



## **Avril gears up through proteins and growth in Africa**

- **Competitiveness, international growth, innovation and human assets are some of the pillars on which Avril intends to build in order to develop new skills and markets for agricultural and agrifood sectors in France and throughout the world.**
- **The "Avril 2020" strategic plan highlights two important challenges which must be met to better prepare and gear up for the future: proteins and Africa.**
- **Challenges that the Group is already addressing, through two major projects:**
  1. **the creation of new global specialty activities based on exploiting rapeseed proteins;**
  2. **the signature with Dow AgroSciences of an agreement to develop protein-enriched rapeseed.**

During a press conference this morning, the Avril Group presented the strategic plan that will guide the development of its activities in France and throughout the world between now and 2020.

Called "Avril 2020", this plan results from 5-year projections made for all the Group's business lines (Oilseeds Processing, Oils and Condiments, Oleochemicals, Animal Nutrition, Biosecurity and Nutritional Specialties, Animal Processing, Avril Development) and those of Sofiprotéol, Avril's finance and development company.

Representatives of the farming world also participated actively in drawing up this plan, thus reaffirming the crucial role of producers in the sector, as they had in creating the Group in 1983.

### **A new strategic plan which targets four areas:**

#### **1. *A strong Group, competitive in its markets and focused on its customers***

Improving customer culture, developing commercial networks, increasing the competitiveness of Avril's industrial assets by capitalizing on its know-how in terms of operational excellence, and also working to develop the oils and proteins sectors thanks to investments by Sofiprotéol, are all levers that should allow the Group to affirm its leadership in France, the platform for its conquest of international markets.

#### **2. *A resolutely international Group based on efficient sectors and conquering new markets***

Accelerating the Group's international growth is a prerequisite to developing new growth areas. Avril aims to invest in African oilseed sectors in order to respond to the explosion in local food demand, and to develop specialty areas of global scope (Oleochemicals, Biosecurity and Nutritional Specialties for livestock).

#### **3. *Innovation, driving the creation of sustainable value***

This is an essential lever to develop new skills and markets. Through innovation, Avril aims notably to better exploit the protein fraction of grain and increase the share of specialties with high added value. The Group is also committed to pursuing its support for research by investing in upstream agriculture through Sofiprotéol.

#### **4. *Our colleagues, mobilized to serve the ambitions of Avril 2020***

Our colleagues are central to the Avril 2020 plan. Developing skills, facilitating the sharing of expertise and encouraging mobility are all levers for performance and consolidation that Avril has accentuated since the adoption of its new governance in December 2014.

### **Crucial advances since 2013**

Avril 2020 follows on from the previous strategic plan (CAP 2018) launched in 2013, which enabled some major advances: from the consolidation of French livestock sectors to the development of different Group activities, the refocusing of its biodiesel operations, the pursuit of international deployment or the important progress achieved in terms of operational excellence.

**In particular, these advances were enabled by record investments worth €550 million between 2013 and 2015. €426 million were thus invested in modernizing and developing industrial facilities; on its side, Sofiprotéol allocated €124 million over 3 years to ensure long-term support for the consolidation of companies in the French agricultural and agrifood sectors.**

These advances also reflect our improved operational control: in 2012 the Group was committed to making savings worth €100 million by 2018, and it is expected that the operational and strategic excellence program (EOS) implemented in 2013 will already have reached 50% of this target by the end of 2017, or €48 million.

In this context, the Group expects to achieve an EBITDA of €400 million in 2020.

### **Gearing up through proteins and growth in Africa**

Consistent with accelerating the advances seen since 2013, the new plan takes account of the major changes that in recent years have affected the increasingly volatile markets where Avril is active and the shifting demands of its customers and consumers.

*"We need to accelerate the changes that have already been initiated: international development and also a trend towards more technical products that will offer access to markets with high added value", explained Jean-Philippe PUIG, CEO of Avril.*

*"There are already some excellent examples of this, such as Oleon's shift towards specialty products, the creation of MiXscience, and the development of our research center on animal nutrition and livestock management in Sourches, France. Hence the particular emphasis on innovation in this plan."*

*"Avril 2020 forms part of a prospective dynamic that should allow us to conquer new global markets for our sectors", commented Michel BOUCLY, Deputy CEO of the Avril Group.*

*"Because proteins are an important challenge for the planet, Avril intends to act as a driving force by improving exploitation of the protein fraction in grain, as it has already done in the field of vegetable oils."*

*"The second challenge is geographical: Africa is a source of true development potential and Avril is well placed to contribute to structuring efficient and sustainable oilseed sectors."*

These new challenges have resulted from a prospective analysis which revealed, firstly, the strong growth in demand for edible vegetable oils throughout the world, and secondly the key role of vegetable proteins in responding to the explosion in global protein requirements.

In this context, the Group aims to accelerate its growth in Africa, along lines similar to its achievements with sunflower in Morocco, by structuring different agricultural sectors in a responsible manner. It is also working to better exploit the protein fraction of plants for animal nutrition, human foods or renewable chemistry.

Within the framework of Avril 2020, these challenges are reflected by the emergence of new priorities in terms of areas and skills that will guide the Group's external growth during the years to come.

## **TWO KEY REALIZATIONS UNDER "AVRIL 2020"**

### **1. Creation of a new activity of global specialties based on the exploitation of rapeseed protein**



Avril has just signed an agreement on the creation of an innovative joint enterprise that will offer new opportunities for the exploitation of rapeseed protein, notably in the form of products and additives for the wood-based composite panel industry.

This new international activity will develop and industrialize renewable solutions that can offer major benefits - ecological, technological and economic - to industrial customers and end-users alike.

This project, developed with the Israeli company BioPolymer Technologies, is the first step towards Proteochem® within the Avril Group.

### **2. Agreement with Dow AgroSciences on the development of protein-enriched rapeseed**



**Dow AgroSciences**

In a context of soaring global growth in protein requirements, improving the protein content of raw materials is a strategic area that can respond to changes in demand and reduce the dependence of French livestock farmers on vegetable proteins.

With this in mind, and in the context of managing the FASO interprofessional fund, Sofiprotéol has just signed an agreement to develop protein-enriched rapeseed that will enable a 20% increase in the protein content of rapeseed meal.

This non-GMO technology is developed by Dow AgroSciences, a global innovator and technology provider with expertise in rapeseed and high value output technologies, through their Canadian expertise. This innovation will be in the general interest of the French sector, and be made available to all seed producers so they can develop varieties freely accessible to farmers.

#### **About the Avril Group:**

Set up in 1983 at the initiative of French farmers in order to assure the future of the vegetable oils and proteins sector, Avril has become a major industrial and financial group that is developing in France and internationally.

Present in sectors as diverse as human foods and animal feeds, renewable energies and chemistry, Avril owns a portfolio of strong brands that are leaders in their markets: Diester®, Sanders, Lesieur, Puget, Matines, Bunica, Taous...

In more than 30 years, the Group has changed in size but its purpose has remained the same: to create sustainable value in the vegetable oils and proteins sector, thus contributing to better foods for humans and preservation of the planet.

To fulfill its mission, Avril draws strength from its industrial activities organized around its industrial activities in the vegetable oils and animal production sectors, and from its financial activity, which operates through the finance and development company Sofiprotéol.

In 2014, the Avril Group achieved turnover worth €6.5 billion. It has 7200 employees working in 22 countries.

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