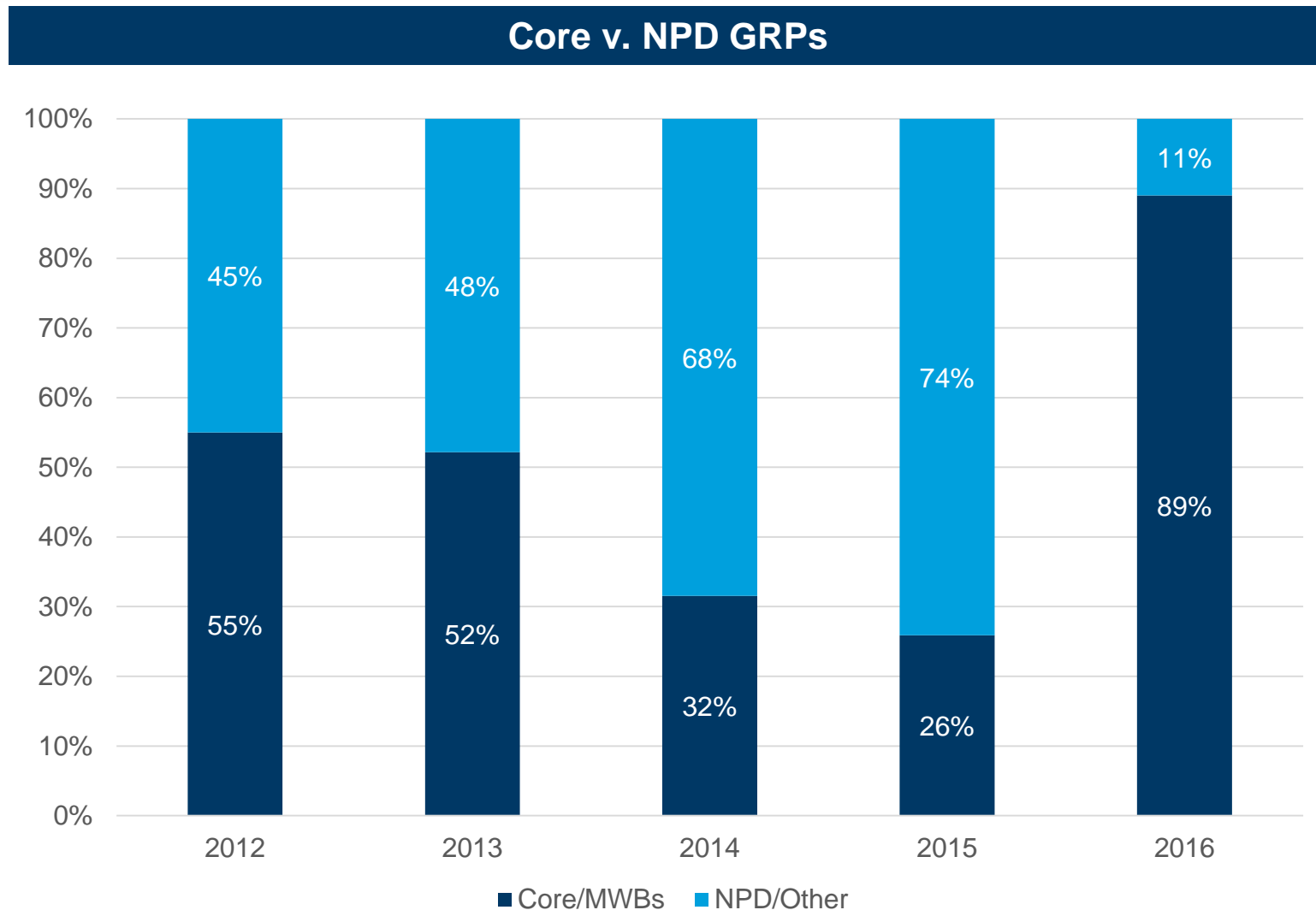


“Must Win Battles” Are Driving Topline Improvement



# Advertising Spending Redirected to Core

Nomad Foods



# “Must Win Battles” Success Stories

Nomad Foods

## Fish Fingers

Fish Fingers was one of the first “Must Win Battles” launched across a number of markets

360 degree activation: return of highly effective “Captain” advertising, product innovation (“Gluten Free”, “Crispier Crumb”), upgraded packaging and revised promotional tactics

4Q16 Fish Finger like-for-like sales grew 6.2%, a third consecutive quarter of growth



## Spinach

Spinach was activated in Germany, Austria and the Netherlands in 4Q16, resulting in a return to YoY growth

4Q16 Spinach like-for-like growth inflected into positive territory, up 1.7%

Revival of this core category demonstrates the impact of “Must Win Battles”





## New Strategy

Local icons (“Captain”) with focus on food



## Previous Strategy

Single global masterbrand campaigns



B

- Leverage our **local heroes**

# Fish Fingers – The Captain is Back

Nomad Foods

## Strategy

- Restore iconic local brand assets
- Invest in 3-4 priority platforms at scale
- Pursue 360° campaigns from above the line to POS



## Actions Taken

- Captain back on air in 6 countries and new copy for 2017 being developed
- New packaging design to further utilise our iconic assets and also more focus on the food
- 360° campaigns at consumer touch points





# Fish Fingers - Strategy in Action

Nomad Foods

## Create distinctive brands



Centre all our communication around our distinctive icons

Most countries executing Captain (& Croustibat FR) on TV, PR, digital, and in-store, with positive effects on baseline sales

## Innovate ~& Renovate



Greater focus on renovation of core Hero's

New oven-crispy coating recipe launched across Nomad with support on TV

## Out execute in store



Execute optimum range in physical stores and ensure Hero SKU's double faced

Must-have assortment identified, with focus on launching or increasing distribution for family packs

## Fish Fingers Communications Effectiveness Index

	Mar '16	Apr '16	May '16	Jun '16	Jul '16	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16
DE	177	148					209	181		
IT	203			150		140	133	144	183	
UK								123		

Source: IPSOS Monthly Equity tracking

Nomad Foods

## Household Penetration pp change vs LY

	52 weeks	12 weeks	4 weeks
DE	-0.5	1.0	0.6
IT	-3.1	0.6	-0.3
UK	0.6	2.4	0.8

Source: Kantar GFK to 31/12/16

## Fish Fingers Value Sales % change vs LY (sales out)

	52 weeks	12 weeks	4 weeks
DE	6.4%	26.4%	33.2%
IT	1.0%	7.6%	5.7%
UK	5.2%	14.4%	16.7%

Source: Nielsen Scantrak/IRI to 01/01/17



C

- **Revenue management:** untapped and complementary

## Reallocate Top-line Spend to Must Win Battles

**1. Prioritise  
Distribution  
Opportunities**

**2. Reallocate  
Promotional  
Spend**

## Build Capabilities to Deliver Profitable Plans

**3. Optimise  
Price Pack  
Architecture**

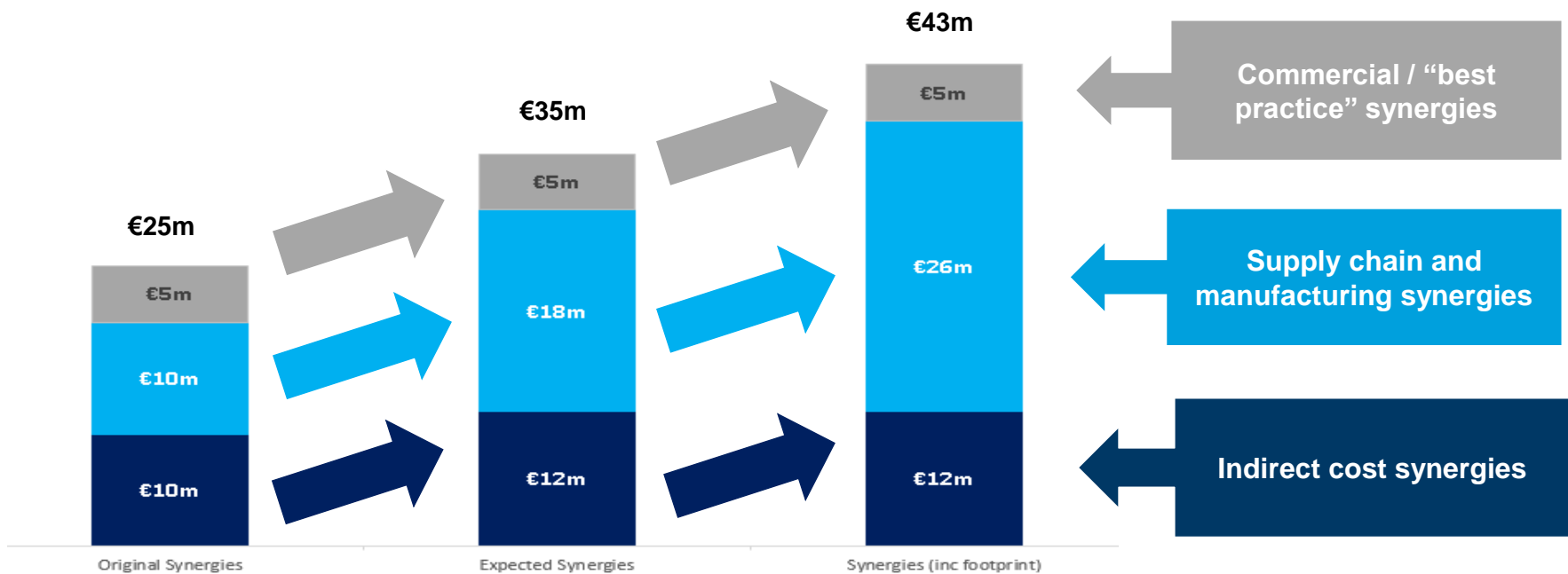
**4. Increase  
Trade Terms  
Conditionality**

**5. Upgrade  
Capabilities  
and Resources**

D

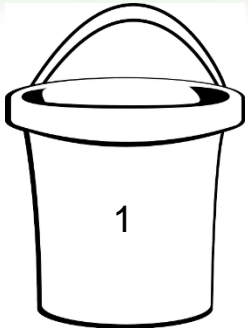
- **Cost efficiencies** (organic and synergies)

- High level of confidence to deliver potential €43 million to €48 million by 2018; realized €12 million run-rate synergies as of 2016
- Potential incremental manufacturing footprint rationalization
- Potential incremental working capital and future capex opportunities



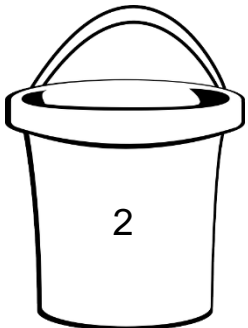


## **Consolidation Opportunity**



## European Frozen:

- Consolidation opportunity
- Procurement, manufacturing, logistics & sales force synergies
- Best practice and G&A synergies



## European Non-Frozen:

- Platform & tuck-in opportunity to expand into new categories
- Procurement and manufacturing synergies (product dependent)
- Best practice and G&A synergies



## Non-European:

- Platform opportunity to expand geographically
- Procurement synergies (product dependent)
- Best practice and G&A synergies

We see acquisitions as the best use of excess capital with a primary goal of creating shareholder value as we evaluate potential transactions

# 2016 Financial Review

## Stabilize Topline Trends

- 4Q16 like-for-like sales decline of 2.7%
- 5th consecutive quarter of sequential topline improvement
- “Must Win Battles” strategy is working with related sales inflecting positive 1.2% in 4Q16
- Momentum into 2017 with 1Q like-for-like sales growth expected to move into positive territory

## Realize Synergies from the Findus Acquisition

- €12 million run-rate synergies delivered as of 2016
- Remain on track to deliver €43-48 million annualized synergies by 2018

## Generate Strong Cash Flow to Drive Consolidation within the Global Food Industry

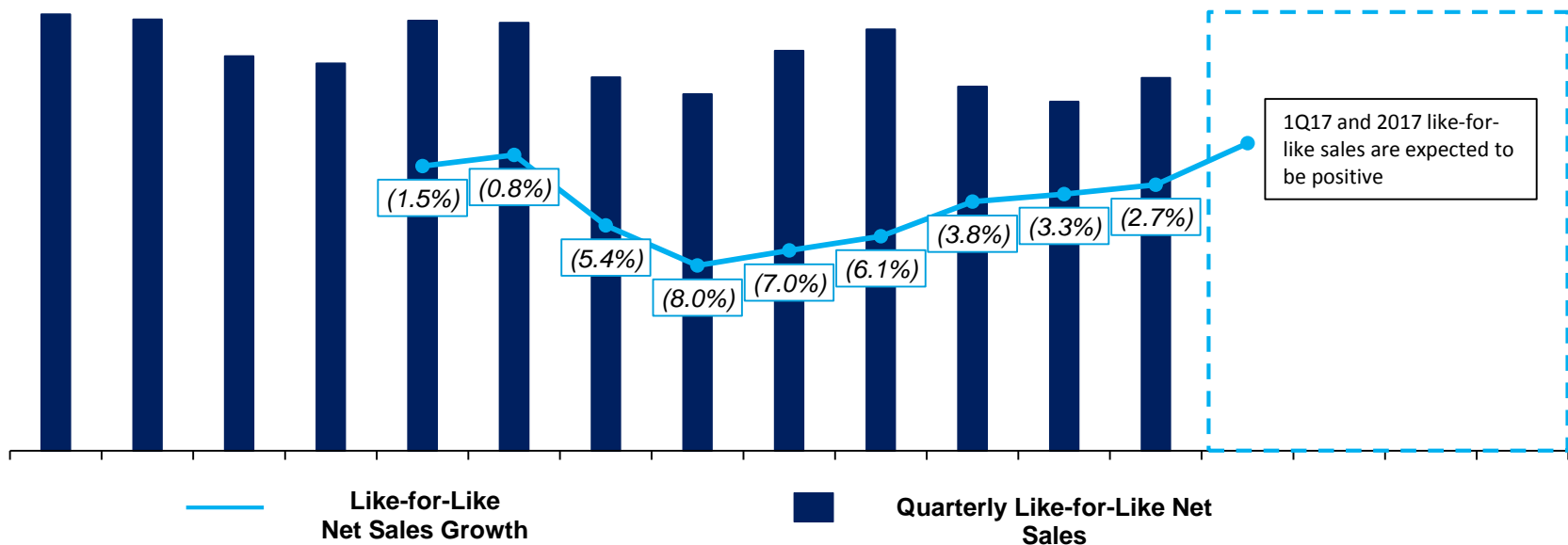
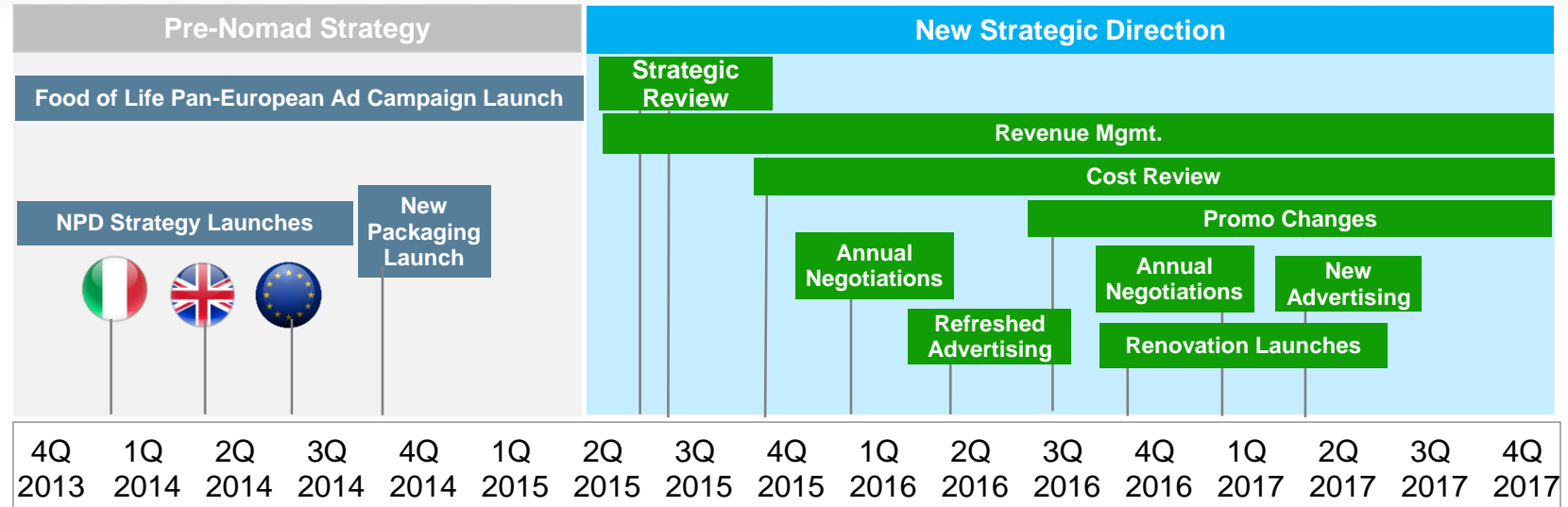
- Continue to view strategic acquisitions as the best use of excess capital
- Enter 2017 with a stronger operational foundation to support future acquisitions
- Exceeded our target of €200 million adjusted free cash flow in 2016





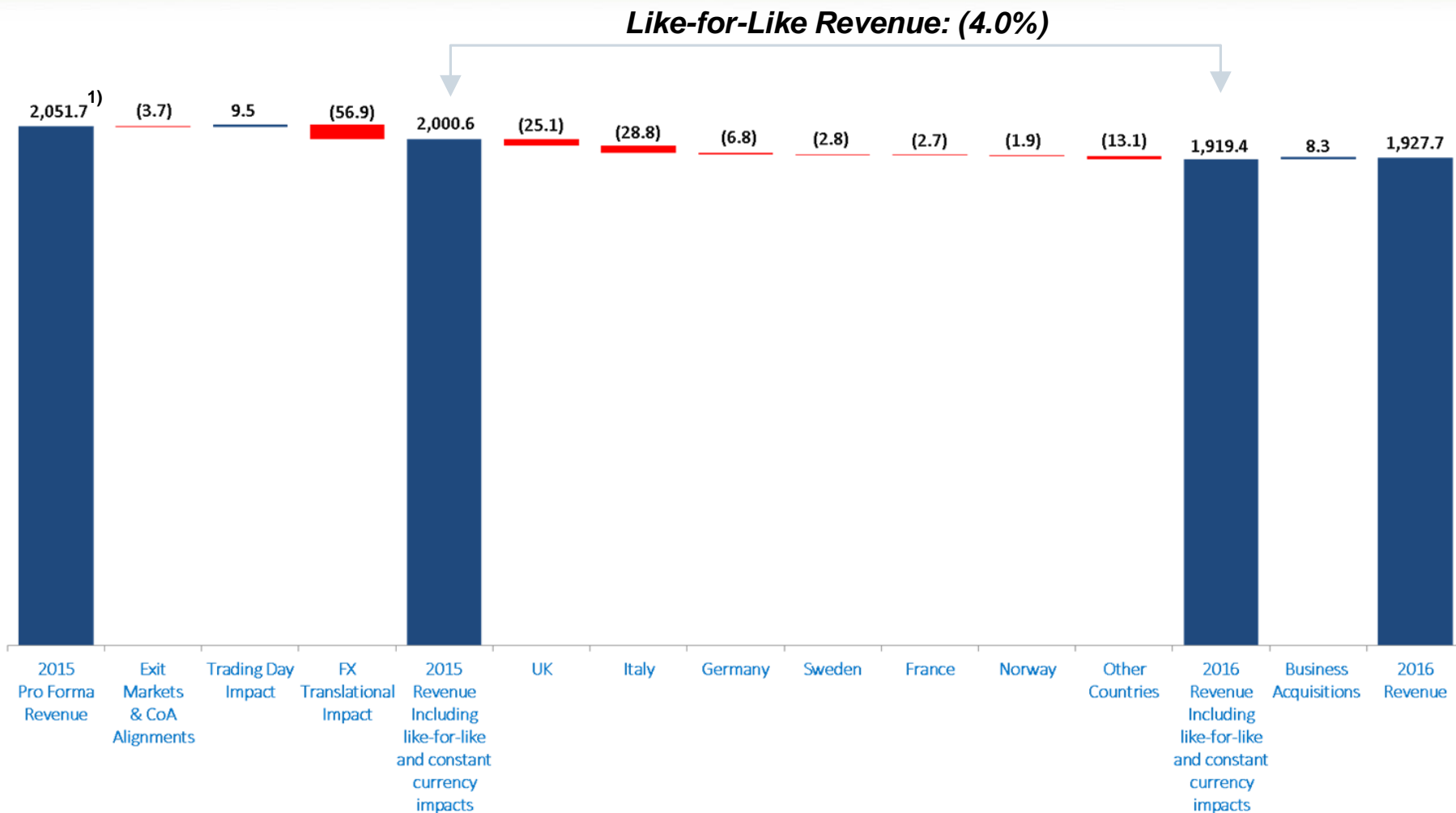
# 5 Consecutive Quarters of Sequential Improvement

Nomad Foods



# 2016 Revenue Bridge

Nomad Foods

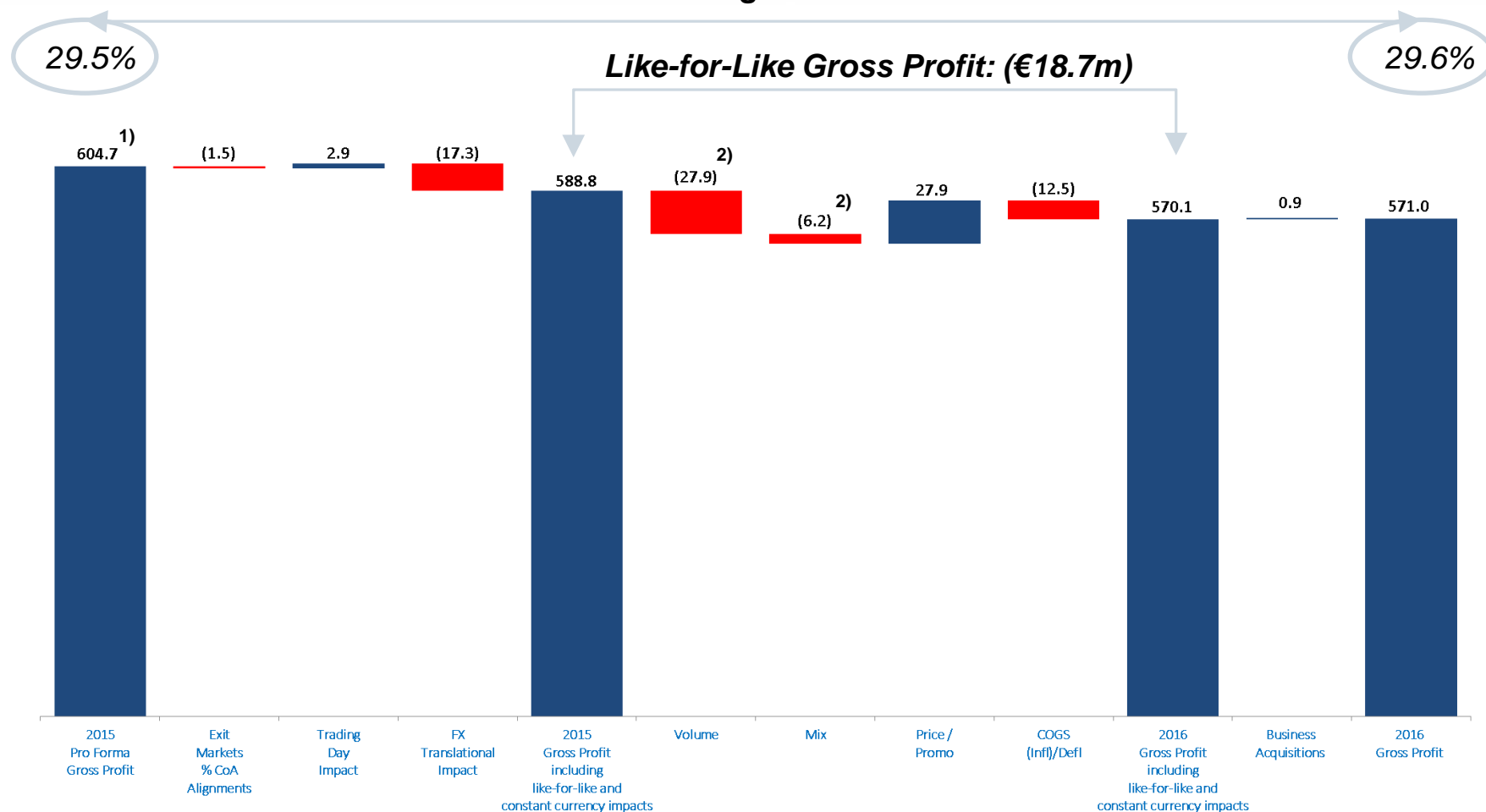


1) For comparative purposes, Nomad Foods is also presenting Pro Forma As Adjusted financial information for the twelve months ended December 31, 2015 for the combined results of Nomad Foods, the Iglo Group and the Findus Group. Pro Forma As Adjusted financial information for the twelve months ended December 31, 2015 includes the reported results of Nomad Foods for such period (which includes the results of the Iglo Group from June 1, 2015 and the Findus Group from November 2, 2015) and have had (i) the reported results of the Iglo Group for the five months ended May 31, 2015 added to them; (ii) the unaudited consolidated carve out results of the Findus Group for the ten months ended October 31, 2015 added to them, as set out in Appendix 4. The Pro Forma As Adjusted results for the twelve months ended December 31, 2015 have been normalised for the differential in trading days (excluding the additional day for the leap year in 2016) between year-on-year periods, share based payment charges, transaction-related items, exceptional items, foreign currency translation charges/gains and taxation.

# 2016 Gross Profit Bridge

Nomad Foods

**Gross Margin: +0.1%**



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2) Volume & Mix have been calculated on full year numbers and will not equal the sum of the individual quarters of the year due to differences in the Gross Profit per Kilogram calculations when using full year figures

# 2016 Operating Performance

Nomad Foods

€m, except per share data	2016	2015 <sup>1)</sup>	Delta
<b>Revenue</b>	<b>1,927.7</b>	<b>2,051.7</b>	<b>-124.0</b>
<b>Gross Profit</b>	<b>571.0</b>	<b>604.7</b>	<b>-33.7</b>
<i>Gross profit margin (%)</i>	<i>29.6%</i>	<i>29.5%</i>	<i>0.1%</i>
Advertising & Promotions	-113.7	-120.1	6.4
<i>Advertising &amp; Promotions (% Revenue)</i>	<i>5.9%</i>	<i>5.9%</i>	<i>0.0%</i>
Indirects	-183.5	-204.0	20.5
<i>Indirects (% Revenue)</i>	<i>-9.5%</i>	<i>-9.9%</i>	<i>0.4%</i>
Depreciation & Amortization	51.1	51.1	0.0
<b>As Adjusted EBITDA</b>	<b>324.9</b>	<b>331.7</b>	<b>-6.8</b>
<i>Adj EBITDA margin (%)</i>	<i>16.9%</i>	<i>16.2%</i>	<i>0.7%</i>
Depreciation & Amortization	-51.1	-51.1	0.0
As Adjusted Net Financing Costs	-73.3	-75.2	1.9
As Adjusted Taxation	-45.6	-47.3	1.7
<b>As Adjusted Profit</b>	<b>154.9</b>	<b>158.1</b>	<b>-3.2</b>
<b>As Adjusted Basic &amp; Diluted EPS, €</b>	<b>0.84</b>	<b>0.88</b>	<b>-0.04</b>

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# Key Cash Flow Metrics

Nomad Foods

€m	2016	2015 <sup>(1)</sup>	Delta
<b>As Adjusted EBITDA</b>	<b>324.9</b>	<b>331.7</b>	<b>(6.8)</b>
Loss on disposal of property, plant & equipment	0.7	0.1	0.6
Working Capital movement	33.9	(26.0)	59.9
Pensions & Other Provisions movements	(3.3)	(6.8)	3.5
Capital Expenditure	(42.4)	(53.4)	11.0
<b>As Adjusted Operating Cash flow (excl. Tax)</b>	<b>313.8</b>	<b>245.6</b>	<b>68.2</b>
Tax Paid	(24.9)	(32.5)	7.6
<b>As Adjusted Operating Cash flow</b>	<b>288.9</b>	<b>213.1</b>	<b>75.8</b>
Restructuring & Non-Recurring (2)	(49.2)	(100.6)	51.4
Contingent consideration for purchase of Frudesa brand	(8.0)	-	(8.0)
<b>As Adjusted Cash flow available for Debt Servicing</b>	<b>231.7</b>	<b>112.5</b>	<b>119.2</b>
Net Interest & Other Financing Costs paid (3)	(67.7)	(64.8)	(2.9)
<b>As Adjusted Cash flow available for Debt Repayment</b>	<b>164.0</b>	<b>47.7</b>	<b>116.3</b>

<b>As Adjusted Operating Cash flow Conversion (4)</b>	<b>96.6%</b>	<b>74.0%</b>	
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<b>As Adjusted Operating Cash flow</b>	<b>288.9</b>	<b>213.1</b>	<b>75.8</b>
Net Interest & Other Financing Costs paid	(67.7)	(64.8)	(2.9)
Add back Findus Integration Capital Expenditure (5)	2.6	-	2.6
<b>As Adjusted Free Cash flow</b>	<b>223.8</b>	<b>148.3</b>	<b>75.5</b>

1) All 2015 figures are Pro Forma/Pro Forma As Adjusted.

2) 2015 pro forma information has been calculated based on the charge to the Statement of Profit or Loss. The methodology differs to that used in Q2 2016. The year to date cash flow of €90.1 million shown in Q2 2016 would be restated to €51.9 million under this new methodology.

3) Calculated as the sum of financing costs paid less financing income received.

4) Calculated as As Adjusted Operating cash flow (excl. Tax) divided by As Adjusted EBITDA in 2016 and Pro Forma As Adjusted EBITDA in 2015.

5) One-off capital expenditure directly related to the Findus integration.

## 2017 Guidance

## Net Sales

- 1Q and 2017 Like-for-like sales growth to be positive
- 1Q reported sales growth negatively impacted 400 bps from foreign currency translation and leap year comparison

## Gross Profit and EBITDA

- 2017 gross profit ahead of 2016
- 2017 underlying EBITDA growth to be offset by the reinstatement of the in-year bonus scheme, anniversary of last year's leap year and foreign currency translation
- 2017 as adjusted EBITDA to decline approximately €10 million, driven entirely by the anniversary of last year's leap year and foreign currency translation
- 2017 gross profit and EBITDA to be more 2H weighted than 2016 due to the timing of UK price increases and A&P spend

## Cash Flow

- €200 million adjusted free cash flow (pre restructuring & non-recurring)
- €90 million restructuring & non-recurring (supply chain, lean programme, IT systems)
- €30-40 million settlement of legacy tax issues

*Note: Currency translation assumptions are based on the continuation of FX spot rates as of March 28, 2017.*

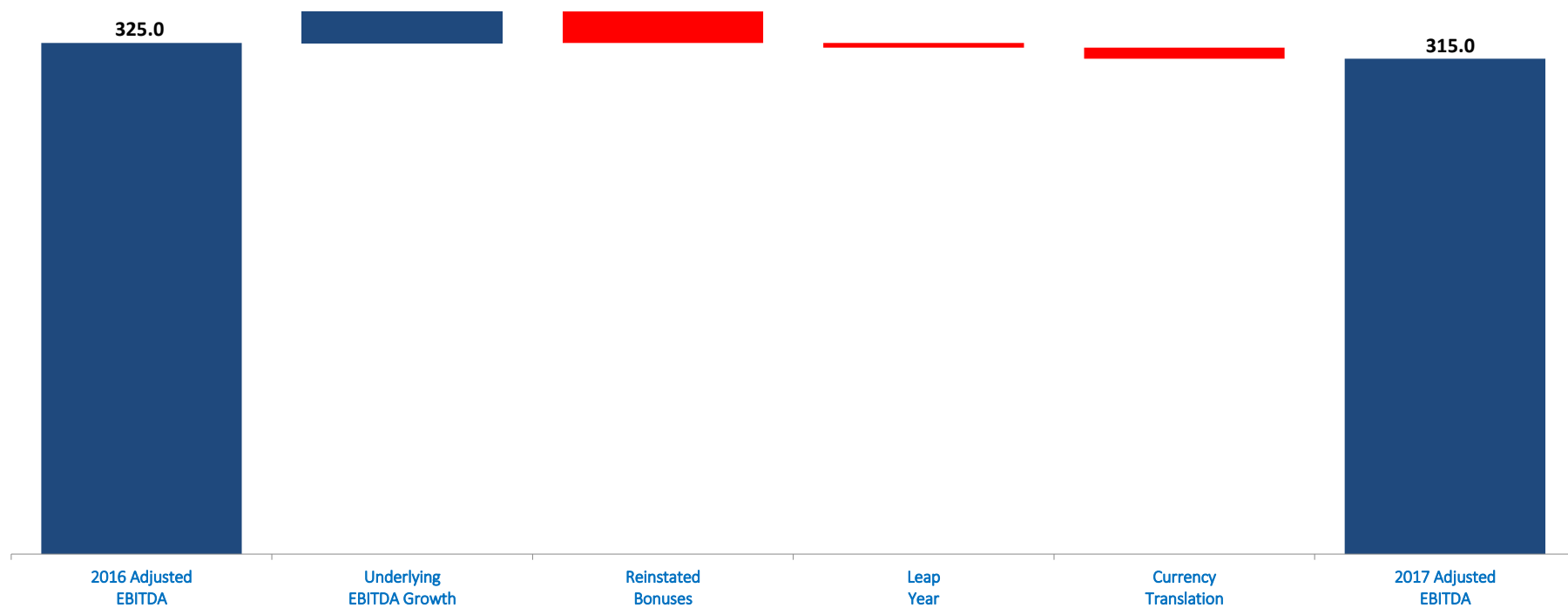
## 2017 EBITDA Drivers

- **Revenues.** Positive growth in like-for-like revenue offset by 180 bps related to leap year and FX
- **Gross Profit.** Gross profit dollars and gross margins to expand versus 2016
- **Indirect expenses.** To decline versus 2016, excluding bonus reinstatement
- **Advertising & promotion expenses.** Approximately flat versus 2016
- **Underlying EBITDA to grow versus 2016 by approximately mid-single-digits %**
- **2017 underlying EBITDA growth is being offset and masked by:**
  1. FX translation (approximately €7 million )
  2. Anniversary of 2016 leap year (approximately €3 million )
  3. Reinstatement of bonuses (estimated to be €15-20 million, subject to performance )
- **Due to the aforementioned factors, adjusted EBITDA is expected to decline approximately €10 million versus 2016**



# 2017 EBITDA Bridge

Nomad Foods



# Nomad Foods