

10/08/2018

COMPANY ANNOUNCEMENT 11/2018

Goodvalley adjusts outlook and publishes preliminary Q2 results

Despite improved operational performance and a stable underlying business development during Q2 2018, Goodvalley has decided to adjust its previously communicated outlook for 2018. Revenue is now expected to come to DKK 1,400-1,550 million against previous expectations of DKK 1,550-1,700 million, and Adjusted EBITDA* is expected to be DKK 280-325 million against former expectations of DKK 340-425 million.

The adjusted outlook is impacted by the current drought in Europe and based on assumptions for 2018 of a higher cost of feed in the Pig segment and lower performance in the Arable segment, alleviated to some extent by the Group's geographical diversification. Goodvalley's financial performance for the year is furthermore expected to be affected by lower revenue and Adjusted EBITDA in the Pig segment driven by ongoing stable renovations and the Group's decision to expand production of pigs raised without antibiotics ("RWA") as well as expectations of an average market price for slaughter pigs of DKK 11.1 per kilo in 2018 against previous expectations of DKK 11.2 per kilo. In addition, the Group expects higher marketing expenses following a decision to accelerate its launch of own Goodvalley branded products in Poland based on positive feedback from consumers.

In general for the Pig segment, a 5% change in average feed costs entails a change in Adjusted EBITDA of approximately DKK 25 million per year, and a 5% change in the Group's total average pig price entails a change in Adjusted EBITDA of approximately DKK 50 million per year.

According to preliminary Q2 2018 figures, Group revenue for the quarter was DKK 374 million (Q2 2017: DKK 421 million) and Adjusted EBITDA came to DKK 83 million (Q2 2017: DKK 132 million), corresponding to an Adjusted EBITDA margin of 22.2% (Q2 2017: 31.2%).

The Q2 2018 interim report will be published on 21 August 2018.

Further information

CEO, Tom Axelgaard

+ 45 76 52 20 01

info@goodvalley.com

**Adjusted EBITDA is defined as EBITDA excluding non-recurring items and adjusted for price changes of herd on stock.*

Goodvalley at a glance

Goodvalley is an international producer of high quality pork products operating in Poland, Ukraine and Russia based on Danish production standards. The company is to a large extent self-sufficient and masters the whole production chain from field to fork, from growing crops for feed, breeding and slaughtering pigs including using the manure in biogas facilities to produce electricity and organic fertilizer for the fields. In Poland, Goodvalley is certified as CO₂ neutral in the entire production chain by German TÜV and operates according to the highest standards in terms of animal welfare, transparency in the production and sustainable production methods.