

Press release

Suresnes — July 25, 2019 at 6:00 pm

Bel

Half-Year 2019 Results

- **Sales increase 1.9%, helped by favorable foreign exchange rate**
- **Operating income driven by the Group's Global Markets**

Meeting July 25, 2019, the Board of Directors approved the consolidated financial statements for the period ended June 30, 2019, and the statutory auditors issued their unqualified report on the consolidated financial statements for the interim period.

Key figures

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.

<i>(in millions of euros)</i>	First-half 2019	First-half 2018	% change
Sales	1,658	1,626	+1.9%
Operating income	126	88	+43.0%
Consolidated net profit - Group share	80	53	+51.4%

In the first half of 2019, Bel Group's consolidated sales increased 1.9% on a published basis. The positive foreign-exchange impact accounted for 1.8% or €29 million of that growth, with no changes in the scope of consolidation during the period. After a 2.6% organic decline in sales in the first quarter, the Group reported a 2.9% organic increase in sales in the second quarter, resulting in organic growth of 0.1% for the first half of 2019.

Second-quarter and first-half 2019 sales performances are presented by segment in the following table.

<i>(in millions of euros)</i>	Second quarter			First half		
	2019 3 mos.	2018 3 mos.	% change	2019 6 mos.	2018 6 mos.	% change
Global Markets	714	693	+2.9%	1,403	1,392	+0.8%
New Territories	134	120	+12.3%	255	234	+8.8%
Group Total	848	813	4.3%	1,658	1,626	1.9%

As a reminder, sales reporting is now broken down into two segments, including Global Markets (or mature markets) and New Territories. New Territories encompass the business activities of MOM, as well as markets in Sub-Saharan Africa and Latin America, China and India.

In Global Markets, following a 3.3% decrease in sales on a comparable exchange rate basis in Q1, sales edged up 1.6% in Q2, bolstered by the Q2 Easter holiday season and price increases implemented at the beginning of the year. Sales remained under the influence of severe trade pressures in both Europe and the United States, and the complicated environment in North Africa, in particular in Morocco and Algeria.

Sales remained buoyant in New Territories, particularly in the second quarter. Sales were driven by intensified promotional campaigns launched in the first quarter. In the first half of 2019, New Territories generated organic sales growth of 5.9%, versus the prior-year period.

In the first half of 2019, consolidated operating income totaled €126 million, up 43.0% over the first half of 2018, and broke down as follows:

<i>(in millions of euros)</i>	2019 6 mos.	2018 6 mos.	% change
Global Markets	100	63	+58.3%
New Territories	26	25	+3.5%
Group Total	126	88	+43.0%

The improvement in operating margin, driven mainly by the operating income performance of Global Markets, reflected improved gross margin, as well as the Group's efforts to implement its transformation plan and achieve the savings announced in December 2018 that have begun to materialize. The Group continued its investments to support growth in the New territories.

After taking into account net financial result and income tax expense, consolidated net profit, Group share, totaled €80 million, compared with €53 million at June 30, 2018.

The Group's balance sheet remained strong at June 30, 2019, with net financial debt amounting to €738 million (including €98 million in right-of-use liabilities under IFRS 16), versus €775 million (including €101 million in right-of-use liabilities) at December 31, 2018, and equity totaling €1,769 million, compared with €1,739 million at December 31, 2018.

Outlook for 2019

Bel continues to deploy its plan announced in December 2018 to cut costs by €120 million. Overall, operating margin for the full year is expected to improve markedly against 2018.

Transformation plan continues

The Group is actively pursuing its transformation aimed at strengthening its innovation momentum and freeing up the resources needed to achieve its sustainable growth goal in the healthy snack market.

Bel aims to double its sales in the medium long term, while maintaining tight control over its finances. The Group's growth rests on its ability to grow in the markets where it operates and to make targeted acquisitions. Given current M&A prices in the food sector, and the deflationary environment observed over the past two years, Bel intends to focus, above all, on the quality of its growth, without timeline constraints to achieve that goal.

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.

Net financial debt is described in note 5.5 to the summary consolidated financial statements for the half-year period. 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 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.

Press contact

BCW Agency

Cécile Pochard

Cecile.Pochard@bcw-global.com

Tel : +33 (0)1 56 03 12 95

The Bel Group

The Bel Group is a world leader in branded cheese and a major player in the healthy snacks segment.

Its portfolio of differentiated and internationally recognized brands, including such products as The Laughing Cow®, Kiri®, Mini Babybel®, Leerdammer®, Boursin®, Pom'Potes® and GoGo squeeZ® as well as some 20 local brands, enabled the Group to generate sales of €3.3 billion in 2018.

12,600 employees in some 30 subsidiaries around the world contribute to the Group's success. Bel products are prepared at 32 production sites and distributed in over 130 countries.

www.groupe-bel.com