



Suresnes — February 28, 2023, at 6 p.m.

Bel

Second-half 2022 financial information

Sales

Excellent performance in the fruit segment and in China, growth for Bel's iconic brands

- **Consolidated sales for the year amounted to €3,595.3 million, representing strong organic growth of 13.2%¹, supported by Group's strategic decisions:**
 - Acceleration in sales in new territories, with another record year of growth for the fruit segment² in all geographies and for China: 28.5%
 - Resilience of global (mature) markets, thanks to the solid performances of the Babybel® and Boursin® brands, and strong growth in North American markets: 8.9%
 - Annual sales increased by 6.4% on a reported basis compared to 2021 which included the Leerdammer brand assets sold to Lactalis at the end of September.
- **Second-half sales: €1,912.5 million, representing organic growth of 15.3%¹**

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 a volatile macroeconomic and financial environment in 2022, shaped by inflation across all its purchasing categories, the Bel Group recorded consolidated sales of €3,595.3 million, representing organic growth of 13.2%. On a reported basis, sales were up 6.4% over the prior year, reflecting a €375 million negative impact from changes in the scope of consolidation (primarily related to the sale to Lactalis of an assets portfolio consisting primarily of the Leerdammer brand³) and a positive foreign exchange impact of 5.6%, resulting notably from the U.S. dollar's appreciation against the euro.

This robust performance is attributable to strong growth in volumes in new territories, particularly the fruit segment² in all geographies, very strong growth in China, positive sales momentum in North America and the responsible management of price increases. Organic growth in annual sales was driven by increased sales of GoGo squeeZ® and Pom'Potes® products, as well as by Bel's core brands, particularly Babybel® and Boursin®. Overall, annual sales increased across all brands and all regions in 2022.

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 Lactalis of a portfolio comprising Royal Bel Leerdammer B.V., Bel Italia and Bel Deutschland subsidiaries, the Leerdammer brand and all related rights, plus Bel Shostka Ukraine, as well as the sale to Polmlek of Bel's stake in Moroccan company Safilait and to the acquisition of a majority stake in Shandong JunJun Cheese.

² The fruit segment comprises the results of all MOM Group businesses, which notably include the Pom'Potes®, GoGo squeeZ® Materne® and Mont-Blanc® brands.

³ Portfolio comprising Royal Bel Leerdammer B.V., Bel Italia and Bel Deutschland subsidiaries, the Leerdammer brand and all related rights, plus Bel Shostka Ukraine.



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Nurishh, Bel's first global brand to be 100% plant-based, continued its development initiated in 2021 in line with growing consumer demand for alternatives to cheese. Positive momentum was also maintained by the new plant-based ranges rolled out by the core brands, with very good results for these varieties of Babybel® and Boursin®. Lastly, in terms of distribution channels, Bel's e-commerce and out-of-home (OOH) segments recorded double-digit sales growth for the second year in a row. The e-commerce segment continued to perform well, notably in China, the United States, the United Kingdom and Ireland. While the OOH segment pursued its positive momentum, particularly in France, China and the United States.

Consolidated sales for the second-half of 2022 came to €1912.5 million, up 13.3% on a reported basis over the second-half of 2021, which included sales from the assets portfolio consisting primarily of the Leerdammer brand sold to Lactalis at the end of September. The reported change reflects robust organic growth of 15.3% (representing €237.5 million) and a foreign exchange impact of 5.9% (€92.3 million).

Cécile Béliot, Chief Executive Officer of the Bel Group, commented: *“Against a backdrop of unprecedented crisis, Bel has recorded strong organic growth of 13.2%, confirming the momentum of its new growth territories and the resilience of cheese volumes in its global mature markets. Responsible management of price increases has enabled us to compensate for a substantial portion of inflation and to maintain our solid performance. These results reflect consumer attachment to our iconic brands and the confidence of our distributor partners, despite the current economic environment. They also provide further proof of the validity of our strategic decisions, to expand our fruit segment, for example, and to step up our development in China and the United States. Faced with a still uncertain environment, we intend to capitalize on the quality of our teams, our popular brands, Bel's industrial agility and financial solidity, to pursue our growth objectives, while remaining true to our mission of championing healthier and responsible food for all.”*

Key figures

millions of euros	Second-half				12 months			
	2022	2021	% change	% organic growth	2022	2021	% change	% organic growth
Mature markets	1,408	1,336	+5.4%	+12.2%	2,654	2,713	-2.2%	+8.9%
New territories¹	505	352	+43.2%	+25.9%	941	666	+41.3%	+28.5%
TOTAL	1,912	1,688	+13.3%	+15.3%	3,595	3,379	+6.4%	+13.2%

¹ Comprising the business activities of MOM (Mont-Blanc, Materne), as well as markets in Sub-Saharan Africa and China.



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Global (mature) markets: resilience of volumes in Europe and strong growth in North America

The mature markets recorded robust sales growth thanks to the resilience of volumes in Europe and strong momentum in North America, despite the inflationary environment, which tends to erode consumer purchasing power. Growth stood at 8.9% on an organic basis and -2.2% as reported due to changes in the scope of consolidation, primarily relating to the sale of the Leerdammer brand.

Europe posted organic growth of 8.0%, reflecting a positive price effect and the resilience of Bel's core brands. A double-digit growth was notably recorded in the United Kingdom, Portugal and Spain, while France maintained its positive dynamic.

The North America region continued to pursue its growth trajectory. The United States recorded very positive progress, with double-digit growth in the cheese segment thanks to excellent performances by the Babybel® and Boursin® brands. Canada also saw its sales pick up pace once again in 2022. Launched respectively in April and October 2022, Babybel® Plant-Based put in an excellent performance in these two countries, confirming the high potential of this dairy-free alternative to cheese.

Lastly, with the economic situation stabilizing in most of Bel's markets in the Middle East and Greater Africa, this region recorded organic growth of 9.8%.

New territories: further growth in fruit segment and excellent performance in China

Bel's new territories recorded strong growth in 2022, with sales up 28.5% versus 2021. The fruit segment continued along its steep growth trajectory, posting a double-digit increase in sales supported by a still-positive volume effect and an excellent performance in the United States, Canada, France and China.

China maintained its dynamic momentum, posting very strong growth – in the double digits for the third consecutive year – across all product segments and all distribution channels despite a contraction in the market due to the country's zero-Covid policy.

<i>millions of euros</i>	12 months			
	2022	2021	% change	% organic growth
Europe	1,542	1,789	-13.8%	+8.0%
Middle East, Greater Africa	707	615	+15.1%	+9.8%
Americas, Asia Pacific	1,347	975	+38.0%	+22.9%
TOTAL	3,595	3,379	+6.4%	+13.2%



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Expansion into new territories

Bel continued to implement its international expansion strategy in 2022, carrying out major acquisitions aligned with its strategic goals and priorities. In August, Bel acquired a 70% majority stake in Shandong Junjun Cheese in order to support its growth ambitions in China with state-of-the-art manufacturing and innovation capabilities. In November, Bel signed an agreement with Indian food industry leader Britannia Industries Ltd. (BIL) to create a joint-venture aimed at offering consumers in India a world-class range of delicious, nutritious and accessible cheese products. The deal included the acquisition by Bel of a 49% stake in Britannia's wholly owned subsidiary Britannia Dairy Private Limited (BDPL). And in December, Bel finalized the sale to Polmlek of its stake in Moroccan company Safilait.

Confirmation of 2022 earnings outlook

In a complex environment still shaped by the uncertainties observed in the first half of the year, Bel recorded solid organic growth of its sales. Consumer confidence in its iconic brands, strong volume growth in the fruit segment and excellent performances in North America and China all confirm the validity of the strategic development areas chosen by Bel to strengthen its position in the global healthy snack market. Bel achieved to offset a substantial portion of the impact of across-the-board inflation with its productivity efforts and by taking a reasoned, responsible approach to product price increases, designed to maintain the right balance between price and volume while also limiting the unfavorable impact on its margins.

Bel will publish its financial results for 2022 on March 15, 2023.



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Definitions and additional notes:

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 sales for the current-year period.

“New territories” comprises the business activities of MOM (Mont-Blanc, Materne), as well as markets in Sub-Saharan Africa and China.

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 11,800 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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