



Press Release

Suresnes — Nov. 5, 2020 at 6:00 pm

Bel

Third quarter 2020 financial information

Sales

- **Sales advance a robust 3.5% organically in the first nine months of 2020**
 - **Consolidated sales total €2,594 million**
 - **Sales increase 2.7% on a published basis**

- **In Q3, strong organic sales growth achieved in an environment still marked by the global health crisis**
 - **Organically, sales grew 2.0% overall and 3.0% excluding the Levant region**
 - **Sales of Bel's core brands were up 2.3%**

Amounts are expressed in millions of euros and rounded off to the nearest million. Ratios and variances are calculated based on underlying amounts, not rounded off amounts.

At September 30, 2020, in a global environment hard hit by the Covid-19 pandemic, Bel reported consolidated sales of €2,594 million, up 2.7% on a published basis over the first nine months of last year, after taking into account a negative 0.8%, or negative €19-million, impact from foreign exchange rate fluctuations. Organic sales growth for the nine-month period came to 3.5%.

In Q3 2020, organic sales growth remained strong, advancing 2.0% overall and increasing 3.0% excluding the Levant region, against an already high comparison base in Q3 2019. Consolidated sales totaled €857 million, down 1.1% versus Q3 2019, after factoring in a markedly negative foreign-exchange impact of 3.1%, or €27 million.

Organic sales growth for the period was notably fuelled by strong performances achieved in France and the United States, where the company's core brands continued to make headway. Sales of The Laughing Cow continued to grow thanks to an effective promotional campaign at the beginning of the year, while Kiri and Boursin also reported strong gains in their markets.

These good performances offset the consequences of pandemic-related measures, particularly in Southern Europe, where consumer spending declined for lunch box single-serving portions following the closure of schools, and in-store promotional campaigns were curtailed owing to the pandemic. Markets in the Levant region remained in decline.



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Sales by market segment

<i>millions of euros</i>	Third quarter				9 months			
	2020	2019	% change	% organic growth	2020	2019	% change	% organic growth
Global Markets	703	720	-2.3%	+0.9%	2,137	2,123	+0.7%	+1.6%
New Territories	154	147	+4.6%	+7.4%	457	402	+13.6%	+13.7%
TOTAL	857	867	-1.1%	+2.0%	2,594	2,525	+2.7%	+3.5%

Global Markets

In Europe, excluding food services, sales continued to grow strongly in France in Q3, confirming the robust trend observed since the beginning of the year. Bel brands remained popular among consumers, in particular Boursin and The Laughing Cow.

The contraction observed in the Levant markets since the second half of 2019 continued apace and accounted for the 1.5% decline in Q3 sales in the Middle East, Greater Africa region.

In North America, the strong sales growth reported in the first half of 2020 for The Laughing Cow portions was confirmed in Q3.

The plant in Sorel, Canada, began operations in September, producing its first Mini Babybel branded products.

New Territories

In Asia, Bel's dynamic sales growth in China was confirmed in Q3 2020.

The sales momentum of all MOM products and brands stayed buoyant in the New Territories market segment.

Sales by geographic region

<i>millions of euros</i>	Third quarter				9 months			
	2020	2019	% change	% organic growth	2020	2019	% change	% organic growth
Europe	459	457	+0.4%	+0.7%	1,375	1,348	+2.0%	+2.1%
Middle East, Greater Africa	166	183	-9.4%	-1.5%	533	553	-3.7%	-0.6%
Americas, Asia-Pacific	232	226	+2.5%	+7.4%	686	624	+10.0%	+10.2%
TOTAL	857	867	-1.1%	+2.0%	2,594	2,525	+2.7%	+3.5%



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2020 results outlook

The economic environment remains highly unpredictable, given a persistent global health crisis that is still growing in many countries.

Nevertheless, Bel remains confident about its pursuit of innovative and more responsible growth and its aim to add plant-based products to all its core brands, beginning with the launch in October of a plant-based version of Boursin in the United States.

In the second half of the year, Bel expects to beef up spending to support its brands, notably during the end-of-the year holiday season, against the backdrop of a tough health crisis. Bel plans to restart in-store promotional initiatives, backed by advertising campaigns similar to the one rolled out for Mini Babybel at the end of September. At the same time, spending in fast-growing territories like China will continue apace in the second half.

For 2020, despite the extraordinary costs arising from managing the health crisis and which impacted industrial productivity efforts, Bel expects operating margin to improve over the 2019 performance. The company also confirms its potential for significantly improving net cash position, notably as a result of tightly managing working capital requirement and investment.

With its long-term commitment to champion healthier food and to conserve the earth's resources encapsulated in its new "For All. For Good" signature, Bel is fully in sync with a sustainable and profitable growth model.

Bel's financial performance indicators

The Group uses non-IFRS financial performance indicators internally and for its external communication. These non-IFRS indicators are defined below:

Organic growth corresponds to reported sales growth, excluding impacts from foreign exchange fluctuations and changes in the scope of consolidation, i.e. on a constant structure and exchange rate basis. The **organic growth rate** is calculated by applying the exchange rate for the prior year period to the current year period.

This press release may contain forward-looking statements. Such trend and/or target information should in no way be regarded as earnings forecast data or performance indicators of any kind. This information is by nature subject to risks and uncertainties that may be beyond the Company's control. A detailed description of these risks and uncertainties is provided in the Company's Registration Document, available at (www.groupe-bel.com). More comprehensive information about the Bel Group can be found in the "Regulatory Information" section of the www.groupe-bel.com website.

About Bel

The Bel Group is a world leader in branded cheese and a major player in the healthy snack market. Its portfolio of differentiated and internationally recognized brands include such products as The Laughing Cow®, Kiri®, Mini Babybel®, Leerdammer®, Boursin®, Pom'Potes®, and GoGo squeeZ®, as well as some 20 local brands. Together, these brands helped the Group generate sales of €3.4 billion in 2019.

Some 12,400 employees in some 30 subsidiaries around the world contribute to the deployment of the Group's mission to champion healthier and responsible food all. Bel products are prepared at 32 production sites and distributed in nearly 120 countries.

www.groupe-bel.com

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