

PRESS RELEASE: 2021 annual results
A solid organic growth that strengthens the financial structure

Key figures in €m	31/12/2021	% Sales	31/12/2020	% Sales	Change in %			
					Total	Structure	Forex	Growth
Sales	5,610		5,160		8.7	2.3	-1.0	7.3
- Cheese Products	3,450	61.5	3,186	61.7	8.3	3.8	-0.7	5.1
- Other Dairy Products	2,324	41.4	2,136	41.4	8.8	-	-1.4	10.3
- Other (intra-Group transactions)	-164	-2.9	-162	-3.1	1.6	-0.5	-1.1	3.2
Current operating profit	246.1	4.4	211.4	4.1				
Other operating expenses/income	-73.1	-1.3	-55.0	-1.1				
Operating profit	173.0	3.1	156.4	3.0				
Net financial income	-20.9	-0.4	-18.0	-0.3				
Income on monetary situation	2.7	---	3.6	---				
Corporate tax	-63.6	-1.1	-55.9	-1.1				
Group net income	82.9	1.5	78.8	1.5				
Net debt (excl. IFRS 16)	428		446					
Shareholders' equity	1,703		1,552					

Audit procedures have been implemented and the audit report relating to certification is currently being issued. The definitions and methods used for aggregates such as differences in structure and currencies, organic growth and net debt have not changed. They are defined in the Group's financial report.

At €5,610 million, Sales of the Savencia Fromage & Dairy Group for 2021 grew by €450 million, or +8.7%. This change was mainly the result of a strong +7.3% organic growth, a +2.3% structural effect resulting from the integration of CF&R as of May 2020, less a -1.0% negative forex effect. These different impacts were developed in a press release dated 10 February 2022.

The €246.1 million current operating profit for 2021 grew by €34.7 million, or +16.4%. This benefited from a high-level stability in home consumption in nearly all the world markets and a strong recovery in food away from home, following 2020 that was penalized by lockdowns and health protection measures. Growth was achieved through innovation, advertising and promotion, prioritization of operational expenses and industrial performance improvements.

At 4.4%, the Group's current operating margin grew by +0.3%. The margin of Other Dairy Products, benefiting from the world industrial prices has improved by +1.5% to +5.0%. The Cheese Products margin contracted by -0.7% to 4.5%, penalized in the second semester by the start of an inflationary cycle.

Operating profit totaled €173 million, or 3.1% of sales, a growth of €16.6 million or +10.6%. It was nevertheless impacted by asset depreciations in Russia and in infant formula, and also by the consequences of flooding in Belgium last July.

Net financial income decreased by €2.9 million. This was the result of foreign exchange losses exceeding the decreases in commissions and financing rates.

Group net profit was €82.9 million, or 1.5% of sales. The financial structure remained well in control, with a strong decrease in the net debt ratio (excl. IFRS 16) to 25.1% equity, from 28.7% in 2020.

Dividend

The Board of Directors will propose to the Annual Shareholders' Meeting on 21 April the distribution of a dividend of €1.50 per share.

Prospects for 2022

The international crisis developing in Eastern Europe will significantly increase inflationary tensions and the risks of shortages that have appeared since the end of 2021. This environment should impact Savencia Fromage & Dairy's performance. In this uncertain context, the Group, in line with both its mission of "leading the way to better food", and its values, shall pursue its activities, taking particular care of the safety of its people and its milk producers.

The reactivity shown by the Group during the health crisis will be a key element for continuing to secure profitable growth for its brands and its competitiveness, not forgetting the roll out of its Oxygen CSR plan, thanks to the quality of its products and the commitment of his teams.

Further information is available on the website savencia-fromagedairy.com
SAVENCIA S.A.

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