



Quarterly Performance

The IAA 80: the Unigrains indicator of European listed agri-food stocks

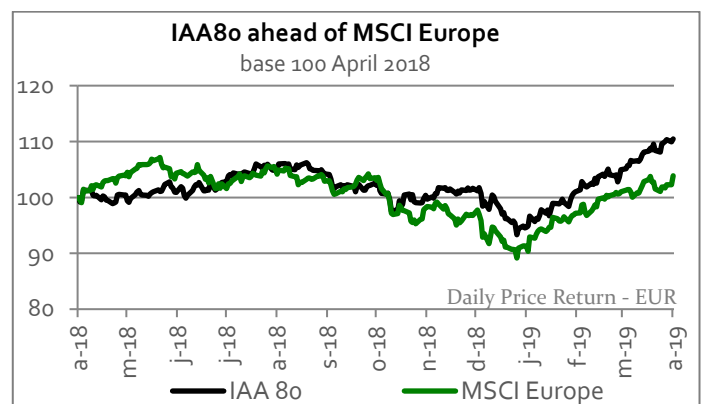
Created by Unigrains, the IAA 80 consists of 80 listed agri-food stocks based in 13 countries of Western Europe (Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom). It is weighted by market capitalisation. The selected stocks have a market capitalisation of more than €50m and a minimum free float of 15%. Additional information on the composition of the IAA 80 indices is available in annex. All figures in this memorandum come from the S&P Capital IQ database and are calculated in euro.



1st quarter of 2019: summary

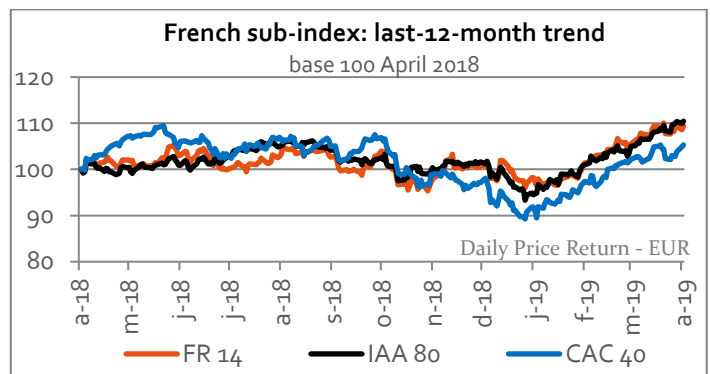
Strong rise of the IAA 80 in a supportive context

This rise reflects the downward revision of downside risks to the global economy, notably Brexit, the US-China trade war and the decline in liquidity. The central banks' maintenance of supportive measures, such as the low interest rates, as well as robust corporate operating performances in 2018, reassured investors. They now expect a slowdown rather than an economic recession. **The IAA 80 outperformed the MSCI Europe with an increase of 16.4% against 12%.** Over one year, the outperformance is even more impressive, at +10% versus +2.3%.



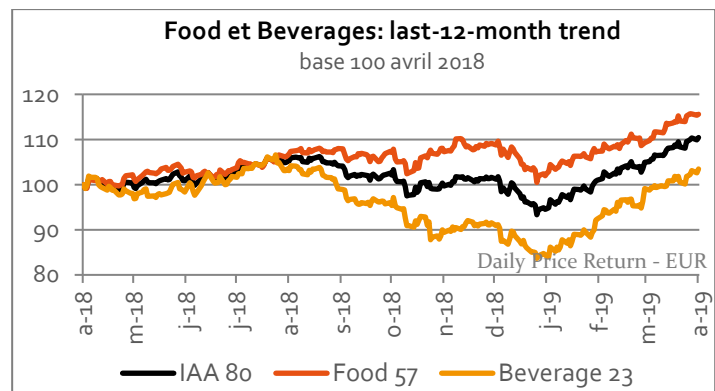
The French sub-index came back to growth, driven by Danone, Pernod Ricard and Rémy Cointreau

The French sub-index recovered by 10.5% over the last three months. However, its growth rate was slightly lower than that of the IAA80 (+16.4%) and of the CAC40 (+14.3%). Nonetheless, Savencia and LDC were the only two stocks that continued to lose more than 5% over the quarter. Their results suffered from their strong exposure to the French and European food retail markets. The long-lasting price war maintained pressure on their operating margins. With 8.6% year-on-year increase, the French sub-index outperformed the CAC 40 (+4.9%) and drew closer to the IAA80 (+10%).



Beverages outperformed Food

Although the Beverages sub-index underperformed the Food sub-index over one year, it did better in the 1st quarter of 2019, at +21.5% against +13.2%. It was driven by the major brewers, whose renewed growth strategies were confirmed by solid 2018 results. Soft drinks also performed well. The "Wine & Spirits" sector presented a more mixed picture: the most diversified companies such as Diageo and Pernod-Ricard are clearly in the lead. In contrast, although their reorientation strategies are starting to pay off, the champagne specialists continue to suffer from their strong exposure to the UK.



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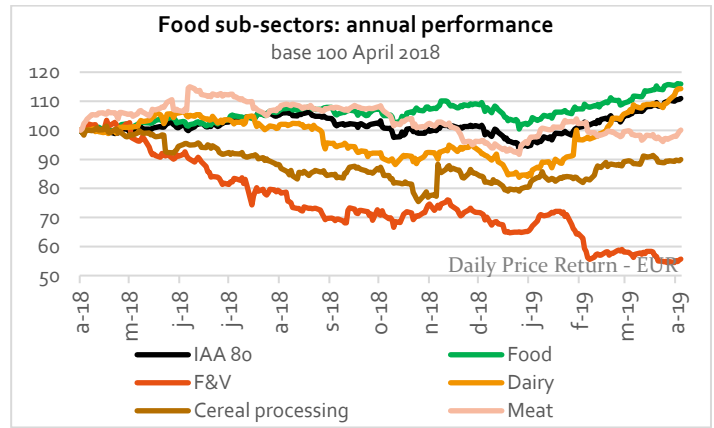
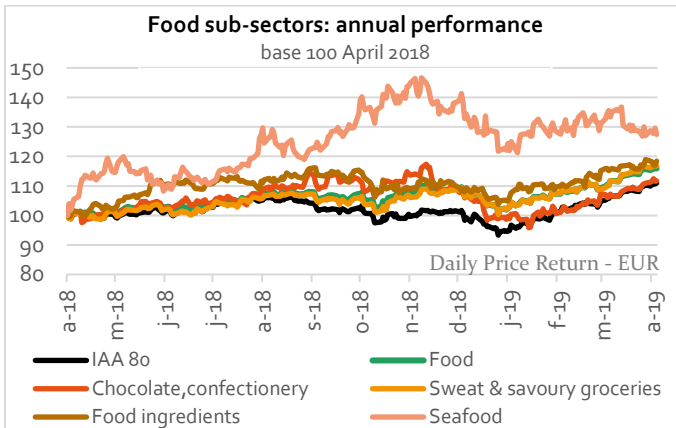
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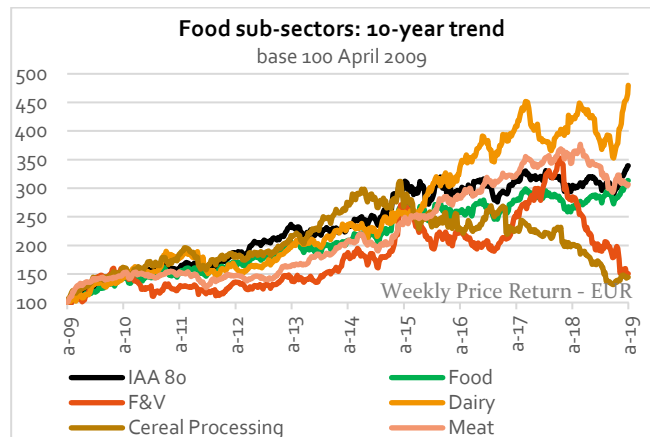
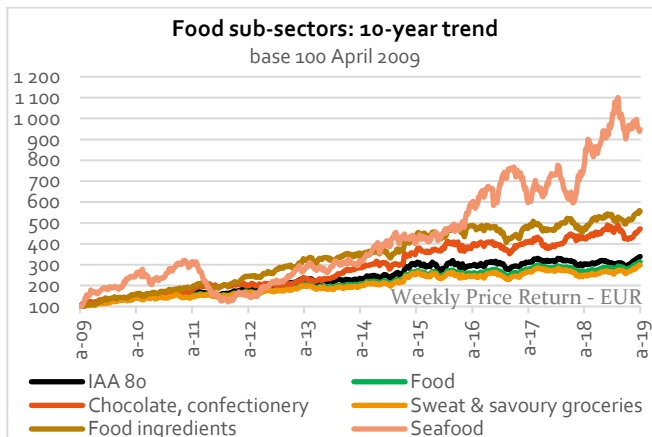
Focus: Food

Annual performance



- **Dairy Products posted the strongest increase in the first quarter of 2019 at +33.3%.** The sector benefits from a return to normal market conditions. Companies have generally announced good results for 2018 and the outlook for 2019 is positive. It should be noted that the Quebec company Saputo completed the acquisition of Dairy Crest on 15 April.
- **Growth in the Seafood component slowed to +5.4% after an excellent annual performance (+28.7%).** However, the sector's financial health remains very good, underpinned by strong demand.
- **After a bad 2018, the Cereal Processing component of the index is recovering (+11%), driven by Aryzta (+27.5%).** After years of decline, the frozen bakery specialist experienced three consecutive quarters of organic growth. Its EBITDA margin is stabilising while its operational restructuring programme is starting to pay off.

Ten-year trend

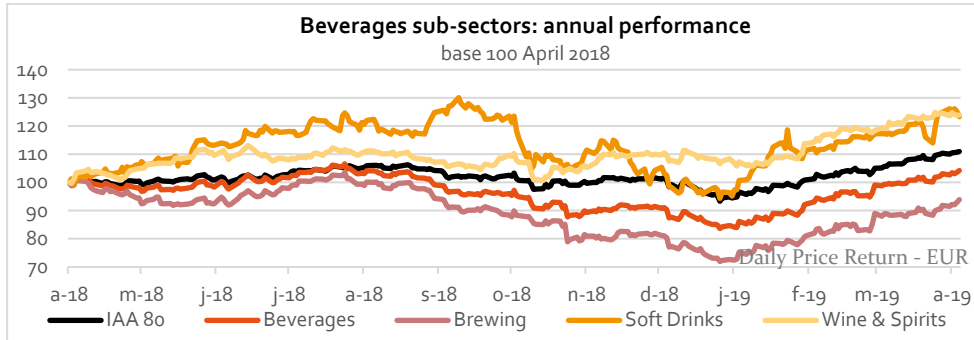


- **Seafood is the best performer with an average annual growth rate of 25.9%.** This reflects the acceleration in global demand for seafood products, particularly in emerging countries. This strong demand supports high prices and therefore the margins of sector companies.
- **IAA Ingredients also performed well, with an average annual growth rate of 18.7%.** The operating performance of companies in this sector (Kerry, Glanbia, Eurogerm, amongst others) was supported by robust demand and major efforts to improve geographical diversification.
- **The average annual growth of the Dairy Products component (+16.8%) was driven by its biggest stock, Emmi (+28%).** Due to the saturation of the Swiss market, about ten years ago the company opted to accelerate its international development through targeted acquisitions. It also keeps a tight cost control. The share of revenue generated outside Switzerland grew from 27% in 2010 to 51% in 2018 and its profitability is rising steadily.



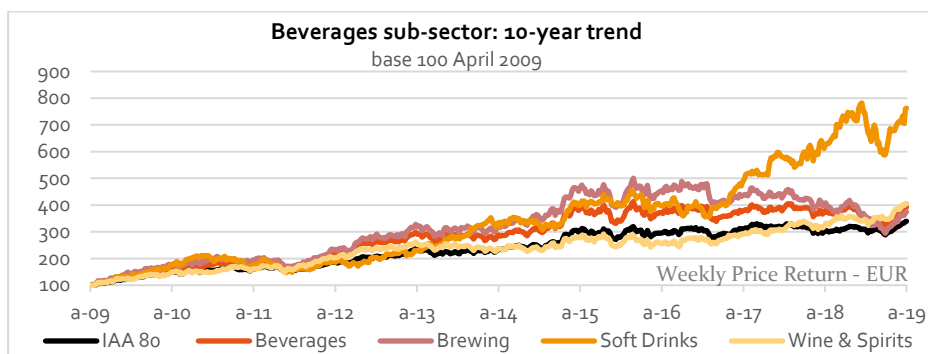
Focus: Beverages

Annual performance



- **After a difficult year, the Brewery component is rallying.** The outlook has finally cleared for AB InBev, which had been driving its sub-sector downwards since the acquisition of SAB Miller in 2016. Its share price went back on the rise in the 1st quarter of 2019, supported by good annual results for 2018 and reassuring prospects. Despite some turmoil in emerging countries and the rise in the cost of aluminium, AB InBev's sales were up 5% in 2018 and its operating margin improved. The integration of SAB Miller is starting to pay off.
- **The Wine & Spirits component was driven by the good performance of its heavyweights, Pernod Ricard, Diageo and Campari.** After a difficult period due to their high exposure to the UK, the share prices of champagne specialists stabilised or even slightly improved in March. Their results are beginning to reflect their strategic reorientation. Lanson BCC and Laurent-Perrier are moving upmarket and growing their exports outside the United Kingdom. Vranken-Pommery, which already generates more than 50% of its revenue abroad, is also premiumising its champagnes, in addition to diversifying further into rosé wines and optimising its costs.
- **Soft drinks companies, all based in the United Kingdom, stood up well to the shock of the Soft Drinks Industry Levy (the sugar tax) which came into effect in April 2018.** The component was driven by good annual results for 2018: the unusually hot summer supported sales, while the business model of companies such as Britvic and AG Barr proved flexible enough to allow a rapid adjustment to the new tax.
- **After a long-lasting drop, Marie Brizard's share price soared 50.9% over the last six months.** At the beginning of the year its shareholders validated its recapitalisation by Cofepp, which also owns French spirits group La Martiniquaise. Cofepp will now control the company with a stake of approximately 47%. But Marie Brizard might not be out of the woods yet: it is now the subject of a probe for anti-competitive practices.

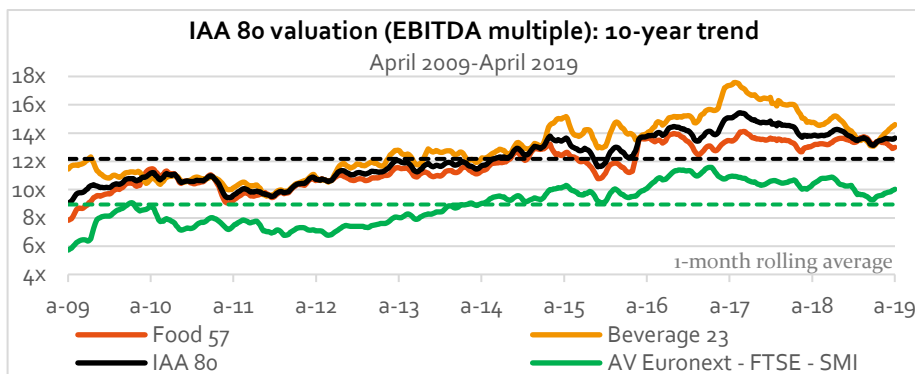
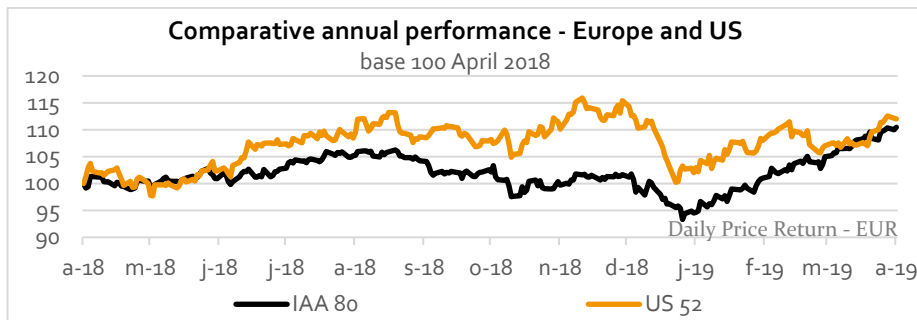
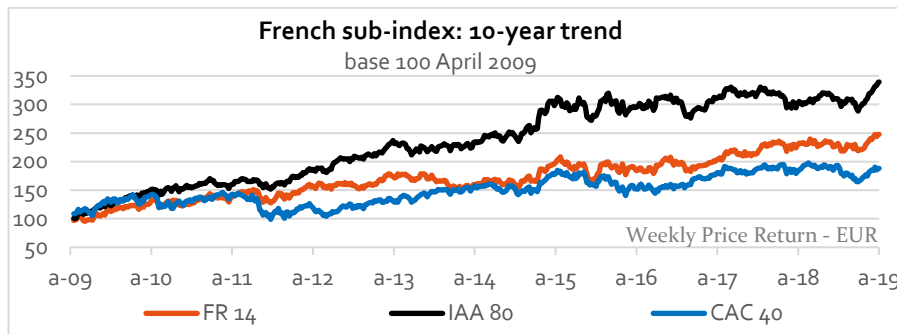
Ten-year trend



- **Wine & Spirits has caught up with the Beverage sub-index.** The anti-corruption measures imposed by the Chinese government in 2013 had severely impacted Pernod-Ricard and Rémy Cointreau by bursting the bubble of ultra-luxury cognac. Both companies have now extended their target to the middle classes, ensuring stronger growth fundamentals. The Wine & Spirits sub-sector has now caught up and over ten years, it has performed in line with the Beverages sub-index (+15% vs. +14.7%).
- **With an increase of 22.5%, Soft Drinks chalked up the best average annual growth of the sub-index.** In particular, Fevertree (+33% since its listing at the end of 2014) is riding the wave of "healthy drinking" with a premium tonic that is proving a successful companion to the ramping up of cocktail alcohols.



Other information



Performance* of agri-food indices at 31/03/2019

	Annualised growth						
	1 month	3 months	6 months	1 year	3 years	5 years	10 years
IAA 80	4.8%	16.3%	7.6%	9.9%	4.7%	7.7%	13.0%
Food 57	5.6%	13.1%	7.7%	15.4%	6.8%	8.5%	12.1%
Beverages 23	3.5%	21.5%	7.6%	2.6%	1.7%	6.5%	14.6%
FR 14	2.9%	10.5%	4.4%	8.6%	10.3%	9.1%	9.5%
MSCI Europe	1.2%	12.0%	(0.7%)	2.3%	4.5%	2.4%	7.0%

*Share price performance throughout the corresponding period, excluding dividends

Volatility: average weekly variation (absolute)

	1 year	3 years	5 years	10 years
IAA 80	1.1%	1.2%	1.5%	1.5%
Food 57	1.2%	1.2%	1.4%	1.4%
Beverages 23	1.6%	1.6%	1.8%	1.8%
FR 14	1.4%	1.5%	1.6%	1.7%
MSCI Europe	1.3%	1.3%	1.5%	1.7%



Annex – Stocks in the indices

IAA 8o

Company	Country	Sector	Sub-sector	Market cap. at 01/01/19 (€m)
NESTLÉ	CH	Food	Sweet & savoury groceries	215,586
UNILEVER	NL	Food	Sweet & savoury groceries	123,933
AB-INBEV	BE	Beverages	Brewing	112,904
DIAGEO	UK	Beverages	Wine & spirits	74,174
HEINEKEN	NL	Beverages	Brewing	44,064
DANONE	FR	Food	Sweet & savoury groceries	39,781
PERNOD-RICARD	FR	Beverages	Wine & spirits	37,864
ABF	UK	Food	Sweet & savoury groceries	17,679
KERRY	IE	Food	Food ingredients	15,250
LINDT & SPRUENGLI	CH	Food	Chocolate, confectionery	14,438
CARLSBERG	DK	Beverages	Brewing	13,942
MOWI (ex-Marine Harvest)	NO	Food	Seafood	9,452
DAVIDE CAMPARI	IT	Beverages	Wine & spirits	8,487
BARRY CALLEBAUT	CH	Food	Chocolate, confectionery	7,396
ORKLA	NO	Food	Sweet & savoury groceries	6,818
RÉMY COINTREAU	FR	Beverages	Wine & spirits	5,018
SALMAR	NO	Food	Seafood	4,837
GLANBIA	IE	Food	Food ingredients	4,837
LERØY SEAFOOD	NO	Food	Seafood	3,936
TATE & LYLE	UK	Food	Food ingredients	3,372
EMMI	CH	Food	Dairy products	3,216
AAK	SE	Food	Food ingredients	3,044
ROYAL UNIBREW	DK	Beverages	Brewing	2,992
FEVERTREE	UK	Beverages	Soft drinks	2,806
EBRO FOODS	ES	Food	Cereal, oilseed & protein crop processing	2,683
NOMAD FOODS	UK	Food	Sweet & savoury groceries	2,521
BRITVIC	UK	Beverages	Soft drinks	2,319
SUDZUCKER	DE	Food	Sugar	2,309
VISCOFAN	ES	Food	Food ingredients	2,243
AUSTEVOLL SEAFOOD	NO	Food	Seafood	2,161
P/F BAKKAFROST	DK	Food	Seafood	2,064
L.D.C.	FR	Food	Meat	1,837
LOTUS BAKERIES	BE	Food	Cereal, oilseed & protein crop processing	1,706
BELL	CH	Food	Meat	1,688
CRANSWICK	UK	Food	Meat	1,491
GREENCORE	IE	Food	Sweet & savoury groceries	1,384
GRIEG SEAFOOD	NO	Food	Seafood	1,133
A.G.BARR	UK	Beverages	Soft drinks	981
ARYZTA	CH	Food	Cereal, oilseed & protein crop processing	951
BONDUELLE	FR	Food	F&V	879
C&C GROUP	IE	Beverages	Wine & spirits	843
HILTON FOOD	UK	Food	Meat	809
NORWAY ROYAL SALMON	NO	Food	Seafood	781
SAVENCIA	FR	Food	Dairy products	776
DAIRY CREST	UK	Food	Dairy products	717



Company	Country	Sector	Sub-sector	Market cap. at 01/01/19 (€m)
CLOETTA	SE	Food	Chocolate, confectionery	686
OLVI OYJ	FI	Beverages	Brewing	652
ROYAL WESSANEN	NL	Food	Sweet & savoury groceries	611
LAURENT-PERRIER	FR	Beverages	Wine & spirits	562
NICHOLS	UK	Beverages	Soft drinks	556
ORIOR	CH	Food	Meat	456
STOCK SPIRITS	UK	Beverages	Wine & spirits	453
BARON DE LEY	ES	Beverages	Wine & spirits	446
FROSTA	DE	Food	Sweet & savoury groceries	433
SCANDI STANDARD	SE	Food	Meat	400
RAISIO	FI	Food	Sweet & savoury groceries	368
GREENYARDS FOOD	BE	Food	F&V	313
PREMIER FOODS	UK	Food	Sweet & savoury groceries	305
THE SCOTTISH SALMON	UK	Food	Seafood	296
B.F.	CH	Food	Sweet & savoury groceries	271
LA DORIA	IT	Food	F&V	246
LANSON-BCC	FR	Beverages	Wine & spirits	212
VRANKEN POMMERY	FR	Beverages	Wine & spirits	210
TER BEKE	BE	Food	Meat	210
MASSIMO ZANETTI	IT	Beverages	Coffee	197
ATRIA	FI	Food	Meat	185
FLEURY MICHON	FR	Food	Meat	166
EUROGERM	FR	Food	Food ingredients	147
FINSBURY FOOD	UK	Food	Cereal, oilseed & protein crop processing	144
MIKO	BE	Food	Sweet & savoury groceries	135
SCHLOSS WACHENHEIM	DE	Beverages	Wine & spirits	132
HOCHDORF	CH	Food	Food ingredients	126
GROUPE MINOTERIES	CH	Food	Cereal, oilseed & protein crop processing	113
ADVINI	FR	Beverages	Wine & spirits	107
DEOLEO	ES	Food	Sweet & savoury groceries	79
HKSCAN	FI	Food	Meat	77
MARIE BRIZARD	FR	Beverages	Wine & spirits	74
TIPIAK	FR	Food	Sweet & savoury groceries	64
APETIT	FI	Food	Sweet & savoury groceries	56
NATRA	ES	Food	Chocolate, confectionery	53

United States

Company	Sector	Sub-sector	Market cap. at 01/01/2019 (€m)
THE COCA-COLA COMPANY	Beverages	Soft drinks	174,579
PEPSICO, INC.	Beverages	Soft drinks	135,083
MONDELEZ INTERNATIONAL, INC.	Food	Sweet & savoury groceries	50,410
THE KRAFT HEINZ COMPANY	Food	Sweet & savoury groceries	45,462
CONSTELLATION BRANDS, INC.	Beverages	Wine & spirits	26,470
MONSTER BEVERAGE CORPORATION	Beverages	Soft drinks	23,575
GENERAL MILLS, INC.	Food	Sweet & savoury groceries	20,128
HORMEL FOODS CORPORATION	Food	Meat	19,764
BROWN-FORMAN CORPORATION	Beverages	Wine & spirits	19,634



Company	Sector	Sub-sector	Market cap. at 01/01/2019 (€m)
THE HERSHEY COMPANY	Food	Chocolate, confectionery	19,478
KELLOGG COMPANY	Food	Sweet & savoury groceries	17,137
TYSON FOODS, INC.	Food	Meat	16,913
MCCORMICK & COMPANY, INC	Food	Sweet & savoury groceries	15,876
MOLSON COORS BREWING COMPANY	Beverages	Brewing	10,509
LAMB WESTON HOLDINGS, INC.	Food	Sweet & savoury groceries	9,332
THE J. M. SMUCKER COMPANY	Food	Sweet & savoury groceries	9,212
CONAGRA BRANDS, INC.	Food	Sweet & savoury groceries	8,985
CAMPBELL SOUP COMPANY	Food	Sweet & savoury groceries	8,602
INGREDION INCORPORATED	Food	Ingredients	5,598
POST HOLDINGS, INC.	Food	Sweet & savoury groceries	5,148
LANCASTER COLONY CORPORATION	Food	Sweet & savoury groceries	4,211
SEABOARD CORPORATION	Food	Meat, agric. commodities, etc.	3,587
FLOWERS FOODS, INC.	Food	Pastry & bakery	3,374
PILGRIM'S PRIDE CORPORATION	Food	Meat	3,345
NATIONAL BEVERAGE CORP.	Beverages	Soft drinks	2,899
DARLING INGREDIENTS INC.	Food	Ingredients	2,744
TREEHOUSE FOODS, INC.	Food	Sweet & savoury groceries	2,460
THE BOSTON BEER COMPANY, INC.	Beverages	Brewing	2,371
J&J SNACK FOODS CORP.	Food	Sweet & savoury groceries	2,351
SANDERSON FARMS, INC.	Food	Meat	1,905
TOOTSIE ROLL INDUSTRIES, INC.	Food	Chocolate, confectionery	1,891
CAL-MAINE FOODS, INC.	Food	Eggs	1,782
B&G FOODS, INC.	Food	Sweet & savoury groceries	1,651
COCA-COLA CONSOLIDATED, INC	Beverages	Soft drinks	1,437
THE HAIN CELESTIAL GROUP	Food	Sweet & savoury groceries	1,430
THE SIMPLY GOOD FOODS COMPANY	Food	Sweet & savoury groceries	1,340
FRESH DEL MONTE PRODUCE INC.	Food	F&V	1,185
CALAVO GROWERS, INC.	Food	F&V	1,110
HOSTESS BRANDS, INC.	Food	Sweet & savoury groceries	947
MGP INGREDIENTS, INC.	Beverages	Wine & spirits	833
JOHN B. SANFILIPPO & SON, INC.	Food	F&V	547
PRIMO WATER CORPORATION	Beverages	Soft drinks	468
FARMER BROS. CO.	Food	Sweet & savoury groceries	342
NEW AGE BEVERAGES CORPORATION	Beverages	Soft drinks	338
LANDEC CORPORATION	Food	F&V, ingredients	316
DEAN FOODS COMPANY	Food	Dairy products	302
SUNOPTA INC.	Food	Ingredients	292
CRAFT BREW ALLIANCE, INC.	Beverages	Brewing	240
SENECA FOODS CORPORATION	Food	F&V	239
BRIDGFORD FOODS CORPORATION	Food	Sweet & savoury groceries	156
CASTLE BRANDS INC.	Beverages	Wine & spirits	124
REED'S, INC.	Beverages	Soft drinks	50