



GRAINES VOLTZ

Press release
Colmar, 29 June 2022

RESULTS FOR THE 1ST HALF OF 2021/2022 A GOOD 1^{ER} SEMESTER IN AN EXCEPTIONAL CONTEXT

Colmar, 29 June 2022 - The Board of Directors of Graines Voltz, meeting under the chairmanship of Mr. Serge Voltz, examined the business activity and the consolidated accounts for the first half of the 2021/2022 financial year, which will end on 30 September 2022.

In a market disrupted by the conflict in Ukraine, the sharp rise in inflation and unfavorable weather conditions, Graines Voltz recorded a 13% growth in its activity over the first half of its 2021/2022 financial year and maintained a high level of earnings despite the increase in costs resulting from this situation.

(in K€)	Audited data		
	2021/22	2020/21	
Revenues	75 910	67 185	+13%
Underlying EBIT	10 025	10 467	-4.2%
<i>Gross profit margin</i>	13.2%	15.6%	
EBIT	10 048	10 499	-4.3%
Net income, Group share	7 058	7 571	-6.7%

Commenting on the results for the first half of the year, Serge Voltz, Chairman and CEO of Graines Voltz, said: *"The diversification of our offer, its focus on local production markets and our proximity to our customers enable Graines Voltz to adapt quickly to the changes brought about by the exceptional situation facing agricultural markets today. However, the risks of this context should not be underestimated. Without modifying our development ambitions in Europe, and in the rest of the world as far as Vertical Farming is concerned, we have therefore decided to be prudent. We will not overdo our external growth strategy and we will wait to seize the opportunities that this context will inevitably bring out.*

REVENUES: +13% OVERALL AND +16.7% ON ITS STRATEGIC PERIMETER

Graines Voltz's sales for the first half of its 2021/2022 financial year amounted to €75.9M, up 13% compared to the first half of the previous financial year.

Excluding non-strategic subsidiaries (Morocco, Algeria, Turkey), revenues amounted to €73.3M, up 16.7%.

In this strategic perimeter :

- France grew by 13.8% to €48.6M, Europe by 20.34% to €23.2M and the rest of the world saw its activity almost double from €0.7M to €1.4M,
- Plant sales rose from €32M to €42M, an increase of 31.3%. Seed sales rose by 1%, from €29.1M to €29.4M. Finally, miscellaneous supplies rose by 11.7% to €1.8M.



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In a context disrupted by several crises, the development of Graines Voltz's activity reflects its ability to capture the evolution of market demand thanks to the diversification of its offer (more than 33,000 references), unique in Europe, its focus on local production channels and a sales organization that is very close to the field with more than 100 technical sales representatives.

CURRENT OPERATING PROFIT: €10M AND €11.3M EXCLUDING NON-RECURRING ITEMS

Current Operating Profit was €10M compared to €10.5M for the first half of the previous year.

Its evolution is explained in particular by:

- the increase in the group's activity (+13%),
- the group's intention to reward employees in the form of an additional performance bonus,
- higher costs in the seedling production plant,
- the increase in the price of supplies and the strengthening of the sales force to explore new markets (new European countries, Vertical Farming),
- the increase in research and development costs for the research station in Germany, which will be set up in the first half of 2021,
- the increase in transport costs

A number of these non-recurring expenses (additional bonuses and increased transport costs which could not be passed on to the current season's sales prices but will be for the next season) impacted the current operating profit by €1.3M. Excluding these charges, operating profit was €11.3M, an increase of 8 % compared to the previous year's operating profit of €10.5M.

The increase in financial expenses of €258k is explained in particular by a merger loss of €300k following the integration of a subcontractor producing young plants into the group's accounts on 20/01/2022.

The net result, group share, at € 7.1M, is in line with the previous year.

As at 31 March 2022, the group's equity amounted to €73.6M, an increase of €33.3M compared to 31 March 2021. This increase is explained on the one hand by the capital increase carried out during the first half of the year and on the other hand by the integration of the companies ANDRE BRIANT JEUNES PLANTS, PROGREF and LABORATOIRE ANGEVIN DES PLANTES acquired during the first half of the year.

The group's net debt is stable compared to 31 March 2021. The long-term debt ratio stands at 32.9%. Taking advantage of good banking conditions in a context of rising interest rates, the group transformed part of its short-term debt into medium-term debt. As a result, the group's short-term debt fell by €10m.

The working capital requirement has increased by 32,2% compared to 31 March 2021. This increase is mainly due to the increase in inventories, which are high at this time of year, and to the growth in revenues in the first half of the year, which increases the trade receivables.

STRATEGY AND PROSPECTS: REASONABLE CONTINUATION OF THE DEVELOPMENT PROJECT IN EUROPE

Even if the group has demonstrated great adaptability during the first half of the year, the multiplicity and seriousness of the current crises limit visibility and necessarily call for caution.



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10% growth in business for 2021/2022

Given the uncertainties linked to the context and the climatic hazards, in particular the exceptional hail storms of the last few days, the group expects its revenues at constant perimeter to grow by around 10% for the 2021/2022 financial year.

A deliberately selective approach to external growth

In terms of external growth, Graines Voltz confirms its strategy of actively pursuing the consolidation of the seed and young plant distribution market in Europe. The group is currently studying several projects and testing different European markets such as Portugal, from the French platform with dedicated sales teams. However, given the market context that is shaking up the business models of companies in the sector, the demands of sellers do not yet reflect these uncertainties. The group has therefore decided not to relax its investment criteria (3 times EBITDA). As a result, it is unlikely that a new acquisition will be signed before the end of the year. However, the group has a solid financial structure that will enable it to seize any external growth opportunities that may arise.

Active continuation of the development of Vertical Farming

The group is also actively pursuing the commercial development of Vertical Farming, for which it has a strategic position worldwide thanks to its unique portfolio of proprietary aromatic seeds. Several major sales contracts for aromatics seeds are under discussion, particularly in the United States.

Next event: 28 September 2022 - 3^{ème} quarter activity 2021/2022.

About Graines Voltz

Graines Voltz is one of Europe's leading independent distributors of seeds and young flower and vegetable plants. A family group headed by its founder, Serge Voltz, Graines Voltz has experienced strong growth since its creation in 1985. Its success is based on a very wide range of 33,000 references, unique on the European market in terms of diversity of varieties, aimed at professionals in short circuits (market gardeners, horticulturalists and local authorities).

An extremely rigorous organization enables it to identify varieties that meet new consumer expectations at a very early stage, to ensure total quality control and traceability and to deliver its products on a just-in-time basis.

As the leader in France, Graines Voltz, which is driven by growing consumer demand in Europe for diversified quality plants from short circuits, has the ambition to export its model there. Germany, the largest market after France, is developing very rapidly.

Graines Voltz is listed on Euronext Paris (stock code: GRVO - FR0000065971). Graines Voltz shares are included in the CAC Small, CAC Mid & Small and CAC All Tradable indices.

For more information: www.graines-voltz.com

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