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COMPANY ANNOUNCEMENT 10/2019

Goodvalley announces new financial reporting structure

From the publication of the Q2 2019 results on 27 August 2019, Goodvalley introduces geographical segments to replace the historical business area segments.

The revised external reporting structure is a consequence of the launch of one Group identity in 2018 and the introduction of a country-based organisational structure and internal management reporting setup. The introduction of a new reporting structure has no influence on the Group's CO₂ neutral and vertically integrated business model, which is unchanged.

The Group's new geographical segments are Poland, Ukraine and Russia.

The **Poland** segment is comprised of production and sales of deboned pork meat, branded and private label pork products from Goodvalley's slaughterhouse, live pigs from 22 production facilities and crops from 13,400 hectares of land as well as energy from eight biogas plants. In 2018, the segment accounted for 61% of the Group's external revenue and contributed with DKK 46 million to Goodvalley's Adjusted EBITDA.

The **Ukraine** segment is comprised of production and sales of live pigs from 7 production facilities and crops from 17,500 hectares of land as well as energy from one biogas plant. In 2018, the segment accounted for 27% of the Group's external revenue and contributed with DKK 112 million to Goodvalley's Adjusted EBITDA.

The **Russia** segment is comprised of production and sales of live pigs from 2 production facilities and crops from 5,600 hectares of land. In 2018, the segment accounted for 12% of the Group's external revenue and contributed with DKK 69 million to Goodvalley's Adjusted EBITDA.

Costs and non-recurring items that are not directly attributable and cannot be allocated to the individual segments on a reliable basis are presented only at Group level.

Comparative financial figures for the period Q1 2017 – Q1 2019 have been restated to reflect the new reporting structure and are provided in this company announcement. Selected financial figures for the full-year 2018 are presented in accordance with the historical business area segments and the new geographical segments in the table below.

Table: New reporting structure (full-year 2018)

DKK million	Poland	Ukraine	Russia	Group costs	Group
Revenue					
Pig	492	362	171		1,025
Food	733	-	-		733
Arable	83	84	11		178
Energy	73	8			81
Intercompany elimination	(474)	(61)	(8)		(543)
Total	907	393	174		1,473
Adjusted EBITDA*	46	112	69	(5)	222
Adjusted EBITDA margin	5.1%	28.5%	39.6%		15.1%

*Adjusted EBITDA refers to EBITDA before non-recurring items adjusted for herd price

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Further information

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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. 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.

Table: Comparative financial figures by geography (unaudited)

	2019	2018					2017				
DKK million	Q1	Q4	Q3	Q2	Q1	Full-year	Q4	Q3	Q2	Q1	Full-year
Poland											
Revenue	212	220	221	239	227	907	265	269	279	251	1,064
Change in fair value	27	(35)	(24)	13	37	(9)	(60)	(43)	59	12	(33)
Other income	6	9	7	1	4	21	12	6	5	4	27
Total income	246	194	204	253	268	919	216	232	343	267	1,058
Adjusted EBITDA	7	(12)	4	18	36	46	54	36	72	57	219
Ukraine											
Revenue	74	103	108	92	91	393	104	123	96	77	400
Change in fair value	15	(20)	(33)	47	11	4	(2)	(27)	43	19	32
Other income	0	1	0	0	1	2	6	8	3	0	17
Total income	89	83	75	138	102	399	108	104	141	96	449
Adjusted EBITDA	16	17	17	49	29	112	43	52	40	21	157
Russia											
Revenue	35	48	48	43	33	173	38	39	48	39	165
Change in fair value	10	(9)	(3)	7	7	2	(7)	(6)	6	6	(1)
Total income	46	39	45	51	40	174	32	33	54	45	164
Adjusted EBITDA	10	16	22	20	11	69	13	14	17	12	56