

## First-half results 2020

**The Group implemented exceptional resources that took a toll on results, in order to fulfil its duty to supply food to the public.**

- Steadfast company-wide push to ensure continuity of essential services to the public during the health crisis;
- Decline in turnover (-10.5%) and sharp drop in EBIT (-58.5%) and net income (-62.7%) amidst a crisis that impacted the food supply chain.

During its meeting on 3 September, the Board of Directors of STEF Group, the European leader in temperature-controlled transport and logistics services for food products, approved the financial statements for the first half of 2020.

**Stanislas Lemor, Chairman and CEO**, said: "*Amidst this unprecedented health and economic crisis, I would like to reiterate my pride in the remarkable dedication shown by all our employees, which has enabled the Group to provide its essential services to the public without interruption, even at the height of the epidemic.*

*Despite the resilience that STEF has demonstrated and the adaptation plan implemented, our results reflect the amplitude of the turmoil caused by the pandemic with regard to food consumption, and the resulting economic contraction.*

*The crisis has highlighted the Group's major role in the food supply chain and its ability to rally behind all its stakeholders—in particular our employees, whom we care deeply about protecting, and our clients, whom we have steadfastly supported in their endeavours.*"

Simplified income statement (in €M)	H1 2019	H1 2020	Change
<b>Turnover</b>	<b>1,665.9</b>	<b>1,491.0</b>	<b>-10.5%</b>
EBIT	67.4	27.9	-58.5%
Financial income	(4.7)	(3.9)	
Profit before tax	62.7	24.1	-61.6%
<b>Net income group share</b>	<b>39.9</b>	<b>14.9</b>	<b>-62.7%</b>

Operating results (in €M)	H1 2019	H1 2020
STEF France	43.9	29.0
STEF International	18.6	8.7
Maritime	1.4	(15.9)
Others	3.4	6.1
<b>EBIT</b>	<b>67.4</b>	<b>27.9</b>

## **Breakdown by business and geographical area**

The Group had a very mixed first half of the year. After a positive start to the year, STEF faced a major disruption in flows followed by a slowdown in business stemming from the measures implemented to curb the pandemic in Europe. The half year ended with a show of resilience: food volumes and business performance both recovered.

The Group did its utmost throughout the period, ensuring optimal business continuity for its clients, which safeguarded the public food supply, while protecting its employees and managing cost overruns caused by the exceptional situation as best as possible. It allocated a budget of €9M to compensate its front-line workers and €4M to purchase protective equipment.

### **STEF France**

- The lockdown led to changes in consumer behaviour and supply chains which had varying effects on the Group's business activities.
- Retail business proved very dynamic, thanks to strong growth in e-commerce and the shift in volume from foodservice to traditional distribution channels. Dry and ambient business held up well, buoyed by the development of new projects in the chocolate market.
- The two businesses most impacted were foodservice, following the closure of restaurants, and seafood, due to the near-shutdown of the fishing campaigns and the lack of wholesaler flows.
- The chilled products businesses contracted as a result of the foodservice shutdown and the cancellation of festive events. The erratic swings in volume led to substantial production cost overruns and required a major effort to adapt production resources.
- The frozen goods business was able to limit the effects of the crisis through high fill rates and an earlier resumption of business.

### **STEF International**

- The health crisis had roughly the same effects in other European countries, with sustained activity in the first quarter and a second quarter severely affected by the crisis.
- Depending on their degrees of exposure on the different business segments, the countries activities were altered negatively for those exposed in the foodservice and seafood segments and positively for those more weighted towards retail, e-commerce and European flows.
- The other European countries were able to adapt their resources to the crisis more efficiently due to small vehicle fleets.
- The half year drew to a close with the creation of a joint venture in the seafood sector, MED SEALOG, which is now a leading player in Italy.

### **Maritime**

The maritime business, which was already operating in a reduced scope limited to port services for Propriano and Porto-Vecchio, was hit hard by the health crisis. In accordance with the emergency health plan, the company was forced to temporarily halt passenger transport between Corsica and the continent, and limit freight trips.

## **Medium-term outlook**

While the evolution of the pandemic continues to be a cause for uncertainty, the Group remains confident in the resilience of the agrifood sector, the suitability of its balanced business model, and the expected effects of the adaptation measures it has implemented.

The Group possesses the teams and assets needed to see through the gradual restart of the European food supply chain during the second half, build new momentum, and attenuate the impact of the crisis.

STEF continues to actively prepare for the future by pursuing its strategy of investing in employee skill development while also implementing real-estate and innovation projects.

The half-year financial statements have been subjected to a limited review by the statutory auditors and will be published on the Group's website.

Next publication:

Thursday 22 October 2020 end of trading: third quarter turnover.

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