

Vandemoortele continues to work towards a sustainable future with new CEO Yvon Guérin

Vandemoortele achieves strong annual results and bids farewell to Jules Noten on 1 July

Ghent, 20 March 2020 – Vandemoortele's Board of Directors today announces a change at the top in addition to the annual results. After eight years at Vandemoortele, CEO Jules Noten is bidding farewell to the company, where his achievements include bringing the Bakery department back to growth. It was also his initiative that led to the construction of the Food Experience Center in Ghent, the innovative meeting place for associates, customers and suppliers. From 1 July 2020, Yvon Guérin, the current Managing Director of Bakery Products, will succeed Jules Noten. Vandemoortele aims to continue on its present course, under the mantra of 'shaping a tasty future, responsibly'. The incoming CEO Yvon Guérin's broad international experience creates an opportunity to further explore foreign markets for Vandemoortele. As regards the 2019 financial year, the Vandemoortele Group has reported a strong result: the adjusted EBITDA rose to 152 million euros, an increase of 17% compared to 2018.

Substantial improvement in profitability under Jules Noten

Eight years ago, Jules Noten was appointed Managing Director of Bakery Products at Vandemoortele to support the growth of the bakery division. He then became CEO of the company in 2014. Highlights include the integration of the French bakery business and the acquisition of the Italian focaccia and ciabatta producer Lanterna. *"One of Jules' major accomplishments is the substantial increase of the Vandemoortele Group's profitability, while putting the customer and consumer at the heart of our thoughts and actions. He also succeeded in building a people-focused corporate culture,"* says Jean Vandemoortele, Chairman of the Board of Directors.

Two years ago, Jules Noten indicated that he wished to end his operational role in 2020. *"I will be 60 this year, and this marks the next step in my career. There are a range of projects on track at Vandemoortele and we recently moved into the new Food Experience Center. I couldn't imagine a better moment to pass the baton. Under Yvon's leadership, Vandemoortele will continue on its path towards a wonderful and sustainable future,"* said Jules Noten. Noten will be dedicating himself to several international board roles in the future.

A sustainable and international future

Yvon Guérin, the current Managing Director of Bakery Products, will take up the reins from 1 July 2020. *"Given that Jules Noten had announced his departure well in advance, the change of hands will take place in a highly co-ordinated manner, guaranteeing the continuity of the Vandemoortele Group,"* explains Jean Vandemoortele. The choice fell upon Yvon Guérin, who has broad international experience in the food sector. *"The Board of Directors is convinced that Yvon has the necessary experience and intrinsic qualities to continue the success of recent years and to continue to grow Vandemoortele in a profitable and sustainable manner,"* Jean Vandemoortele continues.

Yvon Guérin was introduced to Vandemoortele and its corporate culture in the past year. *"As Managing Director of Bakery Products, I got to know Vandemoortele as a company with a clear vision for the future. My future choices, along with the Vandemoortele Group, will be for continuity and the consolidation of profitability. The focus will be on international growth."*

Yvon Guérin comments Vandemoortele's ambitious future plans: *"As regards the Margarine, Culinary Oils and Fats (MCOF) division, we will continue to consolidate our market share with a strong focus on*

food service. The market for Bakery Products (BP) is growing steadily also with an emphasis on food service." Yvon Guérin's considerable experience with the French, Italian and American markets will help Vandemoortele achieve its international ambitions. "As a group, we see huge opportunities for the export of authentic bakery products, such as French croissants and Italian focaccias, even beyond Europe's borders. Vandemoortele will continue to work steadily towards a tasty future at an international level, and always in a socially responsible manner," Yvon Guérin continues.

Vandemoortele reports strong annual results once again

For the 2019 financial year, Vandemoortele is reporting a slight drop of 2% in turnover caused by the decreasing trend in raw material prices and partly due to a deliberate reduction in the number of product references in the Bakery division. In contrast, the adjusted EDITDA (REBITDA) rose by 16.9% to 152 million euros, of which 6.8% (8 million euros) can be assigned to the implementation of the IFRS16 lease standard.

	2018	2019 (inc. IFRS16)	Variance
Turnover (in mln €)	1,414	1,384	- 2.1%
REBITDA (in mln €)	130	152	+ 16.9%
EBITDA (in mln €)	123	140	+ 13.8%
REBIT (in mln €)	75	90	+ 19.2%
EBIT (in mln €)	68	75	+ 10.3%
Profits after tax (in mln €)	51	48	- 5.9%

This rise in the adjusted EBITDA applies to both the BP and the MCOF business lines. For the Bakery division, Vandemoortele is reporting a 21.1% profit growth to 95.8 million euros. This rise is largely thanks to cost-saving measures in production and logistics, as well as in purchasing of raw materials and packaging. In the MCOF division, a jump of 9.3% was made to 56.1 million euros, once again the best result ever. The main factors for profitability here are to be found in the favourable evolution of raw material prices and the excellent production results. In 2019, Vandemoortele invested 57 million euros in improving and reinforcing production capacity for the Bakery division, further modernisation of the MCOF production sites, and the Food Experience Center. The slight drop in profits after tax can be explained by the revaluation of exchange rates and interest risks, and higher income taxes.

The annual results indicate that Vandemoortele is focusing on optimising profitable growth.

Optimising the product range

Last year, Vandemoortele's R&D department continued its work on improving production processes, product quality and the development of new products for both the MCOF and BP divisions. In optimising the product range, Vandemoortele is focusing on high-quality products with consideration for health trends. "In line with our sustainability objectives concerning food, we are actively seeking to reduce the salt and sugar content of our bakery products and offering our customers a smaller portion size. In margarines and fats, we have developed a variety of recipes, from low-fat to E-free, while always retaining the required functional properties and without sacrificing quality or taste", explains Jules Noten.

Decisive approach during COVID-19 outbreak and prospects for 2020

During the current outbreak of COVID-19, Vandemoortele is taking the necessary measures to keep the company operational in a safe manner. The factories will continue to operate thanks to strict procedures for loading and unloading and stringent internal hygiene measures. In terms of sales, Vandemoortele has noticed a shift from the food service to the retail channel as a result of the outbreak and the measures taken for restaurants and bars. In the current circumstances, we are also expecting a rising trend in home deliveries and takeaway restaurants.

Additionally, Vandemoortele has the ambition to further strengthen the position of the MCOF division through organic growth of the Vandemoortele retail brand. As regards the BP division, we aim to grow the adjusted EBITDA further by increasing sales efforts in the retail and food service markets and by further optimising the product portfolio. Vandemoortele will remain dedicated to quality and sustainability, just as it is today. In doing so, the slogan 'shaping a tasty future' will be supplemented with the pillar of corporate social responsibility. This is expressed in the optimisation of production processes and packaging, among other things. More information on Vandemoortele's sustainability policy can be found in the [Sustainability Report 2019](#).

About Vandemoortele

Vandemoortele is a leading European food group that produces and sells high-quality food products. Vandemoortele concentrates on two categories: Bakery Products & Margarines, Culinary Oils and Fats. In 2019, Vandemoortele achieved a turnover of 1.4 billion euros with 5,100 staff. The Vandemoortele group has a presence in 12 European countries and in the United States, with its own sales organisations and/or production locations. The head office is based in Ghent, Belgium.



YVON GUÉRIN

Education

1987-1988 ESSEC Business School - Master Agro

1983-1987 ESA École Supérieure d'Agricultures Angers

Experience

2019-2020	Vandemoortele	Managing Director Bakery Products
2017-2018	Lactalis	General Manager Supply Chain
2011-2017	Parmalat	General Manager (Italy)
2009-2011	Lactalis	General Manager Milk Cream & Nutrition (Europe)
2007-2009	Lactalis	General Manager Butters & Creams (France & Europe)
2003-2007	Tendriade	General Manager
1999-2002	Lactalis	General Manager (USA)