



Bel

Third quarter 2019 financial information

Sales

Q3 2019 sales increase 3.7%
fuelled by growth in new territories and a positive forex impact

Sales advance 2.5% in the first nine months of the year

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.

In Q3 2019, Bel generated consolidated sales of €867 million, representing organic growth of 1.7%, after a flat 0.1% organic sales performance in the first half of the year.

Consolidated sales for the first nine months of 2019 totaled €2,525 million, up 2.5% versus the same period ended September 30, 2018. The positive foreign exchange impact accounted for 1.9% of the increase, mainly as a result of the U.S. dollar's appreciation against the euro. Accordingly, consolidated sales grew 0.6% organically in the first nine months of 2019.

The sales performance in the third quarter and the nine-month period is presented by segment in the following table.

	Third quarter			Nine months		
(in millions of euros)	2019 3 mos.	2018 3 mos.	% change	2019 9 mos.	2018 9 mos.	% change
Global Markets	720	704	2.2%	2,123	2,096	1.3%
New Territories	147	132	11.7%	402	366	9.8%
Group Total	867	836	3.7%	2,525	2,462	2.5%

Growth continued apace in New Territory markets, with a 9.4% organic increase in sales in Q3. Sales in the fruit segment remained buoyant, while efforts were pursued to grow sales of products adapted to consumer tastes in new territories.

In mature markets (Global Markets), the good Q3 sales performance stemmed in particular from “back to school”-related promotional offers. On a comparable exchange-rate basis, sales of cheese in these markets grew 0.7% organically in Q3, while sales of industrial products continued to decline, falling an aggregate 10.0% during the first nine months of the year. Following the same trends observed in the first half of the year, Bel's Q3 consolidated sales advanced in Northern and Eastern Europe, while markets in Africa and the Middle East remained tough.

Outlook for 2019

Bel is continuing its transformation and development with a bright sales outlook for the last quarter of the year. Operating margin for the full year is expected to improve significantly over 2018. Favorable factors include raw material prices — which are still high but relatively stable, in line with company expectations — productivity gains and optimized advertising and promotional spending.

On October 16, 2019, on the occasion of World Food Day, Bel reiterated its commitment to championing healthier and responsible food for all and unveiled its new corporate identity and signature, “For All. For Good”.

The company has adopted a sustainable and profitable growth model. Bel intends to broaden its range to plant-based products and invest in new distribution channels and new territories to offer products accessible to everyone, everywhere. Bel and its brands are seeking to grow by making a positive impact “from the farm to the fork”. The company is committed to a continuous improvement drive based around five priority challenges. These include healthy food, sustainable farming, responsible packaging, reducing Bel's environmental footprint, and product accessibility.

This vision opens the path to an inclusive food business model and innovative, responsible and growth-bearing brands.

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.

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.

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®, Pom'Potes®, and GoGo squeeZ®, as well as some 20 local brands. Together, these brands helped the Group generate sales of €3.3 billion in 2018.

Some 12,600 employees in some 30 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 32 production sites and distributed in nearly 130 countries.

www.groupe-bel.com

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