Press release

Suresnes — March 12, 2020 at 7 p.m.

Bel

Annual financial information

2019 Results

- **Results improve thanks to deployed transformation plan:**
  - Operating income climbs 31.9%, lifting operating margin to 6.2%
  - Consolidated net profit increases 25.8%
- **Cash flow generated by operating activities improves significantly**
- **Deployment of strategy accelerated in the buoyant segment of vegetal products**
- **CO_2 emissions fall 2.1%, bringing the total reduction to 59% since 2008**

Meeting March 11, 2020, the Board of Directors approved the consolidated financial statements for the year ended December 31, 2019. The Board was informed that the statutory auditors had completed their audit of the consolidated financial statements and that their report was forthcoming.

Key figures

(millions of euros)	**2019**	**2018**	**% change**
Sales	3,403	3,312	+2.8%
Recurring operating income	239	204	+17.8%
Operating income	211	160	+31.9%
Operating margin	*6.2%*	*4.8%*	*+140bp*
Net financial result	-28	-30	-,6.7%
Consolidated net profit - Group share	121	96	+25.8%
Operating cash flow	310	251	+59

Strong organic growth momentum

The advance in 2019 consolidated sales stemmed notably from organic growth of 1.0%, driven by strong momentum in new territories, where sales were up 6.6%. Consolidated sales growth also encompassed a positive 1.8% foreign-exchange impact. Growth accelerated to 1.8% in the second half of the year, contributing to the good 2019 performance.

Transformation plan bears first fruit through operating income growth

The 31.9% improvement in operating income reflects efforts to boost industrial productivity and cut costs, in line with the transformation plan unveiled in 2018, while raw material prices and main currencies were relatively stable.

Sales and operating income performance break down as follows:

	2019		2018	
millions of euros	Sales	Operating income	Sales	Operating income
Global Markets	2,871	163	2,823	120
New Territories	532	48	488	40
Total	**3,403**	**211**	**3,312**	**160**

Operating income improved significantly in global (mature) markets, underscoring the first positive effects of Bel's transformation plan. This good performance, however, was weighed down by difficulties encountered in major Bel markets, such as the Levant region, Morocco, Algeria and France.

The very sound operating performance achieved in new territories helped to underpin development plans in those markets.

Operating cash flow improved by nearly €60 million to €310 million at the end of 2019, buoyed by the good operating performance.

Bel's financial structure strengthened during the year. At December 31, 2019, equity totaled €1,810 million, compared with €1,740 million at December 31, 2018, and net financial debt, excluding right-of-use lease liabilities related to the adoption of IFRS 16[(1)], came to €582 million at year-end, versus €654 million at 31 December 2018.

The sound financial structure enabled Bel to refinance its euro-denominated private placement maturing in 2019, with the issue of the same type of private placement featuring maturities never previously secured of eight and 10 years. These transactions included social and environmental sustainability criteria, in line with Bel's commitment to responsible and sustainable growth.

Transformation plan continues

Bel made progress with its multiyear transformation plan, which — as previously announced — is expected to generate €120 million in savings after completing actions to optimize advertising and promotional spending, cut overhead expenses and ramp up industrial productivity measures. The industrial productivity measures should fully bear fruit in 2021. As planned, Bel will reinvest €40 million of the savings achieved under the transformation plan by the end of 2020, to help accelerate its growth.

Outlook for 2020

The overall environment at the start of 2020 continues to be affected by geopolitical-related difficulties in the Near and Middle East and North Africa, a still complicated European business environment and uncertainty over evolving world health conditions. Given the lack of macro-economic visibility, Bel remains circumspect and will be focusing on its operating performance and carefully managing its spending and investment. Bearing in mind raw material price and foreign exchange rate volatility, productivity efforts are expected to mitigate the recently observed uptrend in dairy protein prices, as well as wage inflation.

The transformation work started in 2018 is expected to be completed in 2020, enabling Bel to deploy its strategy in the healthy and accessible-to-all food universe. The company's innovation efforts in hybrid dairy and vegetal products should clear the path for exploring new segments of growth.

Bel's risk exposure related to the spread of Covid-19, a/k/a the coronavirus

As the company's first priority is to protect its employees, Bel is focusing in particular on risk management, notably by putting real-time information and monitoring measures in place.

The Group pays close attention to the impacts of the pandemia on consumer trends in its different markets and to the possible containment measures, possibly leading to economic slow downs. As of today, the financial impact is not considered material given the geographic footprint of Group markets. All appropriate actions are under study to minimize such potential impact.

The dependency of Bel's supply chain and production site operations on countries currently most affected by Covid-19 is low. Temporary, indirect results from a slowing global economy and international travel remain limited at present. However, this observation is subject to change, given the unfolding situation related to the spread of coronavirus worldwide.

Bel signs agreement to acquire All in Foods (Nature et Moi)

The Bel Group and the founders of All in Foods today signed an agreement under which Bel will acquire All in Foods, a French startup that produces the Nature & Moi brand. Bel will become the majority shareholder with an 80% stake, while the All in Foods' founding family will own the remaining 20% interest. A liquidity agreement will allow Bel to acquire 100% of All in Foods' share capital by 2024.

After acquiring Morocco-based Safilait, a dairy producer, and MOM, the maker of the Materne®, GoGo squeeZ® and Montblanc® brands, Bel today confirms its strategy to diversify its product offering through growth in dairy, fruit and plant-based products, three complementary food segments.

The deal is expected to be completed at the latest by the end of May 2020.

Committed to a sustainable growth model

The new "For All. For Good" company signature expresses Bel's determination to make its mission of “championing healthier and responsible food for all” the driver of Bel's sustainable and profitable business model.

The company and its brands are committed to a continuous improvement drive anchored in five priority areas, including healthy food, sustainable farming, responsible packaging, reducing Bel’s environmental footprint, and enhancing product accessibility.

In 2019, scope 1 and 2 CO_2 emissions continued to be cut and were lowered 2.1% for the year. Bel remains committed to its goal of achieving carbon neutral operations by 2025, and has drafted action plans to that end.

Dividend

On March 11, 2020, the Board of Directors voted to propose a dividend of €6.0 per share, with an ex-dividend date on May 20 and payable as of May 22, 2020. The dividend is subject to the approval of the Annual General Meeting scheduled for Wednesday May 14, 2020.

(1) IFRS 16 was applied for the first time on January 1, 2018.

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.*

Operating margin *corresponds to operating income.*

Operating cash flow *corresponds to net cash flow generated by operating activities.*

Net financial debt *is described in note 4.14 to the consolidated financial statements. It consists of long- and short-term borrowings, long- and short-term liabilities related to assets held under finance lease, current used banking facilities, and cash and cash equivalents.*

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 the www.groupe-bel.com) à website as of April 3, 2020. 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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