



PRESS RELEASE

SLIGRO FOOD GROUP TRADING UPDATE FOR THE THIRD QUARTER OF 2023

In the third quarter of 2023, revenue was up 8.3% on the previous year. Cumulatively, revenue was up 18.4% over the first three quarters of 2023, of which 11.9% was organic revenue growth.

Revenue	Q3		Cumulative	
	2023	2022	2023	2022
x € million				
Netherlands	602	586	1,789	1,612
Belgium	103	66	319	169
Group	705	652	2,108	1,781

After a summer of mediocre weather, we saw consumer sentiment shift both in the Netherlands and in Belgium, as spending fell as a result of the economic climate and consumers' uncertainty about their own financial position. This was also reflected in spending at restaurants and leisure activities. We are also seeing a growing number of bankruptcies and cessations of operations in the hospitality industry, causing volumes in the market to fall. Due to high inflation, however, revenue still increased.

In line with the market, our revenue was up, though our growth rate slowed down in the third quarter. The impact of inflation on our revenue is approximately 8% in combination with modest volume growth. As of the third quarter of the year, we ended our partnership with a customer in the Netherlands on account of them no longer being a good fit with the commercial and operational policy we pursue. In Belgium, our Sligro-M sites are performing well and revenues are moving towards the targets we have set, although we are feeling the impact of the general market trend in this segment as well. In the third quarter, which is traditionally a quieter quarter for Sligro-M, the Sligro-M sites added €41 million in revenue. The other sites in Belgium had been increasing their sales to a very large customer since mid-2022, meaning that revenue generated in the third quarter of 2023 was compared against a period of comparable sales in 2022. Additionally, the ongoing remodel of our Sligro-ISPC site in Liege means we are generating less revenue at the temporary emergency site. The completely remodelled site in Liege will be reopened on 4 December.

As announced when we published our half-year figures, we are changing tack in our approach to ERP implementation and running our Belgian operations.

We have started rolling out the same ERP landscape as we are using for Sligro-M at the other sites in Belgium. This means that, over the coming months, we will be

switching to that same technology at the Sligro-ISPC sites in Liege and Ghent and our new delivery service site in Evergem, which is set to go operational at the end of October. In the first quarter of 2024, the Rotselaar delivery service site will also follow, so that we will then have a more uniform landscape for Belgium. This will allow us to work more efficiently and effectively, as well as to reduce our cost level. When it comes to the SAP roll-out over the coming years, we are changing the plan and switching to an approach that will enable us to keep future costs and investments under control and lead to a full roll-out both in the Netherlands and in Belgium within a few years' time. As a result of these choices, we will be accelerating the amortisation up to half of the remaining carrying amount through a (non-cash) impairment in the fourth quarter.

As of the start of the fourth quarter, we have changed the governance structure of our organisation to a BeNe structure, putting all Group operations under the direct management of the International Board. Given the current phase and the current scope of our operations, this new governance structure is a better fit and ensures clear, efficient and unambiguous communications and management. Commercial management of operations in the Netherlands and Belgium now comes under the direction of Dries Bögels. The Supervisory Board intends to appoint Mr Bögels to the Executive Board and as Sligro Food Group director under the articles of association after providing further details on the notice to shareholders regarding this appointment at the General Meeting of Shareholders that is to be held on 27 March 2024.

Today, we are hosting a Capital Markets Day at our head office in Veghel. We will use this occasion to further explain the above changes to our ERP approach and commercial governance. In addition, we will provide further details on the building blocks that we believe should see us hit our return target of 7.5% EBITDA for the Group and sustainable profitability in our Belgian operations. Key elements of this are specific cost-efficiency initiatives, an efficient BeNe organisation, and an improved revenue mix by gradually winding down our tobacco revenue and recovering the price balance as inflation normalises. The presentation will also be posted on our website at the end of the day.

For the fourth quarter, we foresee continued pressure on sales volumes in our markets, stiff inflation and persistently high interest rates. Declining volumes will still be compensated by inflation, but this will, on balance, lead to pressure on our result. In combination with the impairment on our investments in SAP, as detailed above, our operating result (EBIT) for this year will be limited.

Veghel, 19 October 2023

On behalf of Sligro Food Group N.V.

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Sligro Food Group consists of companies that specifically focus on the food service market in the Netherlands and Belgium by offering a comprehensive range of food and food-related non-food products and services in the wholesale market. Sligro Food Group strives to be a high-quality business for all its stakeholders that constantly grows in a controlled manner. Revenue for 2022 totalled €2,483 million with a net profit of €39 million. At year-end 2022, the number of employees in full-time employment was 4,113. Sligro Food Group shares are listed on Euronext Amsterdam.