

Nomad Foods

Second Quarter 2019 Earnings Results

August 8, 2019



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The forward-looking statements in this Presentation speak only as of the date hereof and are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control 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, including increases in operating costs and the Company's ability to manage its cost structure; (ii) the Company's ability to recognize the anticipated benefits of strategic initiatives and its ability to successfully integrate recent acquisitions, (iii) the Company's ability to successfully implement its growth agenda, including its ability to identify suitable acquisition targets and successfully complete acquisitions, and to execute its other strategic initiatives; (iv) the Company's ability to successfully execute its marketing campaigns and the resulting impact of such campaigns on the Company's financial results; (v) the Company's ability to accurately predict the performance of certain of its brands in 2019; including the Green Cuisine and Veggie Power brands; (vi) the adequacy of the Company's resources to achieve its anticipated growth agenda; (vii) the Company's ability to drive shareholder value through acquisitions and the adequacy of its leverage capacity to pursue its M&A agenda; (viii) fluctuations in the availability of food ingredients and packaging materials that the Company uses in its products; (ix) the Company's ability to effectively mitigate factors that negatively impact its supply of raw materials; (x) the timing and success of harvest and the resulting impact on working capital; (xi) the Company's ability to protect its brand names and trademarks; (xii) uncertainty about the terms and timing of Brexit, as well as the potential adverse impact of Brexit on currency exchange rates, global economic conditions and cross-border agreements that affect the Company's business, (xiii) loss of the Company's financial arrangements with respect to receivables factoring, (xiv) the loss of any of the Company's major customers or a decrease in demand for its products, (xv) the Company's ability to effectively compete in its markets, (xvi) changes in consumer preferences and the Company's failure to anticipate and respond to such changes or to successfully develop and renovate products, (xvii) the Company's ability to successfully interpret and respond to key industry trends and to realize the expected benefits of its responsive actions; (xviii) changes in applicable laws or regulations; and (xix) the other risks and uncertainties disclosed in the Company's public filings and any other public disclosures by the Company. In addition, these forward-looking statements and the information in this Presentation are qualified in their entirety by cautionary statements and risk factor disclosures contained in the Company's Annual Report on Form 20-F filed with the Securities and Exchange Commission on February 28, 2019. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Other than in accordance with its legal or regulatory obligations, the Company is not under any obligation and the Company and its affiliates expressly disclaim any intention, obligation or undertaking to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. This Presentation shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Presentation or that the information contained herein is correct as at any time subsequent to its date. No statement in this Presentation is intended as a profit forecast or estimate.

This Presentation includes certain additional key performance indicators which are considered non-IFRS financial measures including, but not limited to, organic revenue growth, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted gross margin, Adjusted operating expenses, Adjusted profit for the period, Adjusted earnings per share and Adjusted free cash flow. Nomad Foods believe these non-IFRS financial measures provide an important alternative 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. You should not consider the Company's non-IFRS financial measures an alternative or substitute for the Company's reported results. For a reconciliation of these non-IFRS financial measures to the most directly comparable IFRS measures, refer to the Company earnings press release and investor presentation included on the Company's website at www.nomadfoods.com.

Second Quarter 2019 Financial Results Overview

Organic Revenue Growth	Adjusted Gross Margin	Adjusted EBITDA	Adjusted EPS
+3.5% +4.0% price (0.5%) volume/mix	29.8% -70bp before the effects of FX and acquisition mix	€98M +10% growth	€0.27 /share 4% decline

Notes:

Adjusted Gross Margin was also impacted by acquisition mix of -90 bps and -10 bps due to FX.

Adoption of IFRS 16 benefited Adjusted EBITDA by €4 million.

The disparity between Adjusted EBITDA growth (+10%) and Adjusted EPS decline (-4%) is primarily attributable to the March 2019 public offering of ordinary shares.

Second Quarter 2019 Highlights

Organic revenue growth of 3.5%, helped partly by Easter phasing

Q2 represents a 10th consecutive quarter of organic revenue growth

Core portfolio generated organic revenue growth of 7%

Strongest organic revenue growth in Germany, Austria and Netherlands

Notable New Product Launches in 2019

Plant Protein



Veggie Power



Second Quarter 2019 Key Operating Metrics

<i>(in €m unless otherwise noted)</i>	2Q 2019	2Q 2018	YoY Change
Revenue	€538	€488	10.2%
<i>Organic revenue growth</i>			3.5%
Adjusted gross profit	160	154	4%
<i>Adjusted gross margin¹</i>	<i>29.8%</i>	<i>31.5%</i>	<i>(170) bp</i>
Adjusted operating expense	(79)	(76)	4%
Advertising & promotion expense	(26)	(26)	1%
Indirect expense	(52)	(50)	5%
Depreciation & amortization	17	11	49%
Adjusted EBITDA	€98	€89	10%
<i>Adjusted EBITDA margin</i>	<i>18.3%</i>	<i>18.2%</i>	<i>10 bp</i>
Adjusted profit for the period	€52	€49	6%
Adjusted EPS	€0.27	€0.28	(4%)

¹ Adjusted Gross Margin defined as Adjusted Gross Profit divided by Revenue.

Key Free Cash Flow Metrics

<i>(in €m unless otherwise noted)</i>	Six months ended June 30, 2019	Six months ended June 30, 2018 ¹
Adjusted EBITDA²	220	192
Change in working capital	(68)	(49)
Capital expenditures ³	(17)	(10)
Cash taxes	(17)	(9)
Cash interest & other ⁴	(31)	(22)
Adjusted free cash flow	€87	€102
Adjusted profit for the period	€123	€111
<i>Adjusted free cash flow as % adjusted profit for the period</i>	<i>71%</i>	<i>91%</i>

¹ New cash metric introduced in 2019. Cash metrics for 2018 have been prepared on the same basis to be comparable.

² 2019 Adjusted EBITDA includes a €9 million benefit as a result of applying IFRS 16 *Leases*.

³ Calculated as the sum of purchases of property, plant & equipment and intangible non-current assets.

⁴ Calculated as the sum of net interest paid, proceeds/payments on settlement of derivatives and lease liability payments. 2019 includes €12 million of lease liability payments on applying IFRS 16 *Leases*.

2019 Guidance

Organic Revenue Growth	Adjusted EBITDA	Adjusted EPS ¹
Growth at a Low-single digit rate	approximately €420 to €430 million	approximately €1.18 to €1.22 per share

¹Adjusted EPS assumes a diluted weighted average share count of 192 million shares for 2019

2019 guidance equates to the following when translated into US dollars, the Company's equity trading currency.

- **Adjusted EBITDA** of approximately **\$470 to \$482** million
- **Adjusted EPS** of approximately **\$1.32 to \$1.37 per share**

Translation of guidance into US dollars is for illustrative purpose and is based on the USD/Euro exchange rate of 1.12, as of August 6th, 2019.

Nomad Foods

Questions?



Appendix

Contents

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

1. Definitions of Non-IFRS financial measures referred to in this presentation.
2. Reconciliation of reported to organic revenue growth.
3. Reconciliation of Non-IFRS financial measures.

1. Definitions of Non-IFRS financial 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, chart of account (“CoA”) alignments and exceptional items such as restructuring charges, goodwill and intangible asset impairment charges and other unusual or non-recurring items. In addition, we exclude other adjustments such as the impact of share based payment expenses and related employer payroll taxes, and non-operating 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, 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 expenses and related employer payroll taxes, and non-operating 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 including employer payroll taxes, exceptional items and non-cash foreign currency translation charges/gain.

Organic Revenue Growth – Organic revenue growth 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 revenue growth 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.

Adjusted Free Cash Flow – Adjusted free cash flow is the amount of cash generated from operating activities before cash flows related to exceptional items, non-operating M&A transaction costs and working capital movements on employer taxes associated with share based payment awards, but after capital expenditure (on property, plant and equipment and intangible assets), net interest paid, proceeds/(payments) on settlement of derivatives where hedge accounting is not applied and payments of lease liabilities. Adjusted free cash flow reflects cash flows that could be used for payment of dividends, repayment of debt or to fund acquisitions or other strategic objectives.

2. Reconciliation of reported to organic revenue growth

Year on Year Growth – June 30, 2019 compared with June 30, 2018

	Three months ended June 30, 2019	Six months ended June 30, 2019
Reported Revenue Growth	YoY Growth 10.2%	YoY Growth 12.5%
<i>Of which:</i>		
- <i>Organic Revenue Growth</i>	3.5%	2.1%
- <i>Acquisitions</i>	7.0%	10.6%
- <i>Translational FX (a)</i>	(0.3)%	(0.2)%
Total	10.2%	12.5%

(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 Non-IFRS Financial Measures

Adjusted Statement of Profit or Loss (unaudited)

Three months ended June 30, 2019

€ in millions, except per share data	As reported for the three months ended June 30, 2019	Adjustments	As adjusted for the three months ended June 30, 2019
Revenue	537.8	—	537.8
Cost of sales	(377.5)	—	(377.5)
Gross profit	160.3	—	160.3
Other operating expenses	(84.6)	5.8 (a)	(78.8)
Exceptional items	(1.6)	1.6 (b)	—
Operating profit	74.1	7.4	81.5
Finance income	1.1	(0.1)	1.0
Finance costs	(16.4)	(0.3)	(16.7)
Net financing costs	(15.3)	(0.4) (c)	(15.7)
Profit before tax	58.8	7.0	65.8
Taxation	(12.6)	(0.9) (d)	(13.5)
Profit for the period	46.2	6.1	52.3
Profit attributable to:			
Equity owners of the parent	46.4	6.1	52.5
Non-controlling interests	(0.2)	—	(0.2)
	46.2	6.1	52.3
Weighted average shares outstanding in millions - basic	196.4		196.4
Basic earnings per share	0.24		0.27
Weighted average shares outstanding in millions - diluted	196.4		196.4
Diluted earnings per share	0.24		0.27

(a) Share based payment charge including employer payroll taxes of €5.5 million and non-operating M&A transaction costs of €0.3 million.

(b) Exceptional items which management believes are non-recurring and do not have a continuing impact. See Note 6, Exceptional items, within 'Exhibit 99.2 - Condensed Consolidated Interim Financial Statements' for a detailed list of exceptional items.

(c) Elimination of €0.1 million of non-cash foreign exchange translation gains and €0.3 million of foreign exchange gains on derivatives.

(d) 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 Non-IFRS Financial Measures (continued)

Adjusted Statement of Profit or Loss (unaudited)

Three months ended June 30, 2018

€ in millions, except per share data	As reported for the three months ended June 30, 2018	Adjustments	As adjusted for the three months ended June 30, 2018
Revenue	488.2	—	488.2
Cost of sales	(336.7)	2.1	(334.6)
Gross profit	151.5	2.1	153.6
Other operating expenses	(85.8)	9.9	(75.9)
Exceptional items	(6.1)	6.1	—
Operating profit	59.6	18.1	77.7
Finance income	—	—	—
Finance costs	(17.9)	4.0	(13.9)
Net financing costs	(17.9)	4.0	(13.9)
Profit before tax	41.7	22.1	63.8
Taxation	(10.7)	(3.8)	(14.5)
Profit for the period	31.0	18.3	49.3
Profit attributable to:			
Equity owners of the parent	31.0	18.3	49.3
Non-controlling interests	—	—	—
	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) Non-cash fair value uplift of inventory recorded as part of the Goodfella's Pizza purchase price accounting.

(b) Share based payment charge including employer payroll taxes of €4.2 million and non-operating M&A transaction costs of €5.7 million.

(c) Exceptional items which management believes are non-recurring and do not have a continuing impact. See Note 6, Exceptional items, within 'Exhibit 99.2 - Condensed Consolidated Interim Financial Statements' for a detailed list of exceptional items.

(d) Elimination of €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) 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.

3. Reconciliation of Non-IFRS Financial Measures

Adjusted Statement of Profit or Loss (unaudited)

Six months ended June 30, 2019

€ in millions, except per share data	As reported for the six months ended June 30, 2019	Adjustments	As adjusted for the six months ended June 30, 2019
Revenue	1,155.6	—	1,155.6
Cost of sales	(804.6)	—	(804.6)
Gross profit	351.0	—	351.0
Other operating expenses	(174.0)	10.0 (a)	(164.0)
Exceptional items	(48.2)	48.2 (b)	—
Operating profit	128.8	58.2	187.0
Finance income	2.7	(0.9)	1.8
Finance costs	(32.8)	(0.5)	(33.3)
Net financing costs	(30.1)	(1.4) (c)	(31.5)
Profit before tax	98.7	56.8	155.5
Taxation	(30.2)	(2.5) (d)	(32.7)
Profit for the period	68.5	54.3	122.8
Profit attributable to:			
Equity owners of the parent	68.8	54.3	123.1
Non-controlling interests	(0.3)	—	(0.3)
	68.5	54.3	122.8
Weighted average shares outstanding in millions - basic	187.5		187.5
Basic earnings per share	0.37		0.66
Weighted average shares outstanding in millions - diluted	187.5		187.5
Diluted earnings per share	0.37		0.66

(a) Share based payment charge including employer payroll taxes of €9.7 million and non-operating M&A transaction costs of €0.3 million.

(b) Exceptional items which management believes are non-recurring and do not have a continuing impact. See Note 6, Exceptional items, within 'Exhibit 99.2 - Condensed Consolidated Interim Financial Statements' for a detailed list of exceptional items.

(c) Elimination of €0.9 million of non-cash foreign exchange translation gains and €0.5 million of foreign exchange gains on derivatives.

(d) 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 Non-IFRS Financial Measures (continued)

Adjusted Statement of Profit or Loss (unaudited)

Six months ended June 30, 2018

€ in millions, except per share data	As reported for the six months ended June 30, 2018	Adjustments		As adjusted for the 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 costs	(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
Profit attributable to:				
Equity owners of the parent	93.4	18.0		111.4
Non-controlling interests	—	—		—
	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) Non-cash fair value uplift of inventory recorded as part of the Goodfella's Pizza purchase price accounting.

(b) Share based payment expense including employer payroll taxes of €6.4 million and non-operating M&A transaction costs of €8.2 million.

(c) Exceptional items which management believes are non-recurring and do not have a continuing impact. See Note 6, Exceptional items, within 'Exhibit 99.2 - Condensed Consolidated Interim Financial Statements' for a detailed list of exceptional items.

(d) Elimination of €1.7 million of costs incurred in conjunction with the issuance of new debt drawn down on June 20, 2018, €0.2 million of non-cash foreign exchange translation losses and €4.9 million of foreign exchange gains on derivatives.

(e) 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 Non-IFRS Financial Measures (continued)

Reconciliation of Profit for the period to EBITDA and Adjusted EBITDA (unaudited)

€ in millions	Three months ended		Six months ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Profit for the period	46.2	31.0	68.5	93.4
Taxation	12.6	10.7	30.2	29.2
Net financing costs	15.3	17.9	30.1	24.0
Depreciation	14.7	9.5	29.3	18.0
Amortization	2.0	1.7	4.0	3.2
EBITDA	90.8	70.8	162.1	167.8
Acquisition purchase price adjustments ^(a)		2.1	—	2.1
Exceptional items ^(b)	1.6	6.1	48.2	7.6
Other add-backs ^(c)	5.8	9.9	10.0	14.6
Adjusted EBITDA	98.2	88.9	220.3	192.1
Revenue	537.8	488.2	1,155.6	1,027.4
Adjusted EBITDA margin	18.3%	18.2%	19.1%	18.7%

(a) Non-cash fair value uplift of inventory recorded as part of the Goodfella's Pizza purchase price accounting.

(b) Adjustment to add back exceptional items. See Note 6, Exceptional items, within 'Exhibit 99.2 - Condensed Consolidated Interim Financial Statements' for a detailed list of exceptional items.

(c) Represents the elimination of share-based payment charges including employer payroll taxes for the three month period to June 30, 2019 of €5.5 million (2018: €4.2 million) and for the six months ended June 30, 2019 of €9.7 million (2018: €6.4 million) as well as the elimination of non-operating M&A related costs, professional fees, transaction costs and purchase accounting related valuations for the three month period to June 30, 2019 of €0.3 million (2018: €5.7 million) and for the six months ended June 30, 2019 of €0.3 million (2018: €8.2 million). We exclude these 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.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Reconciliation of reported net cash flows from operating activities to Adjusted free cash flow for the six months ended June 30, 2019 and the six months ended June 30, 2018

(in €m)	Six months ended	
	June 30, 2019	June 30, 2018
Net Cash Flows From Operating Activities	125.9	108.9
Add back:		
Cash flows relating to exceptional items ^(a)	6.5	17.2
Employer taxes related to share based payments ^(b)	2.4	—
Non-operating M&A costs ^(c)	0.3	8.2
Deduct:		
Capital expenditure ^(d)	(17.5)	(10.1)
Net interest paid	(22.6)	(24.0)
Proceeds on settlement of derivatives	3.4	1.7
Payment of lease liabilities ^(e)	(11.8)	—
Adjusted free cash flow	86.6	101.9

(a) Adjustment to add back cash flows related to exceptional items which are not considered to be indicative of our ongoing operating cash flows.

(b) Adjustment to add back working capital movements related to employer taxes related to share based payments which are not considered to be indicative of our ongoing operating cash flows.

(c) Adjustment to add back cash flows related to non-operating M&A costs which are not considered to be indicative of our ongoing operating cash flows.

(d) Defined as the sum of property, plant and equipment and intangible assets purchased in the year, which are considered part of the underlying business cash flows.

(e) As a result of the application of IFRS 16, these lease liabilities are now included in Net Cash Flows from Financing Activities rather than Net Cash Flows from Operating Activities. We believe these payments are part of the underlying business cash flows and should be reflected in Adjusted free cash flow.