GREENYARD

Equity Report

24/01/2017

ValueScan.be

Summary

Integration of Univeg and Peatinvest created a category leader in Fruit and Vegetables
We expect the Univeg combination to add 12m EUR synergies to EBIT by FY18
Univeg had a challenging FY15/16 on termination of a 300m EUR German relationship
We believe the company can compensate this loss over the next 3 years

Share Price	**15,02**	**EUR**	Number of shares	44,4	m
Fair Value	**20,00**	**EUR**	Market Cap	666	mEUR
Upside	33%		Enterprise Value	1.050	mEUR
Symbol	ENXTBR:GREEN		Credit Rating	NA	
Ising Code	BE0003765790				

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sales		484	622	612	623	4.012	3.966	4.270	4.433	4.558
Growth		10,7%	28,7%	-1,6%	1,8%	543,9%	-1%	7,7%	3,8%	2,8%
EBITDA		24	28	42	50	143	115	138	150	157
Margin		4,9%	4,6%	6,9%	8,0%	3,6%	2,9%	3,2%	3,4%	3,4%
EPS		0,26	-1,02	0,05	-0,22	0,45	0,44	0,56	0,91	1,20
P/E		0,0	0,0	0,0	0,0	0,0	0,0	26,8	16,5	12,5
EV/EBITDA		2,8	6,9	4,9	4,6	2,9	3,3	6,8	6,0	5,4
Dividend		0,00	0,00	0,00	0,00	0,00	0,20	0,20	0,20	0,20
Dividend Yield		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	1,3%	1,3%	1,3%

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Contents and methodology

Value = Growth x Profitability / Capital needs

A. Growth Expectations

The growth expectations are modelled by reported segment on a 10y history and 3y forward.
The long term drivers by segment are evaluated, **company expectations vs. sector dynamics**.
Recent results are discussed and a growth conclusion is discussed with the segment table.

B. Profitability

The profit margins are modelled by reported segment on a 10y history and 3y forward.
Competitive situation and operating costs are discussed per segment, peer comparison.
Profitability conclusion in a segment EBIT table, including corporate or exceptional costs.

C. Capital Needs

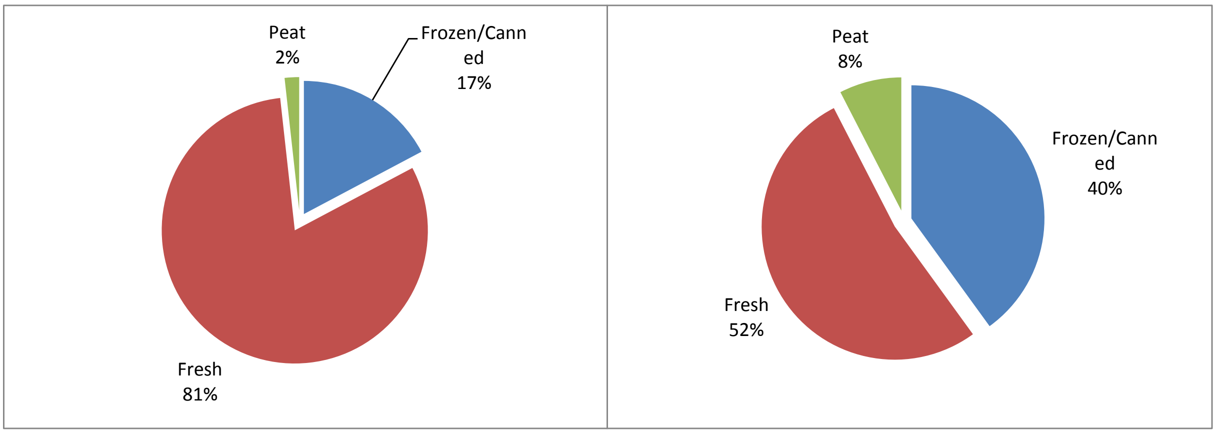
Equity reports often spent too little attention to the capital needs to realise growth and profitability.
Hence, **Capex, Working Capital, Debt and Dividends** are discussed.
The **Capex is modelled towards the maintenance level** at the end of the 3Y forecasting horizon.

We use a **DCF** to translate the future free cash flows into a fair value estimate.
The WACC is set at 8% for all companies as our expected return for the Equity investor.
ValueScan.be measures value with the same yardstick, independent of noise or hype.
For companies with higher risk profiles, a higher WACC is possible and will be justified.

A ROIC analysis backtests the valuation with an EVA analysis. The historic Equity value is compared to the historic EVA calculation. This indicates whether the market has been over- or undervaluing the company in the past.

I. Company Description

Activities



The combination of Univeg, Greenyard Foods and Peatinvest in the new Greenyard Foods generates 3.9 bn in sales.

A. Univeg, 3.1bn Sales (from continued operations)

Univeg is a vertically integrated operator in the sourcing and supply of fresh and fresh-cut fruit and vegetables.

History, growth by acquisition and integration

1987 founded by Hein Deprez, who started in 1983 with a mushroom business and expanded into cutting and packaging, Univeg expanded by acquiring more than ten production and distribution companies around the world.
2005 Acquisition of Bakker Barendrecht, the largest fruit and vegetables company in the **Netherlands.**
2006 Acquisition of the Bocchi Group , an Italian fresh produce company focused on the **German market**.
2006 Private equity company CVC acquires an interest with the Bocchi acquisition and buys out other shareholders.
2007 Acquisition of Katopé, a **French-based** specialist producer and trader of subtropical fruits also strong in the **U.K.**
2008 Acquisition of Alara, a fresh fig and cherry exporter, supplying Turkish products to major food retailers.
2008 Acquisition of Atlanta AG (now UNIVEG Deutschland), the distribution business of Chiquita, with 1bn sales.
2011 The EHEC virus, adverse weather conditions and Argentina problems result in **heavy losses**.
2011-2013 Implementation of the reorganisation of 'Project Roots'.
2013 Private equity partner CVC is bought out by Hein Deprez and some other family shareholders.
2014 **The Fruit Farm Group** (production part of Fruit Partners) **is spun off**, reducing the owned sourcing capacity

Activities

Univeg combines sourcing capabilities with strategically located European distribution capabilities. The company has developed a **vertically integrated value chain from farmers to food retailers**. This business model has replaced a large part of the traditional farmer – auction/wholesaler – processer - retailer chain. Univeg operates sourcing capacities in Europe's most important horticultural countries, such as Spain, Italy and the Netherlands. In order to procure a year-round supply of fresh produce, they have developed sourcing capabilities in other key exporting countries around the world. The distribution hubs for the handling of the import/export of its fresh produce distribution hubs are located close to the major European fruit ports.

Food Retail's Direct Connection to the Field

Univeg supplies 19 out of the 20 largest food retailers in Europe. In most regions, the 2 or 3 largest customers make up around 75% of the sales. The top-10 clients generated 74% of sales over FY14. For these customers, **Univeg has become a full service provider**, offering value-added services tailored to our customers' particular strategy. Univeg tailors to the specific needs of the food retailers. A dedicated key account manager continuously matches the supply situation with the customer's specific fresh produce objectives. This customer intimacy is a unique selling proposition in the market and an important driver for market share growth potential. The integration into the food retailer business model through promotional factors like packaging, labelling and product innovation also stabilises the sales volatility as customers become more dependent on Univeg for their supply chain. The Group has also entered into logistics agreements with certain other customers. In such a contract, Univeg is responsible for the warehouse management and the transport of the supplies to the customer's premises. The downside to this strategy is when Univeg becomes a too important partner to the strategy of a certain food retailer, it becomes difficult to build a similar relationship with its competitors in the same region. In this light, a relationship with a large German discounter was ended over 1Q15. German discounters are rolling out a selected fresh fruit and vegetable product range that compete with existing Univeg relationships. The termination of this relationship will be discussed in the Univeg business model section.

Brand strategy

The Group supplies its fresh produce under three types of brands: its customers' retail brands (private label), its suppliers' labels; and Univeg's own trade brands. The company predominantly supplies its fresh produce under its customers' retail brands. Univeg aims to promote the fresh category as a whole and believes that the creation of sub-brands will only benefit the advertising sector. With respect to its own trade brands, the Group's major registered trademarks are : Happy Tree (apples, pears and grapes from Argentina), Katopé (avocados), 1X1 (banana in Germany), Tradition (fresh from Holland) and Seald Sweet (citrus Florida).

Value chain

The Univeg value chain operates a network of 32 distribution centers. These provide value-added services, such as cold storage, ripening, order picking, packaging and customer labelling. The products are delivered to customers' own distribution facilities or directly to their stores. The Univeg business model focuses on integrated customer relationships. The company offers value-added services to the specific needs of the client. In that process Univeg does not impose its own brand strategy but aims to improve the customer experience of their clients. Univeg performs the necessary quality assurance tests required by their customers. The company also allows unannounced controls by their main customers in their distribution centers. The account management is handled by the distribution centers or in some cases by the local central office in a particular country. The products are delivered in a temperature-controlled environment directly to the customers' stores or their distribution center. Univeg uses partly their own fleet, but largely relies on external transport providers.

Fruit and vegetables

The fruit and vegetables division is the Univeg core business and generates the vast majority of sales and profit.

		Products		% of 2014A Revenue
Fruits	Tropical Fruit	✓ Pineapple ✓ Bananas ✓ Mangos	✓ Coconuts ✓ Avocados	30%
Fruits	Deciduous Fruit	✓ Apples ✓ Pears ✓ Grapes	✓ Kiwis	16%
Fruits	Citrus Fruit	✓ Oranges ✓ Limes ✓ Lemons	✓ Grapefruits ✓ Clementines ✓ Mandarins	10%
Fruits	Stone Fruit	✓ Cherries ✓ Peaches ✓ Apricots	✓ Nectarines ✓ Plums	6%
Fruits	Fair-trade / Organic Produce	✓ Fruit and vegetables		4%
Vegetables	Vegetables	✓ Tomatoes ✓ Peppers ✓ Cucumbers	✓ Mushrooms ✓ Carrots ✓ Cabbage	28%
Vegetables	Pre-cut Vegetables & Salads	✓ Convenience products (bagged salads, salad bowls, etc…)		1%

(Source : Company, the remaining 5% are other fruits)

Product descriptions

Tropical fruit, 30% of sales
The supply of tropical produce consists of bananas, pineapples, papayas, small exotics, mangos and avocados. The core skill in this product category lies in the ripening of products like bananas and avocados and mangos. The ripening takes place in ripening rooms in the Univeg distribution center. A ripening room can store a truckload and needs up to 6 days to achieve the perfect condition before store shipment. A ripening room costs between 90k and 100k EUR. A distribution center typically contains 10 to 20 rooms.

Deciduous fruit, 16% of sales
Univeg is a supplier of a broad range of apples, pears, kiwis and grapes. It procures these fruits from both northern and southern hemisphere suppliers over the year-round. Argentina, Chile, South Africa, India and New Zealand are the primary sources of procurement in the southern hemisphere. In the northern hemisphere, the production predominantly comes from Spain, Italy, Greece and Turkey. Grapes are a particular strength of Univeg due to their strong sourcing capabilities in South America and South Africa.

Citrus fruit, 10% of sales
In this category, Univeg owns several recognized brands like Seald Sweet and Mouton Citrus. Univeg supplies oranges, grapefruits, lemons, limes and easy peelers like tangerines, clementines, mandarins and tangelos. Univeg also sources produce from both hemispheres in order to meet the year-round demand. The southern hemisphere is the largest source of novel varieties and high quality citrus.

Stone fruit, 6% of sales
Univeg delivers a wide variety of stone fruits like cherries, peaches, apricots, nectarines and plums. This product category developed from the acquisition in 2008 of the Turkish Alara business and has been divested as part of the Fruit Farm Group carve-out. Univeg still operates as a commercial partner of Alara.

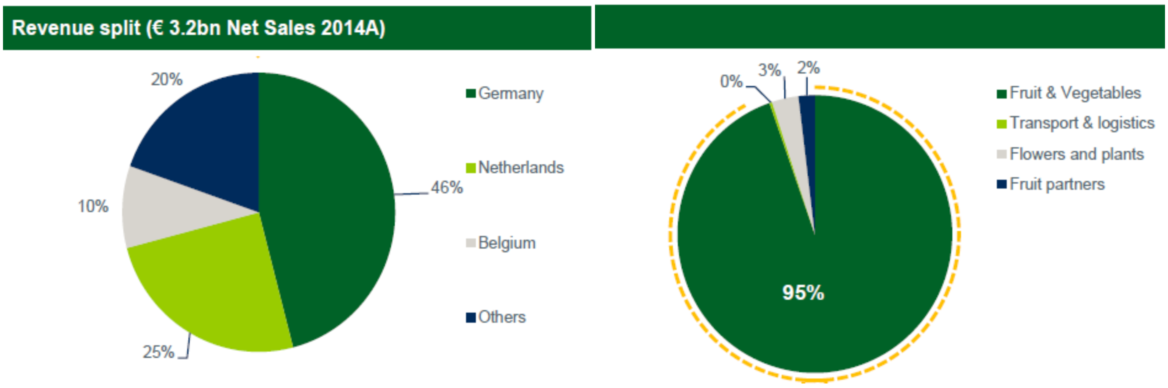
Fair-trade and organic produce, 4% of sales
The fair-trade market becomes more important for Univeg as it profiles itself as a business that values sustainability. The group stresses however its message should not confuse consumers that organic is 'more' healthy that other fruit and vegetables. The message should focus on the fact that fruit and vegetables themselves are healthier than other processed foods. Univeg supplies fair-trade and organic produce sourced from around the world.

Vegetables, 28% of sales
Univeg offers a wide range of fresh vegetables like tomatoes, peppers, cucumbers, mushrooms, carrots and cabbages.

Pre-cut vegetables and herbs, 1% of sales
Univeg has a significant market share in the pre-cut vegetables and herbs market at food retailers in Belgium. The product range includes fresh-cut vegetables, fresh-cut salads and salad bowls.

Flowers and plants
Univeg supplies a range of flowers and plants, including cut flowers, potted plants and plant arrangements, to supermarkets, home improvement stores and garden centers in Germany and the United Kingdom. The majority of Daffodils is grown by Univeg in the UK. Other flowers and plants are mainly imported from third party suppliers.

Geographic split



(Source : Company)

Germany and Austria, estimated at 20% of sales, a large discounter relationship ended over 1Q15,

Univeg sells a complete range of fruit and vegetables to almost all major food retailers in Germany, from high-end supermarket chains to discount chains. The imported non-European produce is shipped to the ports of Rotterdam, Bremerhaven and Hamburg before being transferred to the regional service and distribution centers. Univeg has a particular focus on ripening bananas and, to a lesser extent, avocados, mangos and kiwis. Univeg also sells ornamental plants and fresh flowers exclusively to a major retailer in Germany and Austria. The management confirmed that a supply relationship of up to 300m Euro with a large German discounter has ended in 1Q15. The company describes the event as a mutual agreement to terminate the relation with a German discounter. This event will be a good test of the flexibility of the Univeg business model. This event will be discussed in detail in the business model section.

The Netherlands, estimated 20% of sales

Univeg has a strong sales presence in the Netherlands. At the end of 2014, it has an estimated fresh produce market share of 35% (excluding apples and pears). The Bakker Barendrecht acquisition of 2005 is the nucleus of the Dutch operation. A significant portion of the revenues are generated from a key contract with a dominant Dutch retailer for which Univeg is the exclusive supplier of a complete range of fruit and vegetables. Imported produce is shipped to the Port of Rotterdam before being transported to the nearby distribution center in Ridderkerk. This center has a warehouse capacity of approximately 31,000m2 and ripening units with a capacity of approximately 70 trucks.

Belgium, estimated 9% of sales

In 2014, the company estimated its market shares in the fresh produce market and fresh-cut produce market at 30% and 50% respectively. In Belgium, Univeg supplies a large number of the franchisee stores of two major supermarket chains with a complete range of fresh fruit and vegetables. The fresh-cut produce offering includes leafy salads, snack salads, kitchen herbs and vegetable mixes, ready to prepare soups, stews and stir-fry dishes. Imported produce is shipped to the ports of Rotterdam, Antwerp or Bruges-Zeebrugge before being taken to one of the nearby facilities in St-Katelijne-Waver, Brussels, Roeselare or Olen. These facilities have an aggregate warehouse capacity of approximately 46,200m2.

United Kingdom, estimated 7-8% of sales

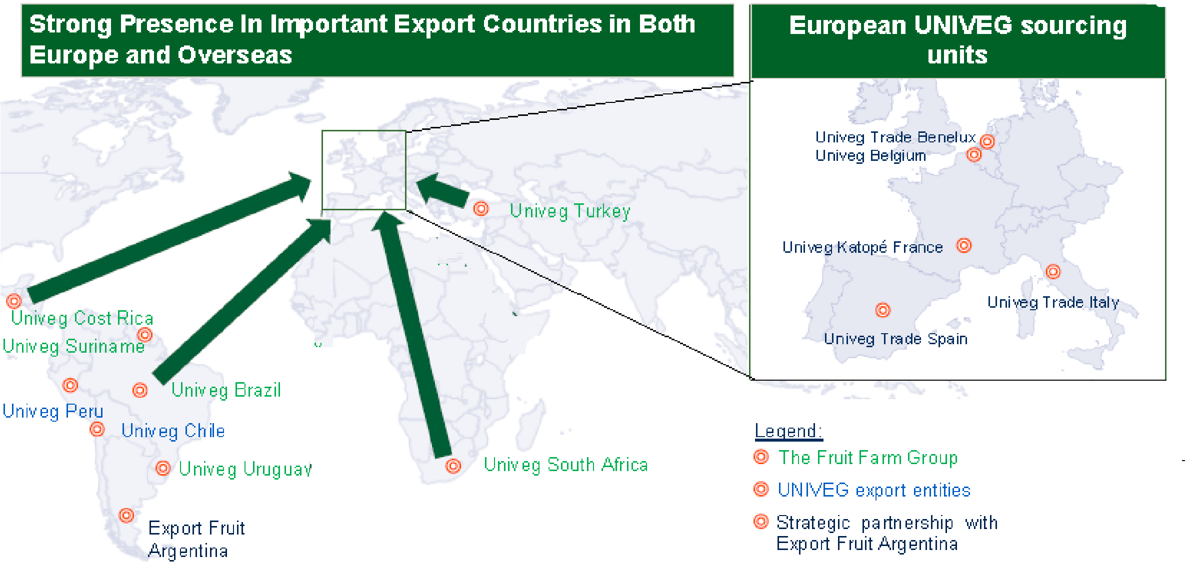
Univeg has a growing specialist presence in the United Kingdom. Univeg became a supplier to the major U.K. retail chains. It specializes in stone fruit, dried fruit, tropical, sub-tropical, out-of-season and citrus fruits. The vast majority of this produce is sourced from overseas. The produce is transported to the cold storage and ripening center in Spalding. Univeg also has a presence in the UK flowers and plants sector. They service retail chains across the U.K. from a production site in Cornwall that grows daffodils.

United States, estimated 2-3% of sales

Univeg also runs a specialist operation in the US and Canada. Most of those sales are generated by the Seald Sweet trading activity. It supplies the full citrus category as well as a range of deciduous fruits like apples, blueberries, cherries, figs, grapes and pears. The majority of the produce is imported from Chile, Peru and South Africa. Univeg owns a logistics capability in New Jersey, near the port of Philadelphia fruit terminals. This is one of the major fresh produce ports in the north-eastern United States.

Source Markets

The Fruit Farm Group units in Turkey, Brazil, Uruguay, Costa Rica, Suriname and South Africa were spun off in 2014.



(Source company, notes: Export Fruit Argentina is Expofrut Argentina, Univeg Brazil is Export and Katopé Brazil, Germany and UK not included)

The Group's supplier base is highly fragmented. Univeg has entered into a large number of supply agreements with suppliers from all over the world. It typically sources its fresh produce directly from growers during a term which coincides with the "season" of the particular product. The supply is predominantly done on "free consignment basis":

- The farmer transfers the fresh produce to Univeg for sale
- Univeg sells the produce to its customers at agreed market prices
- Univeg transfers the proceeds to the farmer after deduction of its expenses

In a **"minimum guaranteed price",** the farmer is guaranteed minimum proceeds after deduction of the expenses.

Spain

The produce is sourced primarily from local third party growers. Univeg holds a minority interest in farming operations that utilize approximately 485 hectares of land in the cultivation of niche products such as Santa Maria pears and asparagus.

Italy

The majority of the produce sourced from Italy is sourced primarily from local third party growers. A small portion is contributed by grower cooperatives in which Univeg has a minority stake. However, grapes grown by a Univeg subsidiary in Puglia accounts for the majority of sales into Germany and Austria.

The Netherlands

Holland Crop is a subsidiary of Bakker Barendrecht. It consists of a group of approximately 200 dedicated growers who tailors their fresh production to Univeg's demands. In total, Holland Crop contains around 3,500 hectares of arable land. Best of Four is a registered growers' cooperative in the production of greenhouse vegetables like tomatoes, cucumbers and capsicum. Once harvested, this produce is transported to the Waddinxveen handling facility in Rotterdam.

South America export offices, Chile and Peru

The Chilean fruit partner is situated south of Santiago de Chile in the Maipo Valley. Expofrut Peru sources grapes, citrus and some other smaller categories.

South Africa, spun off with the Fruit Farm Group in 2014

Since the acquisition of Katopé in 2008, Univeg ran a headquarter in Stellenbosch. This office oversees the farming and packing operations and exports deciduous fruit from these farms as well as from other growers in the region. In the Western part of the country, its operations consist of farms for deciduous fruit. In the Eastern part of the country, they operate two avocado farms with a planned production capacity of around 320 hectares.

South America, the Fruit Farm Group spun off in 2014, Brazil, Uruguay, Costa Rica and Suriname

The Brazilian Fruit Partner, Expofrut Brazil, is located in the São Francisco Valley in the northeast of the country, close to the town of Petrolina. The São Francisco Valley is a strategically favourable location as it provides guaranteed access to water irrigation, as well as good transport connections to nearby ports. Forbel is located in the northwest of Uruguay and controls around 600 hectare arable land as well as a minority in a water dam project.

Argentina, carved out separate entity in 2012

The Argentine Businesses have been separated from the group after a reorganisation in 2012. Univeg continues to source from the Argentine Businesses under a five-year contract till July 2017. It specializes in exporting pears, apples and grapes.

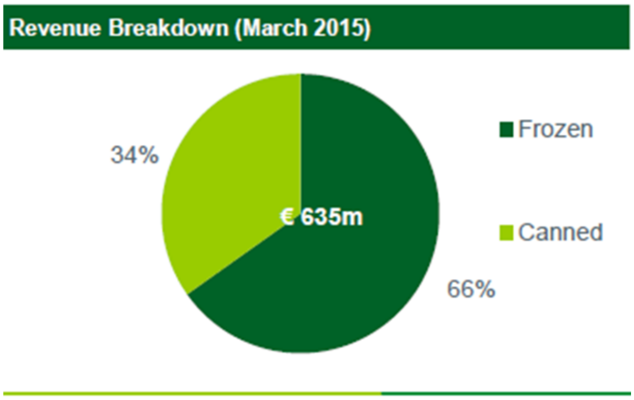
B. Greenyard

History

1965: Pinguin starts supplying vegetables to the preserve foods industry. The brothers André, Georges and Frans Dejonghe build a small factory in Westrozebeke.
1989: Scana and Noliko regroup. All production lines are moved to the renovated business complex in Bree.
1995: Légum'land Surgelés is founded as a joint venture with French farmers and Fisher Frozen Foods (UK).
1999: **Pinguin is listed** on the stock exchange.
2002: Pinguin takes over Fisher Frozen Foods in King's Lynn: the start of Pinguin Foods UK.
2007: Padley Vegetables (UK), Salvesen Foods (UK) and **Lutosa** (BE) are acquired.
2009: PinguinLutosa Food Group is formed: a frozen foods group with eight production sites spread across Europe.
2011: PinguinLutosa Food Group takes over d'Aucy Frozen Foods (FR-HU-PL) and **Scana Noliko**. The latter originated as farmers from North Limburg set up a factory to process their harvest under Noord-Oost Limburgse Konserven.
2013: PinguinLutosa Food Group sells its potato division, **Lutosa to McCain**, change to Greenyard Foods.
2014: Greenyard Foods changes group structure, Herwig Dejonghe acquires Pinguin Aquitaine SAS.

Activities

In 2015, Greenyard Foods operates 13 production facilities in Belgium, France, the United Kingdom, Poland, and Hungary. Eleven facilities process frozen vegetables and fruit with around 1600 FTE. Two facilities produce thermally preserved foods in tins and jars with around 700 FTE. Vegetables are processed into frozen vegetables or into cans a few hours after the harvest in order preserve their original colour, flavour and vitamin content. The activities of Greenyard are currently divided over 2 divisions:



(Source: Company)

Frozen Division, Number 2 in the segment of frozen vegetables

The Pinguin division specializes in the production of frozen vegetables and ready to use vegetable preparations via the cold treatment process. The group produces mainly for retailer Brands from food retailers. The Pinguin Brand only exists in the foodservice segment for commercial catering or industrial kitchens. Pinguin also delivers ingredients for further processing in the food industry. Pinguin concentrates like Univeg on long term relationships with producers and retailers.

Vegetables

Fruits

Ready meals

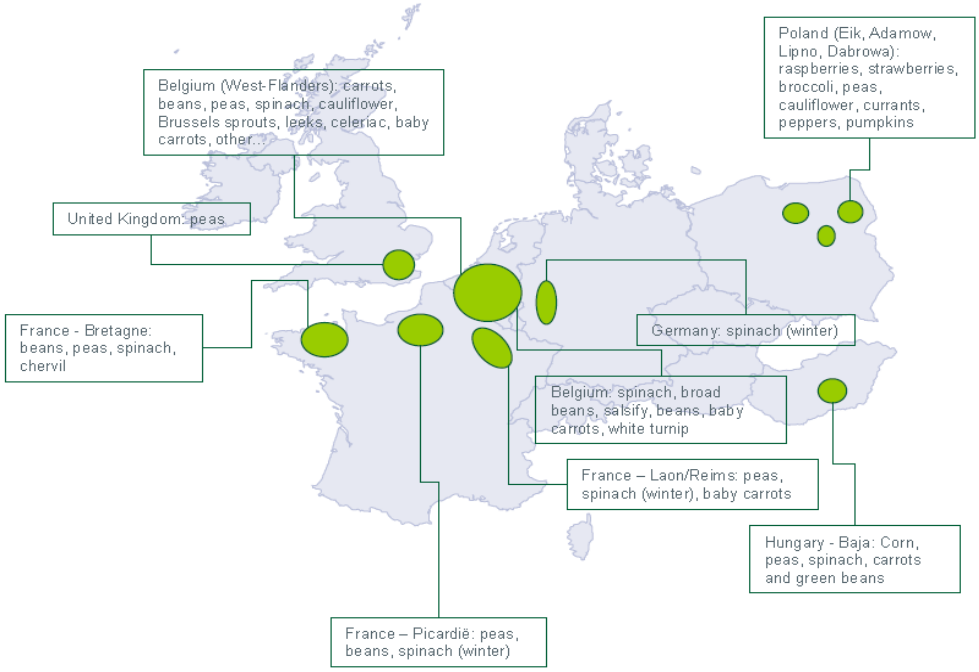
(Source: Company)

Pinguin produces around 2,000 product specifications covering 3 product categories: basic vegetables, convenience products and organic vegetables. These contain frozen fruit and vegetables, vegetable mixes, frozen herbs; ready-to-use culinary preparations, such as pre-fried or grilled frozen vegetables, vegetable mixes in daypacks, soups and sauces, frozen pasta and rice, frozen cold salads, and frozen fruit pies and vegetable pies.
The **convenience** for the consumer is an important factor. Frozen foods are easy to prepare and to portion. There is no loss of produce as the consumer can use the freezer as its personal storage for daily use. The produce is harvested when at its best, while it is still available all year round. Pinguin sources mainly from around 800 farmers in West-Flanders (Belgium), Northern France, UK, Poland and Hungary.

Canning Division, Top 5 player in canned/glass vegetables
Noliko, specialized in the production of vegetables, ready meals such as soups, sauces, dips and ready to eat meals Like pasta dishes. The produce is distributed in jars and tins via the heat treatment process. Like Pinguin, Noliko also produces mainly for retailer brands in Europe. Noliko sources from key cultivation areas within BE, NL, GE. It engages in long term relationships with farmers. A large contribution comes historically from farmers within a 100km radius around Bree, Belgium that cultivate around 4,500 ha of arable land. Noliko sells in 15 markets.

(Source: Company)

Sourcing overview:

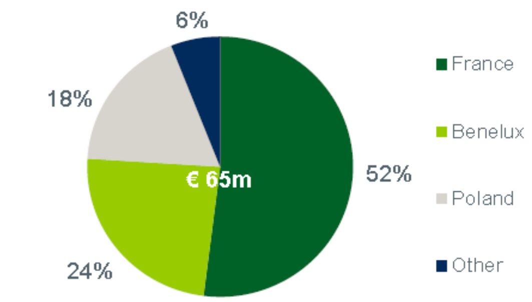


(Source: Company)

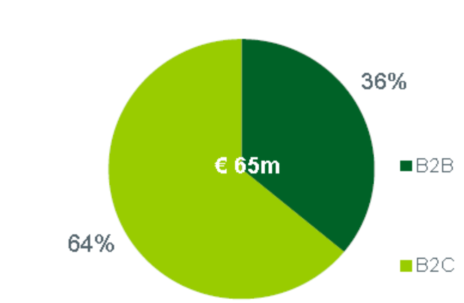
C. Peatinvest

Activities

Revenues split by country – FY14



Revenues split by market – FY14



(Source: Company)

Peatinvest is the holding company that owns the Peltracom trade name. Peatinvest was created in 2004 with the integration of Agrofino. The company sells potting soils, also known as growing media. The range of potting soils is marketed under the Peltracom and Aura brands for the professional market (B2B) and Agrofino for the hobby market (B2C). The products are based mainly on peat that is harvested in Poland and Latvia. The company has secured between 40 and 50 years of supply. The professional market is segmented in the following categories: growers of F&V, growers of plants and trees, municipalities for greenscaping and companies active in seeding. Peltracom also occupies a strong position in retailer brands. Retail clients are DIY retailers, garden chains and some food retailers.

Product range:

Potting soils for gardening and growing (ornamental plants, F&V crops, etc.)
Mulching products (e.g. bark, wood chips, cocos, mulch…)
Related products such as wood pellets and charcoal

P&L

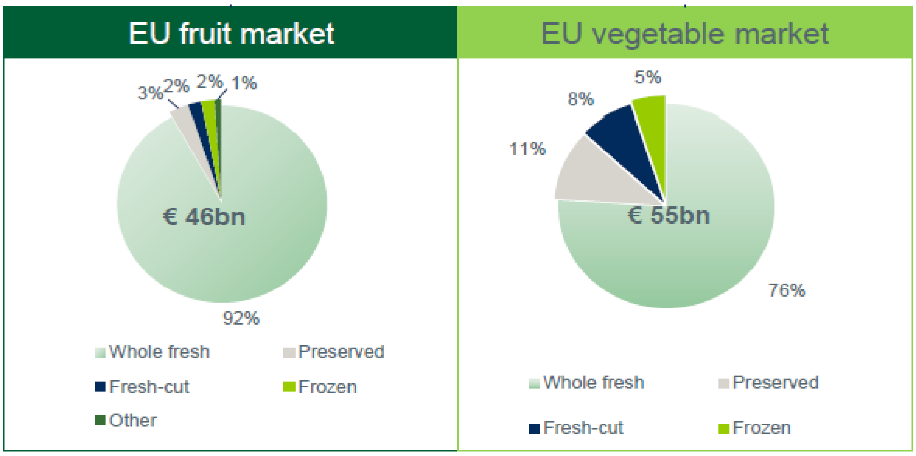
In € m	FY13A	FY14A	LTM Mar15A
Sales	61,7	65,2	66,3
Inventory movement	1,1	(0,2)	1,9
Other operating income	3,1	0,9	0,7
Total operating charges	(63,0)	(61,6)	(64,4)
EBIT	**2,8**	**4,4**	**4,6**
EBIT margin	*4,6%*	*6,7%*	*6,9%*
Non-recurring items	-	-	0,4
REBIT	**2,8**	**4,4**	**5,0**
REBIT margin	*4,6%*	*6,7%*	*7,5%*
Financial result	(1,0)	(0,9)	(0,8)
RESULT BEFORE TAXES	**1,9**	**3,5**	**4,2**
Income & deferred taxes	0,3	(0,6)	(0,3)
NET RESULT	**2,1**	**2,9**	**4,0**
Result from discontinued operations			
NET RESULT			
EBITDA, as reported	**6,3**	**7,8**	**8,0**
EBITDA margin	*10,2%*	*11,9%*	*12,1%*
Add-back non-recurring items	*-*	*-*	*0,4*
REBITDA	**6,3**	**7,8**	**8,5**
REBITDA margin	*10,2%*	*11,9%*	*12,8%*

(Source: Company)

Peltracom experienced a strong increase in export over the last couple of years. It is selling now to 53 countries and is market leader in Belgium, France and Poland. The strategy focusses on improving the product mix by offering higher value added products.

II. Sector overview: Fruit and Vegetable markets (F&V)

F&V market characteristics



(Source: Freshfel Consumption Monitor 2014)

Cyclicality

The fruit and vegetable market volumes are relatively immune to economic sentiment shifts. They are considered basic consumer needs in the developed world. On the other hand, the dynamic differs between the fresh and the canned or frozen segments. Hence, we believe the merger of Univeg and Greenyard can **reduce the cyclical nature** of the combined units.

Commodity vs. Brand

The F&V category is mainly considered a commodity as product differentiation is difficult and prices are determined by market forces. In both fresh and prepared, some consumer brands exist and can command a premium, but they are rather an exception to the rule. Univeg focusses on building intense long term relations with key food retailers. The development of innovative concepts can distinguish their products from competitors. This effort demands R&D investments.

Supply chain

The supply chain for fresh and prepared F&V differs significantly. This situation makes it hard to realize supply chain synergies between the combined units. In the more northern regions, the share of imported F&V increases. In order to offer year round availability, the fresh F&V have to be sourced globally. Produce for frozen and canned vegetables are typically sourced near the production facilities and stored locally for year round availability. They can be exported globally.

Fragmented

With thousands of horticultural entrepreneurs active in EU, the supply side is fragmented. The growers are often grouped in producer organisations that apply for EU subsidies. The supply chain between the growers and the retailers is also still fragmented. It is currently consolidating as entry barriers for suppliers become bigger. The high capital intensity and supply chain rationalisation by the largest food retailers make it tougher for smaller companies.

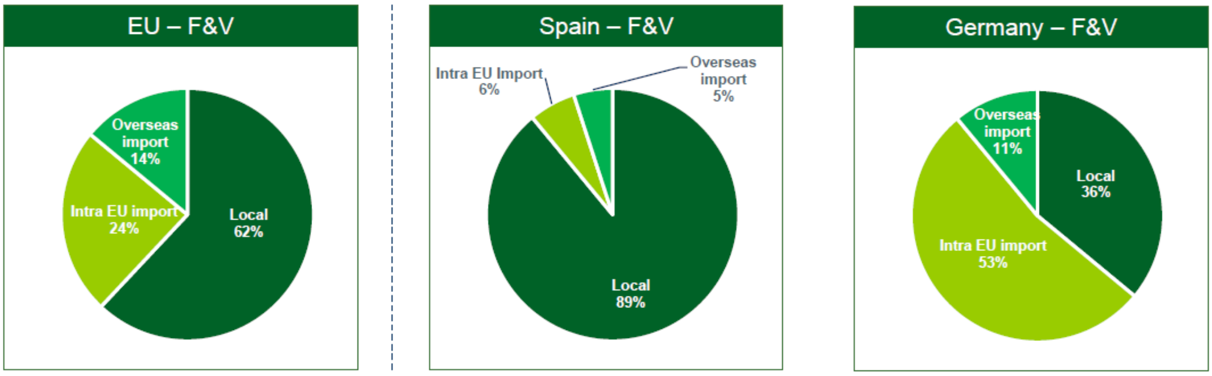
Seasonality

F&V production follows a seasonal pattern with the exception of tropical products and some greenhouse production. The fresh produce enjoys their best months in the first half of the year, mainly over spring time. The prepared category sales trend is less seasonal compared to the fresh category. The prepared product sales are slightly stronger over summer and fall.

Food retailers

The European food retail market is highly consolidated. In each region, a limited number of leading players dominate the market. The main food retailers have high credit ratings, which makes it easy and financially interesting to get factoring credit on their receivables in order to alleviate working capital needs. F&V is an important and differentiating category for food retailers (representing +/- 10% of total food sales). Traditional food retailers are challenged by discounters that upgrade their F&V section. Discounters offer selective ranges of fresh F&V depending on the seasonality and opportunistic market prices. General food retailers offer a year round availability of a complete range.

Geographical trends

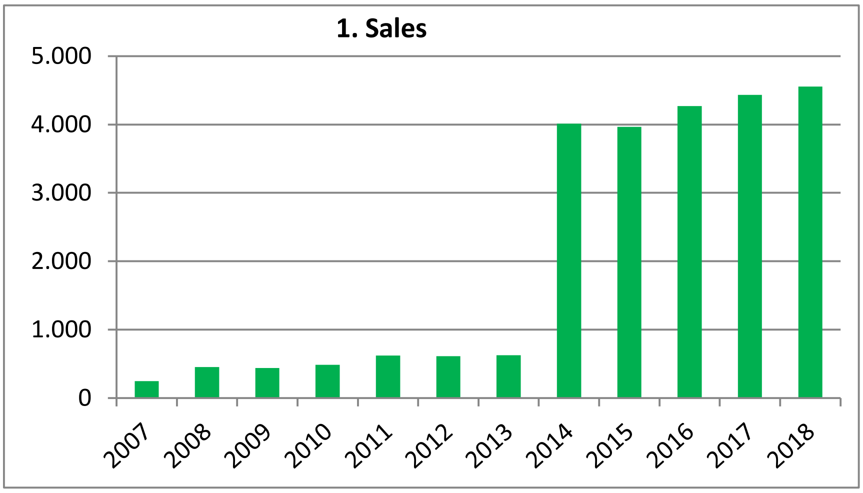


(Source: Company)

Vegetables are more often produced locally than fruit. Hence, the tonnage of fruit traded internationally is much higher. Mediterranean countries are almost self-sufficient, except for tropical produce. The northern countries are largely dependent on intra-EU import. The production of fresh produce is still very fragmented. The Netherlands is a large import and packaging hub for produce that is re-exported to neighbouring EU countries.

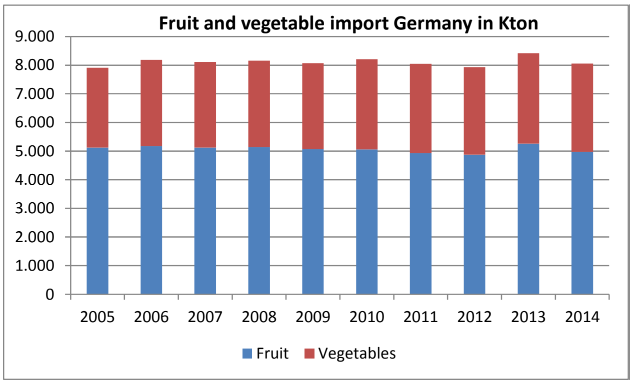
III. Business Model

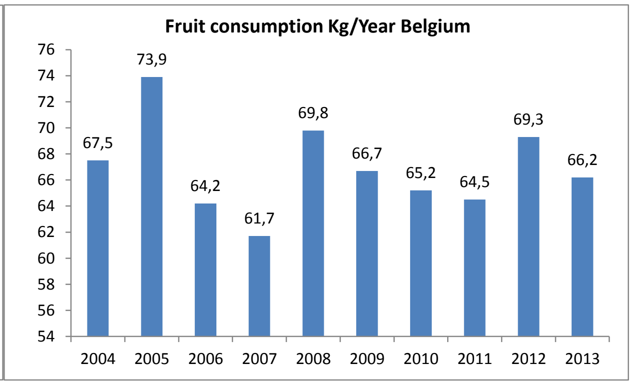
A. Growth Expectations



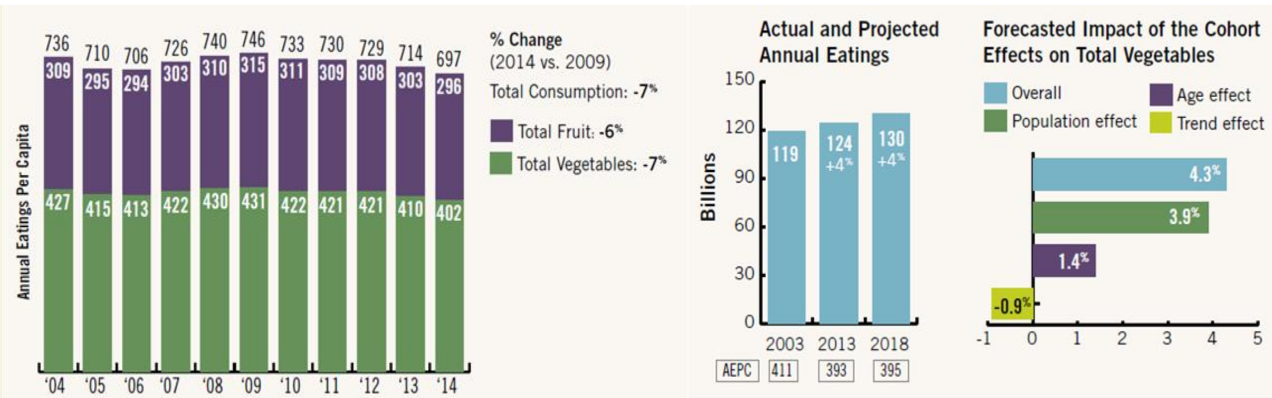
Univeg Growth Expectations

The market for vegetables and fruit has not grown last couple of years.





(Source : www.vlam.be) (Source : NIS)



(Source: State of the Plate 2015, study)

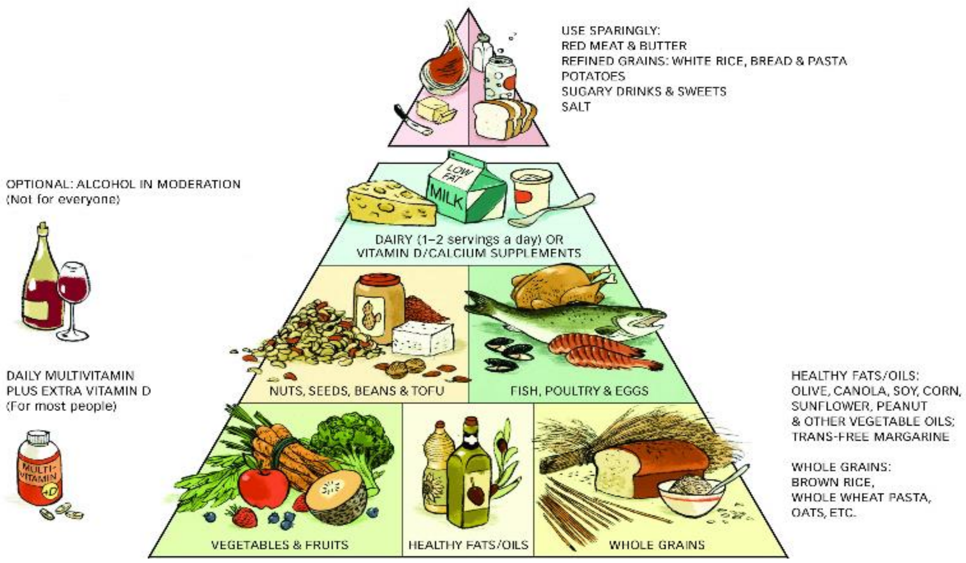
Fresh produce is the battleground between food retailers and discounters

A survey from Distrifood in 2012 confirmed that the fresh produce department is an important measure of quality for a supermarket in the Netherlands. This was confirmed by 77% of households without children and 67% of households with children. The main factors for evaluating the produce department of a grocery store were: the shelf life of fresh products (8.15), the attractiveness of fresh produce (8.03), before the price level (8.01). The least important factor is the range of organic products (5.78).

Distance between field and consumer declines further

Univeg has been a catalyst in turning the vertical fresh produce chain from a Push to a Pull model. In a Push model, farmers bring their produce to market via an auction or wholesaler that sells it on to different customers. In a Pull model, the food retailer is linked to a group of growers via a distribution center. Univeg builds these direct links between growers and food retailers. This has improved the visibility for the growers as well as the food retailers. The growers can optimize their production to the food retail demand instead of facing the uncertainty of the demand/supply situation at auction over a certain period. The food retailer receives a stable supply by a group of growers. This system builds more confidence in a higher quality supply chain. According to the Univeg management, the direct chain delivery of fresh produce in Belgium is now 4 times larger than all auction sales combined. The cannibalization of the supply chain by direct chain distribution will continue over the next couple of years. It will increase the consolidation in the distribution segment as smaller players with indirect distribution become marginalized. On 27/5/15, Univeg announced its intention to buy a stake in the fruit auction Haspengouw. An effective quality management throughout the supply chain is critical to maintain the direct relationships with Food retailers. The Univeg quality control is overseen by the Quality Management Coordination Unit based in Bremen. It coordinates Univeg's technicians and suppliers to develop quality management standards and solutions. It also interacts with the customers' technicians on quality issues. Univeg's European facilities are certified according to the requirements of the British Retail Consortium (BRC) or International Food Standard (IFS).

F&V are at the base of the food pyramid:



(Source: www.thenutritionsource.org)

Consumers still need to be educated about the convenience, taste, enjoyment and versatility of fresh F&V. The company wants to build a communication chain above the logistical chain to improve the image of the sector and raise the consumption of fresh produce from currently 300gr per day per person in the Western world to the 550gr advised by health authorities (Belgium).

Convenience innovation

New e-commerce initiatives drive convenience factor, but still need back-end supply chain integration. HelloFresh is in six markets: the US, UK, Germany, Netherlands, Austria and Australia. Blue Apron's 200-person team reportedly delivers 600,000 meals a month to its subscribers and delivers to most of the United States. Market research group BI intelligence forecasts that online grocery sales will grow at a compound annual growth rate (CAGR) of 21.1%, reaching nearly 18 bn by 2018. Offline grocery sales will rise by 3.1% annually during the same period.

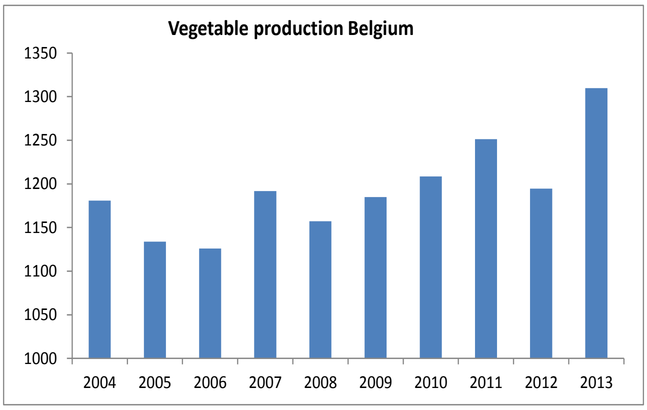
Product innovation
Univeg focusses its R&D mainly on the improvement of the production processes and services to the retailers to differentiate it from competitors. Univeg works with industry experts to develop packaging, shelf-life extension and quality monitoring technologies. Examples of recent innovations are fruits in snack packaging and vegetables in steamer bags further improve convenience by offering semi prepared vegetables. These innovations respond better to new eating habits and household compositions (smaller average families).

Short term growth drivers

German discounter ends 300m relationship
Over 1Q15 the relationship with a large German discounter was terminated. This will erase 300m EUR in sales over the current fiscal year 2015/16. The contract came with the acquisition of the Atlanta AG business and had been under pressure as Univeg is also an important supplier to some of the largest competitors of the discounter in Germany and abroad. Over the last couple of years, German discounters have expanded internationally and added fresh F&V to their product range. The importance of Univeg in the supply chain of the international competition of the discounter became a conflict of interest. This event shows that there are market share limits for Univeg between the largest competitors in a certain region. The switching costs for their client are still significant. The recently announced merger talks between Ahold and Delhaize do not pose a similar risk. It can become an opportunity as Ahold has a larger focus on convenience fresh products. On the other hand, it also holds a risk that other clients like Carrefour decide to switch supplier. However, the sheer size and economies of scale of Univeg will make it hard for its customers to switch to a lower cost supplier for the same quality of service.

Sold businesses cut 69m
In order to raise cash, Univeg has sold some non-core businesses over 2014. This will have a negative impact on the FY14/15 sales of around 69m EUR. The Fruit Farm Group (44m) was carved out to a related party. The non-daffodil operations in Lincolnshire (25m) were spun off into Lincsflora and sold.

Greenyard Foods Growth Expectations



(Source: capital IQ, Company, Valuescan.be estimates for FY16-18) (Source: www.vlam.be)

The main growth driver for Greenyard Foods is the growing importance of convenience and ready to eat products. The modern family spends less time on the traditional cooking function. Consumers want products that are ready for immediate consumption, easy to store and always available. The canned and frozen products are already cleaned, peeled, sliced or already semi-prepared.
Over the last couple of years, the management has also focussed on optimizing its product portfolio across customers and markets. Solutions have been developed for various cooking methods like roasting, grilling, stir frying or steaming. GRYFO developed vegetable products already mixed with rice, pasta, tabbouleh or cheese as well as readymade soups.

Acquisitions and disposals

(Source: Company)

The Scana Noliko acquisition from GIMV created important synergies between the frozen and canned categories. The sale of Lutosa is described by management as an 'interesting financial opportunity'.

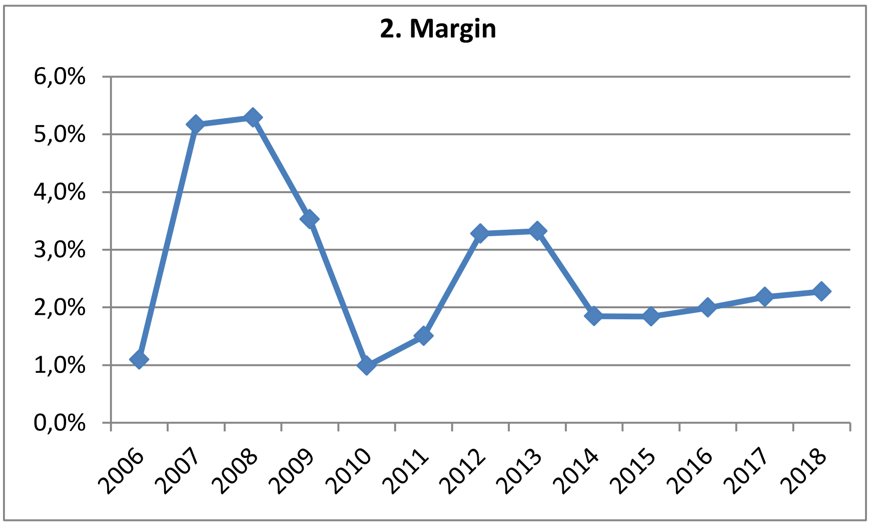
Growth Conclusion

We believe that Univeg can recover a large part of the lost 300m German sales over the next couple of years. The company has downsized its capacity related to this customer over FY14/15. Univeg can also use part of its freed up capacity to attract new customers. The recent strong price deflation has also stopped. Our financial model expects moderate price inflation to return over the next couple of years. This will be combined with low volume growth based on the long term growth drivers for fresh F&V. Univeg also expects to gain further market share in the logistic chain of fresh F&V. They are currently pursuing the transition of existing customer relationships away from a transactional model towards a joint business planning model. By offering customers a more integrated service, Univeg can increase its sales through the delivery of a wider range of products and value-added services. The company expects sales growth to average 1.1% over the next 5 years (including the impact on the German business).

The Greenyard Foods management expects a stand-alone sales growth of 2.3% for the next 3 years. Our financial model also forecasts a 2.3% growth rate till FY18, which is a slight acceleration from the previous 2 years.

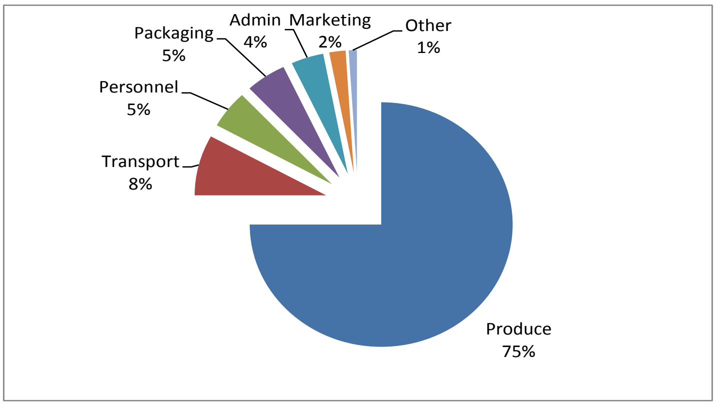
GREENYARD	Y2009	Y2010	Y2011	Y2012	Y2013	Y2014	Y2015	Y2016	Y2017	Y2018
Frozen/Canned	437	484	622	612	623	635	646	736	759	774
Fresh						3.310	3.248	3.459	3.597	3.705
Peat						66	72	75	77	79
Totals	437	484	622	612	623	4.012	3.966	4.270	4.433	4.558
Growth%										
Frozen/Canned		10,7%	28,7%	-1,6%	1,8%	2,0%	1,7%	14,0%	3,0%	2,0%
Fresh							-1,9%	6,5%	4,0%	3,0%
Peat							8,6%	4,0%	3,0%	2,0%
Totals		10,7%	28,7%	-1,6%	1,8%	543,9%	-1,1%	7,7%	3,8%	2,8%

B. Profitability



Univeg Profitability

The Univeg business model is all about the optimisation of the logistical chain. Its capacity utilisation determines its profitability. Another margin driver is innovation. The product mix is shifting towards convenience products which have higher margins. The convenience products now generate 8-10% of the sales mix, but can grow significantly over the next 5 years.



(Source: Company)

Competition

The global fresh produce market in which Univeg operates is very competitive. This competition originates from the short lifespan of the products and a low differentiation between products due to their retailer branding. Despite the recent consolidation, the market is still fragmented with a broad range of market participants.

(Source: Company)

On an international scale, Univeg competes against multinational companies like Dole, Chiquita, Fresh DelMonte and Fyffes. These competitors are mainly focussing on bananas and tropical fruit. The closest international competitor is Total Produce as it operates a comparable distribution network. In some domestic markets, Univeg competes against local produce cooperatives such as The Greenery in the Netherlands, Landgard in Germany and Blue Whale in France. They also compete against local wholesalers without sourcing operations in countries of origin like Bratzler & Co. Univeg also competes across particular product categories like Driscoll's in berries. Univeg has a competitive advantage over these smaller industry players because of their scale and vertical integration.

Barriers to entry

The sector is capital intensive. According to the Univeg management, a new entrant needs to invest 1bn EUR to create a similar logistical chain. Univeg's client relationships make up an important intangible asset that is hard to value or recreate. Another natural barrier to entry is the EU Food Regulation and food safety in general. Some large international retailers like Tesco, ASDA, Walmart and REWE have tried to enter the F&V supply chain. Most have exited or reduced their investments after a period. Tesco also failed to enter the US with its Fresh & Easy concept. The company most likely underestimated the required scale and supply chain integration of a fresh F&V product offering in order to penetrate a new market.

Employees and interim labour

The group employs approximately 5,500 employees. Univeg's seasonal business nature depends to a large extent on interim labour. Univeg has entered into agreements with Randstad and ASAP.be to cover its regular temporary needs for workers in the Netherlands. In other regions, Univeg relies on other agencies. The temping work consists mainly of sorting, packing, ripening and warehousing of fruits and vegetables.

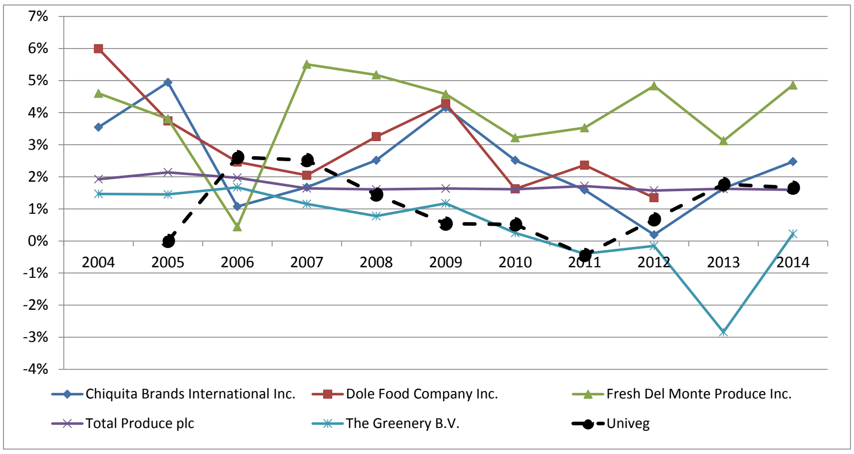
Restructuring period

The EHEC Crisis in May 2011 and weather conditions affected the 2011 results significantly. As a response, Univeg implemented a restructuring plan "Project Roots". Univeg regrouped around the core business of trading F&V. Over 2012-14, Univeg divested some loss making businesses. In 2014 the Fruit Farm group was also spun off.

Impact of the Russian ban has been limited

Since August 2014, a one-year prohibition on import of F&V (fresh and frozen) into Russia has been implemented. The ban has led to price deflation, mainly in apples, pears and tomatoes, as these volumes could not find a replacement market. Univeg has been able to off-set these effects by price increases in other categories.

Peer margins

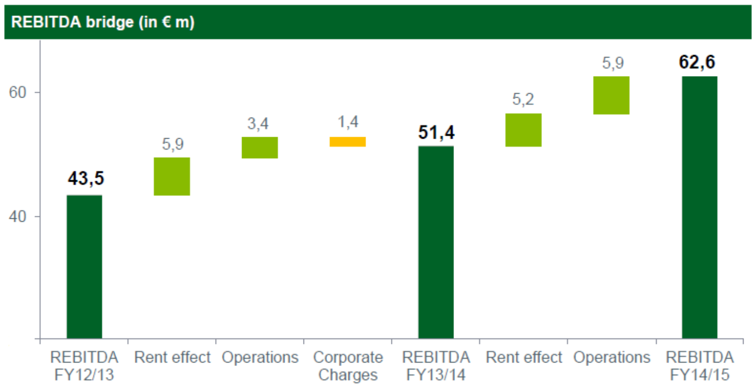


(Source: Capital IQ, Company, Valuescan.be)

Our financial model forecasts EBIT margins over the next 3 years that are at the lower end of the peer group. Note that its local peer The Greenery is currently suffering from lower profitability.

Greenyard Foods Profitability

Over the last 3 years, GRYFO significantly improved its operational efficiencies. The company concentrated its production in less production facilities. For example, the centralization in Poland of the Elk processing activities into the Lipno site. GRYFO also acquired a number of its production facilities over 2013-14 and 2014-15. These investments ended the rent payments, but increased the depreciation charge. In 2014, GRYFO sold its German assets and Pinguin Aquitaine.

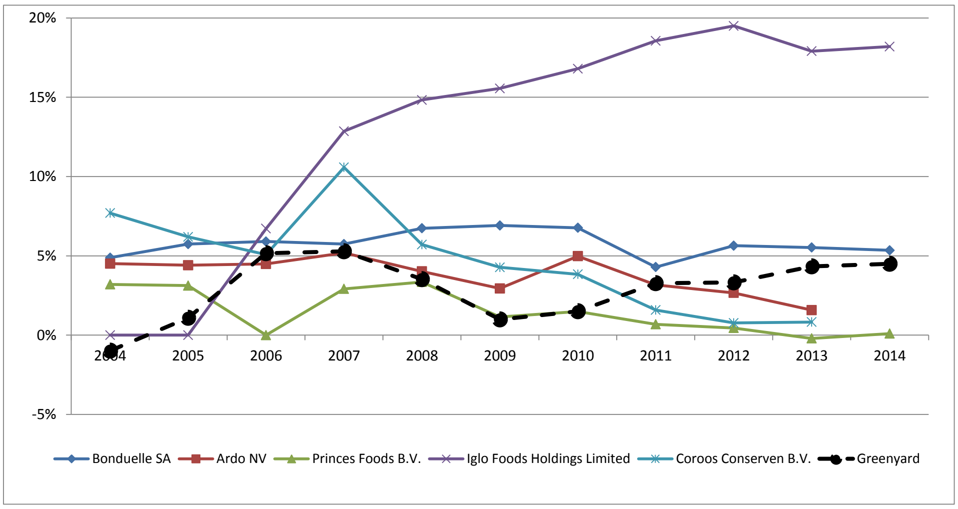


(Source : Company)

Competition

(Source: Company)

The EU 28 Prepared vegetable category is more developed than prepared fruit. However, it is still in its infancy compared to the mature US market. Convenience played an important role in the development of the US market. Retailer brands are well represented, but consumer brands like Bonduelle and HAK have a significant position. Trade brands in foodservice can command a premium like Greenyard Foods' Pinguin brand.



(Source: Capital IQ, Company, Valuescan.be)

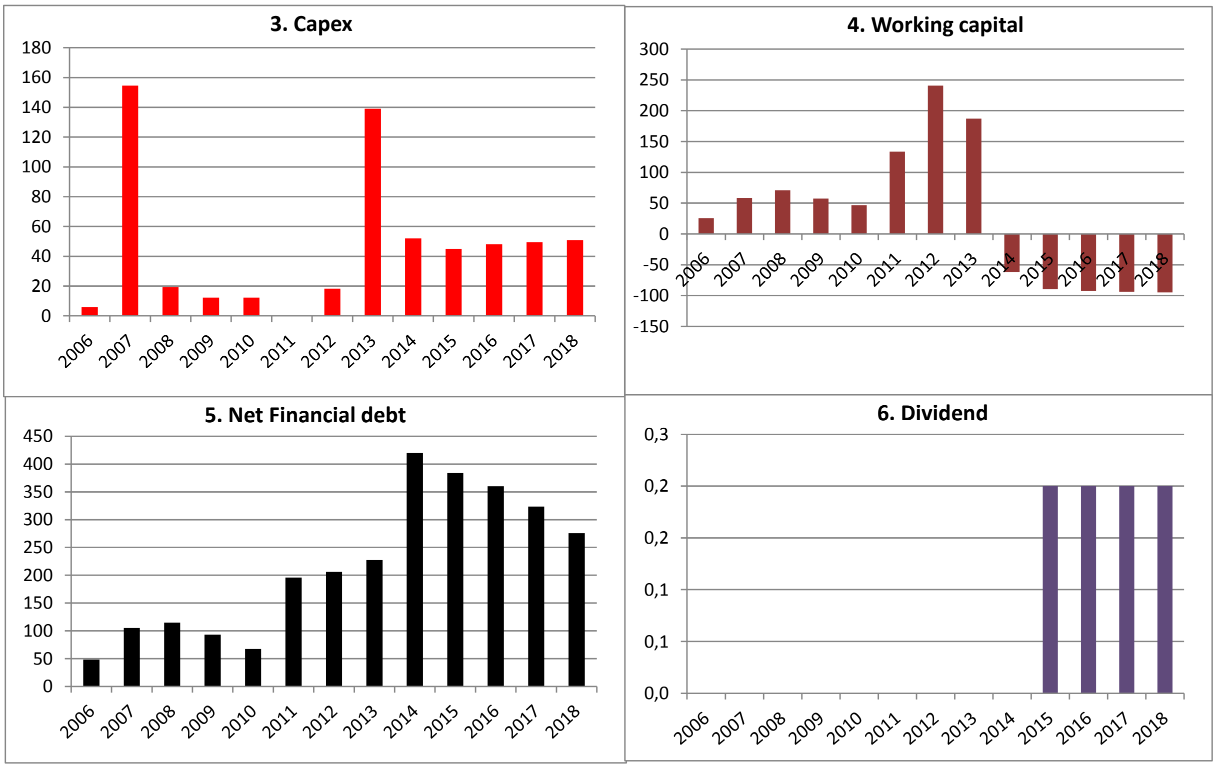
Profitability conclusion

The EHEC crisis in 2011 sent Univeg's profitability into a tailspin. We believe that in a normal market, Univeg enjoys relatively stable margins. Univeg operates on a fixed percentage margin for more than 90% of sales. These contracts can be structured on a cost-plus, free consignment or back-to-back basis. The margin recovered over the last 2 years, but was supported by some non-recurring benefits. Over FY13 a net capital gain was realised of 13m EUR. Over FY14/15, a capital gain of 28m EUR was partly compensated by 14m EUR restructuring costs, of which 5.7m EUR was used for the termination of the German relationship. Univeg reorganized some distribution centers to prepare for the demand decline. Univeg has significantly lower tangible invested capital compared to its peers. Despite its strong market position, this limits its margin potential compared to its more capital intensive peers.

EBIT	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Frozen/Canned	15	5	9	20	21	28	28	32	34	36
Fresh						42	34	42	49	53
Peat						5	6	6	6	7
Corporate						0	5	6	8	8
Totals	15	5	9	20	21	74	73	85	97	104
Margin%										
Frozen/Canned	3,5%	1,0%	1,5%	3,3%	3,3%	4,3%	4,3%	4,3%	4,5%	4,6%
Fresh						1,3%	1,0%	1,2%	1,4%	1,4%
Peat						6,9%	8,3%	8,0%	8,2%	8,5%
Totals	3,5%	1,0%	1,5%	3,3%	3,3%	1,8%	1,8%	2,0%	2,2%	2,3%

(Source: 2006-08 NBB Belgian GAAP, 2013 and 2014/15 Company IFRS reported, 2015-18 Valuescan.be estimates)

C. Capital Needs



(Source: Company data, Valuescan.be estimates)

Capex

Our financial model expects capex to normalise over the next 3 years to around 1.1% on sales or a level of 51m per year. The Capex figures also include the acquisitions and disposals to show the total amount of capital that is invested for future growth.

Working Capital

GREEN Inventories are the main driver for the total working capital level. Although GRYFO also uses factoring to finance part of its working capital, the impact is much smaller compared to Univeg. GRYFO has a program in place for a maximum of 70m EUR and pays around 1m in interest costs per year. Our financial model expects a slight decline in working capital over the next couple of years.

Debt

Solvency	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
NetDebt/EBITDA	7,1	5,6	2,7	2,7	2,8	6,9	4,9	4,6	2,9	3,3	2,5	2,0	1,6
ONCLiab/ONCAssets	14,9	70,7	37,3	260,3	200,8	39,0	2,9	3,2	1,1	1,4	1,4	1,4	1,4
EBIT/Fin.Costs	0,5	2,2	1,4	1,8	2,2	0,4	1,0	1,2	2,3	1,7	1,8	2,6	3,8
Tangible IC/NetDebt	1,6	1,9	1,8	2,1	2,6	1,6	1,8	1,9	0,7	0,8	0,8	0,9	1,1
NetDebt/Equity	1,7	0,9	1,0	0,7	0,5	1,1	1,1	1,1	0,6	0,5	0,5	0,4	0,3
Liquidity													
CurrentA/CurrentL	0,9	0,8	1,2	1,2	1,2	0,9	1,1	1,9	1,0	1,0	1,0	1,1	1,1
Receivables/Payables	0,9	0,7	0,6	0,4	0,5	0,5	0,4	0,7	0,6	0,5	0,5	0,5	0,5

ValueScan.be

D. P&L and Balance Sheet tables with Cash Flow ratio's

Price	**15,02** EUR	NoSh	44	MktCap	666	Code	ENXTBR:GREEN	CredRat	0,00
Target	**20,00**	Debt	384	EV	1.050	Isin	I_BE0003765790		

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sales	**149**	**244**	**452**	**437**	**484**	**622**	**612**	**623**	**4.012**	**3.966**	**4.270**	**4.433**	**4.558**
Salesgrowth		63,9%	85,0%	-3,4%	10,7%	28,7%	-1,6%	1,8%	543,9%	-1,1%	7,7%	3,8%	2,8%
Gross Profit	**31**	**55**	**114**	**103**	**91**	**249**	**268**	**253**	**488**	**234**	**274**	**293**	**311**
Gross Margin	*20,9%*	*22,3%*	*25,3%*	*23,5%*	*18,9%*	*40,1%*	*43,8%*	*40,6%*	*12,2%*	*5,9%*	*6,4%*	*6,6%*	*6,8%*
R&D													
R&D%													
SG&A	25	36	90	87	87	240	248	232	414	182	194	200	206
SG&A%	*16,5%*	*14,9%*	*20,0%*	*20,0%*	*17,9%*	*38,6%*	*40,5%*	*37,3%*	*10,3%*	*4,6%*	*4,5%*	*4,5%*	*4,5%*
EBITDA	7	19	43	35	24	28	42	50	143	115	138	150	157
Margin	*4,5%*	*7,6%*	*9,5%*	*8,0%*	*4,9%*	*4,6%*	*6,9%*	*8,0%*	*3,6%*	*2,9%*	*3,2%*	*3,4%*	*3,4%*
Depreciation	5	6	19	20	19	19	22	29	69	55	53	53	53
Amortisation	0	0	0	0	0	0	0	0	0	0	0	0	0
Other operating inco	-5	-6	0	0	0	0	0	0	0	21	5	3	-1
EBIT	**2**	**13**	**24**	**15**	**5**	**9**	**20**	**21**	**74**	**73**	**85**	**97**	**104**
Margin	*1,1%*	*5,2%*	*5,3%*	*3,5%*	*1,0%*	*1,5%*	*3,3%*	*3,3%*	*1,8%*	*1,8%*	*2,0%*	*2,2%*	*2,3%*
Financials	-4	-6	-17	-8	-2	-26	-19	-17	-32	-44	-47	-37	-28
Pretax	**-2**	**7**	**7**	**7**	**3**	**-17**	**1**	**4**	**42**	**29**	**38**	**59**	**76**
Tax Rate	*-31%*	*-43%*	*-29%*	*-47%*	*-4%*	*-25%*	*-9%*	*-187%*	*-55%*	*-42%*	*-35%*	*-32%*	*-30%*
Tax	1	-3	-2	-3	0	4	0	-8	-23	-12	-13	-19	-23
Adjustments											0	0	0
Net adj.	-4	4	5	10	3	-12	1	-4	19	17	25	40	53
EPS adj.	**-0,80**	**0,53**	**0,49**	**0,93**	**0,26**	**-1,02**	**0,05**	**-0,22**	**0,45**	**0,44**	**0,56**	**0,91**	**1,20**
# Shares	4	7	11	11	11	12	13	16	42	38	44	44	44
Dividend										0,20	0,20	0,20	0,20
Valuations													
EV/Sales		0,4	0,3	0,2	0,1	0,3	0,3	0,4	0,1	0,1	0,2	0,2	0,2
EV/EBIT		8,3	4,8	6,1	14,2	21,0	10,3	11,0	5,7	5,3	11,0	9,3	8,2
PE		0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	26,8	16,5	12,5
EBIT Growth		675%	89%	-36%	-69%	96%	115%	3%	258%	-1%	17%	13%	7%
NET Growth			38%	92%	-72%	-542%		-659%		-12%	49%	63%	32%
EPS Growth			-8%	92%	-72%	-493%		-535%		-4%	28%	63%	32%
Balance Sheet	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Tangibles	53	140	140	135	131	186	131	238	358	381	376	372	370
Intangibles	0	60	58	57	57	90	35	33	764	840	840	840	840
Other Fixed	0	1	1	0	0	1	11	9	48	58	58	58	58
Financial Assets	0	1	0	0	0	3	3	0	25	7	7	7	7
Non-Curr.A.	**54**	**201**	**199**	**192**	**188**	**280**	**181**	**281**	**1.195**	**1.286**	**1.281**	**1.278**	**1.275**
Inventory	28	93	115	122	113	237	201	225	302	294	313	322	331
Receivables	27	67	59	45	60	117	85	84	335	318	339	349	359
Cash	2	30	20	38	55	38	22	15	144	140	164	200	248
Other Current	1	5	7	3	4	7	295	0	32	49	49	49	49
Curr.Ass.	**58**	**196**	**201**	**208**	**232**	**399**	**603**	**324**	**813**	**800**	**863**	**919**	**986**
Total Assets	112	397	400	400	420	679	784	605	2.008	2.086	2.145	2.197	2.261
Equity	28	113	114	125	139	171	182	212	663	728	744	776	820
LT Debt	13	7	76	69	56	41	39	193	478	450	450	450	450
Other NC Liabil.	6	42	42	31	29	46	33	28	51	85	85	85	85
Non-Curr.Liabil.	**47**	**161**	**231**	**225**	**223**	**258**	**254**	**433**	**1.192**	**1.263**	**1.279**	**1.311**	**1.355**
ST Debt	37	129	60	62	66	193	189	50	86	73	73	73	73
Payables	30	92	98	107	124	216	241	122	600	653	695	716	736
Other Curr.Liabil.	1	15	12	6	7	11	100	0	131	97	97	97	97
Current Liabilit.	**68**	**236**	**169**	**176**	**197**	**420**	**529**	**171**	**817**	**823**	**865**	**886**	**906**
Total Liabil.	115	397	400	400	420	679	784	604	2.008	2.086	2.145	2.197	2.261
Net Debt	48	105	115	93	67	196	206	227	420	384	360	324	276
Working capital	25	58	71	57	47	134	241	187	-62	-90	-92	-94	-95
Inv/Sales%	*18,9%*	*38,1%*	*25,4%*	*28,0%*	*23,3%*	*38,1%*	*32,8%*	*36,1%*	*7,5%*	*7,4%*	*7,3%*	*7,3%*	*7,3%*
Rec/Sales%	*18,3%*	*27,6%*	*13,0%*	*10,4%*	*12,5%*	*18,7%*	*13,9%*	*13,5%*	*8,4%*	*8,0%*	*7,9%*	*7,9%*	*7,9%*
Pay/Sales%	*19,9%*	*37,8%*	*21,6%*	*24,5%*	*25,6%*	*34,7%*	*39,3%*	*19,5%*	*14,9%*	*16,5%*	*16,3%*	*16,1%*	*16,1%*
Capex/Sales%	*4,0%*	*63,2%*	*4,3%*	*2,8%*	*2,5%*		*3,0%*	*22,3%*	*1,3%*	*1,1%*	*1,1%*	*1,1%*	*1,1%*

(Source: Company data, Valuescan.be estimates)

IV. Valuation

DCF valuation range:

Saved	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Salesgrowth	*-1,1%*	*7,7%*	*3,8%*	*2,8%*	*2,5%*	*2,0%*	*2,5%*	*2,0%*	*2,0%*	*2,0%*	*2,0%*
Sales	3966	4270	4433	4558	4672	4765	4884	4982	5082	5183	5287
Oper.Margin	*1,8%*	*2,0%*	*2,2%*	*2,3%*	*2,4%*	*2,4%*	*2,4%*	*2,4%*	*2,4%*	*2,4%*	*2,3%*
Oper.Income	73	85	97	104	112	114	117	120	122	124	124
Depreciation	55	53	53	53	54	53	54	56	57	58	59
WC changes		3	1	1	2	2	2	2	2	2	2
Taxes	-12	-13	-19	-23	-25	-31	-34	-35	-35	-36	-36
Capex	-45	-48	-49	-51	-52	-53	-54	-56	-57	-58	-59
Free Cash Flow	70	79	83	84	92	85	86	87	89	90	90

Working Capital	-90	-92	-94	-95	-97	-99	-102	-104	-106	-108	-110
Net Debt	384	305	222	138	46	-40	-125	-212	-301	-391	-481
Tax Rate	*-17%*	*-16%*	*-20%*	*-22%*	*-22%*	*-27%*	*-29%*	*-29%*	*-29%*	*-29%*	*-29%*
WC/Sales	*-2%*	*-2%*	*-2%*	*-2%*	*-2%*	*-2%*	*-2%*	*-2%*	*-2%*	*-2%*	*-2%*
Capex/Sales	*-1%*	*-1%*	*-1%*	*-1%*	*-1%*	*-1%*	*-1%*	*-1%*	*-1%*	*-1%*	*-1%*
Deprec./Capex	*121%*	*110%*	*107%*	*104%*	*104%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*

Free Cash Flow		79	83	84	92	85	86	87	89	90	90
Discount Factor		1,000	0,926	0,857	0,794	0,735	0,681	0,630	0,583	0,540	0,500
Discounted Flows		79	76	72	73	63	58	55	52	49	45

Horizon Value	**498**
Terminal Value	**765**
- net debt	**384**
Equity Value	**880**
Nr Shares	44
HV/TV Ratio	57%
Fin. Assets	7

Sensitivity

Rg/WACC	**8,5%**	**8,0%**	**7,5%**
1,5%	16,6	18,6	20,9
2,0%	17,8	20,0	22,6
2,5%	19,2	21,6	24,6

Base Case

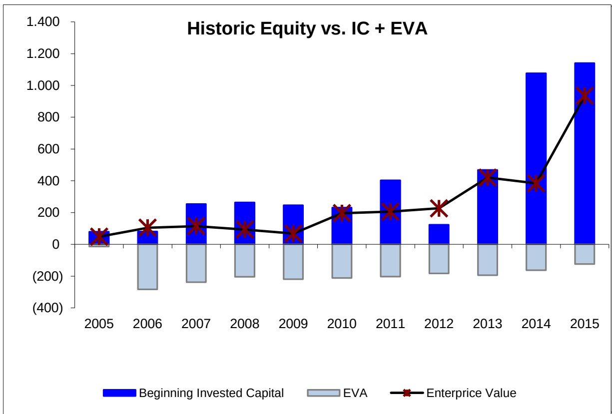
WACC	8,0%
LT Growth	2,0%

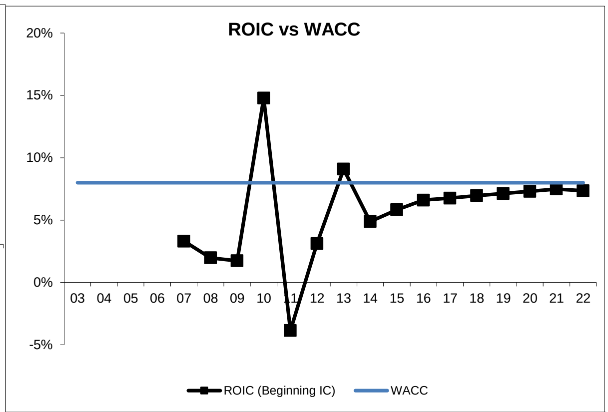
Target Price :	**20,0**

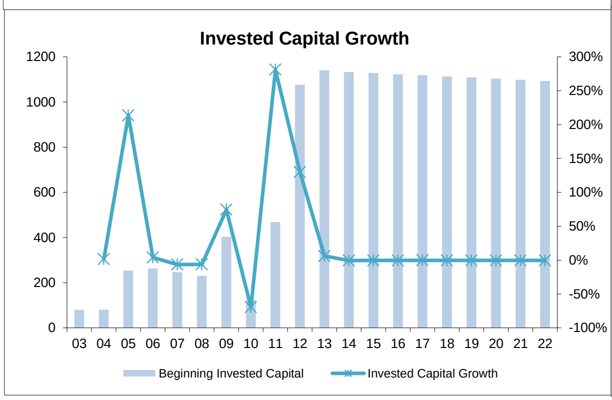
(Source: business plan estimates from previous chapters by Valuescan.be, these can differ from the actual results)

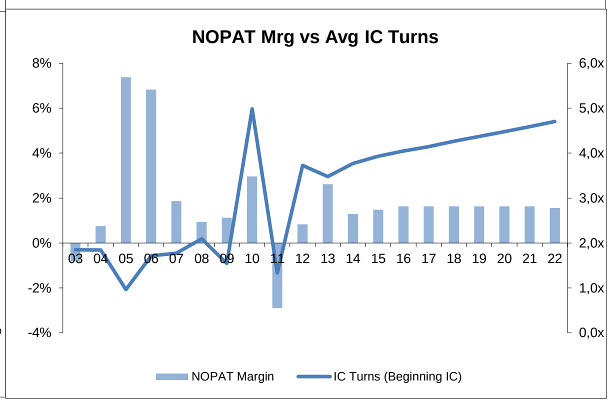
The DCF

ROIC analysis









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