Following Greenyard's challenging accounting year, the company is taking strides forward, improving profitability in the first quarter as planned largely thanks to its Transformation Plan.

With the plan, the company says it's maintaining a strong focus on margin and profitable volumes. Additionally, it's rightsizing the overhead cost base, it comments.

Greenyard adds that it expects the impact of its plans to accelerate in the second half of the year.

Positive H1 Adjusted EBITDA expectation

This trading update is based on the current and preliminary financial information and projections, says Greenyard.

When giving guidance for the half-year, the company notes it expects the first half-year Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) to land in the range of €43m-45m.

This estimate marks a sharp recovery versus the previous half-year, which finished at €23.3m, says the company.

Q1 sales by segment

While the company waits for the impacts of the newly signed partnership volumes (Carrefour, Delhaize, Tesco), its net sales for Q1 reached €1b. This figure is a slight drop of €28m, or 2.6% below last year’s Q1 net dales.

Greenyard's Fresh sales also decreased. They are down by 4% from €884.7m to €849.4m.

This fall is equally due to two factors. The first is the termination of certain (loss-making) sales volumes such as the exceptional shortage of avocado volumes. And the second is the price pressure on certain categories such as grapes, melons and citrus.

This effect has not yet been fully offset by volumes for the partnerships that are ramping up, the company explains.

Meanwhile, Long Fresh sales increased by 4.1% versus last year, from €174.7m to €181.9m. This rise occurred thanks to both divisions’ robust performance resulting in significant growth in the Food Service and Industry customer segments, says Greenyard.