



GOODVALLEY

Since



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Home of Quality

**Interim report
Q1 2019**



Highlights

Goodvalley maintained strong operational performance and continued to improve production efficiency in the face of challenging market conditions in Q1 2019. While financial performance in the quarter was impeded by high feed costs and low pig and pork prices, the Group's continued investments in stable upgrades and efficiency enhancements have established a solid foundation for profitable growth as market conditions improve.

“

As expected, financial performance in the first quarter of 2019 was impacted by the repercussions of challenging weather conditions in 2018 and a general oversupply of pork across Europe. We have continuously invested in our business, adding capacity and further improving efficiency despite short-term fluctuations, and we now stand ready to leverage the positive trends in pork and pig prices seen in the second quarter of the year. Still, it is too early to adjust full-year guidance amid highly fluctuating prices driven by significant uncertainty about supply and demand in the important Chinese market, which has been severely impacted by outbreaks of ASF, says CEO Tom Axelgaard.

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OUTLOOK

Goodvalley maintains expectations of generating revenue of DKK 1,400-1,550 million and an Adjusted EBITDA of DKK 220-280 million in 2019.

Q1 2019

- Group revenue declined to DKK 322 million (Q1 2018: DKK 351 million) due to lower pig prices following a continued oversupply of meat in the market. Goodvalley's Adjusted* EBITDA came to DKK 37 million (Q1 2018: DKK 73 million), corresponding to an Adjusted EBITDA margin of 11.5% (Q1 2018: 20.7%).
- Pig segment revenue declined to DKK 216 million (Q1 2018: DKK 247 million) as a result of the significantly lower prices and a decrease in volumes from temporary lower weight gain in Goodvalley's Ukrainian production. Adjusted EBITDA was DKK 28 million (Q1 2018: DKK 57 million).
- Revenue from the Food segment was down to DKK 161 million (Q1 2018: DKK 189 million) as a consequence of lower prices, entailing a decline in EBITDA to DKK -4 million (Q1 2018: DKK 6 million).
- The Arable segment lifted revenue to DKK 18 million (Q1 2018: DKK 8 million) driven by the Ukrainian business' sale of corn harvested late 2018 and beginning of 2019. The segment generated EBITDA of DKK 4 million (Q1 2018: DKK 5 million).
- The Energy segment generated revenue of DKK 17 million (Q1 2018: DKK 19 million) and EBITDA of DKK 3 million (Q1 2018: DKK 6 million).



Contact information

Tom Axelgaard, CEO,
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Conference call

A conference call for investors, analysts and other stakeholders will be conducted in English by CEO Tom Axelgaard and CFO Hans Henrik Pedersen on 27 May 2019 at 12.30 PM (CET). The conference call can be followed live via [this link](#) and participants may dial telephone numbers provided at our corporate website to ask questions.

*In this report, Adjusted EBITDA refers to EBITDA adjusted for herd price changes and non-recurring items, cf. page 3.

Financial highlights

DKK million	Q1 2019	Q1 2018	DKK million	Q1 2019	Q1 2018
Income statement			Financial ratios		
Revenue	322	351	Gross margin	20.4%	34.8%
Total income	380	410	EBITDA margin	13.0%	27.6%
Gross profit	66	122	Adjusted EBITDA margin	11.5%	20.7%
EBITDA	42	97	EBIT margin	2.0%	19.5%
<i>Adjusted EBITDA</i>	37	73	Free cash flow / Revenue	2.0%	1.3%
EBIT	7	68	Cash conversion	73.0%	6.7%
Financial items, net	(8)	(10)	Capex	22	42
Profit / (loss) for the period	(2)	58	NIBD/Adjusted EBITDA LTM	6.7	2.7
<i>Adjusted* profit</i>	(16)	30	Equity ratio	46.8%	46.2%
			ROIC	2.1%	12.8%
			FTE end of period	2,222	2,277
Cash flow			Share ratios		
Operating activity	26	43	Earnings per share, DKK	(0.04)	1.08
Investing activity	(20)	(38)			
Free cash flow	6	5			
Financing activity	(10)	(3)			
Balance sheet			Goodvalley Bond Obligor Group*		
Non-current assets	2,016	1,833	Revenue	288	318
Net working capital	494	579	Total income	335	370
Invested capital	2,509	2,412	EBITDA	30	84
Total assets	2,727	2,793	<i>Adjusted EBITDA</i>	28	65
Equity	1,275	1,310	Interest-bearing debt	1,224	1,196
Net interest-bearing debt	1,232	1,098	Net interest-bearing debt	1,184	1,081
			Adjusted EBITDA LTM	121	359
			NIBD/Adjusted EBITDA LTM	9.5	3.0

*In this report, Adjusted profit refers to profit for the period adjusted for non-recurring items, herd price changes and exchange rate adjustments in financial items.

*Bond Obligor Group consists of: Goodvalley A/S, Finansax ApS, Goodvalley Agro SA, Goodvalley Sp. Z o.o. and Goodvalley Ukraine LLC.

Financial performance

GROUP

BUSINESS DEVELOPMENT

Goodvalley's operational performance remained strong in the first quarter as the Group continued to improve production efficiency and generate market-leading KPIs. Market conditions for pig and pork meat remained challenged by the oversupply of meat that characterised the second half of 2018 and continued during the first quarter of 2019.

The Group's financial performance in the quarter was impacted by low pig and pork prices combined with high feed prices as a consequence of the challenging harvest in 2018. The pig production was temporarily affected by a decline in volumes caused by cases of stomach ulcers in the Group's Ukrainian herd due to feed composition, lowering the pigs' weight gain in the period. Despite the challenges in Ukraine, the Group increased the number of pigs sold per sow to 33.0 (Q1 2018: 32.2) in Q1 2019 with a stable feed conversion ratio at 2.74 (Q1 2018: 2.75).

INCOME STATEMENT

Revenue

In Q1 2019, revenue came to DKK 322 million (Q1 2018: DKK 351 million) following continued low pig and pork prices as well as lower volumes produced in the Pig segment in Ukraine.

Total income amounted to DKK 380 million (Q1 2018: DKK 410 million) in Q1 2019 following fair value adjustments of DKK 53 million (Q1 2018: DKK 54 million).

Cost of goods sold

The Group's cost of goods sold increased to DKK 314 million (Q1 2018: DKK 288 million) in Q1 2019 driven by significantly higher feed prices in the quarter and higher cost in the Arable segment due to earlier initiation of preparatory work in the fields this season compared to 2018.

SG&A

Sales, general and administrative expenses were stable at DKK 24 million (Q1 2018: DKK 25 million) in Q1 2019.

DKK million	Q1 2019	Q1 2018
Revenue	322	351
Change in fair value	53	54
Grants and other income	5	5
TOTAL INCOME	380	410

DKK million	Q1 2019	Q1 2018
EBITDA	42	97
Herd price adjustment	(5)	(24)
Adjusted EBITDA	37	73
ADJUSTED EBITDA MARGIN	11.5%	20.7%
EBITDA margin	13.0%	27.6%

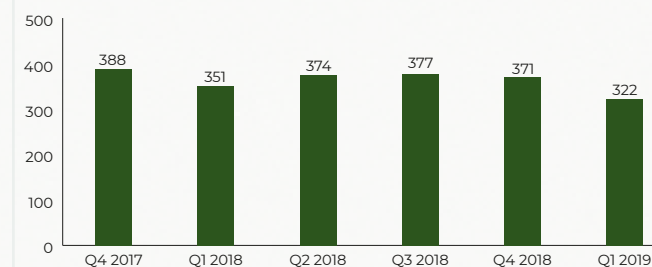
EBITDA

Goodvalley's Adjusted EBITDA declined to DKK 37 million (Q1 2018: DKK 73 million) in Q1 2019, corresponding to an Adjusted EBITDA margin of 11.5% (Q1 2018: 20.7%). EBITDA decreased to DKK 42 million (Q1 2018: DKK 97 million), and the Group's EBITDA margin came to 13.0% (Q1 2018: 27.6%).

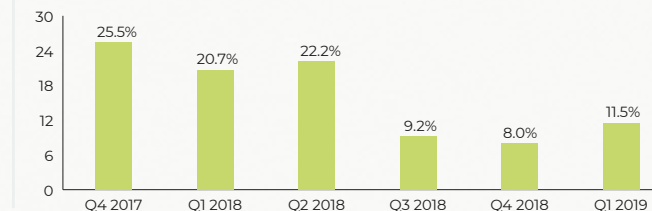
EBIT

In Q1 2019, EBIT amounted to DKK 7 million (Q1 2018: DKK 68 million), corresponding to an EBIT margin of 2.0% (Q1 2018: 19.5%).

REVENUE, DKK MILLION



ADJUSTED EBITDA MARGIN, %



Financial performance

GROUP

ADJUSTED PROFIT

The Group's Adjusted* profit came to DKK -16 million (Q1 2018: DKK 30 million), corresponding to an Adjusted profit margin of -5.0% (Q1 2018: 8.5%).

TOTAL COMPREHENSIVE INCOME

The Group's total comprehensive income amounted to DKK 45 million (Q1 2018: DKK 45 million) in Q1 2019, including exchange gains from translating the financial statements of foreign enterprises of DKK 47 million (Q1 2018: DKK -9 million).

BALANCE SHEET

Goodvalley's balance sheet amounted to a total of DKK 2,727 million (Q1 2018: DKK 2,793 million) at 31 March 2019.

Goodvalley's net working capital was DKK 494 million (Q1 2018: DKK 579 million) at 31 March 2019 including 72 thousand tonnes of grain and other feed components in stock for the coming feeding season.

The Group's invested capital was DKK 2,509 million (Q1 2018: DKK 2,412 million) at 31 March 2019, and the return on invested capital (ROIC) decreased to 2.1% (Q1 2018: 12.8%) driven by lower LTM earnings.

Total equity was DKK 1,275 million (Q1 2018: DKK 1,310 million) at 31 March 2019, and the equity ratio was stable at 46.8% (Q1 2018: 46.2%).

At 31 March 2019, Goodvalley's net interest-bearing debt was DKK 1,232 million (Q1 2018: DKK 1,098 million), and NIBD/Adjusted EBITDA LTM was 6.7 (Q1 2018: 2.7).

CHANGES IN ACCOUNTING PRINCIPLES

The group has implemented IFRS 16 "Leases" with effect from 1 January 2019. The implementation has improved Adjusted EBITDA by DKK 3 million in Q1 2019 compared to Q1 2018. For further information please refer to note 1 in the financial statements.

EVENTS AFTER THE BALANCE SHEET DATE

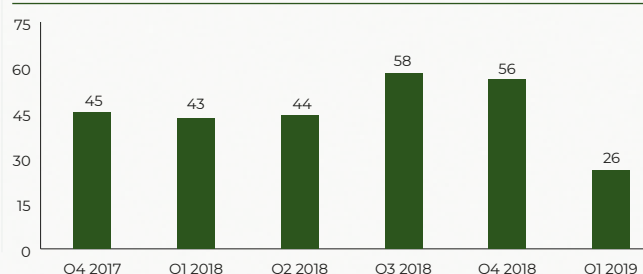
At an extraordinary general meeting on 3 May 2019, Leif Bergvall Hansen was elected to the Board of Directors, while Jens Jørgen Nielsen simultaneously resigned from the Board of Directors.

Since 2012, Leif Bergvall Hansen has been the CEO of Scandi Standard AB, a company listed on Nasdaq Stockholm and one of Europe's leading poultry processors, with annual revenue of around SEK 9 billion and around 3,000 employees.

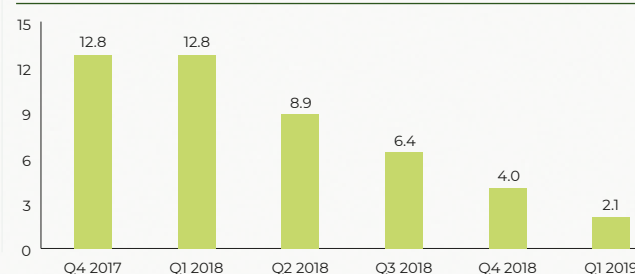
Through his positions at Scandi Standard, Bisca A/S, Findus A/S, Nestlé and ESS-FOOD, Leif Bergvall Hansen has built special competencies within sales, marketing and brand-building of food sector businesses, strategic transformation of businesses, including IPO, acquisitions and managing international businesses. Furthermore, Leif Bergvall Hansen is a board member of Danpo A/S, Farmfood A/S and Iconovo AB.

DKK million	Q1 2019	Q1 2018
Net profit	(2)	58
Herd price adjustment	(5)	(24)
Exchange rate adjustment	(9)	(4)
Adjusted profit	(16)	30
ADJUSTED PROFIT MARGIN	(5.0%)	8.5%
Net profit margin	(0.6%)	16.5%

OPERATING CASH FLOW, DKK MILLION



ROIC, %



*In this report, Adjusted profit refers to profit for the period adjusted for non-recurring items, price changes of herd on stock and exchange rate adjustments in financial items.

Financial performance

PIG

Goodvalley's Pig segment sold 26,314 tonnes of pork (Q1 2018: 27,999 tonnes) in Q1 2019 and generated revenue of DKK 216 million (Q1 2018: DKK 247 million) comprised of external revenue from sales of live pigs as well as internal revenue from sales to Goodvalley's Food segment and accounting in total for 51% of Group revenue before segment eliminations (Q1 2018: 52%).

Revenue was affected by a decline in volumes sold in Ukraine due to stomach ulcers caused by feed composition and resulting in a temporary decrease in the weight gain as well as higher mortality. Furthermore, fewer pigs were sold as a result of building up herds after finalising stable renovations.

Total income came to DKK 238 million (Q1 2018: DKK 275 million) and includes positive fair value changes from increasing volumes of DKK 16 million (Q1 2018: DKK 5 million) at the Group's newly renovated farms offering increased capacity.

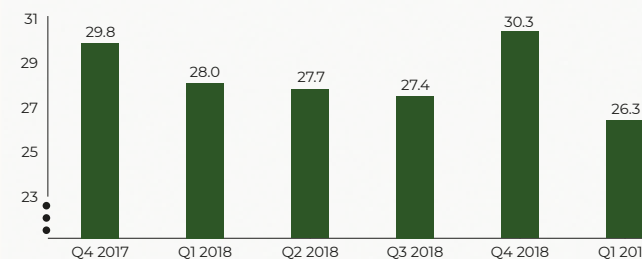
The segment's earnings were significantly affected by a decrease in the average pig price for finishers to DKK 9.96 per kilo (Q1 2018: DKK 10.68 per kilo) in Q1 2019 as well as the average pig price for weaners to DKK 16.24 per kilo (Q1 2018: DKK 16.83 per kilo) in Q1 2019.

The segment was moreover affected by a significant increase in the feed price to DKK 1.72 per kilo (Q1 2018: DKK 1.50 per kilo), which entailed a marked decline in the meat-to-feed ratio to 5.78 (Q1 2018: 7.13).

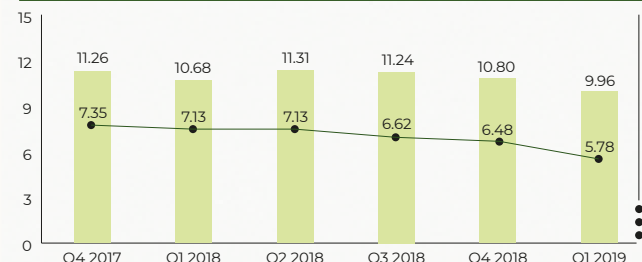
The Group's total number of sows increased to 41,265 at the end of Q1 2019 (Q1 2018: 41,118).

DKK million	Q1 2019	Q1 2018
External revenue	138	149
Internal revenue	78	98
REVENUE	216	247
Change in fair value	21	29
Other income	1	-
TOTAL INCOME	238	275
EBITDA	33	81
ADJUSTED EBITDA	28	57
Adjusted EBITDA margin	12.8%	23.1%

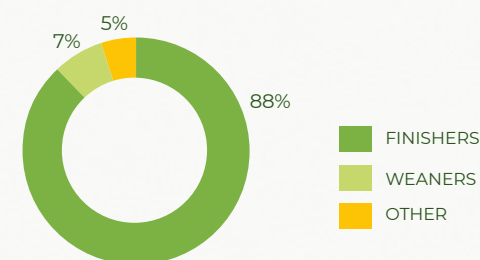
PIGS SOLD, THOUSAND TONNES (LIVE WEIGHT)



PIG PRICE, DKK/KG AND MEAT TO FEED RATIO



PIGS SOLD BY TYPE, SPLIT PER TON % (Q1 2019)

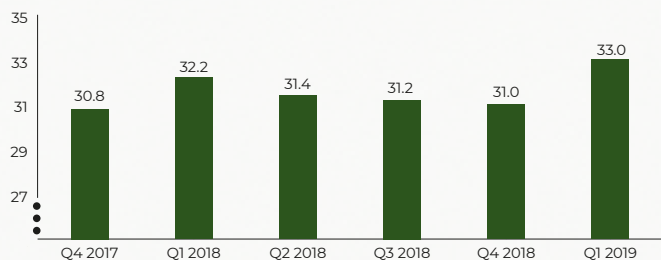


Financial performance

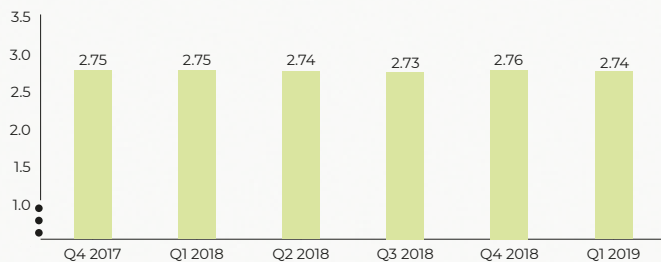
PIG

Adjusted EBITDA decreased to DKK 28 million (Q1 2018: DKK 57 million) corresponding to an Adjusted EBITDA margin of 12.8% (Q1 2018: 23.1%). The decline was driven mainly by lower revenue and high feed prices, and the development was only partly offset by higher production efficiency as Goodvalley sold 33.0 pigs per sow (Q1 2018: 32.2) while the feed conversion ratio was stable at 2.74 (Q1 2018: 2.75). EBITDA was DKK 33 million (Q1 2018: DKK 81 million) in Q1 2019.

PIGS SOLD PER SOW, HEADS



FEED CONVERSION RATIO, KG (WHOLE HERD)



Financial performance

FOOD

The Food segment comprises the Polish slaughterhouse and food processing plant, constituting the final stage in Goodvalley's vertically integrated business model.

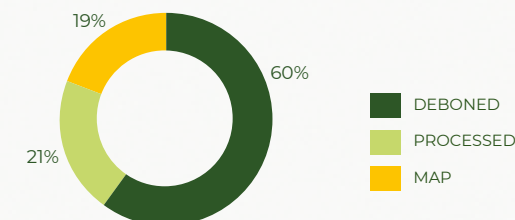
In Q1 2019, the Food segment sold 11,534 tonnes of pork (Q1 2018: 12,952 tonnes), generating revenue of DKK 161 million (Q1 2018: DKK 189 million) and accounting for 38% of Group revenue before segment eliminations (Q1 2018: 40%).

The product mix changed slightly as deboned meat was stable with 60% (Q1 2018: 61%) of total tonnes sold, while processed meat amounted to 19% (Q1 2018: 22%) and 21% (Q1 2018: 17%) came from sales of MAP (Modified Atmosphere Packaging) products. 77% of the Food segment's revenue was generated in Poland, 7% in other EU countries, and 16% in other countries.

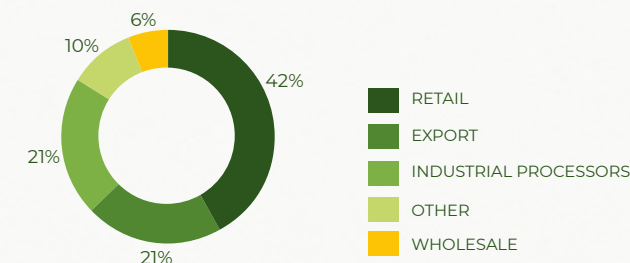
EBITDA came to DKK -4 million (Q1 2018: DKK 6 million) in Q1 2019, corresponding to an EBITDA margin of -2.3% (Q1 2018: 3.3%). Both revenue and earnings were affected by lower prices due to a general oversupply of pork in Europe, which characterised the end of 2018 and continued into Q1 2019.

DKK million	Q1 2019	Q1 2018
REVENUE	161	189
Other income	1	1
TOTAL INCOME	162	189
EBITDA	(4)	6
EBITDA margin	(2.3%)	3.3%

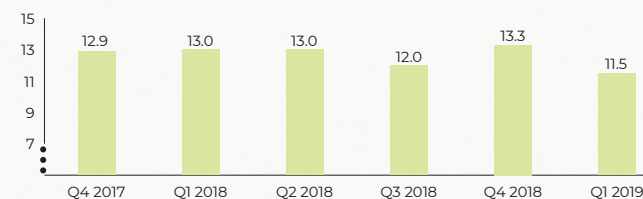
SALES SPLIT, % (Q1 2019)



DISTRIBUTION CHANNELS (Q1 2019)



SALE OF PORK, THOUSAND TONNES



Financial performance

☿ ARABLE

The Arable segment generated revenue of DKK 18 million (Q1 2018: DKK 8 million) in Q1 2019 comprised of external revenue from sales of crops and internal revenue from sales of crops for feed and energy production. The Arable segment accounted for 4% of Group revenue before segment eliminations (Q1 2018: 2%).

Total income came to DKK 52 million (Q1 2018: DKK 37 million) in Q1 2019 and includes revenue and the change in fair value of Goodvalley's crops in progress at the balance sheet date as well as grants and other income. The increase is driven by an earlier initiation of the season in the fields compared to 2018, driving fair value adjustments and cost incurred. EBITDA was stable at DKK 4 million (Q1 2018: DKK 5 million) in Q1 2019.

DKK million	Q1 2019	Q1 2018
External revenue	10	-
Internal revenue	8	8
REVENUE	18	8
Change in fair value	32	26
Grants and other income	2	3
TOTAL INCOME	52	37
EBITDA	4	5
EBITDA margin (%)	24.2%	56.7%



Financial performance

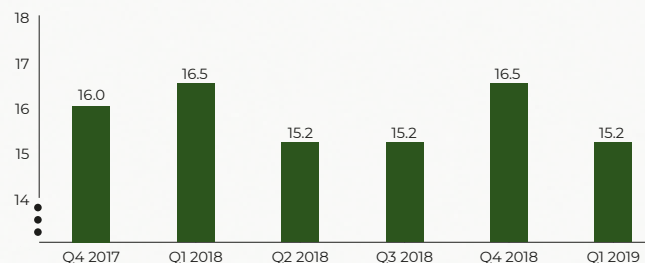
ENERGY

The Energy segment consists of nine biogas plants of which eight are situated in Poland and one in Ukraine.

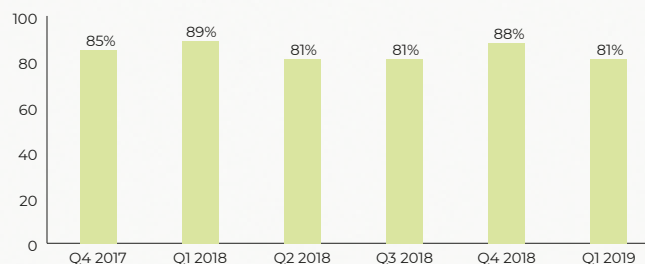
Goodvalley produced 15.2 GWh electricity (Q1 2018: 16.5 GWh) in Q1 2019, and revenue was stable at DKK 17 million (Q1 2018: DKK 19 million) from external sales of electricity and internal sales of heat and electricity to Goodvalley's Pig and Food segments. The Energy segment's external revenue was DKK 10 million (Q1 2018: DKK 12 million). In Q1 2019, the Energy segment accounted for 4% of Group revenue before segment eliminations (Q1 2018: 4%).

The segment's EBITDA came to DKK 3 million (Q1 2018: DKK 6 million), corresponding to an EBITDA margin of 15.4% (Q1 2018: 32.4%), and efficiency was stable around 81%.

PRODUCED ELECTRICITY, GWH



EFFICIENCY, %



DKK million	Q1 2019	Q1 2018
External revenue	10	12
Internal revenue	7	7
REVENUE	17	19
Grants and other income	-	-
TOTAL INCOME	17	19
EBITDA	3	6
EBITDA margin (%)	15.4%	32.4%



Outlook

Based on year-to-date performance as well as current expectations for the rest of the year, Goodvalley maintains the outlook for 2019 of revenue of DKK 1,400-1,550 million and an Adjusted EBITDA* of DKK 220-280 million.

Assumptions

Despite a significant increase in pig and pork prices in the beginning of Q2 2019, Goodvalley's outlook for the full-year is based on an unchanged average market price for live pigs of DKK 11.2 per kilo slaughter pig and a feed price of DKK 1.69 per kilo in the pig segment.

Current price fluctuations are mainly driven by changes in supply and demand in the Chinese market following ASF outbreaks entailing low transparency, and Goodvalley therefore expects to revise assumptions in connection with the publication of the inter-

im report for Q2 2019 if relevant. The outlook is furthermore based on current exchange rates for the Group's key currencies as well as the prevailing economic situation in Goodvalley's markets.

The outlook represents our current expectations for the development in the Group's revenue and Adjusted EBITDA, and Goodvalley's EBITDA may thus deviate significantly from this outlook.

DKK MILLION

2019 OUTLOOK

REVENUE	1,400 - 1,550
ADJUSTED EBITDA	220 - 280

This report contains forward-looking statements reflecting Goodvalley's current forecasts of future events, operational performance and financial results. Such statements are subject to uncertainty as factors within and beyond Goodvalley's control may cause actual performance and results to differ materially from the forecasts in this report. Such factors include, among other things, the fair value of pigs, global and local market prices of pork meat, changes in consumer preferences and demand, consumer purchasing power, competition, any outbreak of animal diseases or epidemics, the supply of utilities, development in financial markets and changes or amendments to legislation, regulation or the political situation in Goodvalley's markets. See also the section on risk management and note 4.2 to the annual financial statements for 2018.

FINANCIAL CALENDAR 2019

27 AUGUST 2019: INTERIM REPORT Q2 2019
 27 NOVEMBER 2019: INTERIM REPORT Q3 2019



Management statement

The Board of Directors and Executive Board have today reviewed and approved the Interim Report of Goodvalley A/S and subsidiaries ("the Group") for the period 1 January – 31 March 2019. The Interim Report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and additional Danish requirements for listed companies.

Furthermore, the Interim Report has been prepared in accordance with the accounting policies set out in the Group's Annual Report for 2018. The Interim Report has not been audited or reviewed by the Group's independent auditor.

In our opinion, the accounting policies used are appropriate and the overall presentation of the interim consolidated financial statements give a true and fair view of the Group's assets, liabilities and financial position as at 31 March 2019 and of the results of the Group's operations and cash flows for the period 1 January - 31 March 2019.

We further consider that the Management Commentary (on page 1 – 11) includes a true and fair description of the development and performance of the Group, the results for the period and the financial position, as well as a description of the principal risks and uncertainties that the Group faces in accordance with Danish requirements for listed companies.

Apart from the information set out in the Interim Report, there have been no changes to the Group's significant risks and uncertainties that have not been disclosed in the Annual Report 2018.

27 May 2019

Executive Board

Tom Axelgaard
 Chief Executive Officer

Hans Henrik Pauk Pedersen
 Chief Financial Officer

Kristian Brokop
 Chief Operating Officer

Board of Directors

Anders Christen Obel
 Chairman

Niels Rauff Hansen
 Vice Chairman

Anders Bundgaard

Erling Bech Poulsen

Helle Okholm

Leif Bergvall Hansen



Financial Statements

Statement of comprehensive income

INCOME STATEMENT

DKK MILLION	Q1 2019	Q1 2018
Revenue	322	351
Change in fair value of biological assets	53	54
Grants and other income	5	5
TOTAL INCOME	380	410
Cost of goods sold (COGS)	(314)	(288)
GROSS PROFIT	66	122
SG&A	(24)	(25)
EBITDA	42	97
Depreciation and amortisation	(35)	(29)
PROFIT BEFORE FINANCIAL EXPENSES AND TAX	7	68
Financial income	1	2
Financial expenses	(18)	(16)
Exchange rate adjustments	9	4
PROFIT / (LOSS) BEFORE TAX	(1)	58
Income tax	(1)	(0)
PROFIT / (LOSS) OF CONTINUING OPERATIONS	(2)	58
Profit/(loss) for the year of discontinued operations	-	(4)
PROFIT / (LOSS) FOR THE PERIOD	(2)	54
<i>Profit / loss is attributable to:</i>		
Owners	(2)	54
TOTAL	(2)	54

STATEMENT OF COMPREHENSIVE INCOME

DKK MILLION	Q1 2019	Q1 2018
Profit / (loss) for the period	(2)	54
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange adjustments of foreign enterprises	47	(9)
TOTAL COMPREHENSIVE INCOME / (LOSS)	45	45
<i>Comprehensive income / (loss) is attributable to:</i>		
Owners	45	45
TOTAL	45	45

Balance sheet

ASSETS

DKK MILLION	Q1 2019	Q1 2018	2018
Goodwill	90	92	84
Other intangible assets	24	-	24
INTANGIBLE ASSETS	114	92	108
Land and buildings	1,075	1,008	1,051
Leasehold improvements	115	120	117
Plant and machinery	302	255	276
Other fixtures and fittings, tools and equipment	116	108	120
Property, plant and equipment in progress	119	130	142
Right of use assets	57	-	-
PROPERTY, PLANT AND EQUIPMENT	1,782	1,621	1,706
Non-current asset investment	4	3	4
FINANCIAL ASSET INVESTMENTS	4	3	4
Biological assets - basic herd	115	117	109
BIOLOGICAL ASSETS	115	117	109
NON-CURRENT ASSETS	2,016	1,833	1,927
Biological assets - sales herd	206	226	184
Biological assets - Arable, crop production	100	80	66
Inventories	221	249	260
BIOLOGICAL ASSETS AND INVENTORIES	528	555	510
Trade receivables	56	65	73
Receivables from associates	7	7	7
Other receivables	42	37	35
Prepayments	21	52	15
RECEIVABLES	125	161	130
Cash at bank and in hand	58	173	63
Assets held for sale	-	71	-
CURRENT ASSETS	711	960	703
ASSETS	2,727	2,793	2,630

LIABILITIES AND EQUITY

DKK MILLION	Q1 2019	Q1 2018	2018
Share capital	538	538	538
Other reserves	-	-	-
Reserve for exchange adjustments	(502)	(500)	(549)
Retained earnings	1,239	1,272	1,241
Capital and reserves attributable to owners	1,275	1,310	1,230
TOTAL EQUITY	1,275	1,310	1,230
Bond debt	968	966	970
Provision for deferred tax	4	5	4
Other provisions	8	3	4
Credit institutions	39	58	39
Lease liabilities	57	-	-
Subordinated loan from Polen Invest A/S	70	90	70
Deferred income	8	9	8
LONG-TERM LIABILITIES	1,168	1,131	1,095
Credit institutions	125	127	131
Subordinated loan from Polen Invest A/S	25	25	24
Trade payables	90	78	93
Other provisions	1	1	1
Other payables	56	45	53
Deferred income	1	5	3
SHORT-TERM LIABILITIES	298	281	305
Liabilities of disposal group classified as held for sale	-	71	-
LIABILITIES	1,452	1,483	1,400
LIABILITIES AND EQUITY	2,727	2,793	2,630

Statement of changes in equity

Q1 2019

DKK MILLION	SHARE CAPITAL	RESERVE FOR EXCHANGE ADJUSTMENTS	RETAINED EARNINGS	EQUITY OWNERS	TOTAL EQUITY
EQUITY AT 1 JANUARY 2019	538	(549)	1,241	1,230	1,230
Net profit/ (loss) for the period			(2)	(2)	(2)
Other comprehensive income / (loss)	-	47		47	47
COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		47	(2)	45	45
EQUITY AT 31 MARCH 2019	538	(502)	1,239	1,275	1,275

Q1 2018

DKK MILLION	SHARE CAPITAL	RESERVE FOR EXCHANGE ADJUSTMENTS	RETAINED EARNINGS	EQUITY OWNERS	TOTAL EQUITY
EQUITY AT 1 JANUARY 2018	538	(491)	1,218	1,265	1,265
Net Profit for the period	-	-	54	54	54
Other comprehensive income / (loss)	-	(9)	-	(9)	(9)
COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	-	(9)	54	45	45
EQUITY AT 31 MARCH 2018	538	(500)	1,272	1,310	1,310

Statement of cash flows

STATEMENT OF CASH FLOWS

DKK MILLION	Q1 2019	Q1 2018
PROFIT/(LOSS)	(2)	54
Adjustments:		
Financial income and expenses	17	14
Currency losses	(9)	(4)
Depreciation and amortisation	35	29
Other adjustments	1	(1)
Change in working capital	1	(35)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE FINANCIAL INCOME AND EXPENSES	44	57
Financial income received	1	2
Financial expenses paid	(18)	(16)
CASH FLOWS FROM ORDINARY ACTIVITIES	27	43
Income tax paid	(1)	-
CASH FLOWS FROM OPERATING ACTIVITIES	26	43
Purchase property, plant and equipment	(22)	(42)
Sale of property, plant and equipment	1	3
Change of financial investments	2	-
Sale of fixed asset investments	-	1
CASH FLOWS FROM INVESTING ACTIVITIES	(20)	(38)

STATEMENT OF CASH FLOWS

DKK MILLION	Q1 2019	Q1 2018
Proceeds from borrowings	24	21
Repayments of borrowings	(34)	(25)
CASH FLOWS FROM FINANCING ACTIVITIES	(10)	(4)
CHANGE IN CASH AND CASH EQUIVALENTS	(6)	2
Cash and cash equivalents at opening	63	171
Exchange adjustment, beginning, cash and cash equivalents	1	-
CASH AND CASH EQUIVALENTS	58	173

Note 1 - Accounting principles

This interim financial report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

The accounting policies are unchanged from those applied in the Annual Report for 2018, to which reference is made, except for the effect of implementation of IFRS 16. The effects of transitioning to IFRS 16 are described below.

IMPACT OF NEW ACCOUNTING STANDARDS IN 2019

IFRS 16

IFRS 16 replaces IAS 17 Leases, and sets out the principles for the recognition, measurement, presentation and disclosure of leases and will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under this new standard, an asset (the right to use the leased item) and a financial liability to make lease payments are recognized for all leases with a term of more than 12 months unless the leased asset is of low value. Accordingly, the group's leases were recognised in the balance sheet at 1 January in the form of lease liabilities and right of use assets.

As regards the income statement, IFRS 16 implementation has resulted in lease expenses being replaced by depreciation of right of use assets and interest on lease liabilities.

The recognition of lease assets and lease liabilities, respectively, resulted in an increase of the Group's total assets and liabilities of DKK 59 million at 1 January 2019. The amount is specified below.

LEASE LIABILITIES 31 DECEMBER 2018 AS DISCLOSED ANNUAL REPORT 2018	163
Short-term leases (less than 12 months)	(38)
Leases of a low value (less than DKK 0.1 million)	(15)
Discounting	(51)
LEASE LIABILITIES RECOGNISED AT 1 JANUARY 2019	59

Based on the current lease composition, IFRS 16 implementation will mean that annual leasing expenses of DKK 13 million are replaced by depreciation of DKK 10 million and interest of DKK 5 million in 2019. Implementation will thus increase EBTIDA with DKK 13 million and decrease pre-tax profit by DKK 2 million for the full financial year.

The Group's key figures and financial ratios are also affected by capitalisation of leases under IFRS 16. Invested capital and net interest-bearing debt both increased by DKK 59 million at 1 January 2019, and based on the current composition of leases, implementation is expected to reduce the return on invested capital (ROIC) by about 0.2 of a percentage point and the equity ratio by about 1.1 percentage points.

Any new leases entered into in 2019 will be recognised as additions of lease assets and liabilities, respectively, which will enhance the effect on the above-mentioned accounting items and ratios in 2019.

GROSS PROFIT FULLY SPLIT BY NATURE:

DKK MILLION	Q1 2019	Q1 2018
GROSS PROFIT FULLY SPLIT BY NATURE:		
Gross profit reported	66	122
Staff expenses	44	20
SG&A	(13)	(12)
Gross profit by nature	97	130
INCOME STATEMENT SPLIT BY FUNCTIONS (DEPRECIATION AND AMORTISATION):		
Total income	380	410
Cost of goods sold including depreciation and amortisation	(345)	(315)
GROSS PROFIT	35	95
Other operating items		
SG&A, including depreciation and amortisation	(29)	(27)
EBIT	6	68
DEPRECIATION AND AMORTISATION		
Amortisation of intangible assets	-	-
Depreciation of tangible assets	(35)	(29)
TOTAL DEPRECIATION AND AMORTISATION	(35)	(29)
DEPRECIATION AND AMORTISATION		
Cost of goods sold	(31)	(27)
Sales and administrative costs	(4)	(2)
TOTAL DEPRECIATION AND AMORTISATION	(35)	(29)

Note 2 - Segment information

Q1 2019

DKK MILLION	PIG	ARABLE	ENERGY	FOOD	OTHER	NOT ALLOCATED	INTERCOMPANY ELIMINATIONS	TOTAL
Revenue	216	18	17	161	12	-		424
<i>Revenue - Intracompany eliminations</i>	-	(8)	(7)	-	-	-	(87)	(102)
Change in fair value of biological assets	21	32	-	-	(1)	-		53
Grants and other income	1	2	-	1	1	-		5
<i>Grants and other income - Intracompany eliminations</i>	-	-	-	-	-	-		-
TOTAL INCOME	238	44	10	162	12	-	(87)	380
Cost of goods sold (COGS)	(190)	(45)	(13)	(158)	(2)	-		(408)
<i>COGS Intracompany eliminations</i>	6	-	9	-	-	-	80	95
GROSS PROFIT/(LOSS)	54	(1)	6	4	11	-	(8)	66
SG&A	(15)	(3)	(1)	(8)	(9)	3		(33)
<i>SG&A Intracompany eliminations</i>							9	9
EBITDA	39	(4)	5	(4)	3	3	1	42
<i>EBITDA before segment eliminations</i>	33	4	3	(4)	2	-	-	-
Depreciation and amortisation	(18)	(6)	(3)	(5)	(2)	(2)		(35)
EBIT	21	(10)	2	(9)	1	1	1	7
Net financials						(17)		(17)
Exchange rate adjustments						9		9
PROFIT/(LOSS) BEFORE TAX	21	(10)	2	(9)	1	(7)	1	(1)

GEOGRAPHY

DKK MILLION	REVENUE		ASSETS	
	Q1 2019	Q1 2018	Q1 2019	Q1 2018
Poland	175	193	1,135	1,117
Ukraine	74	91	467	314
Russia	35	33	293	282
Rest of world	37	34	2	-
TOTAL	322	351	1,896	1,713

Note 2 - Segment information

Q1 2018

DKK MILLION	PIG	ARABLE	ENERGY	FOOD	OTHER	NOT ALLOCATED	INTERCOMPANY ELIMINATIONS	TOTAL
Revenue	247	8	19	189	8			470
<i>Revenue - Intracompany eliminations</i>	-	(8)	(7)		(7)		(98)	(120)
Change in fair value of biological assets	29	26	-	-	-			54
Grants and other income	-	3	-	1	1			4
<i>Grants and other income - Intracompany eliminations</i>	-	-	-	-	-		-	-
TOTAL INCOME	275	29	12	189	2	-	(98)	410
Cost of goods sold (COGS)	(181)	(31)	(12)	(178)	-			(402)
<i>COGS Intracompany eliminations</i>	8	-	8	-	-	-	98	114
GROSS PROFIT/(LOSS)	103	(2)	8	12	2	-	-	122
SG&A	(14)	(2)	(1)	(6)	(10)			(32)
<i>SG&A Intracompany eliminations</i>							7	7
EBITDA	89	(4)	7	6	(8)	-	7	97
<i>EBITDA Before segment eliminations</i>	81	5	6	6	(2)	-		
Depreciation and amortisation	(15)	(4)	(3)	(5)	(2)	-		(29)
EBIT	74	(8)	4	1	(10)	-	7	68
Net financials						(14)		(14)
Exchange rate adjustments						4		4
PROFIT/(LOSS) BEFORE TAX	74	(8)	4	1	(10)	(11)	7	58

Note 3 - Biological assets

BIOLOGICAL ASSETS

DKK MILLION	BASIC HERD	SALES	TOTAL
2019			
Opening balance as of 1 January	106	184	290
<i>Movements:</i>			
Purchases	-	-	-
Produced piglets	-	119	119
Gain/loss from change in fair value	1	119	120
Sales	(8)	(211)	(219)
Transfer between groups	10	(10)	-
Exchange adjustments	6	5	11
CLOSING BALANCE - VALUES AS OF 31 MARCH	115	206	321
2018			
Opening balance as of 1 January	118	196	314
<i>Movements:</i>			
Purchases	1	-	1
Produced piglets	-	87	87
Gain/loss from change in fair value	12	176	188
Sales	(7)	(239)	(246)
Transfer between groups	(7)	7	-
Exchange adjustments	-	(1)	(1)
CLOSING BALANCE - VALUES AS OF 31 MARCH	117	226	343

The value for produced piglets is calculated as the value of weaners at standard rates.

Fair value gains comprises changes as a consequence of biological growth and price changes.

Disposals from sales and transfer amounts are calculated using the fair value per unit at the time of the sales or transfer.

Transfer between groups covers pigs transferred to own breeding as young females.

BIOLOGICAL ASSETS

DKK MILLION	Q1 2019	Q1 2018
<i>Arable, crop production</i>		
Opening balance as of 1 January	66	53
Purchases	34	15
Gain/(loss) from change in fair value	(1)	12
Harvest	(1)	-
Exchange adjustments	2	-
CLOSING BALANCE	100	80
Numbers of hectares harvested	337	
Numbers of hectares seeded as of closing balance	19,521	

Note 4 - Obligor Group

BOND TERMS

Issuer	Goodvalley A/S
Security package:	First ranking security over material assets and share pledges
Original Guarantors:	Goodvalley A/S, Finansax ApS, Goodvalley Agro SA, Goodvalley Sp. Z o.o. and Goodvalley Ukraine LLC
Status of the bond:	Senior secured
Currency:	EUR
Initial debt amount:	EUR 135 million
Total framework:	EUR 270 million
Other facilities:	Super senior RCF up to DKK 125 million, governed under an inter-creditor agreement with bondholders. Basket of DKK 80 million for factoring.
Tenor:	4 years
Pricing:	3m EURIBOR + 450bps p.a., quarterly interest payments, EURIBOR floor of 0.0 %
Rating:	Unrated
Call options:	Non call during the first 24 months, then 50/25/0 % of initial coupon after 24/36/42, month respectively.
Incurrence test:	NIBD/EBITDA LTM fixed herd price (net leverage) of < 2.75x for any additional debt raised.
Restricted payments:	Dividends or cash contributions to Restricted Subsidiaries are payable up to Net Leverage of < 2.75x
Information covenant:	Annual audited statements, quarterly unaudited reports.
General undertakings:	Inter alia restrictions on distributions, mergers, demergers, acquisitions, disposals, financial indebtedness, negative pledge, financial support, subsidiary distribution customary for a HY bond.
Change of control:	Investor put at 101 %
Equity claw:	35%
Listing of bonds:	Nasdaq Copenhagen.
Trustee:	Nordic Trustee.
Governing law:	Danish law.

Note 5 - Seasonality

The Group's business segments are influenced by seasonal fluctuations relating to the Arable segment, where the Group's main activities historically are generated in Q3 based on the harvest. Revenue and operating profit before tax thus vary in the various reporting periods for which reason they are not necessarily indicative of future trends. The results of the individual quarters are therefore not reliable sources in terms of projecting the Group's development and full year earnings.

Note 6 - Related party transactions

The Group has obtained a subordinated loan from the Parent company, Polen Invest A/S, with a balance of DKK 95 million at 31 March 2019 (balance at 31 March 2018: DKK 115 million). The Company intends to repay the loan partly during 2019, if the financial position of the Company allows it. The loan carries interest, and the interest for Q1 2019 amounts to DKK 1 million (Q1 2018: DKK 1 million).

Glossary

GENERAL

Group

Goodvalley A/S, Finansax ApS, Goodvalley Agro SA, Goodvalley Sp. Z O.O. and Goodvalley Ukraine LLC.

PRODUCTION

ASF

African swine fever.

Arable stock, WIP

The arable stock in the fields which is not yet harvested.

Basic herd

The part of the pig herd, which consists of sows, maiden gilts and boars.

Bio assets

Biological assets (mainly pigs and crops).

Bioenergy

Energy produced based on biological resources.

Biosecurity

Level of measures taken to prevent infection by contagious diseases.

Certificates on biogas

Energy units used for calculating extra price for sold kWh on top of market price (based on political decisions).

Crop split

The split between the different types of crops grown in the fields.

Cultivated land

Land used for crop production.

Efficiency

Measurable technical results from the production.

Feed conversion ratio

Kilo of feed used for one kilo meat produced (live weight).

Live weight

Weight of the pig before slaughtering and deboning.

Modified Atmosphere Packaging (MAP)

A packing method where the products are packed in a sealed and protected atmosphere to increase the period from manufacturing to last sales date.

Meat-to-feed ratio

Price of one kilo meat (carcass weight) divided by the price of one kilo feed.

Oil seeds

Crops that contain oil. Typically rape seed, soya and sunflower.

Piglets

Pigs in farrowing before they are weaned from the sow.

Pig price

Price per kilo pig meat in carcass weight.

Pigs sold per sow

Pigs born per sow in period adjusted for mortality rate in the period and annualized.

Processed products

Meat products which have been cooked, smoked or salted.

Raised without antibiotics (RWA)

Pigs that have been raised without exposure to antibiotics from birth till slaughter.

Sales herd

The part of the pig herd that consist of piglets, weaners and slaughter pigs.

Carcass weight

Weight of the pig in kilos of meat after slaughtering and deboning.

Slaughter pigs

Pigs from 30 kilo live weight to slaughter (app. 120 kilo).

Weaners

A pig in the period between weaning from the sow and slaughter pig (approximately 6.5-30 kilo).

GOODVALLEY

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