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COMPANY ANNOUNCEMENT 11/2020

## Goodvalley adjusts outlook and publishes preliminary results

Goodvalley adjusts the 2020 outlook as an expected rebound in live pig prices has not materialised. This is driven by the continued negative effects of COVID-19 and the discovery of African Swine Fever (ASF) in wild boars in Germany in Q3. While there have been no reports of outbreaks at farms in Germany, the discovery of ASF has still resulted in a Chinese import ban on German pigs and pork meat, leading to an oversupply of live pigs in Europe entailing a decline in the German live pig price to below DKK 10 per kilo slaughter pig against a price above DKK 14 per kilo at the beginning of 2020.

Revenue is now expected to be DKK 1,450-1,550 million, and Adjusted EBITDA guidance is revised to DKK 300-330 million against previous expectations of revenue in the DKK 1,600-1,750 million range and Adjusted EBITDA of DKK 320-380 million. The outlook is now based on an average market price for live pigs of DKK 11.90 per kilo slaughter pig (previously DKK 12.35) and a significantly lower average price for weaners.

Despite the challenging market conditions, Goodvalley delivered strong operational performance and solid financial results in Q3 and for the first nine months of 2020. According to preliminary Q3 2020 figures, Group revenue was DKK 379 million (Q3 2019: DKK 414 million), and Adjusted EBITDA came to DKK 58 million (Q3 2019: DKK 71 million) corresponding to an Adjusted EBITDA margin of 15.2% (Q3 2019: 17.2%). For the nine months ended 30 September 2020, revenue was stable at DKK 1,130 million (9M 2019: DKK 1,121 million), and Adjusted EBITDA grew significantly to DKK 258 million (9M 2019: DKK 185 million) corresponding to an improved Adjusted EBITDA margin of 22.8% (9M 2019: 16.5%). Over the course of the last twelve months, Goodvalley has generated Adjusted EBITDA of DKK 346 million.

The solid performance and results generated in the difficult market environment are testament to the resilience of Goodvalley's vertically integrated business model with a geographically well-diversified production network across the Group's three key markets in Poland, Ukraine and Russia. The effect of lower pig prices was partly offset as Goodvalley more than tripled sales of its strategically important branded products to a record-high of 683 tonnes in Q3. For the first nine months of the year, Goodvalley grew sales of branded products to 1,611 tonnes, and the Group now expects to sell at least 2,100 tonnes (previously 1,800 tonnes) of branded products in 2020. Furthermore, Goodvalley has increased the distribution significantly and now expects to have products listed across 12,000 stores (previously 6,000 stores) in Poland by the end of 2020.

The interim report for Q3 and the first nine months of 2020 will be published on 20 November 2020.

*\*Adjusted EBITDA refers to EBITDA adjusted for herd price changes and non-recurring items.*

### 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 a carbon neutral company by German TÜV and operates according to the highest standards in terms of animal welfare, transparency in the production and sustainable production methods.