



Suresnes — February 26, 2021 at 6 p.m.

## Bel

### Fourth quarter 2020 financial information

#### Sales

#### Full-year organic growth makes further headway

- **Consolidated sales increase 1.5% to €3,455.8 million in 2020**
- **Organic sales growth accelerates to 2.8%<sup>1</sup> for the full year**
  - **Strong momentum reported in new territories, with sales up 11.8% organically**
  - **Global (mature) markets prove resilient, with sales up 1.1% organically**
- **Fourth quarter sales total €862.2 million, up 1.6% organically**

*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.*

In a year marked by an unprecedented health and economic crisis, Bel in 2020 generated consolidated sales of €3,455.8 million, up 1.5% on a published basis versus 2019. Organic sales growth advanced 2.8% for the year. Excluding Iran hyperinflation retreatment, organic sales growth totaled 3.2%. Foreign exchange rate fluctuations had a negative impact of -1.7% (€58.7 million).

The 2020 increase in organic sales growth was fueled by the positive momentum of Bel's core brands, in particular Boursin®, Kiri®, Leerdammer®, and GoGo squeeZ® in all company markets. The year was also marked by resumed growth at Bel France, Bel US, and The Laughing Cow® brand, and MOM's continued positive trajectory. Lastly, sales of industrial and unbranded products declined 5%, compared to the prior year, as a result of lower prices for cream.

In Q4, consolidated sales totaled €862.2 million, down 1.9% versus the prior-year period. The decline stemmed from a negative -4.5% forex impact triggered primarily by the appreciation of the euro against the U.S. dollar and organic sales growth of 1.6%. Bel demonstrated strong resilience in a complicated environment during the year and reported continued organic growth in both its operating segments. Market contraction in North Africa and the Middle East was offset by strong growth in North American and European markets, which were buoyed by successful sales and marketing strategies deployed locally and MOM's performance. In particular, Mini Babybel® resumed growth on the success of a new promotional campaign conducted in July and August 2020.

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<sup>1</sup> 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, and excluding inflation in Iran. Since 2020, Iran's economy is deemed to be a hyperinflation economy. Accordingly, inflation impacts, based on the Consumer Price Index (CPI), were excluded when determining organic growth.



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millions of euros	Q4				12 months			
	2020	2019	% change	% organic growth**	2020	2019	% change	% organic growth**
<b>Global Markets</b>	727	749	-2.8%	+0.8%	2,865	2,871	-0.2%	+1.1%
<b>New Territories*</b>	135	130	+3.7%	+6.2%	591	532	+11.2%	+11.8%
<b>TOTAL</b>	862	879	-1.9%	+1.6%	3,456	3,403	+1.5%	+2.8%

\* New Territories encompass the business activities of MOM (Mont-Blanc, Materne), as well as markets in Sub-Saharan Africa and China.

\*\* Including impact from the hyperinflationary environment in Iran and excluding AIF (All In Foods).

## **Agile and fast adaptation to mitigate Covid impact**

Throughout 2020, Bel made ensuring the health and safety of its employee an absolute priority by implementing very strict preventive measures at all its sites worldwide.

As a result of its agile operations management and tight financial control, the company was able to adapt rapidly to confront the Covid 19 pandemic and mitigate its impacts. In particular, Bel took action to actively manage its inventories and raw materials in view of fluctuating consumer demand and to limit extraordinary operating costs tied to managing the crisis.

For the full year, Bel estimates that the Covid 19-related impact on sales was non-material overall, albeit with some major disparities by geographic region. In France, the Benelux countries, the UK, and the Gulf countries, local consumer spending was particularly buoyant, especially for products that can be used for home cooking. Conversely, Morocco and to a lesser degree Southern Europe were unfavorably affected, while the impact in North America remained neutral.

## **Resilient sales in global markets**

Bel's global (mature) markets showed resilience, posting a relatively flat (negative 0.2%) performance in 2020. Excluding foreign currency fluctuations, organic sales growth came to 1.1%, with a solid Q4 increase of 0.8% over Q4 2019.

In Europe, sales advanced 1.9% organically in 2020, with the strong momentum reported in France, the UK and the Benelux countries, offsetting a tough trade and competitive environment in Germany.

Against a particularly volatile geopolitical and economic environment notably in the markets of the Levant region, Bel reported a -3.1% decline in organic sales growth in the Middle East and Greater Africa region at December 31, 2020.

In North America, strong sales growth was bolstered by increased sales of The Laughing Cow®, notably by the reintroduction of the brand's products in the single-serving portions format at the beginning of the year. Bel Canada also reported favorable momentum spurred by Boursin® brand product innovations and stronger sales of the company's core brands. In this territory, the second half of 2020 was marked by the startup of the new plant in Sorel.

## **Growth accelerates in new territories**

In 2020, Bel again strengthened its performance in new territories, where sales were up 11.2% versus 2019. The performance was buoyed by MOM's solid growth trajectory, particularly in North America, where the company reported double-digit sales growth.



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In Asia, momentum in China continued to develop in the last quarters, with double-digit organic growth reported by the Foodservice activity in that market.

## Sales by geographic region

<i>millions of euros</i>	12 months			
	2020	2019	% change	% organic growth
<b>Europe</b>	1,858	1,823	+1.9%	+1.9%
<b>Middle East, Greater Africa</b>	678	724	-6.3	-3.1%
<b>Americas, Asia-Pacific</b>	920	856	+7.5%	+9.5%
<b>TOTAL</b>	3,456	3,403	+1.5%	+2.8%

## 2020 earnings outlook reiterated

The transformation plan initiated in 2018 continued to unfold in 2020. The associated cost-cutting plan aimed at supporting growth was successfully completed at the end of the year, in line with the earlier announced targets and schedule. As a result of the cost cutting measures, efforts to renew industrial operations productivity and Bel's quick response to adapt to health, operational and financial challenges posed by the Covid 19 pandemic, the company expects to further improve its operating margin<sup>2</sup> and to generate strong cash flow<sup>3</sup> at end 2020.

With a long-term commitment to champion healthier food embodied by its new "For All. For Good" signature, Bel is fully in sync with a sustainable and profitable growth model.

Bel expects to report its financial results on March 18, 2020.

## 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 €3.46 billion in 2020.

Some 12,510 employees in some 40 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 33 production sites and distributed in nearly 120 countries.

[www.groupe-bel.com](http://www.groupe-bel.com)

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<sup>2</sup> Operating margin corresponds to operating income.

<sup>3</sup> Operating cash flow corresponds to net cash flow generated by operating activities.