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00:14:41.220 --> 00:14:54.570

Taposh Bari: Hello and welcome to the Nomad Foods Third Quarter 2021 Earnings Call. I'm Taposh Bari, Head of Investor Relations and I'm joined on the call by Stéfan Descheemaeker, our CEO and Samy Zekhout, our CFO.

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00:14:55.740 --> 00:15:01.470

Taposh Bari: On our call today, we will review our financial results for the quarter and conclude with a question and answer session.

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00:15:02.040 --> 00:15:07.050

Taposh Bari: For those planning to ask a question, we ask that you do so using the Zoom raise hand feature.

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00:15:07.830 --> 00:15:13.020

Taposh Bari: Before we begin, I would like to draw your attention to the disclaimer on slide two of our presentation.

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00:15:13.560 --> 00:15:23.160

Taposh Bari: This conference call may make forward looking statements that are based on our view of the company's prospects, expectations, and intentions at this time, including consideration

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00:15:23.700 --> 00:15:39.450

Taposh Bari: related to the impact of COVID 19. Actual results may differ due to risks and uncertainties which are discussed in our press release, our filings with the SEC, and this slide in our investor presentation, which includes cautionary language.

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00:15:40.800 --> 00:15:53.310

Taposh Bari: We will also discuss non-IFRS financial measures during the call today. These non-IFRS financial measures should not be considered a replacement for and should be read together with IFRS results.

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00:15:54.150 --> 00:16:04.680

Taposh Bari: Users can find the IFRS to non-IFRS reconciliations within our earnings release and in the appendices at the end of the slide presentation available on our website.

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00:16:06.330 --> 00:16:13.680

Taposh Bari: Please note that certain financial information within the presentation represents adjusted figures for 2020 and 2021.

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00:16:14.490 --> 00:16:25.020

Taposh Bari: All adjusted figures have been adjusted for exceptional items, acquisition related, share based payment and related expenses, as well as non cash foreign exchange gains or losses.

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00:16:25.620 --> 00:16:35.670

Taposh Bari: And all comments from here on will refer to those adjusted numbers, and with that I will hand the call over to Stéfán.

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00:16:36.990 --> 00:16:46.110

Stéfán Descheemaeker: Thank you Taposh. Thank you all for joining us on the call today. Earlier this morning we reported third quarter financial results and reiterated our plans to deliver double digits adjusted EPS growth in 2021.

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00:16:47.400 --> 00:17:06.630

Stéfán Descheemaeker: These results built on the exceptional performance we achieved last year and are consistent with the business update that we provided a few weeks ago. As you know, the macro backdrop is quite challenging for many in the food industry between tough comps, inflation, and supply chain disruptions.

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00:17:08.310 --> 00:17:19.740

Stéfán Descheemaeker: While we would prefer a more accommodative environment, I am proud of how our team has responded and the fact that we are on pace to achieve another year of record results in 2021.

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00:17:20.700 --> 00:17:32.190

Stéfán Descheemaeker: With that let's begin with the third quarter financial highlights. We achieved revenue growth of 4% driven by the acquisition of Findus Switzerland and favorable of FX translation.

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00:17:33.030 --> 00:17:37.800

Stéfan Descheemaeker: Organic revenues were up mid-single digits relative to the third quarter of 2019.

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00:17:38.760 --> 00:17:46.740

Stéfan Descheemaeker: We declined 1.4% versus the prior year to the anniversary of elevated demand and normalizing category trends.

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00:17:47.460 --> 00:18:02.100

Stéfan Descheemaeker: Adjusted gross margins declined 240 basis points or 200 basis points on the like-for-like basis - when excluding dilution from Findus Switzerland's, whose initial gross margins are below those of our base business.

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00:18:03.210 --> 00:18:13.860

Stéfan Descheemaeker: Adjusted EBITDA grew to 113 million euro, representing 4% growth versus last year and 9% CAGR versus 2019.

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00:18:15.120 --> 00:18:27.660

Stéfan Descheemaeker: And finally adjusted EPS was 35 euro cents per share, representing 17% growth versus the third quarter of 2020 and a two year CAGR of 18%.

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00:18:28.800 --> 00:18:41.370

Stéfan Descheemaeker: Our third quarter revenues, Adjusted EBITDA and Adjusted EPS were the highest of any third quarter in our company's history and built on the strong results we achieved last year.

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00:18:42.780 --> 00:18:45.360

Stéfan Descheemaeker: This performance was driven by several factors.

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00:18:46.500 --> 00:19:05.190

Stéfan Descheemaeker: Namely, improving market share trends, discipline cost management and accretive capital allocation. These are defining attributes of our value-creation model that have been key to our success and continue to fuel a performance as we navigate a challenging macro backdrop.

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00:19:06.330 --> 00:19:14.040

Stéfan Descheemaeker: As you know, we've been working hard on improving our service levels and capacity situation to return to market share growth.

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00:19:14.730 --> 00:19:21.600

Stéfan Descheemaeker: I'm happy to say that our market share expanded in Q3 and has shown consistent improvement since May.

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00:19:22.470 --> 00:19:31.410

Stéfan Descheemaeker: While we do still have selected pockets of raw material and supply challenges, our service levels have improved across most of our business.

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00:19:32.370 --> 00:19:39.600

Stéfan Descheemaeker: Taking a closer look at the broader packaged food environment in Europe, where vaccination rates are really relatively high.

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00:19:40.350 --> 00:19:54.150

Stéfan Descheemaeker: We are seeing consumers returning back to work, and the corresponding recovery in out-of-home consumption. This resulted in the low single digit percentage decline in the frozen food category during the third quarter versus the prior year.

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00:19:55.230 --> 00:20:10.860

Stéfan Descheemaeker: As we navigate through this period of transition, we are directing our attention to areas where we have the most control over the outcome. This starts with market share and we are encouraged to see a significantly improving trajectory over the past six months.

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00:20:12.630 --> 00:20:21.810

Stéfan Descheemaeker: The normalization of category growth has been compounded by a series of industry-wide supply chain issues, many of which have been well documented.

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00:20:23.250 --> 00:20:28.800

Stéfan Descheemaeker: Raw material costs are on the rise, the labor market is tight and supply chains are under stress.

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00:20:30.600 --> 00:20:34.620

Stéfan Descheemaeker: Our supply chain organization has navigated this challenge well this year.

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00:20:35.670 --> 00:20:38.970

Stéfan Descheemaeker: Resulting in stable gross margins through the first nine months of the year.

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00:20:40.770 --> 00:20:50.400

Stéfan Descheemaeker: We expect these macro factors to intensify in 2022 and are prepared to leverage your revenue growth management capabilities to mitigate exposure.

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00:20:51.780 --> 00:20:59.490

Stéfan Descheemaeker: As we deliver against our near-term financial objectives, we are also making the necessary investments to support long term growth.

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00:21:00.630 --> 00:21:06.180

Stéfan Descheemaeker: Sustainability has been a key strategic priority and an area where we were quite active during the third quarter.

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00:21:07.680 --> 00:21:19.590

Stéfan Descheemaeker: As a frozen food company anchored in fish and vegetables, we have a portfolio that is inherently advantaged in helping consumers making better choices when it comes to nutrition and sustainability.

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00:21:20.640 --> 00:21:22.980

Stéfan Descheemaeker: you've heard the statistics but they're worth repeating.

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00:21:24.300 --> 00:21:32.040

Stéfan Descheemaeker: First, the food industry accounts for a third of greenhouse gas emissions and one third of that food goes to waste.

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00:21:33.630 --> 00:21:47.400

Stéfan Descheemaeker: Supported by life cycle assessments, we know that our frozen food brands have credibility, awareness, and scale in helping consumers make an impact on climate change, starting with the reduction of food waste.

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00:21:48.270 --> 00:22:01.590

Stéfan Descheemaeker: Second 90% of our base portfolio is considered a healthier meal choice, creating strong alignment with consumer trends and the strategies of our retailers who are looking to carry healthier products.

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00:22:02.820 --> 00:22:13.920

Stéfan Descheemaeker: We are developing a fast growing plant protein business in Green Cuisine, a business that is on pace to nearly double in 2021 and has accumulated double digit market share in only two years.

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00:22:15.210 --> 00:22:25.590

Stéfan Descheemaeker: Green Cuisine continues to be Europe's fastest growing frozen meat-free brand and has established a diversified portfolio which now includes chicken-less and fish-less product.

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00:22:26.490 --> 00:22:35.610

Stéfan Descheemaeker: And finally, as of last month, 100 percent of our existing factories are on renewable electricity, and achievement that we are very proud of.

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00:22:36.780 --> 00:22:41.490

Stéfan Descheemaeker: We took two important steps to further advance our sustainability strategy during the third quarter.

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00:22:42.780 --> 00:22:54.120

Stéfan Descheemaeker: First, we joined the "Race to Zero" announcing plans to significantly reduce our greenhouse gas emissions with approved science-based targets across our operations and our supply chain.

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00:22:55.770 --> 00:23:03.420

Stéfan Descheemaeker: These targets, which includes a near 50% reduction in an operational per tonne scope one, two and three emissions by 2025.

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00:23:04.800 --> 00:23:09.840

Stéfan Descheemaeker: are consistent with the reductions required to keep global warming to 1.5 degrees.

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00:23:11.070 --> 00:23:16.800

Stéfan Descheemaeker: Second we announced a collaboration with BlueNalu to introduce cell-cultured seafood to Europe.

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00:23:17.850 --> 00:23:26.730

Stéfan Descheemaeker: This agreement, the first of its kind in Europe, underpins commitment to sustainable growth and the development and scaling of emerging food technologies.

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00:23:27.690 --> 00:23:35.550

Stéfan Descheemaeker: BlueNalu is a leader in cell-cultured seafood and has developed breakthrough technology that aligns with the purpose of serving the world with better foods.

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00:23:36.030 --> 00:23:45.330

Stéfan Descheemaeker: We are excited to see what the combination of their cell-cultured technology and our brands consumer insights scale and route-to-market can lead to in the coming years.

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00:23:46.320 --> 00:24:02.940

Stéfan Descheemaeker: Finally, we completed the acquisition of Fortenova's frozen food business a transaction which is expected to result in over \$2 of adjusted EPS on the combined and annualized basis in 2021 based on current FX rates.

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00:24:04.500 --> 00:24:11.400

Stéfan Descheemaeker: Fortenova is a business with significant strategic value to Nomad Foods and with multiple levers for value creation.

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00:24:12.090 --> 00:24:18.660

Stéfan Descheemaeker: Fortenova resembles our existing business in many ways. It has market leading brands in Ledo and Frikom.

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00:24:19.590 --> 00:24:23.430

Stéfan Descheemaeker: These brands have incredible consumer awareness in their respective markets.

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00:24:24.270 --> 00:24:34.260

Stéfan Descheemaeker: and similar to Birds Eye IGLO and Findus represent high quality frozen food in countries like Croatia, Serbia and many others in the Adriatic region.

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00:24:35.040 --> 00:24:41.760

Stéfan Descheemaeker: 50% of the business is in frozen savory with a high concentration in fish and vegetables, similar to our portfolio.

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00:24:42.540 --> 00:24:53.880

Stéfan Descheemaeker: We believe we bring significant commercial and operation expertise in these categories across capabilities, such as portfolio strategy, sales insights, marketing and revenue growth management.

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00:24:54.570 --> 00:25:05.670

Stéfan Descheemaeker: Fortenova also has a leading ice cream portfolio which is highly synergistic with the savory side of the business and introduces a highly profitable and interesting category to our portfolio.

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00:25:06.690 --> 00:25:15.690

Stéfan Descheemaeker: While it is very early days, I can tell you that our organization is excited for them to join the Nomad Food family and is looking forward to the challenge of delivering their business objectives.

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00:25:17.040 --> 00:25:27.270

Stéfan Descheemaeker: The acquisition of Fortenova expands our geographic footprint into a number of new Central and Eastern European markets, many with marketleading share positions.

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00:25:28.050 --> 00:25:36.120

Stéfan Descheemaeker: When we know the acquisition earlier this year, we expected the business to generate approximately 53 million euro of Adjusted EBITDA.

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00:25:37.830 --> 00:25:51.630

Stéfan Descheemaeker: The latest plan is for this business to slightly over-deliver displaying in 2021 with revenues expected to grow mid-single digits. We have several work streams underway way to ensure timely and successful integration.

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00:25:52.680 --> 00:26:01.290

Stéfan Descheemaeker: Consistent with our M&A playbook, we plan to increase the level of advertising spend and provide the full suite of capabilities that have fueled our based business.

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00:26:02.520 --> 00:26:18.030

Stéfan Descheemaeker: From a financial perspective Fortenova is expected to be high single digit accretive to Adjusted EPS in 2022 with the mid single digit organic revenue growth profile and a path to EBITDA margins exceeding 20%.

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00:26:19.080 --> 00:26:26.010

Stéfan Descheemaeker: We are thrilled to welcome the 3000 new employees to Nomad Foods and look forward to updating you on progress in the coming months.

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00:26:27.720 --> 00:26:39.300

Stéfan Descheemaeker: It has been a year since we hosted our first ever investor day last November. We held this event to provide our investors with a more detailed perspective into our business and our leadership team.

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00:26:40.860 --> 00:26:44.190

Stéfan Descheemaeker: We also introduced 2025 financial goals at that event.

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00:26:45.270 --> 00:27:08.670

Stéfan Descheemaeker: Notably our goal of two euro and 30 cents of adjusted EPS which we represents a CAGR of over 10%. With 2021 nearly complete and the Fortenova acquisition closed, I am pleased to say, one year later, that we remain on pace to achieve our objective that we laid out by 2025, if not sooner.

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00:27:09.900 --> 00:27:15.810

Stéfan Descheemaeker: I will now hand the call over to Samy to review our financial results and guidance in more detail. Samy?

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00:27:17.250 --> 00:27:20.820

Samy Zekhout: Thank you, Stéfan and thank you all for your participation on the call today.

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00:27:22.140 --> 00:27:34.440

Samy Zekhout: Turning to slide seven we provide more detail on our key third quarter operating metrics beginning with revenues, which increased 4% to 599 million euro.

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00:27:36.000 --> 00:27:50.580

Samy Zekhout: Revenue growth was driven by 3.3 percentage points from the acquisition of Findus Switzerland, two percentage points from favorable FX translation and a slight decline in organic revenues, as we anniversaried elevated consumption.

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00:27:52.890 --> 00:28:01.320

Samy Zekhout: Organic revenues declined 1.4% versus 2020 but were up mid-single digits versus 2019.

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00:28:02.400 --> 00:28:12.300

Samy Zekhout: Frozen food category demand continued to normalize during the third quarter reflecting increased consumer mobility and a steady return to the out of home eating.

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00:28:14.070 --> 00:28:23.520

Samy Zekhout: Against this backdrop, we achieved market share expansion in our branded retail business, which included strong, year on year revenue growth from Green Cuisine.

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00:28:25.320 --> 00:28:31.680

Samy Zekhout: Our non-branded business increased 15% as food service continued to recover from depressed year ago levels.

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00:28:32.790 --> 00:28:40.830

Samy Zekhout: Gross margins were 28% during the quarter reflecting a 240 basis points decline versus the prior year.

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00:28:41.700 --> 00:28:54.900

Samy Zekhout: This comprised of 200 basis points from higher raw material costs and 40 basis points of dilution from the inclusion of Findus Switzerland, whose initial gross margins are below the company average.

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00:28:55.860 --> 00:29:07.170

Samy Zekhout: Gross margins were effectively flat through the first nine months of the year, reflecting strong procurement execution and raw material deflation during the first six months of the year.

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00:29:09.000 --> 00:29:17.010

Samy Zekhout: We are currently in the middle of our 2022 planning process and, like others, expect a higher level of inflation next year.

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00:29:18.390 --> 00:29:33.750

Samy Zekhout: Our goal will be to mitigate inflation through all levers available. Our business is in good health, our brands have market leading positions and we have strong revenue growth management capabilities that will enable us to navigate the current environment.

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00:29:35.940 --> 00:29:49.860

Samy Zekhout: Moving down to the rest of the P&L adjusted operating expenses declined 14% year over year reflecting a comparable level of A&P spent versus the prior year and the decline in indirect costs.

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00:29:50.880 --> 00:30:02.010

Samy Zekhout: Our Adjusted EBITDA increased 4% to 123 million euro and Adjusted EPS increases 17% to 35 euro cents for the quarter.

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00:30:02.790 --> 00:30:19.440

Samy Zekhout: These metrics once again represent record performance and growth on growth. Turning to cash flow on slide eight, we generated nearly 100 million euro of adjusted free cash flow for the first nine months of the year, equating to 45% cash conversion.

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00:30:20.610 --> 00:30:27.120

Samy Zekhout: As you know, third quarter represents a seasonal low in our working capital and cash conversion cycles.

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00:30:28.020 --> 00:30:33.090

Samy Zekhout: We continue to expect significant improvement across both metrics by the end of the year.

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00:30:33.930 --> 00:30:48.810

Samy Zekhout: As we shared with you last quarter, we have a number of factors, notably a catch up of inventory, as a result of COVID and higher capex this year that will limit our ability to achieve our long term target of 100% adjusted free cash flow this year.

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00:30:50.190 --> 00:30:57.900

Samy Zekhout: With that said we're expecting a notable improvement in our conversion rate in Q4 and remain committed to this target over the long term.

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00:30:59.190 --> 00:31:13.380

Samy Zekhout: With that let's turn to slide nine to review our 2021 guidance, which is based on foreign exchange rates as of November the 2nd 2021. We are reiterating our guidance for 2021 Adjusted EPS of 1.50 to 1.55

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00:31:15.720 --> 00:31:26.400

Samy Zekhout: euro per share, which translates to growth in the 11 to 15% range and has us on the right path to achieving our longer term financial objectives.

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00:31:27.630 --> 00:31:39.660

Samy Zekhout: Our guidance now includes a seasonal operating loss from Fortenova during the fourth quarter. As a reminder, we expect this acquisition to be high single digit accretive in 2022.

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00:31:40.800 --> 00:31:49.020

Samy Zekhout: Had we owned Fortenova at the start of this year our adjusted EPS would have been over 2 dollar on a combined and annualized basis.

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00:31:50.280 --> 00:31:59.460

Samy Zekhout: Our 2021 guidance assumes a modest decline in organic revenues for the year with the expectation that we will continue to achieve market share expansion.

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00:32:01.050 --> 00:32:07.020

Samy Zekhout: That concludes our remarks. I will now turn the session over to Q&A. Thank you. Operator, back to you.

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00:32:09.480 --> 00:32:15.930

OE Operator | Shannon: Thank you, we will now begin the question and answer session, please use the raise hand feature to ask a question.

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00:32:18.540 --> 00:32:25.200

OE Operator | Shannon: Our first question will come from Andrew Lazar from Barclays. Andrew, please feel free to unmute yourself.

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00:32:31.410 --> 00:32:32.190

Andrew Lazar - Barclays: Great can you hear me.

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00:32:34.080 --> 00:32:34.800

.: yeah good morning, Andrew

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00:32:35.910 --> 00:32:45.450

Andrew Lazar - Barclays: Good morning, good morning thanks for the question. I guess first off a few weeks ago, when you updated investors on your organic growth expectations for the year,

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00:32:45.810 --> 00:32:53.520

Andrew Lazar - Barclays: you'd mentioned normalizing category growth rates in key markets in Europe that were reopening, you talked a bit about that again today.

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00:32:53.940 --> 00:33:01.920

Andrew Lazar - Barclays: I guess I'd like to hear your thoughts on how this thought process squares with your belief, and really that of most other packaged food companies at this stage,

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00:33:02.310 --> 00:33:14.670

Andrew Lazar - Barclays: that some of these new households gained during the past two years could well be sticky longer term with all the new habits and the hybrid work sort of arrangements and things of that nature, and then I've just got a follow up.

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00:33:16.410 --> 00:33:29.040

Stefan Descheemaeker.: Well Andrew our thought process hasn't really changed, I think, to your point, I think we see that it's a very volatile environment that with people, mobility is increasing restaurants are open,

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00:33:29.670 --> 00:33:36.360

.: People are returning back to work, but, as you can see, definitely not, five days a week.

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00:33:36.840 --> 00:33:46.920

.: So that piece is coming to fruition, but at the same time, we can see that the level of sales remains very robust against, obviously, and you know tough comps.

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00:33:47.430 --> 00:33:58.350

.: And when you compare with the pre-COVID we are in very good shape, and this also, it is important to highlight this before,

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00:33:58.890 --> 00:34:12.630

.: You know, the impact of inflation, which is really going to come in in 2022. So it hasn't changed, the only thing that has really changed, but that definitely should somehow have the sales as well, is there a higher level of inflation.

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00:34:14.070 --> 00:34:21.030

Andrew Lazar - Barclays: That's helpful and that leads into my next question which is you know, obviously you had far less inflation this year than then many of your peers

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00:34:21.510 --> 00:34:30.720

Andrew Lazar - Barclays: in the US, and, therefore, did not have to lean in as heavily on the pricing lever and it would seem inflation could be a bigger headwind in 22.

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00:34:31.620 --> 00:34:35.940

Andrew Lazar - Barclays: So I'm trying to think how we think about the opportunity for pricing, which you know, in Europe, I realized, there are

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00:34:36.330 --> 00:34:54.630

Andrew Lazar - Barclays: more limited windows, I guess, in terms of timeframes to take it, and if successful, would the timing be such that impact or pricing might not kick in until more fully, until maybe after one Q of next year, or how does the timeframe typically work in Europe in terms of

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00:34:54.810 --> 00:34:59.580

Andrew Lazar - Barclays: getting agreement on pricing with key customers and then, when it can sort of be effective on the shelf? Thank you.

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00:35:00.930 --> 00:35:04.320

Stefan Descheemaeker.: Well it's a it's an interesting question Andrew because it's a

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00:35:06.210 --> 00:35:11.310

.: as you know, Europe is a constellation of many different countries so it's very much you know, a staggered process.

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00:35:12.420 --> 00:35:20.490

.: But definitely we are already starting, so I think we'd have more visibility, during our next

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00:35:21.090 --> 00:35:34.140

.: release for Q4 but we're really in the middle of these conversations, some are well advanced but, overall I think we always have.

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00:35:34.920 --> 00:35:48.810

.: You know I think we've executed well in terms of pricing in the in the in the past with a you know I think we've developed know very strong revenue, let's say revenue management muscles and we are going to use this muscle.

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00:35:49.830 --> 00:35:54.120

.: Right now actually so we are very, we are very determined.

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00:35:55.680 --> 00:35:56.250

Andrew Lazar - Barclays: Thanks very much.

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00:35:59.460 --> 00:36:05.670

OE Operator | Shannon: My next question will come from Robert Moskow from Credit Suisse. Robert please feel free to unmute yourself.

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00:36:07.290 --> 00:36:16.350

Robert Moskow - Credit Suisse: Thank you. I guess to follow up, what level of cost inflation do you expect to experience

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00:36:16.920 --> 00:36:35.100

Robert Moskow - Credit Suisse: within your business and in 2022. I mean, is it like high single digit, is a double digit. it sounds like it could be quite significant, and then also can you give a little bit more on Fortenova, like what you've seen so far as you've gotten within the four walls.

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00:36:36.420 --> 00:36:39.420

Robert Moskow - Credit Suisse: You said that sales are tracking a little bit ahead of expectations.

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00:36:40.950 --> 00:36:57.330

Robert Moskow - Credit Suisse: Can you talk about the consumer environment there, and maybe even some due diligence, you did on inventory and the trade? you know, sometimes businesses that are required might load inventory before transition, did you make sure that that didn't happen?

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00:36:59.850 --> 00:37:03.030

Samy Zekhout.: Hi Robert, I'm going to take the first one and

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00:37:04.050 --> 00:37:15.120

.: Stefan's going to go on the Fortenova side. I would say you've seen that in 2021 we can experience, I mean the low single digit inflation level.

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00:37:15.510 --> 00:37:19.890

.: And we've been communicating about that and that's what we did navigating through the year.

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00:37:20.370 --> 00:37:32.250

.: And we, have seen it gradually step up, I mean towards the end of the year, we expect it actually in 2022 to be higher, and we will give you more detail at the time, we can't really give you more

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00:37:32.700 --> 00:37:41.670

.: color on 2022, but I would say, higher, but not as high as what you have seen from the US companies, we have a profile that's different.



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00:37:42.480 --> 00:37:58.470

.: Energy or logistics or supply issues are quite similar across the board, but our brand portfolio is quite different versus other businesses, so net of the net to your to your question specifically, I would say, higher but certainly not as high as what you had seen from others.

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00:37:59.730 --> 00:38:09.180

Stefan Descheemaeker.: And to your question, the whole question about Fortenova, Robert, I would say we are one month in the company so.

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00:38:09.630 --> 00:38:15.930

.: We spend a lot of time, we have a, you know very well structured integration team working together with them.

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00:38:16.380 --> 00:38:27.690

.: With the team out there, so it's so far really doing well, I think the energy level is very high, the are very pleased to be really part of a

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00:38:28.200 --> 00:38:38.460

.: Pure play frozen food ASD thing, as opposed to a conglomerate, , concept so that's very important and,

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00:38:39.090 --> 00:38:49.170

.: Yes, yes, they are trending well, so your question, which is basically, are they or were they loading, that was the bulk of the question.

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00:38:49.620 --> 00:38:59.160

.: Well actually doesn't matter too much, one way or another, what we see right now is anyway the dynamics remain good, which is good, which is good news.

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00:38:59.700 --> 00:39:11.700

.: And second anyway that kind of behavior would have been captured in the working capital adjustment, no matter what, so I think that's been taken care of.

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00:39:13.680 --> 00:39:15.840

Robert Moskow - Credit Suisse: What do you mean by working capital adjustments?

141

00:39:17.040 --> 00:39:21.570

.: Well, you know if you are, let's say, if you are at some stage, you know,

142

00:39:22.080 --> 00:39:28.740

.: you are, for example, you are increasing your level of inventory, or the other way around.

143

00:39:29.100 --> 00:39:37.110

.: You're making sure that you're going to have a normal level of working capital across the board, there is no hiccup, you know just before the deal,

144

00:39:37.470 --> 00:39:46.740

.: Before closing, and so that's the kind of formula that you take that you are using which is fine, and then we haven't seen anything significant one way or another.

145

00:39:47.250 --> 00:39:49.170

Robert Moskow - Credit Suisse: That's what I meant, okay, so nothing significant.

146

00:39:49.800 --> 00:39:50.970

Sorry, no.

147

00:39:53.640 --> 00:39:58.110

.: Consumers, sorry -

148

00:39:58.350 --> 00:40:06.780

Stefan Descheemaeker.: Consumers are doing fine I think at this stage, what we've seen as you know, we're obviously learning, you know ice cream, which is a great category, by the way.

149

00:40:07.230 --> 00:40:15.660

.: So doing fine I think we've seen already a beginning of a of an improvement, this year during

150

00:40:16.200 --> 00:40:25.920

.: q3, during the summer season with tourists coming back, which is great, but I think that they should be more next year and in terms of savory frozen.

151

00:40:26.820 --> 00:40:33.360

.: Overall it's a very, very robust, you know business, you know that know we're very pleased with the overall market share.

152

00:40:33.720 --> 00:40:47.280

.: You know within Nomad not being more in the region that say of 20% plus in Western Europe you're talking about 50% so these brands, you know if we believe that the old brands like,

153

00:40:47.790 --> 00:40:57.960

.: Like iglo, Findus, Bird Eye are iconic, I can tell you in these countries Ledo, Frikom are just fantastic breads so overall you know it's a good dynamic

154

00:40:58.620 --> 00:41:08.100

Robert Moskow - Credit Suisse: Okay, so it's the consumer, there is is getting back to normal mobility but you're not seeing a negative impact on the category, like you, are in the UK.

155

00:41:09.750 --> 00:41:14.580

.: Well again, you know don't forget that you have a combination of.

156

00:41:15.270 --> 00:41:23.400

.: of on-trade and off-trade so, which is much more pronounced than the rest of our business. so let's say.

157

00:41:24.780 --> 00:41:37.260

.: On switch which suffered a lot out-of-home, which suffered a lot is coming back and definitely there is a bit of a decline in terms of a very much in line with the rest of the business in in.

158

00:41:38.700 --> 00:41:47.610

.: enough trade in retail so no overall it's it's very much in line nothing, nothing significantly different, compared to

159

00:41:48.090 --> 00:42:00.930

.: the rest of the business with one significant difference, though there is more on-trade, which is good for us, bbut basically it was tough during COVIDa and now it's coming back up.

160

00:42:01.980 --> 00:42:02.940

Robert Moskow - Credit Suisse: got it Thank you.

161

00:42:04.230 --> 00:42:04.830

.: you're welcome.

162

00:42:08.010 --> 00:42:12.180

OE Operator | Shannon: As a reminder, please use the raise hand feature, if you would like to ask the question.

163

00:43:03.630 --> 00:43:05.760

.: Shannon, are there any more questions.

164

00:43:17.130 --> 00:43:19.230

OE Operator | Shannon: It looks like not at this time.

165

00:43:23.100 --> 00:43:26.370

.: We had a lot of answers to all the questions but fine.

166

00:43:30.660 --> 00:43:38.040

OE Operator | Shannon: All right, well, that concludes our question and answer session, I will now turn the call back to nomad food co Stefan Descheemaeker for concluding remarks.

167

00:43:39.570 --> 00:43:45.120

Stefan Descheemaeker.: Thank you Shannon, thank you for your participation or third quarter 2021 earnings call.

168

00:43:46.260 --> 00:43:55.770

.: We navigating through a volatile macro backdrop by delivering all near-term financial objectives and investing the long term health of our business.

169

00:43:56.970 --> 00:44:10.020

.: We are on pace to achieve another year of double digit adjusted EPS growth in 2021 and are excited to integrate the recently acquired Fortenova transaction, which we expect to be high single digit accretive next year.

170

00:44:11.790 --> 00:44:43.980

.: In summary, we remain on the right path to achieving, if not, exceeding the 2025 financial goals that we set at last year's Investor Day and look forward to updating you on our progress with the next report on our fourth quarter call early 2022.