

# Nomad Foods

THIRD QUARTER 2024

## Earnings Results

Nov. 14, 2024





# Disclaimer

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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 expectations regarding: (i) future operating and financial performance, including its sales trends, margins, capital expenditures, and market share performance, (ii) its 2024 guidance, including revenue growth, organic revenue growth, volume growth, adjusted free cash flow conversion, Adjusted free cash flow, Adjusted EBITDA, Adjusted EBITDA growth, Adjusted EPS, and Adjusted EPS growth, (iii) commercial and financial goals, (iv) its ability to continue to deliver sustainable results, (v) new products and product launches in our markets, (vi) its future success and growth potential in 2024 and beyond, (vii) total SG&A expense and A&P spend, (viii) ability to regain volume and market share momentum, including capturing a greater share of the frozen food market in Eastern Europe, (ix) expectations regarding our marketing, merchandising and innovation efforts, (x) moderating costs, increasing productivity, higher margin mix and optimized promotions, (xi) its capital allocation strategy, (xii) the impact of the ERP transformation on its future operating and financial performance, including on sales and working capital (xiii) organic sales growth in the fourth quarter and into 2025, (xiv) volume growth, including as a result of our renewed flywheel, and (xv) its ability to maximize shareholder returns, including through future dividends and share repurchases. 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) disruptions or inefficiencies in the Company’s operations or supply chain, including as a result of the conflict in Ukraine; (iv) 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; (v) innovations introduced to the markets and the Company’s ability to accurately forecast the brands’ performance; (vi) the Company’s ability to effectively compete in its markets; (vii) 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; (viii) the impact of a pandemic on the Company’s business, suppliers, co-manufacturers, distributors, transportation or logistics providers, customers, consumers and employees, and the Company’s ability to maintain the health and safety of its workforce; (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; (xii) the Company’s ability to protect its brand names and trademarks; (xiii) the Company’s ability to prevent, or remediate, any future cybersecurity incidents; (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; (xvi) the Company’s ability to remediate any material weaknesses in its internal control over financial reporting; and (xvii) 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.

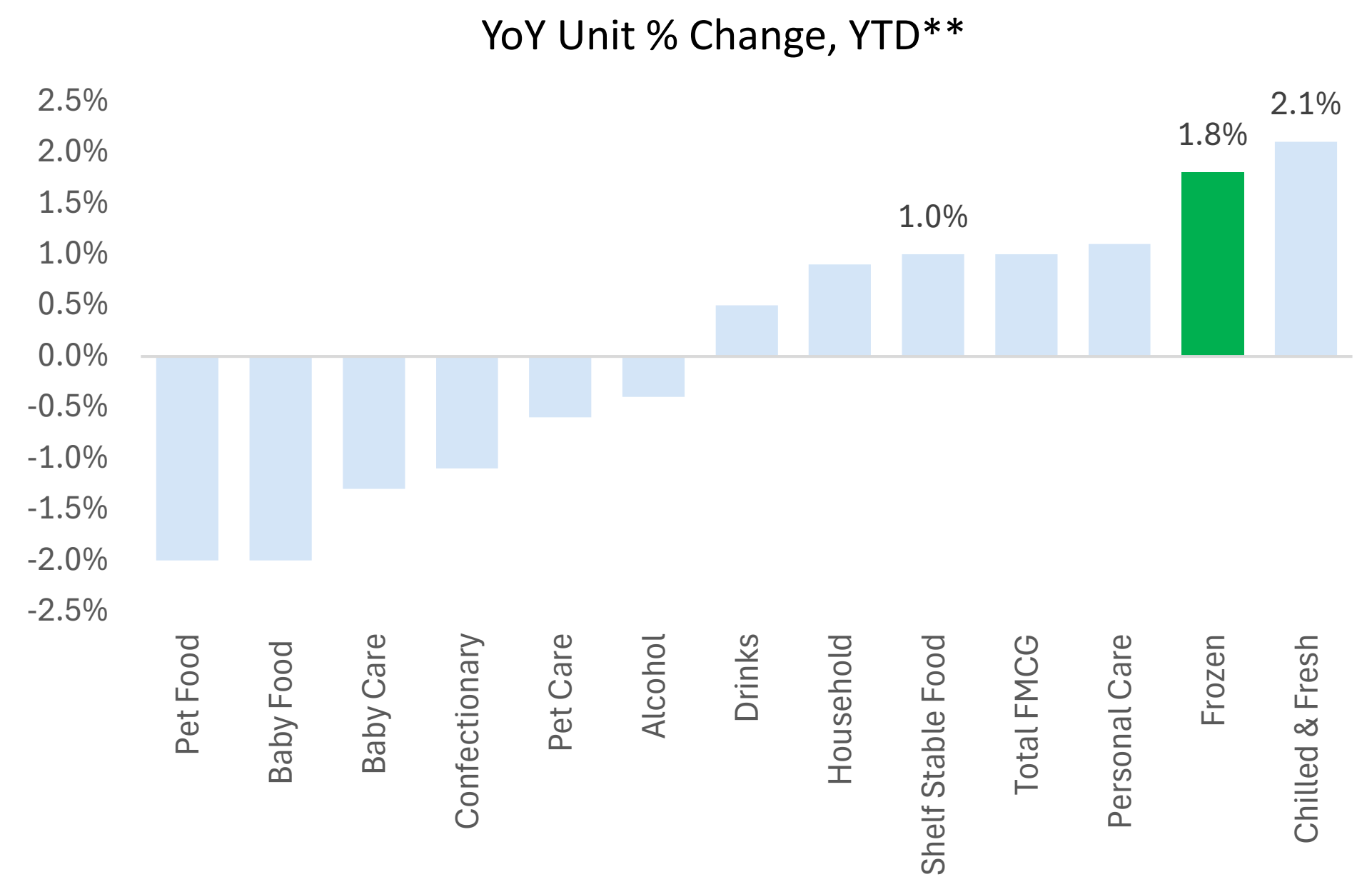
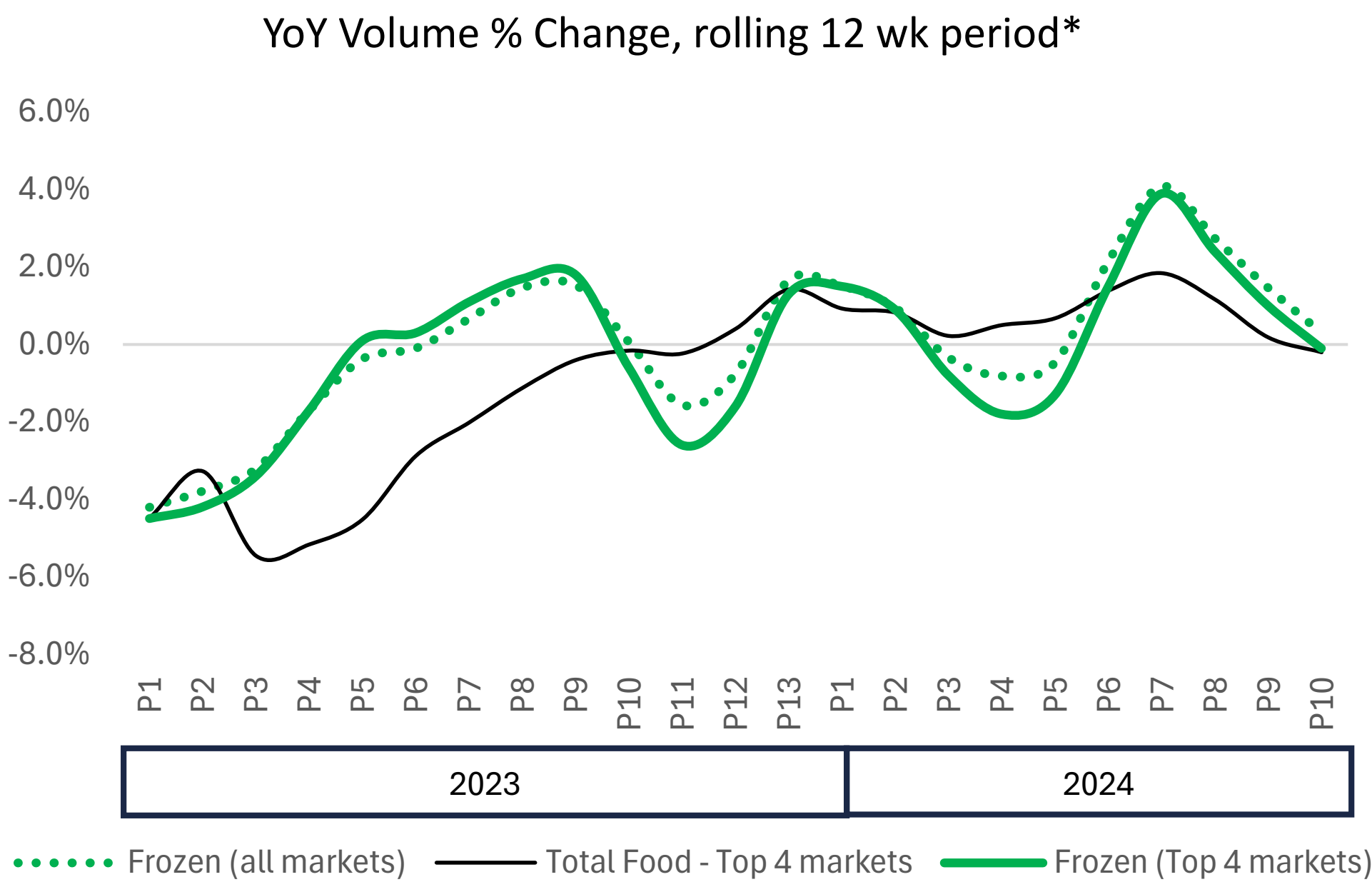
Unless otherwise indicated, market and competitive position data in this Presentation has been published by Nielsen or Euromonitor. Given this data has been obtained from industry publications and surveys or studies conducted by third-party sources, there are limitations with respect to the availability, 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 operating expenses, Adjusted net income, 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. The Company is unable to reconcile, without unreasonable efforts, Adjusted EBITDA and Adjusted EPS guidance to the most directly comparable IFRS measures.

# Third Quarter Highlights

- Supply Chain productivity, favorable mix from Must Win Battles & Growth Platforms and promotional timing drove gross margin +390 bps YoY to 32.3%.
- Adjusted EBITDA rose 19% YoY in the quarter as gross profit gains more than offset higher SG&A as we continued to increase investment behind our capability and growth initiatives.
- Net sales rose by 0.8%, resulting in the ninth consecutive quarter of positive organic growth and second consecutive quarter of volume growth (+0.7%).
- Temporary ERP disruptions negatively impacted topline (roughly 2.5% estimated YoY net sales impact).
- Value and volume market share returned to growth despite ERP disruptions.
- Modestly lowering 2024 organic sales, Adjusted EBITDA growth and Adjusted EPS guidance.

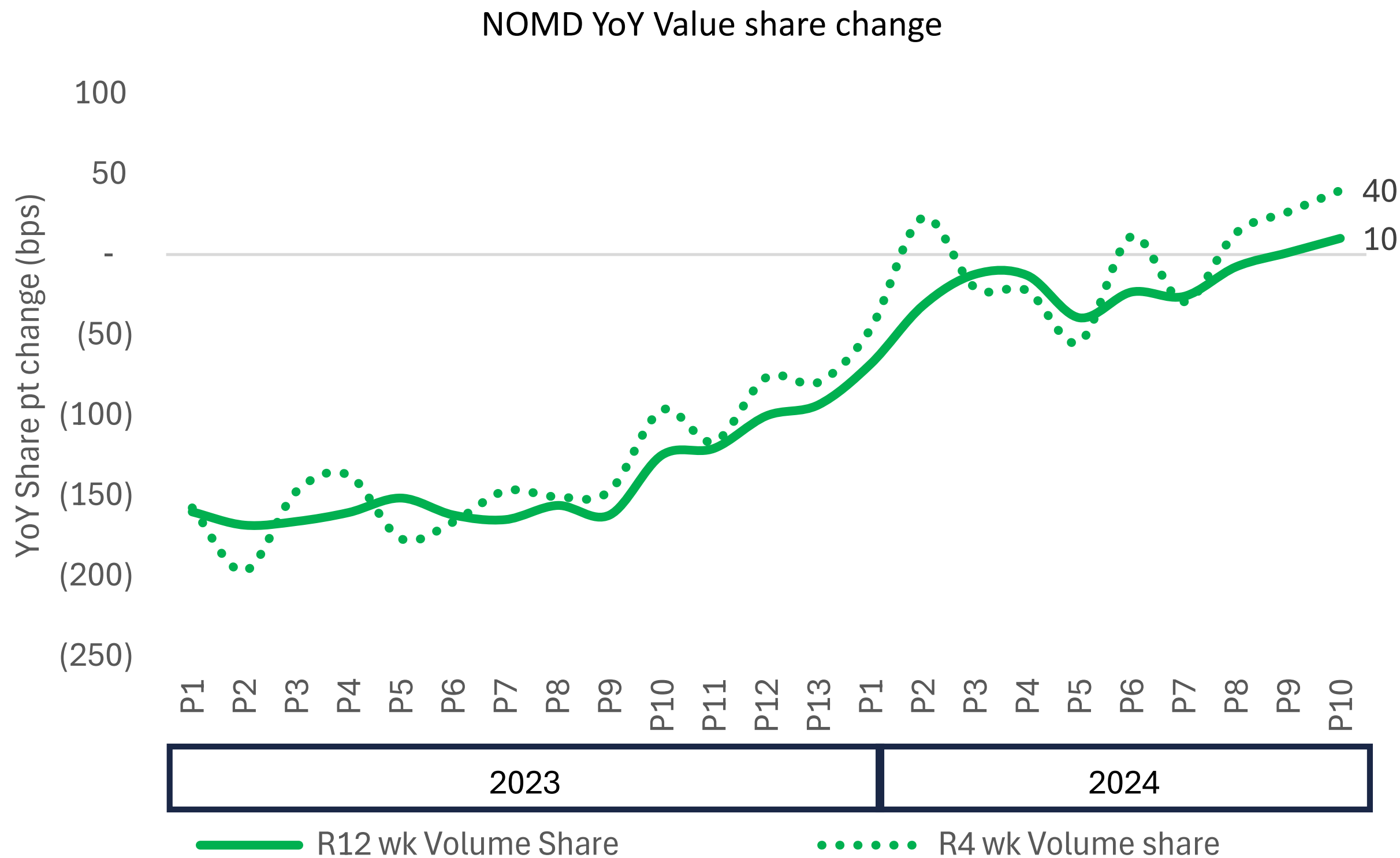
# Frozen's growth leadership sustains



Source: \*NielsenIQ, top 4 markets include UK, France, Germany & Italy; \*\* Circana October Demand Signals report.



# Nomad's volume share is improving ahead of an innovation fueled distribution recovery



Source: NielsenIQ & Circana.



# Innovation in Action; Western Europe

## Must Win Battles



## Growth Platforms





# Innovation in Action; Southeastern Europe

## Must Win Battles



## Growth Platforms





# Key Financial Metrics

Total Revenue

€770m

+0.8% growth

+0.3% organic\*\*

Gross Margin

32.3%

+390 bps YoY

Adjusted  
EBITDA\*\*

€166m

+19% growth

Adjusted  
EPS\*\*

€0.55

\$0.59\*

+28% growth

\*Q3 24 Adjusted EPS converted to USD, the currency in which Nomad Foods shares trade, for illustrative purposes and based on USD/EUR FX rate of 1.08 as of November 7, 2024

\*\* Represents a non-IFRS measure. Please see Appendix for a reconciliation of these non-IFRS measures to their directly comparable measures



# Operating Highlights

(in €m unless otherwise noted)	3Q 2024	3Q 2023	YoY Change
<b>Revenue</b>	<b>€770</b>	<b>€764</b>	<b>0.8%</b>
Organic revenue growth/(decline)*			0.3%
<b>Gross profit</b>	<b>248</b>	<b>217</b>	<b>15%</b>
Gross margin	32.3%	28.4%	390 bp
Adjusted operating expense*	(107)	(100)	7%
Depreciation & amortization	25	23	8%
<b>Adjusted EBITDA*</b>	<b>€166</b>	<b>€140</b>	<b>19%</b>
Adjusted EBITDA margin*	21.6%	18.3%	330 bp
Adjusted profit for the period*	89	73	22%
<b>Adjusted EPS*</b>	<b>€0.55</b>	<b>€0.43</b>	<b>28%</b>

\* Represents a non-IFRS measure. Please see Appendix for a reconciliation of these non-IFRS measures to their directly comparable measures



# Free Cash Flow Highlights

(in €m unless otherwise noted)	9 months ended September 30, 2024	9 months ended September 30, 2023
<b>Adjusted EBITDA*</b>	<b>€428</b>	<b>€418</b>
Change in working capital	(132)	(68)
Capital expenditures <sup>1</sup>	(56)	(59)
Cash taxes	(29)	(53)
Cash interest & other <sup>2</sup>	(106)	(113)
<b>Adjusted free cash flow*</b>	<b>€105</b>	<b>€125</b>
Adjusted profit for the period*	€222	€223
<b>Adjusted free cash flow as % adjusted profit for the period*</b>	<b>47%</b>	<b>56%</b>

\* Represents a non-IFRS measure. Please see Appendix for a reconciliation of these non-IFRS measures to their directly comparable measures

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

<sup>2</sup> Calculated as the sum of net interest paid, proceeds/payments on settlement of derivatives and lease liability payments. A payment of €9.2 million relating to a legacy tax audit has been excluded.



# Updated 2024 Guidance

## Organic Revenue

**1 - 2%**  
growth  
(prior +3 - 4%)

Including  
Positive  
Volume  
Growth

## Adjusted EBITDA\*\*

**3 - 5%**  
growth  
(prior 4 - 6%)

## Adjusted EPS\*\*

**€1.72 - €1.77**  
7% - 10% growth  
(prior €1.75 - €1.80)

**\$1.86 - \$1.91\***

## Adjusted Free Cash Flow Conversion\*\*

**90 - 95%**  
(unchanged)

\*2024 Adjusted EPS guidance range converted to USD, the currency in which Nomad Foods shares trade, for illustrative purposes and based on USD/EUR FX rate of 1.08 as of November 7, 2024.

\*\*Represents a non-IFRS measure. Please see Appendix for a reconciliation of these non-IFRS measures to their directly comparable measures





# 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, net financing income/(cost) on amendment of terms of debt, interest cost on tax relating to legacy tax audits, foreign exchange translation gains/(losses), foreign exchange gains/(losses) on derivatives, 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 diluted earnings per share 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, net financing income/(cost) on amendment of terms of debt, interest cost on tax relating to legacy tax audits, foreign exchange translation gains/(losses), foreign exchange gains/(losses) on derivatives, 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 (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 less cash flows (i) related to exceptional items (as described above), (ii) non-operating M&A related costs and (iii) working capital movements on employer taxes associated with share based payment awards, plus (i) capital expenditure (on property, plant and equipment and intangible assets), (ii) net interest paid, (iii) proceeds/(payments) on settlement of derivatives where hedge accounting is not applied and (iv) 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, 2024 compared to September 30, 2023

	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024
	YoY Change	YoY Change
Reported Revenue Growth	0.8%	1.0%
Of which:		
- Organic Revenue Growth	0.3%	0.3%
- Translational FX (a)	0.5%	0.7%
Total	0.8%	1.0%

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 September 30, 2024

€ in millions, except per share data	As reported for the three months ended September 30, 2024	Adjustments		As adjusted for the three months ended September 30, 2024
Revenue	769.6	—		769.6
Cost of sales	(521.4)	—		(521.4)
<b>Gross profit</b>	248.2	—		248.2
Other operating expenses	(111.5)	4.5	(a)	(107.0)
Exceptional items	(14.3)	14.3	(b)	—
<b>Operating profit</b>	122.4	18.8		141.2
Finance income	1.8	—		1.8
Finance costs	(37.2)	5.1		(32.1)
<b>Net financing costs</b>	(35.4)	5.1	(c)	(30.3)
<b>Profit before tax</b>	87.0	23.9		110.9
Taxation	(16.7)	(4.9)	(d)	(21.6)
<b>Profit for the period</b>	70.3	19.0		89.3
Weighted average shares outstanding in millions - basic	161.4			161.4
<b>Basic earnings per share</b>	0.44			0.55
Weighted average shares outstanding in millions - diluted	161.5			161.5
<b>Diluted earnings per share</b>	0.44			0.55

a. Represents share based payment charge including employer payroll taxes of €4.2 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 €5.1 million of foreign exchange translation losses.

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, 2023

€ in millions, except per share data	As reported for the three months ended September 30, 2023	Adjustments		As adjusted for the three months ended September 30, 2023
Revenue	763.5	—		763.5
Cost of sales	(546.8)	—		(546.8)
<b>Gross profit</b>	216.7	—		216.7
Other operating expenses	(104.8)	4.6	(a)	(100.2)
Exceptional items	(13.5)	13.5	(b)	—
<b>Operating profit</b>	98.4	18.1		116.5
Finance income	24.4	(23.0)		1.4
Finance costs	(26.4)	0.5		(25.9)
<b>Net financing costs</b>	(2.0)	(22.5)	(c)	(24.5)
<b>Profit before tax</b>	96.4	(4.4)		92.0
Taxation	(18.8)	—	(d)	(18.8)
<b>Profit for the period</b>	77.6	(4.4)		73.2
Weighted average shares outstanding in millions - basic	170.3			170.3
<b>Basic earnings per share</b>	0.46			0.43
Weighted average shares outstanding in millions - diluted	170.3			170.3
<b>Diluted earnings per share</b>	0.46			0.43

- a. Represents share based payment charge including employer payroll taxes of €4.4 million and non-operating M&A transaction costs of €0.2 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 €17.1 million of net gains on repricing of debt, €5.9 million of foreign exchange translation gains, €0.1 million of interest charges on tax relating to legacy tax audits, as well as €0.4 million of foreign exchange losses 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.



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

#### Adjusted Statement of Profit or Loss (unaudited)

Nine Months Ended September 30, 2024

€ in millions, except per share data	As reported for the nine months ended September 30, 2024	Adjustments		As adjusted for the nine months ended September 30, 2024
Revenue	2,306.4	—		2,306.4
Cost of sales	(1,614.5)	—		(1,614.5)
<b>Gross profit</b>	691.9	—		691.9
Other operating expenses	(346.2)	10.9	(a)	(335.3)
Exceptional items	(50.2)	50.2	(b)	—
<b>Operating profit</b>	295.5	61.1		356.6
Finance income	25.7	(20.1)		5.6
Finance costs	(104.6)	17.8		(86.8)
<b>Net financing costs</b>	(78.9)	(2.3)	(c)	(81.2)
<b>Profit before tax</b>	216.6	58.8		275.4
Taxation	(40.9)	(12.8)	(d)	(53.7)
<b>Profit for the period</b>	175.7	46.0		221.7
Weighted average shares outstanding in millions - basic	162.5			162.5
<b>Basic earnings per share</b>	1.08			1.36
Weighted average shares outstanding in millions - diluted	162.7			162.7
<b>Diluted earnings per share</b>	1.08			1.36

- Represents share based payment charge including employer payroll taxes of €10.0 million and non-operating M&A transaction costs of €0.9 million.
- 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.
- Elimination of €14.4 million of net gains on repricing of debt, a one-time €5.7 million gain from the reversal of an impairment of a short-term investment which was made with surplus cash as part of our cash management activities, €17.4 million of foreign exchange translation losses and €0.4 million of losses on derivatives.
- 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.

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

Adjusted Statement of Profit or Loss (unaudited)  
Nine Months Ended September 30, 2023

€ in millions, except per share data	As reported for the nine months ended September 30, 2023	Adjustments		As adjusted for the nine months ended September 30, 2023
Revenue	2,283.7	—		2,283.7
Cost of sales	(1,632.7)	—		(1,632.7)
<b>Gross profit</b>	651.0	—		651.0
Other operating expenses	(323.2)	21.8	(a)	(301.4)
Exceptional items	(54.1)	54.1	(b)	—
<b>Operating profit</b>	273.7	75.9		349.6
Finance income	21.5	(17.4)		4.1
Finance costs	(87.8)	12.7		(75.1)
<b>Net financing costs</b>	(66.3)	(4.7)	(c)	(71.0)
<b>Profit before tax</b>	207.4	71.2		278.6
Taxation	(39.4)	(16.7)	(d)	(56.1)
<b>Profit for the period</b>	168.0	54.5		222.5
Weighted average shares outstanding in millions - basic	172.8			172.8
<b>Basic earnings per share</b>	0.97			1.29
Weighted average shares outstanding in millions - diluted	172.9			172.9
<b>Diluted earnings per share</b>	0.97			1.29

- Represents share based payment charge including employer payroll taxes of €21.0 million and non-operating M&A transaction costs of €0.8 million.
- 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.
- Elimination of €17.1 million of interest on tax relating to legacy tax audits, €3.8 million of interest charges on tax relating to legacy tax audits, €7.9 million of foreign exchange translation losses, €1.0 million of losses on derivatives and a €0.3 million gain from the reversal of an impairment loss on a short-term investment.
- 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.



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

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

€ in millions	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<b>Profit for the period</b>	<b>70.3</b>	<b>77.6</b>	<b>175.7</b>	<b>168.0</b>
Taxation	16.7	18.8	40.9	39.4
Net financing costs	35.4	2.0	78.9	66.3
Depreciation & amortization	25.1	23.2	71.4	68.8
Exceptional items <sup>(a)</sup>	14.3	13.5	50.2	54.1
Other add-backs <sup>(b)</sup>	4.5	4.6	10.9	21.8
<b>Adjusted EBITDA</b>	<b>166.3</b>	<b>139.7</b>	<b>428.0</b>	<b>418.4</b>
Revenue	769.6	763.5	2,306.4	2,283.7
<b>Adjusted EBITDA margin <sup>(c)</sup></b>	<b>21.6%</b>	<b>18.3%</b>	<b>18.6%</b>	<b>18.3%</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.
- Represents the elimination of share-based payment charges including employer payroll taxes for the three month period to September 30, 2024 of €4.2 million (2023: €4.4 million) and for the nine months ended September 30, 2024 of €10.0 million (2023: €21.0 million), as well as the as well as the elimination of non-operating M&A related costs for the three month period to September 30, 2024 of €0.3 million (2023: €0.2 million) and for the nine months ended September 30, 2024 of €0.9 million (2023: €0.8 million).
- Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by Revenue.

## 4. 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, 2024 and the nine months ended September 30, 2023

(in €m)	Nine months ended September 30, 2024	Nine months ended September 30, 2023
<b>Net Cash Flows From Operating Activities</b>	<b>208.9</b>	<b>248.9</b>
Add back:		
Cash flows relating to exceptional items <sup>(a)</sup>	55.6	46.0
Employer taxes related to share based payments <sup>(b)</sup>	1.5	1.3
Non-operating M&A costs <sup>(c)</sup>	0.9	0.8
Deduct:		
Capital expenditure <sup>(d)</sup>	(55.9)	(59.1)
Net interest paid <sup>(e)</sup>	(83.7)	(90.6)
Payment of lease liabilities <sup>(f)</sup>	(22.7)	(21.9)
<b>Adjusted free cash flow</b>	<b>104.6</b>	<b>125.4</b>

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. Net interest paid in the nine month period ended September 30, 2023 excludes a payment of €9.2 million relating to a legacy tax audit.

f. 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.