

PRESS RELEASE

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SOLID H1 2022 RESULTS

Strong revenue growth of 18%

Gross margin up 19% and EBITDA up 13%

Confidence confirmed in a climate of increased vigilance

WINFARM (ISIN: FR0014000P11 - ticker: ALWF), No. 1 French distance-seller for the farming industry, announced its consolidated results today for the first half of 2022.

On 06 October 2022, the Board of Directors approved the consolidated financial statements for the financial year ended 30 June 2022. These financial statements have been subject to a limited review by the statutory auditors, and the certification reports are currently being prepared.

<i>Consolidated data, French accounting standards, Limited review, in €k</i>	H1 2022	H1 2021	Chg.
Revenue	61,458	51,996	+18%
Gross margin	20,372	17,097	+19%
<i>As a % of revenue</i>	33.2%	32.9%	
EBITDA	2,520	2,221	+13%
<i>As a % of revenue</i>	4.1%	4.3%	
Depreciation, amortisation and provisions	(1,612)	(1,318)	
Operating income/loss	900	1,023	-10%
Financial income (expense)	(64)	(91)	
Non-recurring profit/loss	(171)	92	
Corporate tax	(159)	(461)	
Net income (Group share)	572	660	-13%

Strong revenue growth of 18%

WINFARM made consolidated H1 revenue of €61.5m, up 18% compared with H1 2021 (+7% at constant scope), driven by all of the Group's markets.

The Farming Supplies business (90% of H1 revenue), whose products are marketed under the Vital Concept brand, made revenue of €55.2m, up 19% compared with H1 2021.

It benefited from the integration of the €6.3m contribution from BTN de Haas (consolidated since July 2021). Organic revenue growth reached 7% on a like-for-like basis.

The positive sales trend over the period was due to the price increases recorded by the Group to offset higher purchase prices as well as continued good sales momentum. Within this division, the Vital Concept nutrition activity grew by more than 15% in H1, contributing to the division's overall growth of 67%. Given the current period of drought, farmers are likely to supplement livestock feed in the coming months, thus boosting the outlook in the months ahead.

The **horse** and **landscape** diversification markets enjoyed continued good sales trends, up by 17% and 22% respectively.

The Farming Nutrition business (9% of H1 revenue), marketed under the Alphatech brand, saw revenue increase by a sharp 14% to €5.5m.

The roll-out of a dynamic sales plan underpinned by an increase in commercial resources and teams began to show results, with a significant increase in sales in the Middle East in particular, a priority area of development for the Group.

Gross margin up 19% and EBITDA up 13%

The Group's gross margin rose by 19% to €20.4m, representing 33.2% of H1 2022 revenue, compared with 32.9% of revenue in H1 2021. This faster increase in gross margin compared with growth in revenue is all the more noticeable in the current inflationary environment and illustrates the Group's ability to effectively pass on purchase price increases to its sales prices.

The increase in activity combined with good control of expenses over the period resulted in a 13% increase in EBITDA to €2.5m, giving an EBITDA margin of 4.1% of revenue, virtually stable in relation to H1 2021.

The **Farming Supplies** business generated EBITDA of €3.8m, up by a sharp 59%, giving an EBITDA margin of 6.9% compared with 6.1% in H1 2021.

Profitability in the **Farming Nutrition** business was temporarily hampered by the measures introduced to help revive business which entailed an aggressive pricing policy to strengthen market share and increased commercial resources to support the roll-out of this activity boosting plan, the positive effects of which are expected to continue in H2 2022.

After taking into account depreciation, amortisation and provisions, operating income came to €0.9m compared with €1.0m in H1 2021.

Net income (Group share) came to €0.6m versus €0.7m in H1 2021.

A SOLID FINANCIAL STRUCTURE

As at 30 June 2022, the Company had shareholders' equity of €23.1m compared with €22.7m at 31 December 2021, with financial debt of €29.6m (including amounts due to credit institutions, financial liabilities on financial leases, current bank loans and shareholder current account contributions). Cash stood at €14.1m compared with €12.2m at 31 December 2021.

OUTLOOK FOR 2022: Confidence confirmed in a climate of increased vigilance

Despite pressure on raw material costs at the start of the year, which affected the entire agricultural sector, the Group showed a capacity to smoothly pass on the purchase price increases recorded during the period while retaining its customer portfolio. These positive trends together with continued strong sales momentum offer good visibility on future performance, after a successful first half of the year and a good start to the third quarter.

In terms of growth drivers, WINFARM should also benefit in the second half of the year from the acquisition of the **Kabelis Group** companies, which were included in the consolidation scope from 1 August 2022. After the integration of Kabelis, the Group's Landscape and Green Space business should generate full-year revenue of nearly €21 million. This transformative acquisition will create a major player on one of France's most promising markets, and a leader in Brittany, Normandy and Pays-de-Loire.

The efforts already underway in the **Farming Nutrition** business are expected to continue during the second half of the year. The Group's ambition in this activity is to widen the gap in relation to the competition by enhancing product quality to meet the needs of an exacting customer base.

In the longer term, the Group reiterates its targets, which, by 2025, aim to achieve revenue of around €200m and an EBITDA margin of around 6.5%. Half of this acceleration in growth would be achieved through organic growth and half through external growth.

Upcoming events

Q3 revenue

10 November 2022 after the market closes