

FLEURY MICHON: 2017 REVENUE

2017 revenue of €717.0 million (down 2.8%)

Fourth-quarter revenue growth of 0.7%

Strong revenue growth of 7.5% for the International Operations segment in 2017

Outlook: confirmed improvement in recurring operating margin
in the second half of 2017

€717.0m

full-year 2017
consolidated revenue

2.8%

decline in full-year 2017
consolidated revenue

€179.0m

fourth-quarter 2017
consolidated revenue

0.7%

increase in fourth-quarter
2017 consolidated revenue

Pouzauges – 30 January 2018: Fleury Michon, the French leader in fresh Charcuterie, Prepared Meals and Surimi products, reported revenue of €717.0 million in full-year 2017, down 2.8% year-on-year.

The Group's revenue for the fourth quarter of 2017 came in at €179.0 million, up 0.7% compared with the prior-year period.

The International Operations segment posted sustained revenue growth of 7.5% in 2017, and 29.3% in the fourth quarter.

Fleury Michon was a leading participant in France's national food conference and continues to deploy its "Helping people eat better every day" project. The strategic priorities and the work carried out – and ongoing – to develop the Organic, Vegetarian, Healthy Snack and Sales and Services product ranges have been especially well received by all stakeholders. Consumers, in particular, have expressed high expectations in these areas.

REVENUE BY QUARTER*

REVENUE BY QUARTER (IN €M)	2016	2017	CHANGE
First quarter	184.7	177.7	-3.8%
Second quarter	187.3	182.1	-2.8%
Third quarter	188.1	178.2	-5.3%
Fourth quarter	177.7	179.0	+0.7%
Total	737.8	717.0	-2.8%

* At constant exchange rates.

REVENUE BY BUSINESS SEGMENT*

REVENUE BY BUSINESS SEGMENT (IN €M)	FOURTH QUARTER			FULL YEAR		
	2016	2017	CHANGE	2016	2017	CHANGE
French Supermarkets	149.7	148.2	-1.0%	625.2	601.1	-3.9%
International Operations	12.3	15.9	+29.3%	54.7	58.8	+7.5%
Sales and Services	15.7	14.9	-5.1%	57.9	57.1	-1.4%
Total	177.7	179.0	+0.7%	737.8	717.0	-2.8%

* At constant exchange rates.



FRENCH SUPERMARKETS

For the year ended 31 December 2017, the French Supermarkets business segment (83.8% of consolidated revenue) generated revenue of €601.1 million, down 3.9% year-on-year, with a 1.0% decline in the fourth quarter.

Revenue from Fleury Michon-brand products amounted to €574.5 million in 2017 (down 2.7%), slipping 0.7% in the fourth quarter. **By market**, revenue for Fleury Michon-brand products came in at:

- €438.3 million (down 1.6%) for Charcuterie ranges (76.3% of French Supermarkets segment revenue), with a 0.3% increase in the fourth quarter;
- €94.0 million (down 7.4%) for Prepared Meals ranges (16.4% of segment revenue), with a 6.2% decrease in the fourth quarter;
- €42.2 million (down 3.5%) for Surimi ranges (7.3% of segment revenue), with a 5.1% rise in the fourth quarter.

These movements reflect:

- a far-reaching transformation of the food market, in line with changing consumer expectations;
- reduced promotional pressure for Fleury Michon against a backdrop of significant increases in raw material prices;
- the discontinuation of certain products, as part of a strategy to optimise ranges and their performance.

GROWTH OF INTERNATIONAL OPERATIONS

The **International Operations business segment** (8.2% of consolidated revenue) generated revenue of €58.8 million in full-year 2017, up 7.5%, with a 29.3% increase in the fourth quarter. The rise takes into account the “seafood salad” business subcontracted to Piatti Freschi Italia (PFI), Fleury Michon’s Italian joint venture.

In Canada, **Delta Daily Food Canada** (DDFC) posted full-year revenue of €40.2 million, up 0.1%. The revenue stability seen in 2017 mainly resulted from:

- the loss of a contract for occasional Eat-Out business;
- a 13% rise in airline catering revenue, partly attributable to an expanded customer base.

As for the **equity-accounted joint ventures**, Platos Tradicionales in Spain grew by 7.0%. In Italy, PFI contracted by 7.7% during the year, reflecting the financial repercussions of a fire at a production site, which were partly offset by the revenue contributed by SGI following its acquisition in summer 2017. Viva la Mamma-brand products made considerable gains during the year.

SALES AND SERVICES

Revenue from the **Sales and Services business segment** (8.0% of consolidated revenue) came in at €57.1 million, down 1.4% year-on-year, with a 5.1% contraction in the fourth quarter. The Room Saveurs business saw a healthy 5.2% upswing in revenue, which totalled €27.2 million in 2017, boosted by an 8.4% jump in the fourth quarter. However, the business segment’s growth has been held back by lower airline catering revenue from French departures.

OUTLOOK

The Fleury Michon Group **confirms the improvement in its recurring operating margin in the second half of 2017**. Recurring operating margin is expected to be higher than what was previously announced and to exceed 2% in second-half 2017.

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NEXT ANNOUNCEMENT

3 April 2018
after market close
2017 results
First-quarter
2018 revenue

www.fleurymichon.fr



Fleury Michon is an independent, medium-sized French family company with an international outlook. Founded in 1905, we are now one of France's leading food brands. We prepare fresh, ready-to-eat, everyday meals.

Our corporate project of “Helping people eat better every day” reflects our vision for the future. It’s the vision of a brand and a Company that is open to the world and close to its customers, recognises the value of its people and encourages cooperation with its stakeholders. It’s the vision of an innovative, responsible brand that wants to help people eat better in the future.

Fleury Michon shares (codes: ISIN FR 0000074759, Reuters FLMI PA, Bloomberg FLE FP) are listed on the Euronext Paris market, Eurolist B, and are eligible for French SME equity-based savings accounts.