



Financial Analysts' Meeting



Viroflay, Thursday March 12,
2020





Oxygen

**Healthy and
responsible pleasure**



**Co-develop sustainable
agricultural practices**



**Reduce our environmental
impact**



**Favor our employees'
wellbeing**



Our employees' wellbeing and solidarity



oxygen

COLLABORATEURS

SOCIÉTÉ CIVILE

PARTENAIRES
COMMERCIAUX

PRODUCTEURS

ENVIRONNEMENT

CONSOMMATEURS

PARTENAIRES
COMMERCIAUX

CONSOMMATEURS

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SOCIÉTÉ CIVILE

ENVIRONNEMENT



oxygen

Environmental footprint



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COMMERCIAUX

CONSOMMATEURS

PRODUCTEURS

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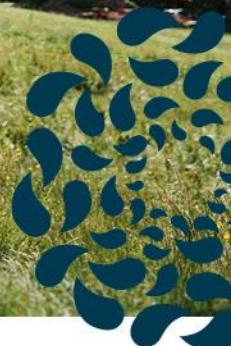
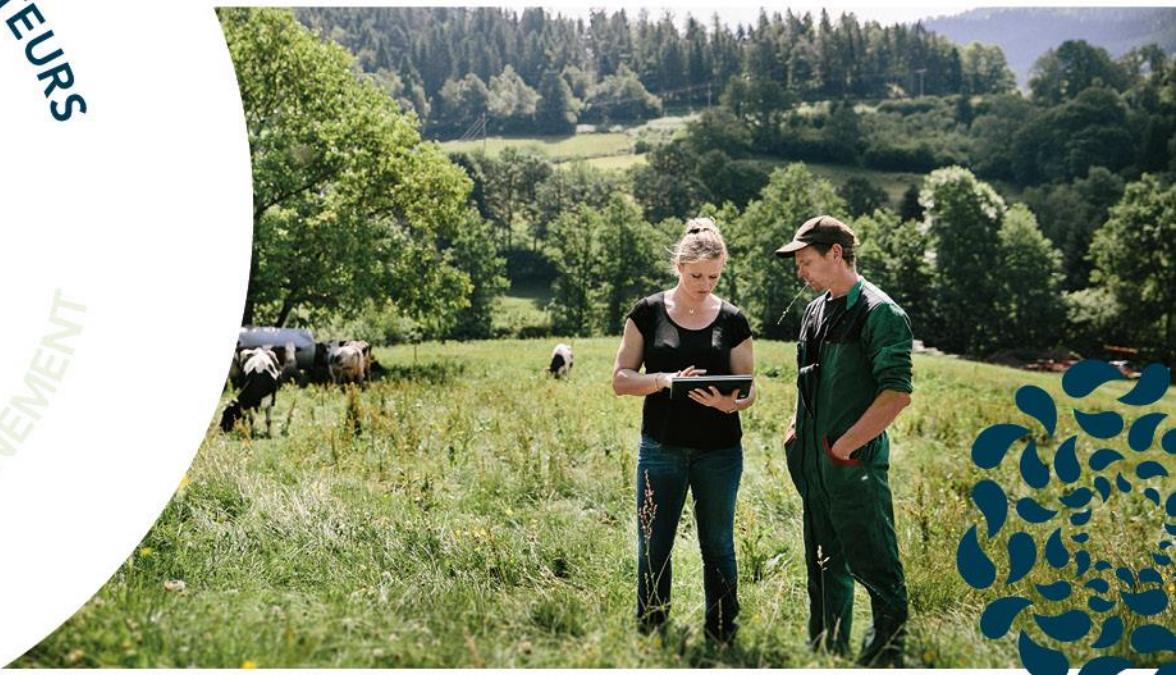
ENVIRONNEMENT

SOCIÉTÉ CIVILE



oxygen

Sustainable agricultural practices



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**Healthy and responsible
pleasure**





#PositiveFood





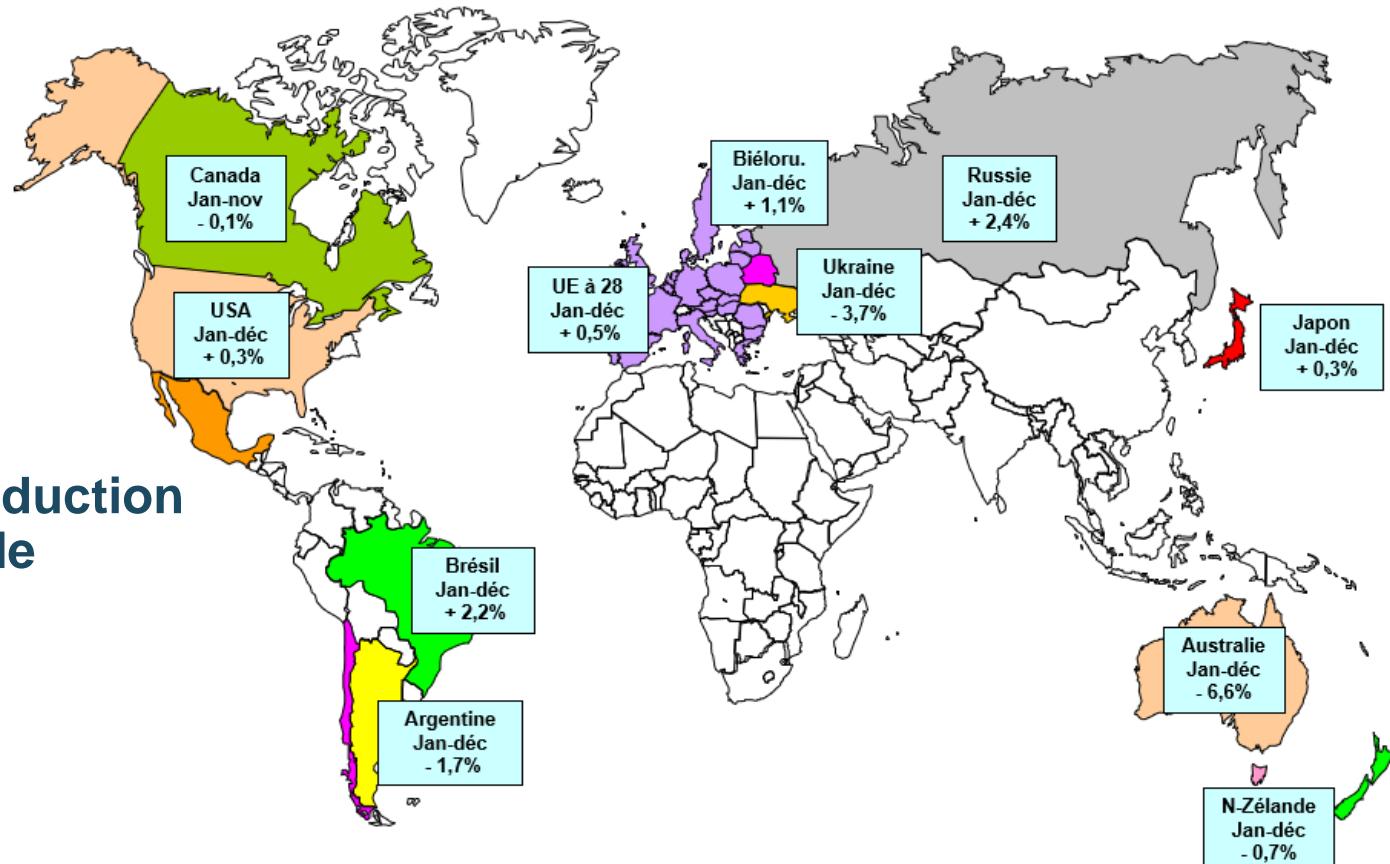
The dairy
environment

THE DAIRY ENVIRONMENT IN 2019



- Stability of world milk production
- Sustained global trading in dairy products
- Rebalancing of the value of milk fat and protein
- In France:
 - Impact of the Egalim food law
 - Accentuation of milk differentiation

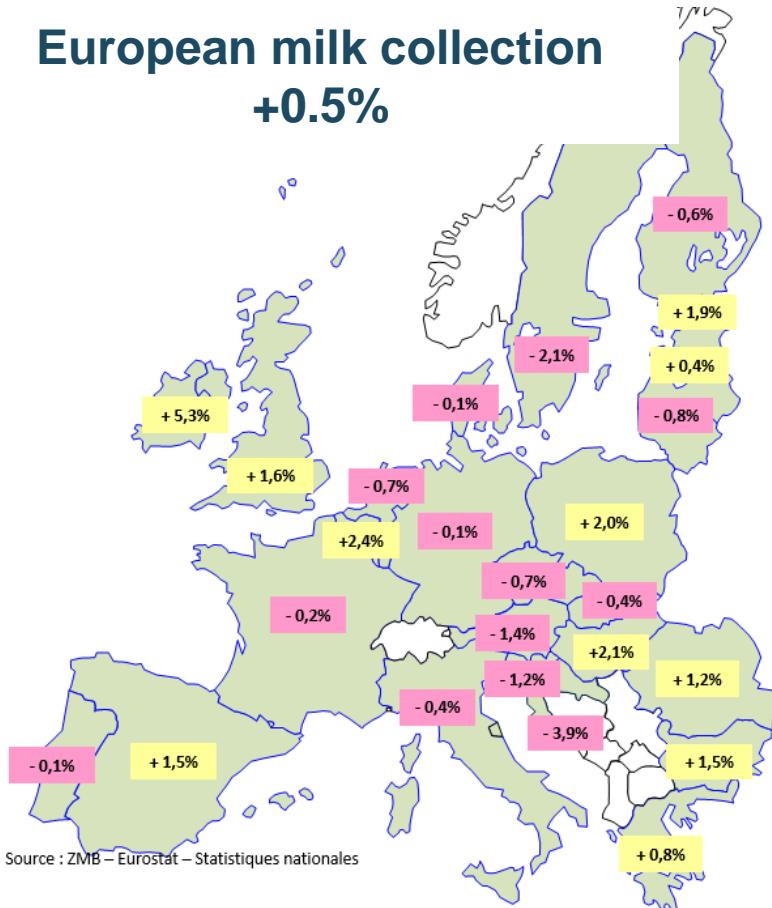
THE DAIRY ENVIRONMENT IN 2019



Stable milk production
worldwide

THE DAIRY ENVIRONMENT IN 2019 – EUROPEAN MILK COLLECTION

European milk collection +0.5%



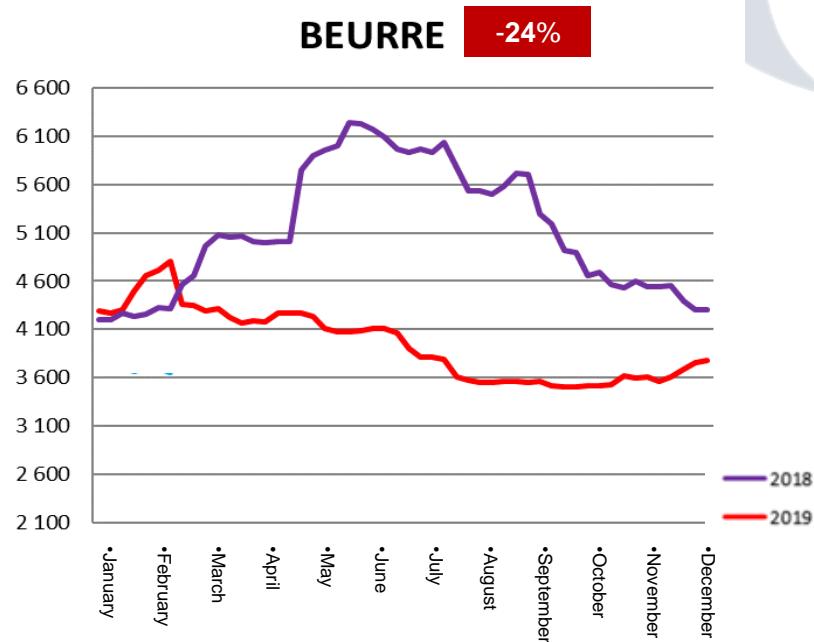
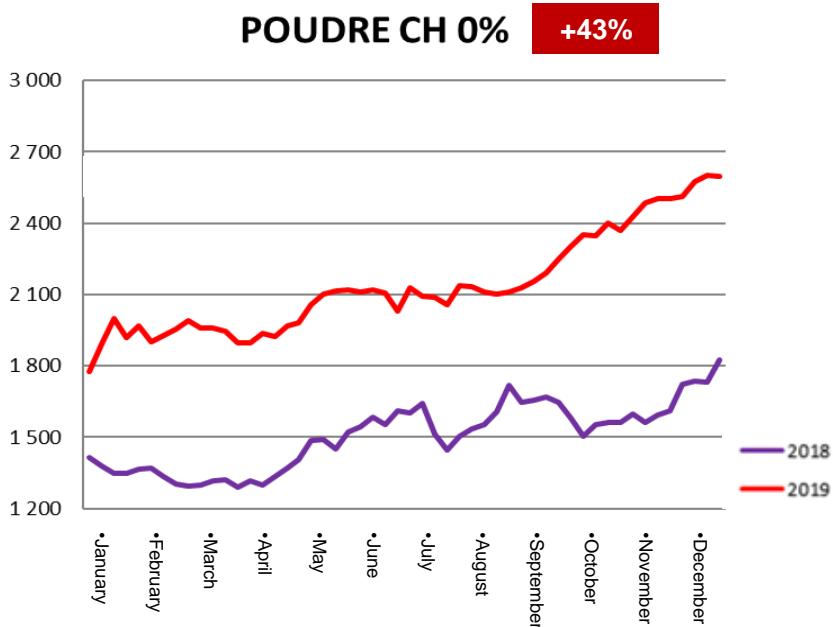


Sustained international trading

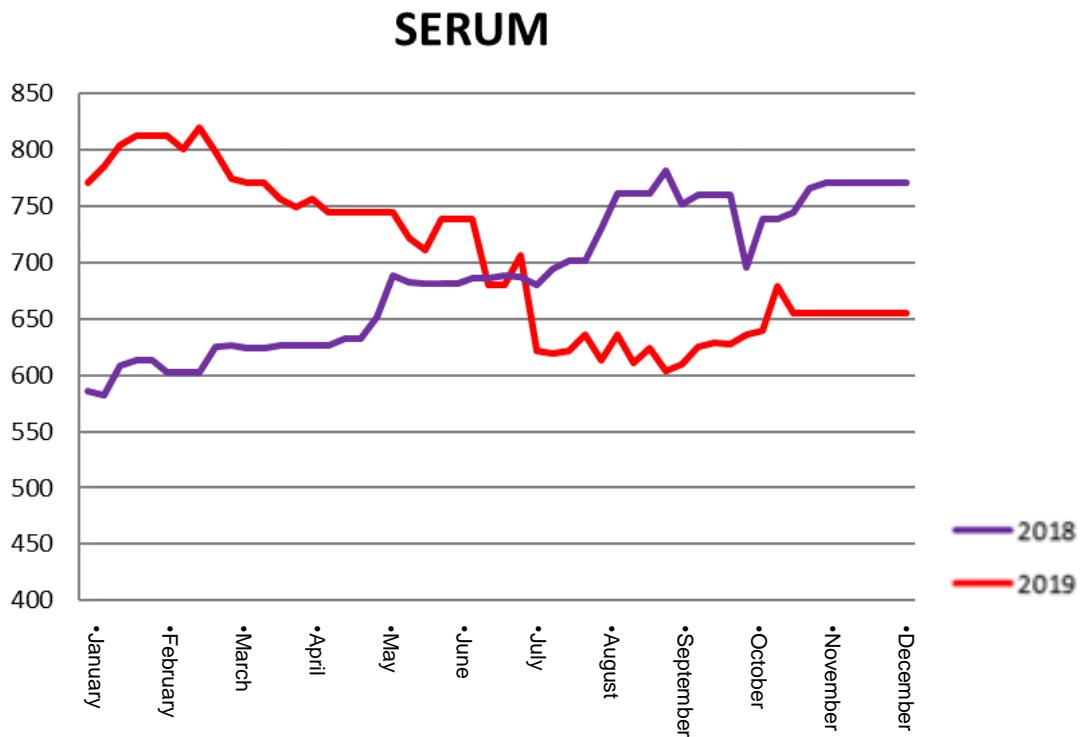
● Butter	+ 6%	+ 50,000T
● Powdered skim milk	+ 6%	+ 134,000T
● Cheese	+ 4%	+ 84,000T
● Powdered whey	- 7%	- 98,000T

THE DAIRY ENVIRONMENT IN 2019 – POWDERED SKIM MILK

Rebalancing of the value of milk fat and protein



THE DAIRY ENVIRONMENT IN 2019 – WHEY



THE DAIRY ENVIRONMENT IN 2019 – FRANCE'S EGALIM LAW

L'éleveur laitier

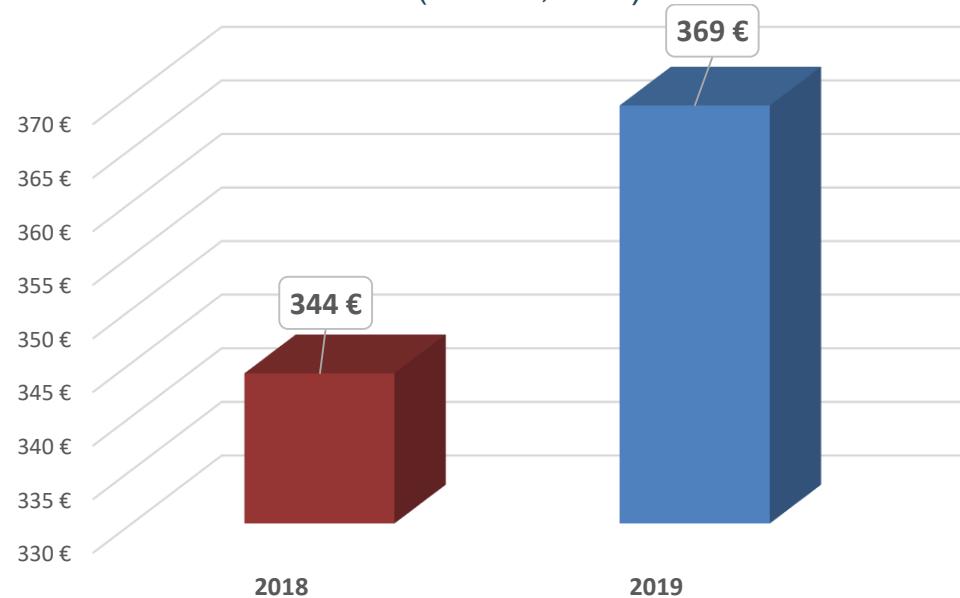
Les hausses sur les PGC France ont eu un rôle prépondérant dans l'évolution du prix. À ce jeu, tout le monde n'a visiblement pas joué avec les mêmes cartes.



THE DAIRY ENVIRONMENT IN 2019 – FRANCE

Change in the price of milk (actual composition) 2018 & 2019 (all uses)

(in € / 1,000 l)



THE DAIRY ENVIRONMENT IN 2020



❖ France: EGalim

- ❖ The challenge posed by distributor brands

❖ International

- ❖ The impacts of the Coronavirus



Oxygen

OXYGEN: 4 MAJOR FOCUSES FOR PROGRESS BY 2025



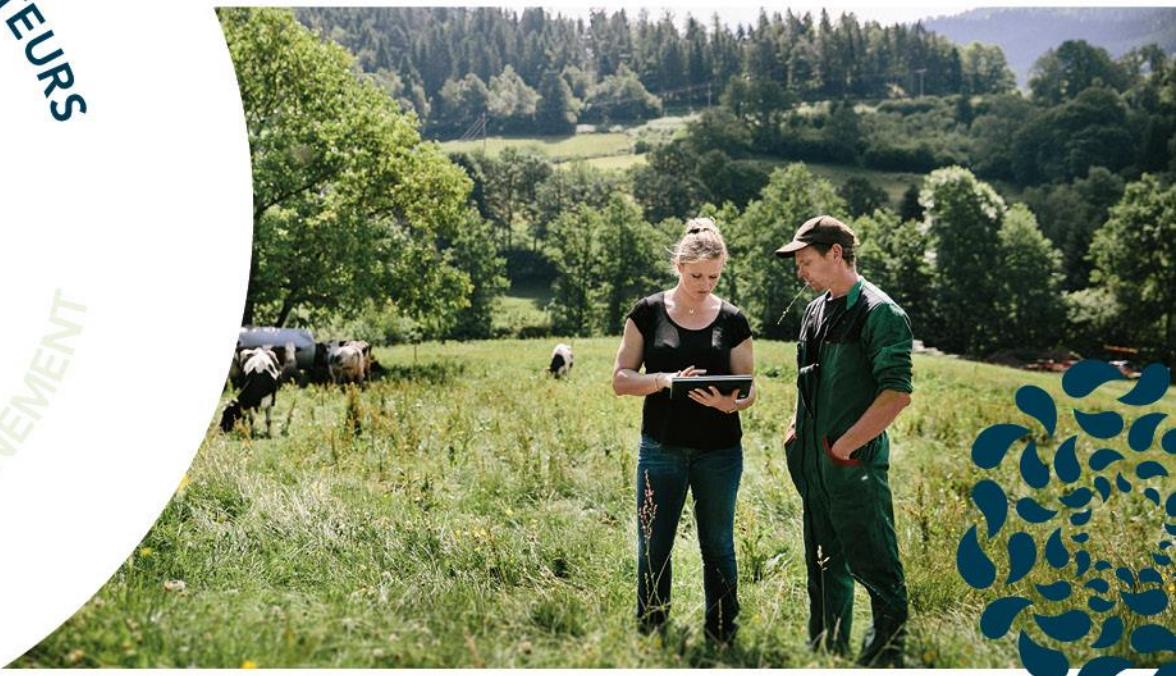
Our employees' wellbeing and solidarity



Environmental footprint



Sustainable agricultural practices



THE DAIRY ENVIRONMENT IN 2019 – SUSTAINABLE MILK PRODUCTION

Portrait of a typical dairy farm delivering to Savencia*



2
actifs



113 hectares



dont 50 ha de prairies
dont 17 ha de surfaces
d'intérêt écologique



95%
d'autonomie



191 jours
de pâturages

CO₂

0,81 kg
éq. CO₂ / litre de lait

*data from Sustainable Milk Production diagnoses

THE DAIRY ENVIRONMENT IN 2019 – SUSTAINABLE MILK PRODUCTION

Co-develop more sustainable milk procurement

Extend the charter of best farming practices



A horizontal strip consisting of six photographs, each paired with a numbered callout box:

- 1 J'ASSURE LA TRACABILITÉ DE MES ANIMAUX SUR MON EXPLOITATION** (Orange box) - A white cow in a field.
- 2 JE PROTÈGE LA SANTÉ DE MON TROUPEAU** (Teal box) - A woman holding a yellow container in a barn.
- 3 JE GARANTIS À MES ANIMAUX UNE ALIMENTATION Saine, ÉQUILIBRÉE ET SUIVIE** (Green box) - Cows in a field.
- 4 JE PROTÈGE LA QUALITÉ DE MON LAIT PAR UNE HYGIÈNE RIGOUROUSE** (Blue box) - A person milking a cow.
- 5 JE M'ASSURE DU BIEN-ÊTRE DE MES ANIMAUX ET DE LA SÉCURITÉ DES PERSONNES QUI TRAVAILLENT SUR L'EXPLOITATION** (Pink box) - A man standing with cows in a field.
- 6 JE PARTICIPE À LA PROTECTION DE L'ENVIRONNEMENT** (Yellow box) - Cows grazing in a field.

THE DAIRY ENVIRONMENT IN 2019 – SUSTAINABLE MILK PRODUCTION

Sustainably promote procurement creating value

Develop four differentiated dairy segments



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ENVIRONNEMENT



oxygen

Environmental footprint



THE DAIRY ENVIRONMENT IN 2019 – SUSTAINABLE MILK PRODUCTION

Reduce our environmental footprint

Maintain local collection



In France,
**90% of our milk is collected
within 70 km of our cheese
plants**



And even,
**2/3 within 30 km
of our cheese plants**

THE DAIRY ENVIRONMENT IN 2019 – SUSTAINABLE MILK PRODUCTION

Reduce our environmental footprint

Contribute to carbon neutrality



Reduce the carbon
footprint of our milk
collection

Tons of carbon equivalent saved (evolution vs 2010)	
2018	-191,000 T eq.CO2
2019	-217,000 T eq. CO2
Objective 2020	-246,000 T eq.CO2
Objective 2025	-300,000 T eq. CO2

ENVIRONMENTAL FOOTPRINT: REDUCTION IN PACKAGING



% of recyclable or biodegradable packaging	
2019	80%
Objective 2025	100%



- Fol Epi: recyclable tray with 30% of recycled plastic
- Tartare portions: 50% of recycled plastic



Other Dairy Products

OTHER DAIRY PRODUCTS – AFP (USA)

AFP has comforted its positions and enlarged its product solutions



OTHER DAIRY PRODUCTS – INGREDIENTS AND NUTRITIONAL SOLUTIONS



The market for protein has regained a certain balance

OTHER DAIRY PRODUCTS – INGREDIENTS AND NUTRITIONAL SOLUTIONS



Strong demand for nutritional solutions

OTHER DAIRY PRODUCTS – INGREDIENTS AND NUTRITIONAL SOLUTIONS

modilac®



The crisis of January 2019

OTHER DAIRY PRODUCTS – BUTTER AND CREAM



C'est le nombre de jours où les vaches sont dehors en moyenne en Normandie.

OTHER DAIRY PRODUCTS – BUTTER AND CREAM



Naturalness and origin



OTHER DAIRY PRODUCTS – FOOD SERVICE



A recognized position in France and internationally

OTHER DAIRY PRODUCTS – FOOD SERVICE

la maison de l'Excellence®



SAVENCIA
FROMAGE & DAIRY



Cheese Products

GLOBAL TRENDS IN CONSUMPTION

- More natural
- More local
- More sustainable
- More flexitarian

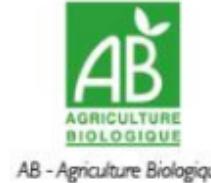
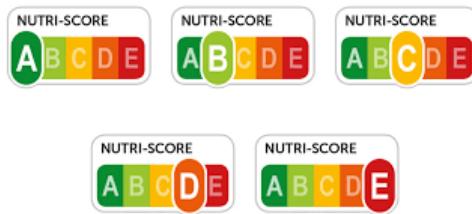
Eating better!

- More delicious
- Up market



EATING BETTER THANKS TO LABELS?

The multiplication of logos and labels



NUTRI-SCORE: ITS LIMITS

1



Does not give sufficient weight to **positive nutrients** and gives **too much weight** to “empty” foodstuffs

2



Does not take account of **patterns of consumption** and **portion size**

3



Does not take account of the **degree of processing** of foodstuffs and encourages ultra-transformation

LAIT écrémé (Origine: France) LAIT écrémé concentré ou en poudre (Origine: UE) fruits (6,3% en moyenne) (myrtille, fraise, citron, cerise, ananas, pêche) épaississants (amidon transformé / E1422, gomme xanthane / E415, pectine / E440, carraghénanes / E407) jus d'ananas à base de concentré (dans variété ananas) jus concentré de carotte noire (dans variétés fraise et cerise) jus de citron à base de concentré (dans variété citron) correcteurs d'acidité (acide citrique / E330, citrates de sodium / E331, acide lactique / E270) édulcorants (acésulfame-K / E950, sucralose / E955, glycosides de stéviol / E960) arômes fermentés lactiques (LAIT) vitamine D

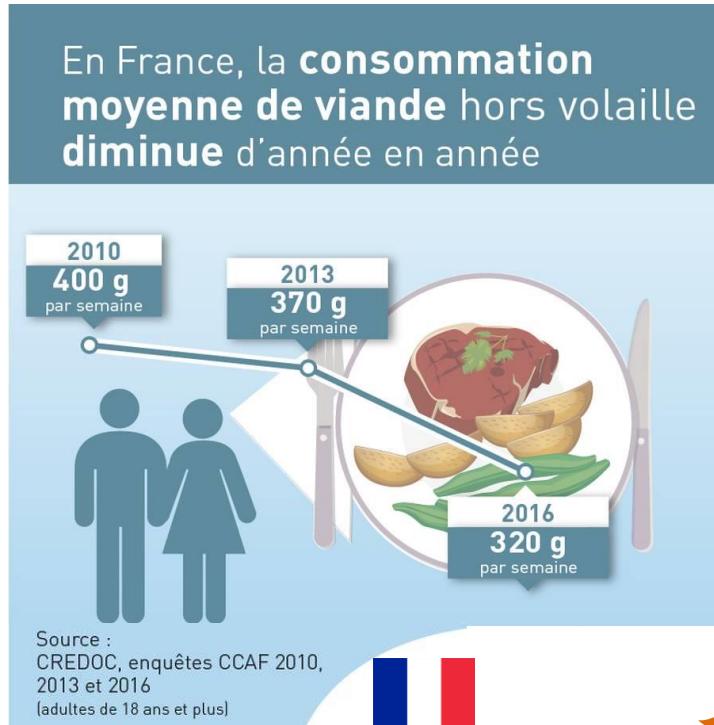
NOTRE REUSSITE



#PositiveFood: NATURALNESS



#PositiveFood: FLEXITARIAN, THE DIET OF THE FUTURE



#PositiveFood: CHEESE AT THE HEART OF THE MEAL

As part of a salad



NUTRI-SCORE
 A B C D E



NUTRI-SCORE
 A B C D E

Ripe mango
Pomegranate seeds
Mesclun salad mix
Chopped chives
Virgin sesame oil
Green lemon juice
Black sesame seeds
Mini Caprice des Dieux



NOVA
4

NUTRI-SCORE
 A B C D E

List of ingredients:

Conchiglie cuit 27% (eau, semoule de blé dur, œuf, sel, épices), œuf 17%, salade verte 14%, poulet rôti traité en salaison 14% (viande de poulet 13%, eau, huile de tournesol, sel, dextrose, féculle de manioc, arôme naturel), carotte 11%, tomates cerises 8%, fromage 3% (conservateur : E1105), huile de colza, persil, jus de citron, ferment. (% exprimés sur la salade) Cette salade peut contenir des traces de soja. => Sauce vinaigrette 25g : huile de colza, vinaigre balsamique de Modène 39% [vinaigre de vin (sulfites), moût de raisin, colorant : E150d], huile d'olive vierge, sel. (% exprimés sur la vinaigrette) => Cookie pépites de chocolat 18g : farine de blé, pépites de chocolat 23% (sucre, pâte de cacao, beurre de cacao, poudre de cacao maigre, émulsifiant : lécithine de tournesol, arôme vanille), sucre, huile de colza, beurre concentré, sucre roux, blanc d'œuf, jaune d'œuf, eau, sel, poudres à lever : E450, E500, amidon de blé. (% exprimé sur le cookie) => 3 gressins 15g : farine de blé, eau, huile d'olive vierge, romarin, levure boulangère, sel, graines de pavot, semoule de blé dur, sucre. Poulet : Origine UE

100% natural

100% additives

#PositiveFood: CHEESE AND VEGETABLES

- In partnership with our customers



- On our internet applicis



APÉRITIF

Houmous de fèves au fromage italien
GIOVANNI FERRARI - 20 min - Facile



PLAT

Gratins de courgettes au fromage frais ail & fines herbes
TARTARE - 20 min - Facile

#PositiveFood: CHEESE AT THE HEART OF THE MEAL

As a hot dish



PROBIER MAL
KÄSE MIT GEMÜSE

Rezepte auf ich-liebe-kaese.de

Géramont BRESSO Saint Agur Fol Epi

#PositiveFood: CHEESE AT THE HEART OF THE MEAL

As a hot dish



#PositiveFood: CHEESE AT THE HEART OF THE MEAL

As a culinary aid



#PositiveFood: THROUGHOUT THE WORLD

- In Rumania



#PositiveFood: THROUGHTOUT THE WORLD

● In China



#PositiveFood: CHEESE, HEALTHY AND “GLOCAL” SNACKING



#PositiveFood: CHEESE, HEALTHY SNACKING

- In the Czech Republic



#PositiveFood: CHEESE FOR DESSERT



Czech Republic



Japan

#PositiveFood: CHEESE, SUSTAINABLY DELICIOUS



#PositiveFood: CHEESE, SUSTAINABLY DELICIOUS



Too Good To Go

Pacte sur les
Dates de Consommation

#PositiveFood: CHEESE, LOCALLY DELICIOUS

Germany: GMO-free mountain milk



#PositiveFood: CHEESE, LOCALLY DELICIOUS

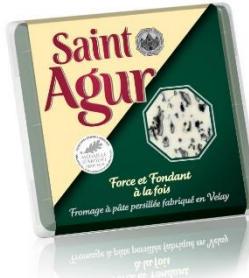


Pour votre santé, mangez au moins cinq fruits et légumes par jour. www.mangerbouger.fr

#PositiveFood: CHEESE, LOCALLY DELICIOUS



#PositiveFood: CHEESE, LOCALLY DELICIOUS



#PositiveFood: CHEESE, LOCALLY DELICIOUS

Argentina



#PositiveFood: CHEESE, LOCALLY DELICIOUS

- Germany: Bresso herbs of Provence



#PositiveFood: CHEESE, SUPREMELY DELICIOUS

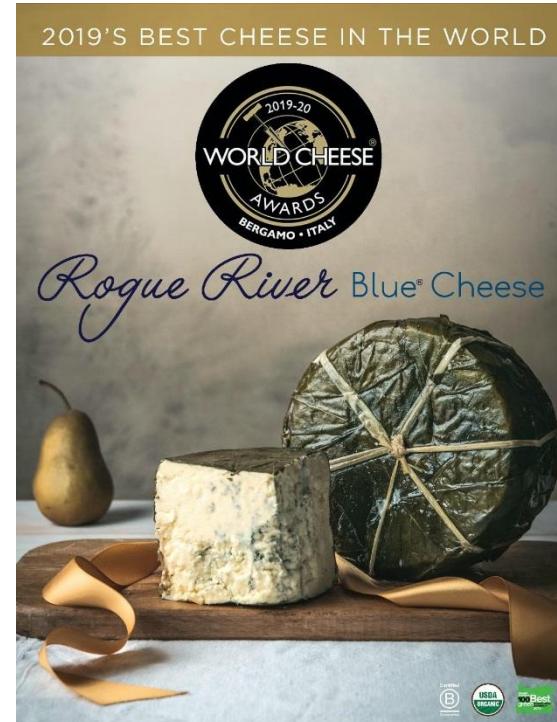
USA



supremecheese.com

#PositiveFood: CHEESE, WINNINGLY DELICIOUS

◆ Rogue River Blue, an American world champion cheese!



#PositiveFood: CHEESE, IMMENSELY DELICIOUS

- In Great Britain



CONCLUSION

- Our #PositiveFood strategy aims to meet all the needs of the consumers of today:

- Naturalness
- Flexitarian
- Sustainable development
- Local anchorage
- Combating waste



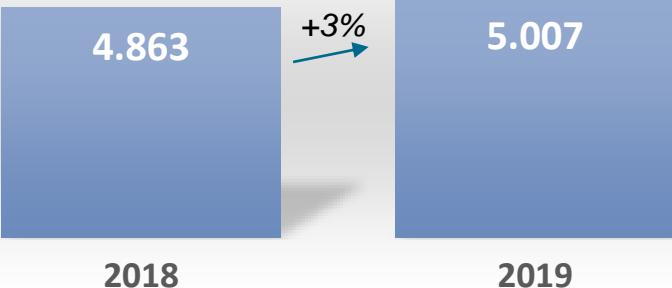
- Despite a difficult environment, the strategy has enabled Savencia to pursue its growth



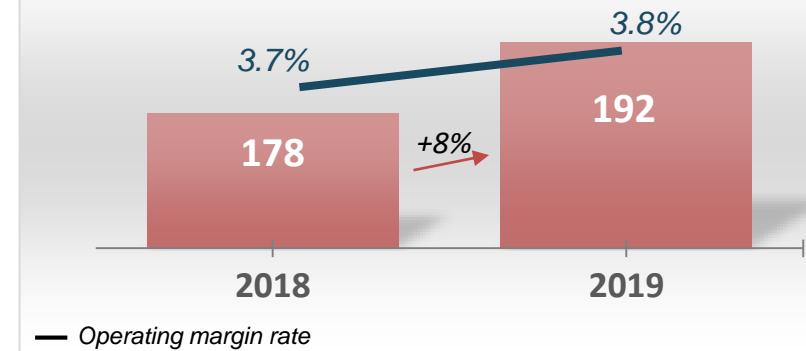
Financial Statements for 2019

KEY FIGURES 2019 *(in €M)*

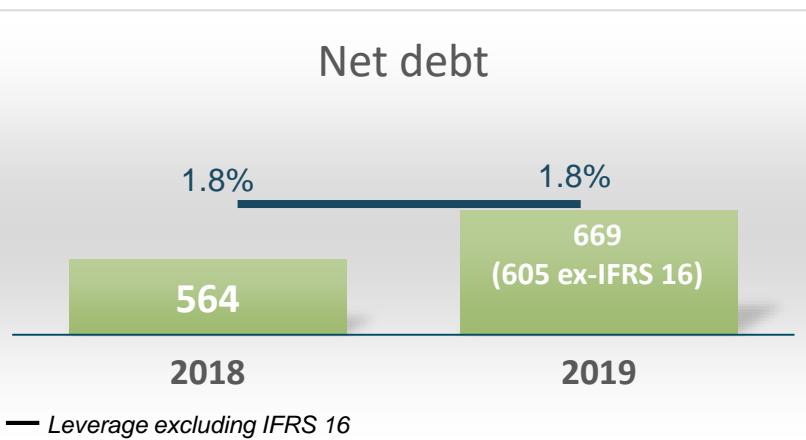
Net sales



Current operating profit



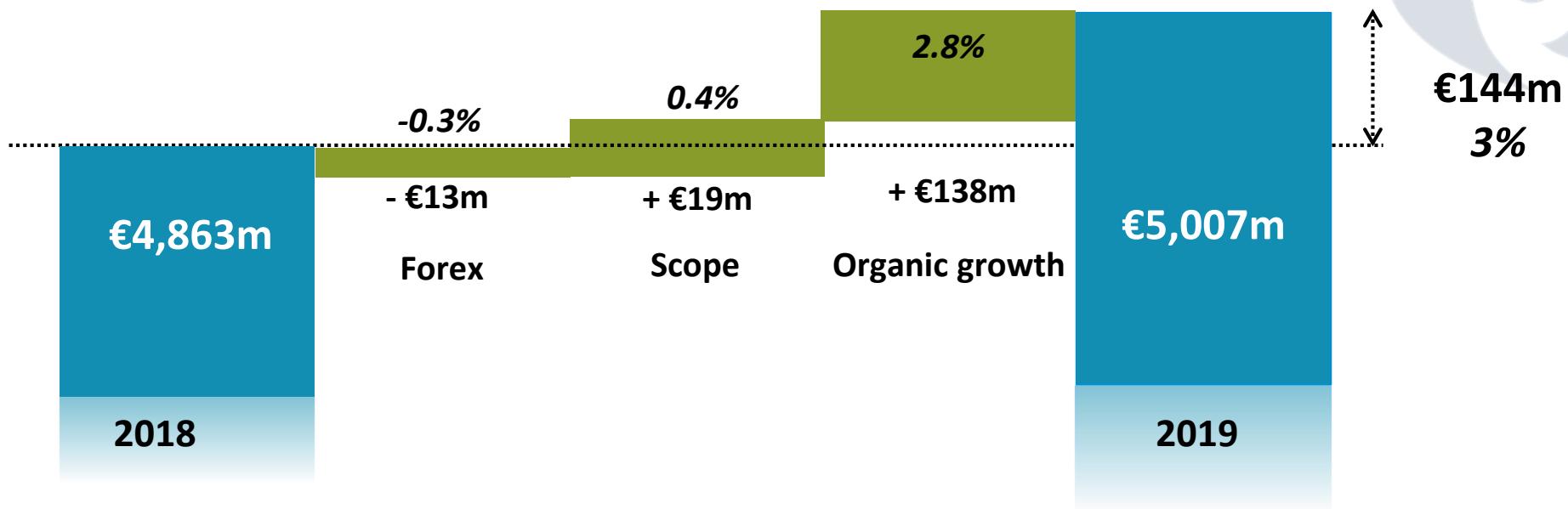
Net debt



Group share of net income



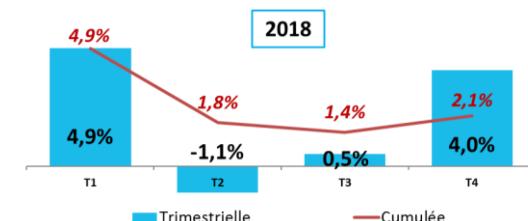
Net sales 2019



Quarterly net sales growth

TOTAL GROUP

2019

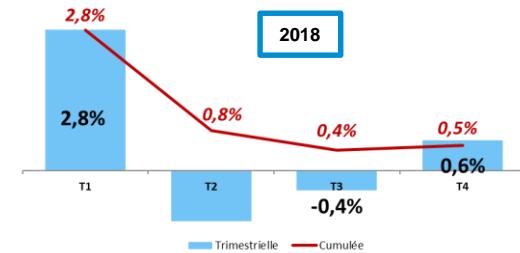


Global growth fueled by:

- The price impact of EGAlim and hyperinflation in Argentina
- The volume-mix impact of more rapid market development outside France

Quarterly net sales growth CHEESE PRODUCTS

2019

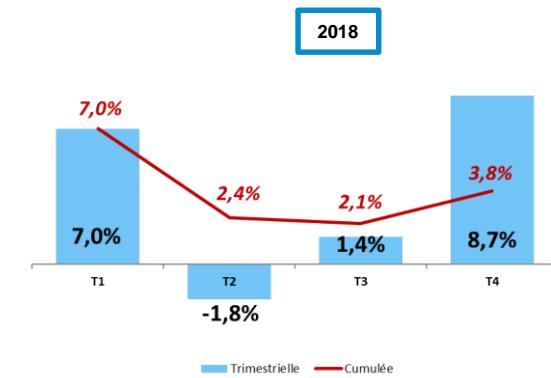


↗ Growth in strategic brands with:

- A volume-mix impact of 2.3%
- A price impact of 0.8%

Quarterly net sales growth OTHER DAIRY PRODUCTS

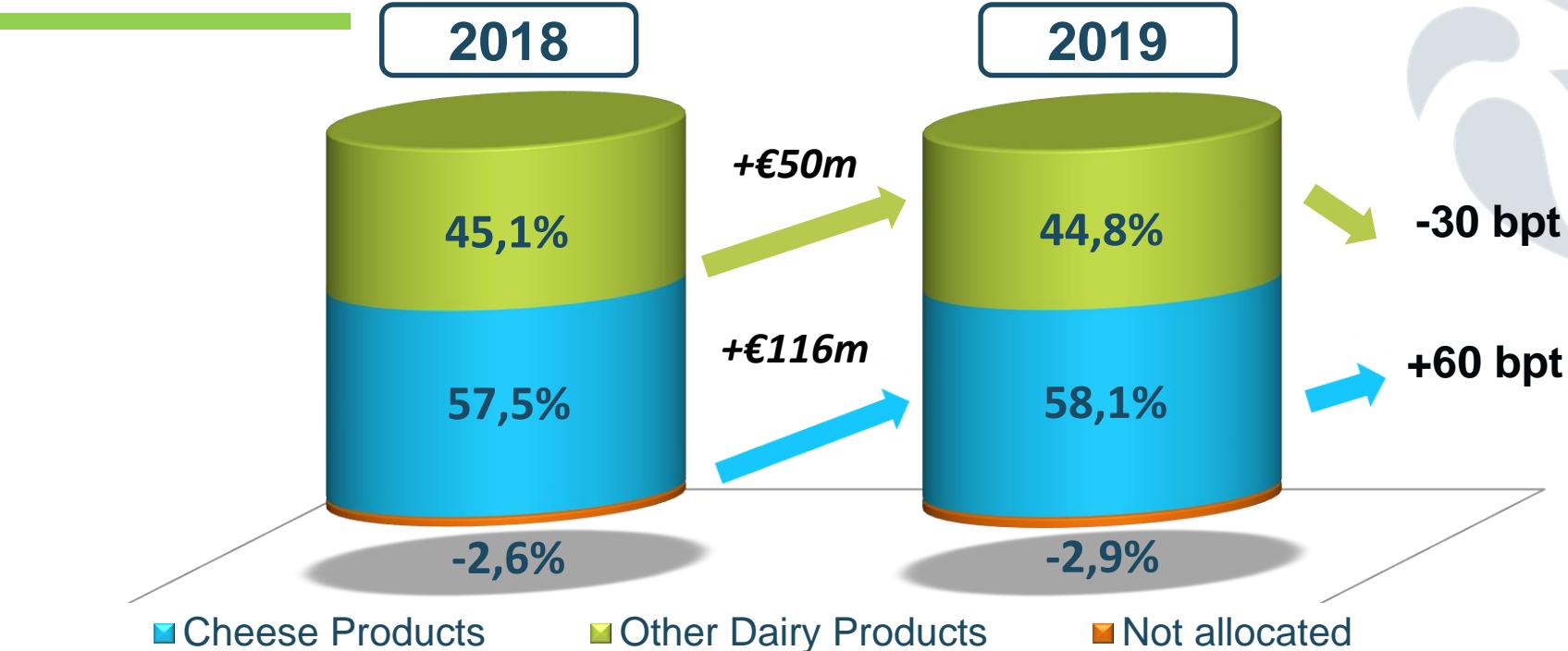
2019



⌚ Growth fueled by:

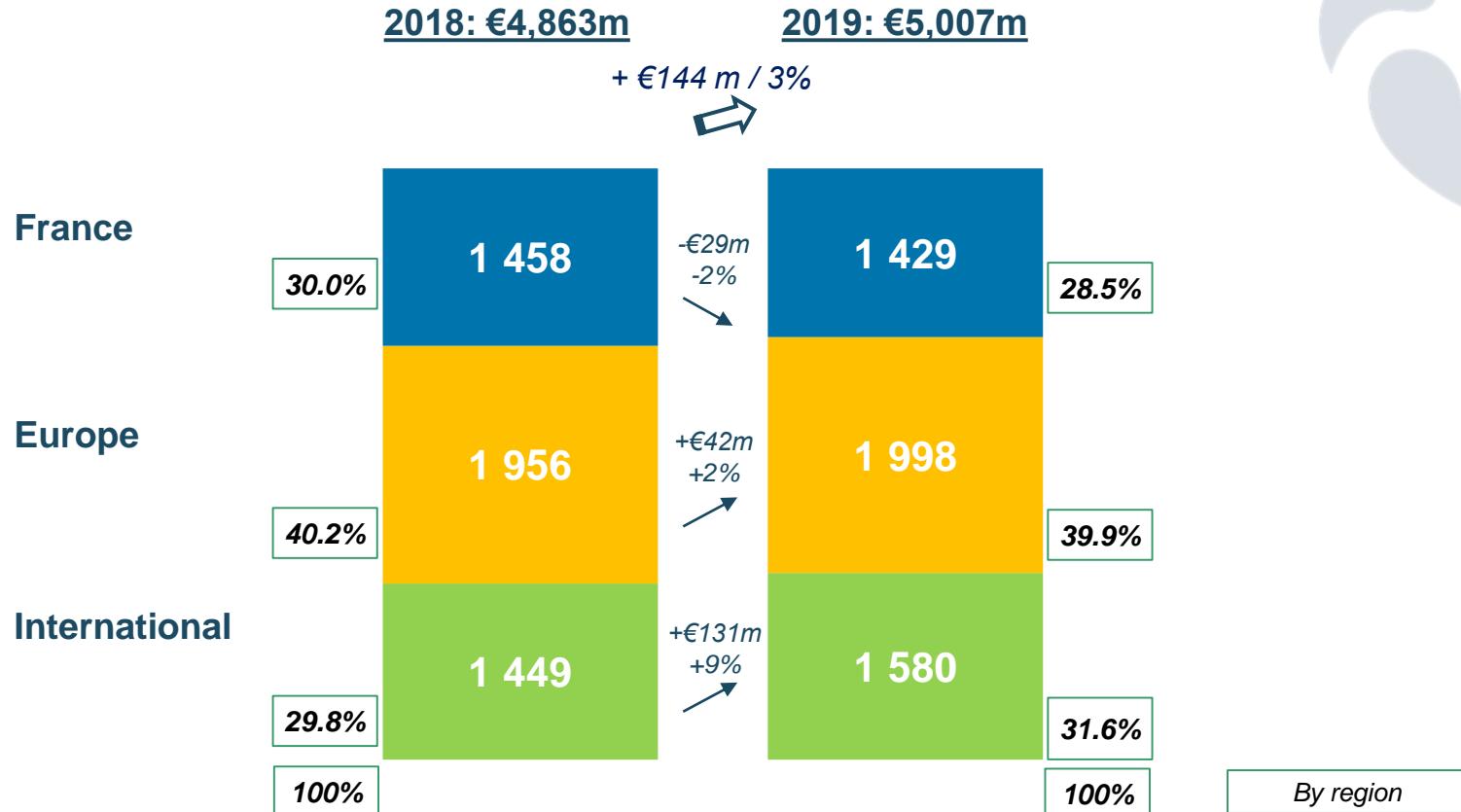
- The strong price impact of 3.7%

Net sales

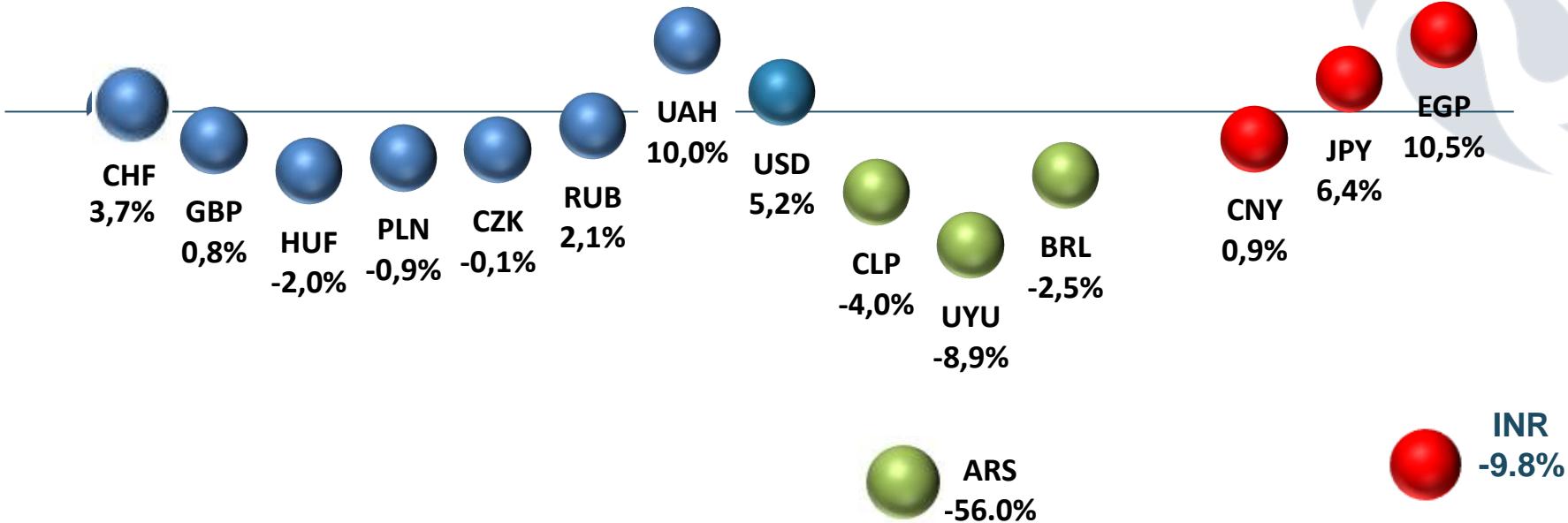


Excluding Forex, Other Dairy Products = 45.3% of consolidated net sales

Net sales GEOGRAPHICAL BREAKDOWN (IN €M)



Change in average exchange rates

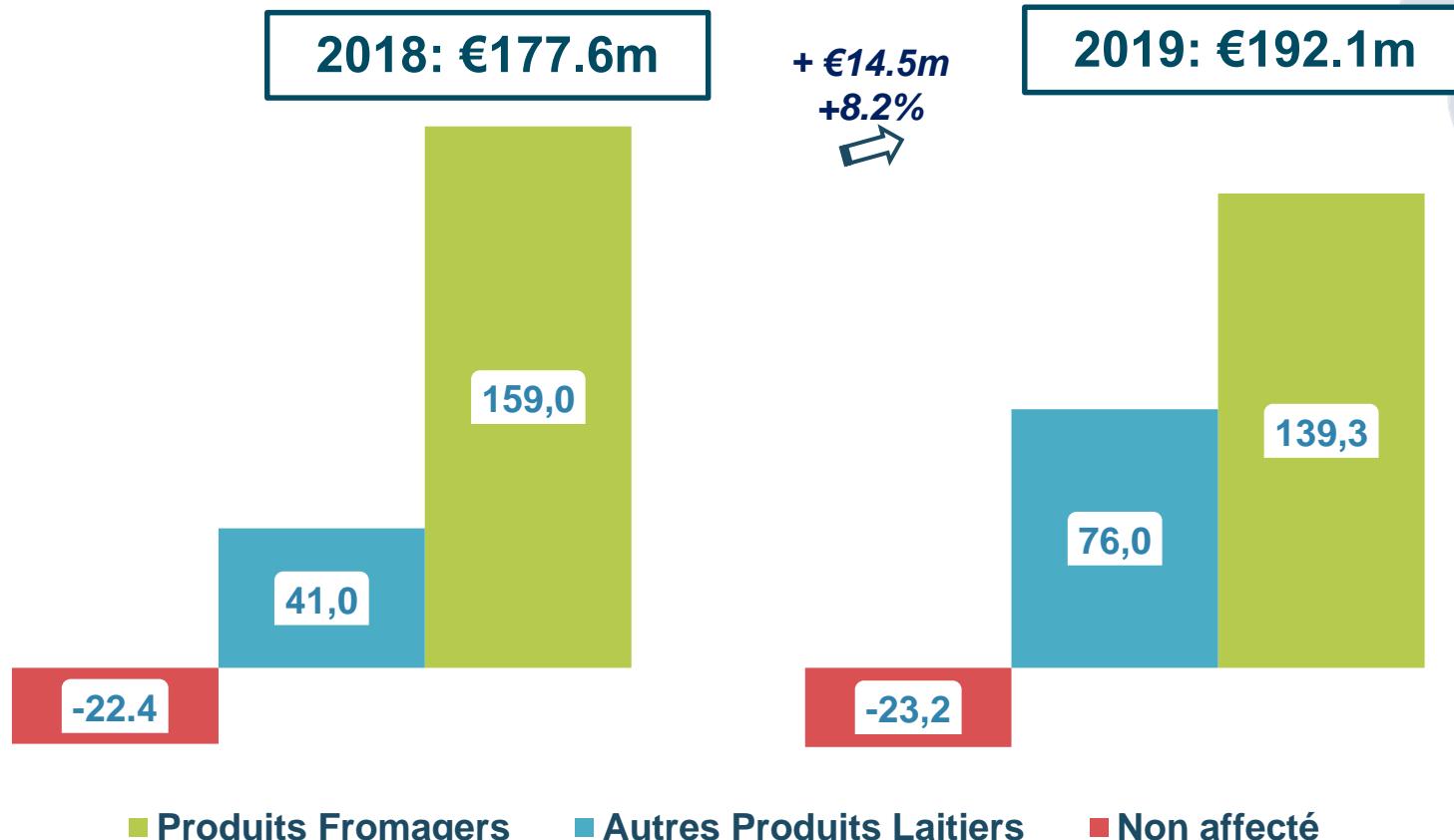


⌚ Weakening of the AR\$ partially offset by the USD

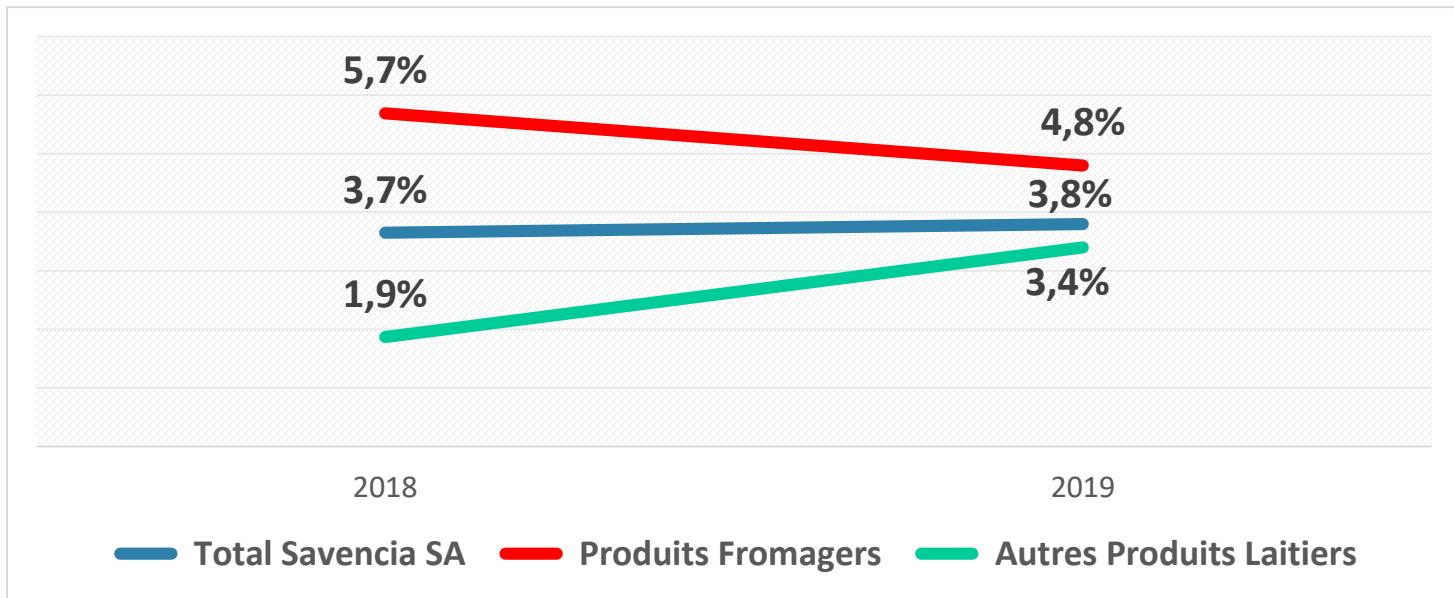
Operating costs

(-) = fall (in €m)		2018	2019	Favorable	Unfavorable
Purchases		3,190	3,238		Dairy raw materials Packaging and consumables Energy and transport
Total change	△ €48m 1.5 %	65.6%	64.7%		
Payroll costs		868	918		Inflation Recruitment Growth in sales
Total change	△ €50m 5.8 %	17.8%	18.3%		
Depreciation, impairment and provisions		133	166		IFRS 16 right of use Capex
Total change	△ €33m 25.4 %	2.7%	3.3%		
Other operating income and expenses		494	493	Leases - IFRS 16	Subcontracting Maintenance and repairs Advertising
Total change	△ -€1m -0.2 %	10.2%	9.8%		

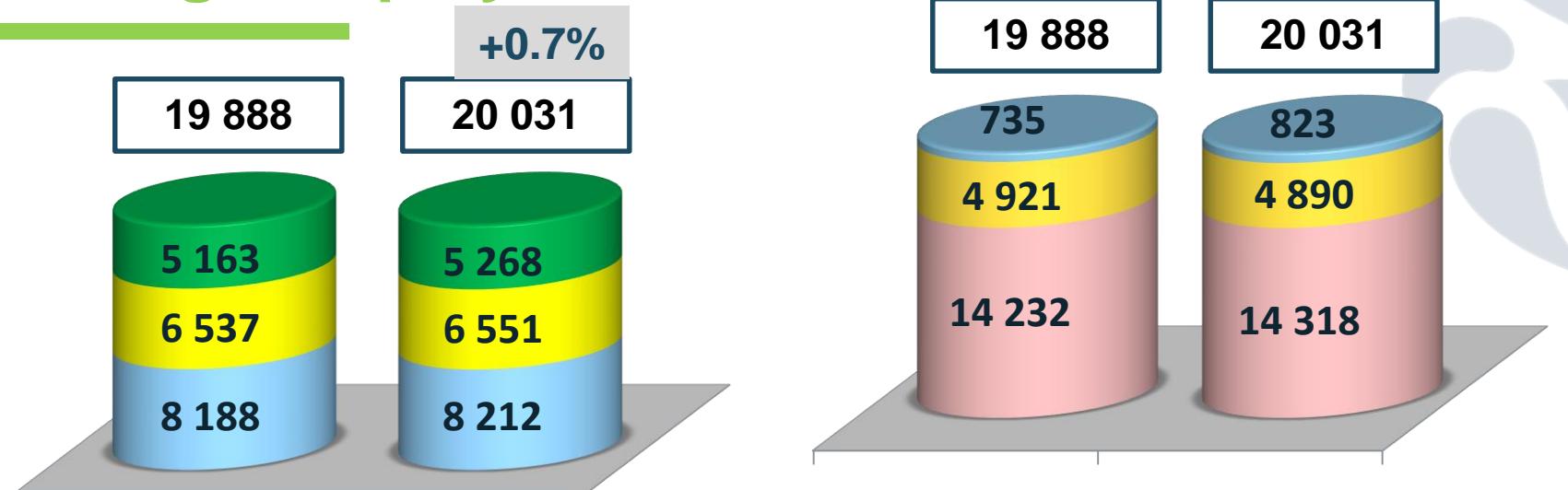
Change in current operating profit



Current operating margin



Average employees



2018

2019

■ France ■ Europe ■ Other countries

2018

2019

■ Cheese Products
■ Not allocated

■ Other Dairy Products

- Acquisitions in 2018 (Bake Plus, Rogue), 2019 (Papillon)
- Adaptation of structures to business levels in all geographical zones

Other operating income and expenses

	In €m	2018	2019
Reorganization		-46.3	-23.7
Impairment of assets		-6.0	-25.9
Disputes, losses etc.		-9.4	-5.0
		-61.7	-54.6

Net financial expense

	In €m	2018	2019	Change
Interest (excluding interest rate hedging)		-8.5	-9.7	-1.2
Interest rate hedging		1.5	1.1	-0.4
Commissions		-4.7	-4.6	0.1
Forex		-3.7	-4.3	-0.6
Other items		-3.0	-3.9	-0.9
Total		-18.4	-21.4	-3.0
<i>Of which: latent IFRS impact</i>		1.8	0.0	-1.8

Result on monetary position

	In €m	2018	2019
B/S & income statement indexing		-14.6	+2.5
		-14.6	+2.5

Recognition from the second semester of 2018 of hyperinflation in Argentina

(inflation > 100% in 3 years and no hope of short-term improvement)

Adjustment without cash flow impact

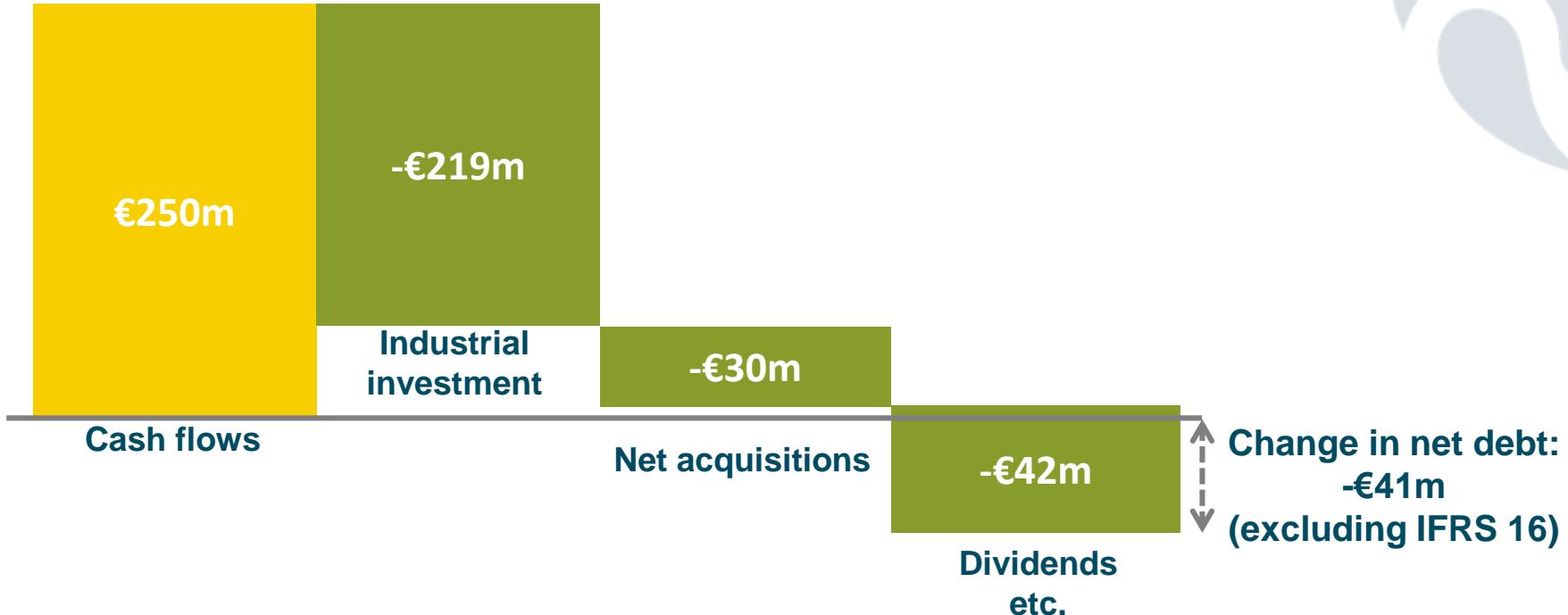
Taxes on income

	2018	2019
Tax charge (in €m)	-28.4	-45.6
Effective tax rate	33.1%	37.8%

Income statement

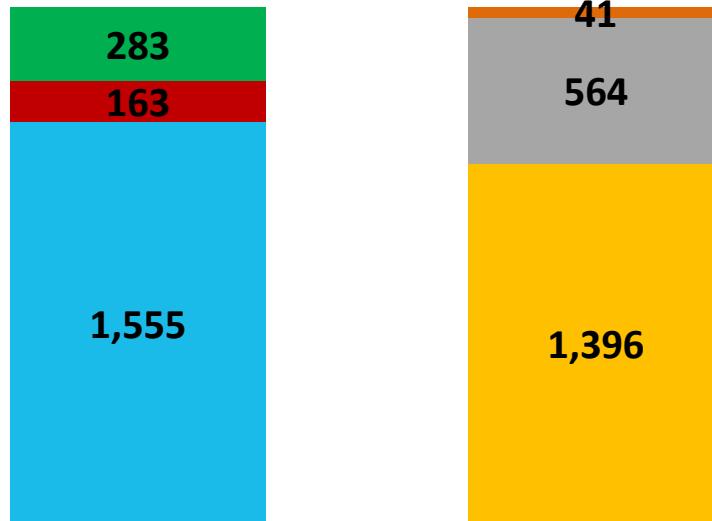
In €m	2018		2019	
	Actual	% net sales	Actual	% net sales
Net sales	4,863		5,007	
Change N/N-1	+0.2%		+3.0%	
Current operating profit	177.6	3.7	192.1	3.8
Change N/N-1	+2.9%		+8.2%	
Other operating income and expenses	-61.7	-1.3	-54.6	
Operating profit	115.9	2.4	137.5	2.7
Change N/N-1	-24.4%		+18.6%	
Net interest expense	-18.4	-0.4	-21.4	
Result on monetary position	-14.6	-0.3	2.5	
Share of net income of associates	2.8	0.1	2.0	
Profit before tax	85.7	1.8	120.6	2.4
Change N/N-1	-40%		+41%	
Taxes on income	-28.4	-0.6	-45.6	
Non-controlling interests	-2.5	-0.1	-1.4	
Group share of net income	54.8	1.1	73.6	1.5
Change N/N-1	-41%		34%	

Statement of cash flows 2019

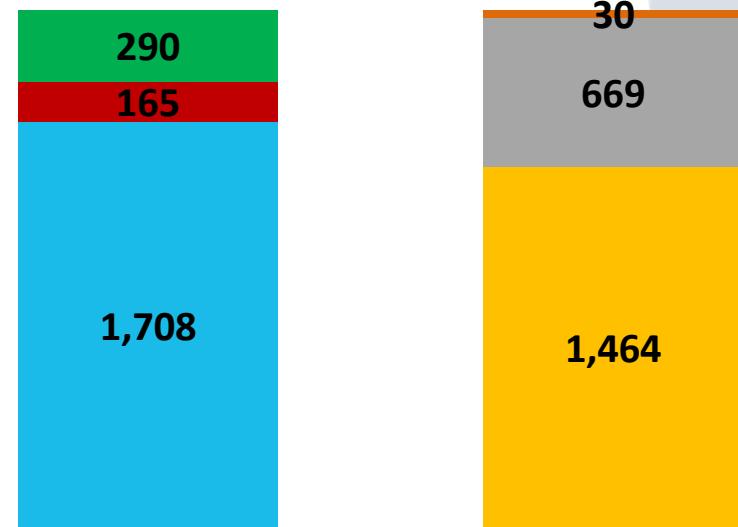


B/S (€m)

2018: 3,659



2019: 3,925



Fixed assets

Working capital

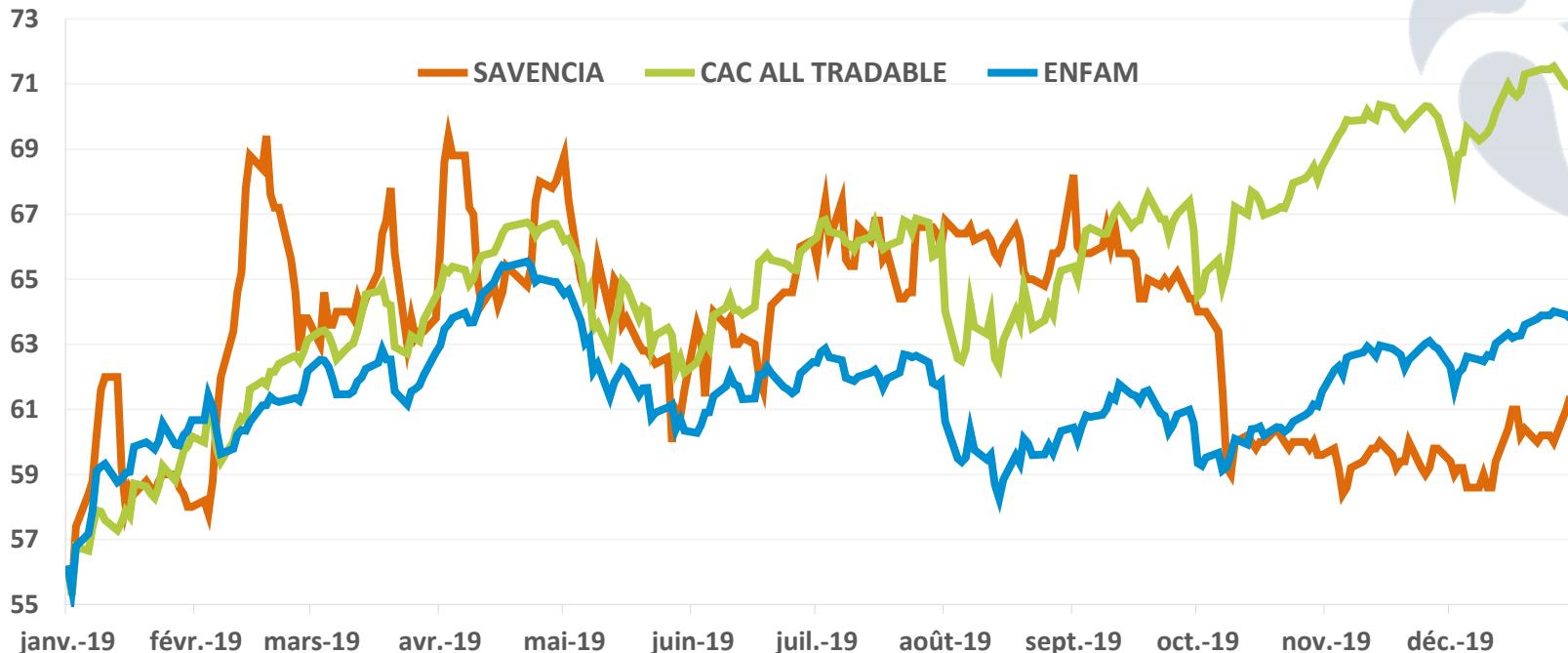
Equity

Debt

Financial assets

Other liabilities

Share price in 2019



SAVENCIA

Lowest
Average

55.40 / Highest
63.19 / Change at 12/31

69.40
+9.25%



Financial Analysts' Meeting



Viroflay, Thursday March 12,
2020

