

ANNUAL RESULTS 2018

MARCH 15TH, 2019



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Chief Executive Officer

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OUTLOOK



HIGHLIGHTS

01

2018

“ A YEAR OF
STRONG GROWTH ”

Solid performance
despite end-of-year
disruption

Acquisitions: foothold in the
Italian frozen food market and a
stronger position in the French
seafood market

A need to further strengthen
our position in the
Netherlands and Switzerland











Reduced food consumption in some European countries



FOOD CONSUMPTION*



AGRIFOOD PRODUCTION

 Eurozone	+1.3%	-0.3 %
 France	+3.4%	-1.6 %
 Italy	-0.9%	+1.1%
 Spain	-0.3%	+0.2%
 Portugal	+3.6%	+0.3%
 Belgium	-1.4 %	+1.0%
 Netherlands	+2.1%	+1.6%
 Switzerland	+0.4%	-

Source: Eurostat, 11/03/2019 (value in euros)
Aggregate variation Jan-Dec 2018
Data adjusted for seasonal and calendar effects

* Included beverages and tobacco

Solid overall growth in consumption continues outside of Italy, Spain and Belgium

Slowdown in agrifood production, especially in France



Performance mitigated by economic factors

FRANCE

- Earnings impacted by end-of-year social unrest
- Ongoing transformation in out-of-home catering

INTERNATIONAL

- Position in the Netherlands and Switzerland remains tenuous



Strengthening our position

CEMENTING OUR POSITIONING AS A PURE-PLAY SPECIALIST

- Specialisation of activities in France
- Foothold in the frozen food market in Italy
- Consolidation of our position as a leader in the French seafood market

STRENGTHENING OUR POSITION BY BUILDING ON KEY SITES



E-commerce
Aulnay-Sous-Bois



Deliveries to retail outlets
Rungis




Ambient &
Temperature-controlled
L'Isle- d'Abeau



Out-of-home catering
Plessis-Pâté



Bologna



Kolliken

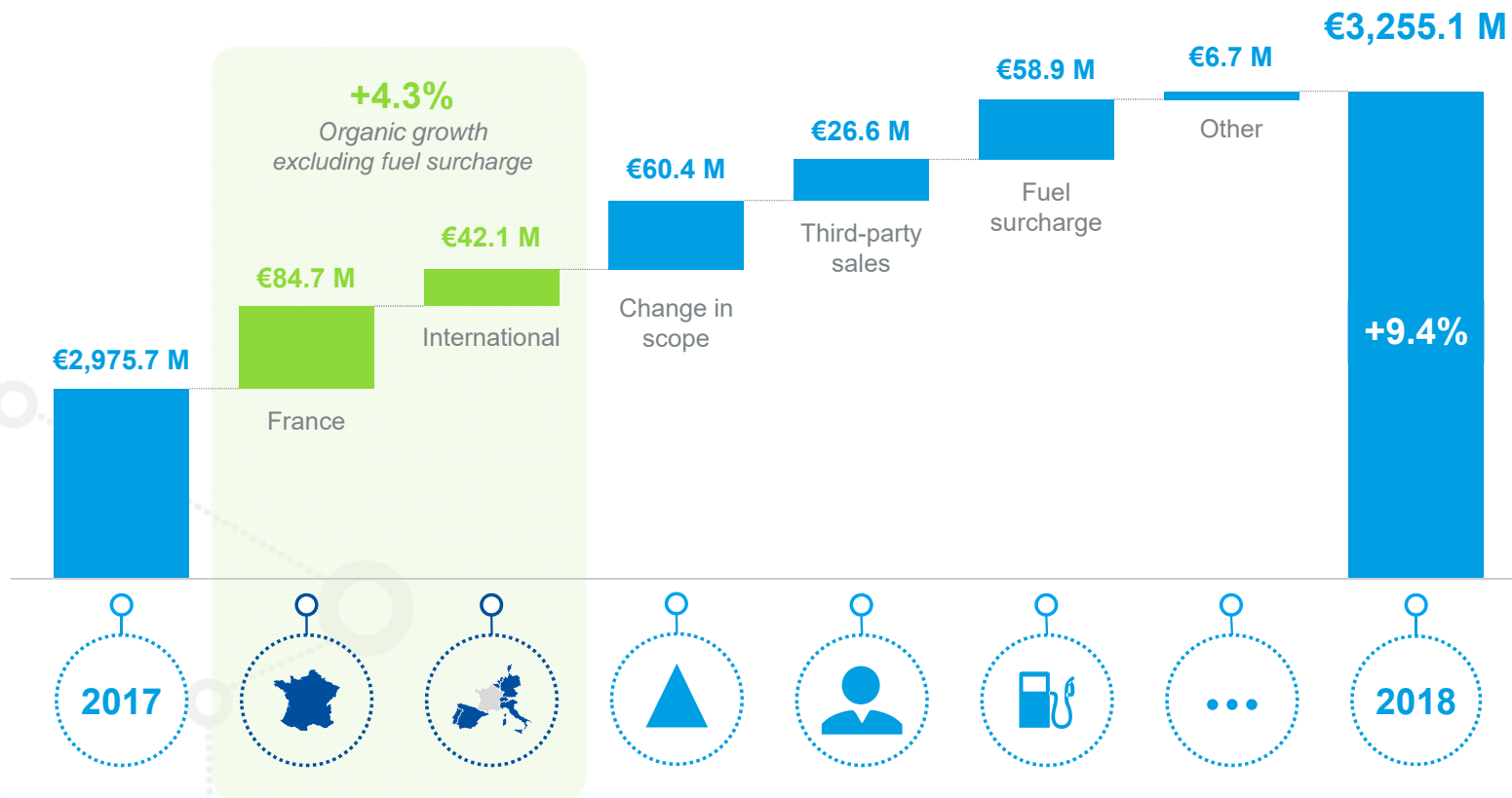




OPERATIONAL PERFORMANCE

02

Turnover

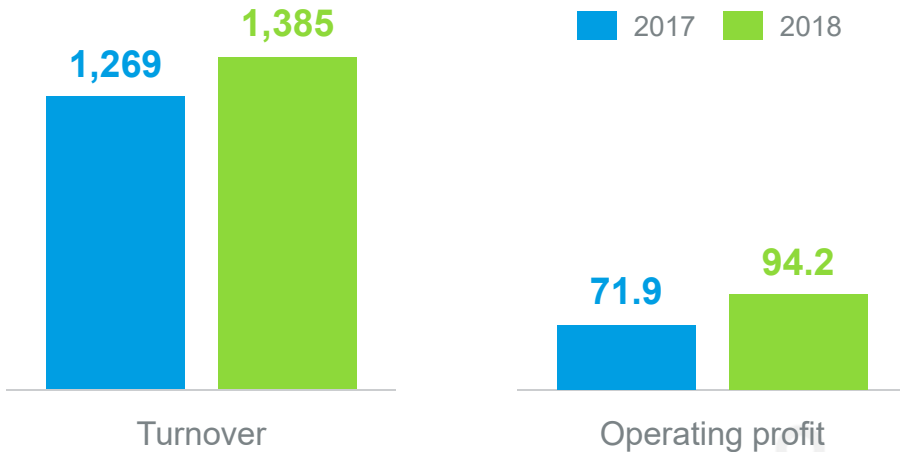




Transport France

AN OUTSTANDING YEAR

- Sustained growth buoyed by the increase in fuel prices
- New driver recruitment campaign and investment in our own fleet of vehicles

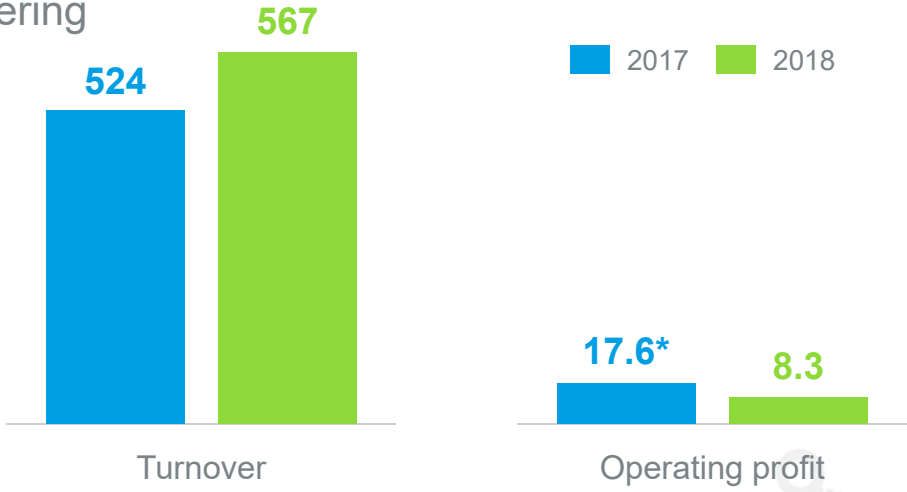




Logistics France

SOLID PERFORMANCE, EXCL. OUT-OF-HOME CATERING

- Good growth in logistics and a successful breakthrough into e-commerce
- Operating profit affected by a significant increase in the cost of electricity
- Earnings mitigated by restructuring efforts in out-of-home catering



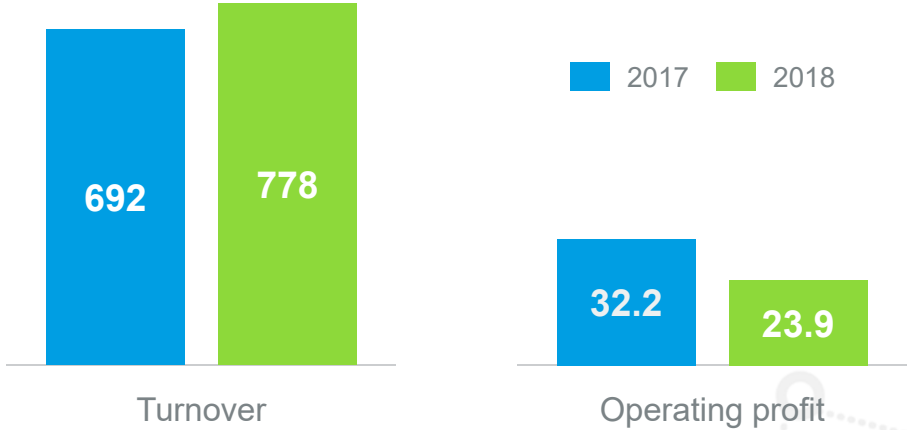
* Of which €6.5 M gain from real estate



International operations

A CHALLENGING YEAR

- Sustained growth in Italy driven by diversification in frozen food
- Investments to strengthen transport network in Europe (Portugal, Spain and the Netherlands)
- Problems with operations in Switzerland

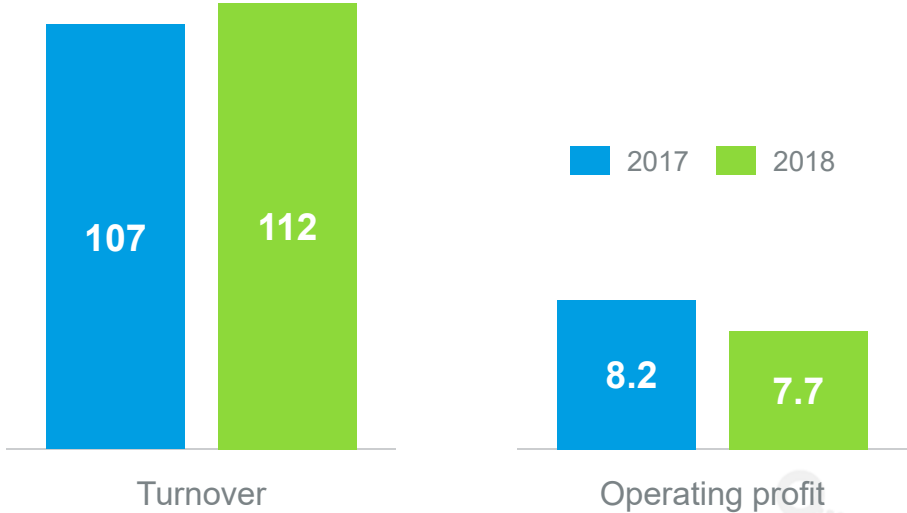




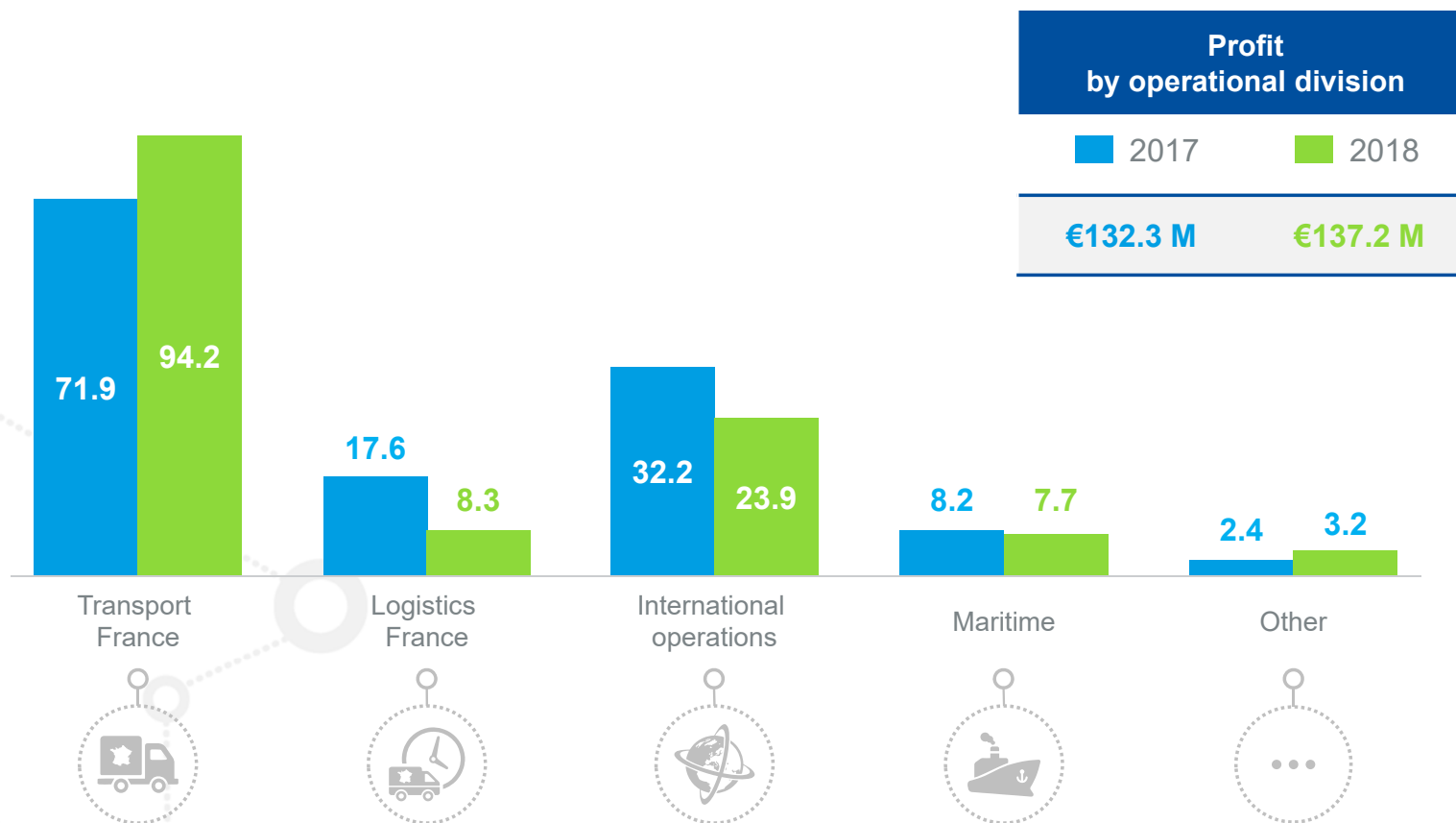
Maritime

STABLE PERFORMANCE

- Slight growth in passenger traffic and steady freight figures
- Acceleration in environmental innovation policy



Operating profit



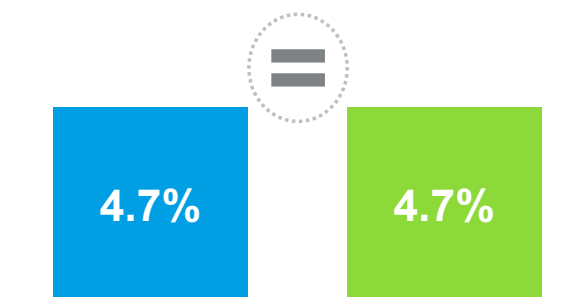


CONSOLIDATED RESULTS

03

Key figures

Stable operating margin



Operating profit excl. exceptional items /
Turnover excl. third-party trading

Record investments



Net investment programme

■ 2017 ■ 2018



Simplified income statement

€M	2017	2018	Change in €M	Change as %
Turnover	2,975.7	3,255.1	279.5	9.4%
Turnover, excluding sales for third parties	2,613.6	2,866.6	252.9	9.7%
EBIT	132.3	137.2	4.9	3.7%
Financial income	(8.6)	(7.3)	1.3	
Profit before tax	123.7	130.0	6.2	5.0%
Net income group share	93.6	94.4	0.8	0.8%
EBITDA	241.6	253.5	11.9	4.9%

EBIT

€M	2017	2018	Change in €M	Change as %
Turnover	2,975.7	3,255.1	279.5	9.4%
Purchases from third parties	(1,908.8)	(2,104.1)	(195.3)	10.2%
Taxes	(62.2)	(64.1)	(1.9)	3.0%
Payroll expenses	(773.6)	(835.3)	(61.7)	8.0%
Depreciations and amortizations	(108.1)	(113.5)	(5.4)	5.0%
Net reversals of provisions	(1.2)	(2.8)	(1.6)	
Other operating income and expenses	10.6	1.9	(8.7)	
EBIT	132.3	137.2	4.9	3.7%

Other income and expenses

€M	2017	2018
Gains on real estate asset sales	6.7	2.2
Gains on vehicle sales	0.5	1.1
Other income and expenses	3.3	(1.5)
Other operating income and expenses	10.6	1.8



Financial result

€M	2017	2018
Euribor 3M average	- 0.33%	- 0.32%
Average gross debt	577	687
Cost of financial liabilities	8.9	8.2
Other income and expenses	(0.3)	(0.9)
Financial expenses	8.6	7.3



Tax rate

€M	2017	2018
Profit before tax	123.7	130.0
Tax on income	31.0	35.7
Tax on dividends	0.8	-
Reimbursed tax on dividends 2013-2017	(3.3)	-
Exceptional and additional contributions	7.6	-
Change in tax on income in France	(2.8)	-
Tax expense	33.3	35.7
Effective tax rate	26.9%	27.5%

Cash flow

€M	2017	2018
Self-financing	190.9	208.5
Change in working capital	(7.4)	26.1
Net investment programme	(170.5)	(342.1)
Free cash flow	13.0	(107.5)
Capital increase (and share buyback)	0.9	(0.1)
Dividends	(27.7)	(30.3)
Other cash flows	6.8	(7.6)
Debt change	(7.0)	(145.5)
Net debt at closing	526.2	671.7

Net investment programme

€M	2017	2018
Investments in tangible and intangible assets	(174.2)	(303.4)
Net financial investments	(7.4)	(44.2)
Sale of assets	10.9	6.6
Other	0.2	(1.1)
Total	(170.5)	(342.1)



Financial ratios

€M	2017	2018
Gearing (Net debt / equity)	0.84	0.97
Interest coverage (EBITDA / interest expenses)	28.1	34.9
Net debt / EBITDA	2.18	2.65
Net dividend per share	2.45	2.50*

* Put to the vote at the shareholders' meeting on 30 April 2019



Impact of the new IFRS 16 standard

BACKGROUND

Leasing contracts must be booked by the lessee as a right-of-use asset and a lease liability as of 1 January 2019

HOW WILL THIS AFFECT THE GROUP IN 2019?

(Simulation on 30 September 2018)

- 3,000 contracts concerned
- Debt increased from €125M to €155M
- EBITDA increased from €35M to €45M



Simplification of operational sectors

5 operational sectors in 2018



Market changes & customer demand for a single contact



STEF France restructured to form 7 BUs

4 operational sectors in 2019





**OUTLOOK FOR 2019
AND CHANGES IN
GOVERNANCE**

04

Outlook

IMPROVED QUALITY against a backdrop of more moderate growth

Accelerated roll-out of the **SPECIALISATION STRATEGY**

Ongoing drive to **STRENGTHEN TRANSPORT NETWORKS** in Europe

STRATEGIC CALL FOR TENDER for La Méridionale

The image shows the STEF logo on the side of a white building. The logo consists of the word "STEF" in a bold, dark blue, sans-serif font, followed by a stylized circular icon made of two overlapping blue rings. The building is set against a clear blue sky with some white clouds. The logo is mounted on a white panel that is part of the building's exterior wall.

STEF 

Change in governance

- Francis Lemor and Jean-Pierre Sancier terminated their respective mandates at the board of directors meeting on 14 March.
- As a result, the board chose to combine the roles of Chairman and CEO.
- Following the shareholder's meeting on 30 April 2019, Stanislas Lemor will be appointed Chairman & CEO of STEF Group, with Marc Vettard named Deputy Chief Executive Officer in charge of Operations.





Key dates

Turnover
Q1 2019

25 April 2019 after stock exchange closes

Turnover
Q2 2019

18 July 2019 after stock exchange closes

First-half 2019
results

Published on **29 August 2019** after stock
exchange closes
Presentation on **30 August 2019**

Turnover
Q3 2019

24 October 2019 after stock exchange closes



APPENDICES

05

ASSETS

Consolidated balance sheet, 31 December 2018

	31 December 2017	31 December 2018
NON-CURRENT ASSETS		
Goodwill	139,604	186,799
Other intangible assets	14,776	18,367
Property, plant and equipment	1,064,434	1,250,080
Non-current financial assets	29,157	31,621
Investments in associates	29,039	27,892
Deferred tax assets	19,909	21,283
Total non-current assets	1,296,919	1,536,042
CURRENT ASSETS		
Inventories and work-in-progress	58,187	62,939
Trade accounts receivable	475,305	508,154
Other receivables and current financial assets	147,977	157,012
Cash and cash equivalents	59,419	59,609
Non-current assets held for sale		
Total current assets	740,888	787,714
TOTAL ASSETS	2,037,807	2,323,756

LIABILITIES

Consolidated balance sheet, 31 December 2018

	31 December 2017	31 December 2018
Share capital	13,166	13,166
Share premium account	-	-
Reserves	612,656	679,974
Equity, group share	625,822	693,140
Non-controlling interests	2,629	1,894
Total equity	628,451	695,034
Non-current provisions	37,680	37,358
Deferred tax liabilities	36,746	39,138
Non-current debt	251,819	406,557
Total non-current liabilities	326,245	483,053
Trade accounts payable	397,555	446,837
Current provisions	18,262	21,050
Other current liabilities	333,390	352,823
Current tax liabilities	133	224
Current debts	333,771	324,735
Total current liabilities	1,083,111	1,145,669
TOTAL LIABILITIES	2,037,807	2,323,756

Cash flow statement

	2017	2018
Net debt at beginning of period	519.2	526.2
Cash flow from operations	190.9	208.5
(Increase)/Decrease in working capital	(7.4)	26.1
A. Cash from operating activities	183.5	234.5
Investments in tangible and intangible assets	(174.2)	(303.4)
Financial investments	(8.3)	(46.8)
Sale of assets	10.9	6.6
Other	1.1	1.4
B. Cash from investment activities	(170.5)	(342.1)
Capital increase (and share buyback)	0.9	(0.1)
Dividends (group and non-group)	(27.7)	(30.3)
Other (including changes in scope)	6.8	(7.5)
C. Cash from financing activities	(20.0)	(37.9)
Total cash (a+b+c)	(7.0)	(145.5)
Net debt at closing	526.2	671.7
Gearing	0.84	0.97