



Fromageries Bel

Banks & investors meeting

Suresnes

Tuesday, May 22nd, 2018



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FORWARD LOOKING STATEMENT

- This document includes a brief historical review (2011 – 2017). It contains certain forward-looking statements concerning BEL. The statements are not undertakings as to the future performance of the Bel Group. Although BEL believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. For a detailed description of these risks and uncertainties, please refer to the section "Risk Factors" in BEL's Annual Report (which is available in French version on www.groupe-bel.com).
- BEL undertakes no obligation to publicly update or revise any of these forward-looking statements.



GROUP OVERVIEW



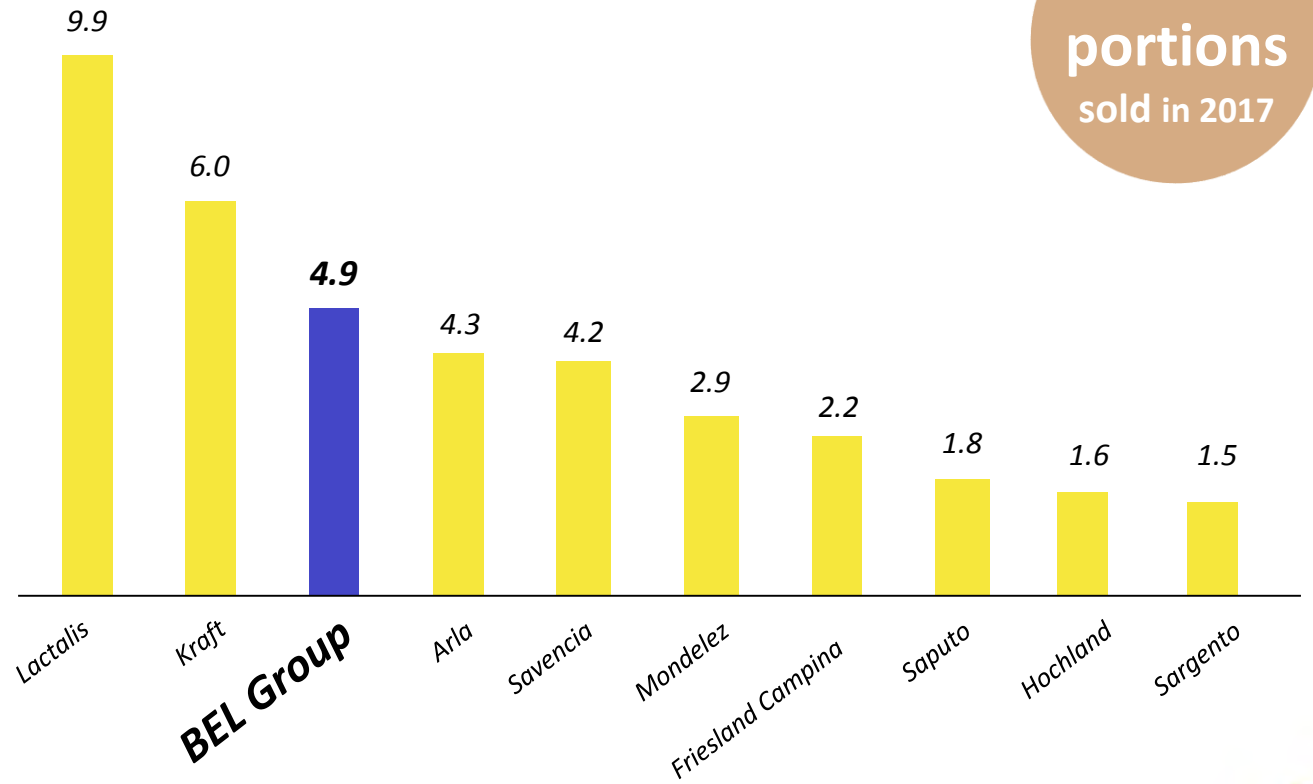


3rd WORLDWILDE CHEESE MANUFACTURER

1st WORLDWIDE COMPANY IN CHEESE PORTIONS

TOP 10 cheese players: 2016 cheese sales

In billions of euros – source : BEL GLOBAL CHEESE data



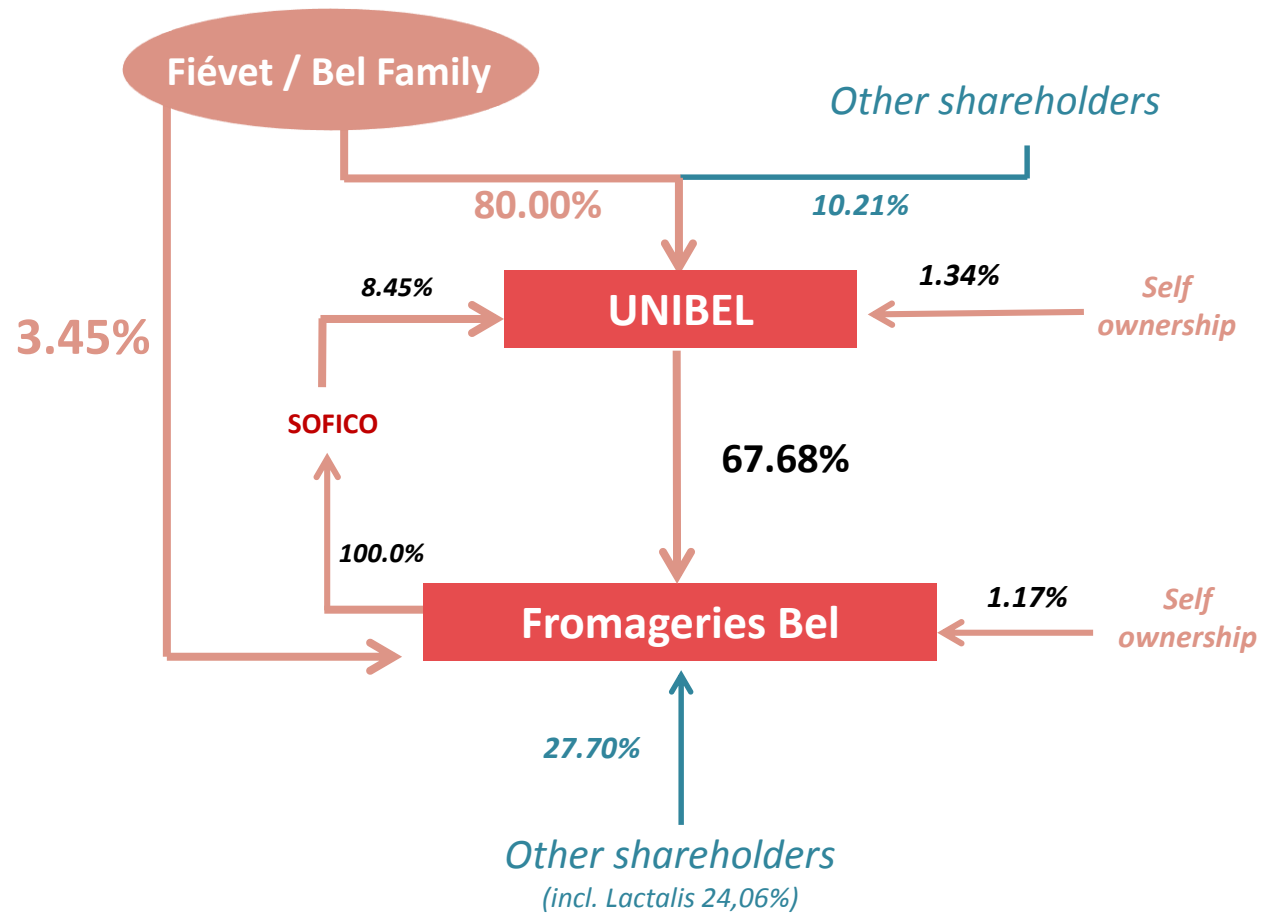
18bn
portions
sold in 2017





SHAREHOLDERS

(In % of Capital share)



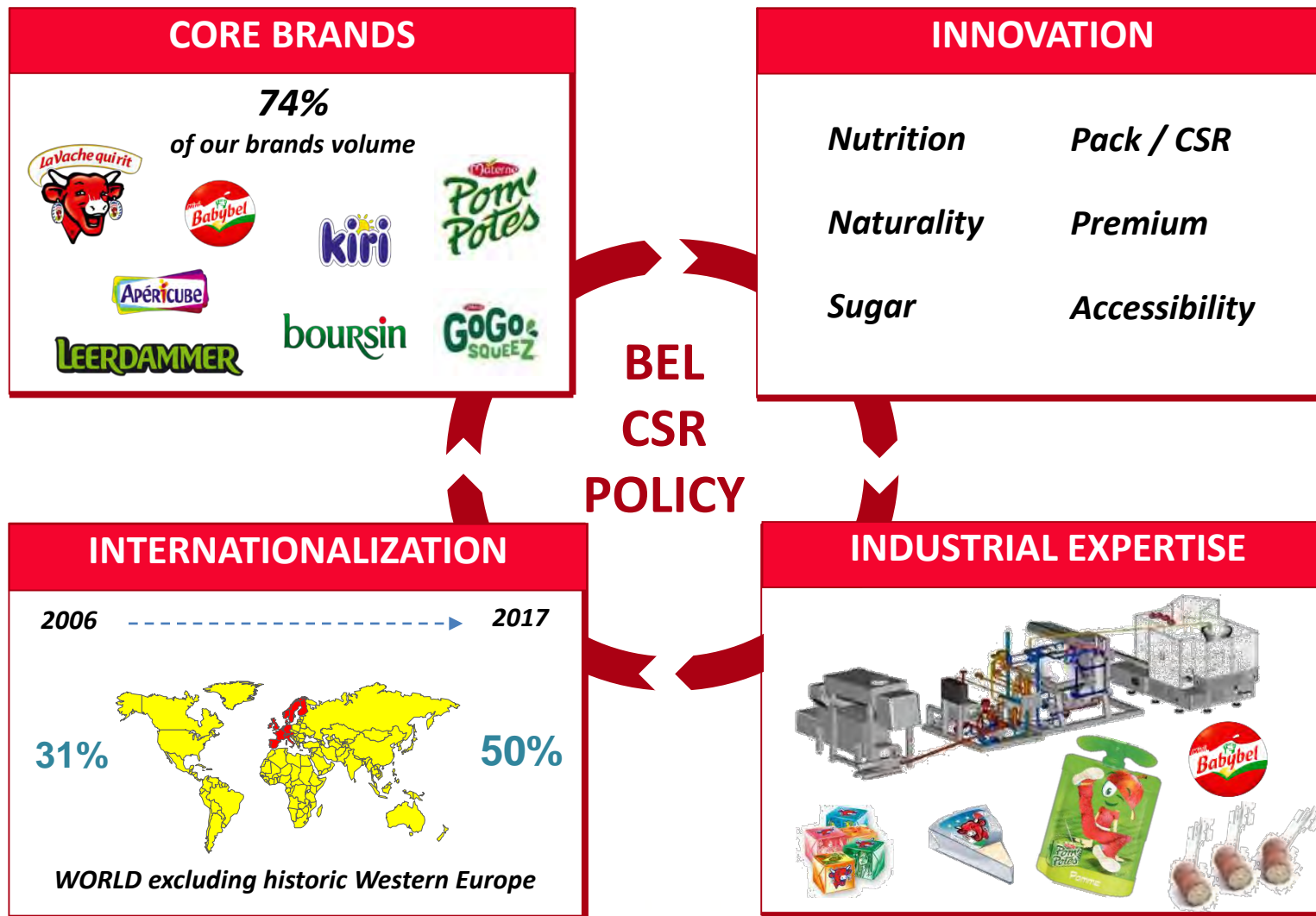
Renewal of Antoine Fiévet as Chairman and Chief Executive Officer till 2022



Sharing smiles



OUR MAIN STRATEGIC PILLARS

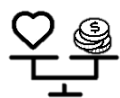
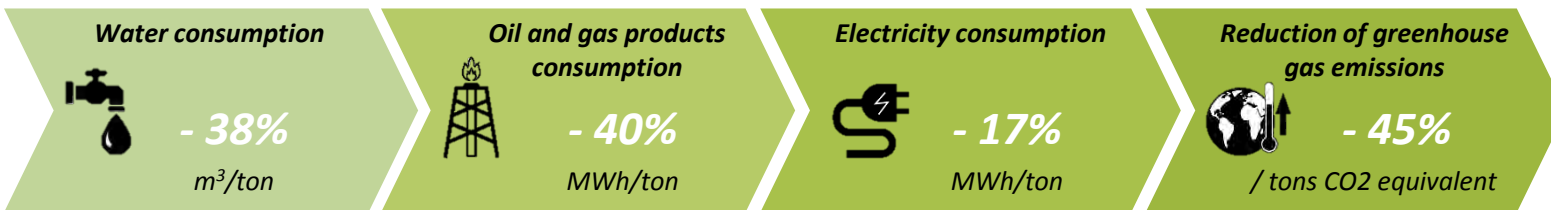




2017 : CONFIRMATION AND ACCELERATION OF OUR CSR POLICY

2008

2017



Ethically managing its business

United Nations Global Compact since 2003
Sustainable RCF 520m€



Sustainable dairy production

100% of soy and palm oil cakes volumes used in the feed of the dairy cow are covered by RTRS and RSPO certificates*
The upstream international dairy charter co-signed by WWF France frames the Group's commitments
Milk price commitment for French farmers for 2018



Retaining employees and attracting talents

Occupational health, safety and well-being
Equal opportunities



Goodness of milk access

In 2016, 23 new recipes in order to reduce additives into Bel products
Launching of the Bel Nutri+ nutritional profiling system for cheese products and defining of the "Nutrition and naturalness" road map for product improvements.



Responsible packaging

End-of-life management of packaging



Reducing its environmental footprint

WWF partnership since 2012
Objective 2025 : 0% deforestation

*RTRS: Round Table on Responsible Soy
RSPO: Round Table on Sustainable Palm Oil



Sharing smiles



CSR SCORECARD : 2025 TARGETS – 16 KPI's

SUSTAINABLE FARMING



- **100%** farmers access to **innovative societal schemas**
- **100%** farms certified for **animal welfare** by third-party
- **100%** milk collected from **non GMO-fed cows**
- **100%** sourcing certified or under **charter commitment for vegetable fat** ⁽¹⁾

ENVIRONMENTAL FOOTPRINT



- **100%** recyclable and/or **biodegradable packaging**
- **100%** « **zero deforestation** » certified sourcing
- Make our operations **carbon neutral**
- - **80%** **water consumption** ⁽²⁾
- - **17%** **greenhouse gas emissions** ⁽²⁾

(1) used in our products

(2) Per metric tons of cheese vs 2008

CARING NUTRITION



- **80%** of children portfolio meeting **Bel Nutri+** ambition ⁽³⁾
- Nutrition Education programs in **10 countries** for consumers « Educanut »
- Nutrition Education programs in **30 subsidiaries** for employees « healthy smiles »

PEOPLE WELL-BEING



- **100%** employees attending **training during the year**
- Work toward **zero accident**
- **40%** of **women** in top management
- **55/100** average « **Ecovadis** » **supplier score**
- **100%** products include **specific (environmental, nutritional, etc.)**

(3) Bel nutritional profiling system

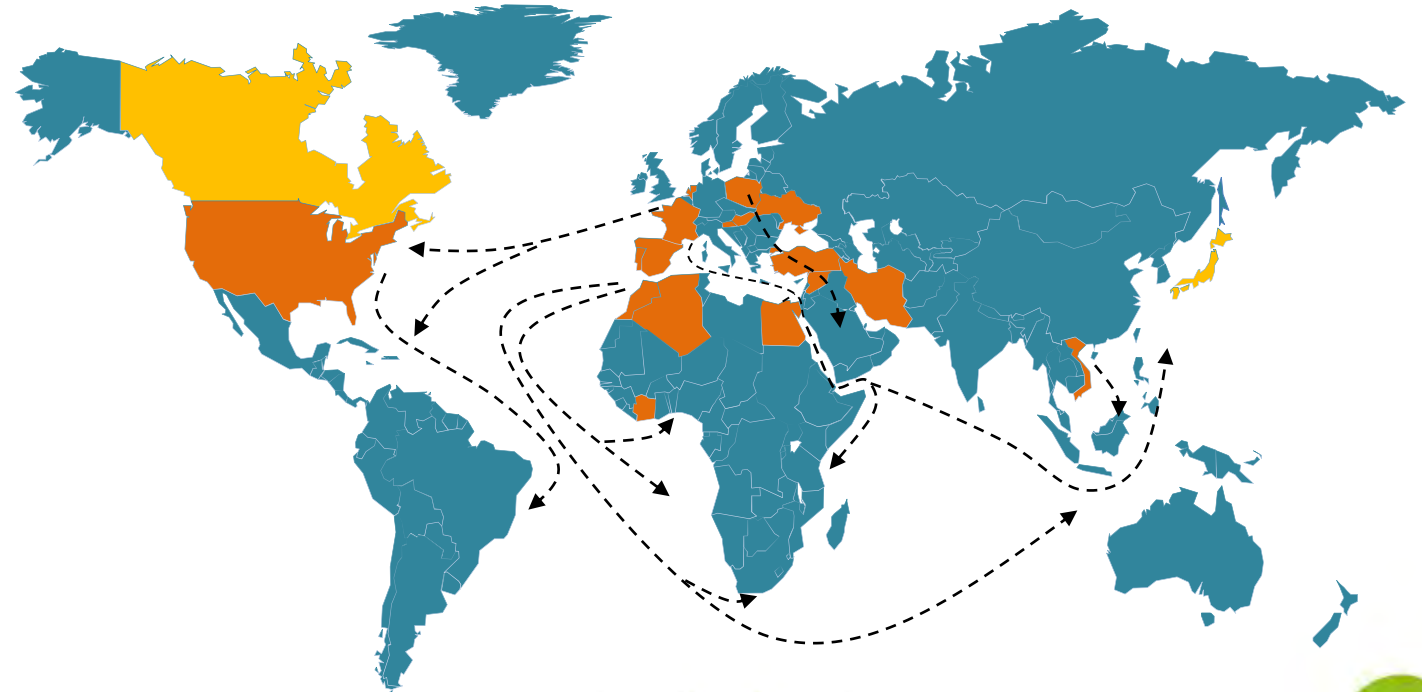


A GLOBAL COMPANY

COMBINATION OF EXPORT EXPERTISE AND LOCAL PRODUCTION

- 32 plants**
Of which 9 in France
- 5 outsourced production**

≈ 130 countries



Sharing smiles

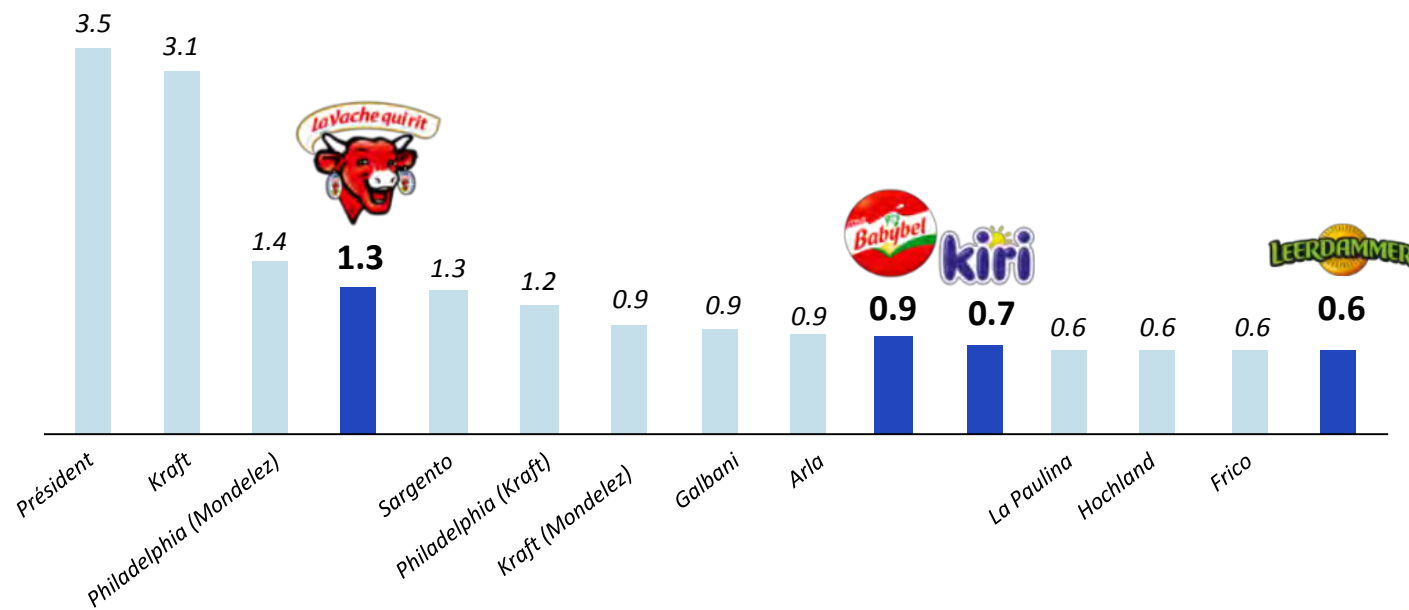


VERY STRONG BRAND POSITIONS

4 Bel brands among the world's 15 leading brands

TOP 15 CHEESE BRANDS: 2016 SALES TO CONSUMERS

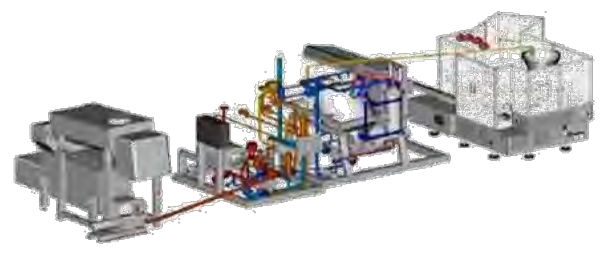
(In billions of euros – source BEL GLOBAL CHEESE)



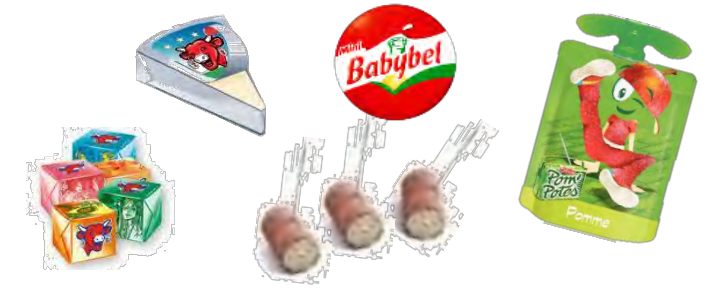


A UNIQUE INDUSTRIAL INNOVATION EXPERTISE

PROCESSED CHEESE TECHNOLOGY



UNIQUE KNOW-HOW IN MINIATURIZATION



HIGH QUALITY LEVEL

(WORLDWIDE ACTIVE DEPLOYMENT)

QUALITY MANAGEMENT
ISO 9001

FOOD SAFETY
FSCC 22000

SECURITY
OHSAS 18 001

ENVIRONMENT
ISO 14 001

88%
of produced cheese
In 2017

92%
of produced cheese
In 2017

68%
of produced cheese
In 2017

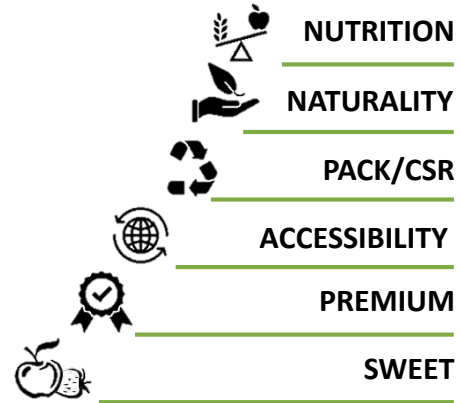
64%
of produced cheese
In 2017

2017 : disposal of three sites and relocation of two sites



INNOVATION : BEL DNA

PLATFORMS



TARGETS

CHEESE



CHEESE SNACKS



DAIRY SNACKS



OTHER DAIRY SNACKS



HEALTHY SNACKS NON DAIRY



≈ 130 LAUNCHES IN 2017

AMERICAS

Cheese dippers



EUROPE

BOURSIN marbles



Combis MiniBabybel



Spiroll



TLC without E, with milk



MIDDLE EAST, GREATER AFRICA

Creamy TLC



White cheese in Egypt



Rouzaneh milk in Iran



ASIA

Sweet KIRI



Sharing smiles



ACTIVITIES





2017 : CONFIRMED INVESTMENT IN A TURMOIL ENVIRONMENT

Due to

- *A return to a high raw material prices environment*
- *Unfavorable evolution of foreign currencies*
- *Continuous geopolitical tensions in some major group markets*
- *Shrinking cheese markets in Middle East, Greater Africa*
- *A fierce competition among distributors especially in France*

Despite

- *A dynamic momentum in the Americas and Asia Pacific*
- *A resilient support in A&P and innovation*



EUROPE 2017 HIGHLIGHTS

(In millions of euros)

	2016	2017	Published growth	Organic growth
NET SALES	1,560	1,856	+ 19.0%	+ 5.1%

- **A brand valorization strategy**
- **outstanding performance in snacking brands net sales:**
 - *Leerdammer slices*
 - *Pick et Croq*
 - *Apéricube*
 - *Pom' Potes in France*
- **Bel Group still fuels this strategy thanks to:**
 - *Brand A&P support*
 - *Innovation*
- **Subcontracting of products with the new Clery plants owner**



AMERICAS, ASIA PACIFIC 2017 HIGHLIGHTS

(In millions of euros)

	2016	2017	Published growth	Organic growth
NET SALES	567	750	+ 32.4%	+ 3.5%

- **Significant development of the North American markets thanks to:**
 - *Boursin in Canada*
 - *GogoSqueeZ in the USA*
- **Innovation continued to be a key lever with GogoSqueeZ fruit and dairy offer and The Laughing Cow Cheese Dippers**
- **In Asia-Pacific, sales increased by 5% in developing cheese and dairy markets**



MIDDLE EAST, GREATER AFRICA 2017 HIGHLIGHTS

(In millions of euros)

	2016	2017	Published growth	Organic growth
NET SALES	809	740	- 8.5%	- 4.0%

- Geopolitical and economic contexts continue to deteriorate
- Shrinking cheese markets in many countries (volume and value)
- Still very strong positions in Morocco, Algeria, Gulf countries and Egypt
- Unrest in Libya, Yemen and Iraq



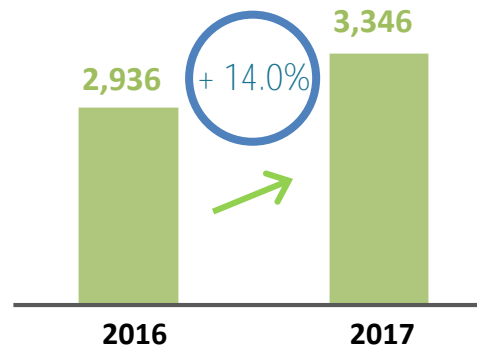
2017 RESULTS



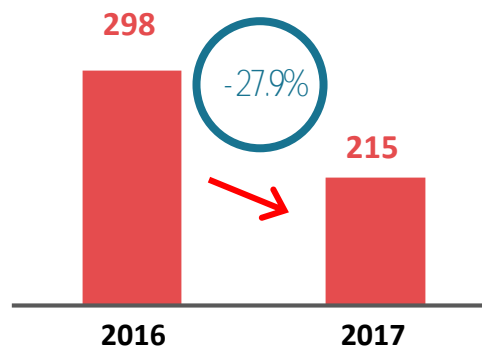
GROUP P&L KEY INDICATORS

(In millions of euros)

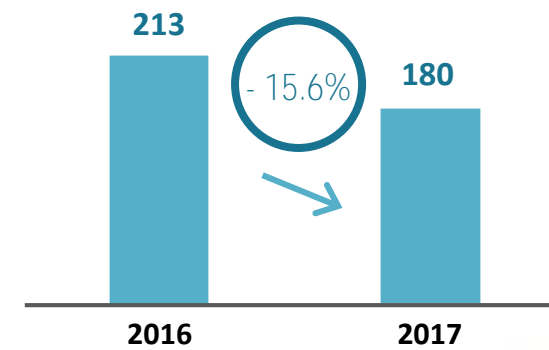
SALES



OPERATING INCOME



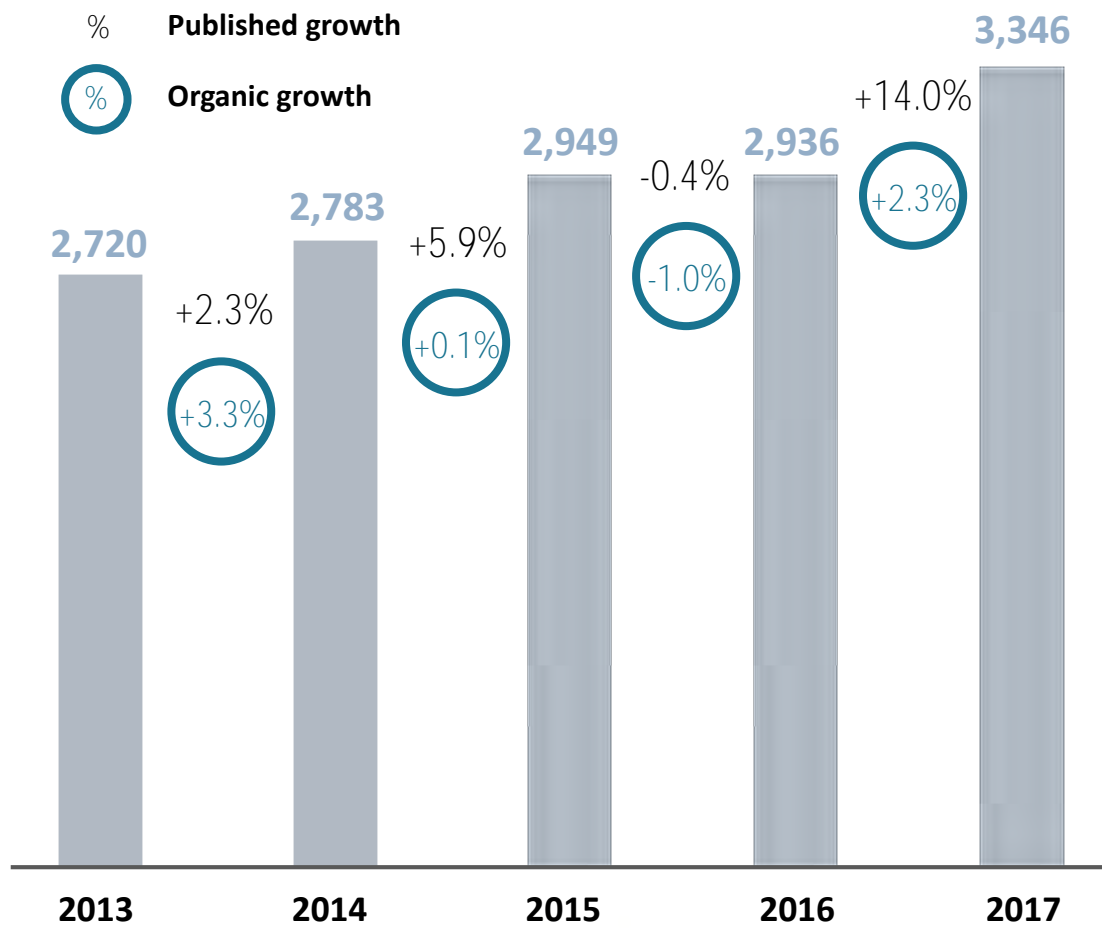
NET INCOME - GROUP SHARE





SALES MOMENTUM ACCELERATION THANKS TO MOM ACQUISITION

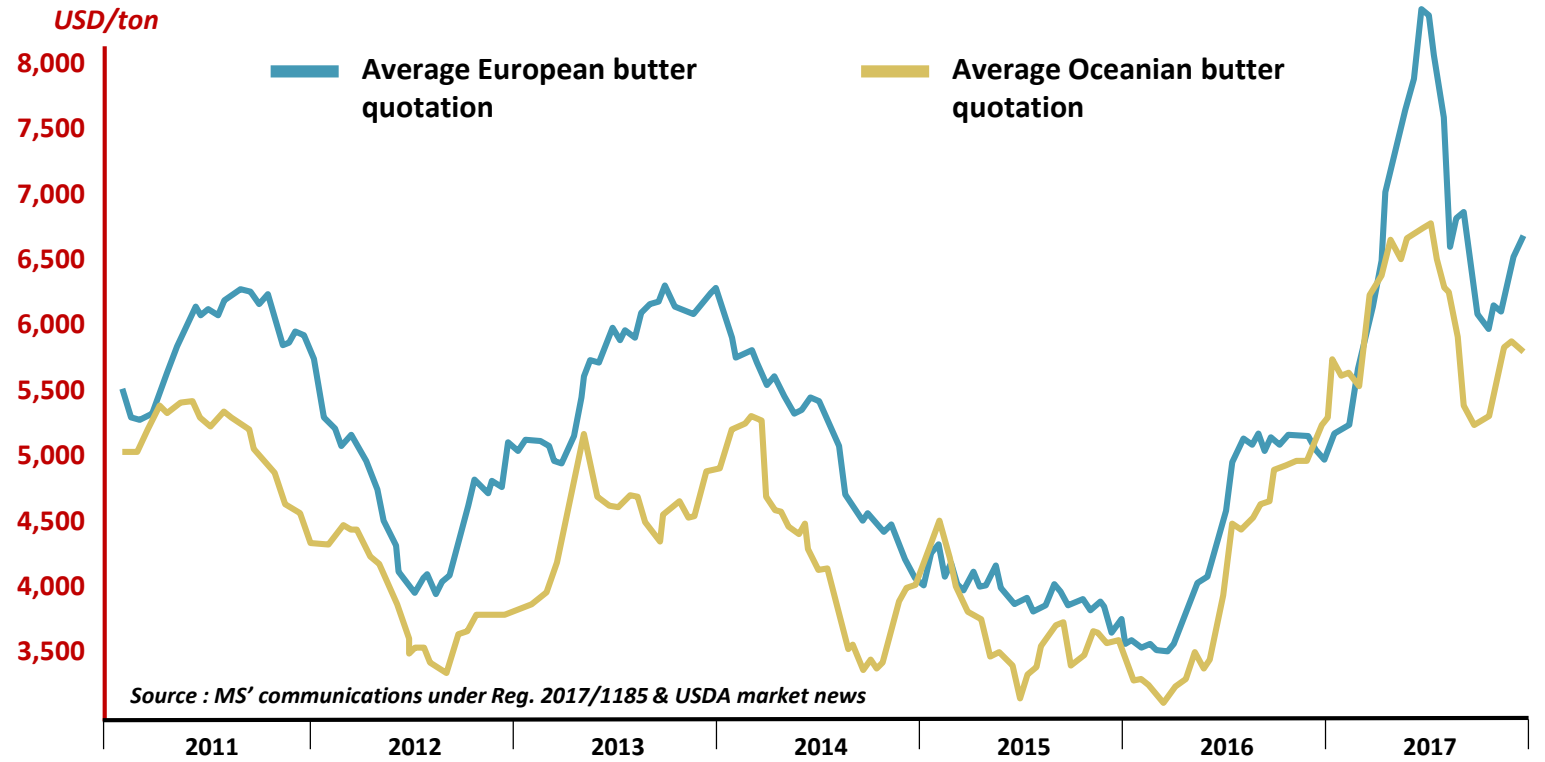
(In millions of euros)





RAW MATERIAL PRICES EVOLUTION

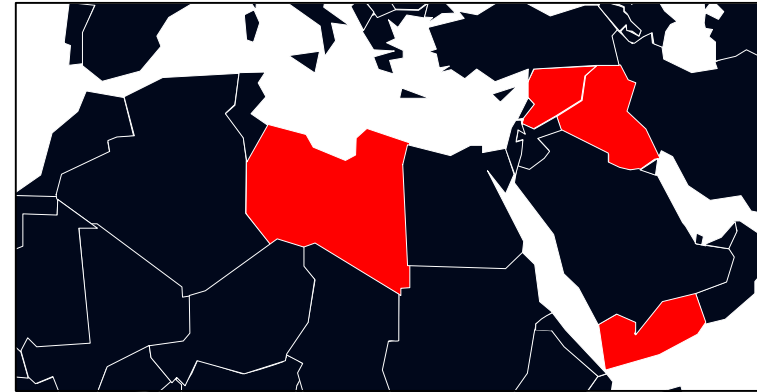
(Butter prices in USD per ton)



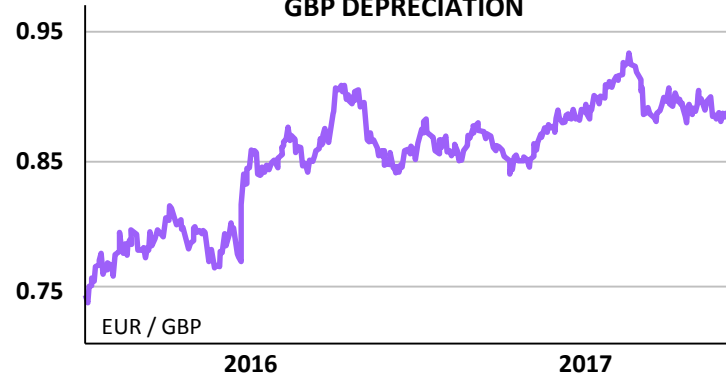


VOLATILE ENVIRONMENT

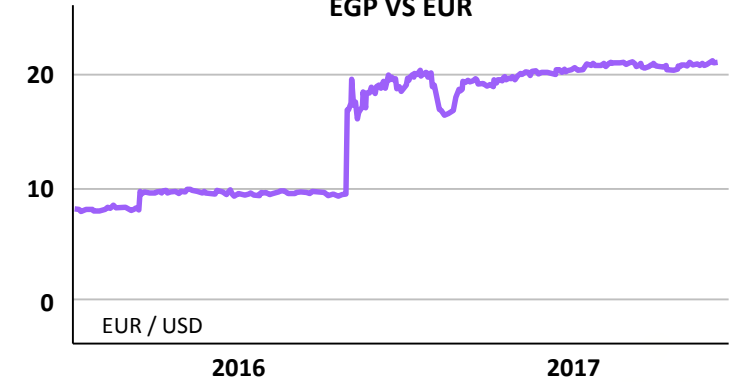
GEOPOLITICAL TENSIONS



BREXIT IMPACT GBP DEPRECIATION



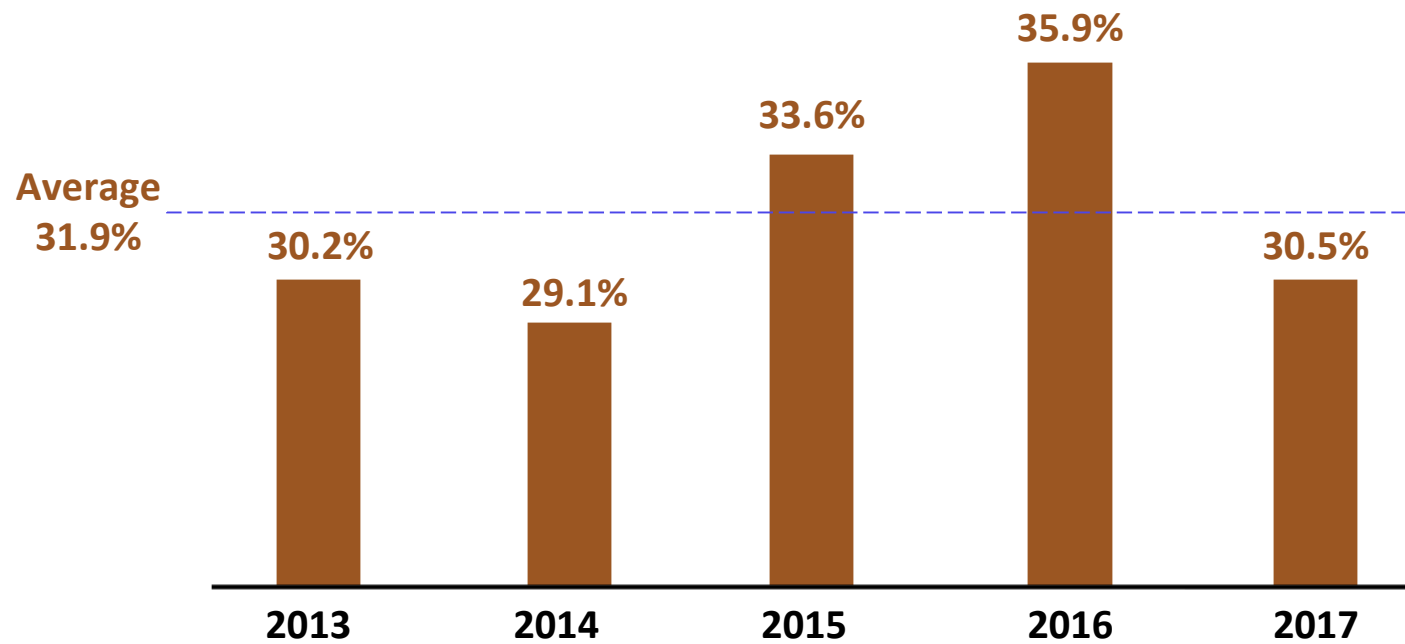
100% DEVALUATION IN NOVEMBER 2016 EGP VS EUR





RESILIENT GROSS MARGIN RATE

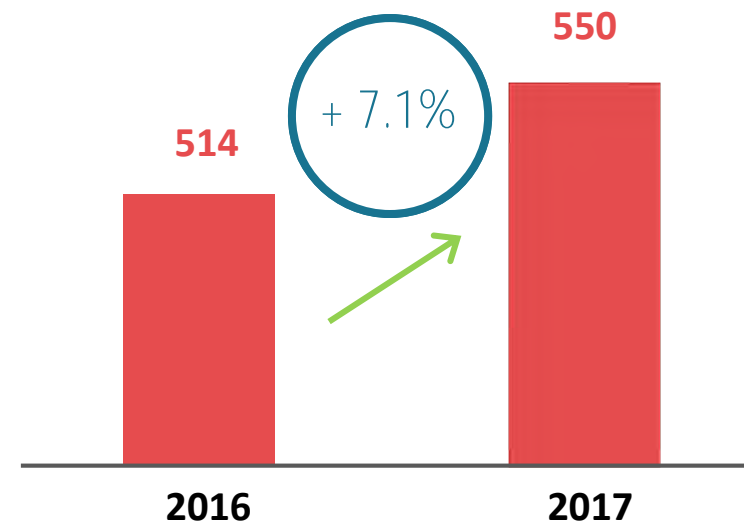
(In % of Turnover)





STRONG SUPPORT ON COMMERCIAL AND DISTRIBUTION EXPENSES

(In millions of euros)



Media and consumer promotion investments

Sales and marketing structures



OPERATING INCOME AFFECTED BY THE ENVIRONMENT

(In millions of euros)

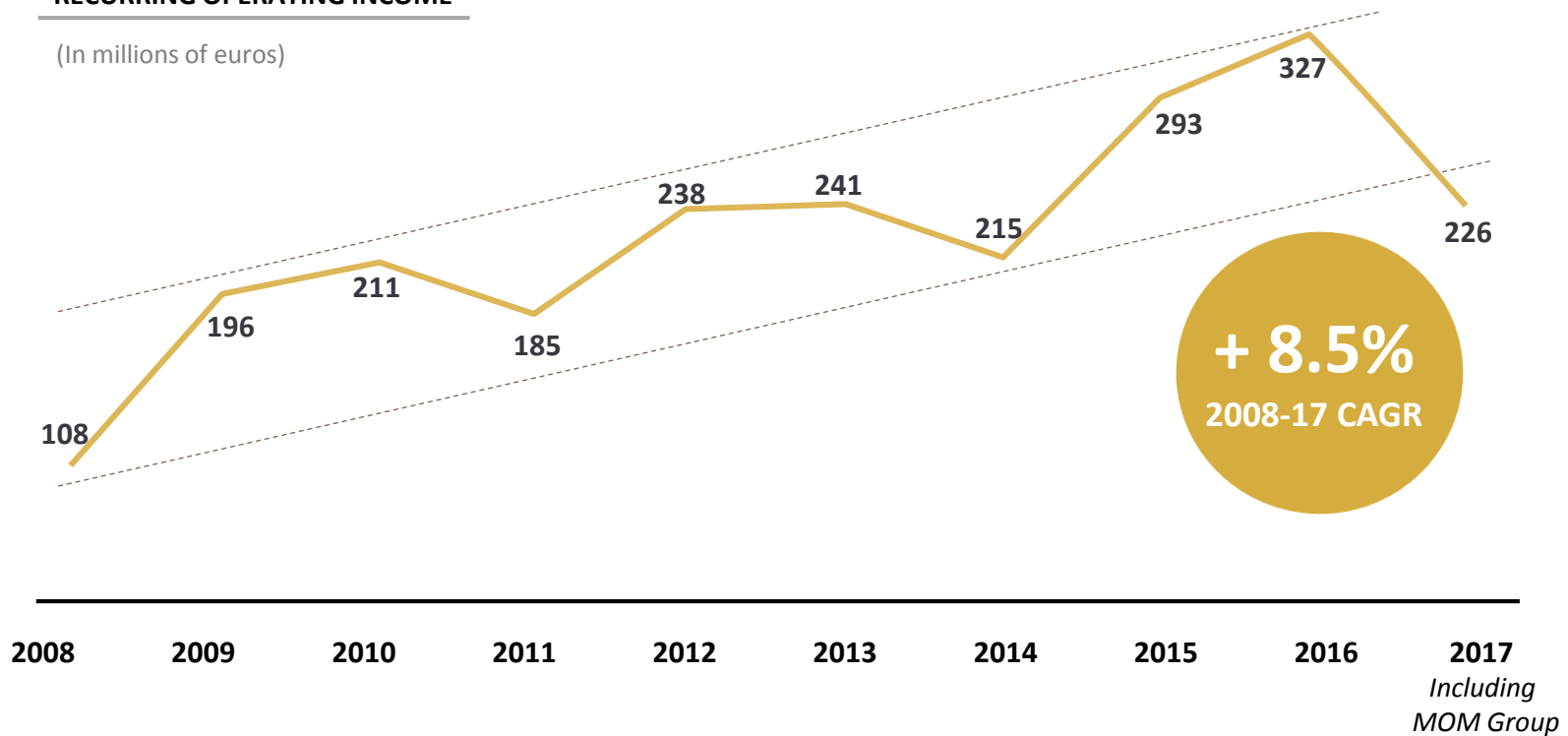
	2016	2017	Published growth
EUROPE	152	145	- 4.6%
MIDDLE EAST, GREATER AFRICA	127	42	- 67.0%
AMERICAS, ASIA PACIFIC	19	28	+ 48.3%
BEL GROUP	298	215	- 27.9%



AN ABILITY TO IMPROVE PROFITABILITY IN THE LONG TERM

RECURRING OPERATING INCOME

(In millions of euros)



2017 : DEVELOPMENT AND PROFITABILITY BELOW OUR STANDARD AVERAGE

(In millions of euros)

	2016	2017	Variation
Sales	2,936	3,346	+ 14.0%
<i>Gross margin</i>	1,053	1,020	- 3.2%
Operating income	298	215	- 27.9%
<i>Financial costs</i>	2	- 37	NA ⁽¹⁾
<i>Taxes</i>	- 83	8	NA ⁽²⁾
Net profit	217	186	- 14.3%
Net profit – Group share	213	180	- 15.6%

(1) : MOM acquisition financial costs, negative FX result in 2017 (Egypt, USA, Iran) vs positive FX result in 2016 (Egypt, Syria)

(2) : Deferred tax effect linked to favorable future tax rates (USA, France)



NET FINANCIAL EXPENSE

(In millions of euros)

	2016	2017	Variation
<i>Income from cash and cash equivalents</i>	4	2	- 1
<i>Cost of gross financial debt</i>	- 18	- 27	- 8
NET COST OF FINANCIAL DEBT	- 15	- 24	- 10 ⁽¹⁾
<i>Net cost from discounting</i>	- 4	- 1	4
<i>Foreign currency gains (losses)</i>	15	- 15	- 30 ⁽²⁾
<i>Other</i>	6	3	- 3
OTHER FINANCIAL INCOME AND EXPENSE	17	- 12	- 30
TOTAL NET FINANCIAL EXPENSE	2	- 37	- 39

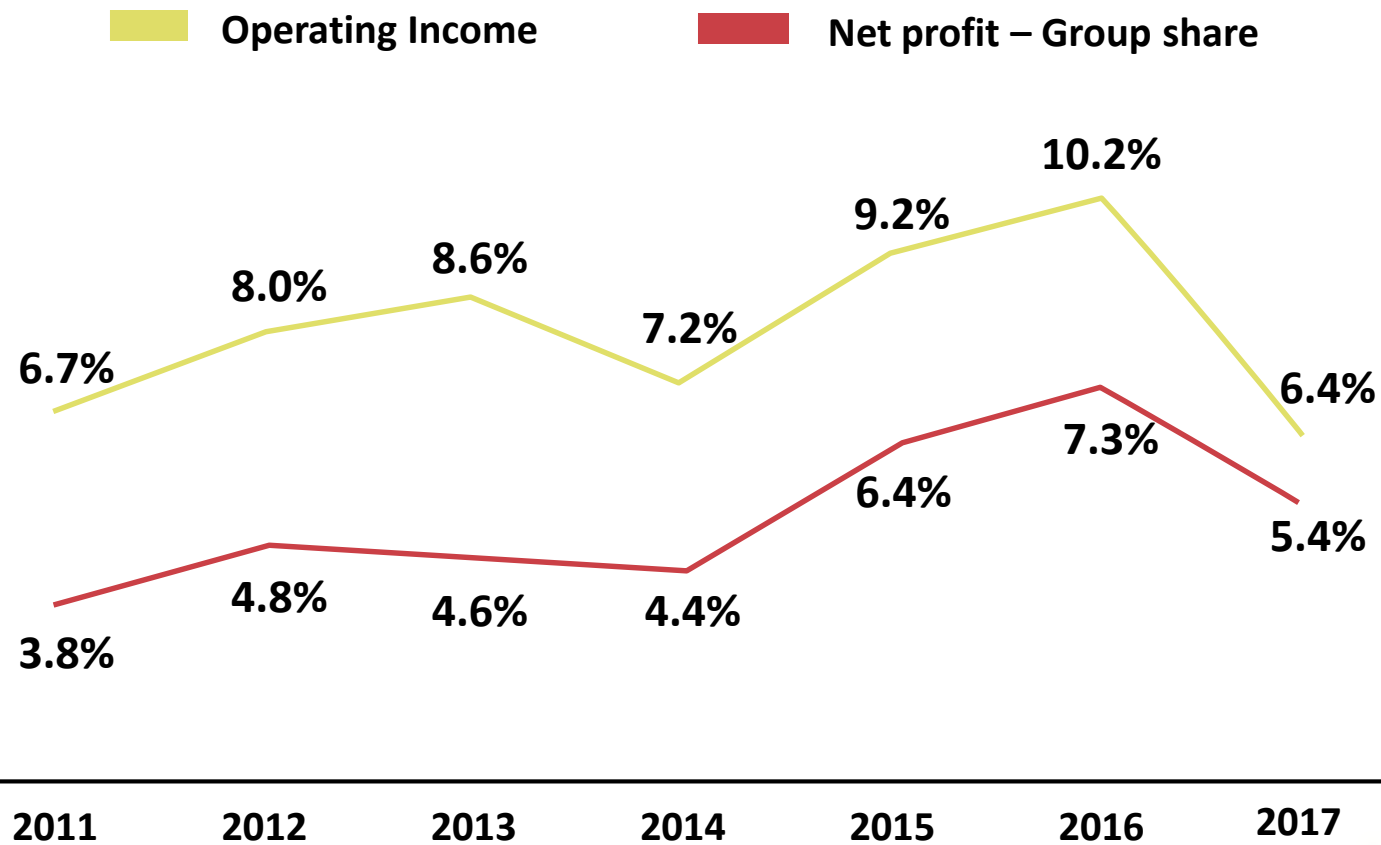
(1) : MOM acquisition financial costs

(2) : Negative FX result in 2017 (Egypt, USA, Iran) vs positive FX result in 2016 (Egypt, Syria)



EVOLUTION OF PROFITABILITY RATIOS

(In % of sales)





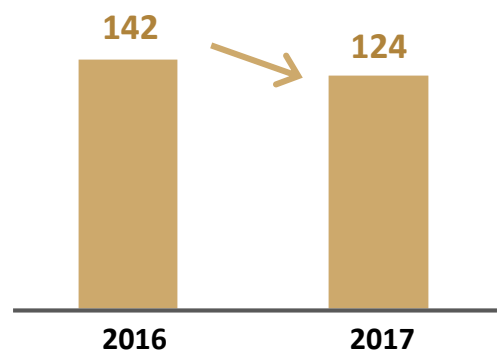
CASH-FLOW AND DEBT



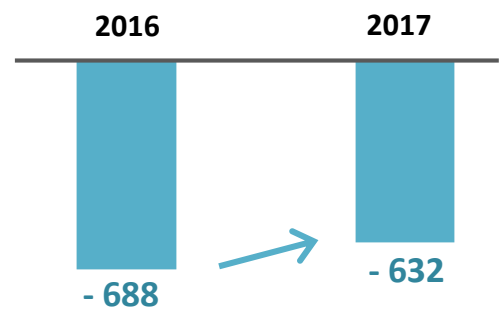
GROUP CASH KEY INDICATORS

(In millions of euros)

FREE CASH FLOW

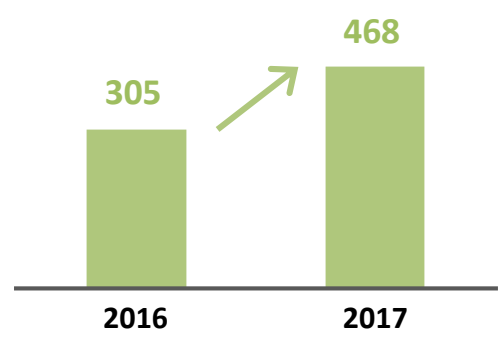


NET FINANCIAL DEBT

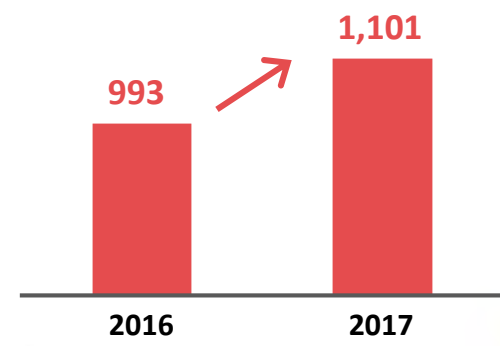


Free Cash Flow = EBITDA – CAPEX – ΔWCR - taxes – Financial costs

GROSS CASH



GROSS DEBT





A RESILIENT CASH FLOW

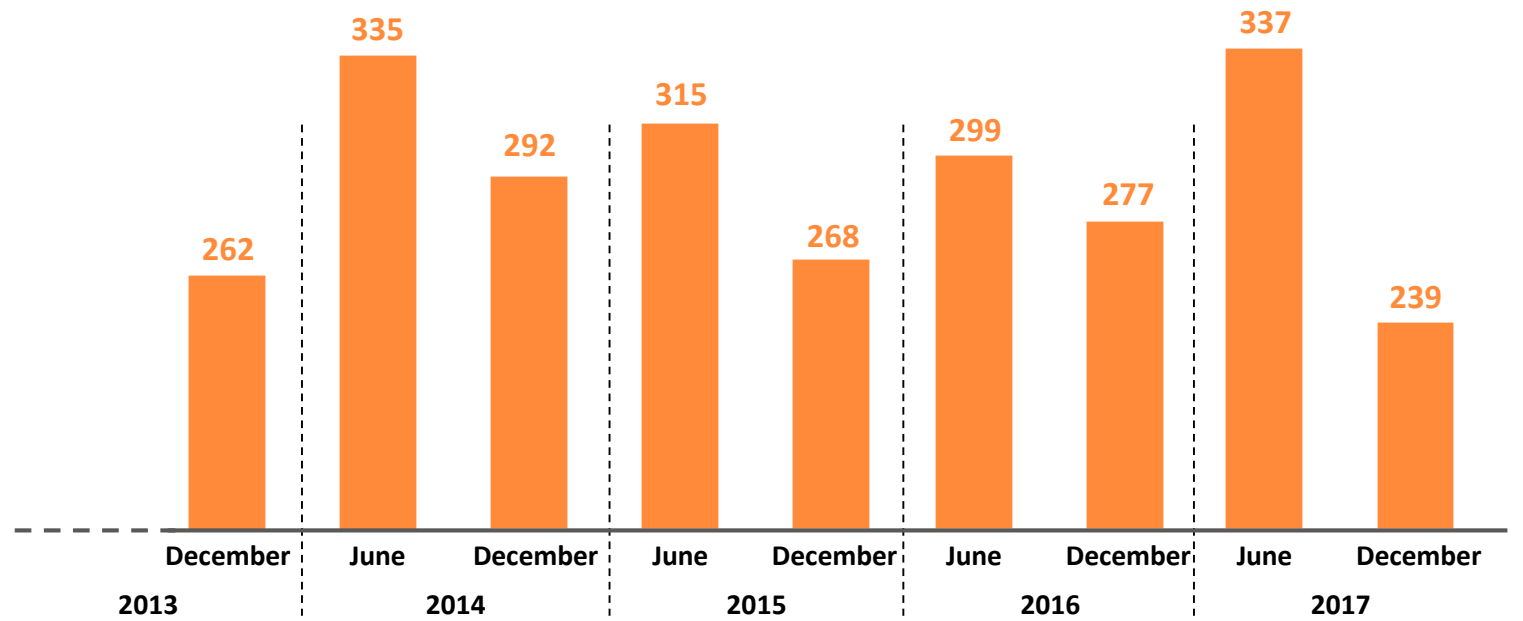
(In millions of euros)

	2016	2017	Variations
CASH FROM OPERATIONS	394	323	- 72
<i>Working capital requirements</i>	- 26	31	+ 57
<i>Net operating investments</i>	- 132	- 135	- 3
<i>Net interest paid</i>	- 15	- 24	- 10
<i>Income taxes paid</i>	- 80	- 71	+ 10
FREE CASH FLOW	142	124	- 18



A WORKING CAPITAL UNDER CONTROL

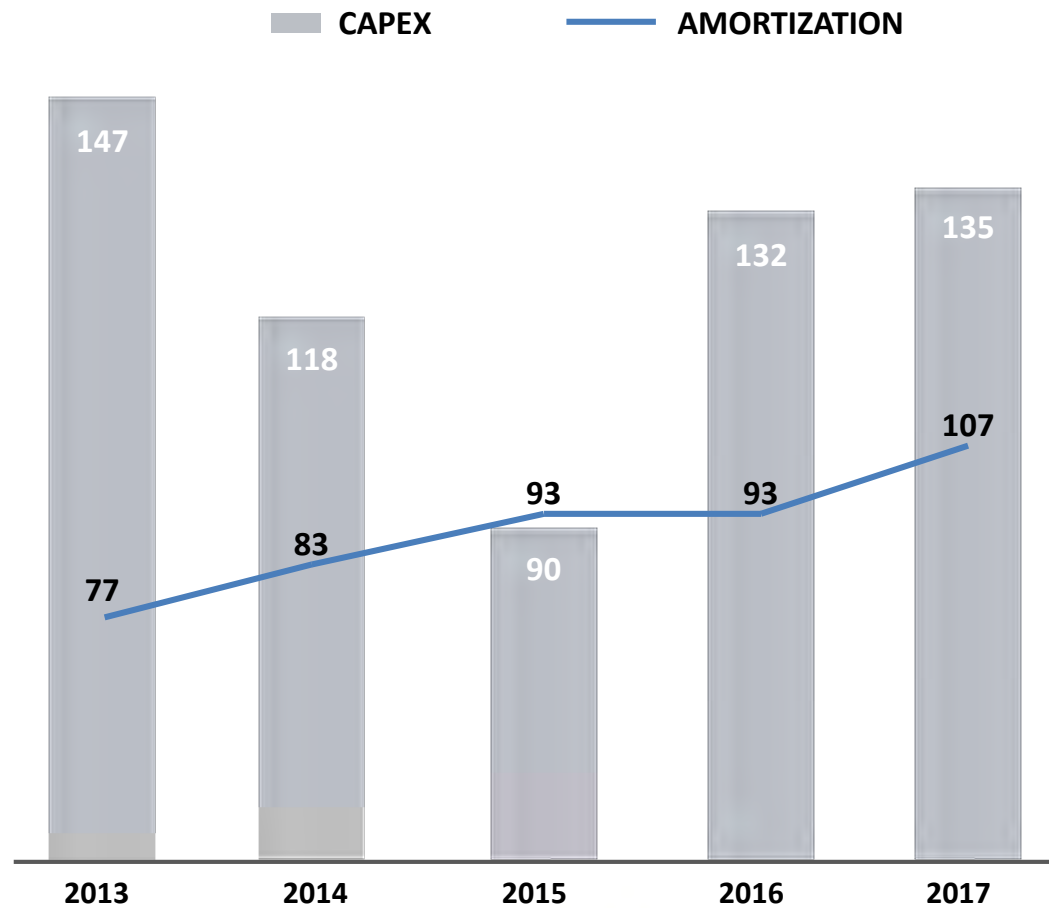
(In millions of euros)





CAPEX AND AMORTIZATION HISTORICAL DATA

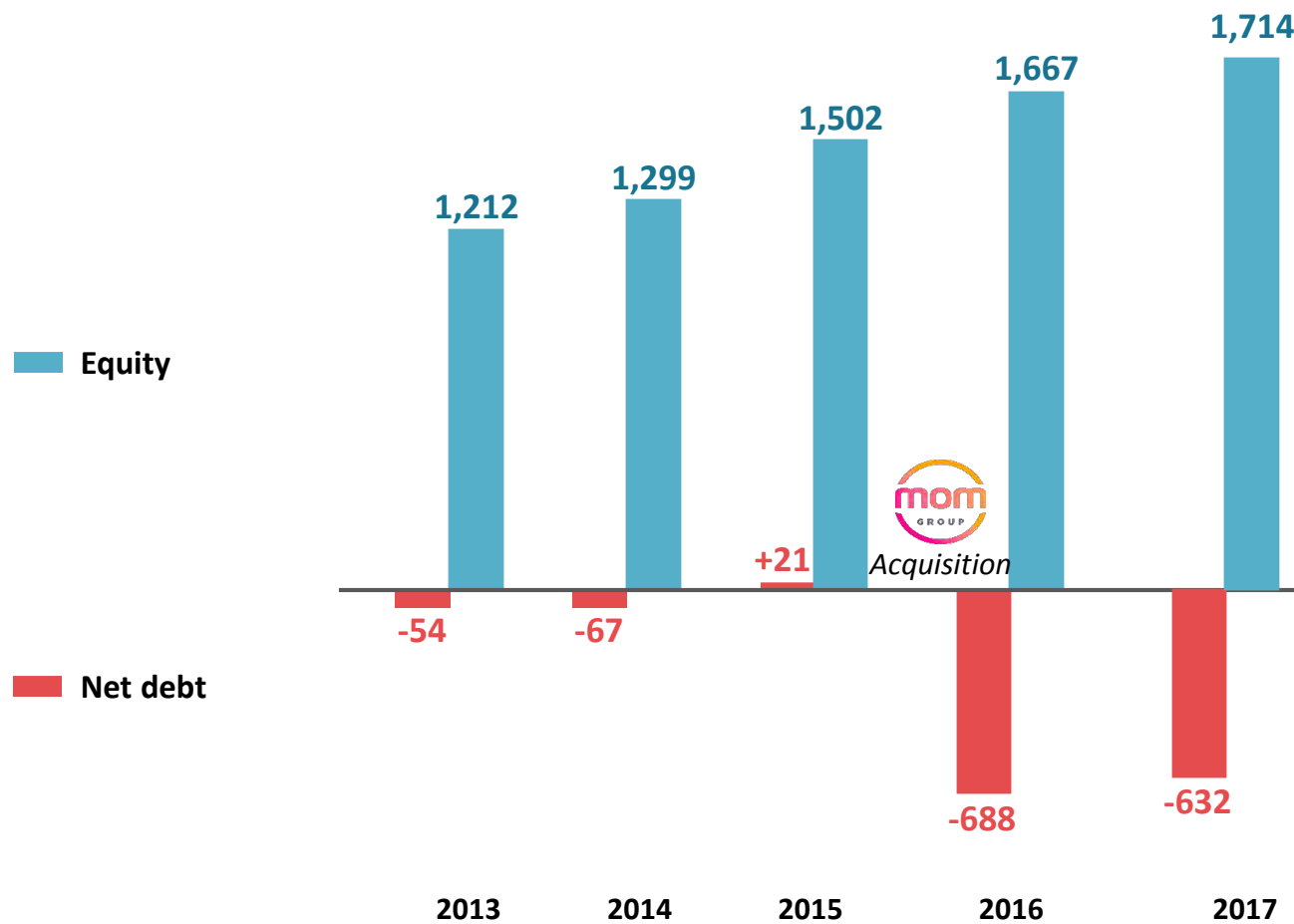
(In millions of euros – CAPEX net of disposals and grants)





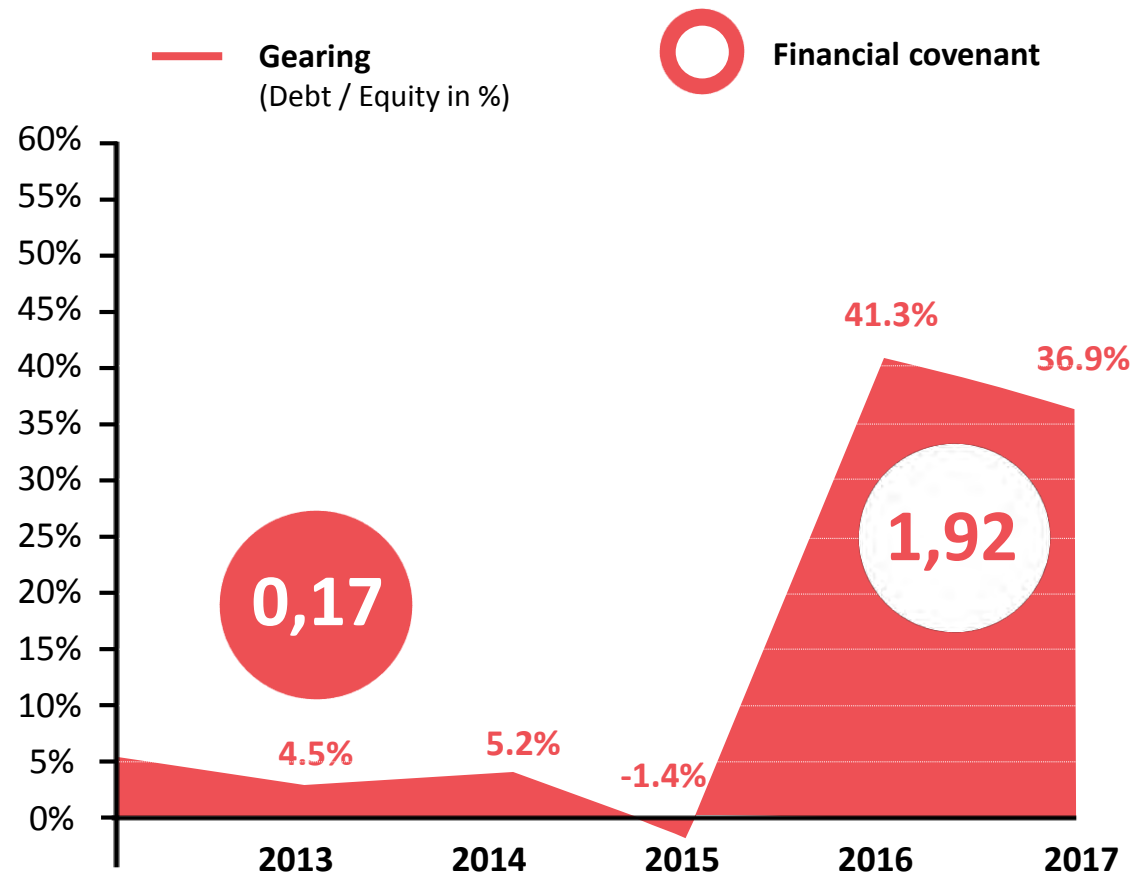
A VERY STRONG EQUITY EVOLUTION...

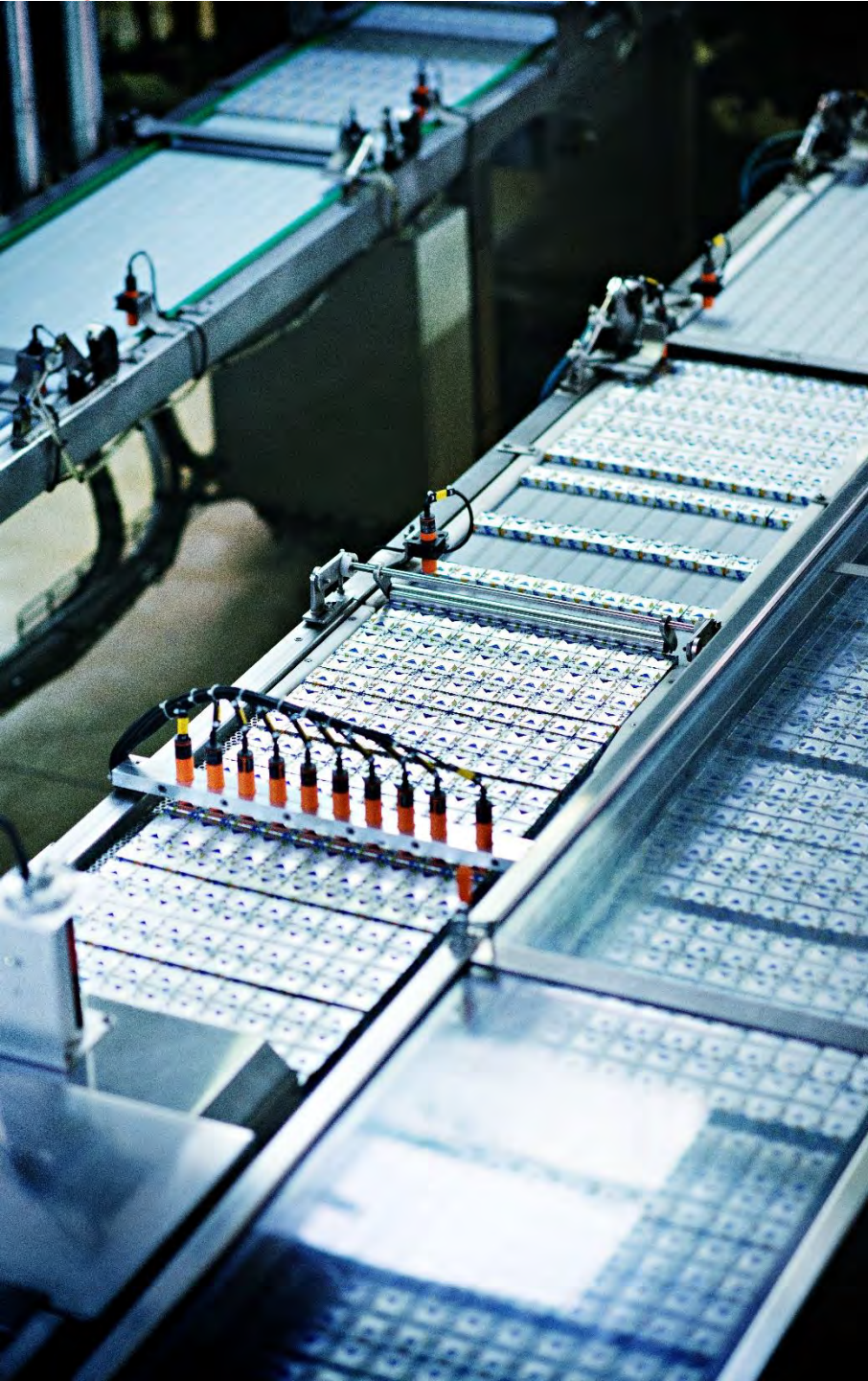
(In millions of euros)





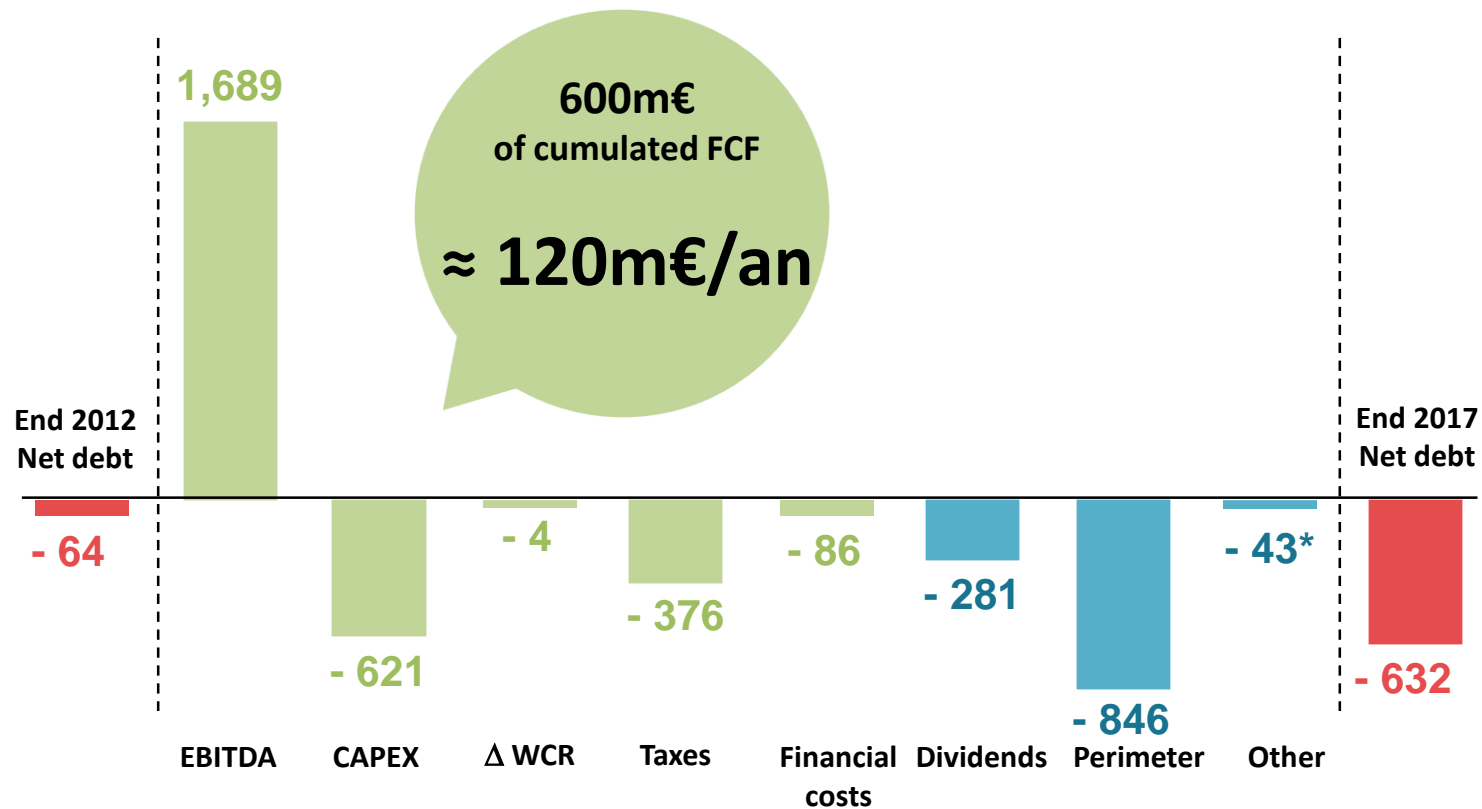
... AND A MODERATE LEVERAGE





A CONSTANT POSITIVE CASH GENERATION

(In millions of euros)

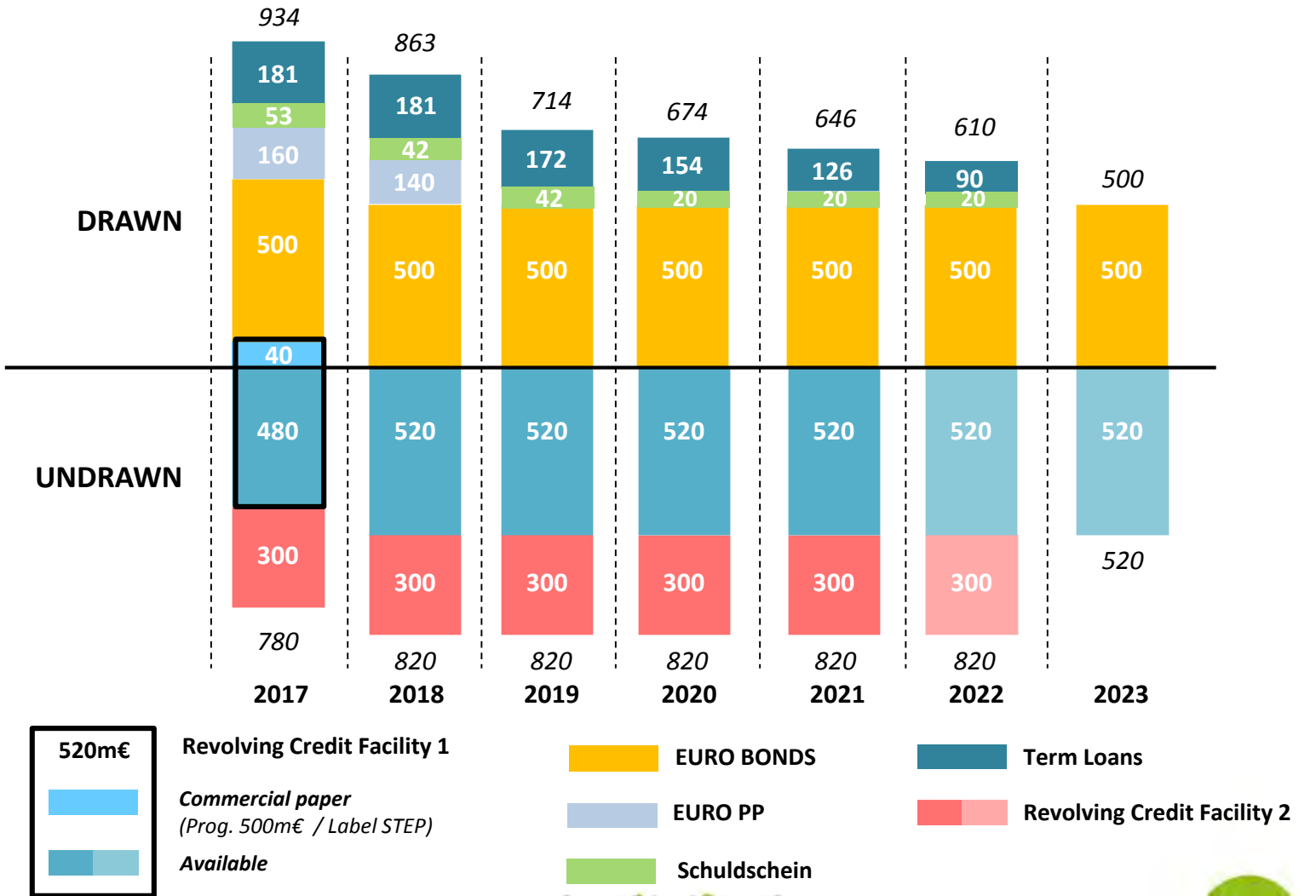


Free Cash Flow = EBITDA – CAPEX – ΔWCR - taxes – Financial costs

* Including Safilait put option

A VERY SOLID LIQUIDITY PROFILE AS OF DEC 31ST, 2017

(In millions of euros, end of year)



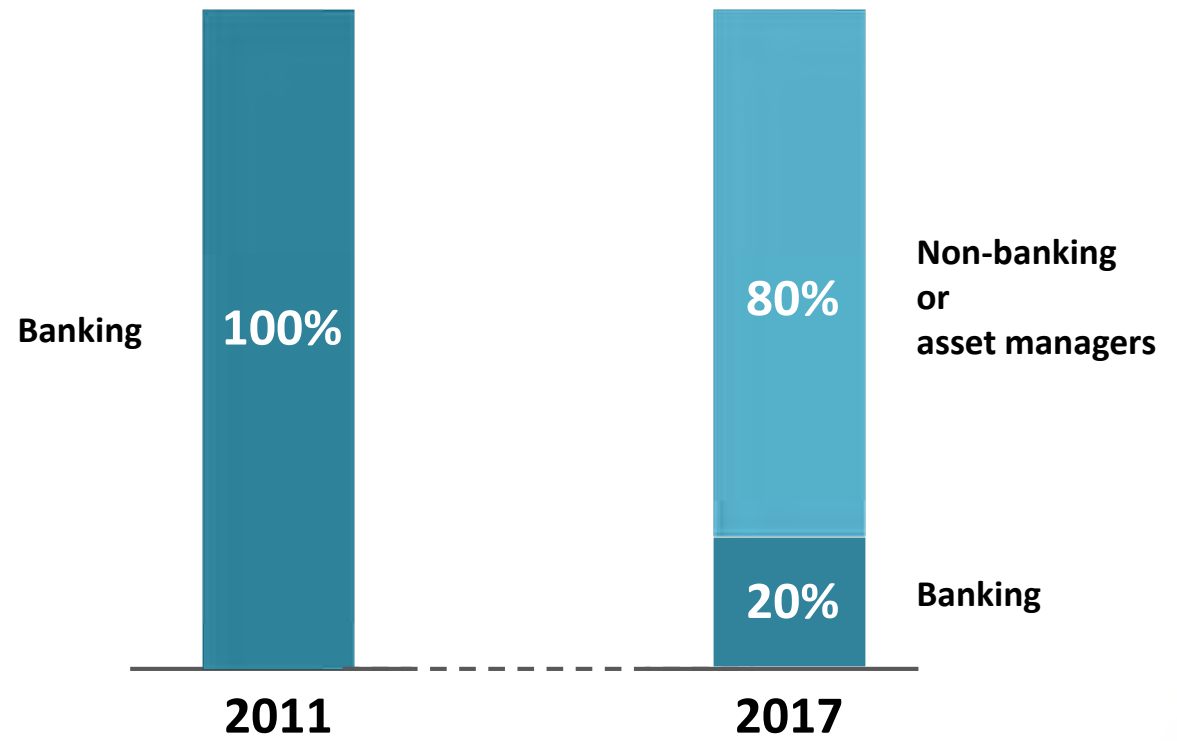


FINANCING DIVERSIFICATION

≈ 30 Banks
Incl. 10 core



> 220 investors





A VERY SECURED AND LIQUID GROSS CASH

(In millions of euros – on December 31, 2017)

CENTRALIZED CASH OF FROMAGERIES BEL SA

408 m€

**Cash available
between D+1 and D+32**

**87% of the cash is
centralized***

158

Money market funds

251

Deposit – Term accounts

2017

(*) The remaining share represents the cash held by subsidiaries not immediately available for the mother company (Middle East, Greater Africa)



MARKETS & INVESTING

Capital markets

La Vache Qui Rit

Fromageries Bel laughs off lack of rating as investors lap up debut eurobond

DAN MCCRUM

Fromageries Bel, the French cheese-maker behind Babybel and La Vache Qui Rit, sold its first ever eurobond yesterday in the latest sign of investor enthusiasm for all types of European corporate debt.

Bankers said the group received more than €2.3bn of orders for a €500m seven-year bond yielding 1.59 per cent, notable for the lack of a credit rating which many investors require in order to purchase debt.

“If the market is really hot, and at the moment it’s red hot, you don’t always need a rating”, said Roman Schmidt,

head of corporate finance at Co bank, which did not work transaction.

Bond-buying programmes European Central Bank, which started to buy high-quality corporate bonds as part of the €60bn of securities it purchases each month, have pressed borrowing costs across the continent.

The borrowing cost for Fromageries Bel compares to €160m of debt in a private placement arrangement with Crédit Agricole, which included a €500m of seven-year debt yielding 3 per cent. The group has also used commercial paper markets for short-term borrowing.

Non-rated companies accounted for 4 per cent of the €341bn of investment grade bonds sold last year, according to Soc Gen, and 3 per cent of the

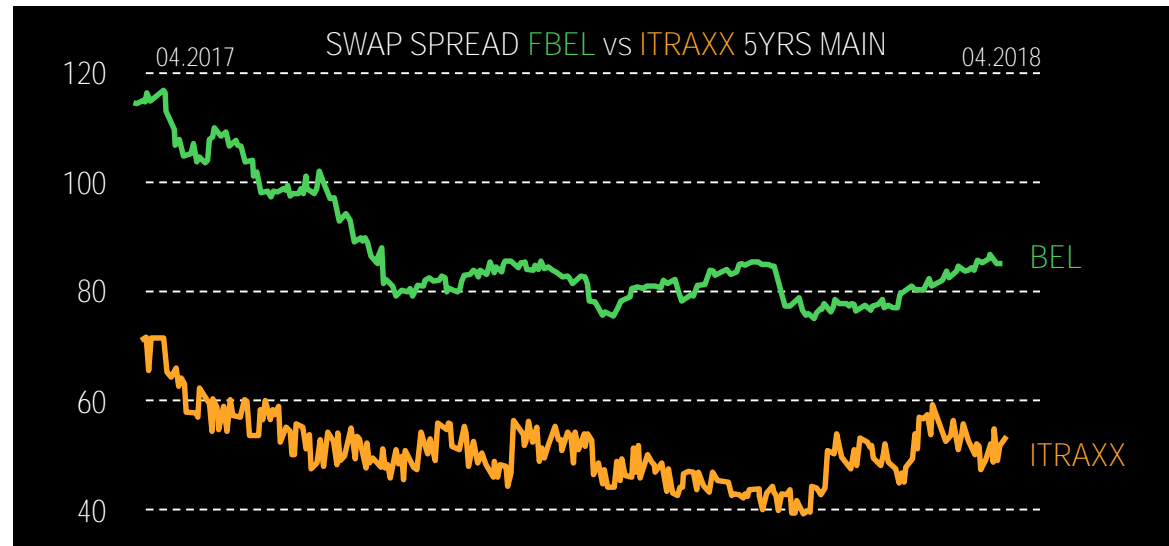
2017 : A YEAR OF REFINANCING

SUCCESSFUL INAUGURAL PUBLIC BOND ISSUE

Trade date	06-Apr-2017
Ratings	Unrated
Global coordinators	CACIB, NATIXIS, SGCIB
Active Joint Bookrunners	CACIB, CITI, HSBC, MUFG, NATIXIS, SGCIB
Passive Joint Bookrunners	CM-CIC
Issue Size	EUR 500,000,000
Maturity Date	18-Apr-2024 (7Y)
Reoffer Spread	120bp
Reoffer Yield	1.587%

SUCCESSFUL AMEND & EXTEND

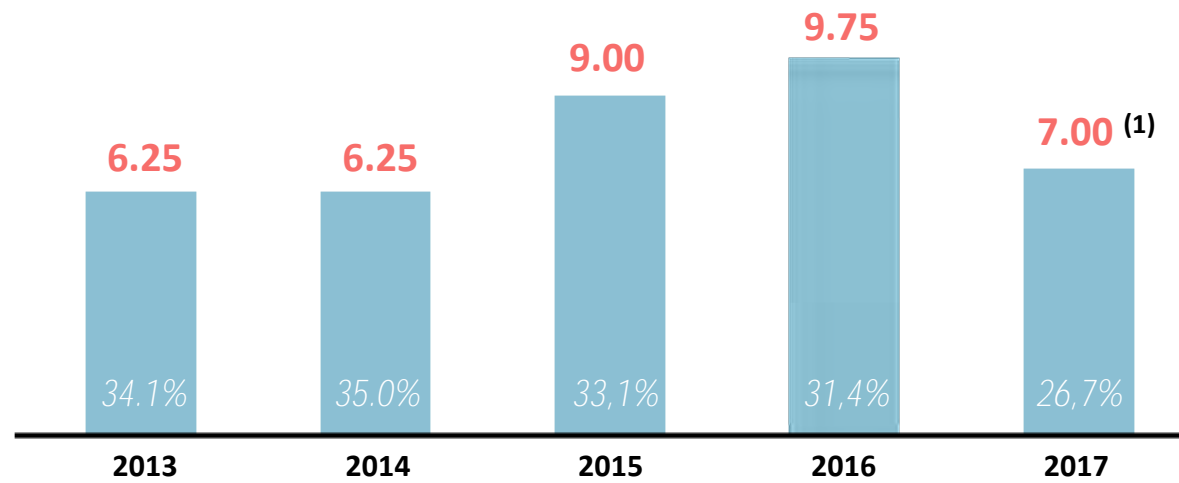
Amount	EUR 520,000,000
Maturity	5 + 1 + 1 (potentially 2024)
BANKS	10
CSR CRITERIAS	1- Reduce greenhouse gas emissions per cheese volume produced 2- Supports nutritional education programs in 7 key countries 3- Take action for a sustainable upstream dairy





DIVIDEND PER SHARE AND DISTRIBUTION RATIO

(In € per share and in %)



(1) : submitted to the May 14, 2018 combined general shareholders meeting



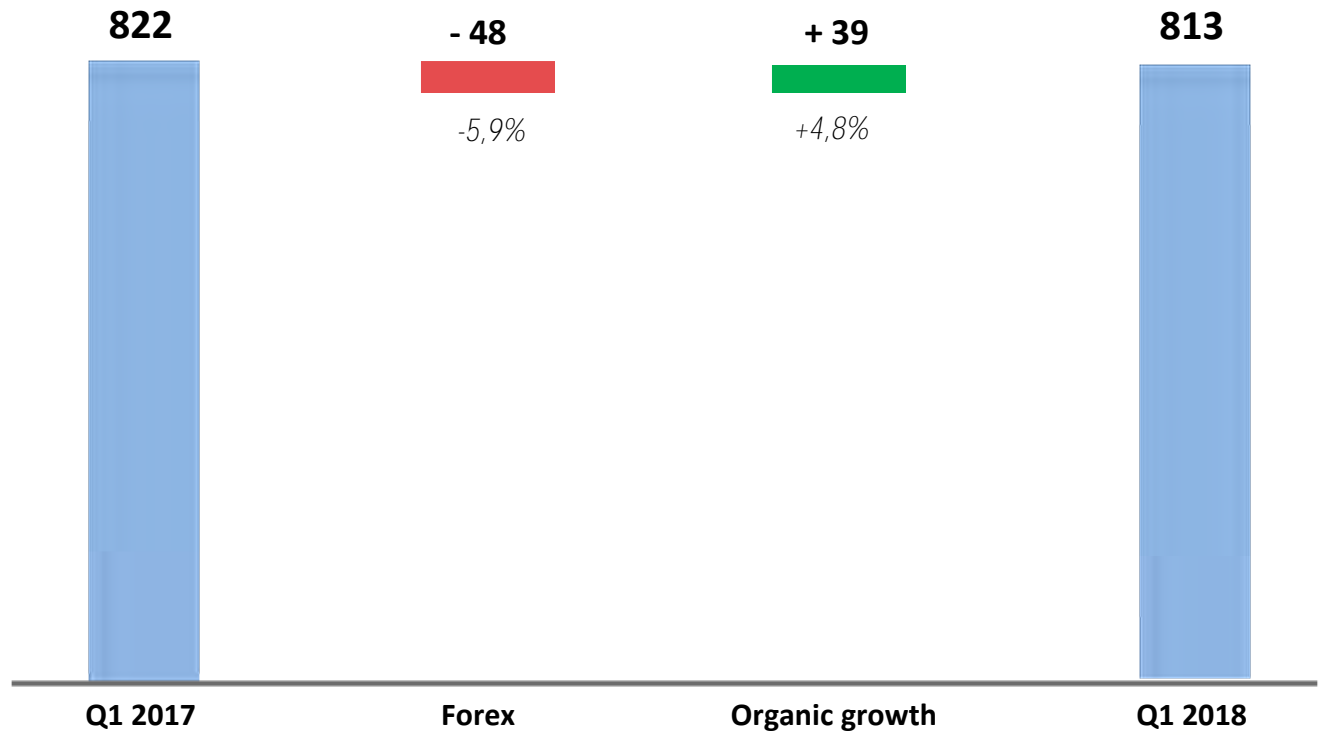
2018 - 1st QUARTER





SALES EVOLUTION

(In millions of euros)





SALES EVOLUTION BY ZONE

(In millions of euros)

	1 st quarter 2017	1 st quarter 2018	Published growth
EUROPE	440	446	+1,3%
MIDDLE EAST, GREATER AFRICA	199	193	-3,1%
AMERICAS, ASIA PACIFIC	183	174	-4,6%
BEL GROUPE	822	813	-1,1%



2018 HIGHLIGHTS

2018 HIGHLIGHTS

- Continued high uncertainty: raw material, geopolitical and FX
- In France, selling price increases too weak to offset our spending to improve dairy industry prices
- Signature of an unprecedented agreement with main French dairy producers to build a responsible and sustainable industry model
- Acceleration of healthy snacks development
- Industrial productivity and SG&A resources carefully watched-out
- Strongly committed teams





THE SUSTAINABLE MODEL OF BEL GROUP

Our ambitions:

REACH 1 BILLION CONSUMERS WORLDWIDE

DOUBLING IN SIZE BY 2025

AND BECOME AN INTERNATIONAL PLAYER OF HEALTHY SNACKING IN PORTION



Healthy products that meet consumers needs



Commitments to support a sustainable dairy production



Fun, daring and innovating brands



Trust with all our stakeholders: consumers, employees, suppliers, customers...



A continuous improvement process to limit our impact on the environment





Thank you





Q & A

