

PRESS RELEASE: 2022 Half-yearly financial statements

- Sales growth was 13% in the first semester, of which 11% was organic, thanks to the Other Dairy Products momentum, in the context of a sharp rise in worldwide quotation for industrial products.
- Current operating profit was down by 10% to €125.9 million due to the violent inflationary surge.
- Olivier Delaméa takes office as Chief Executive Officer on 1 September 2022.

Key figures in €M	June 2022	% of Sales	June 2021	% of Sales	Changes in %			
					Total	Structure	Change	Organic
Sales	3,023		2,676		13.0	0.3	1.4	11.0
- Cheese Products	1,737	57.4	1,622	60.6	7.1	0.6	2.4	4.0
- Other Dairy Products	1,380	45.7	1,136	42.5	21.5	0.0	0.3	21.2
- Unallocated (Intra-Group transactions)	-94	-3.1	-82	-3.1	15.2	0.3	2.0	12.6
Current operating profit	126	4.2	140	5.2				
Operating profit	129	4.3	117	4.4				
Financial result	-15		-11					
Corporate taxes	-36		-39					
Result for the year	81	2.7	70	2.6				
Net income, Group share	71	2.4	67	2.5				
Net debt (excluding IFRS 16)	555		442					

The limited review procedures on the half-yearly financial statements have been performed by the Statutory Auditors.

Their limited review report is currently being issued.

Definitions and calculation methods for aggregates such as structural effects, exchange rates, organic growth, etc. and net debt have not changed.

They are defined in the Group's activity report and in note 20 of the financial statements for net debt.

Results for the first half of 2022

As of 30 June 2022, Savencia Fromage & Dairy's sales increased by 13%, of which 11% was organic growth. The 1.4% positive forex effect is a direct consequence of the devaluation of the euro against most all currencies.

The positive organic growth of 4% in Cheese Products was due to price adjustments, necessary in an inflationary environment. These increases, as well as the delisting by certain distributors, affected volumes in Europe without being compensated by International growth.

On a like-for-like scope and exchange rate basis, the sales of Other Dairy Products increased by 21.2%, driven by higher industrial products prices and the recovery of the food service market.

At €125.9 million, the current operating profit fell by €14.2 million or -10.1%. While benefitting from the rise in industrial product prices, it was affected by both the fall in volumes and inflation. In this environment, the Group's current operating margin contracted by 100 basis points to 4.2%. Other Dairy Products were stable at 5.4% versus 5.3% in 2021 and Cheese Products were down 250 basis points to 3.4%.

The Group's financial position remains strong, with equity of € 1,889 million and net debt excluding IFRS 16 of € 555 million. It represents 29% of consolidated equity compared to 27% at 30 June 2021.

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Public limited company (Société anonyme) with a capital of €14,032,930 - 847 120 185 Versailles Trade and Companies Register (RCS) - VAT: FR 46 847 120 185

Despite Savencia's unenforceable order to pay €26 million for 2020 and an amount yet to be determined for 2021 to the Sunlait Association for OP, the Group continues to consider that it is complying with the terms of its contracts and that Sunlait's claims are therefore unjustified and that no provisions need to be recorded. Savencia confirms its intention to appeal this decision.

Group's CSR commitments: Oxygen Plan

Savencia Fromage & Dairy continues to deploy its Oxygen plan, which sets out the objectives of its CSR commitments.

Sustainable milk sourcing: the deployment of the Charter for Best Farming Practices was extended, covering 86% of the Group's dairy producers worldwide.

Strengthening the carbon reduction ambition: the Group has decided to accelerate the reduction of its greenhouse gas emissions by 2030, according to criteria defined by climate science, by joining the Science-Based-Targets initiative.

Employee health and safety: in support of all the action plans already implemented, a global safety week was held to mobilize all teams.

Outlook for the second Half of 2022

The environment in the second half shall remain highly volatile. Inflationary trends will continue as a result of tight energy supplies and a continuation of the decline in global milk production. The consequences for household purchasing power are likely to become more pronounced with a very likely impact on demand.

In this unprecedented environment, the Group shall continue to pursue its objective of sustainable growth. It shall adapt its offer to new consumer demands and strengthen its efforts in terms of competitiveness. It shall pursue its efforts to improve the safety of all its employees and partners, and its ongoing dialogue with its customers and milk producers.

Further information can be found on our website [savencia-fromagedairy.com](https://www.savencia-fromagedairy.com)

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