**Suresnes, France – February 29, 2024, at 6 p.m.**

**Bel**

**Annual Financial Information**

**2023 Results**

**Solid full-year performance against a backdrop of sustained inflation**

**Confirmed commitment to corporate social responsibility**

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| * **Organic growth in consolidated net of 5.8%,[[1]](#footnote-2) driven by a dynamic fruit segment, resilient demand for cheese products and a solid performance from core brands such as GoGo squeeZ®, Kiri® and Boursin® internationally.**   + Consolidated net sales of €3.64 billion, up +1.4% as reported. * **Solid financial performance, achieved through responsible management of price increases and efforts to improve productivity, in an environment still impacted by high inflation:**   + Recurring operating income of €251 million, up 25%, representing a recurring operating margin of 6.9% and a growth of €50 million from 2022 (at constant perimeter), reflecting Bel’s responsible, committed growth model and a prior-year performance particularly impacted by inflation.   + Free cash flow of €55 million. * **Proven worth of Bel’s diversification strategy:**   + Further strong growth in the fruit segment[[2]](#footnote-3) across all geographies   + Very sharp growth in China, notably thanks to Kiri®.   + Good momentum in the E-commerce and Out-of-Home (OOH) distribution channels. * **Commitment to CSR that confirms the Group's ambition and its unique model for supporting the dairy industry:**    + Introduction in 2023 of pilot projects to reduce dairy cow methane emissions by deploying the Bovaer® solution.   + 7th year renewal of annual agreement between Bel and APBO to promote a more sustainable approach to French agriculture and food production.   + Investment in a biomass boiler, fueled by organic matter instead of oil, at the plant in Tangier, Morocco.   + Resolution proposed by the Board of Directors on February 29, 2024, for the adoption of the mission-driven company status at the upcoming shareholders' general meeting. |
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*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.*

Bel's Board of Directors approved the consolidated financial statements for the year ended December 31, 2023 at its February 29, 2024 meeting chaired by Antoine Fiévet.

**Antoine Fiévet, Chairman of Bel**, commented:“Bel performed well in 2023 despite the challenging economic environment, demonstrating the resilience of our brands and the effectiveness of our portfolio diversification strategy and our geographical footprint.I thank our teams for their contribution to improving the results and supporting the Group's ambitions.With our unique business model and our dual focus on financial and non-financial performance, the board of directors will propose a resolution at the next shareholders' general meeting for the adoption of the mission-driven company status, marking the culmination of twenty years of CSR commitment.”

**Cécile Béliot, Chief Executive Officer of Bel**, said:“Bel delivered a solid financial performance in 2023.With further progress in consolidated net sales, up 5.8% versus 2022 on an organic basis, our strategy is now paying off and proving its worth.Recurring operating income grew by 25% à constant perimeter to €251 million, reflecting our remarkable ability to adapt to protect our margins.In a complex and uncertain global environment, Bel will capitalize on its solid fundamentals and proven resilience to maintain its positive trajectory.”

**Key figures**

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| --- | --- | --- | --- | --- | --- |
| *millions of euros* | **2023** | **2022** | **Change**  **as reported** | **Change**  **at comparable structure** | **Organic**  **change** |
| Net Sales | 3,645 | 3,595 | 1.4% | 3.2% | 5.8% |
| Recurring operating income | 251 | 187 | 34.2% | 25.2% |  |
| *Recurring operating margin* | *6.9%* | *5.2%* | *170 bps* | *120 bps* |  |
| Operating income[[3]](#footnote-4) | 213 | 164 | 29.4% | 25.4% |  |
| *Operating margin* | *5.8%* | *4.6%* | *130 bps* | *100 bps* |  |
| Net financial result | (48) | (24) | (24) |  |  |
| Consolidated net profit, Group share | 69 | 96 | (27) |  |  |
|  |  |  |  |  |  |
| Free cash flow | 55 | 214 |  |  |  |

**Solid financial performance, confirming the relevance of Bel’s strategy**

Bel recorded consolidated net sales of € 3,644.9 million in 2023, representing organic growth of 5.8%. On a reported basis, sales grew 1.4% year-on-year, reflecting a 1.8% negative impact from changes in the scope of consolidation, corresponding to the sale of Bel’s stake in Moroccan company Safilait, which was partially offset by the acquisition of a majority stake in China’s Shandong Junjun Cheese, and an unfavorable foreign exchange impact of 2.6%.

This solid performance is primarily attributable to strong growth in the fruit segment across all geographies, resilience of dairy products, further sharp gains in China, healthy momentum in North America and Asia and responsible, disciplined management of price increases in an environment impacted by inflation. Organic growth in consolidated sales was driven by increased sales of GoGo squeeZ® and Pom’Potes® products. Other core brands – particularly Kiri® and Boursin® – pursued their positive trajectory in North America and enjoyed very strong sales growth in China.

The out-of-home (OOH) and e-commerce distribution channels recorded sustained growth in their sales revenues for the third consecutive year. The e‑commerce business continued its development, notably in China, the United States, the United Kingdom and Ireland. The OOH, strategic segment, also posted a positive performance, with particularly strong gains in France and Asia, especially China.

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| --- | --- | --- | --- | --- | --- |
|  | **2023** | |  | **2022** | |
| *millions of euros* | Net  Sales | Operating income |  | Net  Sales | Operating  income |
| Mature markets | 2,591 | 94 |  | 2,645 | 54 |
| New territories\* | 1,054 | 119 |  | 941 | 111 |
| **Total** | 3,645 | 213 |  | 3,595 | 164 |

*\* Comprising the business activities of Mont-Blanc, Materne, markets in Sub-Saharan Africa, and China*

After being strongly impacted in 2022 by the time lag between the additional costs generated by inflationary pressure on expenditure items and the implementation of price increases to offset those costs, Bel maintained its profitability in 2023 by speeding up the productivity improvement program initiated several years ago, implementing necessary and justified price increases, and making strategic marketing choices.

Recurring operating income came to €251 million, up 25.2% from the previous year when adjusted for the impact of the sale of the Safilait business in Morocco, partially offset by the acquisition of a majority stake in China’s Shandong Junjun Cheese. Recurring operating margin widened to 6.9%. This improvement in profitability must be viewed through the prism of a particularly downgraded situation in 2022.

Net financial expense came to a loss of €48 million at end of 2023, up €24 million, due to the increase in average debt and higher interest rates.

The Group’s tax expense amount to €94 million, up €46 million, comprising an impact of €33 million directly attributable to Unibel becoming the lead company for the tax-consolidated group in France on January 1, 2023, consequence of the share buyback and subsequent delisting in late January 2022.

Consolidated net profit, Group share came to €69 million, down €27 million compared to €96 million in 2022.

Finally, in 2023, the Group generated a free cash flow of €55 million, despite an unfavorable seasonality of our working capital requirements, significantly increased financial expenses, and a change in tax consolidation in favor of Unibel. As a reminder, in 2022, the Group implemented a securitization program for its trade receivables, resulting in a positive impact on its free cash flow of 132 million euros.

**Robust financial structure**

At December 31, 2023, Bel’s balance sheet reflected a robust financial structure. Net debt totaled €839 million, versus €778 million a year earlier, and total equity came to € 1,538 million, versus €1,592 million on December 31, 2022.

Bel continues to have a high level of liquidity, with €633 million in cash and cash equivalents at end of 2023 and €550 million in undrawn credit facilities with maturities extending to 2029.

In addition, on December 12, 2023, Bel successfully completed a sustainability-linked private bond placement for €135 million on the Euro PP market, with a coupon of 5.50%, maturing in December 2030. The placement provides funds to cover Bel’s general needs and extends the average maturity of its funding facilities. The success of the placement, carried out with leading institutional investors, demonstrates the renewed confidence of investors in Bel’s credit quality.

**Bel accelerates on international markets**

Bel pursued its international expansion strategy in 2023, with good results. The fruit segment continued to deliver strong organic growth in sales versus the prior year, particularly in the United States and Canada. China recorded a hefty increase in sales for the fourth consecutive year, underpinned by the performance of the Kiri® brand. Progress was also made in establishing international growth drivers. Junjun Cheese made a promising start in China, and the joint venture set up with Britannia Industries moved forward as planned, with the successful launch of the first product co-branded The Laughing Cow®. As a result, more than 80% of Bel’s sales now come from outside France.

**Strengthened commitment to CSR and unparalleled support for the dairy industry**

In line with its long-term commitment to championing healthier, more responsible food, Bel continued to implement CSR initiatives during the year. For these actions and its overall sustainability performance, Bel earned a platinum rating from EcoVadis in 2023.

In October, Bel and dairy producers association APBO, in partnership with DSM-Firmenich and Institut de l’Elevage (Idele), announced the promising results of a pilot project aimed at reducing methane emissions from dairy cows. Conducted on five dairy farms in western France between January and March 2023, the pilot tested the implementation of Bovaer®, a feed additive for dairy cows, in real-life farming conditions. The study paves the way for a more sustainable dairy industry. Bel had already announced in July 2023 that it was rolling out the Bovaer® solution to dairy farmers that supply milk to its plant in Slovakia. The plant produces Babybel® cheese for consumers in the United Kingdom, Germany, Czech Republic, and Slovakia.

In November, Bel and dairy producers association APBO renewed their annual milk price agreement “Mon BB Lait®” for the 7th consecutive year, defining the milk purchase price for the whole of 2024 based on dairy farm production costs. A responsible deal for both parties, transparent with regard to evolving farming costs and a boon for sustainable, high-quality food and agriculture, the new agreement reflects the trust-based partnership established between APBO and Bel over the past seven years.

Recently, Bel inaugurated a new biomass boiler, fueled by organic matter instead of oil, at its plant in Tangier, Morocco. The solution is expected to help Bel achieve carbon neutrality in the medium term.

With the support of its shareholder families, management team and all employees, Bel will continue to make an ever-greater commitment to sustainability in 2024, for the benefit of its stakeholders and the environment. Bel's Board of Directors is therefore proposing a resolution for the upcoming shareholders' general meeting to adopt the mission driven company status.

**Outlook for 2024**

Despite the uncertainty surrounding 2024, which will be shaped by developments in inflation, geopolitics and the deep disparities between economies in different regions of the world, Bel is confident in the resilience of its core brands, the continued growth of both its fruit and cheese-based businesses, and the pursuit of its sharp growth trajectory in Asia and North America.

Bel has successfully adapted and will continue to deploy an ambitious and coherent strategy to strengthen its position in the global healthy snack market, supported by its talented teams and by a forward-thinking, family-focused shareholder structure with a long-term vision.

*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 hyperinflation in Iran and Turkey. Iran is considered a hyperinflation economy since 2020, and Turkey since 2022. Accordingly, inflation impacts in these countries – based on the Consumer Price Index (CPI) – have been 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.*

***Free cash flow*** *consists of:*

*– (i)* ***cash flow from operations****, corresponding to profit before tax adjusted for the following items: depreciation and provision, depreciation of rights of use, capital gains and losses on disposals, financial income and expenses, financial income and expenses on rights of use, share of profit of companies accounted for by the equity method, and other non-monetary items of income,*

*– (ii) plus* ***changes in inventories****,* ***current receivables*** *and* ***payables****,* ***income taxes paid****,* ***acquisitions of property, plant and equipment and intangible assets****,* ***disposals of property, plant and equipment and intangible assets****,* ***investment grants received****,* ***interest paid****, share of debt repayments and* ***interest expense on rights-of-use****.*

***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 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*](http://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 includes The Laughing Cow®, Kiri®, Babybel®, Boursin®, Nurishh®, Pom’Potes®, and GoGo squeeZ®, as well as some 20 local brands. Together, these brands helped the Group generate sales of 3.6 billion in 2023.

10,800 employees in some 60 subsidiaries around the world contribute to the achievement of the Group's mission to champion healthier and responsible food for all. Bel products are prepared at 30 production sites and distributed in around 120 countries.

[**www.groupe-bel.com**](http://www.groupe-bel.com)

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1. *Figure adjusted for currency effects, changes in the scope of consolidation and hyperinflation in Iran and Turkey. Changes in the scope of consolidation relate to the sale of Bel’s stake in Moroccan company Safilait and the acquisition of a stake in Shandong Junjun Cheese.* [↑](#footnote-ref-2)
2. *The fruit segment includes the results of the Pom’Potes®, GoGo squeeZ®, Materne and Mont-Blanc brands.*  [↑](#footnote-ref-3)
3. [↑](#footnote-ref-4)