

THIRD-QUARTER 2018 REVENUE

- Return to growth confirmed in the third quarter, with revenue up 4.7%
- Revenue up 1.3% in the nine months ended 30 September
- Excluding external growth, third-quarter revenue up 1.2%

€545.0M

2018 nine-month
revenue

1.3%

growth in nine-month
revenue

Pouzauges – 25 October 2018: “Our third-quarter performance confirms the trend observed towards the end of the first half of the year. After spending 2017 focused on transforming the business, we are now starting to reap the benefits, with growth of 4.7% in the third quarter. Excluding external growth operations – namely the acquisition of Paso and Good Morning¹ – revenue rose by 1.2% over the quarter. In confirmation of a return to growth, Fleury Michon’s performance is improving quarter after quarter.

We are continuing to roll out initiatives as part of our corporate project of “Helping people eat better every day” in order to generate sustainable, profitable growth in our business. For example, we recently announced a 25% reduction in salt across all our Charcuterie ranges. Having offered a low-salt option in our ranges for several years now, we decided to transform our entire Charcuterie offering so that each consumer can enjoy tasty products while keeping their salt intake to a minimum. This is a concrete illustration of our corporate project and a key driver for promoting and differentiating our offering.

We have also been gradually deploying the “Nutri-Score” nutritional labelling system across all our ranges to give each consumer clear and accurate information regarding our products. By April 2019, all Fleury Michon-brand products will feature a Nutri-Score label.

In full-year 2018, we are expecting an improvement in revenue and earnings versus 2017.”

Régis Lebrun, Chief Executive Officer of Fleury Michon

In third-quarter 2018, the Group reported consolidated revenue of €186.6 million, up 4.7% year on year, excluding the joint ventures in Italy and Spain but including newly acquired entities Paso and Good Morning.

The third quarter saw a return to growth (both before and after recent acquisitions), with momentum building quarter after quarter. This performance reflects the ramp-up of business plans and the full consolidation of recently acquired Paso and Good Morning. Excluding these new entities, third-quarter revenue rose by 1.2% to €180.4 million.

Revenue by quarter (in €m)	2017	2018	Change
First quarter	177.7	172.5	-2.9%
Second quarter	182.1	185.9	+2.1%
Third quarter	178.2	186.6	+4.7%
Total	538.0	545.0	+1.3%

Revenue by business segment (in €m)	Third quarter			First nine months		
	2017	2018	Change	2017	2018	Change
French Supermarkets	150.0	158.7	+5.8%	452.9	464.3	+2.5%
International Operations ^[1]	16.1	15.0	-6.8%	42.9	39.1	-8.9%
Sales and Services	12.1	12.9	+6.6%	42.2	41.6	-1.4%
Total	178.2	186.6	+4.7%	538.0	545.0	+1.3%

^[1] Revenue at current exchange rates.

FRENCH SUPERMARKETS

French Supermarkets revenue rose by 5.8% in the third quarter, resulting in growth of 2.5% over the first nine months of the year. For the nine months ended 30 September, revenue was up 0.6% for the Charcuterie category, 4.0% for the Surimi category, and 10.6% for the Prepared Meals category including the new Paso business (down 5.2% organically excluding Paso). Based on a Group structure comparable with 2017, revenue for the French Supermarkets business segment climbed 2.1% over the third quarter, leading to a modest return to growth of 0.1% for the first nine months.

INTERNATIONAL OPERATIONS

Revenue for the International Operations business segment contracted by 6.8% in the third quarter, and by 8.9% over the first nine months. At constant exchange rates², revenue was down 2.8% over the quarter and 4.7% over the nine months. Within International Operations, revenue declined by 5.0% for Fleury Michon America (formerly DDF Canada) in the third quarter, and by 8.9% over the first nine months at current exchange rates. The Canadian business was held back by unfavourable currency effects, reporting a 1.2% increase in third-quarter revenue and a 3.0% decline in nine-month revenue at constant exchange rates. As announced, Fleury Michon America has repositioned its business to focus on airline catering, which saw a 12.1% increase in revenue for the nine months ended 30 September 2018.

SALES AND SERVICES

The Sales and Services segment enjoyed a solid third quarter, with revenue rising 6.6%. The increase was primarily driven by strong 5.0% growth from Room Saveurs, which provides delivered meals, buffets and event catering services to companies, as well as the additional contribution of Good Morning. However, revenue retreated by 1.4% on a nine-month basis, with Room Saveurs down 1.7%.

OUTLOOK

The Group confirms the expected year-on-year improvement in revenue and operating margin in 2018.

¹ The impact of changes in the scope of consolidation is calculated by eliminating revenue from companies acquired during the period (Paso acquired on 3 April 2018, contribution of Good Morning included as from 1 January 2018).

² Revenue at constant exchange rates is calculated by applying the exchange rate for the current period to revenue for the previous period.

Financial community contact:

Jean-Louis Roy, Senior Vice President,
Administration and Finance
Ph.: +33 (0)2 51 66 30 20 - infos.finances@fleurymichon.fr

Media contact:

Publicis Consultants
Ph.: +33 (0)1 44 82 47 95 - fleurymichon@consultants.publicis.fr

NEXT ANNOUNCEMENT

30 January 2019
after market close:
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.



2018 Gaïa rating: 20th out of 230, third-ranking food company - <http://www.gaia-rating.com>