



PRESS RELEASE

Caen, July 1st 2020

A SOLID PERFORMANCE IN 2019 WHICH ALLOWS TO FACE THE EXCEPTIONAL SITUATION OF 2020

(January 1st 2019 / December 31st 2019)

In 2019, Agrial pursued its development and realised a turnover of 6.1 billion euros, an increase of 4.3%, while the Group's EBITDA amounted to €225 million, an increase of 6.1%. These results highlight the stability and the resilience of Agrial co-operative model, based on the stability and the synergy of its agricultural and agri-food activities and its presence throughout the value chain, from farmer to consumer. This performance enabled to vote a return to its farmer members of 12 million euros during the Group General assembly, almost a quarter of the Group's net income(52 million euros).

« Even if our solid results over the last few years and the balance provided by our multi-specialist model make us more resilient, we will still have to continue our efforts because the impact of this crisis will be lasting and many challenges remain ahead of us. Faced with these challenges, I am fully convinced that our co-operative and agricultural roots will be assets: managing uncertainty and risks is part of our DNA, we will be able to adapt to change and take advantage of changing consumer habits. » commented Arnaud Degoulet, Chairman of Agrial.

« First of all, I want to pay tribute to the unfailing mobilisation of all Agrial employees during this exceptional situation. This commitment of each and every allowed us to preserve the essential: to keep supplying our farmer members, keep the processing sites running and transport our products to feed the population. Yet, the financial impact on our activities remains significant. In order to preserve the Co-operative's long-termism, and thus both the prospects for our farmer members and the jobs of our colleagues, we must be proactive: a savings plan has already been implemented, including in particular the reduction of fixed charges and the postponement or revision of some investments. Naturally optimistic, we remain convinced that we will have even more cards to play than yesterday thanks to our control of the value chain, our French products and our solid co-operative model. » declared Ludovic Spiers, Chief Executive Officer of Agrial.

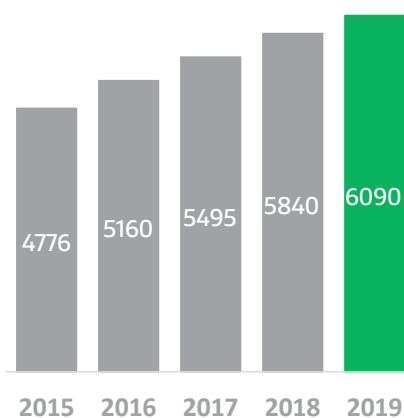


2019 RESULTS SYNTHESIS

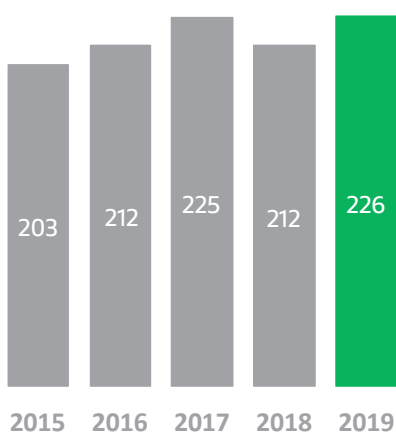
The turnover growth in 2019 is explained by a significant organic growth (+2.4%), mainly driven by the strong development of our brands, which now represent for more than a third of our agri-food sales. The external growth rise up to +1.9%, thanks in particular to the successful integration of the British cider maker Aston Manor and the German cheese maker Rotkäppchen, acquired in 2018.

- The Fresh Produce division is back to a satisfactory level of contribution, after a year 2018 affected by very severe weather conditions in the 4th range. Better raw material quality, particularly for 4th range lettuce, and favorable prices for potatoes and carrots enabled the division to perform well in 2019.
- As for the Dairy division, it is progressing thanks in particular to a good performance in ultra-fresh products and a flourishing dairy commodities market (mozzarella, casein, powder), making it possible to cover milk price rises.
- The Meat division had another good year in 2019, driven in particular by the development of premium butchery and meat processing products.
- While the Beverage division saw its profitability decline in the French and US markets, the integration of Aston Manor in the United Kingdom is progressing positively and is a real source of satisfaction this year.
- Finally, the Agricultural division had a satisfactory year, close to 2018, thanks to a good summer harvest and the successful launch of the new LaMaison.fr store chain.

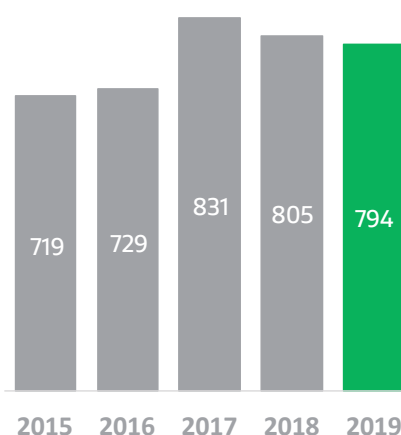
TURNOVER (€M)



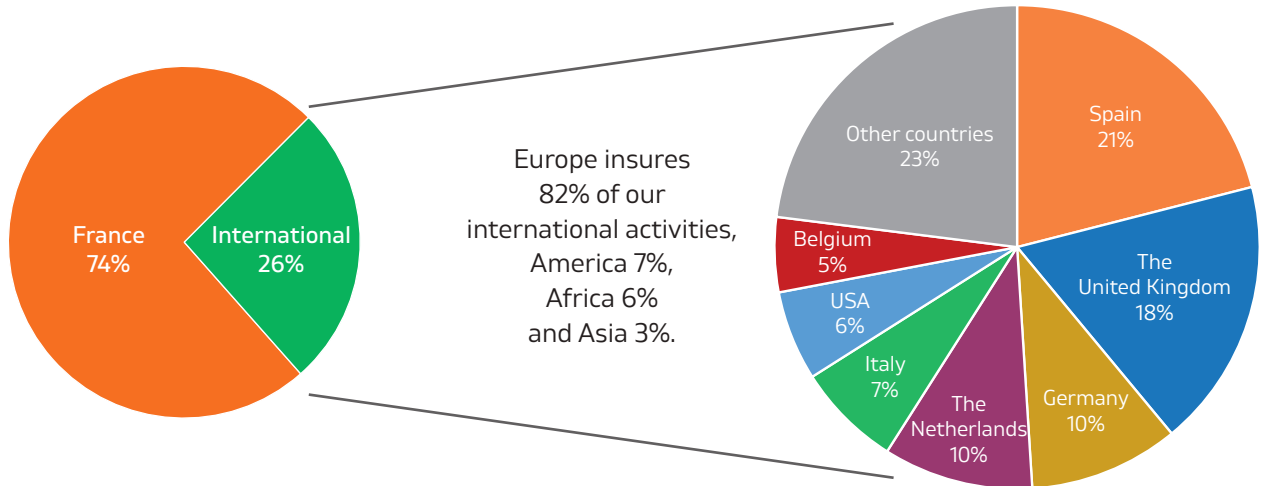
EBITDA (€M)



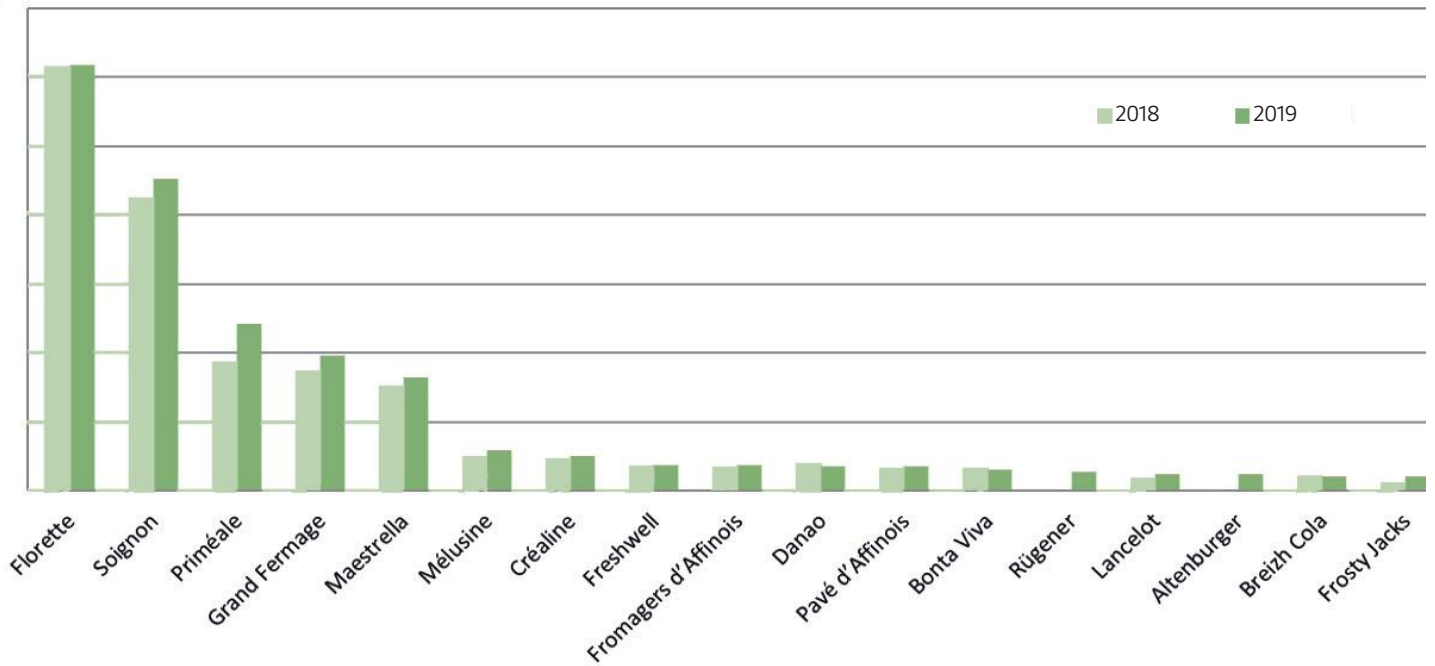
DEBT (€M)



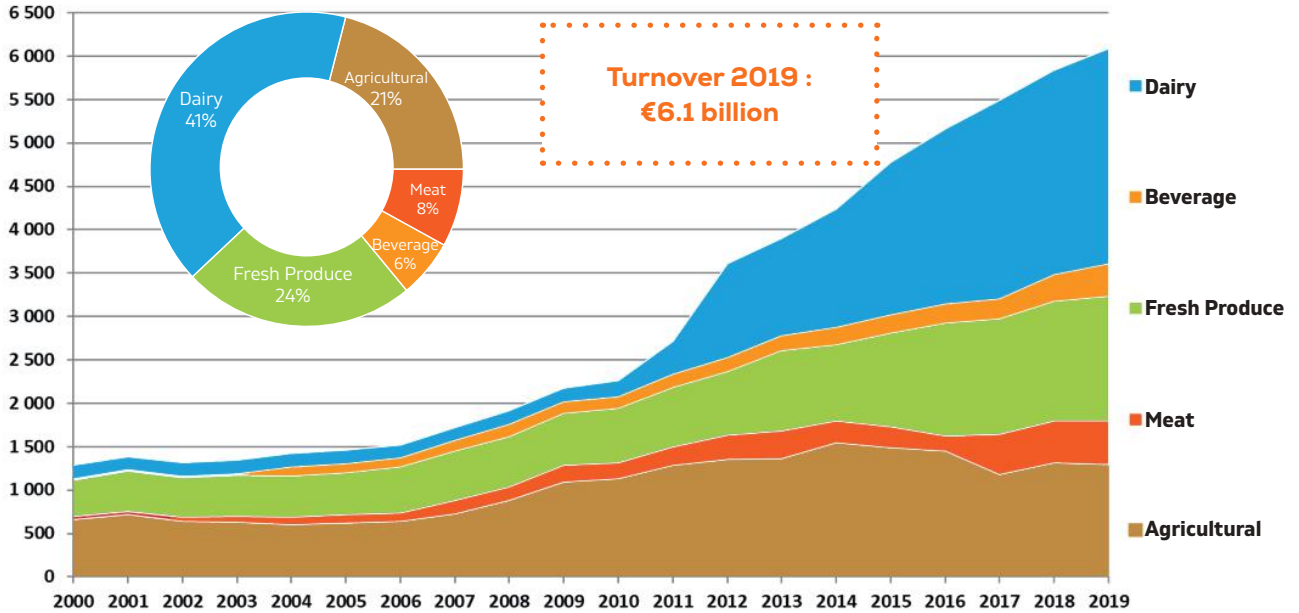
A MOSTLY EUROPEAN INTERNATIONAL DEVELOPMENT



A GROWTH FOR ALL OUR MAJOR BRANDS



DISTRIBUTION OF THE GROUP TURNOVER BY DIVISION



• AGRICULTURAL DIVISION

Increasingly extreme weather conditions and ever more stringent regulatory obligations once again had a significant impact on operating performance in 2019. In this period of deep change, Agrial is investing in the professionalisation of its teams, the competitiveness of its offers and the proximity of its stores; a strategy that reinforces the technical and economic support of its farmer members by proposing innovative, adapted and high-performance solutions.

9,380 CEREAL FARMER MEMBERS

2,820 CATTLE FARMER MEMBERS

700 SEED FARMER MEMBERS

3,000 EMPLOYEES



€1.3 BILLION IN TURNOVER IN 2019

• **DAIRY DIVISION**

With a dynamic world dairy market and a recovery in the protein exchange rates, the dairy market environment was rather favourable in 2019, allowing an increase in the price of milk. In this context, the Dairy division achieved a year of significant growth thanks to the commercial development of its brands and the improvement of its industrial performance, making it possible to continue the structuring process underway.

3,400 FARMER MEMBERS
IN CONVENTIONAL
COW'S MILK

600 FARMER MEMBERS
IN GOAT'S MILK

295 FARMER MEMBERS
IN ORGANIC
COW'S MILK

5,200 EMPLOYEES

€2.5 BILLION IN TURNOVER
IN 2019

RECONSTRUCTION OF THE DAIRY OF LUÇON, IMPACTED BY AN IMPORTANT FIRE IN FEBRUARY 2020

Mostly destroyed by a fire on 14 February, the cheese dairy in Luçon (85) will be rebuilt by 2022. This reconstruction project will make it possible to develop and specialize the site in the manufacture of mozzarella (pizza cheese), in conjunction with the cheese dairy in Herbignac (44). This reconstruction is part of a logic of job preservation in the Luçon area, without layoffs (130 permanent contracts). The production capacity of the Luçon plant will be increased to 24,000 tonnes of mozzarella (compared with 16,000 tonnes previously), representing a collection of 200 million litres of milk, equivalent to the milk production of 350 farmers members of the Co-operative. The investment envisaged for the reconstruction, amounting to some 40 million euros, will be partly covered by the insurance companies in connection with the disaster. The rest will be borne by the company and will also require public aid to be sought.

• **FRESH PRODUCE DIVISION**

In 2019, the Fresh Produce division had a satisfactory year, both in terms of farmer members' production and the commercial development of the different brands and activities. A number of structuring projects were achieved in 2019, such as the launch of the «Agrilogique» range, which will strengthen the division's improvement up to 2025.

PRIORITIZING THE FRESH PRODUCE DIVISION ACTIVITIES IN 4 KEY MARKETS IN EUROPE

As a major player in the 4th range market in Europe with the Florette brand, Agrial's Fresh Produce division strengthened its presence in the United Kingdom in early 2019 by acquiring Angflor Ltd, an innovative salad production company based near Colchester in Essex. The division also sold its Swiss and Italian activities to the Spanish food group GAC (Grupo Alimentario Citrus). As part of the Horizon 2025 plan, Agrial has decided to focus its development on the 4th range market around 4 priority countries: France, Spain, the United Kingdom and Germany.

160 VEGETABLE
FARMER MEMBERS

826,000 TONS OF
VEGETABLES SOLD

11,300 EMPLOYEES

€1.4 BILLION IN TURNOVER
IN 2019

• **BEVERAGE DIVISION**

The Beverage division experienced contrasting growth in 2019. In France, it continued its proactive approach of repositioning brands and innovation in an ever-complex cider market. Internationally, while the successful integration of the British subsidiary Aston Manor is a real source of satisfaction, business in the United States, on the other hand, had a difficult year.

600 CIDER FRUIT FARMER MEMBERS

122,000 TONS OF APPLES COLLECTED

1,100 EMPLOYEES

€365 MILLION IN TURNOVER IN 2019



• **MEAT DIVISION**

In a turbulent context, the Meat division realised a strong performance in 2019, illustrating the relevance of its strategy focused on high-end products based on authentic expertise. By building industry dynamics at the heart of upstream and downstream teams' work, the division is able to propose differentiating offers that are in line with consumer expectations.

ACQUISITION OF THE MEAT PROCESSING COMPANIES LA BRESSE AND SIBERT

After a new impetus driven by the acquisitions of Brient in 2017 and Tallec in 2018, Agrial acquired La Bresse and Sibert at the end of 2019, marking a new stage in the development of Agrial's Meat division. The objective is to continue building a Meat division made up of SMEs with recognised expertise and offering premium quality products. Located in the Ain department, near Bourg-en-Bresse for the former and near Lyon for the latter, these companies are specialised in the manufacture and marketing of meat processing products such as black pudding, ham, head products and andouillettes. In 2018, the consolidated turnover of the 2 entities was close to 20 million euros for a workforce of 130 employees.

380 PORK FARMER MEMBERS

170 POULTRY FARMER MEMBERS

50 EGG FARMER MEMBERS

1 100 EMPLOYEES

€487 MILLION IN TURNOVER IN 2019

BRANDS AND PRODUCTS: DEVELOPMENT OF A SECTOR VISION

At Agrial, we are committed to involve the whole company in a sector vision, by offering good and healthy products, the result of the joint expertise of our farmer members and our teams, so that our customers and consumers feel it through our brands. This sector vision also drives our business project and unites all the players in our Co-operative, farmer members and employees.

SOME OUTSTANDING EXAMPLES IN 2019:

NEW OPENING FOR 25,000 TONNES OF APPLES FROM AGRIAL FARMER MEMBERS

The year 2019 is a concrete illustration of the work undertaken by the Beverage division to develop by placing the value of farmer members' products at the heart of its thinking. The successful integration of Aston Manor, the leading independent cider maker in the United Kingdom acquired in 2018, and the development of Danao's new recipe, with no added sugar and made with apples from the Co-operative, made it possible to add value to more than 25,000 tonnes of farmer members' apples, i.e. more than 20% of the 2019 collection.

LAUNCH OF AGRIOLOGIQUE: A VEGETABLE RANGE WITH NO PESTICIDE RESIDUES

Agrilogique is a unique approach made possible thanks to the joint work of farmers and all the teams in the Fresh Produce division in the development of ever more virtuous farming practices. Agrilogique farmers are supported and advised in their farming methods and techniques by the Co-operative's agronomic teams. Together, they work hand in hand to innovate and develop new farming practices that are ever more efficient and respectful of the environment. The first Agrilogique product references have been marketed since autumn 2019 under the Priméale Gourmet brand (turnips, carrots, leeks and potatoes) and since the beginning of 2020 in the 4th range with Florette (salads).

VERY GOOD START FOR THE DAIRY BRAND « LES 300&BIO »

Result of the joint efforts of organic milk farmer members and the Co-operative's teams, our Les 300&bio brand has continued its strong growth in its second year of existence and is developing on the ultra-fresh and organic cheese markets. The music video clip filmed by 150 members and their families has had more than 10 million views on YouTube, enabling us to increase brand awareness very quickly. Finally, the brand was ranked as one of the best start-ups in terms of organic food innovations for 2019 by Nielsen.

LAUNCH OF A RANGE « VOLAILLES FERMIÈRES DE NORMANDIE » IN RUNGIS

Leader of the poultry pavilion at Rungis, our subsidiary Avigros offers more than 1,500 references to wholesalers, poultry farmers, butchers, caterers and restaurant owners. For several months now, Avigros has also been marketing poultry produced by Agrial farmer members under the «Volailles fermières de Normandie» brand, under the Label Rouge with Protected Geographical Indication (PGI). Still in this approach, the objective is to have a strong brand, promoting the quality and traceability of the production of the farmer members of the Co-operative.

MANKIND AT THE VERY HEART OF OUR BUSINESS PROJECT

Whether they are farmer members or employees, the men and women who work for Agrial on a daily basis are at the very heart of our project. Together, with humility and ambition, they are building a solid and sustainable co-operative model, creating shared value for all, from field to plate.

SOME OUTSTANDING EXAMPLES IN 2019:

COOPERATIVE REVIEW: EXCELLENT ADHERENCE TO CO-OPERATIVE PRACTICES FOR AGRIAL

As required for all co-operatives, an independent body has audited Agrial’s governance practices (co-operative review). Beyond economic and financial strategy or management issues, the diagnosis made makes it possible to question the business project, the strategic and political vision, the organization of co-operative life and its bodies, and democratic vitality. The auditors then presented the entire analysis directly to the Agrial Board of Directors in March 2019 and highlighted the excellent compliance of our model. The conclusion of the report is as follows: «Agrial Co-operative respects the co-operative principles of a collective tool serving the general interest of its co-operative members, with a strong involvement of the Board and executive teams in the governance».

MORE THAN 320 ELECTED MEMBERS TRAINED AND STILL MORE INVOLVED IN THE CO-OPERATIVE PROJECT

Representing the regions and farmer members’ professions, the 600 elected members of the Co-operative are an essential link in the Agrial model and act as relays of information and leadership for the co-operative project in the field, as close as possible to the farmer members. This is why training for elected officials was one of the key actions of the year, with no less than 35 sessions organised in the regions, enabling more than 320 elected officials to be trained in the governance and organisation of Agrial.

LARGE SCALE SHORT CIRCUITS



80 %

of local raw materials produced less than 200km from the processing sites

AGRIAL, KEY PLAYER IN OUR COUNTYSIDES



81 %

of Agrial’s French employees working in rural areas in towns of less than 10,000 inhabitants

SAFETY FIRST



- 18 %

of accidents at work in 2 years

ALMOST 1,500 YOUNG FARMER MEMBERS ACCOMPANIED IN 2019

The renewal of generations of farmer members and elected members is one of the foundations of the Horizon 2025 strategy to build the Co-operative of tomorrow and beyond. This is why Agrial has supported nearly 1,500 young farmer members in their project to set up in 2019, for a total amount of 1.7 million euros in aid. This support for young farmers was, moreover, rethought in depth in 2018 by the members of the Youth Commission and is now called the «Agriboost plan», making it possible to improve internal and external understanding of Agrial's commitment to helping young people set up in farming and to renewing generations of farmers.

AGRIAL IS THE FIRST AGRICULTURAL CO-OPERATIVE TO INDEX THE REMUNERATION OF ITS DEBT TO ITS CSR POLICY

In July 2019, Agrial successfully completed the refinancing of its debt, amounting to 900 million euros. This 5-year loan is now in line with the timetable of our Horizon 2025 strategic plan and will give the Group the visibility and financial flexibility it needs to pursue its development. Because sustainable development is at the heart of its model, Agrial has decided to index part of the return on its debt to the achievement of several CSR objectives by 2025. These objectives concern in particular the themes of safety at work, reduction of energy consumption, increased sales of alternative phytosanitary products to chemicals, development of antibiotic-free and GMO-free animal feed chains, and development of organic products.



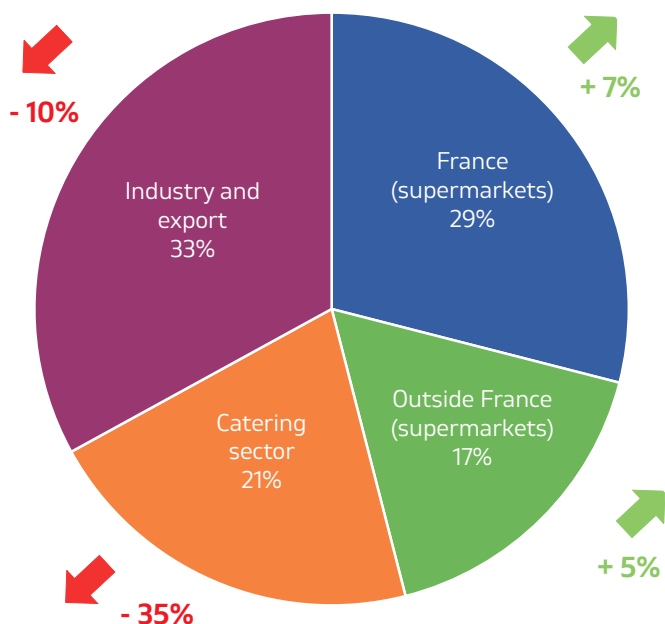


IMPACTS OF COVID-19

While the exceptional situation caused by the Covid-19 crisis has severely disrupted the agricultural and agri-food sectors, already in a fragile situation, Agrial’s good performance over the past several years and the stability of our co-operative model allow us to approach the year 2020 with determination. Since the beginning of the crisis, 3 priorities have guided all day-to-day actions and decisions: continuing to feed the population and supporting farmer members while preserving the health of all our teams.

Despite the drop in activity (farm shops, bar and restaurant network and a sharp drop in exports, particularly dairy products) and the additional industrial and logistical costs linked to the reorganisation of factories, which impacted our performance, the exceptional mobilisation of our entire Co-operative, farmer members and employees, made it possible to limit the consequences of the crisis on our economic balances.

DISTRIBUTION OF TURNOVER OF AGRIAL’S AGRI-FOOD SALES AND IMPACT OF COVID-19 BY DISTRIBUTION NETWORK BETWEEN MARCH AND JUNE 2020



7 %
of decrease in agri-food sales during the quarantine

20 %
of decrease in performance, due to the drop in activity and additional industrial and logistics costs



ABOUT AGRIAL

Agrial is a French agricultural and agri-food co-operative which supports its farmer members every day to promote and sell their products. Relying on strong brands, the Group has 150 production sites in 11 countries and develops its agri-food activities in the dairy, fresh produce, beverage and meat sectors. As a committed company, Agrial develops high-performing and responsible farming, offering consumers healthy, safe and tasty food.

Together, Agrial's 12,500 farmer members and 22,000 employees embody the company's values: long-termism, proximity, solidarity and boldness. In 2019, the Group generated 6.1 billion euros in turnover.

More information: www.agrial.com

CONTACT

Clément DECORNE - c.decorne@agrial.com - +33 (0)7 60 98 79 69