

Nomad Foods

Second Quarter 2018 Earnings Results

August 9, 2018



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Certain statements in this announcement are forward-looking statements which are based on the Company's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts, including expectations regarding (i) the Company's ability to expand its presence and market share in the frozen foods market; (ii) the success of the Company's strategic initiatives including focus on core products, innovation, product enhancements and media investments; (iii) the timing and success of new product launches such as Veggie Power, Good For You, Pulses and PEASE; (iv) completion of successful acquisitions in the same and adjacent categories; (v) the future operating and financial performance of the Company including organic growth rate and our guidance with respect to Adjusted EBITDA and adjusted EPS, gross margins and operating expenses; and (vi) synergies and other benefits from the Goodfella's and Aunt Bessie's acquisitions, including an increase in the size and scale of the Company's U.K. business and the level of additional revenue, earnings and EBITDA generated by these businesses in 2018. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including (i) economic conditions, competition and other risks that may affect the Company's future performance; (ii) the risk that securities markets will react negatively to actions by the Company; (iii) the ability to recognize the anticipated benefits to the Company of strategic initiatives; (iv) the successful completion of strategic acquisitions; (v) changes in applicable laws or regulations; and (vi) the other risks and uncertainties disclosed in the Company's public filings and any other public disclosures by the Company. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, the Company does not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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Nomad Foods also utilizes certain additional key performance indicators described within this presentation including, but not limited to, organic revenue growth, Adjusted gross margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted operating expense, Adjusted profit for the period, Adjusted EPS, Adjusted operating cash flow and Adjusted Free cash flow which are non-IFRS financial measures. Nomad Foods believe its non-IFRS financial measures provide an important additional measure with which to monitor and evaluate the Company's ongoing financial results, as well as to reflect its acquisitions. Nomad Foods' calculation of these financial measures may be different from the calculations used by other companies and comparability may therefore be limited. The Adjusted and Organic financial information presented herein is based upon certain assumptions that Nomad Foods believes to be reasonable and is presented for informational purposes only and is not necessarily indicative of any anticipated financial position or future results of operations that the Company will experience. You should not consider the Company's non-IFRS financial measures an alternative or substitute for the Company's reported results and are cautioned not to place undue reliance on these results and information as they may not be representative of our actual or future results as a Company.

Nomad Foods provides guidance with respect to organic revenue growth, Adjusted EBITDA and Adjusted EPS. It does not provide reconciliations of such forward-looking non-GAAP measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations including adjustments that could be made for restructuring, M&A costs, share-based compensation amounts and other non-recurring items.

Second Quarter 2018 Financial Results Overview

Organic Revenue Growth	Adjusted Gross Margin	Adjusted EBITDA	Adjusted EPS
+1.3% +1.5% price -0.2% volume/mix	31.5% +80bp excluding acquisitions	€89mn +12% growth	€0.28/share +22% growth

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

Second Quarter 2018 Highlights

Sixth consecutive quarter of organic revenue growth

Growth continues to be driven through strong focus on the core portfolio

EBITDA growth driven by better than expected gross margins and expense phasing

Goodfella's has performed well and in line with expectations since closing

2018 Product and Marketing Highlights

YTD Growth Has Been Driven by Renovation



Innovation To Play Greater Role Beginning in 2H'18



The European Activation of “Veggie Power” Recently Began in Portugal



Key Operating Metrics

(in €m unless otherwise noted)	2Q 2018	2Q 2017	YoY Change
Revenue	€488	€458	6.6%
<i>Organic revenue growth</i>			<i>1.3%</i>
Adjusted gross profit	154	144	6%
<i>Adjusted gross margin</i>	<i>31.5%</i>	<i>31.5%</i>	<i>0bp</i>
Adjusted Operating expense	(76)	(75)	2%
Advertising & promotion expense	(26)	(27)	(1)%
Indirect expense	(50)	(48)	4%
Depreciation & amortization	11	10	10%
Adjusted EBITDA	€89	€79	12%
<i>Adjusted EBITDA margin</i>	<i>18.2%</i>	<i>17.3%</i>	<i>90bp</i>
Adjusted EPS	€0.28	€0.23	22%

Key Free Cash Flow Metrics

(in €m unless otherwise noted)	2Q 2018 YTD	2Q 2017 YTD
Adjusted EBITDA	€192	€168
Change in working capital	(48)	31
Capital expenditures ¹	(9)	(17)
Adjusted operating cash flow	€135	€182
<i>Operating cash flow conversion²</i>	<i>70%</i>	<i>109%</i>
Cash taxes ³	(9)	(1)
Cash interest & other ⁴	(22)	(26)
Adjusted free cash flow	€104	€155

¹ Calculated as the sum of purchases of property, plant & equipment and intangible non-current assets less one-off Findus systems integration related capital expenditures (2018: €1.3 million , 2017: €2.5 million).

² Calculated as adjusted operating cash flow divided by adjusted EBITDA.

³ Calculated as net tax paid less payments relating to open tax audits for pre-Nomad periods which are considered one-off in nature of €nil (2017: €13.9 million).

⁴ Calculated as the sum of financing costs paid less financing income received and one-off financing fees of €3.2 million (2017: €13.6 million) incurred in relation to the financing of debt.

Raising 2018 Guidance

Organic Revenue Growth	Adjusted EBITDA	Adjusted EPS
growth at a Low-single digit percentage rate	approximately €365 to €370 million	approximately €1.14 to €1.17 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.

Nomad Foods

Q&A



Appendix

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The following tables have been included to allow users to reconcile non-IFRS financial information as well as Adjusted financial information included within this presentation to reported IFRS financial information.

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1. Definitions of all key terms and P&L measures referred to in this presentation

Non-IFRS financial measures should not be considered as substitutes for, or superior to, measures of financial performance prepared in accordance with IFRS. They are limited in value because they exclude charges that have a material effect on the Company's reported results and, therefore, should not be relied upon as the sole financial measures to evaluate the Company's financial results. The non-IFRS financial measures are meant to supplement, and to be viewed in conjunction with, IFRS financial measures. Investors are encouraged to review the reconciliation of these non-IFRS financial measures to their most directly comparable IFRS financial measures as provided in the tables accompanying this document.

Adjusted EBITDA – EBITDA is profit or loss for the period before taxation, net financing costs, depreciation and amortization. Adjusted EBITDA is EBITDA adjusted to exclude, when they occur, the impacts of exited markets, acquisition purchase price adjustments, trading day impacts, chart of account (“CoA”) alignments and exceptional items such as restructuring charges, goodwill and intangible asset impairment charges, charges relating to the Founders Preferred Shares Annual Dividend Amount, charges relating to the redemption of warrants and other unusual or non-recurring items. In addition, we exclude other adjustments such as the impact of share based payment charges and M&A transaction costs, because we do not believe they are indicative of our normal operating costs, can vary significantly in amount and frequency, and are unrelated to our underlying operating performance. The Company believes Adjusted EBITDA provides important comparability of underlying operating results, allowing investors and management to assess operating performance on a consistent basis.

Adjusted EPS is defined as basic earnings per share excluding, when they occur, the impacts of exited markets, acquisition purchase price adjustments, trading day impacts, chart of account (“CoA”) alignments and exceptional items such as restructuring charges, goodwill and intangible asset impairment charges, unissued preferred share dividends, as well as certain other items considered unusual or non-recurring in nature. In addition, we exclude other adjustments such as the impact of share based payment charges and M&A transaction costs, because we do not believe they are indicative of our normal operating costs, can vary significantly in amount and frequency, and are unrelated to our underlying operating performance. The Company believes Adjusted EPS provides important comparability of underlying operating results, allowing investors and management to assess operating performance on a consistent basis.

Adjusted Financial Information – Adjusted financial information presented in this presentation reflects the historical reported financial statements of Nomad Foods, adjusted for share based payment charges, exceptional items and non-cash foreign currency translation charges/gain.

Organic – Organic is an adjusted measurement of our operating results. This comparison of current and prior period performance takes into consideration only those activities that were in effect during both time periods. Organic is a method of valuation that attempts to exclude any effects of constant currency, expansion, acquisitions, disposals, closures, chart of account (“CoA”) alignments, trading day impacts or any other event that artificially impact the comparability of our results.

2. Reconciliation of reported to organic revenue growth

Year on Year Growth – June 30, 2018 compared with June 30, 2017

	Three months ended June 30, 2018	Six months ended June 30, 2018
	YoY Growth	YoY Growth
Reported Revenue Growth	6.6%	3.8%
<i>Of which:</i>		
- <i>Organic revenue growth</i>	1.3%	2.1%
- <i>Acquisitions</i>	6.4%	3.0%
- <i>Translation FX (a)</i>	(1.1%)	(1.3%)
Total	6.6%	3.8%

(a) Translational FX is calculated by translating data of the current and comparative periods using a budget foreign exchange rate that is set once a year as part of the Company's internal annual forecast process

3. Reconciliation of reported to Adjusted financial information for the three months ended June 30, 2018

Adjusted Statement of Profit or Loss (unaudited)
Three months ended June 30, 2018

(in €m, except EPS)	As reported for three months ended June 30, 2018	Adjustments	As adjusted for three months ended June 30, 2018
Revenue	488.2	—	488.2
Cost of sales	(336.7)	2.1 (a)	(334.6)
Gross Profit	151.5	2.1	153.6
Other operating expenses	(85.8)	9.9 (b)	(75.9)
Exceptional items	(6.1)	6.1 (c)	—
Operating Profit	59.6	18.1	77.7
Finance income	—	—	—
Finance costs	(17.9)	4.0	(13.9)
Net Financing Cost	(17.9)	4.0 (d)	(13.9)
Profit Before Tax	41.7	22.1	63.8
Taxation	(10.7)	(3.8) (e)	(14.5)
Profit for the period	31.0	18.3	49.3
Weighted average shares outstanding in millions - basic	175.6		175.6
Basic Earnings per share	0.18		0.28
Weighted average shares outstanding in millions - diluted	175.6		175.6
Diluted Earnings per share	0.18		0.28

- a. Adjustment to add back non-cash charge related to the increase in inventory fair value recorded as part of the Goodfella's Pizza purchase price accounting.
- b. Adjustment to add back share based payment charge of €4.2 million and non-operating M&A related costs of €5.7 million.
- c. Adjustment to add back exceptional items.
- d. Adjustment to eliminate €1.7 million of costs incurred as part of the issuance of new debt drawn down on June 20, 2018, €1.3 million of non-cash foreign exchange translation losses and €1.0 million of foreign exchange losses on derivatives.
- e. Adjustment to reflect the tax impact of the above at the applicable tax rate for each adjustment, determined by the nature of the item and the jurisdiction in which it arises.

3. Reconciliation of reported to Adjusted financial information for the three months ended June 30, 2018

EBITDA and Adjusted EBITDA (unaudited)
Three months ended June 30, 2018

(in €m)	Three months ended June 30, 2018	
Profit for the period	31.0	
Taxation	10.7	
Net Financing Costs	17.9	
Depreciation	9.5	
Amortization	1.7	
EBITDA	70.8	
Acquisition purchase price adjustments	2.1	(a)
Exceptional items:	6.1	(b)
Other Adjustments:	9.9	(c)
Adjusted EBITDA (d)	88.9	

- a. Adjustment to add back non-cash charge related to the increase in inventory fair value recorded as part of the Goodfella's Pizza purchase price accounting.
- b. Adjustment to add back exceptional items.
- c. Other adjustments include the elimination of share-based payment charges of €4.2 million and elimination of non-operating M&A related costs of €5.7 million.
- d. Adjusted EBITDA margin of 18.2% for the three months ended June 30, 2018 is calculated by dividing Adjusted EBITDA by Adjusted revenue of €488.2 million.

4. Reconciliation of reported to Adjusted financial information for the three months ended June 30, 2017

Adjusted Statement of Profit or Loss (unaudited)
Three months ended June 30, 2017

(in €m, except EPS)	As reported for three months ended June 30, 2017	Adjustments	As adjusted for three months ended June 30, 2017
Revenue	458.1	—	458.1
Cost of sales	(313.8)	—	(313.8)
Gross Profit	144.3	—	144.3
Other operating expenses	(75.3)	0.8 (a)	(74.5)
Exceptional items	(11.5)	11.5 (b)	—
Operating Profit	57.5	12.3	69.8
Finance income	5.0	(5.0)	—
Finance costs	(37.3)	22.4	(14.9)
Net Financing Cost	(32.3)	17.4 (c)	(14.9)
Profit Before Tax	25.2	29.7	54.9
Taxation	(5.9)	(6.7) (d)	(12.6)
Profit for the period	19.3	23.0	42.3
Weighted average shares outstanding in millions - basic	181.7		181.7
Basic Earnings per share	0.11		0.23
Weighted average shares outstanding in millions - diluted	181.7		181.7
Diluted Earnings per share	0.11		0.23

- a. Adjustment to add back share based payment charge.
- b. Adjustment to add back exceptional items.
- c. Adjustment to eliminate €19.5 million of costs incurred as part of the refinancing on May 3, 2017, €3.5 million of non-cash foreign exchange translation losses and €5.6 million foreign exchange gains on derivatives.
- d. Adjustment to reflect the tax impact of the above at the applicable tax rate for each exceptional item, determined by the nature of the item and the jurisdiction in which it arises.

4. Reconciliation of reported to Adjusted financial information for the three months ended June 30, 2017

EBITDA and Adjusted EBITDA (unaudited)
Three months ended June 30, 2017

(in €m)	Three months ended June 30, 2017	
Profit for the period	19.3	
Taxation	5.9	
Net Financing Costs	32.3	
Depreciation	8.1	
Amortization	1.4	
EBITDA	67.0	
Exceptional Items	11.5	(a)
Other Adjustments:	0.8	(b)
Adjusted EBITDA (c)	79.3	

- a. Adjustment to add back exceptional items.
- b. Other adjustments include the elimination of share-based payment charges of €0.8 million.
- c. Adjusted EBITDA margin 17.3% for the three months ended June 30, 2017 is calculated by dividing Adjusted EBITDA by Adjusted revenue of €458.1 million.

5. Reconciliation of reported to Adjusted financial information for the six months ended June 30, 2018

Adjusted Statement of Profit or Loss (unaudited)
Six months ended June 30, 2018

(in €m, except EPS)	As reported for six months ended June 30, 2018	Adjustments	As adjusted for six months ended June 30, 2018
Revenue	1,027.4	—	1,027.4
Cost of sales	(704.6)	2.1 (a)	(702.5)
Gross Profit	322.8	2.1	324.9
Other operating expenses	(168.6)	14.6 (b)	(154.0)
Exceptional items	(7.6)	7.6 (c)	—
Operating Profit	146.6	24.3	170.9
Finance income	3.1	(3.1)	—
Finance costs	(27.1)	0.1	(27.0)
Net Financing Cost	(24.0)	(3.0) (d)	(27.0)
Profit Before Tax	122.6	21.3	143.9
Taxation	(29.2)	(3.3) (e)	(32.5)
Profit for the period	93.4	18.0	111.4
Weighted average shares outstanding in millions - basic	175.5		175.5
Basic Earnings per share	0.53		0.63
Weighted average shares outstanding in millions - diluted	175.5		175.5
Diluted Earnings per share	0.53		0.63

- a. Adjustment to add back non-cash charge related to the increase in inventory fair value recorded as part of the Goodfella's Pizza purchase price accounting.
- b. Adjustment to add back share based payment charge of €6.4 million and non-operating M&A related costs of €8.2 million.
- c. Adjustment to add back exceptional items.
- d. Adjustment to eliminate €1.7 million of costs incurred as part of the issuance of new debt drawn down on June 20, 2018, eliminate €0.2 million of non-cash foreign exchange translation losses and €4.9 million of foreign exchange gains on derivatives.
- e. Adjustment to reflect the tax impact of the above at the applicable tax rate for each adjustment, determined by the nature of the item and the jurisdiction in which it arises.

5. Reconciliation of reported to Adjusted financial information for the six months ended June 30, 2018

EBITDA and Adjusted EBITDA (unaudited)
Six months ended June 30, 2018

(in €m)	Six months ended June 30, 2018	
Profit for the period	93.4	
Taxation	29.2	
Net Financing Costs	24.0	
Depreciation	18.0	
Amortization	3.2	
EBITDA	167.8	
Acquisition purchase price adjustments	2.1	(a)
Exceptional items:	7.6	(b)
Other Adjustments:	14.6	(c)
Adjusted EBITDA (d)	192.1	

- a. Adjustment to add back non-cash charge related to the increase in inventory fair value recorded as part of the Goodfella's Pizza purchase price accounting.
- b. Adjustment to add back exceptional items.
- c. Other adjustments include the elimination of share-based payment charges of €6.4 million and elimination of non operating M&A related costs of €8.2 million.
- d. Adjusted EBITDA margin of 18.7% for the six months ended June 30, 2018 is calculated by dividing Adjusted EBITDA by Adjusted revenue of €1,027.4 million.

6. Reconciliation of reported to Adjusted financial information for the six months ended June 30, 2017

Adjusted Statement of Profit or Loss (unaudited)
Six months ended June 30, 2017

(in €m, except EPS)	As reported for six months ended June 30, 2017	Adjustments	As adjusted for six months ended June 30, 2017
Revenue	989.4	—	989.4
Cost of sales	(689.0)	—	(689.0)
Gross Profit	300.4	—	300.4
Other operating expenses	(156.2)	2.1 (a)	(154.1)
Exceptional items	(11.4)	11.4 (b)	—
Operating Profit	132.8	13.5	146.3
Finance income	5.6	(5.4)	0.2
Finance costs	(54.0)	21.4	(32.6)
Net Financing Cost	(48.4)	16.0 (c)	(32.4)
Profit Before Tax	84.4	29.5	113.9
Taxation	(17.1)	(9.1) (d)	(26.2)
Profit for the period	67.3	20.4	87.7
Weighted average shares outstanding in millions - basic	182.7		182.7
Basic Earnings per share	0.37		0.48
Weighted average shares outstanding in millions - diluted	182.7		182.7
Diluted Earnings per share	0.37		0.48

- a. Adjustment to add back share based payment charge.
- b. Adjustment to add back exceptional items.
- c. Adjustment to eliminate €19.5 million of costs incurred as part of the refinancing on the May 3, 2017, €2.5 million of foreign exchange translation losses and €6.0 million of foreign currency gains on derivatives.
- d. Adjustment to reflect the tax impact of the above at the applicable tax rate for each exceptional item, determined by the nature of the item and the jurisdiction in which it arises.

6. Reconciliation of reported to Adjusted financial information for the six months ended June 30, 2017

EBITDA and Adjusted EBITDA (unaudited)
Six months ended June 30, 2017

(in €m)	Six months ended June 30, 2017	
Profit for the period	67.3	
Taxation	17.1	
Net financing costs	48.4	
Depreciation	18.0	
Amortization	3.8	
EBITDA	154.6	
Exceptional items:	11.4	(a)
Other Adjustments:	2.1	(b)
As Adjusted EBITDA (c)	168.1	

- Adjustment to add back exceptional items.
- Other adjustments include the elimination of share-based payment charges.
- Adjusted EBITDA margin of 17.0% for the six months ended June 30, 2017 is calculated by dividing Adjusted EBITDA by revenue of €989.4 million.

7. Reconciliation of reported net cash flows from operating activities to Adjusted Operating Cash flow (excl. tax) for the six months ended June 30, 2018 and the six months ended June 30, 2017

(in €m)	Six months ended June 30, 2018	Six months ended June 30, 2017
Net Cash Flows From Operating Activities	108.9	138.3
Add back:		
Tax paid	9.3	14.5
Cash flows relating to exceptional items	17.2	46.4
Deduct:		
Capital expenditure (a)	(10.1)	(19.3)
Add back:		
Non-operating M&A related costs	8.2	—
Findus integration related capital expenditure	1.3	2.5
Adjusted Operating Cash Flow (excl.tax)	134.8	182.4

(a) Defined as the sum of property, plant and equipment and intangible assets purchased in the year