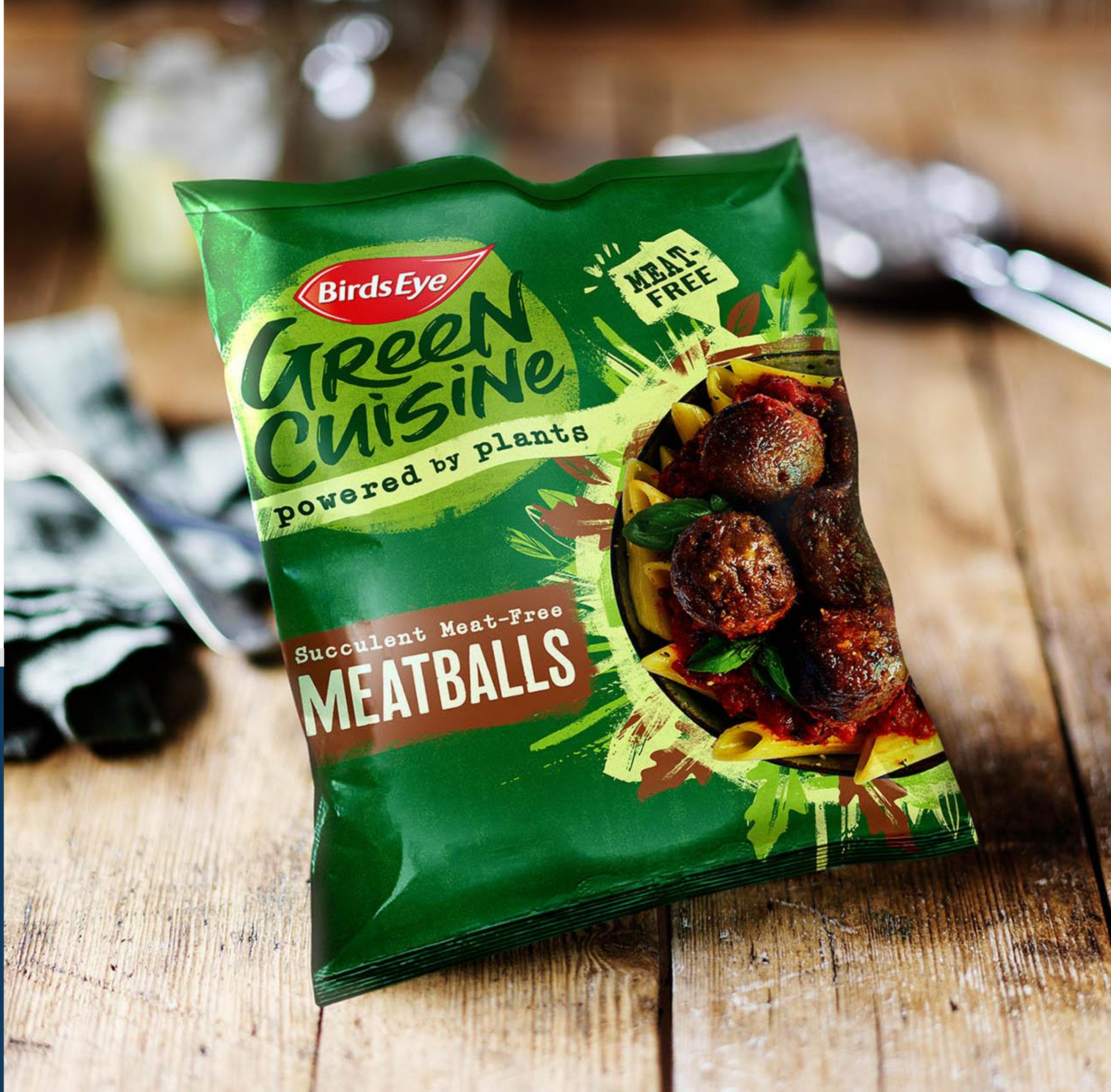
Nomad Foods

Serving the world with better food

Fourth Quarter 2019 Earnings Results

February 27, 2020



Disclosures

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Certain statements and matters discussed in this Presentation, as well as the accompanying oral presentation, may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "aim", "anticipate", "believe", "continue", "estimate", "expect", "intend", "may", "should", "strategy", "will" and words of similar meaning, including all matters that are not historical facts. This Presentation includes forward-looking statements regarding the Company's (i) expectations regarding expansion of Green Cuisine across continental Europe in 2020, Green Cuisine's growth potential and the expected impact of the Green Cuisine business on the Company's growth, the amount and timing of anticipated revenues from Green Cuisine and the anticipated reinvestment of future gross profits; (ii) expectations regarding expanded assortment and shelf space for Green Cuisine in 2020; (iii) beliefs regarding the Company's right to win in the meat substitutes space; (iv) expectations regarding growth of the Company's existing base business; (v) expectations regarding the Company's pipeline of new product launches, use of media, advertising and promotions; (vi) expectations that future revenue growth will be more balanced between price and volume; (vii) beliefs regarding future profitable growth in Sweden, and the strategies to achieve such profitability, and the Company's return to growth in the UK in the second quarter; (viii) expectations regarding prospective acquisitions; (ix) expectations regarding inflation in 2020 and the contributing factors, expectations that gross margins will be relatively unchanged from the prior year and expectations regarding our long term algorithm; (x) expectations regarding the future operating and financial performance of the Company, including the Company's guidance with respect to organic revenue growth, Adjusted EBITDA and Adjusted EPS, and factors which may impact such performance.

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) the Company's ability to successfully implement its strategies or strategic initiatives and recognize the anticipated benefits of such strategic initiatives; (ii) the commercial success of the Green Cuisine brand of products, including as a result of its expansion into continental Europe, and other innovations introduced to the markets and the Company's ability to accurately forecast the brand's performance; (iii) the Company's ability to effectively compete in its markets, including the ability of Green Cuisine to effectively compete in continental Europe; (iv) changes in consumer preferences, such as meat substitutes, and the Company's failure to anticipate and respond to such changes or to successfully develop and renovate products; (v) the effects of reputational damage from unsafe or poor quality food products; (vi) the Company's ability to successfully execute its acquisition plans, including its ability to identify suitable acquisition targets and successfully complete acquisitions; (vii) the adequacy of the Company's cash resources to achieve its anticipated growth agenda; (viii) availability of debt and equity financing under favorable terms; (ix) increases in operating costs, including labor costs, and the Company's ability to manage its cost structure; (x) fluctuations in the availability of food ingredients and packaging materials that the Company uses in its products; (xi) the Company's ability to effectively mitigate factors that negatively impact its supply of raw materials; (xii) the Company's ability to protect its brand names and trademarks; (xiii) uncertainty about the terms of the trade agreement between the UK and the EU associated with 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; (xiv) loss of the Company's financial arrangements with respect to receivables factoring; (xv) the loss of any of the Company's major customers or a decrease in demand for its products; (xvi) economic conditions that may affect the Company's future performance including exchange rate fluctuations; (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) the Company's failure to comply with, and liabilities related to, environmental, health and safety laws and regulations; (xix) changes in applicable laws or regulations; and (xx) 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 profit, Adjusted gross margin, Adjusted operating expenses, [Adjusted operating profit], Adjusted profit for the period, Adjusted earnings per share, Adjusted free cash flow and Net debt/Adjusted EBITDA. 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 Appendix to this Presentation.

Fourth Quarter 2019 Financial Results Overview

ORGANIC Revenue Growth	ADJUSTED Gross Margin	ADJUSTED EBITDA	ADJUSTED EPS
+1.7%	+29.9%	€116m	€0.32
+3.2% price -1.5% volume/mix	unchanged vs. prior year	+15% growth	+10% growth

Fourth Quarter 2019 Highlights

1. Fourth quarter represents Nomad's 12th consecutive quarter of organic revenue growth with robust performance in Germany, Italy and France
2. Strong gross margin performance which exceeded expectations
3. Ended the year with leverage in the mid-2x's and €825 million of cash on hand
4. Green Cuisine became the #3 selling brand within frozen meat-free in the UK

Green Cuisine Will Launch in at Least 6 New Markets in H1

2019

- UK
- Ireland

H1 2020

- Germany
- France
- Netherlands
- Italy
- Belgium
- Austria

€100+ MILLION REVENUE BY 2022

Fourth Quarter 2019 Key Operating Metrics

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(in €m unless otherwise noted)	4Q 2019	4Q 2018	YoY Change
Revenue	**628**	**615**	**2.2%**
Organic revenue growth			*1.7%*
Adjusted gross profit	188	184	2%
Adjusted gross margin[1]	*29.9%*	*29.9%*	-
Adjusted operating expense	(90)	(96)	(6)%
Advertising & promotion expense	(34)	(38)	(11)%
Indirect expense	(56)	(58)	(3)%
Depreciation & amortization	18	13	38%
Adjusted EBITDA	**116**	**101**	**15%**
Adjusted EBITDA margin	*18.4%*	*16.4%*	*200 bp*
Adjusted profit for the period	**63**	**52**	**22%**
Adjusted EPS	**€0.32**	**€0.29**	**10%**

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

Full Year 2019 Key Operating Metrics

(in €m unless otherwise noted)	FY 2019	FY 2018	YoY Change
Revenue	**2,324**	**2,173**	**7.0%**
Organic revenue growth			*2.1%*
Adjusted gross profit	698	659	6%
Adjusted gross margin[1]	*30.0%*	*30.3%*	*(30) bp*
Adjusted operating expense	(334)	(329)	2%
Advertising & promotion expense	(120)	(121)	(1)%
Indirect expense	(215)	(208)	3%
Depreciation & amortization	68	46	48%
Adjusted EBITDA	**432**	**376**	**15%**
Adjusted EBITDA margin	*18.6%*	*17.3%*	*130 bp*
Adjusted profit for the period	**235**	**209**	**12%**
Adjusted EPS	**€1.23**	**€1.19**	**3%**

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

Key Free Cash Flow Metrics

(in €m unless otherwise noted)	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018[1]
Adjusted EBITDA[2]	**432**	**376**
Change in working capital	(44)	32
Capital expenditures[3]	(47)	(41)
Cash taxes	(46)	(33)
Cash interest & other[4]	(67)	(48)
Adjusted free cash flow	**228**	**286**
Adjusted profit for the period	**235**	**209**
Adjusted free cash flow as % adjusted profit for the period	*97%*	*137%*

[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 €18 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 €22 million of lease liability payments on applying IFRS 16 *Leases*.

2020 Guidance

ORGANIC Revenue Growth	**ADJUSTED** EBITDA	**ADJUSTED** EPS
growth at a **low-single digit** rate	approximately **€440 - 445** million	approximately **€1.19 – 1.21** per share

Impact from potential acquisitions announced in 2020 could prove incremental to this view

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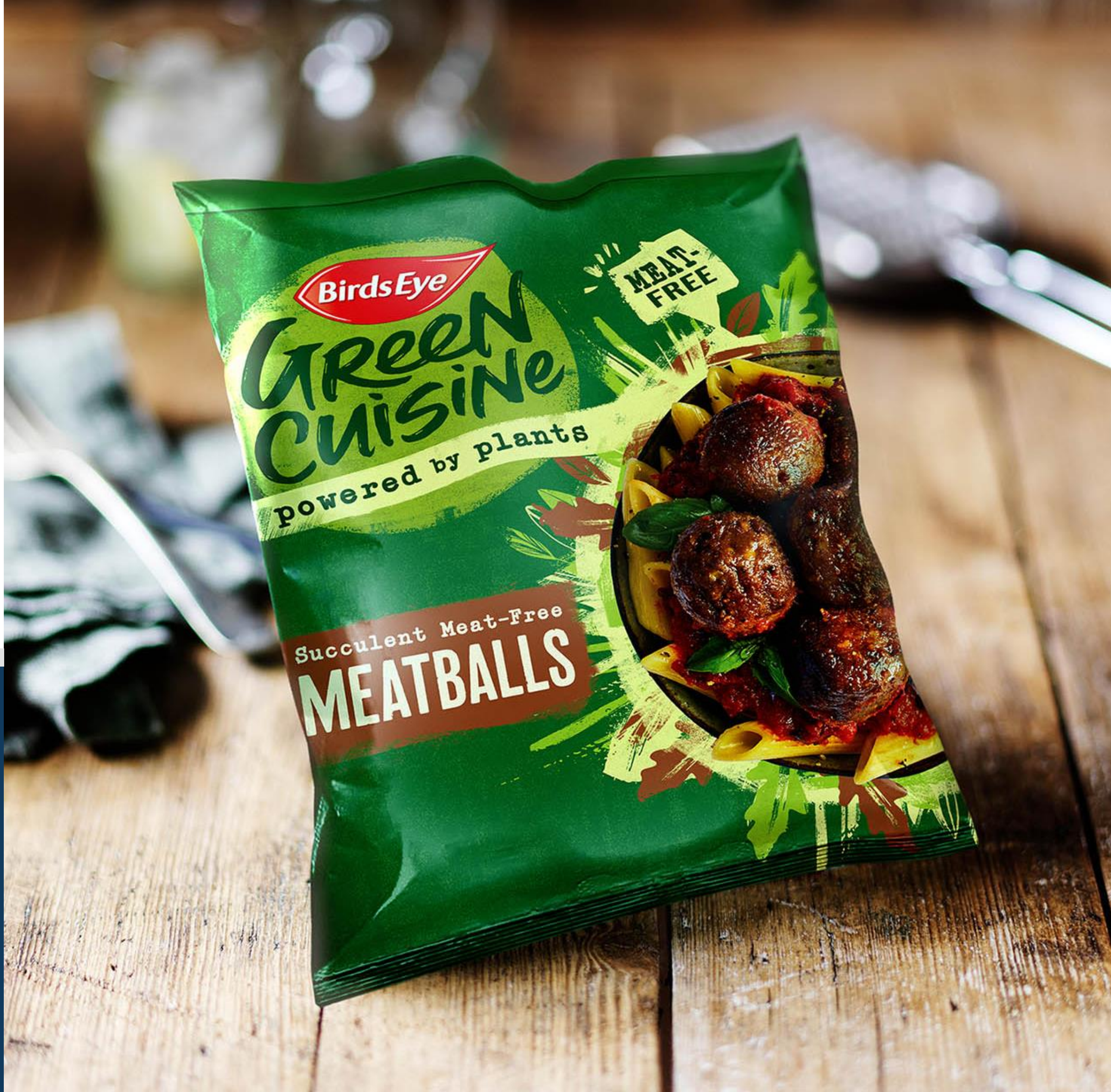
QUESTIONS?



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

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 related 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 - 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 related 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 Gross Profit - Adjusted gross profit and adjusted gross margin exclude acquisition purchase price adjustments and other unusual or non-recurring items within cost of goods sold.

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 related 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 – December 31, 2019 compared with December 31, 2018

	Three months ended December 31, 2019	Twelve months ended December 31, 2019
	YoY Growth	**YoY Growth**
Reported Revenue Growth	**2.2%**	**7.0%**
Of which:		
- Organic Revenue Growth	*1.7%*	*2.1%*
- Acquisitions	*—%*	*4.9%*
- Translational FX (a)	*0.5%*	*—%*
Total	**2.2%**	**7.0%**

(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 December 31, 2019

€ in millions, except per share data	As reported for the three months ended December 31, 2019	Adjustments		As adjusted for the three months ended December 31, 2019
Revenue	628.4	—		628.4
Cost of sales	(440.7)	—		(440.7)
Gross profit	**187.7**	—		**187.7**
Other operating expenses	(96.5)	6.4	(a)	(90.1)
Exceptional items	(4.6)	4.6	(b)	—
Operating profit	**86.6**	**11.0**		**97.6**
Finance income	—	—		—
Finance costs	(25.2)	8.7		(16.5)
Net financing costs	**(25.2)**	**8.7**	(c)	**(16.5)**
Profit before tax	**61.4**	**19.7**		**81.1**
Taxation	(15.5)	(2.9)	(d)	(18.4)
Profit for the period	**45.9**	**16.8**		**62.7**
Profit attributable to:				
Equity owners of the parent	46.0	16.8		62.8
Non-controlling interests	(0.1)	—		(0.1)
	45.9	**16.8**		**62.7**
Weighted average shares outstanding in millions - basic	196.4	—		196.4
Basic earnings per share	**0.23**			**0.32**
Weighted average shares outstanding in millions - diluted	202.8	(6.4)	(e)	196.4
Diluted earnings per share	**0.23**			**0.32**

(a) Share based payment charge including employer payroll taxes of €6.2 million and non-operating M&A related costs of €0.2 million.
(b) Exceptional items which management believes are non-recurring and do not have a continuing impact. See table 'EBITDA and Adjusted EBITDA (unaudited) three months ended December 31, 2019' for a detailed list of exceptional items.
(c) Elimination of €5.5 million of foreign exchange translation losses and €3.2 million of foreign exchange losses 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.
(e) Adjustment to eliminate the dilutive effect of the Founder Preferred Share Dividend earned as of December 31, 2019 but for which shares were issued on January 2, 2020.

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

Adjusted Statement of Profit or Loss (unaudited)
Three months ended December 31, 2018

€ in millions, except per share data	As reported for the three months ended December 31, 2018	Adjustments		As adjusted for the three months ended December 31, 2018
Revenue	614.8	—		614.8
Cost of sales	(431.1)	—		(431.1)
Gross profit	**183.7**	—		**183.7**
Other operating expenses	(99.6)	3.8	(a)	(95.8)
Exceptional items	(6.0)	6.0	(b)	—
Operating profit	**78.1**	**9.8**		**87.9**
Finance income	—	—		—
Finance costs	(19.9)	(0.7)		(20.6)
Net financing costs	**(19.9)**	**(0.7)**	(c)	**(20.6)**
Profit before tax	**58.2**	**9.1**		**67.3**
Taxation	(17.4)	1.7	(d)	(15.7)
Profit for the period	**40.8**	**10.8**		**51.6**
Profit attributable to:				
Equity owners of the parent	41.1	10.8		51.9
Non-controlling interests	(0.3)	—		(0.3)
	40.8	**10.8**		**51.6**
Weighted average shares outstanding in millions - basic	175.8			175.8
Basic earnings per share	**0.23**			**0.29**
Weighted average shares outstanding in millions - diluted	175.9	(0.2)	(e)	175.7
Diluted earnings per share	**0.23**			**0.29**

(a) Share based payment expense including employer payroll taxes.
(b) Exceptional items which management believes are non-recurring and do not have a continuing impact. See table 'EBITDA and Adjusted EBITDA (unaudited) three months ended December 31, 2018' for a detailed list of exceptional items.
(c) Elimination of €1.0 million of gains on foreign currency derivatives as well as €0.3 million of foreign exchange translation losses.
(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.
(e) Adjustment to eliminate the dilutive effect of the Founder Preferred Share Dividend earned as of December 31, 2018 but for which shares were issued on January 2, 2019.

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

Adjusted Statement of Profit or Loss (unaudited)
Twelve months ended December 31, 2019

€ in millions, except per share data	As reported for the twelve months ended December 31, 2019	Adjustments		As adjusted for the twelve months ended December 31, 2019
Revenue	2,324.3	—		2,324.3
Cost of sales	(1,626.4)	—		(1,626.4)
Gross profit	**697.9**	—		**697.9**
Other operating expenses	(359.9)	25.7	(a)	(334.2)
Exceptional items	(54.5)	54.5	(b)	—
Operating profit	**283.5**	**80.2**		**363.7**
Finance income	2.5	—		2.5
Finance costs	(75.7)	8.8		(66.9)
Net financing costs	**(73.2)**	**8.8**	(c)	**(64.4)**
Profit before tax	**210.3**	**89.0**		**299.3**
Taxation	(56.7)	(7.5)	(d)	(64.2)
Profit for the period	**153.6**	**81.5**		**235.1**
Profit attributable to:				
Equity owners of the parent	154.0	81.5		235.5
Non-controlling interests	(0.4)	—		(0.4)
	153.6	**81.5**		**235.1**
Weighted average shares outstanding in millions - basic	192.0	—		192.0
Basic earnings per share	**0.80**			**1.23**
Weighted average shares outstanding in millions - diluted	198.4	(6.4)	(e)	192.0
Diluted earnings per share	**0.78**			**1.23**

(a) Share based payment charge including employer payroll taxes of €22.4 million and non-operating M&A related costs of €3.3 million.
(b) Exceptional items which management believes are non-recurring and do not have a continuing impact. See table 'EBITDA and Adjusted EBITDA (unaudited) twelve months ended December 31, 2019' for a detailed list of exceptional items.
(c) Elimination of €3.9 million of foreign exchange translation losses and €4.9 million of foreign exchange losses 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.
(e) Adjustment to eliminate the dilutive effect of the Founder Preferred Share Dividend earned as of December 31, 2019 but for which shares were issued on January 2, 2020.

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

Adjusted Statement of Profit or Loss (unaudited)
Twelve months ended December 31, 2018

€ in millions, except per share data	As reported for the twelve months ended December 31, 2018	Adjustments		As adjusted for the twelve months ended December 31, 2018
Revenue	2,172.8	—		2,172.8
Cost of sales	(1,519.3)	5.7	(a)	(1,513.6)
Gross profit	**653.5**	**5.7**		**659.2**
Other operating expenses	(352.7)	23.6	(b)	(329.1)
Exceptional items	(17.7)	17.7	(c)	—
Operating profit	**283.1**	**47.0**		**330.1**
Finance income	1.6	(1.4)		0.2
Finance costs	(57.6)	(2.4)		(60.0)
Net financing costs	**(56.0)**	**(3.8)**	(d)	**(59.8)**
Profit before tax	**227.1**	**43.2**		**270.3**
Taxation	(56.6)	(4.7)	(e)	(61.3)
Profit for the period	**170.5**	**38.5**		**209.0**
Profit attributable to:				
Equity owners of the parent	171.2	38.5		209.7
Non-controlling interests	(0.7)	—		(0.7)
	170.5	**38.5**		**209.0**
Weighted average shares outstanding in millions - basic	175.6			175.6
Basic earnings per share	**0.97**			**1.19**
Weighted average shares outstanding in millions - diluted	175.8	(0.2)	(f)	175.6
Diluted earnings per share	**0.97**			**1.19**

(a) Non-cash fair value uplift of inventory recorded as part of the Goodfella's Pizza and Aunt Bessie's purchase price accounting.
(b) Share based payment expense including employer payroll taxes of €14.7 million and non-operating M&A related costs of €8.9 million.
(c) Exceptional items which management believes are non-recurring and do not have a continuing impact. See table 'EBITDA and Adjusted EBITDA (unaudited) twelve months ended December 31, 2018' for a detailed list of exceptional items.
(d) Elimination of €1.1 million of costs incurred as part of the new debt drawn down on June 20, 2018, €0.3 million of foreign exchange translation losses and €5.2 million of gains on foreign currency 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.
(f) Adjustment to eliminate the dilutive effect of the Founder Preferred Share Dividend earned as of December 31, 2018 but for which shares were issued on January 2, 2019.

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

Reconciliation of Profit for the period to EBITDA and Adjusted EBITDA (unaudited)
Three Months Ended December 31, 2019

€ in millions	Three months ended December 31, 2019	
Profit for the period	**45.9**	
Taxation	15.5	
Net financing costs	25.2	
Depreciation and amortization	18.3	
EBITDA	**104.9**	
Exceptional items:		
Brexit	*1.6*	(a)
Findus Group integration costs	*0.5*	(b)
Goodfella's Pizza & Aunt Bessie's integration costs	*3.8*	(c)
Factory optimization	*3.6*	(d)
Settlement of legacy matters	*(4.9)*	(e)
Other Adjustments:		
Other add-backs	*6.4*	(f)
Adjusted EBITDA(g)	**115.9**	

(a) Non-recurring expenses related to preparations for the potential adverse impacts of the United Kingdom exiting the European Union to our supply chain, such as tariffs and delays at ports of entry and departure.
(b) Non-recurring expenses related to the roll-out of the Nomad ERP system following the acquisition of the Findus Group in November 2015.
(c) Non-recurring expenses associated with the integration of the Goodfella's pizza business in April 2018 and the Aunt Bessie's business in July 2018.
(d) Non-recurring expenses associated with a three-year factory optimization program to develop a new suite of standard manufacturing and supply chain processes, that will provide a single network of optimized factories. The project was initiated in 2018.
(e) Non-recurring income and expenses associated with tax and other liabilities relating to periods prior to acquisition of the Findus and Iglo Groups.
(f) Represents the elimination of share based payment expenses including employer payroll taxes of €6.2 million and elimination of non-operating M&A related costs of €0.2 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.
(g) Adjusted EBITDA margin of 18.4% for the three months ended December 31, 2019 is calculated by dividing Adjusted EBITDA by Revenue of €628.4 million

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

Reconciliation of Profit for the period to EBITDA and Adjusted EBITDA (unaudited)
Three Months Ended December 31, 2018

€ in millions	Three months ended December 31, 2018	
Profit for the period	40.8	
Taxation	17.4	
Net financing costs	19.9	
Depreciation and amortization	12.7	
EBITDA	**90.8**	
Exceptional items:		
Supply chain reconfiguration	*(0.1)*	(a)
Findus Group integration costs	*3.3*	(b)
Goodfella's Pizza & Aunt Bessie's integration costs	*5.3*	(c)
Factory optimization	*0.7*	(d)
Settlement of legacy matters	*(3.2)*	(e)
Other Adjustments:		
Other add-backs	*3.8*	(f)
Adjusted EBITDA(g)	**100.6**	

(a) Supply chain reconfiguration costs following the closure of the factory in Bjuv, Sweden. Following the closure in 2017, the Company has incurred costs relating to the relocation of production to other factories. The costs are partially offset by income from the disposal of the remaining tangible assets.
(b) Non-recurring costs related to the roll-out of the Nomad ERP system following the acquisition of the Findus Group in November 2015.
(c) Non-recurring costs associated with the integration of the Goodfella's pizza business in April 2018 and the Aunt Bessie's business in July 2018.
(d) Non-recurring costs associated with a three-year factory optimization program to develop a new suite of standard manufacturing and supply chain processes, that will provide a single network of optimized factories. The project was initiated in 2018.
(e) Non-recurring income and expenses associated with liabilities relating to periods prior to acquisition of the Findus and Iglo Groups, settlements of tax audits, settlements of contingent consideration for acquisitions and other liabilities relating to periods prior to acquisition of the Findus and Iglo businesses by the Company including an income of €2.7 million recognized on settlement of contingent consideration for the purchase of the La Cocinera acquisition.
(f) Represents the elimination of share based payment charges including employer payroll taxes.
(g) Adjusted EBITDA margin of 16.4% for the three months ended December 31, 2018 is calculated by dividing Adjusted EBITDA by Revenue of €614.8 million.

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

Reconciliation of Profit for the period to EBITDA and Adjusted EBITDA (unaudited)
Twelve Months Ended December 31, 2019

€ in millions	Twelve Months Ended December 31, 2019	
Profit for the period	**153.6**	
Taxation	56.7	
Net financing costs	73.2	
Depreciation and amortization	68.3	
EBITDA	**351.8**	
Exceptional items:		
Brexit	*1.6*	(a)
Supply chain reconfiguration	*(3.6)*	(b)
Findus Group integration costs	*3.5*	(c)
Goodfella's Pizza & Aunt Bessie's integration costs	*12.5*	(d)
Factory optimization	*5.7*	(e)
Remeasurement of indemnification assets	*44.0*	(f)
Settlement of legacy matters	*(9.2)*	(g)
Other Adjustments:		
Other add-backs	*25.7*	(h)
Adjusted EBITDA(i)	**432.0**	

(a) Non-recurring expenses related to preparations for the potential adverse impacts of the United Kingdom exiting the European Union to our supply chain, such as tariffs and delays at ports of entry and departure.
(b) Supply chain reconfiguration relates to activities associated with the closure of the Bjuv manufacturing facility in Sweden which ceased production in 2017. The income relates to the sale of the agricultural land which completed in May 2019 and the finalization of consideration received for the sale of the industrial property which completed in 2018.
(c) Non-recurring costs related to the roll-out of the Nomad ERP system following the acquisition of the Findus Group in November 2015.
(d) Non-recurring costs associated with the integration of the Goodfella's pizza business in April 2018 and the Aunt Bessie's business in July 2018.
(e) Non-recurring costs associated with a three-year factory optimization program to develop a new suite of standard manufacturing and supply chain processes, that will provide a single network of optimized factories. The project was initiated in 2018.
(f) Non-recurring charge in 2019 for the release of shares held in escrow as part of the consideration on the acquisition of the Findus Group.
(g) Non-recurring income and expenses associated with tax and other liabilities relating to periods prior to acquisition of the Findus and Iglo Groups.
(h) Represents the elimination of share based payment expenses including employer payroll taxes of €22.4 million and elimination of non-operating M&A related costs of €3.3 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.
(i) Adjusted EBITDA margin of 18.6% for the twelve months ended December 31, 2019 is calculated by dividing Adjusted EBITDA by Revenue of €2,324.3 million.

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

Reconciliation of Profit for the period to EBITDA and Adjusted EBITDA (unaudited)
Twelve Months Ended December 31, 2018

€ in millions	Twelve Months Ended December 31, 2018	
Profit for the period	**170.5**	
Taxation	56.6	
Net financing costs	56.0	
Depreciation and amortization	46.3	
EBITDA	**329.4**	
Acquisition purchase price adjustments	*5.7*	(a)
Exceptional items:		
Supply chain reconfiguration	*1.2*	(b)
Findus Group integration costs	*10.4*	(c)
Goodfella's Pizza & Aunt Bessie's integration costs	*8.3*	(d)
Factory optimization	*1.6*	(e)
Settlement of legacy matters	*(3.8)*	(f)
Other Adjustments:		
Other add-backs	*23.6*	(g)
Adjusted EBITDA(h)	**376.4**	

(a) Non-cash fair value uplift of inventory recorded as part of the Goodfella's Pizza and Aunt Bessie's purchase price accounting.
(b) Supply chain reconfiguration costs following the closure of the factory in Bjuv, Sweden. Following the closure in 2017, the Company has incurred costs relating to the relocation of production to other factories. The costs are partially offset by income from the disposal of the remaining tangible assets.
(c) Non-recurring costs related to the roll-out of the Nomad ERP system following the acquisition of the Findus Group in November 2015.
(d) Non-recurring costs associated with the integration of the Goodfella's pizza business in April 2018 and the Aunt Bessie's business in July 2018.
(e) Non-recurring costs associated with a three-year factory optimization program to develop a new suite of standard manufacturing and supply chain processes, that will provide a single network of optimized factories. The project was initiated in 2018.
(f) Non-recurring income and costs associated with liabilities relating to periods prior to acquisition of the Findus and Iglo Groups, settlements of tax audits, settlements of contingent consideration for acquisitions and other liabilities relating to periods prior to acquisition of the Findus and Iglo businesses by the Company. This includes an income of €2.7 million recognized on settlement of contingent consideration for the purchase of the La Cocinera acquisition and net income of €0.7 million associated with settlements of tax audits.
(g) Represents the elimination of share based payment expenses including employer payroll taxes of €14.7 million and elimination of non-operating M&A related costs of €8.9 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.
(h) Adjusted EBITDA margin of 17.3% for the twelve months ended December 31, 2018 is calculated by dividing Adjusted EBITDA by Revenue of €2,172.8 million

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

Reconciliation of reported net cash flows from operating activities to Adjusted free cash flow for the twelve months ended December, 2019 and the twelve months ended December 31, 2018

	Twelve months ended	
(in €m)	December 31, 2019	December 31, 2018
Net Cash Flows From Operating Activities	**315.4**	**321.3**
Add back:		
Cash flows relating to exceptional items [(a)]	15.9	43.4
Employer taxes related to share based payments [(b)]	7.5	1.7
Non-operating M&A costs [(c)]	3.3	8.9
Deduct:		
Capital expenditure [(d)]	(47.3)	(41.6)
Net interest paid	(46.0)	(45.1)
Proceeds/(payments) on settlement of derivatives	0.7	(2.8)
Payment of lease liabilities [(e)]	(21.8)	—
Adjusted free cash flow	**227.7**	**285.8**

(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 related 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.