Press Release

12 March 2020

Results 2019 ForFarmers

Key parameters of results 2019[1]:

- Total Feed[2] volume: up 0.7% to 10.1 million tonnes; but like-for-like decline (-2.9%), especially in H2-2019 (-4.0%)
- Compound feed volume: up 1.9% to 7.1 million tonnes; but like-for-like decline (-3.2%), especially in H2-2019 (-3.9%)
- Gross profit: down 0.6% to €440.7 million; despite further volume decline, recovery in H2-2019 compared to H1-2019 (H1: impact of unfavourable purchasing position and also volume decline)
- Underlying EBITDA: down 11.6% to €88.5 million; including positive IFRS 16 effect (€5.8 million); recovery in H2-2019 compared to H1-2019 despite volume decline
- Underlying earnings per share: down 36.2% to €0.37
- Net profit[3]: down by 69.8% to €17.7 million, due to, a.o., goodwill impairment United Kingdom (€25.6 million)
- Dividend proposal: total of €0.28 per ordinary share (regular dividend of €0.19 and a special dividend of €0.09)
- Working capital: improved by 36.2% to €48.7 million due to operational improvements
- Net cash flow from operating activities: up 17.1% to €96 million

Consolidated key figures

In millions of euro (unless indicated otherwise)	2019	2018	Total change in %	Currency	Acquisition	Like-for-like [3]
Total Feed volume (x 1.000 ton)	10,095	10,021	0.7%		3.6%	-2.9%
Compound feed	7,083	6,952	1.9%		5.1%	-3.2%
Revenue	2,463.1	2,404.7	2.4%	0.1%	4.7%	-2.4%
Gross profit	440.7	443.4	-0.6%	0.1%	3.9%	-4.6%
Operating expenses	-428.1	-372.9	14.8%	0.1%	4.4%	10.3%
Underlying operating expenses	-393.1	-372.4	5.6%	0.1%	4.4%	1.1%
EBITDA	85.2	103.9	-18.0%	0.0%	5.1%	-23.1%
Underlying EBITDA[1]	**88.5**	**100.1**	**-11.6%**	**0.0%**	**5.3%**	**-16.9%**
EBIT	14.2	75.9	-81.3%	0.0%	1.2%	-82.5%
Underlying EBIT[1]	48.2	71.5	-32.6%	0.0%	1.3%	-33.9%
Profit attributable to shareholders of the Company	17.7	58.6	-69.8%	0.0%	3.8%	-73.6%
Underlying profit[1]	36.4	57.6	-36.8%	0.0%	-0.2%	-36.6%
Net cash from operating activities	96.1	82.1	17.1%			
Underlying EBITDA / Gross profit	20.1%	22.6%	-11.1%			
ROACE on underlying EBITDA[2]	**16.2%**	**23.0%**				
ROACE on underlying EBIT[2]	8.8%	16.4%				
Basic earnings per share (x €1)	0.18	0.58	-69.0%			
Underlying earnings per share (x €1)	0.37	0.58	-36.2%			

(1) Underlying means excluding incidental items (see Note 17 regarding the Alternative Performance Measures (APMs)).
(2) ROACE means underlying EBITDA (EBIT) divided by 12-month average capital employed.
(3) Like for like is the change excluding currency impact and acquisitions and divestments.
Note, percentages are presented based on the rounded amounts in million euro. Additions may lead to slight differences due to roundings.

Yoram Knoop, CEO ForFarmers, about the 2019 results:

2019 was a difficult and turbulent year for us. We were faced with the consequences of an unfavourable purchasing position as a result of which the first-half 2019 result was severely put under pressure. We have since further tightened our purchasing procedure in order to minimise the chance of such a risk recurring. In the second half of 2019, we realised better results despite further like-for-like volume decline due to challenging market circumstances in all countries except for Poland. This was, among other things, due to the implementation of our efficiency plans, which included the closure of five mills. We are well on track with the realisation of the earlier announced €10 million cost saving in 2021 (compared to 2018).

The integration of the four companies which we acquired in 2018 has been completed. Our market positions have been strengthened through these acquisitions. We are pleased Tasomix's volumes are increasing in the growth market Poland. Consequently, our market share in the growing European poultry sector is expanding. Volume development in the United Kingdom is slower than anticipated, which is why a goodwill impairment was required. Finally, we have improved our operational cash flow through our continuous focus on working capital. In addition, we are pleased to have significantly reduced the LTIs (lost time incidents).

A new reality as base for determining the strategy for 2025

We see market circumstances in which we operate changing rapidly. This is mainly the case in our home market the Netherlands where, as of the second half of 2019 the political debate about the necessity to reduce nitrogen emissions, is creating an uncertain outlook for livestock farming. Although the government declared that it was not a goal in itself to reduce livestock numbers, it has become clear that the proposed measures will in due course definitely lead to a small decline in animal numbers. As ForFarmers we support the Agricultural Collective, the group that discusses the necessary measures with the Ministry of Agriculture, Nature and Food quality, such as adjustments in feed and technical innovations in barns. This is in line with our mission 'For the Future of Farming' through which we focus on a future proof, sustainable livestock farming industry. A livestock industry with strong and healthy farming businesses, paying attention to animal health and welfare and to the impact of the sector on nature and environment. With our Total Feed approach - innovative feed concepts, advice and digital tools - we help farmers improve their returns on-farm efficiently and responsibly. Knowledge and innovation are crucial in this respect. Partly due to our scale we can train our advisors in internal academies where they can share knowledge, which can subsequently be deployed on-farm. Wherever possible we use residual flows (co-products), from the food industry and not suitable for direct human consumption, in the formulation of our feeds.
Apart from changing market circumstances we are also facing animal diseases which are having a large impact on the sector for already some time and are a concern for the livestock farming industry. African swine fever has resulted in more export of pig meat and poultry products to China and a sharp rise in pig prices. In the meantime however, the illness has also been detected among wild boars in regions including Poland and close to the German border. Poultry farmers are also on the alert because the contagious version of avian flu has been detected among wild birds in Poland. We are monitoring this closely. During past years important steps have been made in determining hygiene protocols and in collaboration in the sector to combat spreading of animal diseases.

These are turbulent times and a new market reality is appearing rapidly. By implementing strategy Horizon 2020 in the past years, we have positioned ourselves stronger in four countries and made a successful start in the growth market Poland as fifth country of operation. Our market positions and our scale form a solid base from which we can continue to create value for our stakeholders in the current new reality. We will be announcing the strategy for the years 2020 -2025 on 12 May 2020.

General

In 2019, the markets in which ForFarmers is active were impacted by four developments:

- There is growing public debate in Northwest Europe about the environmental impact of the agricultural sector in general. The political debate about reducing nitrogen emissions from livestock farming is causing uncertainty in the Netherlands in particular. The measures which may be imposed by the government could eventually lead to a reduction in the livestock population;
- The significantly higher demand from China for pig meat and currently also for poultry products, as a result of the outbreak of African swine fever in China, leading to substantially higher European pig prices;
- The outbreak of animal diseases, including African swine fever, which was detected among wild boars in Belgium and now in western Poland not far from the German border too, is another cause for concern. In addition highly pathogenic bird flu is detected in Poland;
- In all countries where ForFarmers is active, except Poland, markets are seeing growing overcapacity and increasing competition because of declining volumes.

These developments are causing some uncertainty about the outlook for the agricultural sector.

The results in the first half-year of 2019 have left a large stamp on the 2019 results.
2019 shows the following picture:

- In the first half-year of 2019 an unfavourable purchasing position, which was not passed onto customers, had a substantial negative impact on gross profit, underlying EBITDA and underlying net profit;
- In addition, in the first half of the year volumes declined (like-for-like) for the first time in many years, especially in the Netherlands, Belgium and the United Kingdom;
- In March 2019 efficiency plans were announced to cut costs. Cost savings took place in the second half-year mainly resulting from the closures of mills in the Netherlands, the United Kingdom and Belgium;
- In the second half of 2019 volumes declined (like-for-like) further in all countries except in Poland;
- The four acquisitions made in the second half of 2018 were fully integrated in the second half of 2019 and contributed to the development of underlying EBITDA (H1: +8.2% and H2: +2.1%).

The table below presents the H1-2019, H2-2019 and full-year results, including the related YoY (absolute and in %). Underlying EBITDA in the second half of 2019 was up 47.5% compared to H1-2019.

Core parameters 2019 and year-on-year delta versus 2018[1]

		2019	Total change	Total change in %	Currency	Acquisition	Like-for-like [2]
Total Feed volume	H1	5,079	253.3	5.2%		6.8%	-1.6%
(x 1.000 ton)	H2	5,017	-179.0	-3.4%		0.6%	-4.0%
	FY	10,095	74.3	0.7%		3.6%	-2.9%
Compound feed	H1	3,561	238.5	7.2%		9.8%	-2.6%
(x 1.000 ton)	H2	3,522	-108.1	-3.0%		0.9%	-3.9%
	FY	7,083	130.4	1.9%		5.1%	-3.2%
Gross profit	H1	214.1	-3.6	-1.7%	0.3%	6.6%	-8.6%
	H2	226.6	0.9	0.4%	-0.1%	1.2%	-0.7%
	FY	440.7	-2.7	-0.6%	0.1%	3.9%	-4.6%
Underlying operating expenses	H1	-198.4	-20.3	11.4%	0.4%	7.9%	3.1%
	H2	-194.7	-0.5	0.3%	-0.1%	1.2%	-0.8%
	FY	-393.1	-20.7	5.6%	0.1%	4.4%	1.1%
Underlying EBITDA	H1	35.8	-16.5	-31.5%	0.2%	8.2%	-39.9%
	H2	52.8	5.0	10.5%	-0.1%	2.1%	8.5%
	FY	88.5	-11.6	-11.6%	0.0%	5.3%	-16.9%

(1) In millions of euro (unless indicated otherwise)
(2) Like for like is excluding acquisition and divestments and currency impact.

The year-on-year (YoY) analysis focuses on the full-year consolidated results for 2019, followed by more detailed analyses of the individual clusters. The contributions of acquired companies are recognised under 'acquisition effect' for a period of one year after the date of acquisition.

For 2019 this means that the contribution of Tasomix (Poland) is regarded as an acquisition effect in the first half of the year and as a like-for-like development in the second half. The results of Maatman (NL) are treated as an acquisition effect up until 31 August 2019, and those of Van Gorp Biologische Voeders (NL) and Voeders Algoet (Belgium) up until 30 September 2019, and after those dates as a like-for-like development. The currency translation effect in 2019 was very limited and will therefore not feature specifically in the following analyses.

IFRS 16 effect on 2019 results

The effect of the application of the new accounting standard IFRS 16 (leases), as of 1 January 2019 and based on contracts as of that date, has led to an increase of underlying EBITDA by €5.8 million, an increase of underlying EBIT by €0.6 million and a decline of underlying profit before tax by €0.3 million.

Total assets have increased by €23.5 million. The comparative 2018 results have not been adjusted for the IFRS 16 effect.

Alternative Performance Measures (APMs)

ForFarmers uses Alternative Performance Measures (APMs) to provide a better perspective of the Group's business development and performance, as they exclude the impact of significant incidental items, which are considered to be non-recurring, and are not directly related to the operational performance of ForFarmers. The underlying metrics are reported at the level of operating expenses, EBITDA, EBIT and profit for the shareholders. The APMs are further explained in note 17 of the 2019 financial statements. The impact of the incidental items on the profit or loss account in the four defined categories are presented and explained below.

2019

In millions of euro	IFRS	Impairments	Business Combinations and Divestments	Restructuring	Other	Total APM items	Underlying excluding APM items
EBITDA[1]	85.2		2.0	-5.1	-0.3	-3.3	88.5
EBIT	14.2	-30.7	2.0	-5.1	-0.3	-34.1	48.2
Net finance result			13.4			13.4	
Tax effect		1.3	-0.5	1.0	0.1	1.9	
Profit attributable to Shareholders of the Company	17.7	-29.4	14.9	-4.1	-0.2	-18.7	36.4
Earnings per share in euro[2]	0.18	-0.30	0.15	-0.04	-	-0.19	0.37

(1) EBITDA is operating profit before depreciation, amortization and impairments.
(2) Earnings per share attributable to Shareholders of the Company.

On EBITDA level:

The incidental restructuring costs (€5.1 million) are related to the closure of five factories, as part of the efficiency plans.

The impact of €2.0 million of business combinations and divestments comprises the final settlement with the former shareholders of Vleuten-Steijn (€1.1 million) and furthermore a gain (€0.9 million) of the sale of property in the Netherlands. For further information see note 6 of the financial statements 2019.

On EBIT level:

The outcome of the goodwill impairment test with respect to the activities in the United Kingdom resulted in an impairment of €25.6 million. Volume development in the United Kingdom is slower than anticipated which is why an impairment is required. The other impairments (total €5.2 million) are related to the closure of factories.

On the level of net finance result:

€13.4 million, which is the balance of the accrual (loss) (€4.7 million) on the earn-outs and the put-option liability, and the remeasurement (gain) regarding the put-option (€9.8 million) and the earn-out liabilities (€8.3 million) mainly with respect to Tasomix. As part of the acquisition of the 60% stake of Tasomix an earn-out was agreed based on, amongst others, the expected results of Pionki in 2019 and 2020. The development of the results however is such that it is not anticipated that the original earn-out liability will need to be fulfilled, which is why there is a remeasurement of the earn-out liability. The option on the remaining 40% of the shares of Tasomix is valued as a put-option liability. It is currently anticipated that in the future the put-option can be executed at a lower amount because of a lower growth expectation for the medium term and a limited higher cost level. This resulted in a remeasurement (gain) of €9.8 million. For more information on this topic, please see Note 6 and Note 17 of the 2019 financial statements.

Consolidated results 2019

Total Feed volume was up 0.7% at 10.1 million tonnes. Total Feed volume rose in H1-2019 by 5.2% and declined in H2-2019 by 3.4%. Volume growth in Poland could not compensate the like-for-like volume decline in the other markets in the second half of 2019.

On full year basis 3.6% in the Total Feed growth was attributable to acquisitions and there was a like-for-like volume decline of 2.9%. Total Feed volume growth in the cluster Germany/Poland, fully driven by Tasomix, was higher than the volume decline in the United Kingdom. Total Feed volume remained stable in the cluster Netherlands/Belgium.

Compound feed volume, part of the Total Feed portfolio, rose by 1.9%. Compound feed volume grew 5.1% due to the acquisitions, especially Tasomix in Poland, but declined like-for-like by 3.2%. Compound feed volume rose in H1-2019 by 7.2% and declined in H2-2019 by 3.0%.

The like-for-like decline of compound feed (in percentage terms) was higher in H2-2019 (-3.9%) than in H1-2019 (-2.6%), especially in the United Kingdom. The product mix improved in H1-2019 (compound feed volume rose more, in terms of percentage, than Total Feed volume). In H2-2019 the decline (in percentage terms) of compound feed volume and Total Feed volume was nearly equal. Within the product group compound feed more specialties, including young animal feed, and concentrates were sold in H2-2019 than in H2-2018.

Compound feed volume declined in the cluster Netherlands/Belgium mainly due to the reduction in pig and cattle numbers due to environmental measures. In the United Kingdom compound feed volumes declined due to factors including more animals staying at pasture during the mild winter. Furthermore, in a number of regions the deliberate decision was taken not to take part in the downward price setting in the markets.
In Poland compound feed volume increased further; like-for-like volume growth (H2-2019 compared to H2-2018) was 27%.

Revenue rose by 2.4% to €2,463 million. Revenue grew by 4.7% due to acquisitions and declined like-for-like by 2.4%, in line with volume decline.

Gross profit was 0.6% lower at €440.7 million. On full year basis gross profit rose 3.9% due to the acquisitions and fell 4.6% like-for-like. In H1-2019 like-for-like gross profit declined by 8.6% because of the unfavourable purchasing position and like-for-like volume decline. There was a slight like-for-like gross profit decline of 0.7% in H2-2019 despite the 3.9% like-for-like fall in compound feed volume. By comparison: gross profit in the second half of 2018 included one-off additional inbound logistics costs (€2 million) due to the low water levels in the rivers in the Netherlands and Germany.

Underlying total operating expenses, including depreciation and amortisation, were 5.6% higher at €393.1 million, with the impact of acquisitions being 4.4%. Like-for-like operating expenses rose by 1.1%. Underlying operating expenses rose in the first half of the year. Execution of the efficiency plans started in the second quarter of 2019, resulting in a like-for-like decline in operating expenses in H2-2019.

Despite a decline in the number of FTEs, employee benefit expenses increased slightly through indexation of wages, acquisitions and higher social security expenses. Other operating expenses rose mainly on higher production costs and (third-party) transport. In 2019 there was a release of €0.2 million (net) from the allowance for bad debts.

Underlying depreciation[4] (as part of underlying operating expenses) grew by €11.7 million to €40.3 million, including an IFRS 16 effect of €5.2 million.

The increase was mainly due to the acquisitions (€4.4 million) and finalised investment projects. €8.7 million out of the €40.3 million is related to amortisation.

Underlying operating profit (EBIT) fell by 32.6% to €48.2 million as a result of a decline in gross profit, a rise in underlying operating expenses and including a positive IFRS 16 effect (€0.6 million).

The effect of the incidental items on underlying EBITDA is as follows:

In millions of euro	2019	2018	Δ	Δ%
EBITDA	**85.2**	**103.9**	**- 18.7**	**-18.0%**
Business Combinations and Divestments	-2.0	-4.9	2.9	
Restructuring cost	5.1	0.1	5.0	
Other	0.3	0.9	-0.6	
Underlying EBITDA	**88.5**	**100.1**	**- 11.6**	**-11.6%**
FX effect	-			
Underlying EBITDA, at constant currencies	88.5	100.1	- 11.6	-11.6%

General remark: percentages are presented based on the rounded amounts in million euro. Additions may lead to slight differences due to roundings.

Underlying EBITDA fell by 11.6% to €88.5 million. The acquisitions contributed a positive 5.3%, whilst there was a like-for-like decline by 16.9%. Underlying EBITDA fell in the cluster Netherlands/Belgium, rose slightly in Germany/Poland and remained stable in the United Kingdom. This was including the positive IFRS 16 effect of €5.8 million.
Underlying EBITDA declined by 31.5% in H1-2019 and rose in H2-2019 by 10.5% (mainly due to a positive IFRS 16 effect).

The **underlying EBITDA/gross** profit ratio fell from 22.6% in 2018 to 20.1% in 2019.

As currency translation effect in 2019 was very limited **underlying EBITDA at constant currencies** also declined by 11.6%.

Underlying net finance expenses rose by 31.8% to €2.7 million, driven by the increase in interest expenses due to IFRS 16 (€0.9 million).

The contribution from the German joint venture HaBeMa, which is reported under **share of profit of equity-accounted investees (net of tax)**, remained virtually stable at €2.8 million.

The **underlying effective tax rate** was 25.4% (2018: 20.3%). The higher tax rate was the result of partly applying the tax rate decrease, which was announced in December 2018 in the Netherlands, in 2019. In 2018 one-off deferred tax assets were recognised.

Underlying profit was down 36.8% at €36.4 million, including a negative effect of IFRS 16 (-€0.3 million). Underlying earnings per share fell by 36.2% at €0.37. The effect of the share buy-back programme (of €30 million), which was executed for just over 50% at the end of 2019, was less than one cent.

The number of employees as at 31 December 2019, presented in full-time equivalents (FTEs) was lower at 2,570 than at 31 December 2018 (2,654). The net decrease in the number of employees (84 FTEs) is mainly attributable to the closure of mills in the United Kingdom, the Netherlands and Belgium, as part of the efficiency plans. The number of employees in Poland grew due to the further scale up of the mill in Pionki.

Summary consolidated statement of cash flows

In thousands of euro	2019	2018
Net cash from operating activities	96,146	82,095
Net cash used in investing activities	-34,953	-113,997
Net cash used in financing activities	-85,018	-41,561
Net increase/decrease in cash and cash equivalents	-23,825	-73,463
Cash and cash equivalents at 1 January[1]	38,449	111,607
Effect of movements in exchange rates on cash held	735	305
Cash and cash equivalents as at 31 December[1]	**15,359**	**38,449**

(1) Net of short term bank overdrafts

Summary consolidated statement of financial position

In millions of euro	31 December 2019	31 December 2018
Total Assets	865.5	873.7
Equity	418.4	440.8
Solvency ratio[1]	**48.3%**	**50.4%**
Net working capital	**48.7**	**76.3**
- Current assets[2]	328.6	350.6
- Current liabilities[3]	284.6	277.2
Overdue receivables	16.1%	18.7%
Net Debt / (Cash)[4]	**7.0**	**17.1**
IFRS 16 Lease liabilities	24.1	-

(1) Solvency ratio is equity divided by total assets.
(2) Current assets excluding cash and cash equivalents and assets held for sale.
(3) Current liabilities excluding bank overdrafts.
(4) Excluding IFRS 16 Lease liabilities
General remark: additions may lead to small differences due to roundings.

Integration of acquisitions

The integration of Van Gorp Biologische Voeders into Reudink was completed in the third quarter of 2019. This acquisition has further strengthened the market position of Reudink. Voeders Algoet and ForFarmers Belgium were merged to create a single organisation, currently the second largest feed company in Belgium. In Poland the integration of Tasomix was completed with regard to all operational departments.

Capital structure and solvency

Group equity decreased in 2019 by €22.4 million to €418.4 million (compared to 31 December 2018). The decrease was the result of the addition of the 2019 profit (€18.0 million) minus the dividend distribution (€30.5 million) and the 2019 share buy-back programme (€15.5 million).
Other comprehensive income was directly recognised in group equity and comprised mainly currency translation differences (€5.1 million).
Solvency decreased from 50.4% (at end-2018) to 48.3% (at 31 December 2019).

The **net debt position** (the net balance of bank loans and borrowings, long and short-term, minus available cash and cash equivalents) was €7.0 million (end-2018: net debt of €17.1 million). This was due to the cash flow from operating activities of €96.1 million, including the decrease of working capital, less items including the expenses for the investment programme (€36.9 million), dividend distribution (€29.4 million) and the share buy-back (€15.5 million).

Net working capital decreased to €48.7 million at 31 December 2019 (€76.3 million at end-2018).
Working capital fell mainly in the Netherlands, Belgium and the United Kingdom, where accounts receivable balances from customers were lower. Progress was also made in improving payment behaviour of customers at the acquired companies. In addition, payment terms were further tightened with our suppliers.
The percentage of overdue receivables improved, from 18.7% at end-2018 to 16.1% at 31 December 2019.
The purchase contract for the Dutch pig feed company Vleuten-Steijn Voeders acquired in 2016 stipulated that the final payment would be made in the fourth quarter of 2019. The payment of €8.7 million was in fact made in January 2020.

Capital investments in tangible and intangible fixed assets equalled €38.6 million (2018: €45.9 million) with maintenance investments having been made as well as investments in innovation and refurbishment of mills, which were due to take over production activities from mills which were being closed in line with the efficiency plans. In addition, raw material storage silos were acquired in Poland to improve the supply chain.
At the beginning of 2019 ForFarmers said it would invest

approximately €50 million in 2019 (2018: €45 million). The investment plans for 2019 included the possible construction of a new feed mill in
Wesel, Germany. On publishing its half-year 2019 results ForFarmers stated that it had decided not to build the new mill and that partly because of this decision the expected capex for 2019 was reduced from €50 million to €40 million.

Net cash flow from operating activities rose from €82.1 million in 2018 to €96.1 million in 2019, mainly due to the improvement in working capital, which more than compensated the lower result over the period.

ROACE[5] was down from 23.0% in 2018 to 16.2% in 2019 due to the lower EBITDA combined with the higher on average capital employed as a result of the full year effect of the acquisitions. ROACE based on underlying EBIT fell from 16.4% to 8.8%.

Results per cluster

As was indicated in the Q1-2019 trading update, the classification of the reporting clusters has changed as of the beginning of 2019. As of 1 January 2019 the cluster classification is the Netherlands/Belgium, Germany/Poland, the United Kingdom and the 'Central and support expenses' cluster. The 2018 figures for the clusters have been restated for comparison purposes.

Price and market developments in the sectors in 2019

Average European milk prices were reasonably stable in 2019 and were lower than a year earlier, except for in the second quarter.

Average pig prices in Europe (for both piglets and pigs) rose sharply from the second quarter of 2019 as a result of the outbreak of African swine fever in China and the resulting considerable reduction in the local pig population. At the end of 2019 average European pig prices were more than 40% higher than a year earlier.

However this was not the case in Belgium, where an export ban was imposed on Belgian pork to certain non-European countries following the detection of African swine fever among wild boars. In the Netherlands and Germany pig farmers were reluctant to expand their herds despite the increased prices.

Average egg prices in Europe at the beginning of 2019 were well below year-earlier levels. Since the summer egg prices were higher than the previous year, but over the year as a whole average European egg prices were lower than in 2018.

Prices of broilers were volatile in 2019, with an upward trend in the first half of the year. This was partly due to increased Asian demand for broilers as a substitute for pork; however, much of this demand was met by American exports to Asia. In the second half of 2019 prices fell and were generally lower than in 2018, eventually ending the year at around the same level as at the start of 2019. Over the full year average European prices for broilers were virtually unchanged compared to 2018.

Netherlands/Belgium

In thousands of euro	**2019**	**2018**	**Δ%**
Total Feed volume (in tons)	5,222,528	5,223,731	0.0%
Revenue	**1,275,439**	**1,284,974**	**-0.7%**
Gross profit	**240,496**	**250,556**	**-4.0%**
Other operating income	456	4,932	-90.8%
Operating expenses incl depreciation & amortisation	-192,912	-181,280	6.4%
Underlying expenses incl depreciation & amortisation	-189,551	-181,849	4.2%
EBITDA	64,046	82,144	-22.0%
Underlying EBITDA	**64,378**	**77,633**	**-17.1%**
Underlying depreciation and amortisation	-12,977	-8,503	52.6%
EBIT	**48,040**	**74,208**	**-35.3%**
Underlying EBIT	**51,401**	**69,130**	**-25.6%**
Underlying EBITDA / Gross profit	26.8%	31.0%	-13.6%
ROACE on underlying EBITDA	**34.9%**	**48.2%**	**-27.5%**

Market and sector developments

Dutch dairy farmers produced slightly less milk in 2019 than in 2018, mainly in the first half of the year when dairy farmers were reluctant to increase production. Dairy farmers started producing a little more as of the summer, partly due to a small increase in the number of animals.

There was a slight increase in production (in terms of weight) in the swine sector whilst the pig population shrank. Pig farmers benefitted from a strong increase in pig prices. Production in the poultry sector was lower; this applied to both broilers and eggs.

Nitrogen debate in the Netherlands

2019 in the Netherlands was dominated by the nitrogen debate. In May 2019 the Dutch Council of State ruled that the Integrated Approach to Nitrogen (PAS[6]) was not compatible with EU nature legislation. The ruling led to building projects being put on hold and to social unrest. In September measures were proposed to create 'room for deposition' in the short term to allow building permits to be issued again. These included area-specific measures for the agricultural sector, such as voluntary buy-out schemes, which caused unrest among livestock farmers and are fuelling uncertainty about the sector's future.
In December 2019 the government announced[7] that it had reached agreements with the Agricultural Collective to work together to reduce nitrogen deposition in the Netherlands and to work on a healthy future for livestock farmers, without generic herd reduction and without forced restructuring. In addition a package of measures has been proposed such as adjusting the protein content of livestock feed, keeping cattle outside more and technical measures for the spreading of manure.
In February 2020 the government announced to make an additional €172 million available to farmers who wish to continue farming, to innovate their barns and make them more sustainable (and environmentally friendly). In addition, €350 million has been made available for targeted, voluntary buy-out schemes of farmers located close to Nature 2000 areas. When farmers decide to make use of the available subsidies to be able to stop farming, their animal rights will be deleted. As a result of these measures it is expected that the dairy sector in particular will decrease slightly in the coming years.

Nitrogen excretion in manure fell 2.6% in 2019 compared to a year earlier and was lower than the nitrogen limit set by the European Union for the Dutch livestock population.

Phosphate emissions were also lower (-3.7%) in 2019 compared to a year earlier and were well below the limit set for the Netherlands[8].

Warm restructuring of pig farming sector in the Netherlands

In addition the Dutch pig farming sector was confronted

with what is generally referred to as the 'warm restructuring of the pig farming sector'. This subsidy scheme was put in place before 2019 by the sector in collaboration with the government with the aim of reducing odour nuisance in livestock-rich areas through voluntary closure of pig farms. Pig farmers had a month to register for the subsidy scheme. On receipt of the subsidy the farmer's pig rights are deleted. In January 2020 it became clear that more pig farmers had registered than expected. Pig farmers have until May/June 2020 to make a final decision on whether or not to discontinue their business. The government announced in February 2020 that an additional sum will be made available, on top of the €180 million which had already been set aside for the warm restructuring. This will be done to make it possible that all pig farmers who meet the requirements can stop farming. In first instance the expectation was that the number of pig places in the Netherlands is expected to fall by around 7-10% over the next two years, if the full €180 million would be allotted.
This percentage could become higher given the higher budget available.

Belgium
The average milk price in Belgium was higher in 2019 than in 2018. Milk production increased in 2019, mainly because there were approximately 2% more dairy cows. Cattle farmers had to deal with lower prices for meat than a year before. The number of animals in the cattle (beef) sector decreased slightly.
The agricultural sector in Belgium was faced with the threat of animal diseases in 2019. The outbreak of African swine fever, which was only detected among wild boars, seems not to be spreading further.
However the export ban on pigs to certain countries outside Europe, imposed due to the threat of swine fever, has still not been lifted. The export ban had a temporary negative impact on pig prices in Belgium. A number of livestock farmers decided to stop farming (temporarily or permanently). In the meantime pig prices have risen sharply. Expectations are that the export ban (to the remaining countries that still have their import ban in place) will be lifted around September 2020 provided no new cases of swine fever are detected.
The poultry sector was faced with an outbreak of low pathogenic bird flu. The situation is now under control. Birds from all infected sheds were culled, with farmers compensated out of EU funds.

Results
Total Feed volume remained stable at 5.2 million tonnes. Volume growth due to the acquisitions (Maatman and Van Gorp Biologische Voeders both in the Netherlands and Voeders Algoet in Belgium) was nearly equal to the like-for-like volume decline. Compound feed volume fell.

Total Feed development in the Netherlands was particularly impacted by the fall in compound feed volume, which was higher (in terms of percentage) for the dairy sector in H1-2019 than in H2-2019. In the pig sector volumes were under pressure all year. Although lower volumes were sold to poultry farmers in 2019 as a whole, the fall in volumes was higher (in percentage terms) in H1-2019 than in H2-2019. Reudink, the biological (organic) feed company, realised volume growth on the back of the acquisition of Van Gorp Biologische Voeders, which was fully integrated in 2019. Pavo (horse feed) volumes rose steadily due to growth in the core regions following product innovations, amongst other things.

Total Feed development in Belgium remained stable due to the acquisition of Voeders Algoet. Volume fell like-for-like because of factors including export restrictions as a result of the (threat of) animal diseases in the pig and poultry sector. The takeover of Voeders Algoet initially caused challenges in retaining customers and members of the sales team. In the meantime new customers have been attracted and old customers are gradually returning.

Gross profit declined by €10.1 million (4.0%). In the first half-year 2019 gross profit declined by 8% mainly as a result of the unfavourable purchasing position. In the second half gross profit remained stable (Y-o-Y) despite lower compound feed volumes and a less favourable product mix. By comparison: gross profit in the second half of 2018 included one-off additional inbound logistics costs (€2 million) due to the low water levels in the rivers. Because of the decline in volumes, gross profit development in the second half-year was not sufficient to fully compensate the fall of gross profit in H1-2019.

Underlying operating expenses increased by €7.7 million (4.2%), because of the acquisitions and a like-for-like increase. Employee benefit expenses increased through indexation of wages, compensated by a decrease in the number of FTEs, partly due to the closure of three mills. Production costs were higher, including the additional costs of the reopened mill in Deventer. Transport costs were also higher. Overhead cost allocation was €2.2 million lower than last year.

Underlying EBITDA declined by 17.1% (€13.3 million) to €64.4 million (including a positive IFRS 16 effect of €1.9 million). The underlying EBITDA/gross profit ratio decreased from 31.0% in 2018 to 26.8% in 2019.
ROACE (based on underlying EBITDA) decreased from 48.2% to 34.9% due to the lower underlying EBITDA and the higher capital employed following the acquisitions.

Germany/Poland

In thousands of euro	**2019**	**2018**	**Δ%**
Total Feed volume (in tons)	2,194,065	1,894,471	15.8%
Revenue	**582,548**	**499,070**	**16.7%**
Gross profit	**76,392**	**64,691**	**18.1%**
Other operating income	186	32	481.3%
Operating expenses incl depreciation & amortisation	-72,136	-55,905	29.0%
Underlying expenses incl depreciation & amortisation	-71,155	-55,905	27.3%
EBITDA	13,766	13,941	-1.3%
Underlying EBITDA	**14,321**	**13,941**	**2.7%**
Underlying depreciation and amortisation	-8,898	-5,123	73.7%
EBIT	**4,442**	**8,818**	**-49.6%**
Underlying EBIT	**5,423**	**8,818**	**-38.5%**
Underlying EBITDA / Gross profit	18.7%	21.6%	-13.0%
ROACE on underlying EBITDA	**8.0%**	**12.5%**	**-36.1%**

Market and sector developments

In **Germany** there is growing public and political focus on the environmental impact of the agricultural sector. Reducing phosphate and ammonia emissions is becoming increasingly important in Germany, especially in the swine sector. This is resulting in measures including subsidies for livestock farmers who stop farming, and hence a declining pig population, similar to the situation in the Netherlands. Consumers in Germany are increasingly choosing non-GMO dairy products. This means that dairy farmers need to give their animals non-GMO feed. Layer farmers benefited from good egg prices as of the beginning of 2019 and also noted growing demand for larger eggs. By contrast, broiler farmers were faced with sharply declining broiler prices at the end of 2019.

In **Poland** the broiler sector continues to grow as more slaughter capacity becomes available to meet the growing export demand for poultry meat products. Global demand for poultry products is rising as a result of increasing European consumer demand and the shortage of pig meat due to the African swine fever in Asia. In the first half of 2019 there was a sharp rise in broiler prices in Poland, followed by a drop in the latter half of the year. Poultry farmers in Poland decide at the end of each rearing cycle whether to restock their barns. This depends on the price development of their products; if the price is too low, they wait. This makes sales in Poland more volatile than in Western European countries.

In 2019 African swine fever was detected among wild boars, first in the east of Poland and subsequently in the west of the country as well. Measures including the installation of fences are now in effect in around a quarter of Poland aimed at stopping the spread.

Results

The 2019 results of the cluster Germany/Poland are significantly impacted by the results of Tasomix, which are presented as acquisition effect in the first half-year results and supported the like-for-like development of the results in the second half.

Total Feed volume increased by 15.8% to 2.2 million tonnes, completely attributable to the contribution of Tasomix in Poland. In Germany, Total Feed volume rose in H1-2019, but fell in the second half of 2019 on lower DML-volumes. Compound feed volume was higher in 2019 in all sectors in Germany and Poland. Competition in the pig sector increased, leading to pressure on volumes in H2-2019. Volumes in the pig sector in Poland increased following the expansion of the sales and marketing team and despite the threat of spreading African swine fever. Volumes in the poultry sector grew, especially as a result of the substantial contribution of Tasomix, which realised a like-for-like volume growth of 27% in the second half of 2019. This contributed to the increase in utilisation level of the mill in Pionki, to currently over 40%.
In the cluster Germany/Poland, growth in compound feed volume was greater (in percentage terms) than in Total Feed volume.

Gross profit increased by €11.7 million (18.1%). The contribution of Tasomix in volume growth with better margins was impacted by the price pressure in the pig sector in Germany.

Underlying operating expenses increased by 27.3%, particularly due to the additional expenses associated with the acquisition of Tasomix. Employee benefit expenses stayed flat as the increase in Poland was offset by a decline in Germany. Production and logistics costs were higher because of the volume growth in Poland in the second half of 2019. Overhead cost allocation was €0.4 million higher than last year.

Underlying EBITDA rose by 2.7% (€0.4 million) to €14.3 million (including a positive IFRS 16 effect of €0.9 million). Tasomix contributed €8.1 million to underlying EBITDA, an increase of €5.8 million compared to 2018. Underlying EBITDA in Germany declined by €5.4 million.

The underlying EBITDA/gross profit ratio decreased however to 18.7% (2018: 21.6%).

ROACE (based on underlying EBITDA) decreased to 8.0% (2018: 12.5%). In Poland ROACE increased mainly because of the increase of capital employed due to the full year effect of the take-over of Tasomix and the start-up of the new mill in Pionki.

Tasomix

Because of the importance of Tasomix, its 2019 results are presented separately on the level of key parameters:

In millions of euro (unless indicated otherwise)		**2019**	**H2-2018**
Total Feed volume (x 1.000 ton)		531	218
	H1	254	
	H2	277	218
Compound feed (x 1.000 ton)		526	216
Gross profit		23.6	8.6
Underlying EBITDA		8.1	2.3
Capacity utilization Pionki mill as at end of year		40%	25%

United Kingdom

In thousands of euro	2019	2018	Δ%
Total Feed volume (in tons)	2,678,742	2,902,796	-7.7%
Revenue	**642,708**	**662,231**	**-2.9%**
Gross profit	**122,924**	**127,478**	**-3.6%**
Other operating income	86	443	-80.6%
Operating expenses incl depreciation & amortisation	-145,938	-120,292	21.3%
Underlying expenses incl depreciation & amortisation	-117,434	-119,239	-1.5%
EBITDA	17,463	19,843	-12.0%
Underlying EBITDA	**20,561**	**20,486**	**0.4%**
Underlying depreciation and amortisation	-15,053	-12,214	23.2%
EBIT	**-22,928**	**7,629**	**-400.5%**
Underlying EBIT	**5,512**	**8,272**	**-33.4%**
Underlying EBITDA / Gross profit	16.7%	16.1%	4.1%
ROACE on underlying EBITDA	**12.3%**	**12.6%**	**-2.5%**

Market and sector developments

The agricultural sector in the United Kingdom is less affected by changes in environmental legislation.
There was a slight reduction in the dairy herd. A rise in milk production per cow resulted in a 2% rise in milk volume in 2019 compared to 2018. The price of milk declined, especially in the second half of the year. Demand for compound feed declined in the ruminant sector due to the presence of ample forage following a good growing season. Moreover ruminants, especially sheep, were kept outside for longer due to the mild winter. Sheep farmers sold their lambs earlier in the year due to uncertainty regarding Brexit.
Pig farmers faced a drop in local demand for their products, with the decline completely offset by higher demand for pig meat, particularly from Asia. Pig prices in the United Kingdom rose to a certain extent in 2019 but not as much as in continental Europe. The trend towards fewer but larger pig farms is continuing. The pig population shrank slightly.

Results

Total Feed volume decreased by 7.7% to 2.7 million tonnes. Within the ruminants sector less feed was sold because of the mild winter (2018/2019) when sheep stayed at pasture longer and therefore ate less compound feed. In contrast to 2018 when there was a shortage of grass due to the drought, dairy cows did not need additional feed during the summer months in 2019. Volume in the pig sector still decreased somewhat as a result of the tightened commercial proposition, and especially because a large customer had fewer animals. More feed was sold in the poultry sector.

The decline in compound feed volume was larger (in percentage terms) than for Total Feed volume.

Gross profit decreased by 3.6%. The decline of gross profit in the first half-year of 2019, especially due to the unfavourable purchasing position, could not be fully offset in the second half. Although gross profit fell in the second half of the year on lower volumes, the margin per tonne improved compared to that in 2018 and in the first half-year.

Underlying operating expenses were down by 1.5%. Employee benefit expenses were lower due to there being fewer employees than the year before. This was attributable to the closure of two mills, as part of the efficiency plans and the general focus on efficiency. Production and transport costs decreased because of the lower volumes. Overhead cost allocation was €0.1 million lower than last year.

Underlying EBITDA rose by 0.4% to €20.6 million (including a positive IFRS 16 effect of €2.2 million), despite the volume decline and the lower gross profit, because of lower operating expenses.

The underlying EBITDA/gross profit ratio increased slightly from 16.1% in 2018 to 16.7% in 2019.
ROACE (based on underlying EBITDA) decreased slightly from 12.6% in 2018 to 12.3% in 2019.

The outcome of the goodwill impairment test with respect to the activities in the United Kingdom resulted in an impairment of €25.6 million. Volume development in the United Kingdom is slower than anticipated which is why an impairment is required.

Central and support expenses

In thousands of euro	2019	2018	Δ%
Gross profit	**852**	**683**	**24.7%**
Other operating income	895	1	89400.0%
Operating expenses incl depreciation & amortisation	-17,122	-15,407	11.1%
Underlying expenses incl depreciation & amortisation	-14,963	-15,407	-2.9%
EBITDA	-10,095	-12,008	-15.9%
Underlying EBITDA	**-10,740**	**-12,008**	**-10.6%**
Underlying depreciation and amortisation	-3,328	-2,715	22.6%
EBIT	**-15,375**	**-14,723**	**4.4%**
Underlying EBIT	**-14,093**	**-14,723**	**-4.3%**

Underlying operating expenses of the Central and support services are exclusive of the amount in overhead costs that is passed on to the clusters. In 2019 underlying central operating expenses decreased by €0.4 million and the amount passed on to the clusters also fell by €1.9 million. The total decline of central expenses (-€2.3 million) was mainly attributable to lower M&A expenses and a lower bonus accrual. In 2019 underlying EBITDA included a positive IFRS 16 effect of €0.8 million.

Dividend proposal

ForFarmers aims to distribute dividend, taking into consideration long-term value creation and a healthy financial structure to execute its strategy. The dividend policy of ForFarmers is to pay out between 40% and 50% of the underlying net result (after tax) attributable to shareholders. In 2019 this amounted to €36.4 million. It is proposed to distribute a dividend of €0.28 per ordinary share (based on 97.7 million ordinary shares outstanding), comprising €0.19 related to 50% of the underlying net result and a special dividend of € 0.09 per ordinary share. In 2018 the dividend was €0.30 per ordinary share, comprising €0.283 relating to the underlying net profit and a special dividend of €0.017 relating to the net proceeds of the sale of the arable activities in the Netherlands.

The annual accounts will be submitted for adoption at the Annual General Meeting on 24 April 2020. The dividend is payable on 8 May 2020.

Outlook and developments in the market

Social pressure and environmental measures

Global demand for animal protein continues to increase on the back of a growing world population and increasing prosperity. In Northwest Europe there is increasing social and political pressure on the agricultural sector due to the impact of livestock farming on the environment and an increasing focus on animal welfare. This is making livestock farmers more reluctant to invest in expanding their herds. Moreover investments are needed in order to comply with the environmental measures imposed. The challenge of finding suitable successors and the growing financial pressure is fuelling consolidation of farming businesses, which in turn is leading to changing client needs and requirements. While overall consumption of animal proteins remains stable in Europe, interest in alternative protein sources is noticeably on the rise. Volume growth will most likely be driven by export growth. In 2020 the Dutch agricultural sector will still be faced with the effects of the nitrogen issue. Expectations are that the dairy herds in the Netherlands will not grow in 2020, taking into consideration the measures which were announced in February 2020 to reduce nitrogen emissions.

Outlook by sector and impact of animal diseases

The long-term global outlook for the ruminant sector remains positive. Internal consumption of dairy products and meat in Northwest Europe is stabilising and production volume must therefore become more export-focused. Prosperity is increasing in Eastern Europe and this is also boosting local demand for dairy products and meat.

The outbreak of African swine fever in China and other Asian countries is having a significant impact on European pig prices. Production growth in Europe is expected[8] to be limited due to uncertainty surrounding the post-Brexit trade agreements, US-China trade tensions and worries over further swine fever outbreaks. In addition to the outbreak among wild boars in Belgium swine fever has now also been detected among wild boars in Poland, not far from the German border. This is a source of concern to pig farmers. Along with the existing restrictions on expansion due to environmental measures this situation is making them reluctant to scale up their production.
In the Netherlands the pig population is expected to shrink in the next two years as a result of the 'warm restructuring of the pig farming sector', a subsidy scheme aimed at buying out pig farmers in order to reduce odour nuisance in certain livestock-rich areas. The impact on the pig herds depends on the number of pig farmers taking their final decision coming spring, whether to stop or continue their farming business.

The poultry sector is growing as a result of the fact that consumers are increasingly opting for chicken meat and eggs as an alternative to other sources of animal protein. In addition demand for poultry products from China and other Asian countries has increased due to the shortage of pork. In Northwest Europe there is growing local demand for animal welfare concepts (e.g. free range and organic). Furthermore conventional production for export continues to grow, especially in Poland.

At the start of 2020 highly pathogenic (contagious) avian influenza was detected among wild birds in Poland. Hygiene protocols have been introduced to prevent spreading. A number of countries outside Europe have imposed an import ban on poultry from Poland, putting pressure on broiler prices. Consequently it is expected that growth will temporarily slow down. The situation is being closely monitored.

Slaughter capacity in Poland is set to grow in the coming years. This is expected to boost demand for compound feed in the poultry sector. With the new factory in Pionki ForFarmers has the capacity to meet the growing demand. It is expected that in the first quarter of 2020 poultry production in Belgium will reach levels equal to before the outbreak of low pathogenic avian flu in 2019.

Brexit

The ultimate effects of Brexit remain uncertain, although with a transition period now in place at least an orderly exit from the EU should be possible and ForFarmers remains optimistic that there will ultimately be an expansion of UK pig and poultry output.

Coronavirus

ForFarmers is closely monitoring the developments with respect to the coronavirus. As of the beginning of March a coordination team has been appointed and measures have been taken to mitigate the risk and impact of disease spread. The measures are in line with the guidance of national governments. For the time being, the measures focus on limiting international travel to business critical, heightened personal hygiene awareness and a strict protocol for employees who have recently visited high risk areas. ForFarmers is closely monitoring business critical processes that could be impacted by (measures regarding) the coronavirus, such as sourcing of certain raw materials from China for example and the availability of our employees. Given all the uncertainties surrounding the coronavirus it is not possible to make an assessment of the potential impact on future results. At this point in time there is no material impact yet.

Efficiency plans 2019 - 2020

At the beginning of 2019 ForFarmers announced its efficiency plans, targeting €10 million cost savings in 2021 (compared to the cost level in 2018), through optimisation

of the group factory footprint and other efficiency projects in various parts of the organisation. The efficiency plans affect all countries excluding
Poland and involve a reduction of 125–150 FTEs during 2019-2020 through
natural attrition and redundancies. In line with these plans five mills were closed in 2019; two in the Netherlands, two in the United Kingdom and one in Belgium. Partly due to these closures the number of FTEs decreased in 2019 by 123. In Poland the number of FTEs grew because of the growth of the business. The closures of the mills included incidental costs. ForFarmers is on track with the announced plans. Market circumstances require that cost control is closely executed.

Capital expenditure and investments

ForFarmers continues to invest in systems and process optimisation. The Company plans to invest approximately €40 million in 2020 (equal to in 2019). The focus on further optimising working capital will be sustained. ForFarmers will also continue to pursue acquisitions. As of 31 December 2019 debt /underlying EBITDA ratio was 0.09. ForFarmers has sufficient financial headroom to realise her growth plans.

Share buy-back plan

In May 2019 ForFarmers started a share buy-back programme amounting to €30 million, and with a duration of up to October 2020 latest. 2,786,204 (ordinary) shares were repurchased in 2019, of which 251,852 shares were repurchased for the employee participation plans. The 2,534,352 shares, specifically repurchased for the share buy-back programme of €30 million, were repurchased for a total amount of €15.5 million (taking into consideration that 51,954 shares were settled in 2020). This programme continues until the Annual General Meeting of shareholders (AGM) on 24 April 2020. The General Meeting will be asked to provide authorization to repurchase the remaining shares within the total amount of €30 million alongside the possible share buy-back programme for a new employee participation plan. Such a plan needs to be approved by the Supervisory Board, after the AGM.

It will be proposed to the AGM of 24 April 2020 to cancel all treasury shares of the share buyback programme of €60 million (2017) and the shares already purchased and to be purchased of the €30 million share buyback programme. This will have no impact on the dividend per share or the earnings per share. In addition, a proposal will be submitted to decrease the authorised capital accordingly.

Launch of strategy 2020 – 2025

The strategy for the years 2020-2025 will be announced on 12 May 2020. This will be done by means of a press release (before opening trade). On that same date a Capital Markets Day will be held in Amsterdam for invited shareholders, analysts and investors. The presentations can be followed by means of an audio webcast.

Guidance

Taking into consideration the already mentioned market circumstances and the fact that the strategy for the years 2020 -2025 with the corresponding objectives will be published on 12 May coming, ForFarmers provides the following guidance.

ForFarmers expects to continue the trend of the second half-year of 2019 in 2020. It is anticipated that the impact of the expected like-for-like volume decline in all countries except in Poland can be offset by further implementation of the efficiency plans and an improvement of the product mix. Expectations are that this will have a positive impact on the improvement of the result in the first half of 2020 compared to the result in the first half-year of 2019, which was negatively impacted by an unfavourable purchasing position.

Subsequent events

There were no subsequent events.

[1] Results are always compared year-on-year
[2] Total Feed covers the entire ForFarmers product portfolio and comprises compound feed, specialties, co-products (including DML products), seeds and other products (such as forage)
[3] Net profit: in this instance profit attributable to shareholders of the Company
[4] Depreciation includes amortisation in this instance
[5] ROACE means underlying EBITDA (EBIT) divided by 12-month average capital employed
[6] The Integrated Approach to Nitrogen (Plan Aanpak Stikstof - PAS) is a system which allows permits to be issued for nitrogen-emitting activities (such as infrastructure and construction) before the necessary nitrogen-offsetting measures have been effected
[7] Source: https://www.rijksoverheid.nl/actueel/nieuws/2019/12/18/kabinet-en-landbouw-collectief-maken-afspraken
[8] Source: Centraal Bureau voor Statistiek, Netherlands
[9] Source: RaboResearch, Pork Quarterly Q1 2020

Other information

Audio webcast

Messrs Yoram Knoop (CEO), Arnout Traas (CFO) and Adrie van der Ven (COO) will present the ForFarmers 2019 annual results today from 10.30 – 11.30 am. This can be followed via an audio webcast (in English). To listen to the live audio webcast, you can log on via the corporate website www.forfarmersgroup.eu. You can also download the presentation slides via the corporate website. The audio webcast will be available on the website afterwards.

For additional information:

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Company profile

ForFarmers N.V. is an international organisation that offers complete and innovative feed solutions for livestock farming. With its "For the Future of Farming" mission, ForFarmers is committed to the continuity of farming and further sustainalising the agricultural sector.

ForFarmers is the market leader in Europe with annual sales of 10.1 million tonnes of animal feed in 2019. The organisation is operating in the Netherlands, Germany, Belgium, Poland and the United Kingdom. In 2019, ForFarmers has approximately 2,600 employees. In 2019, the turnover amounted to approximately € 2.5 billion. ForFarmers N.V. is listed on Euronext Amsterdam.

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Notifications and disclaimer

REPORTING STANDARDS

PUBLICATION 2019 ANNUAL REPORT

The 2019 annual report (incl. financial statements) will be available from 12 March 2020 on the ForFarmers website (www.forfarmersgroup.eu).

REPORTING STANDARDS

The results in this press release are derived from the ForFarmers 2018 audited financial statements. The financial statements 2018 and the derived numbers is this press release have been drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

SUPERVISION

In view of the fact that shares are freely tradable on EURONEXT Amsterdam, ForFarmers operates under the supervision of the Financial Markets Authority (AFM) and the company acts in accordance with the prevailing regulations for share-issuing companies.

Important dates

Financial calendar

27-03-2020	Registration date General Meeting of Shareholders
24-04-2020	General Meeting of Shareholders
28-04-2020	Ex-dividend listing
29-04-2020	Registration date for those entitled to a dividend
01-05-2020	Q1 2020 Trading update
08-05-2020	Dividend payment
12-05-2020	Announcement Strategy 2020-2025 (Capital Markets Day)
13-08-2020	Publication of half-year results 2020
30-10-2020	Q3 2020 Trading update
11-03-2021	Publication annual results and annual report 2020
23-04-2021	General Meeting of Shareholders

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements, including those relating to ForFarmers legal obligations in terms of capital and liquidity positions in certain specified scenarios. In addition, forward-looking statements, without limitation, may include such phrases as "intends to", "expects", "takes into account", "is aimed at", ''plans to", "estimated" and words with a similar meaning. These statements pertain to or may affect matters in the future, such as ForFarmers future financial results, business plans and current strategies. Forward-looking statements are subject to a number of risks and uncertainties, which may mean that there could be material differences between actual results and performance and expected future results or performances that are implicitly or explicitly included in the forward-looking statements. Factors that may result in variations on the current expectations or may contribute to the same include but are not limited to: developments in legislation, technology, jurisprudence and regulations, share price fluctuations, legal procedures, investigations by regulatory bodies, the competitive landscape and general economic conditions.

These and other factors, risks and uncertainties that may affect any forward-looking statements or the actual results of ForFarmers, are discussed in the last published annual report. The forward-looking statements in this press release are only statements as of the date of this document and ForFarmers accepts no obligation or responsibility with respect to any changes made to the forward-looking statements contained in this document, regardless of whether these pertain to new information, future events or otherwise, unless ForFarmers is legally obliged to do so.