



Press Release • 30 April 2020

FINANCIAL RESULTS FOR 2019: AVRIL CONFIRMS ITS RECOVERY AND IS PURSUING ITS GROWTH TO SERVE DEVELOPMENT OF THE SECTOR

(Millions of Euros)	2019	2018	2019 vs 2018
EBITDA	170	154	+11%
Turnover	5 841	6 090	-4%
Net result, Group share	35	16	+119%
Investments ¹	184	167	+11%

1: Ongoing investments and investments in agricultural sectors

2019: an upturn that confirms the Group's recovery

Avril achieved an excellent performance in 2019 and exceeded its objectives, with an EBITDA at €170 million, up 11% on 2018, thus confirming its growth dynamic in line with its strategic plan, Avril 2023.

Turnover was impacted by the volatility of raw material prices and a reduction in the volume of activities by Avril Vegetal, falling slightly to €5.8 billion.

The Group's net result saw a considerable increase; it more than doubled from €16 million to €35 million in 2019.

This good performance was based firstly on the dynamism of its industrial activities spread between four business lines (Avril Vegetal, Avril Specialties, Avril Livestock Sectors and Avril Development) and secondly on the activities of Sofiprotéol, the Avril Group's finance and development arm and a strategic partner for companies throughout the agrifood industry.

Dynamism of industrial activities: performance driven by Avril Vegetal

For **Avril Vegetal**, which centers around the Group's historic activities of crushing rapeseed and sunflower grain, an improvement in performance was confirmed once again this year, driven by both the Oilseeds Processing and Oils & Condiments activities. The EBITDA rose markedly over the year to reach €60 million (+€15 million over 2018).

Oilseeds Processing benefited from the good health of Saipol which – despite the impact of a strike at some of its plants early in the year – achieved better results overall, supported by an improvement in its margins. Similarly, Expur in Romania recorded excellent results, thanks notably to the success of its Bunica brand among Romanian consumers.

Activities by Oils & Condiments benefited from the return to profitability of Lesieur in France and good performance in Algeria. In France, relaunches of the Lesieur and Puget brands started to bear fruit, as did the successful launch of the Italian brand Costa d'Oro, acquired in 2018, whose integration continued in 2019. In Algeria, the success of our mayonnaises among Algerian consumers enabled us to recover our position as market leader. Finally, in Morocco, Lesieur Cristal experienced a slight downturn in its performance in a highly competitive local market.

As for **Avril Specialties**, which reflects Avril's move towards products with high added value, with oleochemical activities on the one hand and animal specialties, innovative solutions for livestock nutrition and hygiene at an international level on the other, performance remained stable in 2019. The EBITDA reached €65 million, thus confirming the considerable contribution made by this business line to creating value for the Group.

Once again, Oleon, our Belgian subsidiary, demonstrated the resilience of its model thanks to the diversity of its oleochemical applications in two dynamic markets in 2019, the agrifood and cosmetics sectors. However, the oil and automobile industries saw little growth during the year.

ASA, whose performance had been boosted in 2018 by economic fluctuations affecting vitamins, saw a slight downturn, despite the excellent performance of SALUS in Brazil and the satisfactory results of its activities in Africa.

At **Avril Livestock Sectors**, which covers the Group's livestock activities, performance was globally positive with an increase in the EBITDA to €25 million (+€3 million over 2018). This was based notably on the good results achieved by Animal Nutrition, whose products are sold under the SANDERS brand, which in 2019 benefited from favorable prices for its raw materials and animal production, notably milk and pork.

ABERA, which manages our pig slaughtering and cutting activities, also contributed to this improvement. With strong positions in its different markets – at export and among major retailers and wholesalers - ABERA benefited in 2019 from the consequences of the African swine fever that decimated Asiatic livestock farms, causing a switch towards the European and French herds.

Finally, our egg activities continued to be penalized by problems at Matines which once again recorded heavy losses, underlining the urgency to transform our model and adapt our organization in response to changing consumer demands while guaranteeing the future for producers in our sector.

Finally, **Avril Development**, which groups our high potential activities, continued to progress in all its areas of expertise: the processing of byproducts from the agrifood industry, the recycling of organic waste into fertilizers and the purchase of raw materials for third parties. The stake taken by Suez in the capital of Terrial (25%) led to the birth of the French leader in organic fertilization. Finally, Evertree, a young company that is revolutionizing industrial processes and materials using green chemistry, reached an important milestone in 2019 with the commercialization of its first solution developed specifically for the wood-based composite panel industry; this enables a significant reduction in their petrochemical resin content and hence in the pollution linked to the volatile organic compounds (VOC) generated by these resins.

2019: a busy year for Sofiprotéol

The year was marked by major investments, with nearly €83 million of new commitments, thus confirming the strategic ambition to support the growth of agrifood sectors from upstream to downstream. Among the major achievements of the year, Sofiprotéol supported the Axéréal cooperative in purchasing the global activities of Cargill Malt. It also backed some structuring operations, such as that implemented by the Euralis Group in the seed

sector or the round table initiated by *Oleosyn bio* regarding the production of French plant proteins for organic sectors. These examples illustrate the diversity of the operations supported over the long term by Sofiprotéol which aim to serve both the local impact and international development of French sectors.

Overall, Sofiprotéol contributed €10 million in 2019 to the Group EBITDA.

A solid financial structure

The Avril Group draws strength from its solid foundations, with stable equity worth €1.7 billion and debt under control. In this context, the Group pursued its investments in 2019; they reached a value of €184 million, €101 million being used in its industrial subsidiaries and €83 million in the form of stakeholdings or funding grants to companies in agricultural sectors via Sofiprotéol.

1: Debt/EBITDA ratio, with debt being calculated according to the methods defined in the Group's banking covenants

In 2020, Avril will pursue deployment of the Avril 2023 strategic plan

This good performance in 2019 has reinforced the strategic orientations adopted by the Group. In line with the ambitions of Avril 2023, its 5-year plan, these results confirm the dynamic initiated two years ago and place the Group in a good position from which it can pursue deployment of the 2020 roadmap, as emphasized by Jean-Philippe Puig, CEO of the Avril Group and Manager of Avril SCA:

“Although the current crisis highlights the importance of our activities and our mission – to feed humans and animals – it necessarily encourages us to be prudent during the coming months. Nevertheless, despite the uncertainties weighing on the global economy, I remain confident in the future for our Group. The quality of our foundations and the results achieved in 2019 confirm that we are on the right road and we shall pursue these efforts to continue creating value at the service of the sector.”

About the Avril Group

Founded in 1983 at the initiative of farmers in order to assure long-term markets for French products, Avril is the leading industrial and finance actor in the French oilseeds and vegetable proteins sector.

Present in France and internationally in sectors as diverse as human foods, animal nutrition and expertise, renewable energies and chemistry, the Avril Group draws strength from its portfolio of strong brands that are leaders in their markets: Diester®, Sanders, Lesieur, Puget, Matines, Bunica or Taous, etc.

In line with its original mission to create sustainable value for the oils and proteins sectors, thus contributing to better foods for humans and preservation of the planet, Avril operates in two complementary areas: industrial activities organized around plant and livestock sectors, and investment activities managed by its subsidiary, Sofiprotéol.

In 2019, the Avril Group achieved turnover worth €5.8 billion. Present in 19 countries, it employs nearly 7600 people spread between 83 industrial sites throughout the world.

For more information, go to: groupeavril.com | Twitter @Avril | LinkedIn Avril

Press contact

Hélène TABOURY | AVRIL Group

+33 (0)1 80 97 20 45 | +33 (0)6 23 08 83 54 | helene.taboury@groupeavril.com