



Financial Information Meeting

🌙 Wednesday 31 March 2021



Dairy
environment

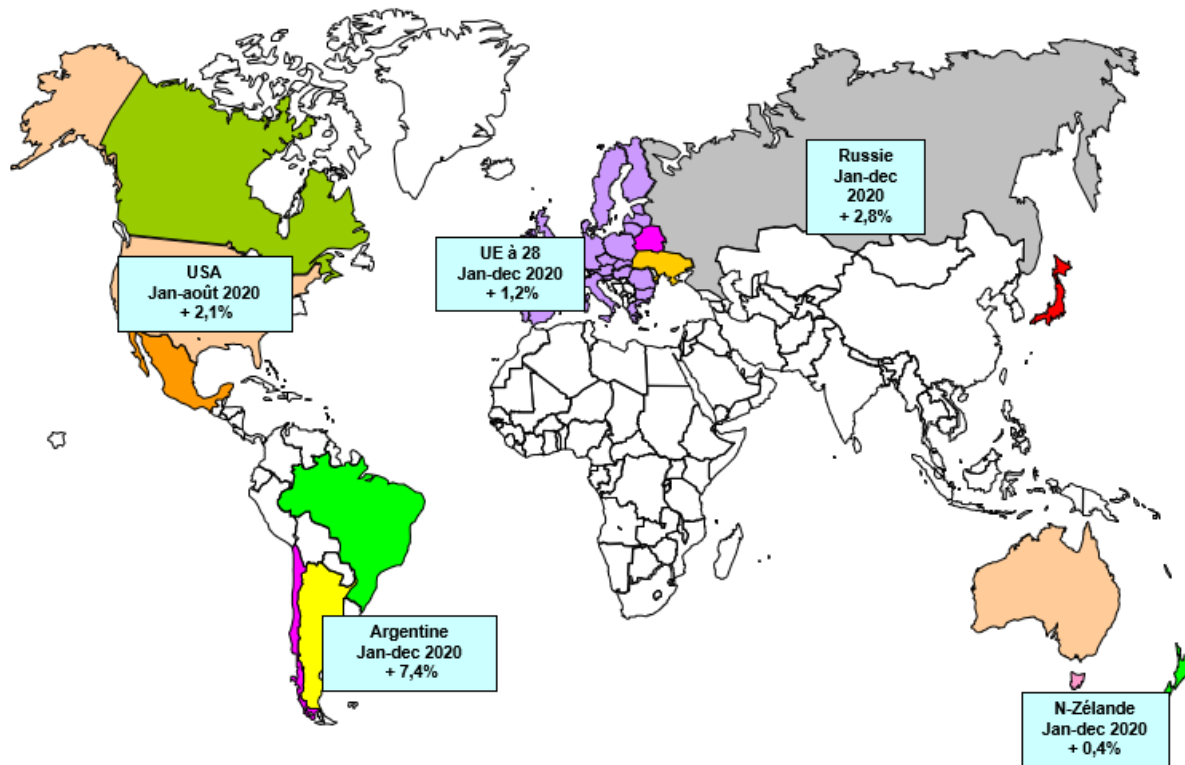
DAIRY ENVIRONMENT 2020

The dairy sector has withstood the Covid 19 crisis

- Higher milk production led by the United States,
- Worldwide trade in dairy products sustained by Chinese demand,
- In France the EGAlim law is coming into force.

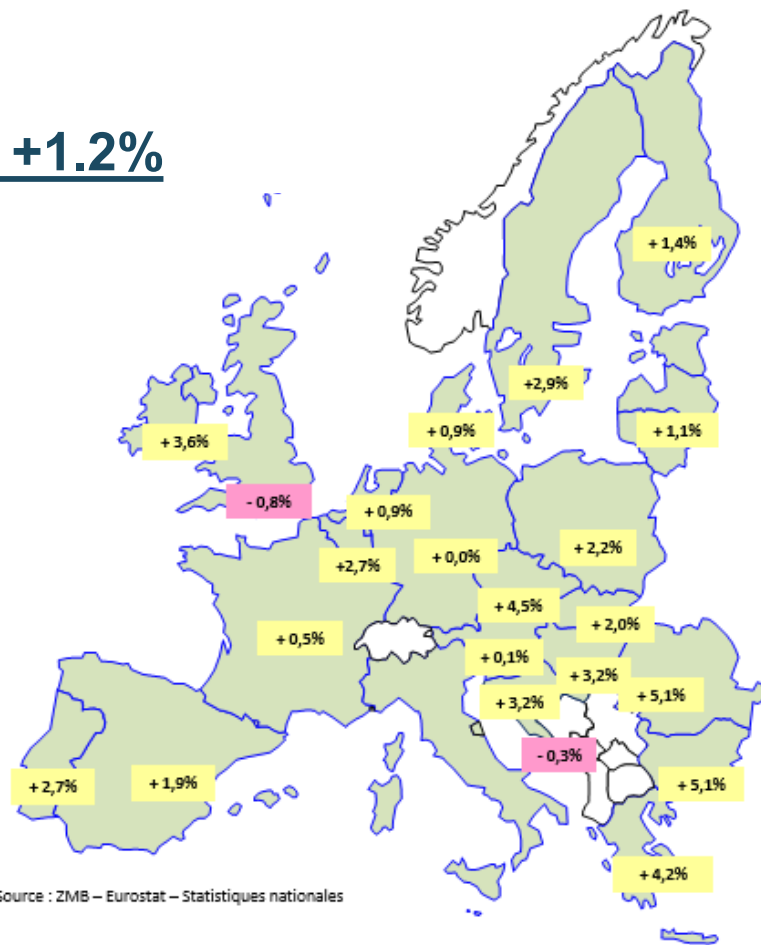
DAIRY ENVIRONMENT 2020

World dairy production up by 1.8%



DAIRY ENVIRONMENT 2020 - EUROPEAN COLLECTION

Milk collection: +1.2%

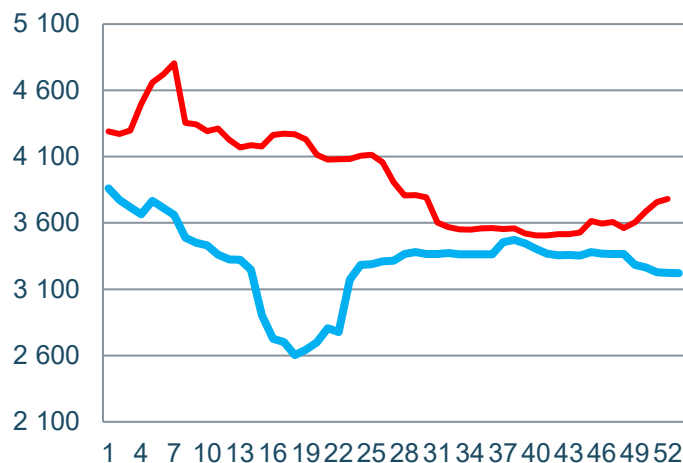


Source : ZMB – Eurostat – Statistiques nationales

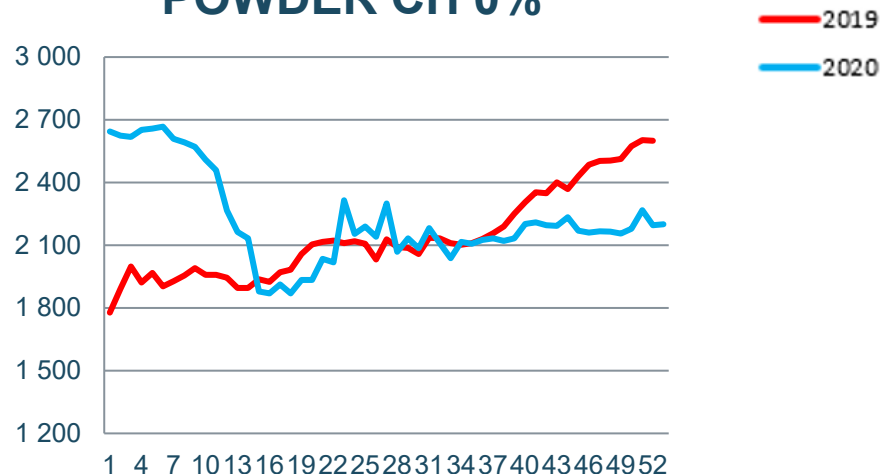
DAIRY ENVIRONMENT 2020 – MARKETS

- During the first half-year the first Covid crisis cause a drop in consumption chiefly in the restaurant sector
- This crisis and the resulting uncertainty led to a fall in share prices during the first half-year

BUTTER



POWDER CH 0%



DAIRY ENVIRONMENT 2020 – MARKETS

- To halt the fall in prices the US government injected massive subsidies into its dairy economy which boosted consumption and caused prices to rise again.



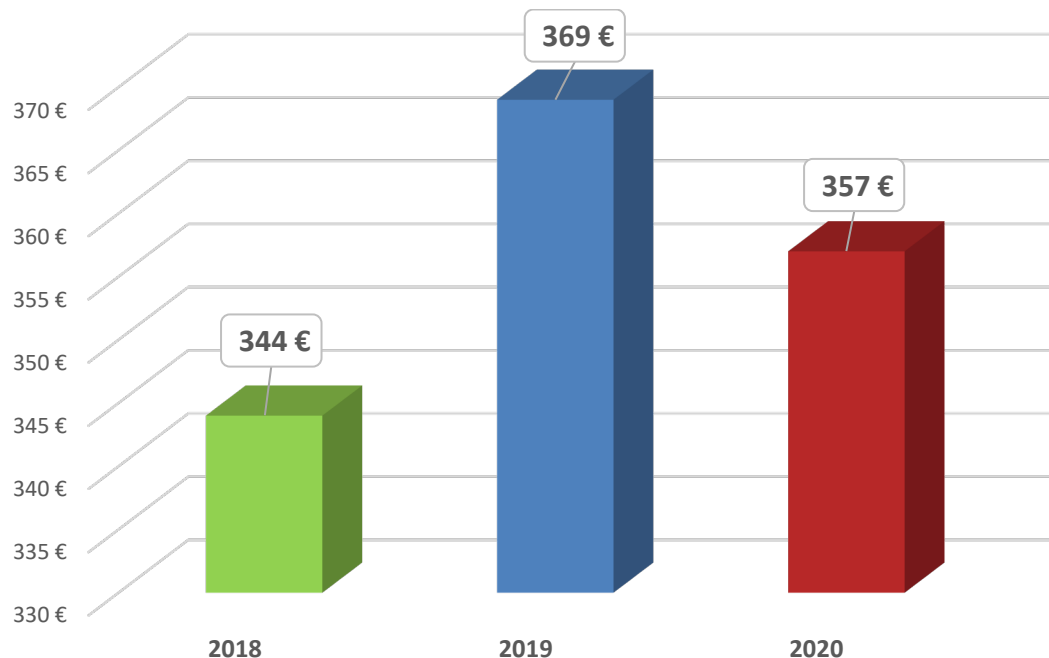
DAIRY ENVIRONMENT 2020 – MARKETS

- **China rapidly came out of the Covid crisis and regained its place in the international markets.**
 - **The world's largest importer of whole milk powder at 643,642 tonnes**
 - **The world's largest importer of skimmed milk powder at 335,610 tonnes**
 - **The world's largest importer of butter at 115,616 tonnes**

DAIRY ENVIRONMENT 2020 - FRENCH DAIRY MARKET

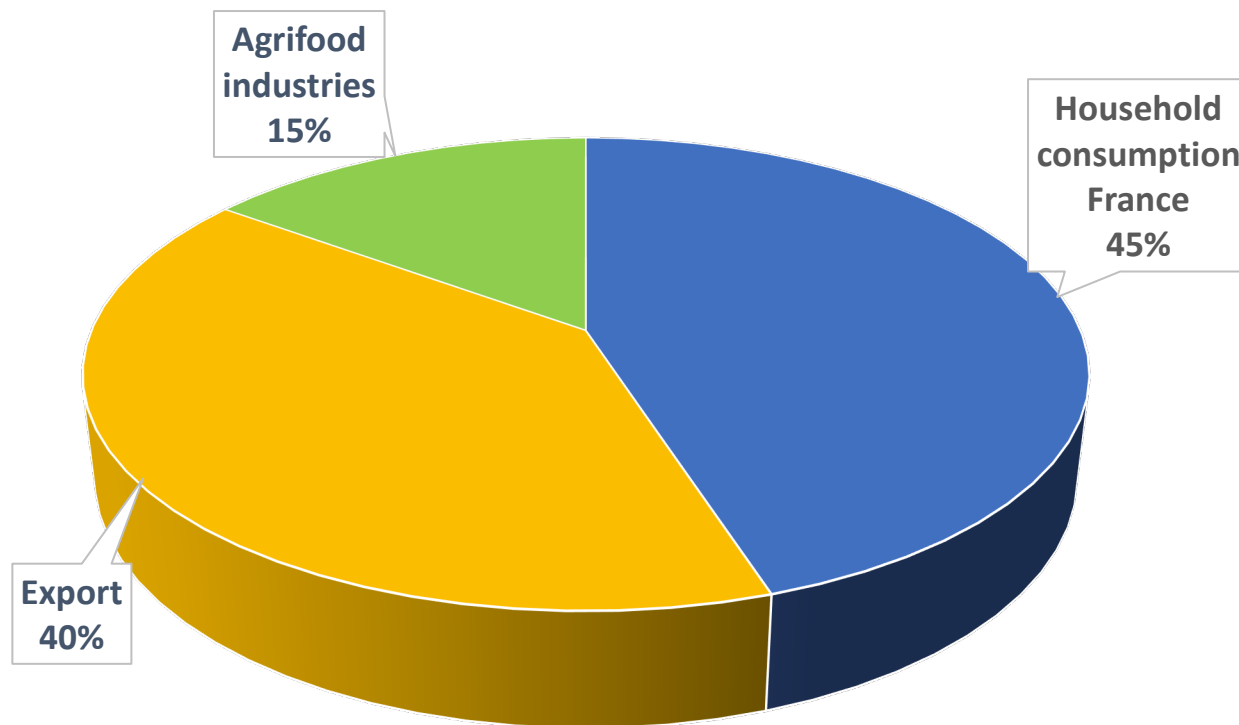
SAVENCIA: Changes in price of real composition milk 2018 to 2020 (all uses combined)

(in € / 1,000 l)

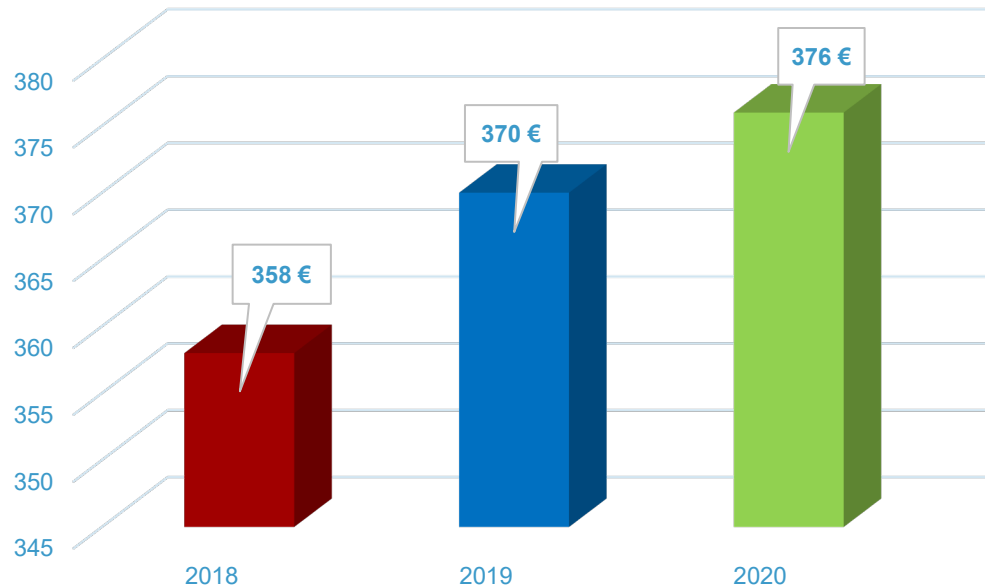


DAIRY ENVIRONMENT 2020 - FRENCH DAIRY MARKET

Use of milk produced in France



Savencia price for milk intended for French household consumption



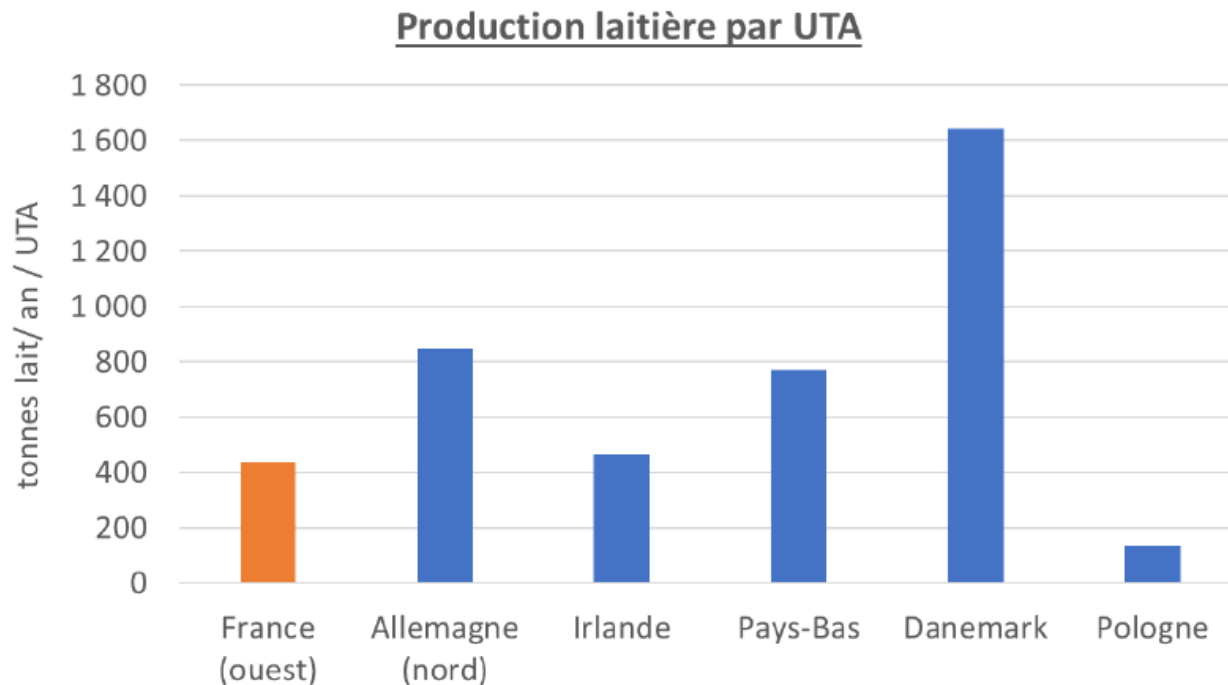
DAIRY ENVIRONMENT 2020 - FRENCH DAIRY MARKET

Export capacity is essential for the sector



DAIRY ENVIRONMENT 2020 - FRENCH DAIRY MARKET

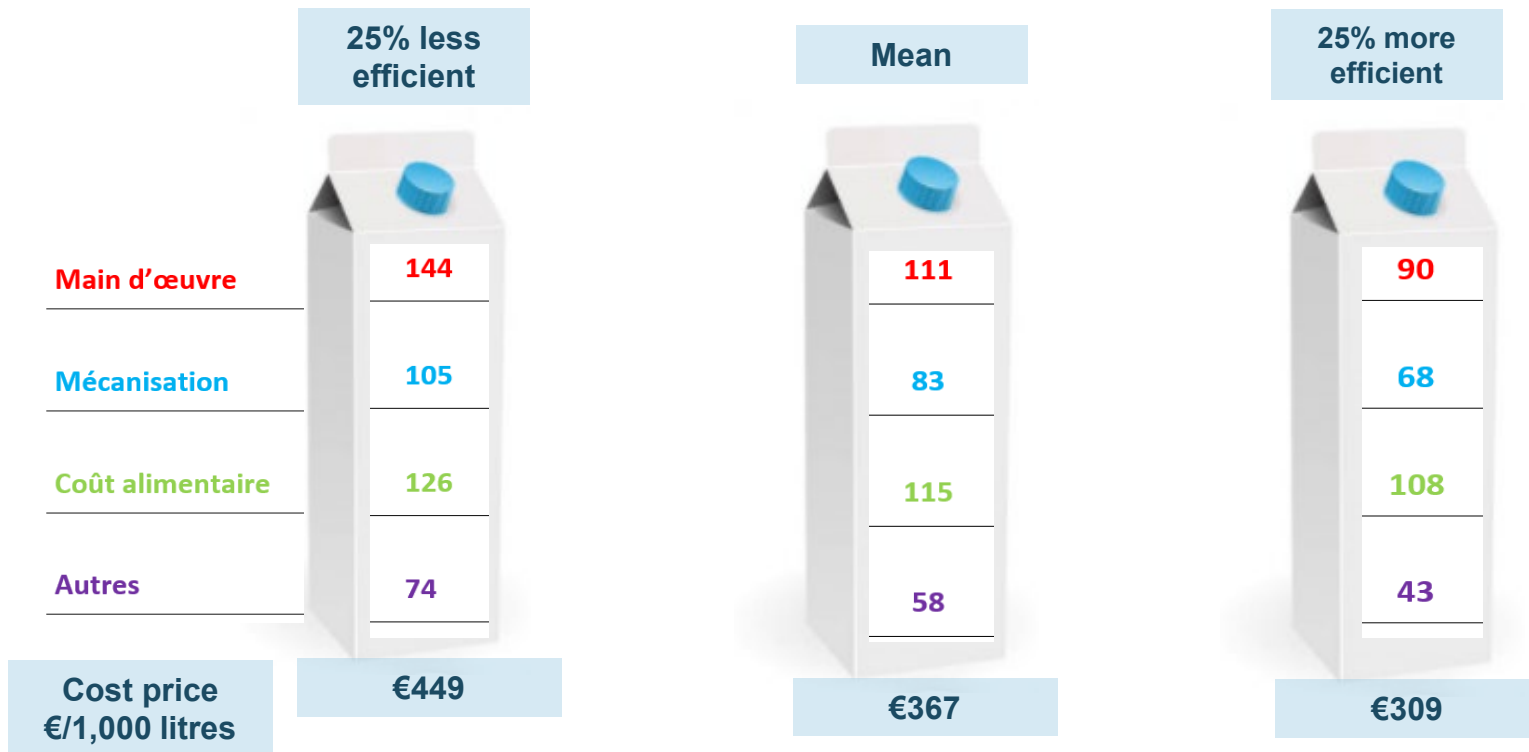
Workforce productivity



Source : données 2016 - DG Agri RICA UE, traitement Idèle,
paru dans Economie de l'élevage - Europe du Nord laitière – oct. 2019

DAIRY ENVIRONMENT 2020 - FRENCH DAIRY MARKET

Widely varying differences in efficiency of dairy farms



DAIRY ENVIRONMENT - FRENCH DAIRY CONTEXT



2021

👉 Adaptation of the EGAlim law

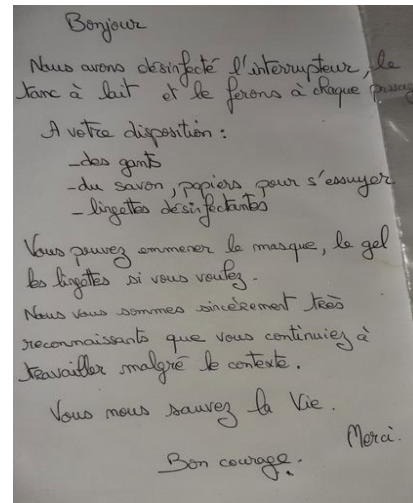
- 👉 Remuneration of producers
- 👉 Food self-sufficiency
- 👉 International competitiveness of France
- 👉 Compliance with European law and rules on competition



Business in
2020

SAVENCIA IN 2020

- Health and safety of our employees
- Resilience
- “No lockdown for cows”



SAVENCIA IN 2020

- A committed Group
- An essential Group
- An agile Group
- A sustainable Group



A COMMITTED GROUP

- Outstanding mobilisation to ensure continuity of the food chain
- Solidarity
- Food Service Resilience

Donations

> 500 T of products
200,000 items of protective equipment



AN ESSENTIAL GROUP

🔵 The food sector faces lasting changes in consumption habits:

- 🟠 Food Service / Retail
- 🟠 Cooking at home
- 🟠 Health
- 🟠 Pleasure
- 🟠 Local
- 🟠 Sustainable
- 🟠 Digital



SAVENCIA LEADS GROWTH IN 2020

% growth in value of the 10 leading FMCG groups in France



Source: Nielsen

HMSM + CLICK&COLLECT + CONVENIENCE + DISCOUNTERS

Cumulative as of 27/12/2020

COOKING AT HOME

THE STAR: ELLE & VIRE



COOKING AT HOME

CONSUMERS ENDORSE RACLETTE AND HOT CHEESE



COOKING AT HOME



COOKING AT HOME



BURGERS AT HOME IN
BRAZIL



GRATED CHEESES



COOKING AT HOME

☙ SPECIALLY FOR DESSERTS



COOKING AT HOME



Aktuelle Rezeptthemen entdecken



Küchenparty Rezepte



Protein Rezepte



Saisonale Rezepte



Homeoffice Rezepte

HEALTH

PROTEIN PRODUCTS



HEALTH

👉 NOURISHING DRINKS



HEALTH



HEALTH

armor^{proteines}



sans
HUILE DE PALME

enrichi en
LACTOFERRINE



LABORATOIRE
modilac
Depuis 1984

DOUCÉA
Contribue au fonctionnement normal du
SYSTÈME IMMUNITAIRE[®]

LACTOFERRINE[®] Oméga3 (DHA)[®]
Calcium[®] Ca[®] 2
Vitamines A[®] D[®] E[®] 6-12 mois

* SANS HUILE DE PALME *

AVIS IMPORTANT : Le lait maternel est l'aliment idéal et naturel du nourrisson.
Modilac Actigest peut nécessiter l'utilisation d'une tétine adaptée.

HEALTH

PLANT-BASED PRODUCTS



HEALTH

Flexitarianism: cheese and vegetable recipes on 2 leading websites

Doctissimo

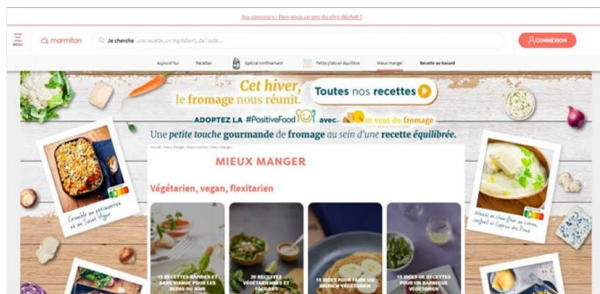
A health reference

marmiton

A cookery reference

UNE OPÉRATION INÉDITE CROSSMARQUES, LIVE DEPUIS LE 31/10 POUR 5 MOIS

Rubrique Mieux manger Marmiton



2 stories publiées sur Marmiton et Doctissimo



Et d'autres contenus à venir !

- 4 articles / plateformes avec des encarts santé ou culinaire
- 2 infographies cross plateformes
- 3 vidéos cocrées: recettes & nutritionnistes
- 10 recettes de marques 100% culinaire
- 27 tips stories
- Sponsoring rubrique mieux manger

#PositiveFood



PLEASURE

... OVER AND OVER AGAIN...



LOCAL

Cheeses
from our regions
and PDO
(Protected
Designation of
Origin)



LOCAL



LOCAL

• TERROIR AND ORIGIN



LOCAL

• TERROIR AND ORIGIN



ROGUE
CREAMERY®



LOCAL

KNOW-HOW AND QUALITY



DIGITAL



DIGITAL

- Creation of digital versions of Savencia *Maison de l'Excellence*[®] training courses for professionals



AN AGILE GROUP

Adapting to trends in the Fast-Food/QSR and Pâtisseries/Bakery shops



AN AGILE GROUP

- Solidarity between our sites
- Capacity to adapt to the Supply Chain



AN AGILE GROUP

- Capacity to redeploy resources according to trends and expanding markets

% growth in value in Click&Collect for the
10 leading FMCG groups in France



Source: Nielsen
CLICK&COLLECT - 2020

**Offer pleasure that is
healthy and responsible**



**Foster the well-being of
our employees**



**Jointly develop sustainable
agricultural sectors**



**Reduce our environmental
footprint**

SUSTAINABLE AND RESPONSIBLE

- Committed to the food transition

#PositiveFood 

INSTITUT
FOR A
POSITIVE
FOOD

Pour une Alimentation Positive alliant
Bien-être, Convivialité et Responsabilité



SUSTAINABLE AND RESPONSIBLE

- Cooperate to build sustainable milk production
- Develop differentiated milks



N°1 des innovations BIO 2020
Univers produits frais



*s'engage pour la vache
de race normande*



SUSTAINABLE AND RESPONSIBLE

- Reduce plastics and promote recyclable packaging



SUSTAINABLE AND RESPONSIBLE

Reduce our environmental footprint



COMMITTED AND RESPONSIBLE

500 Apprentices plan





CONCLUSION

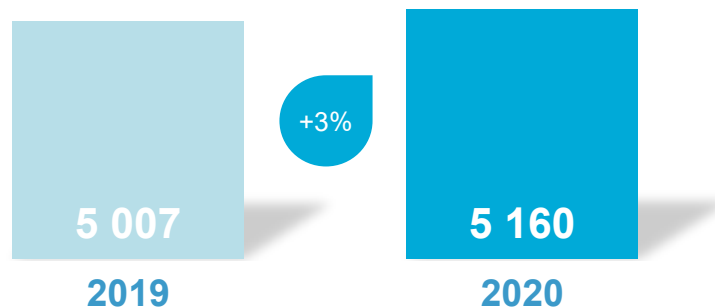
- Strong **resilience** in the crisis
- A strategy that combines **International** growth with a strong **Local** presence
- A **diversified and agile** model to adapt to the New Normal
- A Group that is more than ever committed to its **Oxygen CSR** ambitions



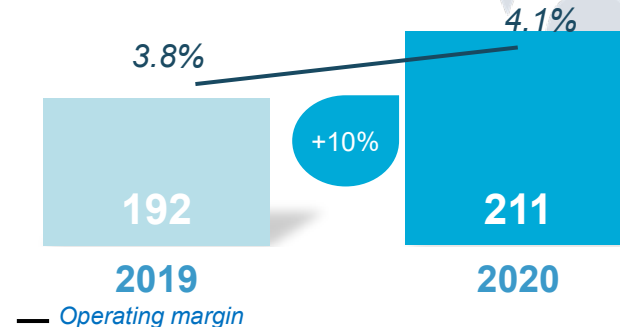
Annual Accounts 2020

2020 KEY FIGURES (IN €M)

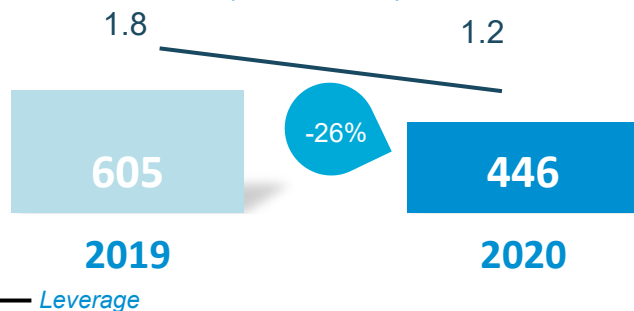
Net sales



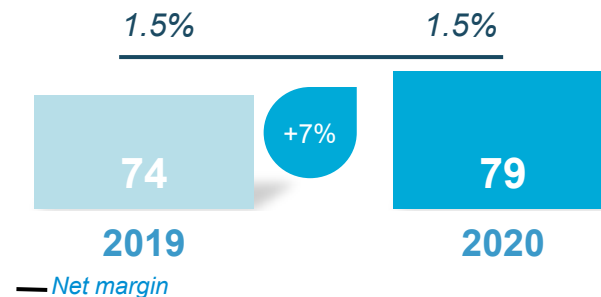
Current operating profit



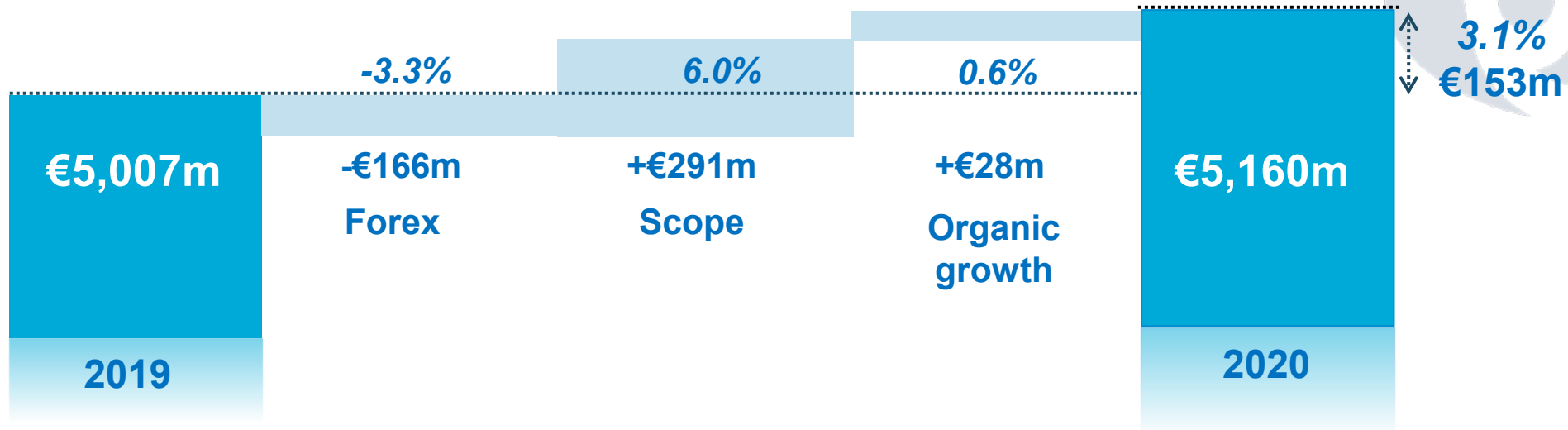
Net financial debt (excl. IFRS 16)



Group net income

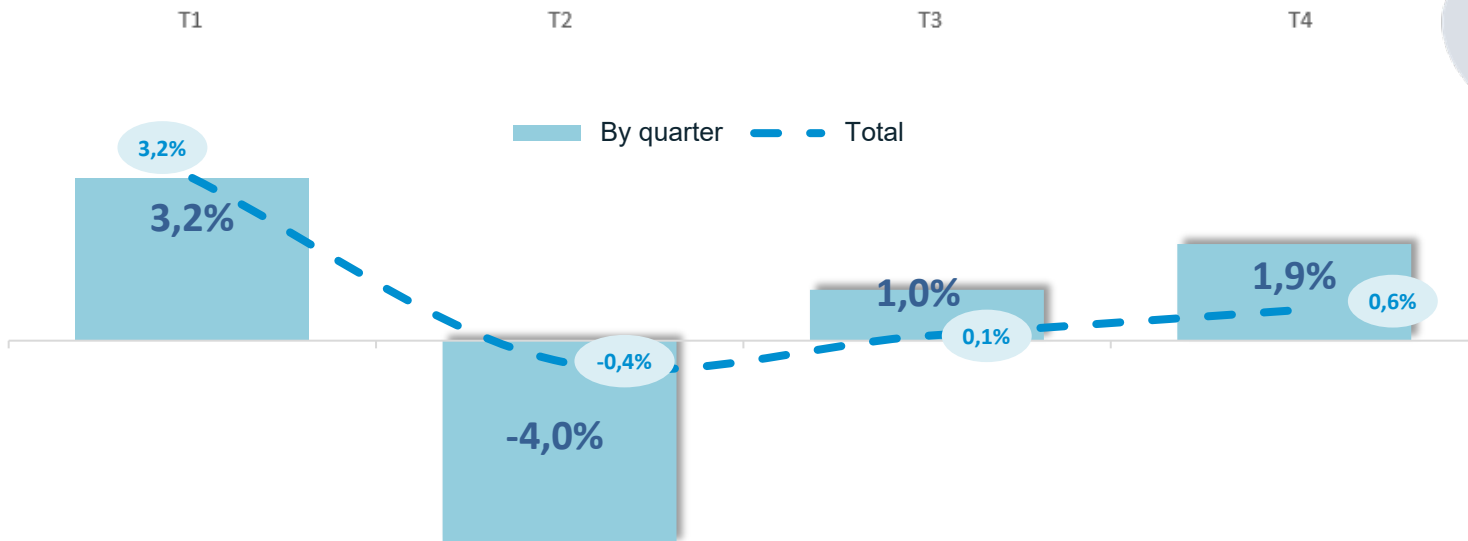


2020 NET SALES



QUARTERLY ORGANIC NET SALES

GROUP TOTAL

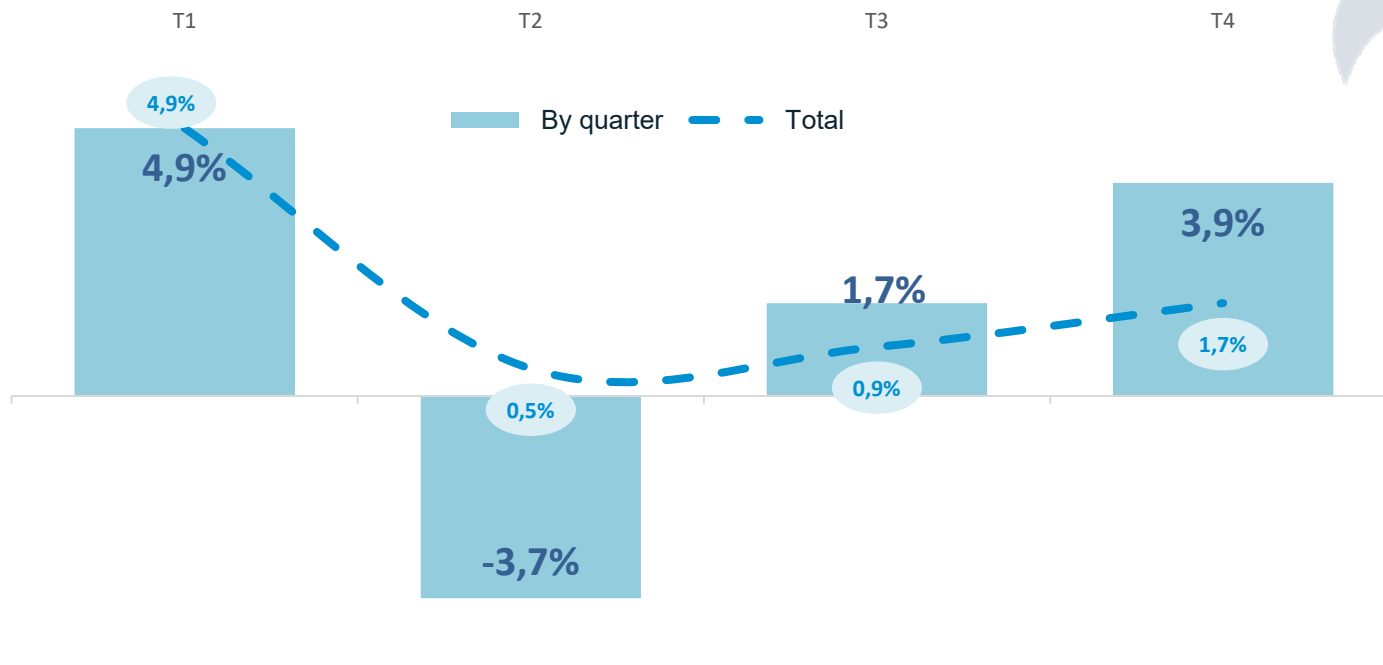


👉 **Overall growth driven by a price effect**

=> neutralisation of the volume-mix effects of each IFRS segment

QUARTERLY ORGANIC NET SALES

CHEESE PRODUCTS

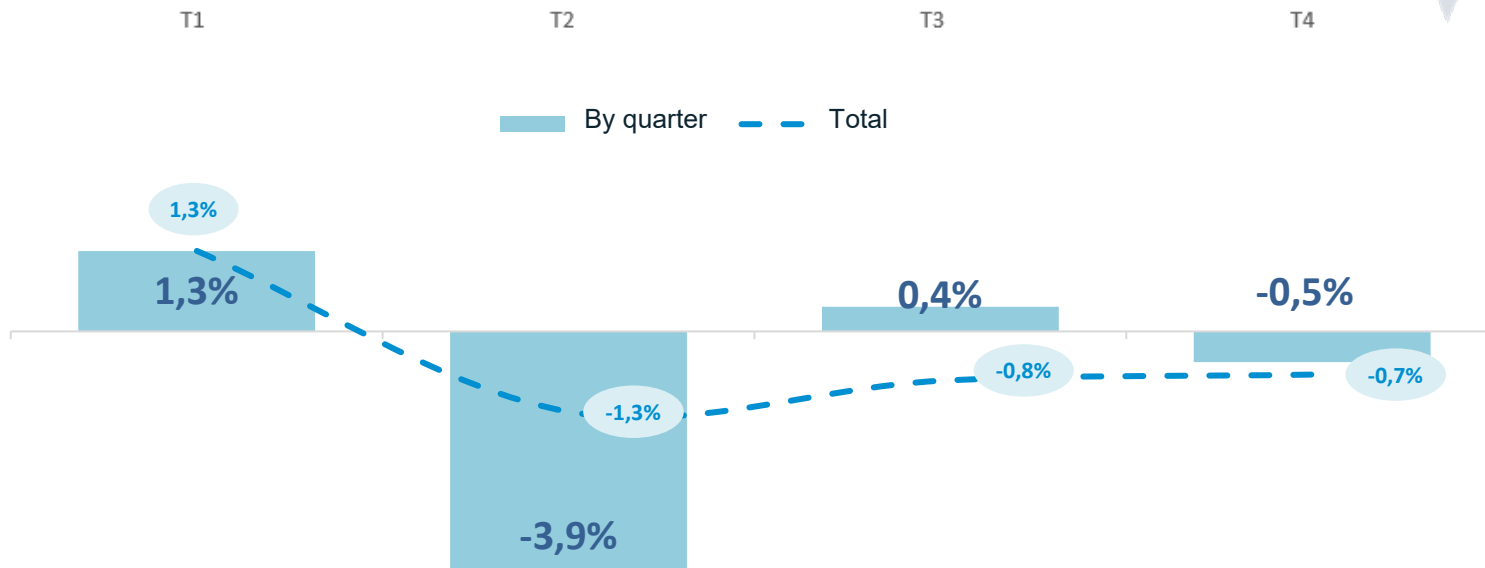


👉 Growth of strategic brands related to:

- a 1.6% volume-mix effect
- a 0.2% price effect

QUARTERLY ORGANIC NET SALES

OTHER DAIRY PRODUCTS

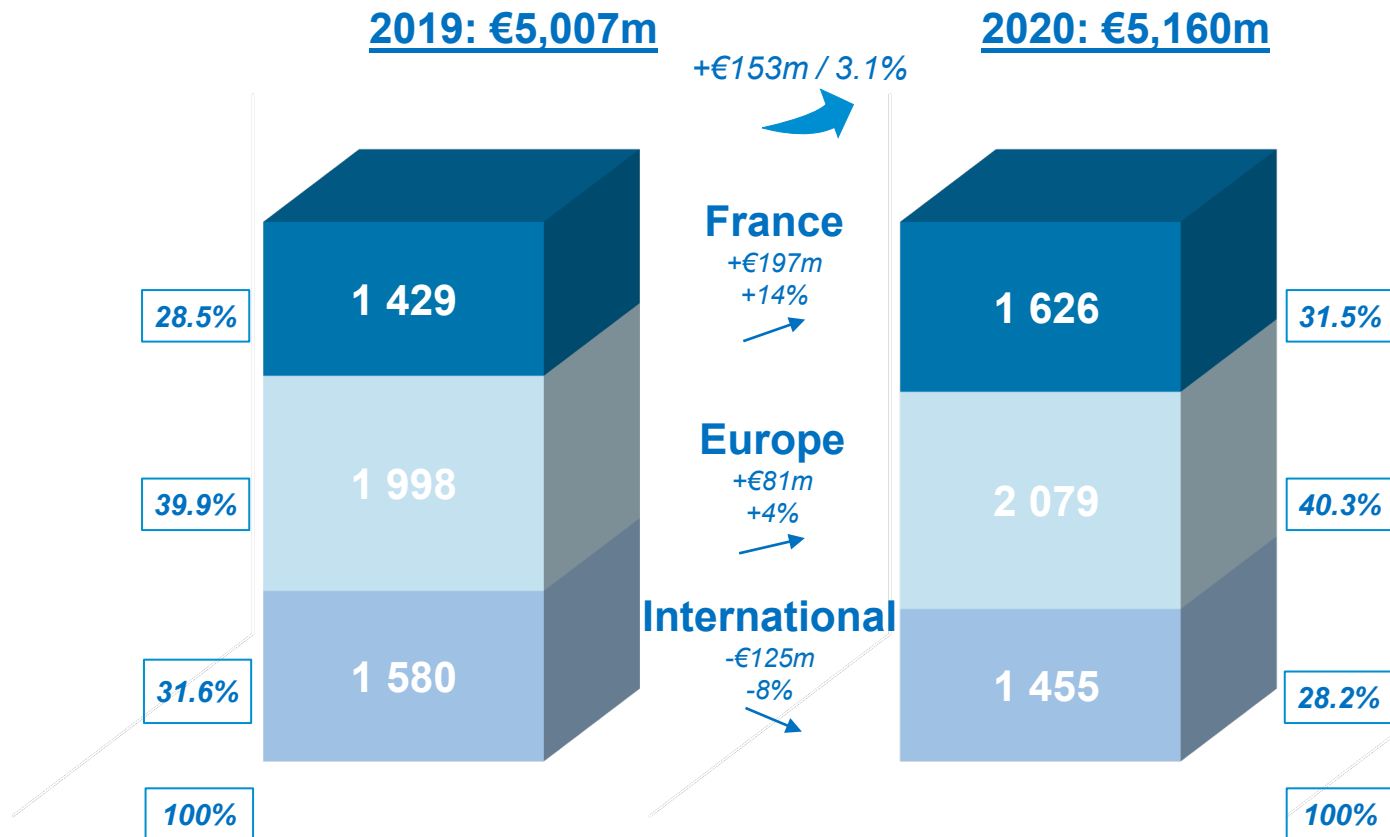


🐮 Growth driven by:

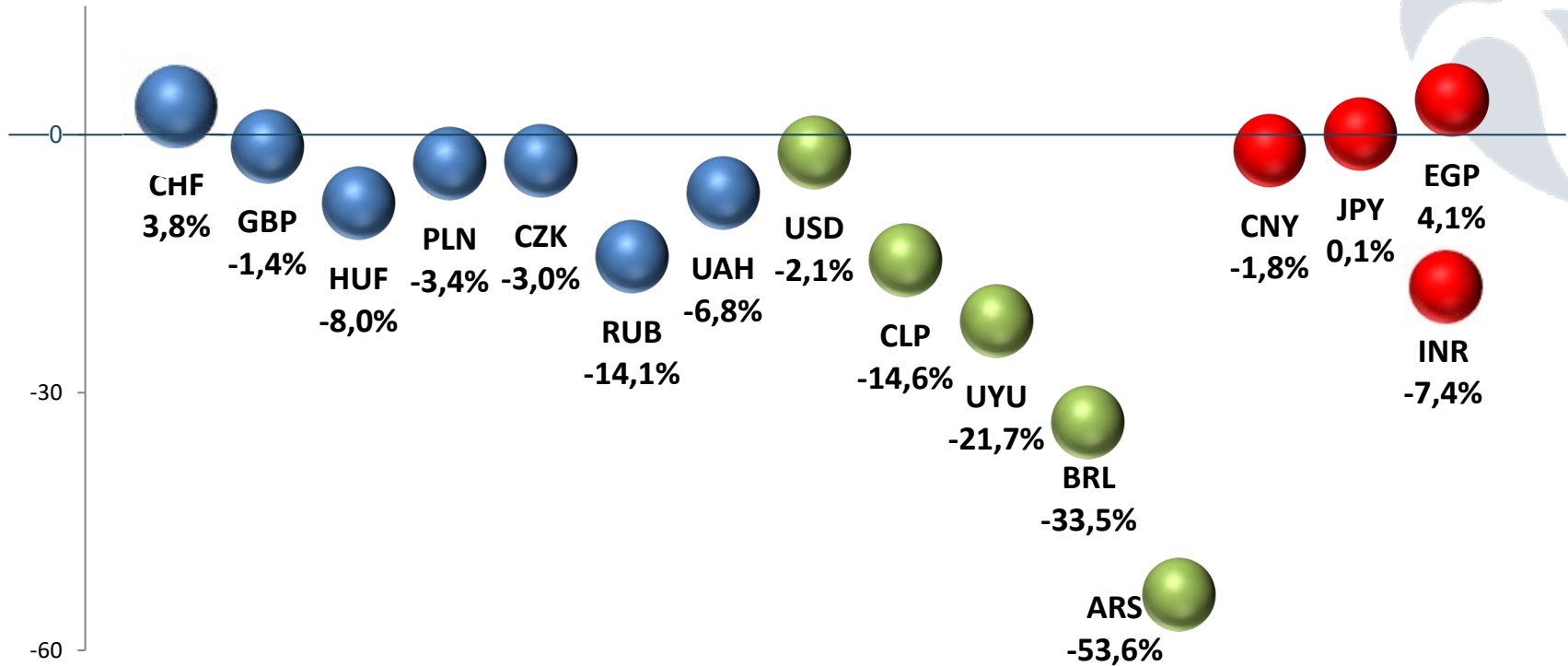
- a 0.8% positive price effect
- a 1.5% negative volume-mix effect

NET SALES

GEOGRAPHIC DISTRIBUTION (in €m)



TRENDS IN AVERAGE EXCHANGE RATES



🌀 Weakening of virtually all currencies against the euro

DIRECT COSTS OF COVID

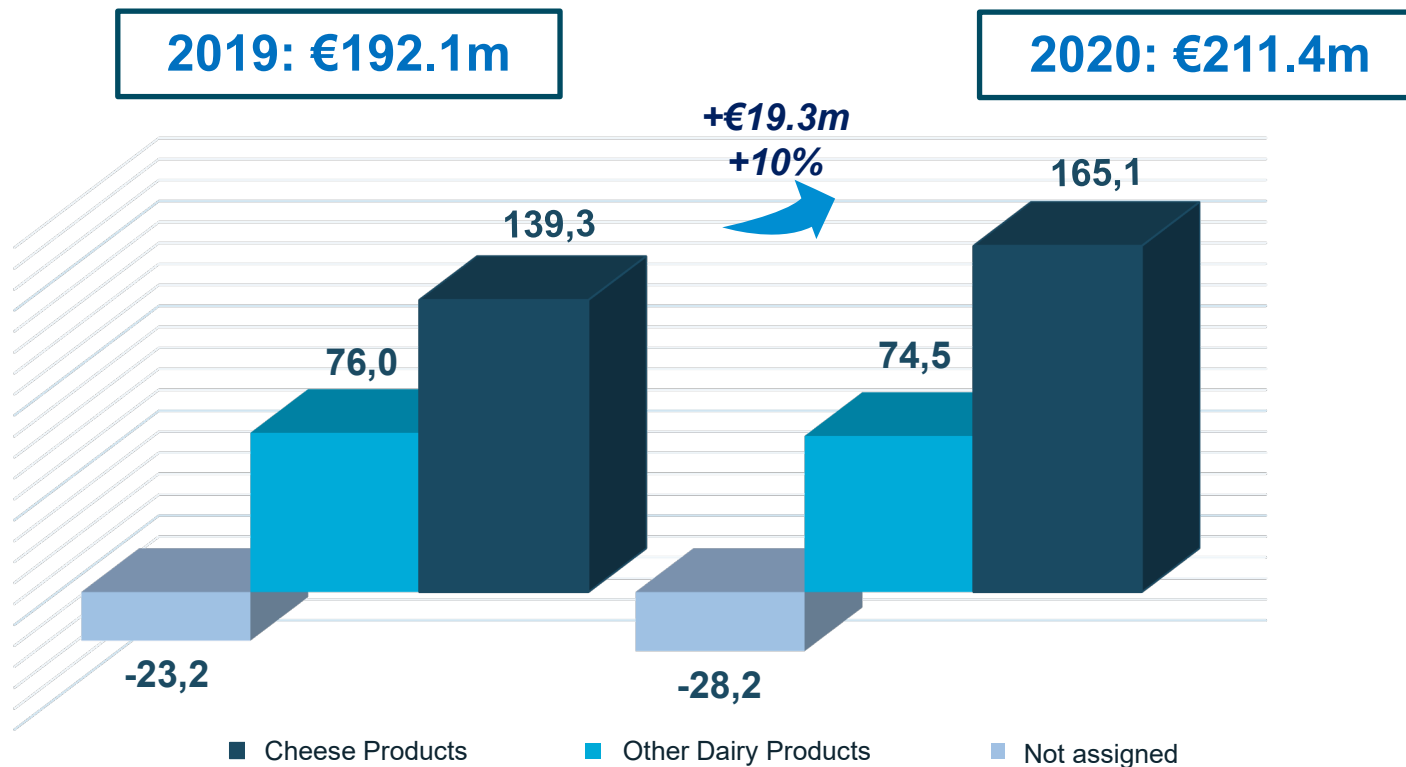
In €m	2020
Halting of Food Service business	15.7
Ensuring continuation of business	13.8
Gifts of food products	2.7
	32.2

- ☛ All these costs are included in current operating profit

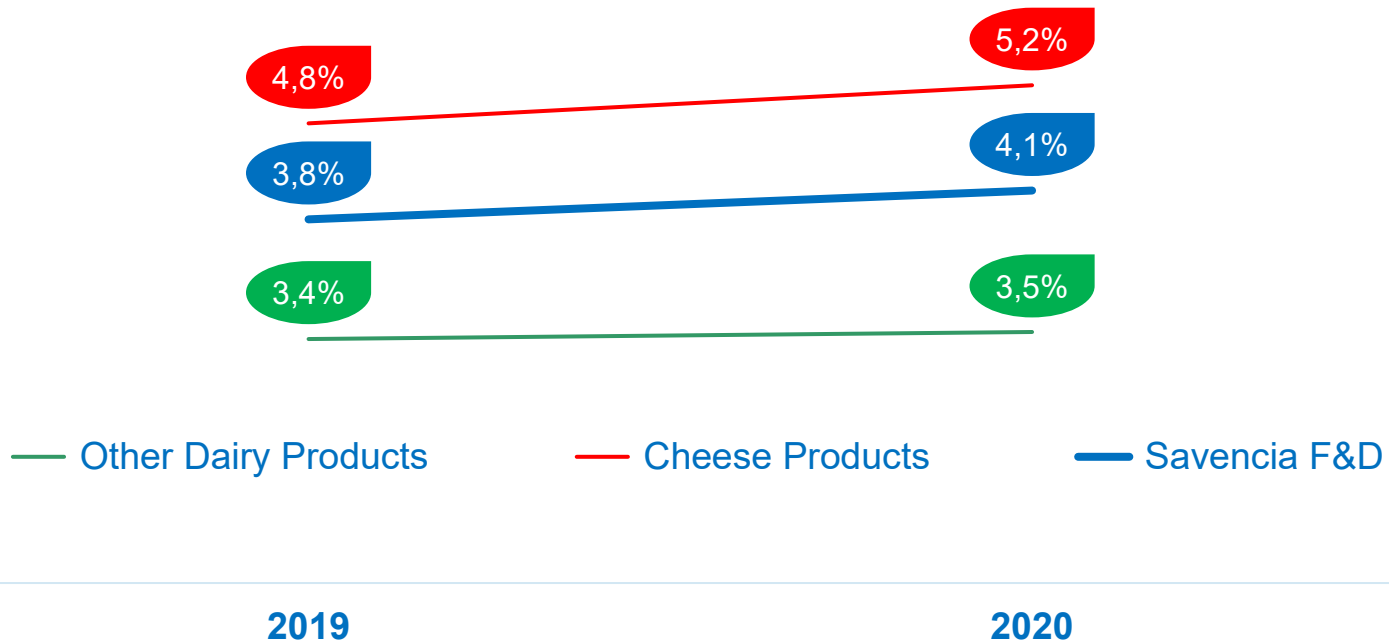
OPERATING EXPENSES

(-) = fall		In €m		2019	2020	Favourable	Unfavourable
External purchases				3,238	3,246	Dairy raw materials	Packaging and consumables
Total difference	△	+€8m	0.2%	64.7%	62.9%	Energy	Transport
Personnel costs				918	1,013		Inflation and strengthening of structures
Total difference	△	+€95m	10.4%	18.3%	19.6%		Growth of business Bonuses, incentives/profit-sharing
Depreciation impairment and provisions				166	184		Investments
Total difference	△	+€18m	10.6%	3.3%	3.6%		Reduced capacity utilisation
Other operating expenses/income				493	506	Advertising	Sub-contracting
Total difference	△	+€13m	2.6%	9.8%	9.8%	Travel and hospitality	Insurance Logistics services

CHANGE IN CURRENT OPERATING PROFIT

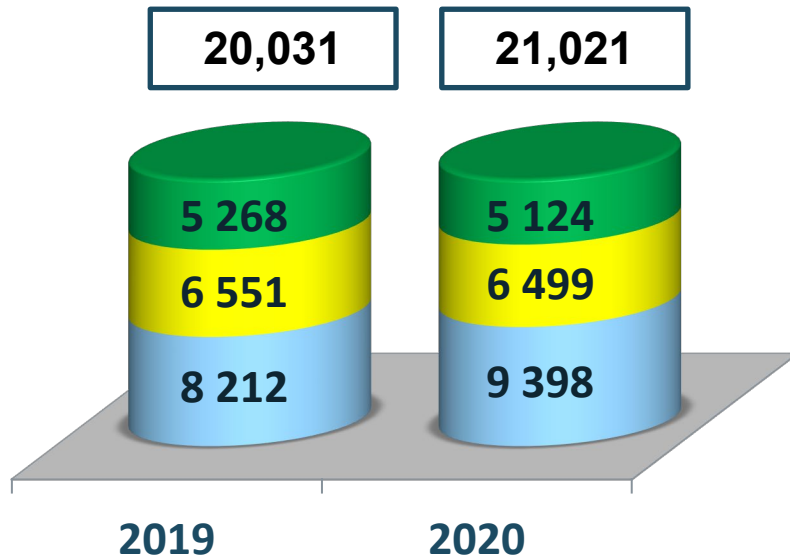


CURRENT OPERATING MARGIN

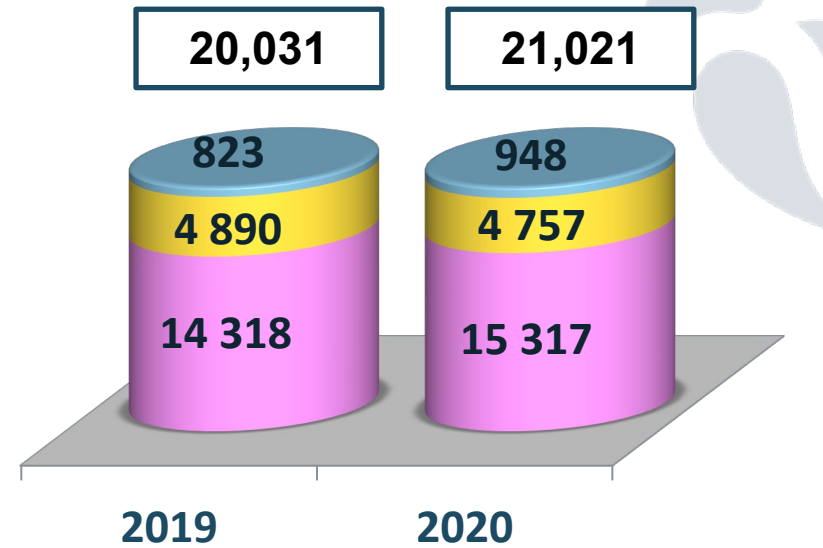


AVERAGE EMPLOYEES

+4.9%



■ France ■ Europe ■ Other countries



■ Cheese Products
■ Not assigned

■ Other Dairy Products

- Scope effect, acquisitions in 2019 (Papillon), 2020 (CF&R)

OTHER OPERATING INCOME & EXPENSES

In €m	2019	2020
Reorganization	-23.7	-16.9
Asset impairment	-25.9	-37.5
Disputes / Insurance claims / Other	-5.0	-0.6
	-54.6	-55.0

NET FINANCIAL INCOME

In €m	2019	2020	Total difference
Financial expenses/income (excluding interest rate hedging)	-9.7	-9.7	0
Interest rate hedging	1.1	0.1	-1.0
Commissions	-4.6	-9.0	-4.4
Forex	-5.1	4.8	9.9
Other	-3.1	-4.2	-1.1
Total	-21.4	-18.0	3.4
<i>of which latent IFRS impact</i>	0	1.8	1.8

TAXES

	2019	2020
Pre-tax profit (in €m)	120.6	142.1
Tax on profit (in €m)	-45.6	-55.9
Effective tax rate	37.8%	39.3%

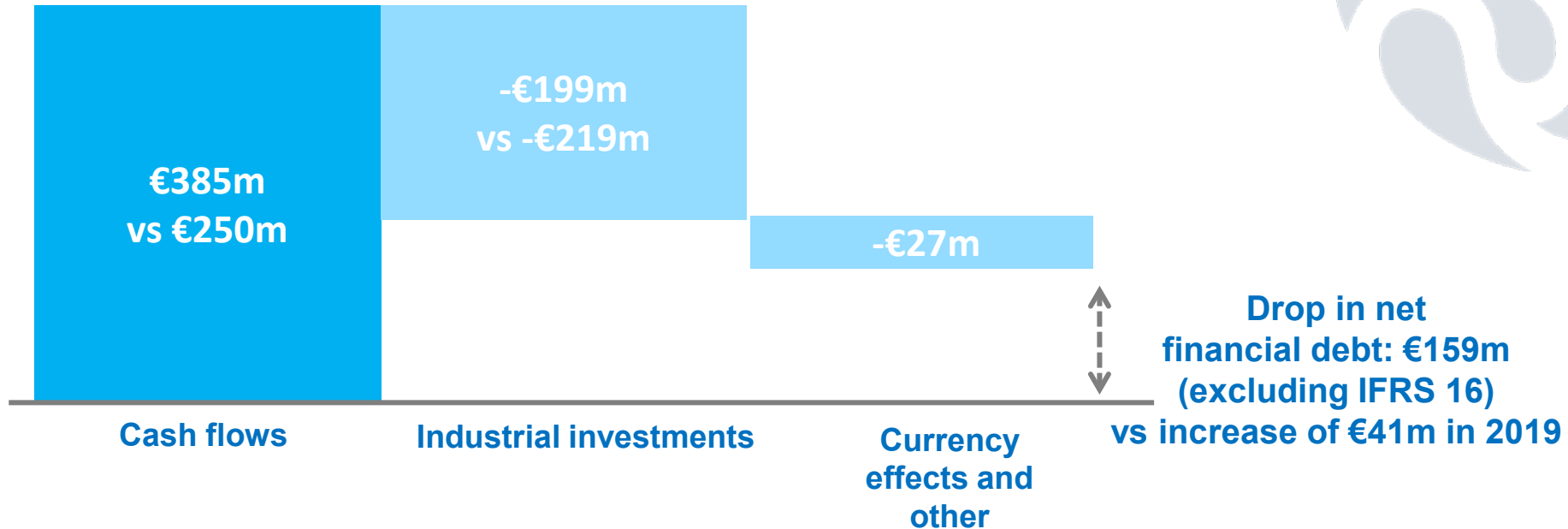
MINORITY INTERESTS

in €m		2019	2020	Difference
Minority interests		1.4	7.9	6.5

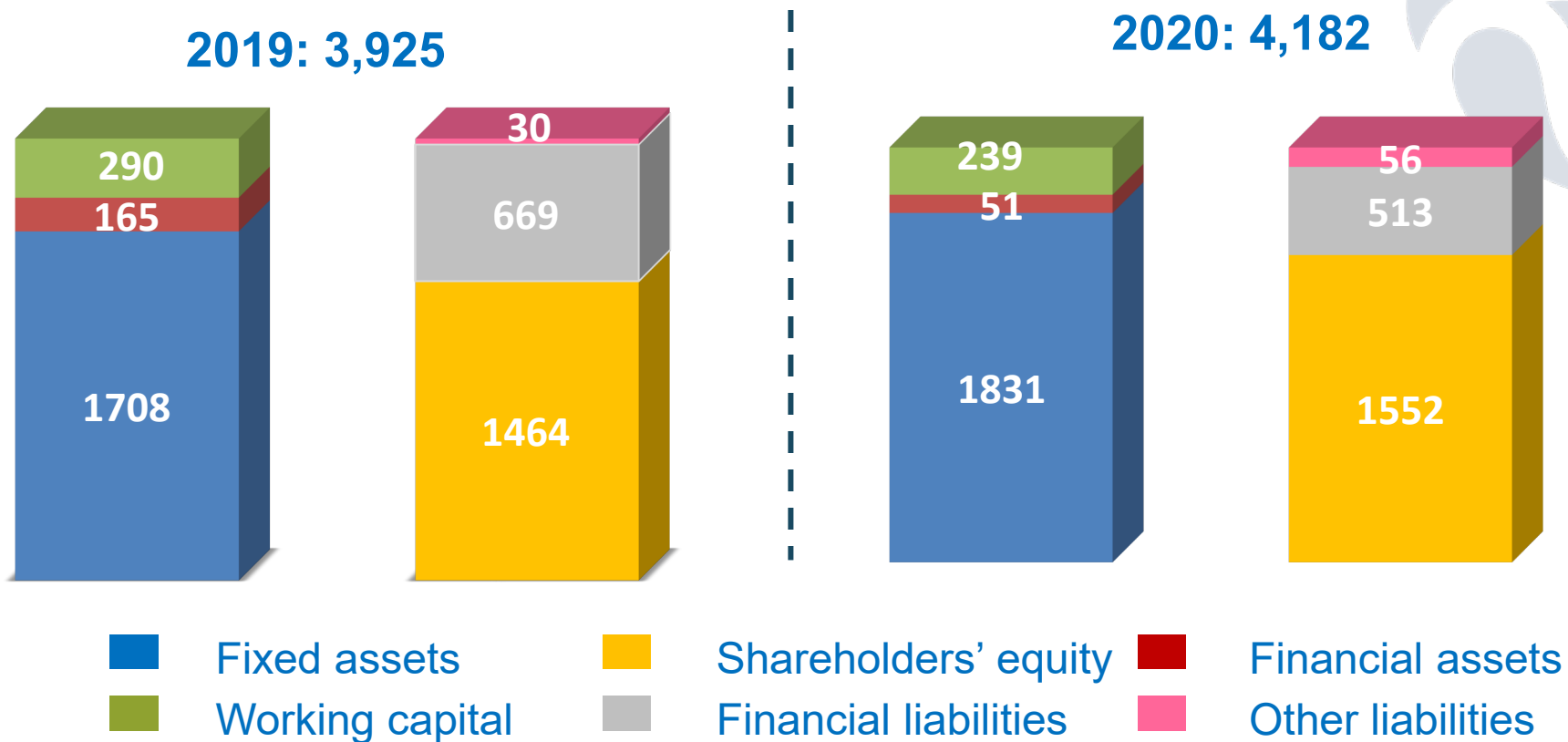
INCOME STATEMENT

	In €m	Real 2019	% net sales	Real 2020	% net sales	Δ in €m
Net sales <i>Difference from previous year</i>		5,007 +3.0%		5,160 +3.1%		153.1
Current operating profit <i>Difference from previous year</i>		192.1 +8.2%	3.8	211.4 +10%	4.1	19.3
Other operating expenses/income		-54.6		-55.0		-0.4
Operating profit <i>Difference from previous year</i>		137.5 +18.6%	2.7	156.4 +13.7%	3.0	18.9
Net financial expenses		-21.4		-18.0		3.4
Income on monetary situation		2.5		3.6		1.1
Share in associates		2.0		0.1		-1.9
Pre-tax profit <i>Difference from previous year</i>		120.6 +41%	2.4	142.1 +18%	2.7	21.5
Corporate tax		-45.6		-55.9		-10.3
Minority interests		-1.4		-7.4		-6.0
Group net income <i>Difference from previous year</i>		73.6 34%	1.5	78.8 1.0%	1.5	5.2

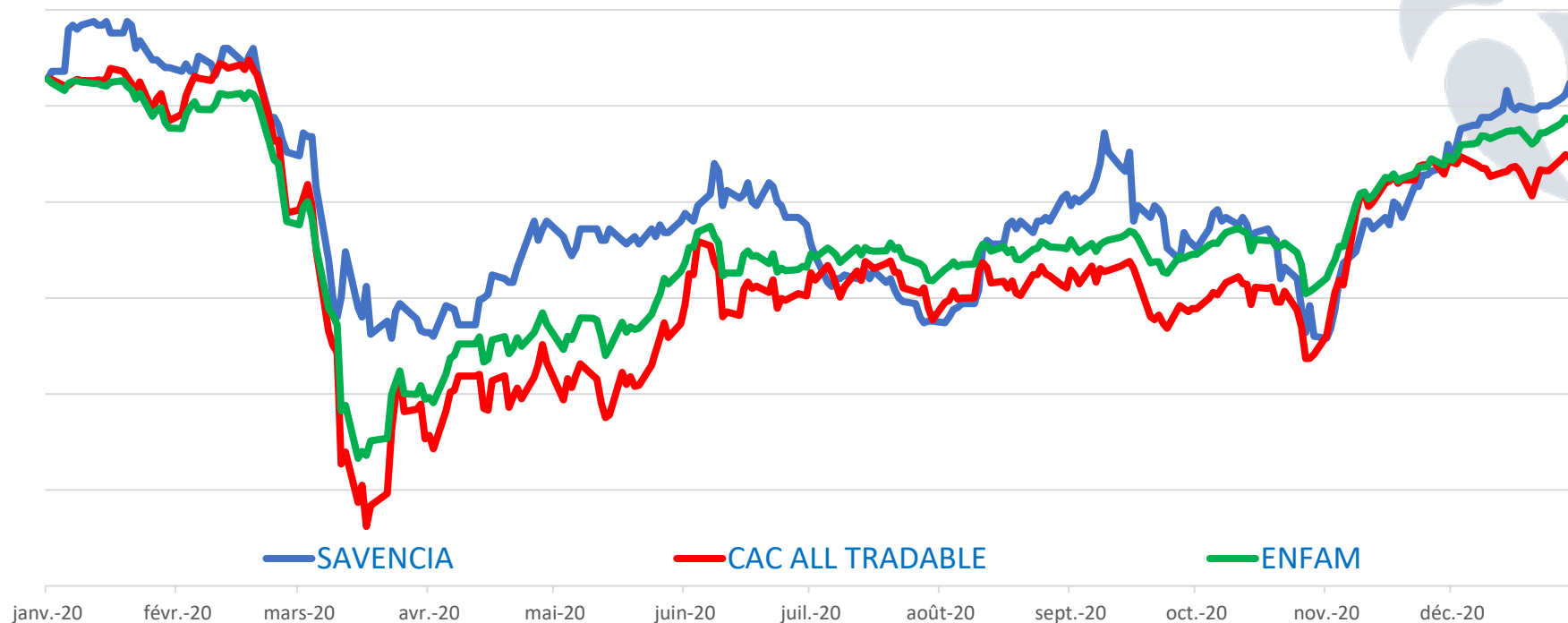
2020 CASH FLOW STATEMENT



BALANCE SHEET (in €M)



SHARE PRICE IN 2020



SAVENCIA

Low

Average

47.90

High

54.91 / Change at 31/12

64.40

-1.63%



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