

PRESS RELEASE: 2023 half-yearly results

- Organic sales growth of 14%
- Robust current operating profit of €112 million

Key figures in €M	June 2023	% of Sales	June 2022	% of Sales	Changes in %			
					Total	Structure	Currency	Organic
Sales	3,376		3,023		11.7	2.2	-4.9	14.4
- Cheese Products	1,934	57.3	1,737	60.6	11.3	0.1	-0.3	11.5
- Other Dairy Products	1,552	46.0	1,380	42.5	12.4	4.9	-11.5	19.0
- Unallocated (Intra-Group transactions)	-110	-3.3	-94	-3.1	0.0	-12.0	0.0	28.5
Current operating profit	112	3.3	126	5.2				
Operating profit	98	2.9	129	4.4				
Financial result	-15		-15					
Corporate taxes	-28		-36					
Result for the period	58	1.7	81	2.6				
Net income, Group share	51	1.5	71	2.5				
Net debt (excluding IFRS 16)	600		555					

The limited review procedures on the half-yearly financial statements have been performed by the Statutory Auditors.

Their limited review report is currently being issued.

Definitions and calculation methods for aggregates such as structural effects, exchange rates, organic growth and net debt have not changed.

They are defined in the Group's activity report and in note 20 of the financial statements for net debt.

Results for the first half of 2023

At € 3,376 million, Savencia Fromage & Dairy's sales as of June 30th, 2023 are up 11.7%, with an organic growth of 14.4%. The 2.2% structural effect is due to the consolidation of Williner in Argentina by April 3rd, 2023. The 4.9% unfavourable currency effect is due to the devaluation of the Argentine peso and the yuan.

In an environment of sustained inflation, Cheese Products grew by 11.5%, driven by price effects on all world markets. The Group's local brands continues to grow, despite the pressure on the purchasing power of the consumers' who tend to turn to the more affordable products.

Other Dairy Products sales grew by 19% or, with both favourable price and volume-mix effects. The good momentum of foodservice and the restarting of Corman's activities offset the decline in industrial products.

At €112 million, current operating profit contracted by 11%. It benefited from price increases and industrial productivity gains but is penalized by the impact of decline in global commodity prices of dairy ingredients.

Operating profit also includes the exceptional effects of the closure of a Corman workshop and asset impairment.

The Group's financial position is robust, with shareholders' equity at €1,834 million and net debt excluding IFRS 16 at €600 million. This represents 33% of consolidated shareholders' equity, compared with 29% on June 30th, 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

CSR commitments

All the teams at Savencia Fromage & Dairy are continuing to rally around the Oxygen CSR program's main directions. The decarbonisation trajectory validation by the SBTi (Science Based Targets initiative) in March 2023 has given a collective boost to ambitious actions in the short, medium, and long term at our production sites and with our dairy farmer partners.

Our industrial teams have initiated robust plans to reduce energy and water consumption. At the same time, all over the world, they have continued to work on converting energy mixes and on projects to reuse water, particularly from milk.

On September 8th, Savencia Group and the "OP SOL" producers' organization formalized their partnership on milk collection. This partnership, a guarantee of sustainability for its 140 milk producers, contributes to securing dairy supplies for the Fromagerie des Chaumes and saving of CO².

Organization

On September 4th, Régis Massuyeau joined Savencia Fromage & Dairy to assume the CFO position as of January 1st, 2024.

Perspectives for the second half of 2023

Current economic and political uncertainties are likely to continue to impact business in the second half of the year, given:

- the situation of the French dairy economy, characterised by high milk prices and declining industrial product prices;
- the pressure on consumer demand in an inflationary environment and a wait-and-see attitude on the part of buyers of industrial products;
- the continuing rise in interest rates and its impact on the global economy.

In this context, strengthened by the commitment of its teams and the quality of its brands, Savencia Fromage & Dairy shall focus on adapting its offer to new consumer demands, and pursue its efforts in terms of industrial performance and the development of its carbon footprint reduction projects.

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

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