

Boparan Holdings Ltd

**Q2 Results for
the 13 weeks ended
27th January 2018**

22nd March 2018

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Headlines

Robust revenue generation; despite difficult trading environment



Overall sales up 2% to £849.7m;
LFL sales up 1.5%

Operating Profit impacted by recent challenges and
cost inflation pressures, easing into H2

Clear plan to improve performance

Relentless focus on working capital efficiencies,
margin and continued strong cash generation

Building a Better Business

Taking action across divisions to recover

Q2 – THE FACTS

- Robust revenue growth
- EBITDA impacted
- Cash performance strong, driven by working capital improvements

FACTORS AFFECTING PERFORMANCE

- Recent challenges
- Restructuring costs
- Inflationary pressures, not fully offset by price increases



Building a Better Business

A clear plan to deliver:

WHAT WE ARE DOING

- Investing in the core: Poultry and Chilled
- Modernising and driving efficiencies in UK Poultry

IMPROVING FINANCIAL FLEXIBILITY

- Focus on working capital efficiencies
- Consider opportunities to realise value from our wider portfolio



Building a Better Business

Driving change and a culture of continuous improvement

ACCELERATING CHANGE PROGRAMME

- Comprehensive re-training programme
- Right frameworks to motivate our people

CONTINUOUS IMPROVEMENT

- Proposed consolidation of our Poultry operations
- Improving the efficiency and reliability of our supply chain for our customers



Financial overview

	Q2 2017-18	Q2 2016-17	Y-o-Y Variance
Revenue: Like-for-like (£m)¹	849.7	837.1	1.5%
Revenue (£m)	849.7	833.0	2.0%
EBITDA: Like-for-like (£m)^{1,2}	30.2	42.6	(29.1)%
EBITDA margin: Like-for-like (%)^{1,2}	3.6%	5.1%	(150)bps
EBITDA (£m) ²	30.2	42.3	(28.6)%
Cash flow from operations (£m)	56.6	44.1	12.5
Net Debt (£m)	788.7	763.2	25.5
LTM EBITDA (£m) ²	139.2	181.2	(42.0)
Net debt to EBITDA ratio²	5.67 x	4.21 x	1.46 x

Q2 results:

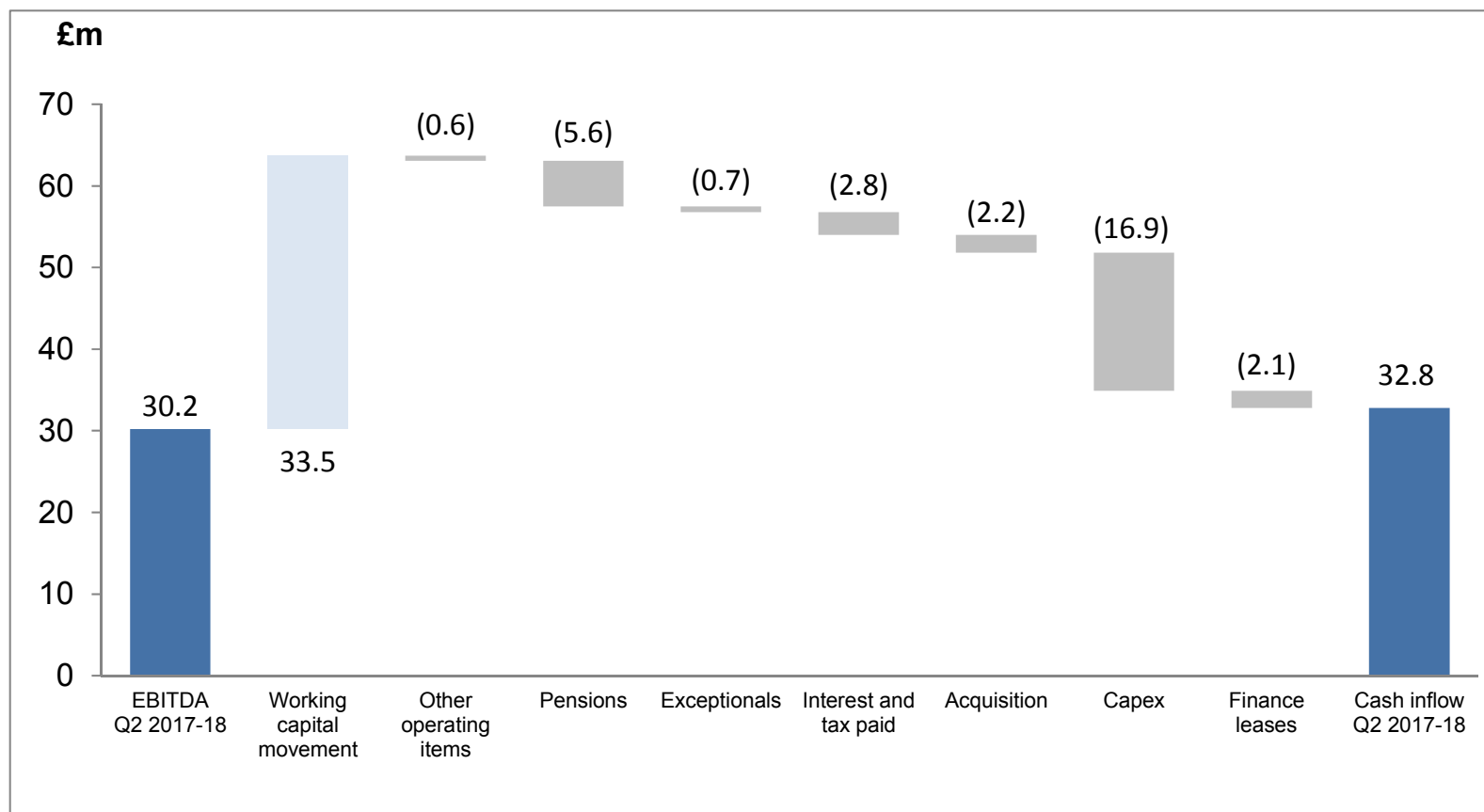
- EBITDA performance in line with expectations
- Short-term Brexit and Site D related issues now being addressed
- Cash flow strongly ahead
- Debt levels ahead of last year, but down quarter on quarter



1. LFL Revenue & EBITDA comparatives adjusted for the impact of exchange rate movements year on year.
 2. EBITDA excludes pension scheme admin expenses of £0.6m (Q2 2016-17: £0.6m).

Cashflow

Q2 2017/18 Cashflow

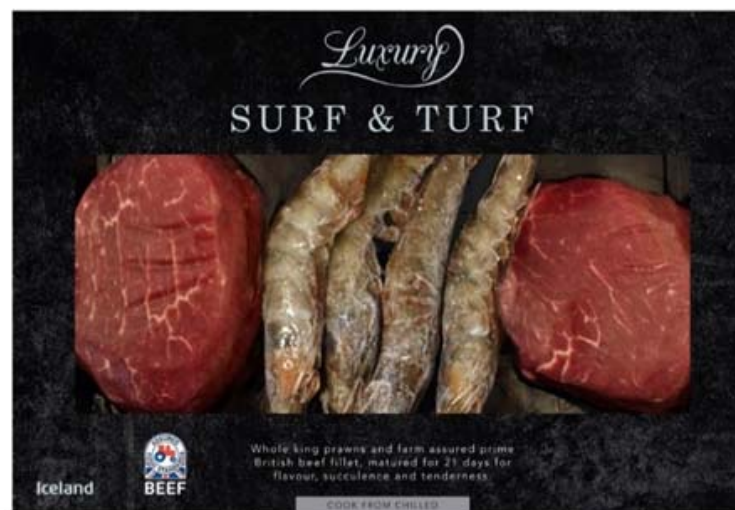


- Focus on working capital is paying off
- Maintaining agreed pension contributions
- Capex remains tightly controlled

Protein performance

Protein – UK and European Poultry & Red Meat

Year on year	Q2 2017-18	Q2 2016-17	Y-o-Y Variance
Revenue: Like-for-like (£m)¹	569.6	552.3	3.1%
Revenue (£m)	569.6	548.6	3.8%
EBITDA: Like-for-like (£m)¹	2.6	14.9	(82.6)%
EBITDA margin: Like-for-like (%)¹	0.5%	2.7%	(220)bps
EBITDA (£m)	2.6	14.8	(82.4)%



- Like-for-like sales growth of 3.1%
- EBITDA impacted by costs of Site D suspension
- Volumes maintained
- Inflationary pressures not fully offset by price increases
- Plans to mitigate via reconfiguration of supply chain

Chilled performance

Chilled – Meal Solutions

Year on year	Q2 2017-18	Q2 2016-17	Y-o-Y Variance
Revenue: Like-for-like (£m)¹	171.6	175.7	(2.3)%
Revenue (£m)	171.6	175.7	(2.3)%
EBITDA: Like-for-like (£m)^{1,2}	14.4	12.6	14.3%
EBITDA margin: Like-for-like (%)^{1,2}	8.4%	7.2%	120bps
EBITDA (£m) ²	14.4	12.6	14.3%

- Like-for-like sales down by 2.3% reflecting prior contract losses
- Successful price recovery beginning to offset commodity pressures
- Prior year cost reduction initiatives now coming through in full
- 5-year contract secured with major customer



¹ LFL Revenue & EBITDA comparatives adjusted for the impact of exchange rate movements year on year.

² EBITDA excludes pension scheme admin expenses £0.2m (Q2 2016-17: £0.2m).

Branded performance

Branded – Frozen & Biscuits

Year on year	Q2 2017-18	Q2 2016-17	Y-o-Y Variance
Revenue: Like-for-like (£m)¹	108.5	109.1	(0.5)%
Revenue (£m)	108.5	108.7	(0.2)%
EBITDA: Like-for-like (£m)^{1,2}	13.2	15.1	(12.6)%
EBITDA margin: Like-for-like (%)^{1,2}	12.2%	13.8%	(160)bps
EBITDA (£m) ²	13.2	14.9	(11.4)%

- Early Christmas sales in Q1 mean like-for-like sales marginally down
- Commodity inflation not fully recovered
- Firmer pricing to feed through into H2, together with some positive tailwinds from commodity deflation
- Sales of Goodfella's for £200m



¹ LFL Revenue & EBITDA comparatives adjusted for the impact of exchange rate movements year on year.

² EBITDA excludes pension scheme admin expenses £0.4m (Q2 2016-17: £0.4m).

Summary

Building a Better Business

Change programme well underway – but more to do

Performance turnaround in Chilled; Branded to come

Solid business at our foundations

Back to Basics - renewed focus on doing the basics well

Gradual turnaround; progress expected in second half

