



Suresnes — May 10, 2021 at 6 p.m.

Bel

First quarter 2021 financial information

Sales

Organic sales growth up slightly after adjusting for Covid impact in 2020

- Q1 2021 sales totaled €840.2 million¹, down 7.5% on a published basis.
- Sales declined 3.6%⁽²⁾ organically, but grew 0.2% after excluding the Q1 2020 sales spike tied to the Covid-19 pandemic.

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.

Antoine Fievet, Chairman and Chief Executive Office of the Bel Group, said, "I want to thank all of Bel's employees, who mobilized once again this quarter to fight the Covid-19 pandemic and its consequences on our activities and their personal lives. The unprecedented growth that we reported in Q1 2020, buoyed by increased food purchases and stockpiling by consumers around the world, automatically led to a sales decline at the beginning of this year. While our business environment remains marked by uncertainty and significant disparities, we enter the second quarter with confidence in the strong economic rebound expected in key markets, such as North America and China, and the favorable impact on consumer spending from the Easter and Ramadan holidays."

In Q1 2021, Bel generated consolidated sales of €840.2 million, down 7.5% on a published basis versus €908.8 million in the prior-year period. Unfavorable foreign exchange fluctuations stemming primarily from the euro's rise against the U.S. dollar, adversely impacted sales by 4.3%, or €39.5 million. Organically, sales declined 3.6%, after adjusting for negative 0.4% impact from hyperinflation in Iran. Excluding the positive impact on Q1 2020 sales related to the Covid-19 pandemic, sales were up organically a slight 0.2% in Q1 2021.

The performance arose notably from an unfavorable comparison base with Q1 2020, when sales atypically spiked due to the global Covid-19 health crisis. At the beginning of 2020, sales advanced a hefty 11% organically, as lockdown measures spurred consumer spending on home food consumption around the world. Accordingly, sales automatically declined 3.6% organically year-on-year in Q1 2021.

¹ This amount includes the business comprising Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, the Leerdammer brand and all related rights, and Bel Shostka Ukraine.

² 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.



Press release

That decrease was partially offset by the excellent performance of the Boursin brand, which reported a 12.9% sales increase overall, buoyed by higher sales in France, Belgium and the United States.

The sales breakdown by market segment is as follows:

<i>millions of euros</i>	First quarter			
	2021	2020	% change	% organic growth**
Global Markets	690	747	-7.6%	-3.8%
New Territories*	150	162	-7.5%	-3.0%
Total	840	909	-7.5%	-3.6%

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

** *Including adjustments for hyperinflation in Iran and excluding AIF (All in Foods).*

Global Markets

The performance of global (mature) markets was marked by a slowdown in the global economy. Curfew and lockdown measures, once again mandated in many European countries, such as the U.K., Germany, Portugal, and France, negatively impacted consumer spending. In some markets like Germany, a strong competitive environment put downward pressure on prices. The sales volumes of snack products in North America and Japan similarly declined from recommended lockdown measures in those markets. Nevertheless, the underlying trend in consumer spending for all brands in the United States remains favorable. Lastly, the geopolitical and economic situation in Near and Middle East countries remains particularly volatile.

New Territories

The slight decline in sales from new territories stems from the unfavorable comparison base with an exceptionally strong Q1 2020.

<i>millions of euros</i>	3 months			
	2021	2020	% change	% organic growth**
Europe	461	473	-2.6%	-2.1%
Middle East, Greater Africa	163	198	-17.8%	-9.5%
Americas, Asia-Pacific	216	237	-9.0%	-1.8%
Total	840	909	-7.5%	-3.6%

** *Including adjustments for hyperinflation in Iran and excluding AIF (All in Foods).*



Outlook for 2021

Currency volatility and unfavorable raw material price trends were confirmed in Q1 2021, calling for renewed caution going forward. While the Covid-19 pandemic and the geopolitical and economic situation in the Near and Middle East still make for a lot of uncertainty, accelerated vaccination campaigns around the world and the progressive stabilization of the situation in certain Levant countries are positive signs. Lastly, Bel expects its Q2 2020 growth to be buoyed by a more favorable comparison base, accelerated promotional campaigns with several product innovation launches in the offing, the Easter and Ramadan holidays, and the particularly strong economic recoveries expected in key markets, such as the United States and China.

Against this backdrop, Bel reiterates its trust in the company's ability to strengthen its presence in the healthy snack market, while continuing to innovate and increase the appeal of its product offering in the three complementary markets of dairy, fruit and plant-based foods. In line with its model for engaged and responsible growth, Bel plans to continue lessening its environmental footprint and to contribute to promoting a new positive business model for the food industry, in sync with its company mission to champion healthier and responsible food for all.

In Q1 2021, Bel beefed up its policy for procuring renewable electricity at its plants to meet the company's Scope 1 and 2³ carbon reduction goals by end 2021. At this writing, the supply of electricity to all dairy North American sites comes from renewable sources. Bel also launched a partnership between Bel Brands USA and Land O'Lakes to jointly lead a regenerative agriculture program key to contributing to the development of sustainable dairy industry. In addition, Bel successfully deployed a campaign to raise awareness about food waste alongside Too Good To Go in the U.K. and Spain, after rolling out similar campaigns in France in March 2020 and Portugal in December 2020. Bel intends to pursue these significant actions in the coming quarter, as part of its ambitious Corporate Social Responsibility (CSR) policy.

On March 18, 2021, Bel Group and Lactalis Group entered into a Unilateral Promise to Purchase a business, including Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, the Leerdammer brand and all related rights plus Bel Shostka Ukraine, in exchange for 1,591,472 Bel shares held by Lactalis (23.16% equity stake). This transaction is in line with Bel's strategy to expand its activities beyond cheese products to strengthen its position as a major player in the healthy snack market.

The final agreements relating to the exchange transaction may be concluded after consultation with the employee representative bodies of some of the entities concerned. Completion of the transaction will be conditional on obtaining the required merger control approvals and is expected to take place before the end of summer 2021, in accordance with the indicative timetable announced.

Following said transaction completion, Bel plans to file a public share buyback tender offer ("OPRA")⁴ at €440 per share⁵ (cum dividend).

Furthermore, Bel has been notified of Unibel's intention to file a planned public share squeeze-out offer ("OPR-RO") with the AMF on any remaining Bel shares as soon as possible following the OPRA settlement-delivery date and at the same price per share as for the OPRA, that is to say €440 per share⁵ (cum dividend). Completion of the OPR-RO is expected to take place before the end of 2021.

³ Scope 1 covers direct factors of greenhouse gas emissions generated by an organization or a territory. Scope 2 covers indirect factors of greenhouse gas emissions associated with electricity and heat usage.

⁴ See Bel press release dated March 19, 2021. This proposed public offering will be subject to a compliance decision by the AMF ("Autorité des Marchés Financier").

⁵ The fairness of the price of the public offer is subject to the assessment of the appointed independent expert.



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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®, Nurishh®, Pom'Potes®, and GoGo squeeZ®, as well as some 20 local brands. Together, these brands helped the Group generate sales of €3.46 billion in 2020.

Some 12,510 employees in some 40 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 33 production sites and distributed in nearly 120 countries.

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