



Nomad Foods

THIRD QUARTER 2022

Earnings Results

November 9, 2022

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Certain statements and matters discussed in this 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 about the Company’s: (i) future operating and financial performance of the Company, including its expectations regarding sales trends, margin recovery, capital expenditures and market share performance, its Adjusted EPS target for 2025 and its reiterated 2022 guidance with respect to revenue, revenue growth, organic revenue, organic revenue growth, volume, Adjusted EBITDA, Adjusted EPS and Adjusted EPS growth, (ii) ability to drive growth through cost management, innovation and service execution, (iii) expectations regarding the Company’s long-term sustainability objectives, including its expectations regarding sustainable fishing and responsibly farming, (iv) expectations regarding free cash flow growth and conversion, (v) expectations regarding Fortenova’s and Green Cuisine’s future operating performance, innovation at Green Cuisine and the long-term future of the Green Cuisine brand, (vi) expectations regarding the Company’s future success and growth potential, (vii) expectations regarding ability to successfully counteract inflation and volume losses, and rebuild margins and cash flow through additional price increases in Q4, (viii) ability to adapt its supply chain to mitigate new cost and logistics challenges, (ix) ability to successfully implement its new fish strategy and make improvements to its supply chain, (x) commitment to sustainability, the ability to meet its 2025 sustainability targets and the performance of the frozen food category in the future, (xi) expectations regarding the effects of the war in Ukraine on its business, including supply chain disruption, higher costs and price elasticity, (xii) expectations regarding future capital allocation, including the Company’s share repurchase program and (xiii) expectations regarding the effects of the EU Unfair Trading Practice Directive on the Company. 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.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including: (i) the Company’s ability to effectively mitigate factors that negatively impact its supply of raw materials, including the conflict in Ukraine; (ii) the Company’s ability to successfully mitigate inflationary changes in the market, (iii) the impact of the COVID-19 pandemic on the Company’s business, suppliers, co-manufacturers, distributors, transportation or logistics providers, customers, consumers and employees; (iv) disruptions or inefficiencies in the Company’s operations or supply chain, including as a result of the COVID-19 pandemic and the conflict in Ukraine, and the Company’s ability to maintain the health and safety of its workforce; (v) the Company’s ability to successfully implement its strategies (Including its M&A strategy) or strategic initiatives and recognize the anticipated benefits of such strategic initiatives; (vi) 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 brands’ performance; (vii) the Company’s ability to effectively compete in its markets, including the ability of Green Cuisine to effectively compete in continental Europe; (viii) 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; (ix) the effects of reputational damage from unsafe or poor quality food products; (x) increases in operating costs, including labor costs, and the Company’s ability to manage its cost structure; (xi) fluctuations in the availability of food ingredients and packaging materials that the Company uses in its products, including as a result of the conflict in Ukraine; (xii) the Company’s ability to protect its brand names and trademarks; (xiii) new regulations governing the import and export of goods between the UK and the European Union as a result 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; (xiv) the loss of any of the Company’s major customers or a decrease in demand for its products; (xv) economic conditions that may affect the Company’s future performance including exchange rate fluctuations; and (xvi) the other risks and uncertainties disclosed in the Company’s public filings and any other public disclosures by the Company.

Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. 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.

Unless otherwise indicated, market and competitive position data in this Presentation has been published by Nielsen or Euromonitor. Given this data has been obtained from industry publications and surveys or studies conducted by third-party sources, there are limitations with respect to the availability, accuracy, completeness and comparability of such data. The Company has not independently verified such data, can provide no assurance of its accuracy or completeness and is not under any obligation to update, complete, revise or keep current the information contained in this Presentation. Certain statements in this document regarding the market and competitive position data are based on the internal analyses of the Company, which involves certain assumptions and estimates. These internal analyses have not been verified by any independent sources and there can be no assurance that the assumptions or estimates are accurate.

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 EPS, Adjusted EPS growth, Adjusted EBITDA growth, Adjusted EPS growth, Adjusted Free Cash Flow and Free Cash Flow Conversion. Nomad Foods believes 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 maybe 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.

Third Quarter 2022 Key Financial Metrics

Total Revenue

€760m

+26.7%
YoY Growth

Gross Margin

29.1%

110bps
YoY growth

Adjusted
EBITDA

€153m

+35.3%
YoY Growth

Adjusted
EPS

€0.52

+48.6%
YoY Growth

Third Quarter Performance



- Delivered strong revenue growth (+26.7%) in a challenging consumer environment, generating +7.2% in organic sales
- Sales growth reflects the successful execution of our pricing strategy and the inclusion of our recent acquisition
- Double-digit Q3 net pricing has helped offset raw material inflation for the year
- We are fully covered on raw material costs for 2022 and are on schedule for 2023
- Q3 value share was down slightly across Europe; Must Win Battles (MWB) value share flat year-to-date
- Current debt refinancing deal would extend profile to 2028-29
- We are reiterating our Adjusted EPS guidance at €1.65 to €1.71 for 2022; this represents high-single-digit Adjusted EPS growth

Third Quarter Business Highlights

Pricing: Double-digit price increase landed

- Q3 price increases successfully executed (+10.6% net pricing)
- Q4 increase should position us for a strong start to 2023

Fish supply: Diversification strategy in full motion

- Secured supply with major high quality farmed fish suppliers
- Ensures geographical diversification of our fish supply
- New sustainable, ASC-compliant sources create an additional platform for product innovation

Adriatic region: Successful integration ahead of schedule

- Strong summer season performance supported by good tourism traffic and warm weather
- Integration ahead of schedule and results have exceeded our expectations
- Fifth Nomad acquisition delivering ahead of target

Third Quarter 2022 Key Operating Highlights

(in €m unless otherwise noted)	3Q 2022	3Q 2021	YoY Change
Revenue	€760	€599	27%
Organic revenue growth/(decline)			7%
Gross profit	221	168	32%
Gross margin	29.1%	28.0%	110 bp
Adjusted operating expense	(91)	(72)	27%
Depreciation & amortization	23	17	32%
Adjusted EBITDA	€153	€113	35%
Adjusted EBITDA margin	20.2%	18.9%	130 bp
Adjusted profit for the period	90	63	43%
Adjusted EPS	€0.52	€0.35	49%

Third Quarter 2022 Free Cash Flow Highlights

(in €m unless otherwise noted)	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Adjusted EBITDA	€411	€374
Change in working capital	(219)	(113)
Capital expenditures ¹	(55)	(51)
Cash taxes	(44)	(63)
Cash interest & other ²	(69)	(48)
Adjusted free cash flow	€24	€99
Adjusted profit for the period	€236	€218
Adjusted free cash flow as % adjusted profit for the period	10%	45%

¹ Calculated as the sum of purchases of property, plant & equipment and intangible non-current assets.

² Calculated as the sum of net interest paid, proceeds/payments on settlement of derivatives and lease liability payments.

Reiterate 2022 Guidance

Total Revenue

High-single digit
Growth

Organic Revenue

Low-single digit
Growth

Adjusted EPS

High-single digit
Growth

Adjusted EPS
€1.65 - 1.71

Our 2025 Adjusted EPS target remains at €2.30

A dark blue, semi-transparent overlay covers the entire image. In the background, a plate of food is visible, featuring what appears to be a breaded item, possibly a fish fillet or a vegetable, and some green leafy vegetables. The plate is set on a table with a striped cloth. The word "Questions?" is centered in a large, white, sans-serif font.

Questions?

A photograph of a plate of food, possibly a salad or a dish with bread and vegetables, is shown. The image is heavily overlaid with a dark blue color, making the details of the food less distinct. The word "Appendix" is centered over the image in a large, white, sans-serif font.

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/(decline).
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 and exceptional items to the extent included in our financial statements such as material restructuring charges, material goodwill and intangible asset impairment charges, other material unusual or non-recurring items, as well as additional items that management deems to be exceptional and appropriate for adjustment. 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 Profit for the period is defined as profit for the period excluding, when they occur, the impacts of exited markets, acquisition purchase price adjustments 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 Profit after tax 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 and exceptional items to the extent included in our financial statements such as material restructuring charges, material goodwill and intangible asset impairment charges, unissued preferred share dividends, other material unusual or non-recurring items, as well as additional items that management deems to be exceptional and appropriate for adjustment. 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 (as described above) and non-cash foreign currency translation charges/gain.

Organic Revenue Growth/(Decline) – Organic revenue growth/(decline) 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 reflects reported revenue adjusted for currency translation and non-comparable trading items such as expansion, acquisitions, disposals, closures, 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 (as described above), 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/(decline)

Year on Year Growth - September 30, 2022 compared to September 30, 2021

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
	YoY Change	YoY Change
Reported Revenue Growth	26.7%	15.1%
Of which:		
- Organic Revenue Growth/(Decline)	7.2%	(0.4)%
- Acquisitions	19.4%	14.7%
- Translational FX (a)	0.1%	0.8%
Total	26.7%	15.1%

(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 September 30, 2022

€ in millions, except per share data	As reported for the three months ended September 30, 2022	Adjustments		As adjusted for the three months ended September 30, 2022
Revenue	759.6	—		759.6
Cost of sales	(538.5)	—		(538.5)
Gross profit	221.1	—		221.1
Other operating expenses	(93.4)	2.9	(a)	(90.5)
Exceptional items	(18.9)	18.9	(b)	—
Operating profit	108.8	21.8		130.6
Finance income	12.1	(11.9)		0.2
Finance costs	(16.5)	—		(16.5)
Net financing costs	(4.4)	(11.9)	(c)	(16.3)
Profit before tax	104.4	9.9		114.3
Taxation	(22.3)	(2.0)	(d)	(24.3)
Profit for the period	82.1	7.9		90.0
Weighted average shares outstanding in millions - basic	174.1			174.1
Basic earnings per share	0.47			0.52
Weighted average shares outstanding in millions - diluted	174.1			174.1
Diluted earnings per share	0.47			0.52

- (a) Represents share based payment charge including employer payroll taxes of €2.6 million and non-operating M&A transaction costs of €0.3 million.
- (b) Represents 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 €7.2 million of foreign exchange translation gains and €4.7 million of gains on derivatives.
- (d) Represents 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.

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

Adjusted Statement of Profit or Loss (unaudited)
Three Months Ended September 30, 2021

€ in millions, except per share data	As reported for the three months ended September 30, 2021	Adjustments		As adjusted for the three months ended September 30, 2021
Revenue	599.4	—		599.4
Cost of sales	(431.8)	—		(431.8)
Gross profit	167.6	—		167.6
Other operating expenses	(80.5)	9.0	(a)	(71.5)
Exceptional items	(6.5)	6.5	(b)	—
Operating profit	80.6	15.5		96.1
Finance income	10.4	(10.4)		—
Finance costs	(25.4)	8.8		(16.6)
Net financing costs	(15.0)	(1.6)	(c)	(16.6)
Profit before tax	65.6	13.9		79.5
Taxation	(13.9)	(2.5)	(d)	(16.4)
Profit for the period	51.7	11.4		63.1
Weighted average shares outstanding in millions - basic	178.2			178.2
Basic earnings per share	0.29			0.35
Weighted average shares outstanding in millions - diluted	178.2			178.2
Diluted earnings per share	0.29			0.35

(a) Share based payment charge including employer payroll taxes of €0.8 million and non-operating M&A transaction costs of €8.2 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 a €2.8 million gain from the reversal of an impairment loss on a short-term investment, €7.6 million of foreign exchange translation gains and €8.8 million of losses on derivatives, which includes a one-off non-cash charge of €7.8 million for changes to cross currency interest rate swaps.

(d) Represents 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.

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

Adjusted Statement of Profit or Loss (unaudited)

Nine Months Ended September 30, 2022

€ in millions, except per share data	As reported for the nine months ended September 30, 2022	Adjustments		As adjusted for the nine months ended September 30, 2022
Revenue	2,189.5	—		2,189.5
Cost of sales	(1,566.9)	—		(1,566.9)
Gross profit	622.6	—		622.6
Other operating expenses	(287.6)	10.6	(a)	(277.0)
Exceptional items	(25.2)	25.2	(b)	—
Operating profit	309.8	35.8		345.6
Finance income	12.5	(12.3)		0.2
Finance costs	(47.6)	—		(47.6)
Net financing costs	(35.1)	(12.3)	(c)	(47.4)
Profit before tax	274.7	23.5		298.2
Taxation	(62.0)	(0.5)	(d)	(62.5)
Profit for the period	212.7	23.0		235.7
Weighted average shares outstanding in millions - basic	174.2			174.2
Basic earnings per share	1.22			1.35
Weighted average shares outstanding in millions - diluted	174.2			174.2
Diluted earnings per share	1.22			1.35

(a) Represents share based payment charge including employer payroll taxes of €7.4 million and non-operating M&A transaction costs of €3.2 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 €10.8 million of foreign exchange translation gains and €1.5 million of gains on derivatives.

(d) Represents 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.

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

Adjusted Statement of Profit or Loss (unaudited) Nine Months Ended September 30, 2021

€ in millions, except per share data	As reported for the nine months ended September 30, 2021	Adjustments		As adjusted for the nine months ended September 30, 2021
Revenue	1,902.6	—		1,902.6
Cost of sales	(1,338.6)	2.3	(a)	(1,336.3)
Gross profit	564.0	2.3		566.3
Other operating expenses	(257.6)	14.4	(b)	(243.2)
Exceptional items	(21.6)	21.6	(c)	—
Operating profit	284.8	38.3		323.1
Finance costs	(90.4)	42.4		(48.0)
Net financing costs	(90.4)	42.4	(d)	(48.0)
Profit before tax	194.4	80.7		275.1
Taxation	(42.2)	(14.4)	(e)	(56.6)
Profit for the period	152.2	66.3		218.5
Weighted average shares outstanding in millions - basic	178.1			178.1
Basic earnings per share	0.85			1.23
Weighted average shares outstanding in millions - diluted	178.1			178.1
Diluted earnings per share	0.85			1.23

- (a) Represents non-cash fair value uplift of inventory recorded as part of the Findus Switzerland purchase price accounting.
- (b) Represents share based payment charge including employer payroll taxes of €2.3 million and non-operating M&A transaction costs of €12.1 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 €17.9 million of charges recognized as part of the refinancing on June 24, 2021, a one-time net €9.6 million loss from the impairment of a short-term investment, which was made with surplus cash as part of our cash management activities, €4.5 million foreign exchange translation losses and €10.4 million of losses on derivatives, which includes a one-off non-cash charge of €7.8 million for changes to cross currency interest rate swaps.
- (e) Represents 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.

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

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

€ in millions	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Profit for the period	82.1	51.7	212.7	152.2
Taxation	22.3	13.9	62.0	42.2
Net financing costs	4.4	15.0	35.1	90.4
Depreciation & amortization	22.6	17.1	65.8	50.7
Acquisition purchase price adjustments ^(a)	—	—	—	2.3
Exceptional items ^(b)	18.9	6.5	25.2	21.6
Other add-backs ^(c)	2.9	9.0	10.6	14.4
Adjusted EBITDA	153.2	113.2	411.4	373.8
Revenue	759.6	599.4	2,189.5	1,902.6
Adjusted EBITDA margin ^(d)	20.2%	18.9%	18.8%	19.6%

(a) Non-cash fair value uplift of inventory recorded as part of the Findus Switzerland 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 September 30, 2022 of €2.6 million (2021: €0.8 million) and for the nine months ended September 30, 2022 of €7.4 million (2021: €2.3 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 September 30, 2022 of €0.3 million (2021: €8.2 million) and for the nine months ended September 30, 2022 of €3.2 million (2021: €12.1 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.

(d) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by Revenue.

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

Reconciliation of reported net cash flows from operating activities to Adjusted free cash flow for the nine months ended September 30, 2022 and the nine months ended September 30, 2021

(in €m)	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Net Cash Flows From Operating Activities	96.9	161.6
Add back:		
Cash flows relating to exceptional items ^(a)	46.2	23.2
Employer taxes related to share based payments ^(b)	1.5	0.5
Non-operating M&A costs ^(c)	3.2	12.1
Deduct:		
Capital expenditure ^(d)	(55.4)	(50.7)
Net interest paid	(49.2)	(31.3)
Proceeds on settlement of derivatives	0.3	(2.3)
Payment of lease liabilities ^(e)	(19.6)	(14.0)
Adjusted free cash flow	23.9	99.1

(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) These lease liabilities are included in Net Cash Flows from Financing Activities. We believe these payments are part of the underlying business cash flows and should be reflected in Adjusted free cash flow.