
STEF celebrates centenary by passing the €100m profit milestone

Highlights

- Successful implementation of the specialisation strategy represented by the new organisation in France.
 - Strong organic growth of international business.
 - Group's attractive employer reputation confirmed: workforce up 1,000.
 - Expansion into the industrial packaging market.
 - Structured innovation and digital transformation to better support changes in the food industry.
 - Quality of CSR initiatives and commitment recognised with EcoVadis gold rating.
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12 March 2020 meeting of the STEF Board of directors to approve the financial statements for the 2019 financial year.

"As the Group celebrates its centenary this year, STEF can build on impressive performance in 2019, thanks to the efforts of its 19,000 employees and the confidence of customers. For the first time in its history, the Group achieved net income of €100m. 2019 saw operations and CSR improvements across the board. The Group also demonstrated its ability to transform, paving the way for future growth. Although STEF remains cautious about 2020 given the current business and public health climate, the Group is confident in the resilience and balance of its business model," said Stanislas Lemor, STEF Chairman and CEO.

100 years of innovation and human endeavour

This year STEF celebrates its centenary - a remarkable milestone. Since its creation in 1920, the Group has positioned itself as a trailblazer and has continued to evolve to offer the best possible services to clients and consumers in Europe.

STEF has charted a successful course over the years while never losing sight of its mission to bring people the food they need, day in, day out. Its ability to anticipate future developments whenever necessary has been largely thanks to the commitment of its employees, its agility, its facility for reinvention and its solid values: enthusiasm, respect, precision and performance.

The Group is now fully focused on rising to the many challenges faced by clients in a fast-changing food industry, as well as those faced by the planet at a time of environmental transition.

Financial information

Annual results (in €M)	2018	2019	Change
Turnover	3,255.1	3,441.0	5.7%
EBIT	137.2	162.9	18.7%
Financial expense	(7.3)	(8.7)	-
Income before tax	130.0	154.1	18.6%
Net income (Group share)	94.4	100.3	6.2%

Operating result (in €M)	2018	2019
STEF France	101.8	127.5
STEF International	24.6	39.2
Maritime	7.7	(6.2)
Others	3.2	2.3
EBIT	137.2	162.9

In 2019 the Group faced a significant increase in taxes, largely due to the conversion of the CICE tax credit into a reduction in payroll charges. It also reduced its debt slightly over the year (excl. the impact of IFRS 16).

Business

STEF France

- STEF France saw strong growth in turnover, which is now in excess of €2bn.
- The organisation into business units, introduced to better meet the needs of customers in an extremely fragmented market, has begun to produce results.
- The Group continued to grow in the chilled segment, driven by improved service quality and the ramp-up of new sites.
- Frozen segment: focus on overhauling the transport model, helped by very high loading rates.
- The Group maintained upward momentum in the temperate, dry and ambient segment through a new approach to geographic coverage, and will soon begin work to expand its main sites.
- Retail segment continued to enjoy strong turnover growth, largely through the development of e-commerce.
- Foodservice segment grew thanks to greater support towards client development plans and new dedicated warehouses.
- The synergy between Dyad's industrial packaging business and the Group co-packing business opened up new growth opportunities.

STEF International

- International business growth was buoyed by recent acquisitions.
- In Italy the year was marked by property upgrades and the bringing of the frozen segment into line with Group standards.
- In Spain the Group strengthened its position in the domestic and international groupage as well as in foodservice.
- The Group also benefited from favourable economic conditions in Portugal and continued to pursue business specialisation in the country.
- The Group also continued to roll out its business model in the Netherlands and Switzerland.

Maritime

- 2019 results were impacted by the loss of the service to the ports of Bastia and Ajaccio and the refocus on secondary ports as of Q4.
- La Méridionale beefed up its resources (e.g. ongoing purchase of a new ship and introduction of a new booking system) to strengthen its position in the years ahead.

Based on the Group's solid results, the Board of Directors will propose a dividend of €2.65 per share, to be put to the vote at the meeting of shareholders on 30 April. The Group will also distribute over €30m among employees through its profit-sharing and shareholding schemes.

Outlook for 2020

As the world faces uncertainty over the economy and public health (Covid-19), the Group remains confident in its balanced business model and its ability to pursue sustainable long-term growth. The challenge for STEF's maritime business will be to cement its position through the 2021-2027 public-service delegation, for which La Méridionale has established a common tender response with its long-term partner.

In the coming months the Group will prioritise energy transition, innovation, customer experience, and digital transformation to unlock competitive advantages as it forward.

The audit procedures on consolidated financial statements have been completed.

The certification report will be issued after the completion of the procedures required for the publication of the annual financial report.

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