

PRESS RELEASE: 2022 annual financials

- Sales increase by 16.8%
- Net income Group share down to € 68 million
- Controlled indebtedness

Key figures in €M	12/31/22	% Sales	12/31/21	% Sales	Changes in %			
					Total	Structure	Exchange rates	Growth
Sales	6,551		5,610		16.8	0.3	-0.2	16.7
- Cheese Products	3,821	58.3	3,450	61.5	10.7	0.6	2.8	7.3
- Other Dairy Products	2,928	44.7	2,324	41.4	26.0	0.1	-5.0	30.9
- Unallocated (Intra-Group transactions)	-198	-3.0	-164	-2.9	20.7	0.7	-2.2	22.2
Current operating result	234.3	3.6	246.1	4.4				
Other operating costs and income	-71.4	-1.1	-73.1	-1.3				
Operating result	162.9	2.5	173.0	3.1				
Financial result	-24.4	-0.4	-20.9	-0.4				
Result on monetary position	2.7	--	2.7	--				
Corporate taxes	-57.3	-0.9	-63.6	-1.1				
Net income, Group share	68.0	1.0	82.9	1.5				
Net debt (excluding IFRS 16)	411		428					
Equity	1,827		1,703					

The audit procedures have been carried out and the audit report relating to certification is currently being issued.
Definitions and methods for aggregates such as structure, exchange rates, organic growth, and net debt have not changed.
They are defined in the Group financial report.

2022 annual financials

At € 6,551 million as of 31 December 2022, the Savencia Fromage & Dairy Group's Sales increased by € 941 million or 16.8% over the previous year, thanks mainly to a 16.7% organic growth driven by the dynamic growth of Other Dairy Products.

After a record performance in 2021, current operating profit, at € 234.3 million, decreased slightly by € 11.4 million. This is mainly due to the time lag between the increase in costs (including raw materials and energy) and its repercussion on sales prices. It reflects continued growth in foodservice across all geographies, a steady consumption in France and a decline in consumption in Europe in the face of inflation.

The Group's current operating margin, at 3.6%, is down 80 basis points compared to 2021. It benefited from a strengthening of Other Dairy Products, where the margin rose from 5.0% to 6.1%, driven by the worldwide quotations for industrial products. The margin for Cheese Products decreased from 4.5% to 2.1% due to inflation and a drop in volumes in certain countries.

The operating profit, at € 162.9 million, or 2.5% of sales, decreased by € 10.1 million. It was impacted by asset impairments, resulting in particular from the increase in discount rates, and by the consequences of the July 2021 floods in Belgium.

The financial result deteriorated by € 3.5 million, due to the high exchange rates volatility throughout 2022.

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Public limited company (Société anonyme) with a capital of €14,032,930 - 847 120 185 Versailles Trade and Companies Register (RCS) - VAT: FR 46 847 120 185

At € 68 million, the Group share of net income represents 1.0% of sales. Financial balances remain well under control, with debt (excluding IFRS 16) to equity, down at 22.5% compared to 25.1% in 2021.

Dividend

At the Shareholders Meeting on 27 April, the Board of Directors shall propose the distribution of a dividend of € 1.30 per share.

The Group's CSR commitments: Oxygen Plan

Team commitment to the Group's CSR approach and its Oxygen Plan has led to several improvements:

- Roll-out of the Charter of Good Breeding Practices to more than 87% of milk producers,
- Training of more than 62% of the world's dairy resource facilitators in the Animal Welfare audit approach published during the first half of 2022,
- Definition of a roadmap to reduce water consumption at the Group's own industrial sites.

Outlook for 2023

Visibility for 2023 remains affected by:

- The evolution of inflation with residual risks of shortages and adjustments in consumption patterns,
- The continuation of the armed conflict in Eastern Europe and its consequences on the slowing growth of world economies,
- The pace of recovery of the Chinese economy, the world's largest importer of dairy products

In this highly unpredictable context, Savencia is continuing its efforts to adapt and invest while developing the complementary between its different businesses and building on its relationship of trust with its partners: milk producers, distributors and consumers. The Group intends to compensate for the uncertainty of the environment by relying on the quality of its products and the commitment of all its teams, in line with its mission: "Leading the way to better food".

Further information can be found on the website [savencia-fromagedairy.com](https://www.savencia-fromagedairy.com)