

FINANCIAL REPORT 2016

Creative spirit, sustainable ideas



FLORIDIENNE
GROUP

Drève Richelle 161, bte 4, Bât P
Waterloo Park Office
B- 1410 WATERLOO
www.floridienne.be



FLORIDIENNE
GROUP

CONSOLIDATED ACCOUNTS 2016

CONTENTS

Consolidated balance sheet	01
Consolidated income statement	02
Consolidated statement of comprehensive income	02
Table of consolidated cash flows	03
Consolidated statement of changes in equity	04
Auditor's report	05
Financial calendar	07

CONSOLIDATED BALANCE SHEET

ASSETS IN EUR THOUSANDS	Note	31/12/16	31/12/15
NON-CURRENT ASSETS		102,929	97,713
Intangible assets	11	2,538	2,460
Goodwill	11	38,914	37,871
Tangible assets	12	45,710	44,962
Holdings accounted for using the equity method	13	4,884	4,179
Differed tax assets	14	4,148	3,752
Other assets	15	6,736	4,488
CURRENT ASSETS		136,666	145,145
Assets held for sale	16	0	0
Inventories	17	45,924	39,485
Biological inventories	17	1,245	1,130
Trade receivables	26	61,386	59,781
Current tax assets		4,959	4,527
Other financial assets	18	9	10
Cash and cash equivalents	19	18,399	34,452
Other assets	15	4,745	5,760
TOTAL ASSETS		239,596	242,857

EQUITY AND LIABILITIES IN EUR THOUSANDS	Note	31/12/16	31/12/15
TOTAL EQUITY	24	105,630	103,411
Floridienne equity		97,585	95,586
Minority interests		8,044	7,824
LIABILITIES		133,966	139,447
Non-current liabilities		57,482	63,675
Interest-bearing debt	20	49,649	56,181
Subsidies received		2,161	2,599
Provisions	21	1,964	2,075
Staff benefits	22	1,280	948
Deferred tax liabilities	14	2,428	1,872
Current liabilities		76,484	75,772
Interest-bearing debt	20	27,700	26,520
Subsidies received		396	390
Provisions	21	383	213
Staff benefits		149	108
Trade payables	26	35,820	35,268
Current tax liabilities		2,771	2,532
Other liabilities	23	9,265	10,741
TOTAL EQUITY AND LIABILITIES		239,596	242,857

The consolidated equity amounted to € 105.6 million, up € 2.2 million compared with the end of 2015. This increase may be attributed to the result generated during the financial year (€ 7.4 million), less the dividend paid on the security for the 2015 financial period (€ - 2.0 million), currency movements (€ - 2.5 million) and own shares purchased during the financial year (€ - 0.5 million).

Net indebtedness amounted to € 58.9 million (compared with € 48.2 million at the end of 2015).

The solvency ratio (financial independence) stood at 44.08 % as at 31 December 2016, compared with 42.58 % as at 31 December 2015.

The consolidated balance sheet total fell by € 3.3 million compared with 31 December 2015. This may be attributed to a fall of € 6.5 million in the group's financial debts, partly offset by a rise of € 2.2 million in consolidated equity capital.

CONSOLIDATED INCOME STATEMENT

	Note	31/12/16	31/12/15
OPERATING INCOME		312,916	303,007
Turnover		307,658	295,779
Other operating income	6	5,258	7,228
OPERATING EXPENSES (-)		-294,302	-283,624
Raw materials and consumables		-187,435	-179,433
Staff costs		-49,649	-46,783
Other operating expenses	6	-57,219	-57,408
EBITDA		18,614	19,383
Depreciation and amortisation	7	-7,832	-7,919
OPERATING RESULT		10,782	11,464
Result from disposal of non-current assets	8	39	-17
Debt burden	9	-2,833	-2,928
Financial result	9	1,511	937
Share of the net result of equity-accounted companies		941	-298
RESULT BEFORE TAX		10,440	9,157
Tax on the result	10	-2,993	-2,068
NET RESULT FOR THE FINANCIAL YEAR		7,447	7,090
Attributable to Floridienne		6,553	5,898
Attributable to minority interests		894	1,192
Net result attributable to Floridienne per basic share	25	6,69	5,99
Net result attributable to Floridienne per diluted share	25	6,69	5,99

The turnover in 2016 amounted to € 307.7 million, up 4 % compared with 2015. This increase can be largely attributed to organic growth in the Gourmet Food and Life Sciences Divisions and the integration of Delimed and Turita into the consolidation scope as of 1 July 2016.

The EBITDA amounted to € 18.6 million as at 31 December 2016, compared with € 19.4 million in 2015. This fall may be attributed to non-recurrent income in 2015 amounting to € 0.85 million from the sale of real estate in Ath, Belgium. Adjusted to take account of these elements, the REBITDA (Recurring EBITDA) is stable compared with 2015.

The result of the companies consolidated using the equity method rose sharply in 2016 to € 0.9 million, compared with a loss of € 0.3 million in 2015. This may be attributed to a better performance by these holdings overall and a non-recurrent charge of € 0.5 million (for our share) which was recorded by one of our holdings in 2015.

Finally, the Floridienne Group benefited from favourable currency movements in 2016 amounting to € 1.5 million, compared with € 0.9 million in 2015.

Floridienne closed its financial period on 31 December 2016 with a consolidated net result of € 7.4 million, compared with € 7.1 million as at 31 December 2015.

The group's share of the net result rose by 11 % to € 6.6 million, compared with € 5.9 million as at 31 December 2015.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	31/12/16	31/12/15
Consolidated result for the financial year	7,447	7,090
Other elements in the comprehensive income		
Items that can be reclassified in the income statement in future financial years		
Gain / loss (net) on financial assets available for sale		
Gain / loss (net) on cash flow hedges	172	181
Gain / loss (net) on foreign transactions	-2,717	-1,674
Transfer of reserves between minority interests and the group		
Other changes		
Items that cannot be reclassified in the income statement in future financial years		
Revaluation of the defined contribution commitment	0	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAXES	4,902	5,597
Attributable to:		
Floridienne Group	4,674	4,827
Minority interests	228	770

TABLE OF CONSOLIDATED CASH FLOWS

	Note	31/12/16	31/12/15
Result for the financial year before taxes		10,441	9,158
Depreciation and amortisation	7, 17	7,208	9,171
Result of companies accounted for using the equity method	13	-941	298
Provisions	21	348	279
Capital gains / losses on the disposal of assets	6	-264	-801
Taxes for the financial year	10	-2,285	-2,473
Financial expenses	9	3,297	3,565
Other		-603	-372
SELF-FINANCING GROSS MARGIN		17,200	18,825
Changes in current assets / liabilities			
Inventories	17	-6,179	-4,226
Receivables and other	26	-3,011	-4,817
Amounts payable	26	1,642	741
CHANGE IN THE WORKING CAPITAL REQUIREMENT		-7,549	-8,302
NET CASH FLOW RELATING TO OPERATING ACTIVITIES		9,652	10,523
Investment transactions			
Acquisitions of intangible assets	11	-917	-1,114
Acquisitions of tangible assets	12	-8,389	-7,641
Acquisitions of financial assets	13, 15	-2,857	-12
Acquisitions of other financial assets	13, 15	-570	0
New loans	15	-629	-281
TOTAL INVESTMENTS		-13,363	-9,047
Divestment transactions			
Disposals of intangible assets	11	153	282
Disposals of tangible assets	12	215	1,310
Disposals of financial assets	13, 15	31	0
Income from holdings		101	644
Repayment of loans	15	7	10
TOTAL DIVESTMENTS		507	2,246
CASH FROM INVESTMENTS		-12,855	-6,801
Financing transactions			
Transactions with minority shareholders		0	5,000
Acquisitions and disposals of financial assets		1	996
Changes in debts and subsidies	20	-6,357	10,777
Financial expenses	9	-3,297	-3,565
Dividends paid by the parent company	24	-1,994	0
Changes in own shares		-520	-37
Dividends paid to third parties		-277	-687
CASH FROM FINANCING ACTIVITIES (+/-)		-12,444	12,483
CHANGES IN CASH POSITION		-15,648	16,205
Cash in hand at the start of the financial year		34,452	18,779
Net change		-15,648	16,205
Conversion rate adjustments		-827	-533
Change in scope		422	1,731
Cash at the start of the period of discontinued companies		0	-1,731
Cash in hand at the end of the financial year		18,399	34,452

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium at issue	Revaluation reserves	Own shares	Non-distributed income	Conversion rate adjustments	Floridienne equity	Minority interests	Total equity
Opening balance as at 01/01/2015	4,855	30,570	(460)	(1,311)	57,121	(2,807)	87,968	4,666	92,634
Result for the financial year					5,898		5,898	1,192	7,090
Other comprehensive income			181			(1,252)	(1,071)	(422)	(1,493)
Total comprehensive income			181		5,898	(1,252)	4,827	770	5,597
Capital increases									
Transactions with minority shareholders					2,829		2,829	3,048	5,877
Dividends and bonuses paid								(660)	(660)
Own shares				(37)			(37)		(37)
Share-based payments									
Transfer of reserves									
Closing balance as at 31/12/2015	4,855	30,570	(279)	(1,348)	65,848	(4,059)	95,587	7,824	103,411
Opening balance as at 01/01/2016	4,855	30,570	(279)	(1,348)	65,848	(4,059)	95,587	7,824	103,411
Result for the financial year					6,553		6,553	894	7,447
Other comprehensive income			172			(2,051)	(1,879)	(666)	(2,545)
Total comprehensive income			172		6,553	(2,051)	4,674	228	4,902
Capital increases									
Transactions with minority shareholders					(197)		(197)	269	72
Dividends and bonuses paid					(1,959)		(1,959)	(277)	(2,236)
Own shares				(520)			(520)		(520)
Share-based payments									
Transfer of reserves									
Closing balance as at 31/12/2016	4,855	30,570	(107)	(1,868)	70,245	(6,110)	97,585	8,044	105,629

In 2016, the equity situation was impacted mainly by:

- the consolidated result for the period of € 7.4 million
- the dividend of € 2.0 million paid by the parent company to Floridienne S.A. shareholders
- the negative change in conversion rate adjustments of € 2.5 million
- own shares purchased for € 0.5 million.

The 'transactions with minority shareholders' item relates to transactions between the group and minority partners in our holdings which do not give rise to any change of control in the holding.

The company paid a gross dividend of € 2.0 per share in the 2015 financial year. As regards the 2016 financial year, the Floridienne Board of Directors will put a proposal to the Floridienne General Meeting to pay a gross dividend of € 2.1 per share.

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FLORIDIENNE SA FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

In accordance with the legal requirements, we report to you in the context of our mandate of statutory auditor. This report includes our opinion on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated position as at 31 December 2016, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2016, as well as the summary of significant accounting policies and other explanatory notes.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – UNQUALIFIED OPINION

We have audited the consolidated financial statements of the company FLORIDIENNE SA (the "company") and its subsidiaries (jointly "the group") for the year ended 31 December 2016, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and with the financial reporting framework applicable in Belgium, which show a consolidated statement of financial position of 239.596.(000) EUR and a consolidated income statement showing a consolidated profit (group share) for the year then ended of 6.553.(000) EUR.

RESPONSIBILITY OF THE BOARD OF DIRECTORS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the financial-reporting framework applicable in Belgium, and for such internal control as the board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

RESPONSIBILITY OF THE STATUTORY AUDITOR

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs) as adopted in Belgium. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers the company's internal control relevant to the preparation of consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from the board of Directors and company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

UNQUALIFIED OPINION

In our opinion, the consolidated financial statements of the company FLORIDIENNE SA give a true and fair view of the group's equity and financial position as at 31 December 2016, and of its results and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union and with the financial reporting framework applicable in Belgium.

EMPHASIS OF MATTER PARAGRAPHS

Without qualifying our opinion expressed here above, we draw attention to some significant uncertainties set out in the notes attached to the consolidated financial statements and in the Director's report:

- Among the accounting estimates and judgements made by the board of directors, the financial report mentions in particular [Note 2 (e)] the impairment tests and recognition of deferred tax assets. The evaluations made [Notes 11, 12 and 14] are based on prospective data and methods and parameters that necessarily include elements of uncertainty, especially with regard to loss-making entities. The financial report indicates that the budgets have been determined with caution, based on the best estimates available;
- Note 15 of the consolidated financial statements describes the uncertainty related to the carrying amount of the investment in Larzul, shown in other non-current financial assets, particularly with regard to the evolution of legal proceedings concerning that company, preventing the group to exercise its power of control.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The board of Directors is responsible for the preparation and the content of the Director's report on the consolidated financial statements.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material aspects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statements, which do not modify the scope of our opinion on the consolidated financial statements:

- The Director's report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, le 26 April 2017

Mazars Réviseurs d'Entreprises SCCRL
Statutory auditor
Represented by



Peter LENOIR

FINANCIAL CALENDAR

1 st interim statement	19 May 2017
Annual general meeting	6 June 2017
Half-year results	29 September 2017
2 nd interim statement	20 November 2017