

## PRESS RELEASE: Financial Statements for 2018

### Reinforcement of international operations & growth in current operating profit

Key figures in €m	31/12/2018	% net sales	31/12/2017	% net sales	Changes in %			
					Total	Structure	Forex	Growth
<b>Net sales:</b>	<b>4,863</b>		<b>4,853</b>		<b>0.2</b>	<b>2.0</b>	<b>-3.8</b>	<b>2.1</b>
- for Cheese Products	2,795	57.5	2,761	56.9	1.2	2.8	-1.9	0.5
- for Other Dairy Products	2,193	45.1	2,233	46.0	-1.8	0.9	-6.3	3.8
<b>Current operating profit</b>	<b>177.6</b>	<b>3.7</b>	<b>172.7</b>	<b>3.6</b>				
Operating profit	115.9	2.4	153.3	3.2				
Net financial expense	-18.4	-0.4	-16.1	-0.3				
Result on net monetary position	-14.6	-0.3	---	---				
Taxes on income	-28.4	-0.6	-46.1	-1.0				
<b>Group share of net income</b>	<b>54.8</b>	<b>1.1</b>	<b>93.0</b>	<b>1.9</b>				
<b>Net debt</b>	<b>564</b>		<b>532</b>					
<b>Equity</b>	<b>1,396</b>		<b>1,378</b>					

*The statutory audit procedures have been completed and the audit report is in the process of issuance.  
 The definitions and bases of calculation of aggregates such as the impacts of changes in structure, foreign exchange or organic growth are unchanged and as defined in the Group's financial report.*

Groupe Savencia Fromage & Dairy's net sales increased by 0.2% in 2018 compared to 2017, reflecting organic growth of 2.1%, a positive scope of consolidation impact of 2.0% and a negative foreign exchange impact of 3.8% as discussed in the Group's press release dated February 7, 2019.

Current operating profit for 2018, at €177.6 million, increased by €4.9 million or 2.9% compared to 2017. The growth and development of the Group's international operations have offset the negative impact of the dairy environment (very unfavorable for Other Dairy Products) and the pressure on margins for retail products in Europe and particularly in France. At 3.7%, the current operating margin increased slightly thanks to Cheese Products whose margin rose from 5.3% to 5.7%. In contrast, the current operating margin for Other Dairy Products decreased from 2.0% to 1.9%.

Operating profit at to €115.9 million or 2.4% of net sales integrates the provisions associated with the closure of three plans in Europe, the development of certain shared administrative, commercial and marketing functions designed to enhance competencies, and miscellaneous contingencies.

Net financial expense of €18.4 million reflects a €2.8 million presentation impact compared to 2017 resulting from the application of IFRS 9, *Financial Instruments*.

The €14.6 million charge for net monetary position equates with the application in 2018, for Argentina, of IAS 29, *Financial Reporting in Hyperinflationary Economies*. The resulting adjustments have had no impact on the Group's cash position.

The Group's share of net income, at €54.8 million, represents 1.1% of net sales. The Group's financial position remains under control with a net debt/equity ratio of 40.4%.

#### **Dividend**

At the Annual General Meeting to be held on April 18, the Board of Directors will propose the distribution of a €1 dividend per share.

#### **Outlook for 2019**

In the spirit of the major consultation on food in France, and satisfied with the dialogue engaged with the dairy industry and retailers, Savencia Fromage & Dairy is pursuing its policy of enhancing the price paid for the milk it purchases for the retail products it manufactures and distributes in France.

Within a context of extreme price volatility for dairy raw materials, currency instability and ever greater concentration of European retailers, the challenge for 2019 will be one of pursuing the profitable growth of the Group's brands, resulting from an improvement of its competitiveness, its teams' commitment and the ever greater quality of its products.

Additional information may be consulted on our website: [savencia-fromagedairy.com](http://savencia-fromagedairy.com)

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