



Sligro Food Group N.V.

Half-year figures 2016

Amsterdam, 21 July 2016

Half-year figures 2016

Agenda

Welcoming remarks	Koen Slippens
Half-year figures 2016	Rob van der Sluijs
Food retail	Koen Slippens
Foodservice	Koen Slippens
Outlook	Koen Slippens

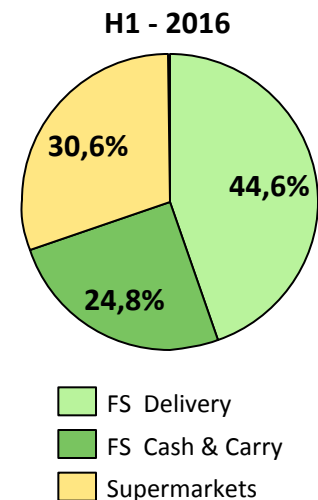
Net sales



Sligro Food Group N.V.

amounts * € million	H1-2016	H1-2015	H1-2016	H1-2015
Net sales	1,355	1,274	100.0%	100.0%
Gross margin	308	288	22.8%	22.6%
Other operating income	1	1	0.1%	0.1%
Expenses	-243	-224	-17.9%	-17.6%
EBITDA	66	65	4.9%	5.1%
Impairments	-	-	0.0%	0.0%
Depreciation	-20	-19	-1.5%	-1.5%
EBITA	46	46	3.4%	3.6%
Amortisation	-12	-9	-0.9%	-0.7%
EBIT	34	37	2.5%	2.9%
Interest	1	-	0.1%	0.0%
Profit before tax	35	37	2.6%	2.9%
Taxes	-7	-8	-0.5%	-0.6%
Profit for the half-year	28	29	2.1%	2.3%

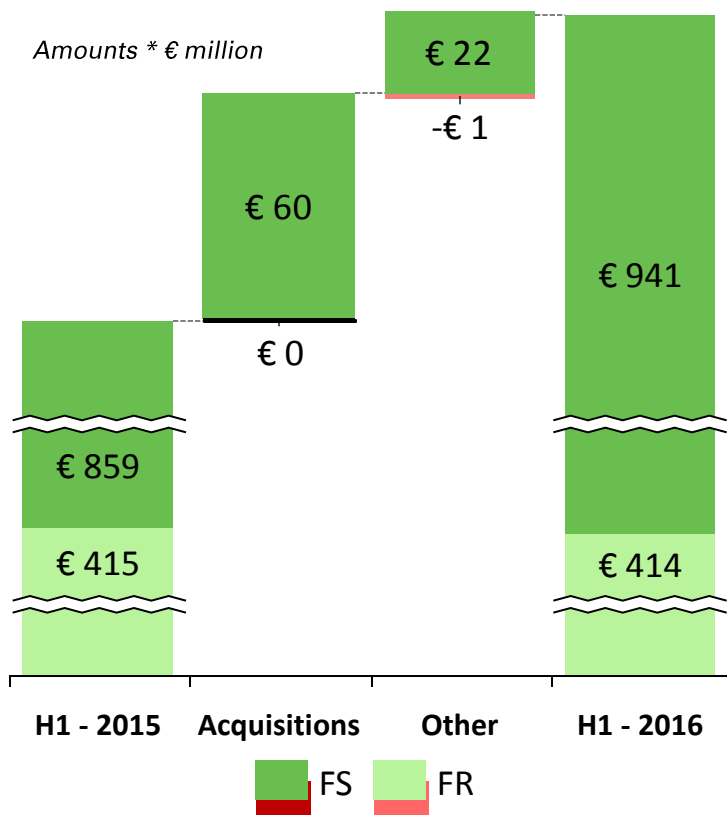
H1 - 2016	SFG
Net sales	+ 6.3%
Organic	+ 1.6%



Net sales Sligro Food Group



Sligro Food Group N.V.



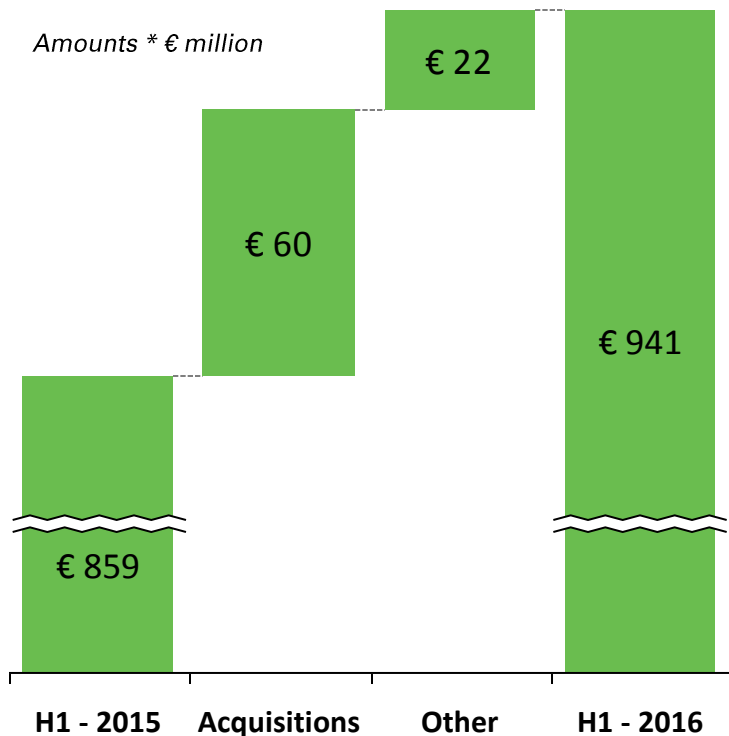
H1 - 2016	SFG	FS	FR
Net sales	+ 6.3%	+ 9.6%	- 0.4%
Organic	+ 1.6%	+ 2.6%	- 0.5%

Net sales amounts * € million	Foodservice		Food retail		Total	
	2016	2015	2016	2015	2016	2015
Netherlands	880	842	414	415	1,294	1,257
Belgium from the Netherlands	17	17	-	-	17	17
Belgium from Belgium	44	-	-	-	44	-
Total	941	859	414	415	1,355	1,274

Net sales Foodservice



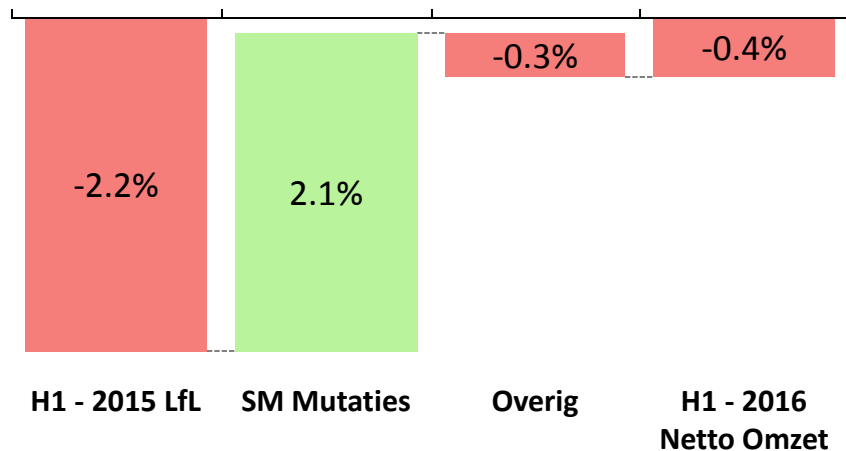
Sligro Food Group N.V.



H1 - 2016	FS
Net sales	+ 9.6%
Organic	+ 2.6%

- Sales acquired with Bouter, De Kweker and Java
- Bouter Q3 in organic sales
- Delivery growing faster than Cash & Carry
- 3.0 format outlets performing well
- Sligro 3.0 reopenings in H1 2016
 - Cash & Carry Veghel (week 17)
 - Cash & Carry Amsterdam (week 26)

Net sales Food retail



- Net sales -0.4%
- Like-for-Like EMTÉ -2.2%
- Average of market researchers +2.6%
- EMTÉ growth lagging behind the market
- Conversion of 3.0 pilot outlets in Dieren, Uden and Nieuwegein
- New 3.0 format stores in Berlicum and 's-Hertogenbosch (Van Heinde) opened in H1 2016
- Sales trend reversed in the course of Q2, improvement programme ongoing

	Avg. IRI / Nielsen	LfL EMTÉ	Δ	Net Sales EMTÉ	Δ
Q1	2.5%	-3.0%	-5.5%	-0.8%	-3.3%
Q2	2.7%	-1.3%	-4.0%	0.0%	-2.7%
H1-2016	2.6%	-2.2%	-4.7%	-0.4%	-3.0%

Gross margin



Sligro Food Group N.V.

amounts * € million	H1-2016	H1-2015	H1-2016	H1-2015
Net sales	1,355	1,274	100.0%	100.0%
Gross margin	308	288	22.8%	22.6%
Other operating income	1	1	0.1%	0.1%
Expenses	-243	-224	-17.9%	-17.6%
EBITDA	66	65	4.9%	5.1%
Impairments	-	-	0.0%	0.0%
Depreciation	-20	-19	-1.5%	-1.5%
EBITA	46	46	3.4%	3.6%
Amortisation	-12	-9	-0.9%	-0.7%
EBIT	34	37	2.5%	2.9%
Interest	1	-	0.1%	0.0%
Profit before tax	35	37	2.6%	2.9%
Taxes	-7	-8	-0.5%	-0.6%
Profit for the half-year	28	29	2.1%	2.3%

- Gross margin percentage up by 0.2%
- Foodservice margin rising due to changes in the mix:
 - Consolidation of Bouter
 - Regional share of sales in delivery service on the rise
- Foodretail margin is declining as a result of:
 - Rise in promotional share
 - Mix of franchises / company-operated

Expenses



Sligro Food Group N.V.

amounts * € million	H1-2016	H1-2015	H1-2016	H1-2015
Net sales	1,355	1,274	100.0%	100.0%
Gross margin	308	288	22.8%	22.6%
Other operating income	1	1	0.1%	0.1%
Expenses	-243	-224	-17.9%	-17.6%
EBITDA	66	65	4.9%	5.1%
Impairments	-	-	0.0%	0.0%
Depreciation	-20	-19	-1.5%	-1.5%
EBITA	46	46	3.4%	3.6%
Amortisation	-12	-9	-0.9%	-0.7%
EBIT	34	37	2.5%	2.9%
Interest	1	-	0.1%	0.0%
Profit before tax	35	37	2.6%	2.9%
Taxes	-7	-8	-0.5%	-0.6%
Profit for the half-year	28	29	2.1%	2.3%

- Total of expenses, depreciation, impairment losses and amortisation up by 0.5% to 20.3%
- Expenses Foodservice increased due:
 - Consolidation of Bouter
 - Acquisition and integration costs
 - Start-up costs for Sligro Belgium
- Sales decrease Food retail not fully compensated in expenses
- 'Kick the Costs' cost-cutting programme continues in 2016
- Amortisation intangible assets acquisitions 2015 / 2016

EBITA



Sligro Food Group N.V.

amounts * € million	H1-2016	H1-2015	H1-2016	H1-2015
Net sales	1,355	1,274	100.0%	100.0%
Gross margin	308	288	22.8%	22.6%
Other operating income	1	1	0.1%	0.1%
Expenses	-243	-224	-17.9%	-17.6%
EBITDA	66	65	4.9%	5.1%
Impairments	-	-	0.0%	0.0%
Depreciation	-20	-19	-1.5%	-1.5%
EBITA	46	46	3.4%	3.6%
Amortisation	-12	-9	-0.9%	-0.7%
EBIT	34	37	2.5%	2.9%
Interest	1	-	0.1%	0.0%
Profit before tax	35	37	2.6%	2.9%
Taxes	-7	-8	-0.5%	-0.6%
Profit for the half-year	28	29	2.1%	2.3%

- EBITA Foodservice up by €2 million
 - Increase in sales
 - Acquisition and integration costs
 - Sligro Belgium start-up costs
- EBITA Foodretail down by €2 million
 - Decline in sales
 - Increase in promotions decreases gross margin

Depreciation, amortisation and interest

amounts * € million	H1-2016	H1-2015
Depreciation / Impairments		
Impairments	-	-
Depreciation	-20	-19
	-20	-19
amounts * € million	H1-2016	H1-2015
Amortisation		
Software	-4	-2
Customer contracts	-2	-2
Customers / store locations from acquisitions	-6	-5
	-12	-9
amounts * € million	H1-2016	H1-2015
Interest		
Share in results of associates	3	2
Net financing expense	-2	-2
	1	-

- Increase in amortisation caused by:
 - Change in presentation of software licences of approx. €1 million
 - Acquisitions in 2015 and 2016 → amortisation of outlet locations and customer relations
- Share in results of associates up
 - All associates performed well in 2015

- New US Private Placement shelf facility:
 - ‘Framework agreement’ with three-year term, size of non-committed facility €100 million, minimum of €10 million per draw-down
 - First draw-down under facility of €30 million in mid-April 2016 seven-year term, annual interest rate of 1.33%

- Existing US Private Placement 2010 repayment in December 2017 and December 2020

- The net interest-bearing debt can be broken down as follows:

amounts * € million	Mid-year 2016	Year-end 2015	Mid-year 2015
Long-term liabilities	168	138	134
Financial fixed assets	-17	-18	-14
Cash	-59	-94	-57
Net interest-bearing debt	92	26	63

Net profit



Sligro Food Group N.V.

amounts * € million	H1-2016	H1-2015	H1-2016	H1-2015
Net sales	1,355	1,274	100.0%	100.0%
Gross margin	308	288	22.8%	22.6%
Other operating income	1	1	0.1%	0.1%
Expenses	-243	-224	-17.9%	-17.6%
EBITDA	66	65	4.9%	5.1%
Impairments	-	-	0.0%	0.0%
Depreciation	-20	-19	-1.5%	-1.5%
EBITA	46	46	3.4%	3.6%
Amortisation	-12	-9	-0.9%	-0.7%
EBIT	34	37	2.5%	2.9%
Interest	1	-	0.1%	0.0%
Profit before tax	35	37	2.6%	2.9%
Taxes	-7	-8	-0.5%	-0.6%
Profit for the half-year	28	29	2.1%	2.3%

- Net profit down by €1 million

	H1-2016	H1-2015	change
Profit for the half-year (€ million)	28	29	-3.4%
Basic earnings per share (€)	0.65	0.66	-1.5%

- Interim dividend for 2016 of
€0.45 per share payable on 3 October 2016

Segment results



Sligro Food Group N.V.

amounts * € million	Foodservice		Foodretail	
	H1-2016	H1-2015	H1-2016	H1-2015
Net sales	941	859	414	415
Other operating income	0	0	1	1
EBITDA	55	51	11	14
EBITA	39	37	7	9
EBIT	31	32	3	5
EBITDA as % of net sales	5.9%	5.9%	2.7%	3.3%
EBITA as % of net sales	4.2%	4.3%	1.6%	2.1%
EBIT as % of net sales	3.3%	3.7%	0.7%	1.2%
Net capital expenditure	27	33	8	4
Depreciation and amortisation software	-19	-16	-5	-5
Net capital employed (mid-year)	565	481	118	140
EBITDA as % of average CE	25.5%	24.8%	22.2%	19.3%
EBITA as % of average CE	19.8%	18.7%	14.7%	12.1%
EBIT as % of average CE	17.0%	16.5%	8.8%	7.2%

Foodservice

- Positive sales trend
- Acquisition and integration costs
- Start-up costs Belgium
- CE: increased due to acquisitions

Foodretail

- Sales H1 - 2016 lagging behind market
- Gross margin lower due to increase in promotional share
- CE: increase due to investment in 3.0 more than offset by improvement in working capital

Cash flow statement



Sligro Food Group N.V.

amounts * € million	H1-2016	H1-2015
Net cash generated from operations	79	67
Interest etc.	1	-1
Corporate income tax paid	-26	-21
From operating activities	54	45
Acquisitions / divestments	-51	-
Investments in associates	-	-
Net capital expenditure	-35	-34
From investing activities	-86	-34
Changes in debt	30	-
Dividend paid / change in own shares	-33	-28
From financing activities	-3	-28
Movement in cash and short-term bank borrowings	-35	-17
Balance at start of year	94	74
Balance year-end	59	57
Free cash flow	19	11

- €9 million improvement in cash flow from operating activities
- Final payment 2015 and entire amount of 2016 corporation tax liability paid in advance
- 2016 cash flow from investing activities high due to acquisitions
- Dividend represents final dividend for 2015 (€0.80 per share)
- Changes in own shares: €2 million gain

amounts * € million	H1-2016	H1-2015
Cash flow from changes in working capital		
Inventories	-5	10
Debtors and other current assets	3	20
Current liabilities	14	-29
Total improvement in working capital	12	1

Segment cash flow



Sligro Food Group N.V.

amounts * € million	Foodservice		Foodretail	
	H1-2016	H1-2015	H1-2016	H1-2015
EBIT	31	32	3	5
Depreciation and amortisation of software	20	16	4	5
Amortisation of other intangible assets	4	3	4	4
Other operating income in CAPEX	-	-	1	1
Changes in working capital	-1	2	13	-1
Financial income and expense	-	-	1	-1
Corporate income tax paid	-24	-19	-2	-2
From operating activities	30	34	24	11
Net capital expenditure	-27	-30	-8	-4
Free cash flow	3	4	16	7
Acquisitions / divestments	-47	-	-4	-

Foodservice

- Investment in conversion to 3.0 and Online
- Acquisitions of Java and de Kweker
- Working capital: increase due to stock and trade receivables, partially offset by increase in current liabilities (SCF)

Foodretail

- Investments relate to conversion to EMTÉ 3.0 format
- Acquisition of Heinde
- Working capital: improved due to increase in current liabilities (SCF)

- Programme launched in mid-December 2015
- Objectives:
 - Payment dates on market standards but no “additional pressure” on suppliers
 - Working capital improvement
- Suppliers benefit from strong financial position of Sligro Food Group

- Participation based on 60 payment dates
- Participating suppliers have the option of discounting their invoices at a favourable interest rate
- Effectively giving 5 payment dates

- Programme has been enthusiastically received by the suppliers: currently 50 participants
- Sufficient potential over the next few years

Food retail

- Market trends
- Sligro Food Group Food retail operations
- Plans for H2 - 2016 and beyond

Foodretail market trends 2016

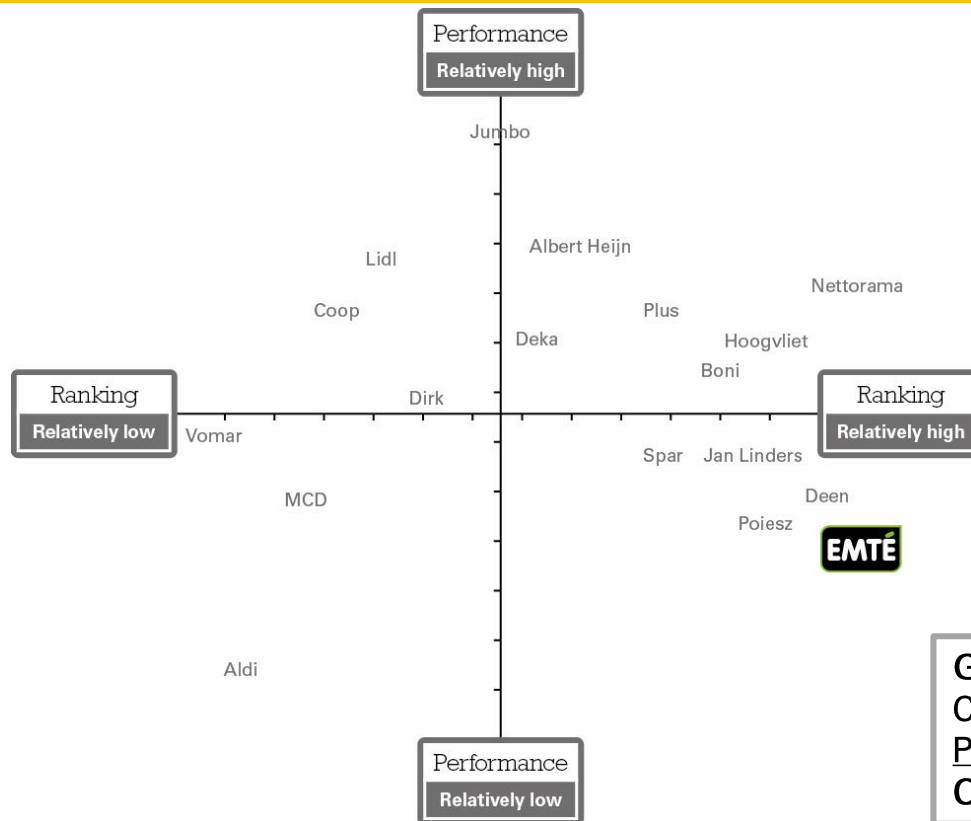
- Foodretail market H1 - 2016 up by 2.6% *
- Economic recovery reflected in sales trend
- Market growing at same rate as previous year
- Consumers continue to be sensitive to promotions. Promotional share in the market above 20%
- Basic price level is relatively stable

* Average of IRI and Nielsen figures

GfK Summer Report 2016



Sligro Food Group N.V.



GfK Summer report 2016 EMTÉ:	
Customer ranking	no. 1
Performance	no. 16
Overall	no. 4

Sligro Food Group Food retail



Sligro Food Group N.V.

- Like-for-like sales growth -2.2%, lagging behind the market
- More of an upward trend in the course of Q2
- 3 pilot stores under 3.0 format
- 3 new franchise stores added to the network:
 - EMTÉ Berlicum (3.0)
 - EMTÉ 's-Hertogenbosch (3.0)
 - EMTÉ Eindhoven (3.0, week 28)
- Voted 'Best Cheese Department' for 4th time

Net Sales	Reported	Adjusted for Easter
Q1	-0.8%	-1.3%
Q2	0.0%	+0.6%
H1 - 2016	-0.4%	-0.4%



Sales at Foodretail lagging behind the market. Focus on growth recovery by means of:

- Short term:
 - New folder structure and price campaigns
 - Improvement in shelf availability of promotional items
 - Step up personalised offers (fijnproevers)

- Long term:
 - Excellent execution of EMTÉ format (2.0 and 3.0) based on strength of local store teams
 - Develop successful weekend offers further
 - Faster product launches
 - Further develop strength of loyalty (fijnproevers) and deploy commercially

Folder: new price communication



Folder: scope for inspiration



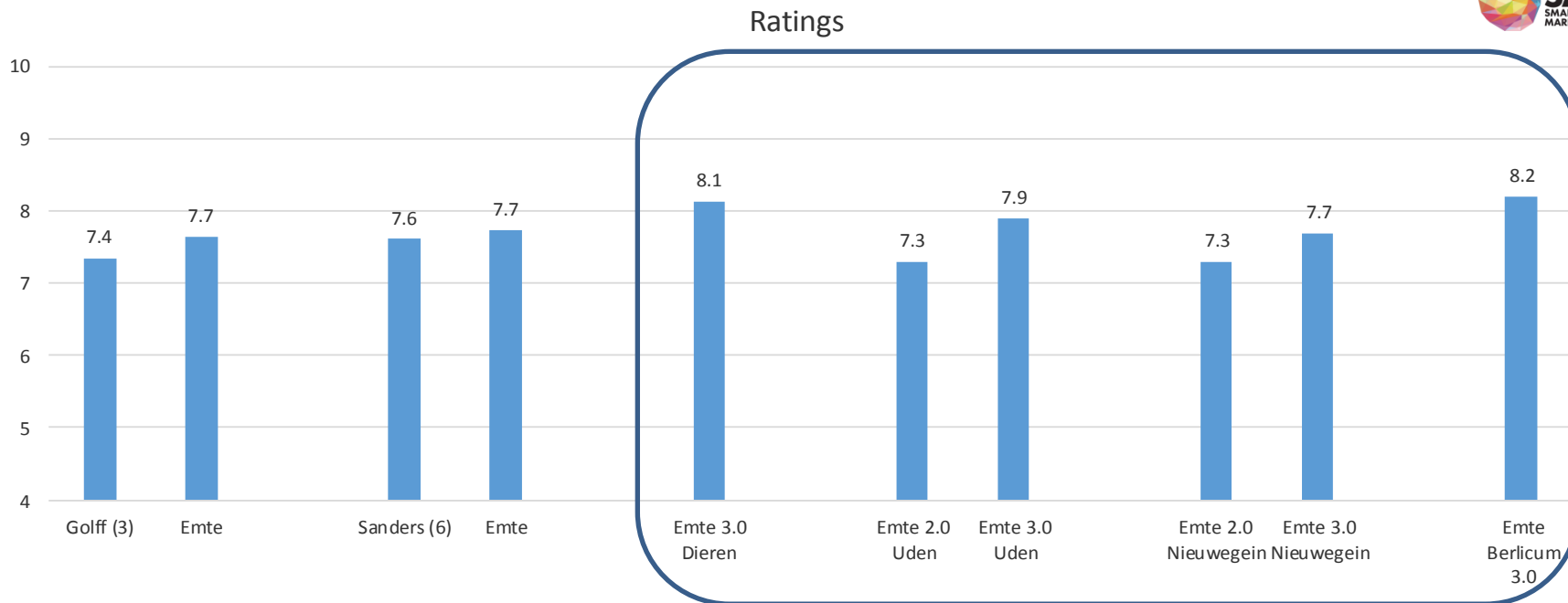
- 3.0 format generation popular with customers
 - Customer rating* improves vs. 2.0 stores.
 - The perception has shifted from “doing the shopping” to “going on a shopping trip”. Range, quality and appearance/ambiance particularly appreciated (also in relation to competitors)
 - Fresh food range becoming more dominant and/or format terms of reference
- Learning impact of current 3.0 stores continuously translated into the formula
 - Renovation plans for H2 2016 based on learning impacts of current outlets in terms of construction/renovation times, investments, store layout, training, etc.

Sligro Food Group Food retail



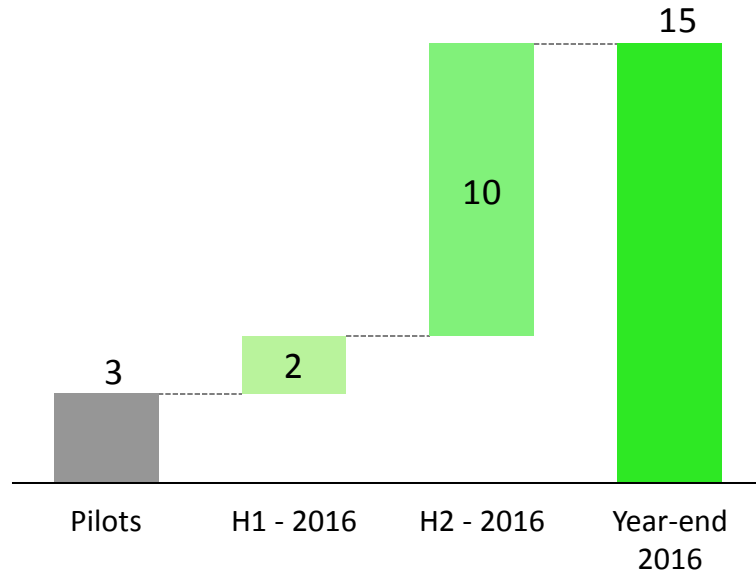
Sligro Food Group N.V.

The ratings after renovation are significantly higher, including in comparison with previous renovation operations



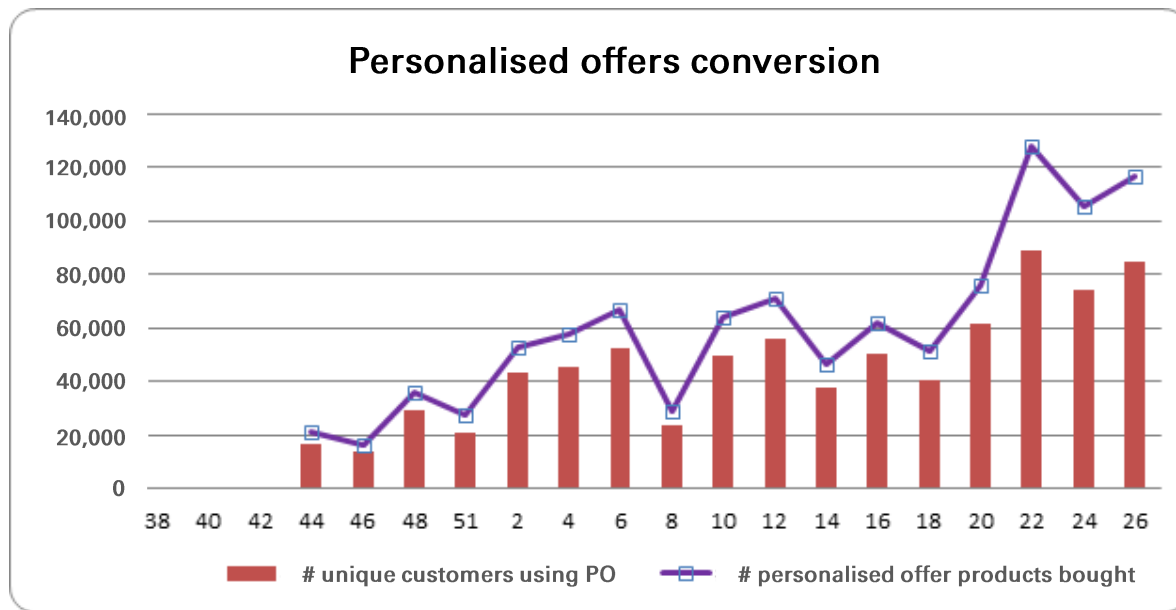
Sligro Food Group Food retail

- Conversion of EMTÉ 3.0 H2 2016, year-end 15 stores in EMTÉ 3.0 format



Next phase for personalised offers within 'Fijnproevers' loyalty programme

<p>PERSOONLIJK EXTRAATJE</p>  <p>25% korting</p> <p>Blue Band voor de keuken Pak 250 gram</p>	<p>EXCLUSIEVE DEAL</p>  <p>25% korting</p> <p>Spa touch of Lemon, Mint & Blackcurrant Fles 1 liter - Alle smaken</p>
<p>PERSOONLIJK EXTRAATJE</p>  <p>25% korting</p> <p>DMTÉ scharreleieren M Doos 6 stuks</p>	<p>LEKKERE VERRASSING</p>  <p>25% korting</p> <p>Mentos Gum Alle potten</p>



Objectives personalised offers

Buying confirmation

→ Objective: rewarding loyal customers and raising buying frequency

New products /
assortment extensions

→ Objective: introducing new products to a target customer audience

Out-of-assortment /
product replacements

→ Objective: introducing new products to a current group of customers
(customer retention)

Free product
promotion

→ Objective: introducing (new) products to a target customer audience

Tailormade solutions

Basket analyses (cross-selling & up-selling), promotion test, switchers test, retention analyses)

Plans for H2 - 2016 and beyond

- Further sales recovery in 2.0 outlets through short-term and long-term programmes
 - Step up campaign calendar
 - Further roll-out of personalised offers
- Further roll-out of 3.0 format (another 9 outlets in H2)
 - First franchise store under 3.0 (Montfort) → new entrepreneur and location
 - Closing Tilburg Rooi Pannen outlet

Foodservice

- Market trends
- Sligro Food Group Foodservice
- Plans for H2 - 2016 and beyond

Foodservice 2016 market trends



Sligro Food Group N.V.

- Foodservice market grew in H1 - 2016 up 1.0%
- Economic recovery reflected in sales trend, although different in each market segment
- Market researchers state the market is growing at a lower or the same pace as previous year.
(We believe the market is growing faster at a faster pace)

Foodservice Market 2015

FSIN beleidsmonitor 2017

+1.8%

Foodservice Market 2016

Foodstep periodemonitor P6 2016

+1.0%

Sligro FS NL H1 2016 (organic)

SFG half-year figures 2016

+2.6%

Sligro FS NL H1 2016

SFG half-year figures 2016 (incl. Bouter and De Kweker)

+4.4%



Sligro Food Group Foodservice



Sligro Food Group N.V.

- Organic growth Foodservice +2.6%, outperforming the market
- Java and De Kweker are performing good
- More of an upward trend in the course of Q2
- 9 locations operating under the Sligro 3.0 Format
 - C&C Veghel and C&C Amsterdam opened in H1 2016
- Improved mix regional / national customers in delivery service
- Recent attacks in Brussels have had an impact on Java sales in Brussels region

H1 - 2016	Reported		Adjusted for Easter	
	Q1	Q2	Q1	Q2
Net sales	7.3%	11.6%	6.5%	12.2%
Organic	2.7%	2.6%	1.9%	3.2%

Sligro Food Group Foodservice - Acquisitions



Sligro Food Group N.V.

Foodservice acquisitions 2015 - 2016

- Bouter
 - Integration complete
 - Strengthening collaboration with Foodservice sales team
 - From Q3 in like-for-like figures
- De Kweker
 - Integration complete and/or known Sligro approach
 - De Kweker Texel (Delivery) merged into Sligro Texel
 - De Kweker store in Purmerend to stay open until new Sligro - De Kweker Purmerend store is opened (2017)
- Java
 - Integration virtually complete
 - Central back-office role of overall Belgian Sligro operations



Sligro Food Group Foodservice - 3.0 Rollout

Convert calendar for Sligro 3.0 H2 2016

- Cash & Carry Bergen op Zoom (Type III) [to open on 12 September]
- Cash & Carry Rotterdam Spaanse Polder (from Type III to Type IV) [to open in November]

Sligro 3.0 format translated into Type I stores

- Sittard (Type I) [to open in December]



Sligro Food Group Foodservice - Sligro Belgium



Sligro Belgium update

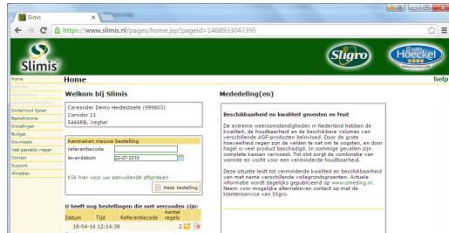
- Preparatory construction work nearing completion
- Construction of Sligro Antwerp starts in H2 2016
- Expected to open before summer 2017
- Development of sales and promotional activities in Belgian market well under way with dedicated Belgian team. Sales team expanded further
- Preparations for ICT, data, purchasing and supply chain at full speed
- Recruitment of management and staff in Antwerp from Q4
- Route to a second location in the Flemish coastal region c.q. Bruges initiated



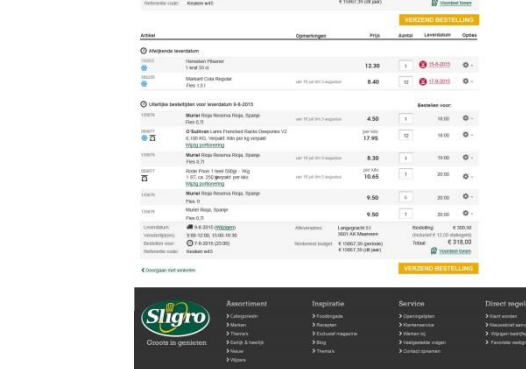
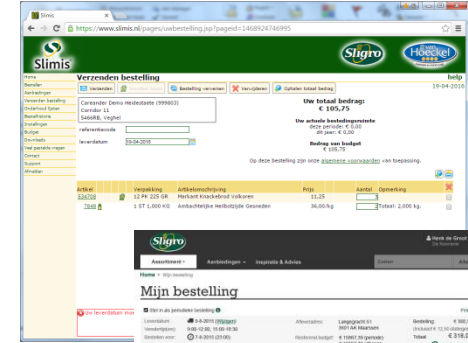
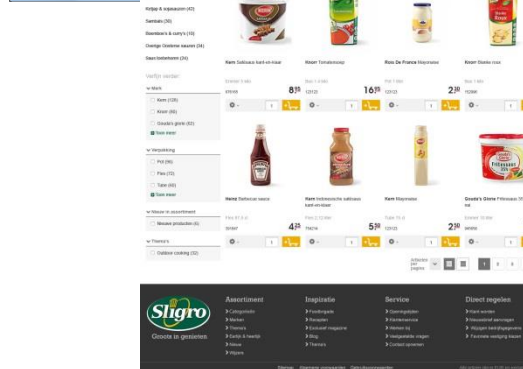
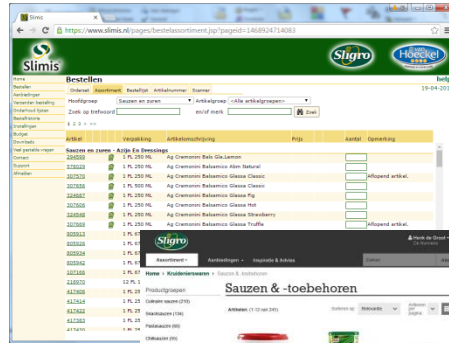
Sligro Food Group Foodservice - Online 3.0

Online 3.0 order platform and inspiration environment go-live in H2 2016, replacing the Slimis platform

slimis



Online 3.0



Sligro Food Group Foodservice - ZiN

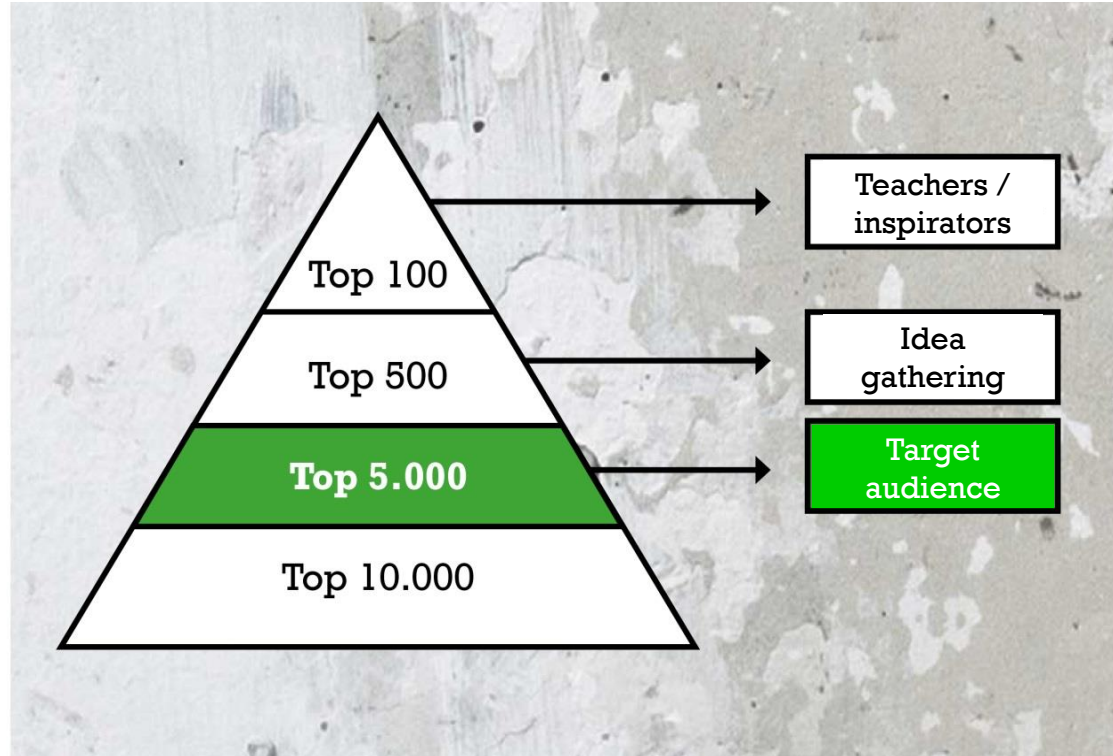
The ZiN inspiration lab is a Sligro initiative and helps food professionals to improve their skills and to perform better in business. Continu! ZiN focuses on the food professional and shares knowledge. Because together, you know more.

ZiN continues to inspire food professionals with tasty sessions, presentations, training and culinary events. The ultimate aim is to translate the inspiration and knowledge obtained into tangible solutions for now and in the future

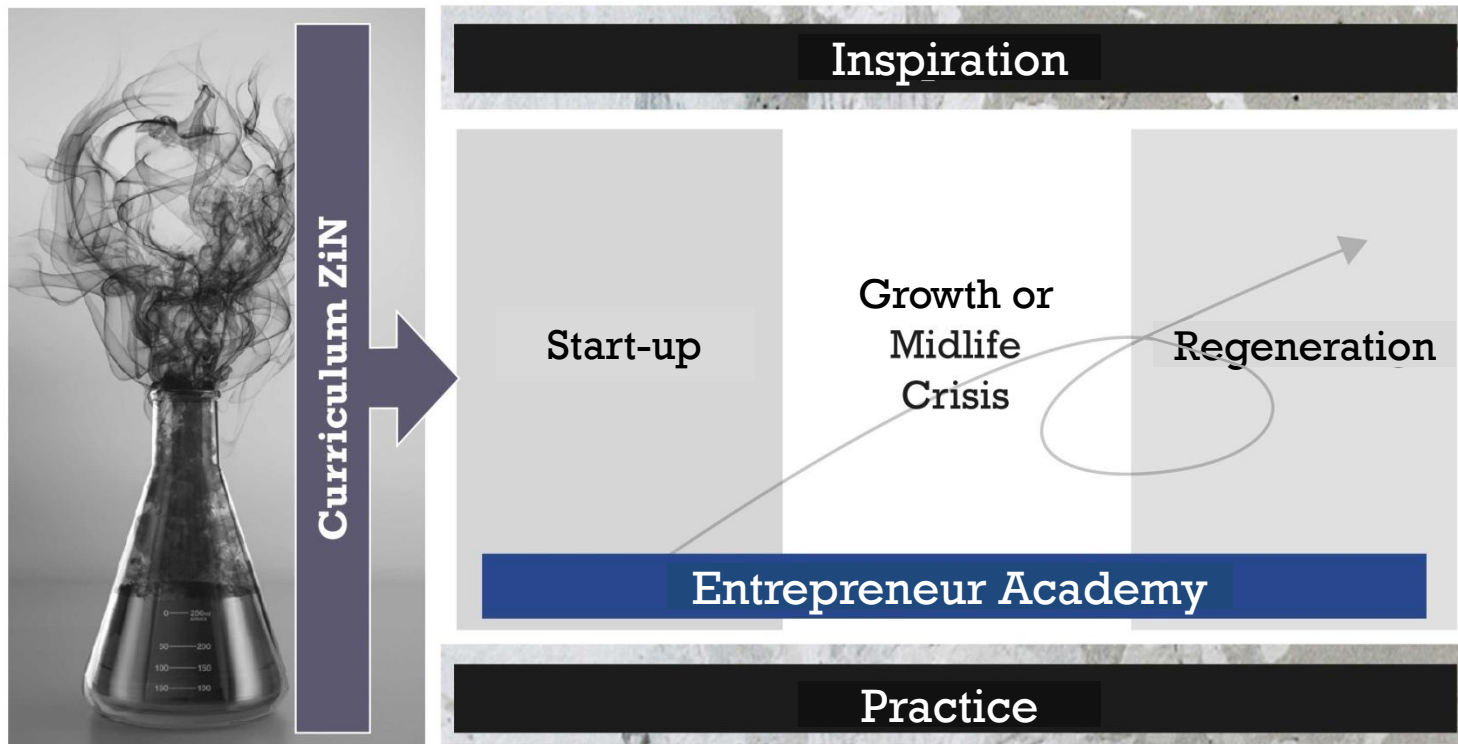


Sligro Food Group Foodservice - ZiN

ZiN focusses on the segment top 5000 (e.g. the restaurant segment)



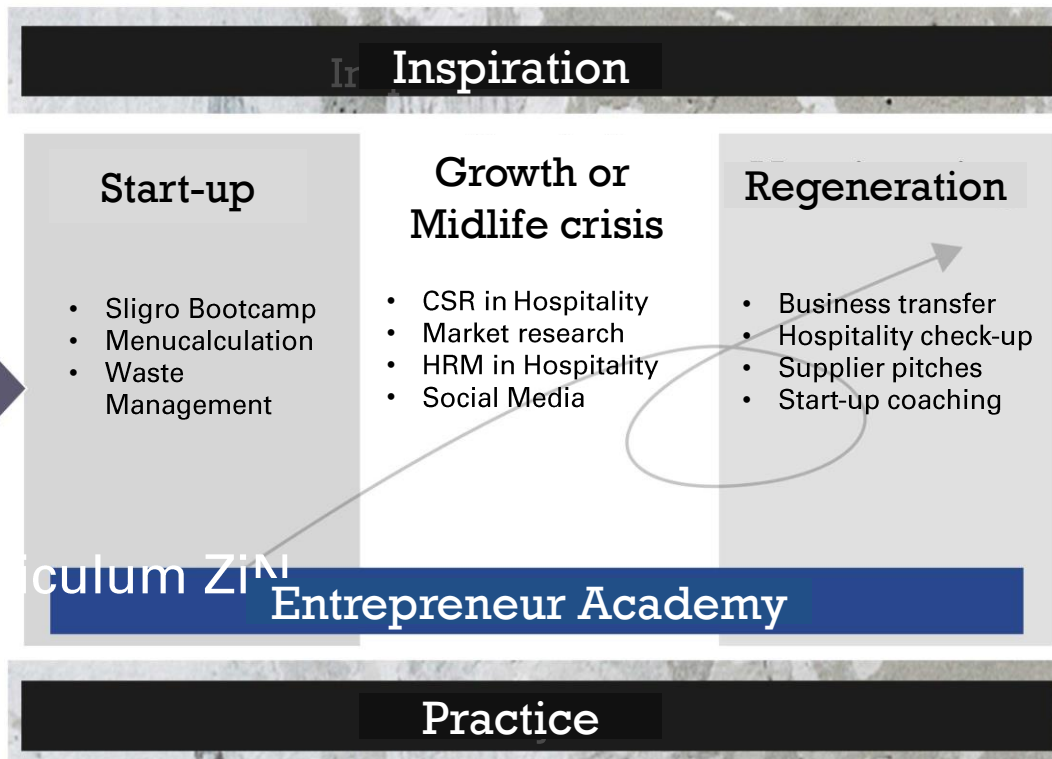
ZiN Curriculum



ZiN Curriculum



Curriculum ZiN
Entrepreneur Academy



Plans for H2 - 2016 and beyond

- Translation of 3.0 concept to Type I. Opening of Sittard (H2 2016)
- Renovated sites in 3.0 style
 - Type III Bergen op Zoom [12 September]
 - Type IV Rotterdam Spaanse Polder [November]
- Sligro Online order platform goes live
- ZiN opens





Sligro Food Group N.V.

Outlook

- No concrete predictions for full-year results
- Recovery continues in both markets
- No 53rd week (€46 million net sales in 2015)
- In the short term, there are still integration costs and start-up costs at Sligro Belgium
- Construction starts at Sligro Antwerp (to open before summer of 2017)
- Concern-wide online strategy
- Master Data Management project



building
THE FUTURE

Annexes

Profit and loss account



Sligro Food Group N.V.

amounts * € million	H1-2016	H1-2015	change	H1-2016	H1-2015
Net sales	1,355	1,274	6.3%	100.0%	100.0%
Gross margin	308	288	7.2%	22.8%	22.6%
Other operating income	1	1	9.1%	0.1%	0.1%
Expenses	-243	-224	8.5%	-17.9%	-17.6%
EBITDA	66	65	2.6%	4.9%	5.1%
Impairments	-	-		0.0%	0.0%
Depreciation	-20	-19	6.8%	-1.5%	-1.5%
EBITA	46	46	0.2%	3.4%	3.6%
Amortisation	-12	-9	33.3%	-0.9%	-0.7%
EBIT	34	37	-7.8%	2.5%	2.9%
Interest	1	-		0.1%	0.0%
Profit before tax	35	37	-4.6%	2.6%	2.9%
Taxes	-7	-8	-9.2%	-0.5%	-0.6%
Profit for the half-year	28	29	-3.4%	2.1%	2.3%

Balance sheet



Sligro Food Group N.V.

amounts * € million	2-7-2016	27-6-2015		2-7-2016	27-6-2015
Non-current assets			Shareholders' equity	603	573
Intangible assets	228	194			
Property, plant and equipment	341	311	Provisions	35	31
Investment property	19	15			
Financial assets	71	67	Long-term borrowings	168	134
	659	587			
Current assets			Current liabilities		
Inventories	232	204	Current portion of long-term borrowings	-	-
Receivables and other current assets	185	144	Trade and other payables	265	182
Assets held for sale	4	7	Other current liabilities	68	79
Cash and cash equivalents	59	57			
	480	412		333	261
Total assets	1,139	999	Total equity and liabilities	1,139	999

