

Press Release – Ninove – 3 May 2021

La Lorraine Bakery Group aims for strong restart in 2021 And strengthens its base in Russia and new growth markets

Ninove, 3 May 2021 - La Lorraine Bakery Group posted revenue of €744 million and an EBITDA of €91 million in 2020. CEO Guido Vanherpe acknowledges that 2020 was a challenging year for the family-owned business due to the temporary sales decline in the affected foodservice channel, but is aiming for strong growth in 2021. This will be driven by the expected recovery of the horeca sector, and the strong acceleration in Russia and other new growth markets.

Like many companies in the horeca and food industries, La Lorraine Bakery Group's operating results have been impacted by the coronavirus crisis. In 2020, the Group posted consolidated revenue of €744 million, down 12% on 2019, and EBITDA of €91 million, down 21% compared to 2019.

Despite the decline in sales, La Lorraine Bakery Group's net profit remained slightly positive in 2020 thanks to strong cost control. The Group invested €51 million in its ongoing geographical expansion in 2020, ensuring it is fully prepared for the post-corona restart.

"Despite the historic impact of the coronavirus on the horeca and food industries, La Lorraine Bakery Group ended 2020 with a positive net result. We're weathering this storm not only by the expansion of our business in multiple bakery segments and in different countries, but also through the passion and commitment of all our employees. But now we're looking to the future. As the lockdown measures in Belgium and other countries are lifted, we expect to see a rapid recovery in revenue as well as new growth. In 2021, we aim to resume our long-term growth plan and, just like in previous years, return to average annual revenue growth of around 8%. We're very optimistic about the future", says **Guido Vanherpe, CEO of La Lorraine Bakery Group.**

"We're very optimistic about the future!"

La Lorraine Bakery Group expects to see revenue recover in 2021, which should exceed the pre-COVID 2019 level. The family-owned business is also investing heavily in all its businesses in order to stimulate growth.

The **Bakery Frozen** business unit is preparing for the reopening of the horeca sector in the second half of the year and the Group continues to invest in its Go East strategy, with investments in new lines in its bakeries in eastern Europe and the construction of a new bakery site in Russia. Meanwhile, the Group's shareholdings in two frozen bakery facilities in Italy and Greece strengthened its position in the southern European market. It is also investing in its home market Belgium by, among other things, completely innovating and rebuilding its frozen bakery facility in

Erpe-Mere into the most modern facility of its kind in Europe. The new site should be up and running by mid-2022.

La Lorraine Bakery Group's **Bakery Fresh** business unit will further strengthen its market leadership position as a fresh bakery in Belgium, including through innovation and investments in the bread and patisserie segment, through its patisserie brands Tarte à Moi and Maison La Lorraine.

The Group's **Store Concepts** division, with more than 450 points of sales in Belgium, namely the 282 Panos, 94 Deliway and 78 La Lorraine shops, is preparing for a recovery in revenue growth as the horeca sector is allowed to reopen its doors. The Panos branches made it through 2020 relatively unscathed, thanks in part of take-away and targeted e-commerce initiatives. The Group expects to see a strong restart in 2021, driven by an ambitious recovery plan for Panos, the largest sandwich shop chain in Belgium. By focusing on a renewed assortment of more local products in a sustainable packaging, Panos aims to remain the undisputed sandwich leader in Belgium.

Finally, the Group's **Milling** unit will continue pursuing efficiency and profitability in 2021, as it has been doing for several years now. Milling is mainly focused on a range of specialist products and targeted investments that benefit productivity.

About La Lorraine Bakery Group

La Lorraine Bakery Group (LLBG) is a 100% Belgian family-owned business active in the milling and bakery industries and offering a wide range of high-quality bakery products. Every day, more than 4,000 enthusiastic employees produce and sell high-quality bakery products in more than 25 countries to consumers, supermarkets and the foodservice sector.

As a leading, growth-focused international company with more than 12 production units in 5 countries, we are driven by our passion for growth and our steadfast determination to transform the bakery market by deploying our many years of experience and expertise, new technologies and the talents of our highly motivated employees. The Group is structured into four business units: Bakery Frozen, Bakery Fresh, Store Concepts and Milling.

Our main financial objectives are long-term value creation and qualitative growth through innovation and entrepreneurship. The Group reported revenue of €744 million in 2020.

We aim to remain sustainable and enterprising for many generations to come, with a passion for quality and innovation and truly embodying the spirit of a company that does well for all its stakeholders – so that we become not only a bigger, but above all a better company.

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