



Press release • 13 April 2021

FINANCIAL RESULTS 2020: AVRIL CONFIRMS ITS DYNAMIC OF GROWTH, IN LINE WITH ITS STRATEGIC PLAN, AND CAN NOW ACCELERATE ITS DEVELOPMENT

<i>(in million euros)</i>	2020	2019	2018	2020 vs 2019
EBITDA	243	170	154	+42.9%
Revenue ¹	5,766	5,841	6,090	-1.3%
Net income, Group share	59	35	16	+68.6%
Investments ²	257	184	167	+39.7%

1: Revenue for 2020 with constant scope and exchange rates: -0.6%

2: Current investments and investments in the agricultural sectors

2020: a mixed performance that confirms the recovery initiated since 2018 and the strength of its model

Despite the pandemic that weighed heavily on the global economy, Avril achieved a solid performance in 2020, attesting to the robustness of its model (diversity of activities, risk arbitrage between businesses, complementarity of the industrial and financial business areas) and the relevance of the strategy introduced in 2018 to increase its profitability.

For the third year in a row, the Group exceeded its targets, with **EBITDA of 243 million euros, an increase of 42.9% vs 2019**, for a stable revenue of **5.8 billion euros**.

The **net income, Group share** amounted to **58.9 million euros, a significant increase** vs 2019 (+68.6%) thanks to the resilience of the industrial activities and added value achieved by Sofiprotéol.

In 2020, the Group continued its progress in a context of health crisis highlighting the essential nature of its mission, which is to feed people and animals, and to preserve the planet.

Sofiprotéol's exceptional contribution to Avril's results

Sofiprotéol achieved an excellent performance in 2020. April's financial division thus contributes more than a third to the Group's EBITDA, with **80.7 million euros**.

2020 was also a year of record commitments with **125 million invested**, which enabled it to strengthen its strategy of supporting the sectors, from upstream to downstream, by taking minority stakes in Ceva, Sodiaal, Kersia, Soufflet Alimentaire and Vegini.

Dynamism of industrial activities: a performance driven by Avril Végétal

In its industrial business, **Avril slightly improved its performance with an EBITDA of 162.3 million euros** (+2 million euros vs. 2019) in a year of unprecedented crisis in terms of its scope, duration and impact, estimated at 33 million euros for the Group.

Within **Avril Végétal**, which includes the historical activities of crushing, edible oils and biofuels, the improvement is being confirmed this year, driven by the dynamism of the Vegetable Processing and Oils & Condiments activities. **EBITDA rose sharply over the year to 93.2 million euros (+33.4 million euros vs. 2019).**

Despite a difficult start to the year, with the first half of the year marked by a very sharp drop in biofuel consumption, while demand for vegetable proteins remained strong during the spring lockdown, **the Vegetable Processing business**, which includes Saipol in France and Expur in Romania, **achieved a very good final quarter**. Upstream of the sector, the refocusing of Saipol's model towards the production of high added value energy solutions as a complement to edible oil production is beginning to bear fruit. For the first time **since 5 years, Saipol has returned to profitability**, supported by the effects of raw material prices and the success of its new solutions such as pre-treated oils for oil industry customers, highly sustainable speciality biofuels and Oleo100, its new energy, made from French rapeseed and intended for professional fleets to support transporters in their energy transition. Over 2,000 trucks on France's roads are now fuelled by Oleo100! In Romania, Expur also suffered from the contrasting effects of the pandemic with, on the one hand, a drop in biofuel sales and, on the other hand, the resilience of the edible oil packaging business, which took full advantage of the increase in consumption during lockdown.

The Oils & Condiments activity which includes Lesieur in France, Lesieur Cristal in Morocco, GECO in Algeria and Costa d'Oro in Italy, recorded a **great performance in 2020 despite contrasting dynamics linked to the public health crisis**. In France, the increase in supermarket sales supported Lesieur's activity, despite a big drop in volumes due to out-of-home catering being shut down and a slowdown in exports. In Morocco, Lesieur Cristal, the spearhead of our expansion in Africa, held up well. The success of soaps and hygiene products, in connection with the universal rollout of precautionary measures, gave the business a boost. In the table oils segment, however, margins deteriorated sharply due to the continuing rise in the price of agricultural raw materials, which are largely imported into the Kingdom of Morocco. Lastly, in Italy, Costa d'Oro continued its international expansion with a growth in export sales, partly offsetting the reduction in its domestic market share.

For **Avril Spécialités**, the activity was heavily penalised by the health crisis and the slowdown of the European economy, **recording a sharp drop in performance with EBITDA of 40.7 million euros (vs 65.2 million euros in 2019).**

Oleochemicals was the hardest hit segment, suffering the full force of the global recession linked to the health crisis. The decline in volumes and the collapse of orders on certain highly sensitive industrial goods markets, such as the automotive and oil industries, weighed heavily on Oleon's performance. Similarly, our Belgian subsidiary had to deal with rising raw material costs and difficulties in sourcing crude glycerine, as well as a sharp increase in shipping costs, particularly at the end of the year. Demand for speciality products for the cosmetics and nutrition markets remained strong, as is often the case in times of crisis. Lastly, 2020 was greatly impacted by factors in the wider economy which did not affect Oleon's capacity to bounce back and potential for growth.

Animal specialities did better than expected in 2020, particularly in nutrition, thanks to the development of innovative solutions contributing to sustainable animal production. The market shares of these activities increased, both in France and in Africa and Brazil, where they benefited from strong Chinese demand and the growth of the poultry sector.

At **Avril Filières d'Elevages**, which encompasses the activities dedicated to the French animal sectors, performance declined, with **EBITDA of 21 million euros, down 4 million euros** on 2019. The results vary greatly from one activity to another, given the very different impacts of the health crisis.

Animal Nutrition, represented by Sanders, indirectly suffered the effects of the shutdown of out-of-home catering and faced a difficult end to the year due to the significant rise in the price of agricultural raw materials and the return of epizootic diseases on the national territory.

Our **pork slaughtering and cutting** business had a record year, supported by Chinese demand and the development of our downstream activities.

The **Eggs** activity (packaging of eggs and manufacture of egg products) continued to make losses in 2020 despite the restructuring undertaken. In addition to the historical difficulties linked to the transition in farming methods, the health crisis caused out-of-home catering to be shut down.

Finally, **Avril Développement**, which encompasses activities with high potential for growth, continued to make progress in each of its areas of expertise:

Evertree continued its work on developing 100% biosourced adhesive solutions with a first application intended for the wood panel industry.

Terrial, the French number 1 in organic fertilisers, suffered a slowdown in demand due to the combined effect of the pandemic, low summer crop yields and an unfavourable commodity market.

In Dieppe, we began building the first industrial unit dedicated to producing rapeseed protein for the global food market. This project, in partnership with the Dutch group DSM, is being promoted by the companies **Prolein** (JV Avril/BPI) and **Olatein** (JV Prolein/DSM).

With **EBITDA of 2.4 million euros**, Avril Développement achieved a better performance in 2020 than expected.

A solid financial structure

The Avril group is on a solid footing with **stable equity of €1.7 billion euros and a declining debt burden**. In this context, the Group increased its investments in 2020, 40% up on 2019. They amounted to 257 million euros, including 132 million euros in its industrial subsidiaries and 125 million euros in the form of equity investments or financing in companies in the agricultural sector via Sofiprotéol.

2020: a non-financial performance above expectations and in line with our progress approach

For the last 2 years, Avril has been integrating its CSR approach into its AVRIL 2023 strategic plan. Named Spring, it is based on 25 key indicators that chart the Group's progress in its priority sustainable development challenges, and an index that measures the progress achieved annually. **For its second year of implementation, it achieved a score of 2.1**. This result, which exceeded our target, is evidence of the action taken by Avril and its stakeholders to take the current challenges of our company into account more.

2021: Avril on track to meet the objectives of its 2023 strategic plan

The solid performance posted in 2020 confirms the strategic choices the Group has been making since 2018 as part of its AVRIL 2023 plan.

Moreover, the Group can count on the strength of its collective force: the 7,571 employees¹ demonstrated their confidence in Avril's project with a commitment rate up sharply to 82%. This represents an increase of +8 points compared to the previous measurement taken three years ago and +8 points compared to the average for the food and agriculture sector.

On the strength of this advantage and its newfound agility, Avril is staying the course in 2021. The Group is accelerating the deployment of its strategic plan in line with its four priorities for action: (1) Reducing its exposure to risk, (2) Developing its specialities, (3) Preparing for the future, and (4) Furthering its transformation.

Looking beyond its 2023 plan, **Avril is preparing its future development** by continuing its committed investment momentum. Within the framework of a strategic review of its portfolio, it defined the priority growth drivers and resources to be allocated to achieve ambitious long-term development. This strategic ramp-up will support the creation of value for both the Group and the industry with a view towards **increasing its performance and local contributions between now and 2030.**

2030 Ambition: making Avril a leader in plant processing solutions for the nutritional, environmental, and agricultural transitions.

Faced with the current challenges affecting our world, Avril has more than ever a role to play in supporting the nutritional, environmental, and agricultural transitions. Building on our historical expertise and our presence in the markets of the future, Avril intends to accelerate its development and strengthen its positions in these fields. Our ambition is to **become the leader in plant-based solutions for human and animal nutrition and to preserve the planet.**

Fully in line with Avril's purpose, to be revealed to you in the coming weeks, **this reaffirmed ambition implies orienting our activities around the transformation and enhancement of plant production, which reconciles our French agricultural roots with the global dimension of some markets.**

We will thus prioritise **4 markets with high growth potential: speciality ingredients; consumer food products; renewable energy; and finally, solutions and services for farmers.** In each of these markets, the Group has set itself a new development aim and is already anticipating the following action priorities in its 2023 plan:

1. Expand into the international **speciality ingredients business** by consolidating its industrial positions and expertise in the field of oils and proteins. It intends to accelerate the development of innovative plant-based solutions for applications in animal nutrition, human food, and renewable chemistry.
2. Continue to develop our **consumer brand portfolio** both domestically and internationally. We intend to meet consumer expectations in categories where we are already operating, such as seed oils, olive oil, condiments, and body and household soaps, as well as in the new, fast-growing vegetable protein segments.
3. As a pioneer in **renewable energy**, cater to the changes in demand in this market that is still waiting for more sustainable solutions in many segments. In synergy with its food businesses, develop new high value-added plant-based solutions (Oleo100, OleoVE, and OleoZE, etc.) for today and for the future.
4. Provide new **Services and Solutions for farmers, growers, and breeders** by strengthening its positions and reinforcing the animal-plant link in animal nutrition through its Sanders subsidiary. It will also be favouring the development of Terrial, which specialises in organic fertilisation, and maintaining Sofiprotéol's proactive investment policy in these sectors.

¹ Staff numbers on 31 December 2020

This new ambitious vision, supported by these strategic directions, implies adapting our portfolio of industrial activities, strengthening certain existing businesses at the heart of this project, developing or acquiring new businesses, and disposing of certain activities.

This shift has already begun, with the sale of THESEO, our specialist biosecurity sector, on 1 April 2021. This process should continue in the coming months with the sale of our animal processing businesses. For these businesses, Avril is committed to doing its utmost to identify partners that will enable each of the companies concerned to develop and grow.

Alongside this refocusing of industrial activities, Sofiprotéol will continue to provide financial support to the animal and plant sectors, both upstream and downstream, with increased resources.

Jean-Philippe Puig, CEO of the Avril group, thus concluded: *"After this successful recovery phase, Avril is ready to go on the offensive again. Our performance in 2020 bears witness to the success of our model and the strengths of our team, which managed to stay mobilised during the crisis in order to ensure the continuity of our mission. We now have solid resources to accelerate our development, while remaining true to the values that have made our company unique for nearly 40 years. This new ambition, central to our purpose, will soon result in bold investment choices, which will help make Avril the leader in plant-based solutions, serving the nutritional, environmental, and agricultural transitions."*

About the Avril group

Founded in 1983 as an initiative by the agricultural world to ensure sustainable end markets for French production, Avril is the industrial and financial actor in the vegetable oil and protein sectors.

Present in France and abroad, in sectors as diverse as human food, animal nutrition and expertise, renewable energies and chemicals, Avril relies on a portfolio of market-leading recognised brands: Bunica, Lesieur, Matines, Oleo100, Puget, Sanders, Taous...

In line with its original mission to create sustainable value for the oil and protein sectors, thereby contributing to better nutrition and preservation of the planet, Avril operates two complementary businesses: on the one hand, an industrial business area organised around the plant and animal sectors; and on the other, an investment business via its subsidiary, Sofiprotéol.

In 2020, the Avril group achieved a revenue of 5.8 billion euros. Present in 19 countries, it employs nearly 7,600 people at 82 industrial sites around the world.

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