



Suresnes – July 27, 2023, at 6 p.m.

Bel First-Half 2023 Financial Information Sales and Results

Solid performance in a persistent inflationary environment

- **H1 consolidated sales totaled €1.8 bn, representing organic growth of 9.1%¹ and an increase of 6.3% on a reported basis:**
 - Solid gains by the fruit segment² in all geographies.
 - Accelerating growth in China and positive trends in North America.
 - Good performances from core cheese brands such as Kiri® and Boursin®.
 - Healthy momentum in e-commerce and out-of-home (OOH) distribution channels.
- **Positive first-half financial performance, reflecting responsible management of price increases and the implementation of productivity measures to offset inflation:**
 - Operating income of €108 million, up 57.1%.
 - Consolidated net profit, Group share of €55 million, versus €34 million in first-half 2022.
- **Pursuit of pioneering approach to innovation and further CSR commitments:**
 - Investment in biotech startup Climax Foods Inc. for the creation of plant-based cheeses, powered by artificial intelligence.
 - Signature of an innovative business agreement with Carrefour to support the food and climate transition.
 - Launch of a multi-partner alliance, initiated by Bel, to foster the development of regenerative agriculture.

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.

Key figures

millions of euros	First half 2023	First half 2022	Change as reported	Change at comparable structure ³	Organic change
Sales	1,790	1,683	6.3 %	7.7 %	9.1 %
Recurring operating income	115	79	45,0 %	34,6 %	
Recurring operating margin	6.4%	4.7%	170 pbs	130 bps	
Operating income	108	69	57,1 %	32,3 %	
Net financial result	-21	-14	(€7m)		
Consolidated net profit, Group share	55	34	€21m		

¹ This amount is adjusted from currency effects, changes in the scope of consolidation and hyperinflation in Iran and Turkey. Changes in the scope of consolidation relate to the sale to Polmlek of Bel's stake in Moroccan company Safilait and the acquisition of a stake in Shandong Junjun Cheese.

² Bel's fruit-based food business includes the financial results of Pom'Potes®, GoGo squeeZ®, Materne and Mont-Blanc brands.

³ This amount is adjusted for the estimated impact of changes in the scope of consolidation (notably the December 2022 sale to Polmlek of Bel's stake in Moroccan company Safilait and the August 2022 acquisition of a stake in Shandong Junjun Cheese).



Press release

Cécile Béliot, Chief Executive Officer of the Bel Group, commented: *“Bel achieved a solid level of organic growth in the first half, driven by the dynamic pace of our fruit segment, sustained development of our new territories, particularly China, and solid performances from our core brands, notably in North America and the Middle East. In Europe and North Africa, sales volumes contracted due to further increases in inflation and their impact on consumer purchasing power. Our priority over the next six months is to continue investing in our brands to support their development, while also restoring our margins to pre-crisis levels. Thanks to a unique business model combining profitability with responsibility, Bel is well positioned to handle the potential impacts of a constantly evolving environment.”*

Financial performance shaped by strong organic growth and a recovery in margins

Sales

Bel recorded consolidated sales of €1,790 million in the first six months of 2023, representing an organic increase of 9.1% over first-half 2022. On a reported basis, growth came to 6.3%, reflecting a 1.4% 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 a slightly unfavorable foreign exchange impact of 1.4%.

Sales growth was primarily driven by strong momentum in the fruit segment, sustained double-digit growth in China and solid performances by core brands such as Kiri® and Boursin®. In the plant-based food segment, Boursin® Plant-Based continued to perform very well in North America. Against a backdrop of continued across-the-board inflation, Bel recorded a decline in sales volumes in certain regions, partially offset by the responsible management of price increases. Lastly, with regard to distribution channels, the e-commerce and out-of-home (OOH) businesses maintained their positive trajectories in almost all geographies, with double-digit growth.

Sales by segment:

	First half			
millions of euros	2023	2022	% change	% organic growth**
Mature markets	1,253	1,246	0.5%	6.3%
New territories*	537	436	23.0%	16.9%
Total	1,790	1,683	6.3%	9.1%

* Comprising the business activities of MOM (Mont-Blanc, Maternelle), markets in Sub-Saharan Africa, and China.

** Including the adjustment for hyperinflation in Iran and Turkey.

Mature markets

In a business environment shaped by increased consumer price sensitivity, Bel's mature markets demonstrated their resilience, with positive organic growth of 6.3%.

North America trended up overall, thanks to a solid performance by Boursin® across the entire region. Canada posted very good figures for the first half, reflecting a strong performance by Babybel® and the sustained success of Boursin® Plant-Based.

Sales held firm in Europe thanks to price increases and a good performance from Babybel® in the UK, which offset the decline in sales volumes caused by the loss of consumer buying power.

Countries in the Middle East recorded a sharp year-on-year improvement on an organic basis, in terms of both market share and sales volumes. The reported contraction for the Middle East, Greater Africa region corresponds to the sale of Bel's stake in Moroccan company Safilait.



Press release

New territories*

New territories continued along its healthy growth trajectory, with positive organic growth of 16.9%. This performance was supported by the fruit segment⁴, which recorded dynamic growth in all geographies. China saw a hefty increase in its sales for the fourth consecutive year, underpinned by the performance of the Kiri® brand.

* Comprising markets in Sub-Saharan Africa, China and the business activities of MOM (Mont-Blanc, Materne).

Sales by region:

millions of euros	First half			
	2023	2022	% change	% organic growth*
Europe	791	739	7.0%	7.3%
Middle East, Greater Africa	305	339	(10.0)%	10.3%
Americas, Asia Pacific	694	605	14.6%	10.7%
Total	1,790	1,683	6.3%	9.1%

* Including the adjustment for hyperinflation in Iran and Turkey.

Results

Operating income for the first six months of 2023 was €108 million, up 57.1% from first-half 2022.

Operating income by segment:

millions of euros	First half 2023	First half 2022	% change
Mature markets	40	19	106.5 %
New territories*	68	49	37.6 %
Total	108	69	57.1 %

* Comprising markets in Sub-Saharan Africa, China and the business activities of MOM (Mont-Blanc, Materne).

Operating income grew by €39 million in first-half 2023 despite further sharp increases in inflation, which particularly impacted energy and labor costs. Growth in operating income reflected Bel's responsible approach to price increases, further efforts to improve productivity and a favorable basis of comparison, with first-half 2022 negatively impacted by the time lag between the additional costs generated by inflationary pressure on expenditure items and the implementation of price increases to offset those additional costs.

After considering the net financial result and income tax expense, consolidated net profit, Group share for first-half 2023 came to €55 million, compared with €34 million for the six months to June 30, 2022.

Financial position

Bel's balance sheet remains solid, with net financial debt totaling €917 million at June 30, 2023, versus €778 million at December 31, 2022. The change is primarily attributable to a seasonal impact on working capital requirement. Total equity now comes to €1,571 million, versus €1,592 million at December 31, 2022.

Bel continues to have a high level of liquidity. At June 30, 2023, the Group had €427 million in surplus cash and cash equivalents and €550 million in untapped credit lines, maturing in 2027.

⁴The fruit segment includes the results of the Pom'Potes®, GoGo squeeZ®, Materne and Mont-Blanc brands.



Press release

Pursuing efforts in corporate social responsibility

For its global sustainability performance, Bel has once again been awarded a platinum rating by Ecovadis, with an overall score in 2023 of 81%, up 2 points from the previous year.

In February, Bel signed an innovative business agreement with Carrefour, renewing the foundations of the retailer-manufacturer relationship to support the food and climate transition. The agreement includes an unprecedented set of measures designed to benefit consumers, protect the dairy industry and contribute to the goal of limiting climate change to 1.5°C.

In April, Bel invested in biotech startup Climax Foods Inc. with the aim of developing a new generation of fully plant-based cheeses for its brands The Laughing Cow®, Kiri®, Boursin®, Babybel® and Nurishh®. The new partnership will help Bel meet the triple challenge of offering products that are nutritious, sustainable and compatible with all budgets.

Bel is stepping up its commitment to the deployment of regenerative farming practices across all its dairy-producing regions. To this end, in March 2023 the Group announced the creation of a new global alliance. The aim is to bring together interested parties from around the world to speed up the development of regenerative agricultural practices, which improve soil health and help foster biodiversity. Bel has also pledged to start deploying a methane-reducing cattle feed additive as of 2024. The additive will lower cows' methane emissions by 25%, to help limit global warming to 1.5°C.

Outlook for 2023

As in 2022, Bel demonstrated its resilience once again in the first half of 2023, recording a solid level of organic growth and a recovery in margins, despite further significant increases in inflationary pressure.

The Group remains vigilant and cautious, in a particularly volatile geopolitical and economic environment, impacted by high across-the-board inflation and increased consumer price sensitivity. Bel will continue to invest in its core brands to support their development in order to make their products accessible to as many consumers as possible and capture a greater share of its strategic target markets. Consumer confidence in its iconic brands, a strong business dynamic in North America and steep growth trajectories for the fruit segment and China will enable Bel to further strengthen its position in its three complementary business segments – dairy, fruit and plant-based products.



Press release

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 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.

Net financial debt is described in note 5.6 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 Annual Report 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 major player in the food industry through portions of dairy, fruit and plant-based products, and one of the world leaders in branded cheeses. 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 30 local brands. Together, these brands helped the Group generate sales of €3.6 billion in 2022.

Some 10,800 employees in some 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 more than 120 countries.

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