

PRESS RELEASE: net sales for the 3rd quarter of 2020

A positive organic growth during the third quarter

Consolidated data (€m)	Sept. 2020	%	Sept. 2019	%	Changes in %			
					net sales	net sales	Total	Structure
NET SALES:	3,697		3,648		1.4%	4.0%	-2.6%	0.1%
- Cheese Products	2,231	60.3	2,107	57.8	5.9%	7.2%	-2.2%	0.9%
- Other Dairy Products	1,583	42.8	1,648	45.2	-3.9%	0.0%	-3.2%	-0.8%

The definitions and bases of calculation of aggregates such as changes in Group structure, foreign exchange or organic growth have not evolved in comparison with the previous year; they are defined in the Group's financial report.

At €3,697 million, Savencia Fromage & Dairy's net sales have increased by €49 million, or +1.4%, net of a negative foreign exchange impact of €95 million, or -2.6%, which is mainly due to the fall of the South American currencies against the euro and, to a lesser extent, to the general increase of the euro.

The 4.0%, or €142 million positive scope impact, reflects the acquisition of control over CF&R as of May 1, 2020 and over Fromageries Papillon as of July 2019.

At the end of September, the Group's organic growth, at +0.1%, was back in positive territory, thanks to a third quarter growth of 1.1% thereby erasing the temporary decrease during the second quarter. This reflects a favorable sales trend in Retail, due to the development in home cooking, and the gradual recovery in Food Service sales.

Like-for-like for foreign exchange and scope, Cheese Products sales were up by +0.9% at the end of September. It benefits from volume growth in our strategic brands, particularly in Europe. The Group's international markets, with a higher proportion of food service, did not experience the same growth.

Like-for-like, Other Dairy Products net sales decreased by -0.8%, reflecting mainly the drop-in exports due to the sanitary crisis and the trend in world prices for industrial products. The fall in butter price which had a greater impact than the trend in milk powder prices.

SAVENCIA SA

Outlook for 2020

The evolution of the sanitary crisis, and its consequences for the economy, will remain a close concern with a particular focus for the level of Food Service activity and the consumers' heightened price sensitivity. Their potential impact on sales volumes is difficult to project within the context of the ongoing application of France's so-called EGAlim law. However, the strength of its brands and the diversity of its international activities allow Savencia Fromage & Dairy to resist to the crisis effects.

In pursuing its semestrial results, the measures taken by the Group to ensure its business continuity and the preservation of its financial equilibrium will be maintained. Within the context of the pandemic, Savencia Fromage & Dairy continues to implement its actions towards the employment of young persons and continues to strive to double its apprenticeship offering, with already 400 apprentices recruited in France towards the target of 500 by the end of the year.

Thus, it is with confidence in the quality of its brands and the unfailing commitment of its staff, that the Group pursues its efforts for competitiveness and for adjustment to changes in the pattern of consumption.

Additional information may be consulted on our website: savencia-fromagedairy.com