



Suresnes — March 17, 2022 at 6.45 p.m.

Bel Annual financial information 2021 Results

Solid performance attests to relevance of Bel's business model despite highly inflationary environment

- **Bel reported a solid financial performance in 2021, in spite of a tough operating environment.**
 - Sales grew 2.3% organically, bolstered by the company's core brands, MOM, and the North American and Chinese markets.
 - Operating income advanced 157.2% to €629m, as a result of capital gains on the disposal of Leerdammer brand assets¹.
 - Operating cash flow fell €107m to €279m, reflecting the decline in recurring operating income in a highly inflationary environment.
- **Leerdammer brand assets and the Bel Shostka Ukraine subsidiary were sold, and Bel delisted its stock from the Euronext Paris stock exchange.**
- **A split corporate-governance structure is to be rolled out in 2022, to pursue the deployment of Bel's strategy.**
- **Bel's responsible growth model was recognized, and its CSR commitments were strengthened.**
 - Bel won EcoVadis' platinum medal with a score of 79 out of 100.
 - In Q1 2022, Bel's carbon-cutting emissions goal was beefed up to help keep global warming below the 1.5°C target ceiling.

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.

Meeting March 17, 2022 under the chairmanship of Antoine Fievet, the Bel Group's Board of Directors approved the consolidated financial statements for the year ended December 31, 2021.

Antoine Fievet, Chairman and Chief Executive Office of the Bel Group, commented: "2021 marked a turning point in the history of the Bel Group. The choices we made concerning our corporate governance and to strengthen our family business model, which has been at the heart of our success for nearly 150 years, will enable us to pursue our strategy to develop our business in three complementary markets of dairy, fruit and plant-based foods. The renewed efforts we deployed in the environmental, social and ethical areas were rewarded with a platinum medal from the EcoVadis rating agency, underscoring our mission to champion healthier and responsible food for all, and our desire to ensure fundamentally responsible economic growth. We thus completed another year of solid operating performance, despite an economic and financial environment that remains disrupted. Proud of the major advances we have achieved, and convinced of their profound legitimacy, we begin 2022 with convictions in the relevance of our business model — unique in so many ways — and our ability to further strengthen our position in the global market for healthy snacks."

¹ The 2021 financial results include the contribution from the Royal Bel Leerdammer B.V., Bel Italia and Bel Deutschland subsidiaries, the Leerdammer brand and all related rights, and the Bel Shostka Ukraine company up to September 30, 2021.



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Key figures

<i>millions of euros</i>	2021	2020	% change
Sales	3,379	3,456	-2.2%
Recurring operating income	223	263	-15.3%
Operating income	629	245	+157.2%
<i>Operating margin</i>	18.6%	7.1%	+1,154bp
Net financial result	-34	-27	+25.0%
Consolidated net profit - Group share	524	144	+264.8%
Operating cash flow	279	386	-107

Leerdammer brand assets and Bel Shostka Ukraine sold, delisting from the Euronext Paris stock exchange.

At the end of September 2021, Bel announced the completion of the sale to Lactalis of the Royal Bel Leerdammer B.V., Bel Italia, and Bel Deutschland subsidiaries, the Leerdammer brand and all related rights, and the Bel Shostka Ukraine company. These assets were transferred to Lactalis through Sicopa, a 100%-owned Bel subsidiary, in exchange for 1,591,472 Bel shares, representing the 23.16% equity stake in Bel held by Lactalis. From January 1 to September 30, 2021, sales generated by these assets totaled roughly €367 million.

Following the disposal, Unibel, which together with members of the Fievet-Bel family group directly and indirectly held 95.46% of Bel's share capital and 82.22% of its calculated voting rights², launched an OPR-RO mandatory public buyout offer at €550 per Bel share. The offer, which ran from December 24, 2021 to January 10, 2022, led upon its completion to the delisting of Bel from the Euronext Paris stock exchange on January 25, 2022.

The Group has committed to maintaining the financial and non-financial information quality on a half-yearly and yearly basis.

New split-governance structure to strengthen the position Bel is building in the healthy snack market

In May 2021, the Bel Group announced a plan to gradually adopt a governance structure that separates the positions of Chairman of the Board of Directors and Chief Executive Officer. The plan will lead Antoine Fievet, Bel's Chairman and CEO, and the Appointments and Compensation Committee to submit the nomination of Cecile Beliot as the Bel Group's CEO to the Board of Directors in May 2022. The goal of the new governance structure is to continue leading Bel's transformation, while perpetuating the vision and values promoted by the Fievet-Bel shareholding family for over 150 years. In particular, Cecile Beliot, Bel Group Executive Vice President, has been entrusted with preparing the merger of the Bel and MOM teams and continuing to deploy the Group's strategy, in keeping with Bel's approach to innovation, internationalization and modernization.

Growth model recognized by EcoVadis, and CSR commitments beefed up

On October 20, 2021, Bel was awarded the platinum medal from the non-financial rating agency, EcoVadis, with a score of 79 out of 100, which placed Bel in the top 1% of the highest-rated food companies in the world.

² Based on a total of 6,872,335 shares, representing 11,892,271 calculated voting rights under Article 223-11 of the General Regulation of the AMF financial markets authority. Together, the initiator and members of the Fievet-Bel family group directly and indirectly hold 95.66% of voting rights exercisable at the Annual General Meeting of Shareholders.



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In line with its long-term commitment to champion healthier food, as incarnated by the company's "For All. For Good" signature, Bel introduced 58 product innovations and renovations in 2021, to improve existing nutritional profiles and recipes. Bel also launched its first 100% plant-based brand, Nurishh, in 17 countries.

Lastly, the company renewed its efforts to fight climate change and to participate in establishing a new and positive food industry growth model. Bel committed to beefing up its carbon-cutting goal by slashing its greenhouse gas emissions by one quarter across its entire value chain by 2035³, and including carbon as an indicator to measure the performance of its activities.

Resilient financial performance

In 2021, Bel generated consolidated sales of €3,379.0 million, down 2.2% on a published basis versus 2020. The performance stemmed from organic sales growth of 2.3%, a negative foreign exchange impact of 0.9% (€29.5 million), and a negative 3.6% impact on the change in the scope of consolidation arising from the sale to Lactalis of assets primarily consisting of the Leerdammer brand. Excluding the Middle East and North Africa, organic sales growth came to 5.0%.

The organic sales performance was driven by the excellent momentum of Bel's core brands, in particular Babybel® and Boursin®, MOM's continued robust growth, further market share gains in North America, and the confirmation of a positive growth trajectory in China. Four out of six core brands reported increased sales versus 2019.

The launch of Nurishh, Bel's first international, 100% plant-based food brand, as well as the development of innovative plant-based ranges for the core brands also met with rapid success and showed promising results during the year, in particular the plant-based versions of Boursin® in the United States and Canada. Lastly, in terms of distribution channels, 2021 was marked by the rise of e-commerce and Out Of Home (OOH) catering, which posted strong double-digit growth sparked notably by the North American and Chinese markets.

<i>millions of euros</i>	2021		2020	
	Sales	Operating income	Sales	Operating income
Global Markets	2,713	527	2,865	167
New Territories*	666	102	591	78
Total	3,379	629	3,456	245

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

Recurring operating income totaled €223 million, down 15.3% as a result of strong inflationary pressure, with higher raw material and packaging prices, as well as extraordinary costs tied notably to a tight job market, mainly in the United States. Selling-price increases and major productivity efforts undertaken over the past several years were not enough to fully offset the impact of such pressures. Operating income came to €629 million, up a strong 157.2%, primarily reflecting the €466-million in capital gains from the sale of Leerdammer brand assets to Lactalis.

Net financial expense totaled €34 million, versus net financial expense of €27 million in 2020, due to higher financial costs tied chiefly to an unfavorable foreign exchange effect on several currencies in emerging countries, Turkey in particular, and the rise in long-term interest rates on certain interest rate hedges. Consolidated net profit – Group share came to €524 million, a 264.8% increase over 2020. Lastly, operating cash flow declined €107 million to €279 million at end 2021. Against a highly volatile operating backdrop, ongoing efforts to optimize inventory management were not enough to offset the decline in recurring operating income.

³ Compared to 2017 and taking into account the company's growth.



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At December 31, 2021, the Bel Group reported a strong and healthy balance sheet. At December 31, 2021, total equity stood at €1,681.6 million, compared with €1,864.5 million a year earlier. The decrease stemmed primarily from the sale to Lactalis of the Leerdammer brand assets, in exchange for its own shares. Those shares were then directly recognized against equity, partially offsetting the capital gains recognized on the aforementioned sale.

At December 31, 2021, net financial debt, including right-of-use lease liabilities related to the adoption of IFRS 16, totaled €645 million, up from €584 million in the prior year. The increase arose from the buyout on April 30, 2021 of the 17.56% interest in the MOM Group held by minority shareholders. At 31 December 2021, Bel had €490 million in surplus cash and cash equivalents.

Outlook for 2022

Although demand continues to trend up, the start of 2022 remains marked by very strong headwinds and, an intensified and continuing inflationary environment. As in 2021, extraordinary costs are such that they cannot be instantly offset by increased selling prices and productivity gains.

Nevertheless, the Bel Group has proven its resilience and ability to tightly manage its operations and finances over the long term. At the same time, the company has renewed the appeal of its core brands through innovation to meet new consumer demand and expectations in all markets for its dairy, fruit and plant-based food products. Subject to changes in the health crisis, geopolitical crisis and the market environment, Bel is confident in its ability to further strengthen its position in the global healthy snack market.

Following the disposal of Bel Shostka Ukraine on September 30, 2021, Bel has very little sales exposure to the consequences of the war in Ukraine. The company nonetheless remains exposed to the heightened inflationary environment resulting from that crisis.

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 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. 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 summary consolidated financial statements. It consists of long- and short-term borrowings, long- and short-term right-of-use liabilities, and current used banking facilities, less 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 Universal 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



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Cow®, Kiri®, Mini Babybel®, Boursin®, Nurishh®, Pom'Potes®, and GoGo squeeZ®, as well as some 20 local brands. Together, these brands helped the Group generate sales of €3.38 billion in 2021.

Some 11,800 employees in almost 60 subsidiaries around the world contribute to the deployment of the Group's mission to champion healthier and responsible food for all. Bel products are prepared at 29 production sites and distributed in nearly 120 countries.

www.groupe-bel.com

Public relations

Havas Paris - Philippe Ronceau

philippe.ronceau@havas.com - +33 (0)1.58.47.84.93 / +33 (0)6.76.44.44.35

Havas Paris - Feriel Torjeman

feriel.torjeman@havas.com - +33 (0)1.57.77.73.23 / +33 (0)6.17.49.97.76