

# Nomad Foods

## Investor Presentation

December 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 9 Months of 2018 Financial Results Overview

Organic Revenue Growth	Year-On-Year Change In Gross Margin	Adjusted EBITDA Growth	Adjusted EPS Growth
<b>+2.1%</b>  +1.0% price +1.1% volume/mix	<b>+20bp</b>  to 30.5% of sales	<b>+12%</b>	<b>+24%</b>

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





# Company Overview

Nomad Foods



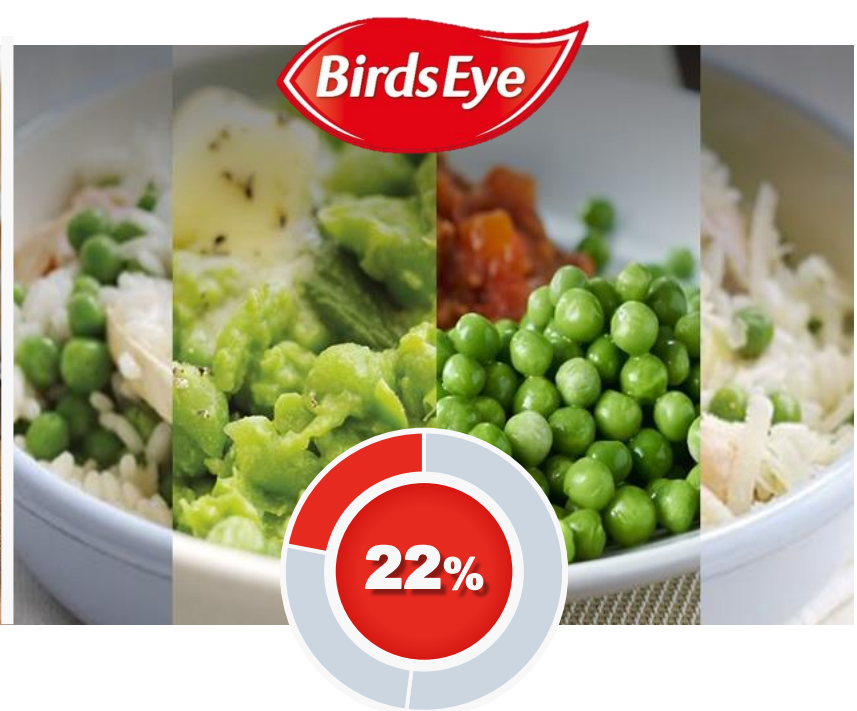
# A Portfolio Anchored by Three Power Brands



- Italy
- France
- Spain
- Sweden
- Norway
- Finland



- Germany
- Austria
- Netherlands
- Belgium
- Portugal



- UK
- Ireland

**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



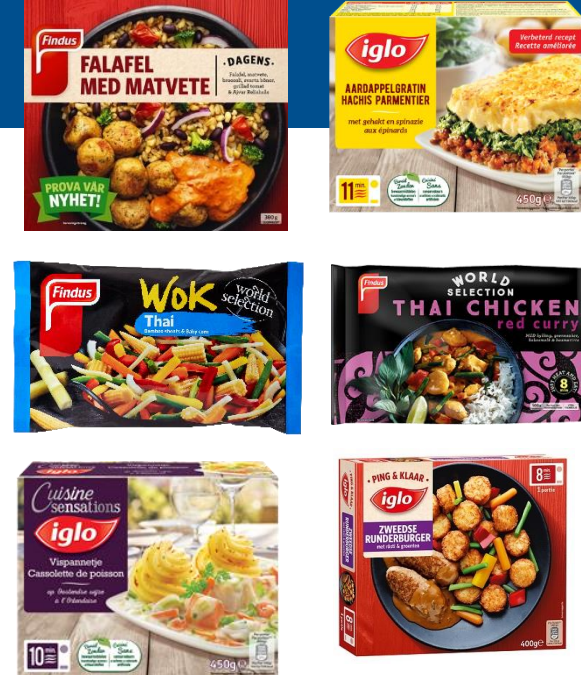
## VEGETABLES

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

Nomad Foods














Source: Euromonitor, 2017; branded only



# 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

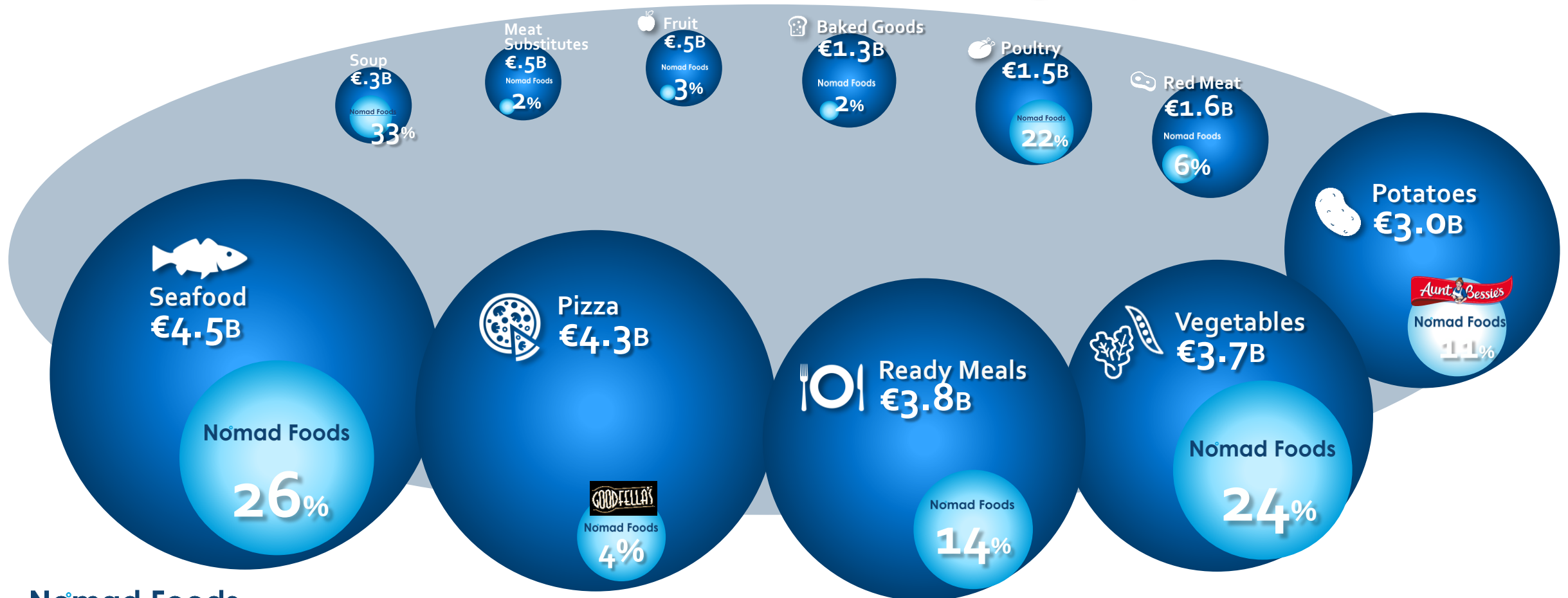
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# Room to Grow Share in New and Existing Categories

Western Europe Savory Frozen

## Market Share by Category

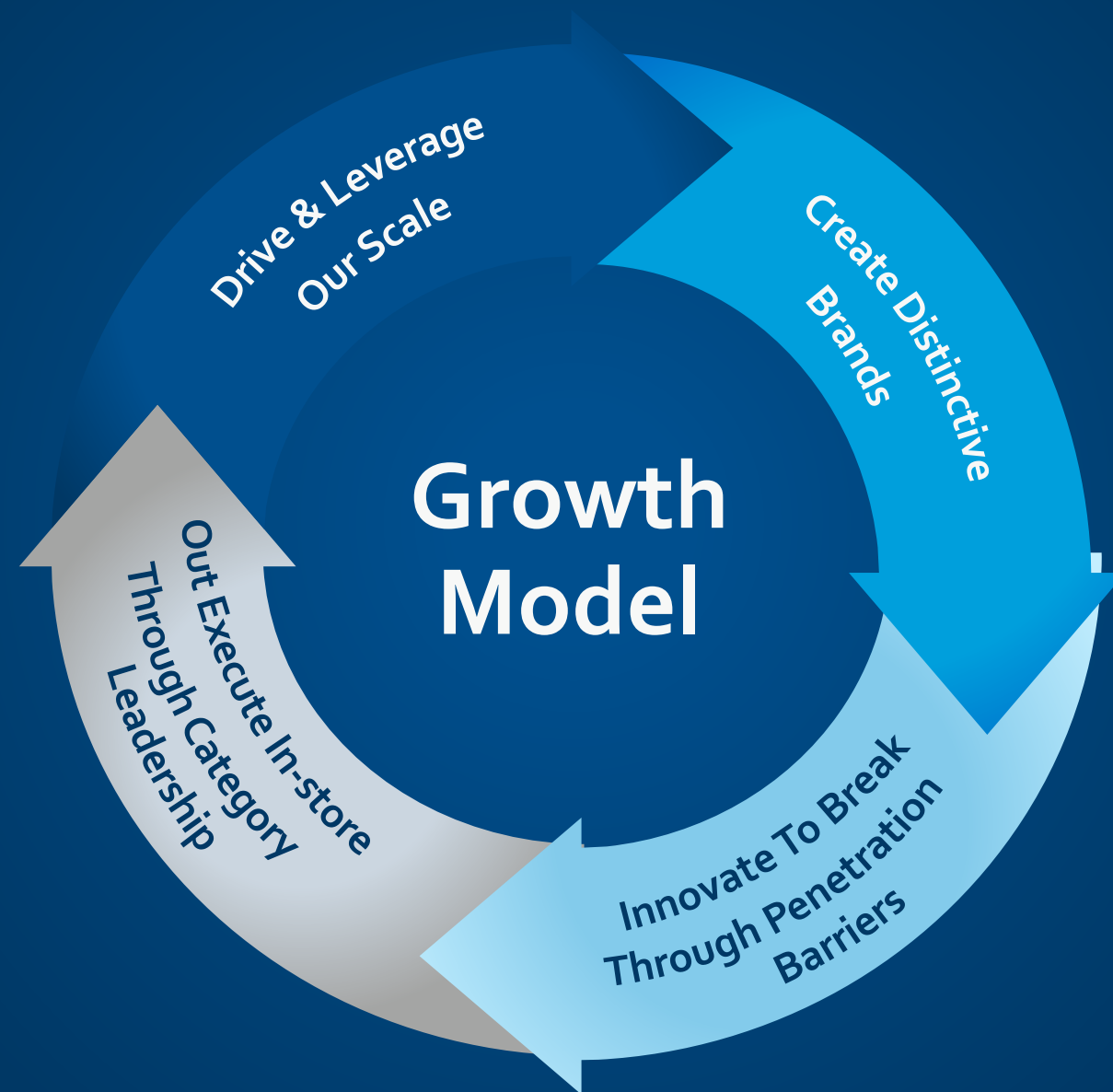


# A Clear Set of Priorities With A Proven Model

1 Core Growth

2 Innovation

3 Category Growth





# Core Growth Remains a Primary Focus in 2018



KEEP IT  
SIMPLE  
LIKE THE  
CAPTAIN DOES.

Simply made  
with 100% cod fillet  
and golden breadcrumbs.

10 Fish Fingers  
COD

Birds Eye

100% COD FILLET



Birds Eye

WE ARE WORKING  
TOWARDS 100%  
CERTIFIED SUSTAINABLE  
SEAFOOD.

MOST OF OUR FISH IS WILD  
CAUGHT IN THE OCEAN

WE BELIEVE THE SIMPLE  
THINGS IN LIFE SHOULD BE  
AROUND FOR FUTURE  
GENERATIONS.

CERTIFIED  
SUSTAINABLE  
SEAFOOD  
MSC

WILD  
TRACEABLE  
SUSTAINABLE



# 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



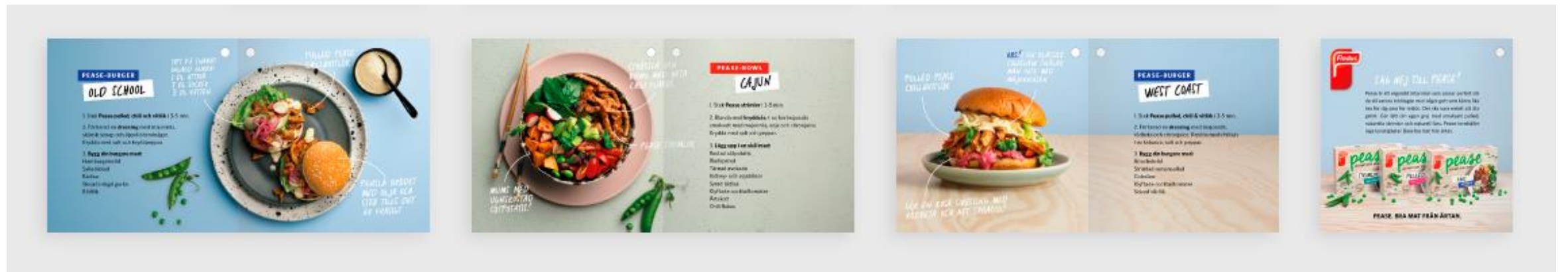


# The European Activation of Veggie Power Recently Began in Portugal





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



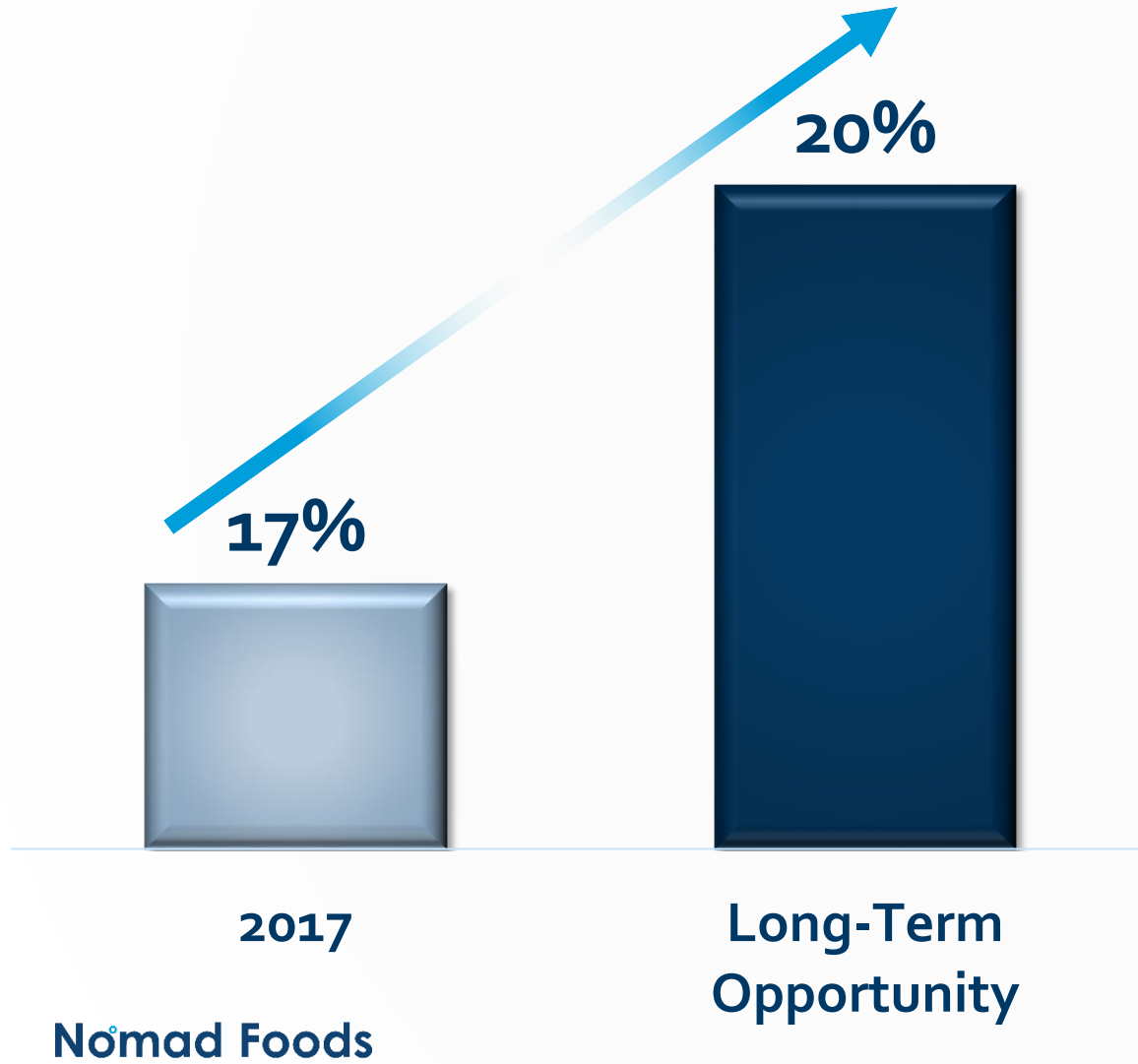




# Shareholder Value Creation



# EBITDA Margin Expansion A Key Driver of Shareholder Value



## EBITDA Margin Drivers

1

Net Revenue Management

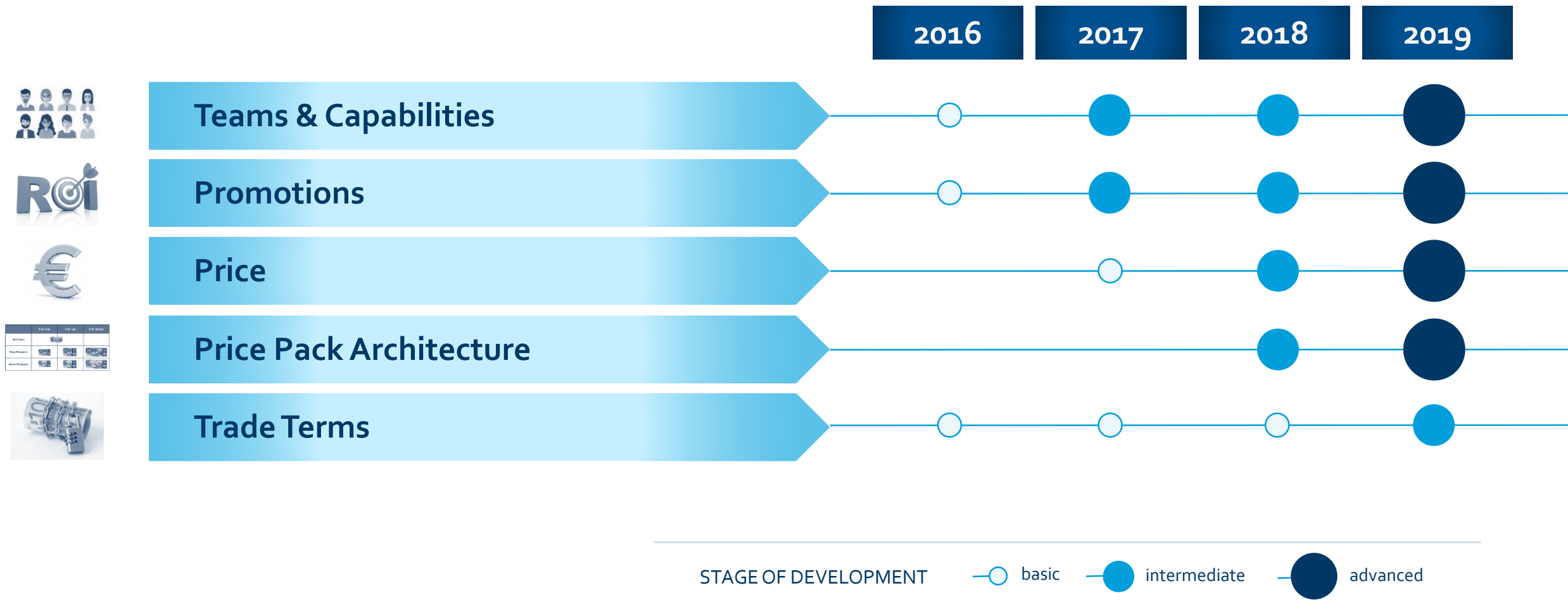
2

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



**Invest  
In Our Brands**



**Invest  
Behind Talent**



**Non-Working Cost  
Reduction**

**Expense 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	Upper end of <b>€365 to €370</b> million	Upper end of <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 **\$412 to \$418 million**
- **Adjusted EPS** of approximately **\$1.29 to \$1.32 per share**

Translation of guidance into US dollars is for illustrative purposes and is based on the USD/Euro exchange rate of 1.13, as of November 29, 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

