

Press release

Olivet, December 6th, 2019

GENERAL MEETING AND ANNUAL RESULTS

AXERREAL confirms its strategy: a sustainable model

- **4.2 million tonnes of cereals collected.**
- **2.7 billion euros in revenue for the 2018-2019 financial year (+6.3%).**
- **EBITDA reached €108 million this year, an increase by 12% compared to the previous financial year**

Improvement of financial results, confirming the importance of the Group's strategic positioning

Grain Origination: 4.2 tonnes of cereals

The grain origination which amounts to 4.2 million tonnes, had a good quality and declining volumes. This consistent with the French grain origination and the collapse of rapeseed surfaces.

Turnover: Up 6.3% since last year, mainly thanks to additional volumes produced by the Antwerp malting tower

Group turnover stands at €2,713m, an increase of 6.3% compared to the previous reporting period. The 2018 harvest saw lower origination volumes (4.2 million tonnes vs 4.6 million tonnes during the previous period), offset by an increase in prices secured for the grain. In processing, the fourth malting tower at Antwerp entered into production in October 2018, boosting Boortmalt's production capacity and increasing its turnover

EBITDA (in €m): Constant progress in operational performance results in virtuous growth

EBITDA reached €107.9m, an increase of 12% on the previous reporting period.

The Grain Chain significantly improved its operational performance despite origination volumes below those in the previous reporting period, thanks to the positive price effect in grain. Milling and livestock farming were affected by higher wheat prices, partially offset by the early effects of the performance plans put in place. Malting achieved a record year thanks to the M4 tower start-up.

For Jean-François Loiseau, AXERREAL Group President "*Agriculture must anticipate economic, technical and digital shifts while being aligned with societal changes. We have the ambition to be the referent and all our cooperative farmers are invested in this strategy. At AXERREAL, we are committed to improve people's food, while preserving the soil*".

AXERREAL Group keeps on building structured and organised grain channels, which enable farmers to generate more value and secure their production. Changes are made in all the sectors represented in the cooperative, ranging from traceability in breeding to the industrial and logistical optimization of agricultural and milling activities, to the internationalisation of the malt business. Finally, the cooperative stands out thanks to its expertise on the whole grain business.

In parallel, **AXERREAL reaffirms its environmental commitment**. CultivUp – AXERREAL's sustainable agriculture approach - should reach 4,000 members by 2022. Moreover, the cooperative recycles and values 95% of cereal co-products.

The internationalisation of AXERREAL's malt activities

The acquisition of Cargill's malt businesses is part of the group's transformation plan to secure and enhance cooperative partners production and to support our customers. The internationalisation of malt activities is an asset for all parties: a guarantee of quality for consumers and customers, a guarantee for sustainable incomes in a highly competitive market.

"This result reflects the dynamics of the past two years in agriculture and primary processing activities. With the acquisition of Cargill's malt activities, we secure and enhance the value of the farmers' production. 600 employees have joined Boortmalt's teams - our subsidiary - and our maltings plants located worldwide in the major malting barley production areas. This will enable us to support our global brewers and distillers' customers. Being on all regional markets make us proud and above all it is a guarantee of long-term stability." said Paul-Yves L'Anthoën, AXERREAL Chief Executive Officer.

The group's ambition

In accordance to its guiding principle, the AXERREAL group sets ambitious and realistic objectives. Production is intended to be 80% committed to grain channels in order to make the best use of the farmers' production.

Processing activities will generate more than 60% of the EBITDA by 2020.

A cooperative close to its farmers, collaborators and their environmental realities.

The cooperative's governance authorities are attentive to the farmers and grounded in the local realities . The Board of Directors sets the strategy while the Executive Committee implements it. In order to clearly illustrate AXERREAL's principles of governance - proximity, dialogue and trust - the Board of Directors strengthens its local governance by appointing 4 Vice-Presidents, 6 Regional Presidents and by organizing the cooperative into 6 regions with local meetings every quarter.

In parallel, the Executive Committee works on the priority projects of performance: digital transformation, cost reduction, corporate social responsibility and the corporate brand, while pursuing growth.

The Group has invested €80 million over the past year for all activities, with several development in the malt business. Moreover, the Group successfully completed a major action: the acquisition of Cargill's malt business in early November 2019



About AXERREAL

AXERREAL is one of the leading French cereal cooperative groups, present in France and abroad and specialized in the production and processing of cereals for the brewery, bakery and livestock markets. AXERREAL gathers 12,700 farmers and 4,000 employees and has a revenue of approximately 3 billion euros.

As the first collector of sustainable cereal raw materials, AXERREAL contributes to a quality food offer and has the ambition to become "The Sustainable Agricultural Cooperative". With an international presence, AXERREAL operates in 21 countries (Algeria, Argentina, Australia, Belgium, Bulgaria, Croatia, Canada, Ethiopia, France, Germany, Hungary, India, Ireland, Japan, Netherlands, Romania, Serbia, Slovakia, Spain, United Kingdom, United States).

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