



# GRAINES VOLTZ

Press Release

Colmar, January 31 2023

## RESULTS FOR THE FINANCIAL YEAR 2021/2022

Colmar, January 31 2023 - The Board of Directors of Graines Voltz, meeting under the chairmanship of Mr. Serge Voltz, has examined the activity and approved the consolidated accounts for the financial year ending 09/30/2022.

( K€)	Audited data	
	2021/22	2020/21
Sales	132 243	122 298
Current Operating Result	6 283	12 945
<i>Current Operating Result/CA</i>	4.7%	10.6%
Operating profit	6 336	12 968
Net profit Group Share	5 187	9 382

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Commenting on the year's results, Serge Voltz, Chairman and CEO of Graines Voltz, said: "*The past year has demonstrated the resilience of our group in an exceptional environment. We were able to absorb the impact of the war in Ukraine and the climatic conditions of the year without weakening our financial structure or hindering the implementation of our development project. The investments made in nursery plants strengthen our competitive position. And we remain attentive to seize new opportunities for external growth.*"

### SALES : BUSINESS RESILIENT IN AN UNFAVOURABLE CONTEXT

Graines Voltz's sales for 2021/2022 amounted to €132.2 million, up 8.1% on the previous year. On a like-for-like basis<sup>1</sup>, business was stable.

After a dynamic first half of the year with a 12.8% increase in sales, the Group's business was affected by the effects of the conflict in Ukraine and by exceptional weather conditions from the end of the first half of 2022. This resulted in lower than expected activity in the third and especially the fourth quarter.

<sup>1</sup>Scope effects: Restatement of Algeria's turnover over 12 months following the change of method (equity method), consolidation of Italy over 12 months against 5 in 2021, and consolidation of ABJP, LAP, Progref over 7 months.

### **In terms of products**

The "young plants" activity has resisted well to the deterioration of the economic situation, confirming the interest for the group to continue to develop on this market segment.

- Sales of young plants amounted to €78.7 million, up 21.3% on a current basis and 7% on a constant basis.
- Seed sales amounted to €49.8 million, down 8% on a current basis and 9.3% on a constant basis. Demand for seeds was more sensitive to weather conditions and to arbitrage effects following the war in Ukraine.

### **Geographically:**

Excluding the Mediterranean subsidiaries (Morocco and Turkey), sales for the year came to €126.1 million, up 10.9% on the previous year and up 1.1% on a constant basis.

- **France** recorded a turnover of €85 million, up 9.1%,
- **Europe** excluding France generated sales of €39.4 million, up 14.4%.
- The **Rest of the World** achieved a turnover of €1.7 million, up 23%.

Subsidiaries in the Mediterranean region generated a turnover of €6 million, down 28% compared to the previous financial year. This decline can be explained by the change in consolidation method for our Algerian subsidiary, which is accounted for using the equity method for the 2022 financial year, and the decline in business in Morocco, which was affected by the global context and weather conditions.

### **CURRENT OPERATING INCOME: €6.3 M**

Current operating profit (ROC) amounted to €6.3 million compared to €12.9 million for the previous financial year.

Several factors explain this change:

- The increase in research and development costs for the research station located in Germany, which will be set up in the first half of 2021
- Higher expenses in the plant production facility
- The bonuses distributed in the first half of the year, reflecting the desire to reward employees in the form of an additional performance bonus
- The increase in costs, in particular transport costs on sales and energy, which could not be passed on to customers due to the policy of not changing price lists during the campaign
- The increase in the number of employees and the structure undertaken at the end of the previous financial year to accompany the change in the group's size, the cost of which could not be absorbed due to the sudden deterioration in the economic situation,
- The donation in kind of a stock of seeds to Ukraine for an amount of €1.4 million in the first half of the year.

Non-recurring expenses (€1.8 million) and the donation in kind of a stock of seeds to Ukraine impacted the current operating result by €3.2 million.

Net income, group share, was €5 million, representing net earnings per share of €3.68.

## **SOLID FINANCIAL STRUCTURE**

The Group's financial structure at 30 September 2022 is solid. Shareholders' equity (group share) stood at €71.8 million compared with €42 million at 30 September 2021.

Working capital requirements amounted to €76 million, an increase of €27 million compared to the previous financial year.

This increase is mainly due to a €20 million increase in inventories. It is due to the stocks of nursery plants (+€4.4 million) following the acquisition of André Briant Jeunes Plants (ABJP), and to the stocks of seeds (+€12.5 million), which is in line with the desire since the previous season to build up a 3-year stock. Given the stock levels at the end of the financial year, it was decided not to renew this anticipation policy for the 2022/2023 season.

The Group's long-term debt stood at €20.8 million, an increase of €6 million. The ratio of long-term debt to equity for the consolidated group fell from 34.9% to 28.9%. The loans are taken out for a period of 3 to 7 years, and the loans are not subject to covenants.

Short-term debt, €18.3 million, is in line with the previous year (+€0.5 million).

## **STRATEGY AND OUTLOOK: POTENTIAL INTACT**

### **A STRENGTHENED BUSINESS MODEL**

The analysis of the 2021/2022 financial year should not be limited to the sole impact of the consequences of the climate and Ukrainian crises on its activity and results. It was an important year that enabled the group's business model to be strengthened.

The acquisition of ABJP in February 2022 enabled Graines Voltz to complete its offer by acquiring a unique leadership position in Europe on the highly coveted young nursery plants market. At December 31 2022, ABJP's order book for the current financial year had already almost reached its sales target for the year.

This activity, which is not very sensitive to energy costs (outdoor production) and is essential to the greening of the living environment, should continue to experience a double-digit growth over the next few years, especially as it will benefit from the support of the much larger Graines Voltz sales teams.

The Vertical Farming activity has been structured and expanded in terms of species to meet the growing demands of international customers. This activity could be a powerful growth driver in the years to come.



## **GRAINES VOLTZ**

In addition, as it had committed to do, the group continued its strategy of refocusing its activities on short-distance producers and reduced its presence in the Mediterranean region. In June 2021, it reduced its stake in its Algerian subsidiary TOPSEM (Algeria) from 68% to 49%. In early September 2022, all shares in its Turkish subsidiary were sold. It retained its activities in Morocco, where the activities are in line with the strategy pursued by the group.

Finally, the capital increase carried out in February 2022 enabled Graines Voltz to strengthen its equity capital and broaden its institutional shareholder base.

### **BUSINESS GROWTH FOR THE 2022/2023 FINANCIAL YEAR**

The economic context remains uncertain, which means that we must be cautious in forecasting business activity. To date, the group confirms that its business will grow by between 5 and 10% for the current financial year. The level of growth is highly dependent on the return of producer confidence in the second half of the year and their level of re-purchasing at the end of the season.

At the end of this crisis, the group is confident in its ability to return to a sustained level of growth.

### **EXTERNAL GROWTH PROSPECTS**

The consequences of the crisis are strengthening Graines Voltz's position as a consolidator in its market. Its solid financial structure and the balance of its activities give it a resilience that few players can claim. The group is therefore in an ideal position to seize opportunities as they arise.

### **PUBLICATION OF A FIRST CERTIFIED EFPS**

Graines Voltz, which passed the 500-employee mark in the 2021/22 financial year, has drawn up an Extra Financial Performance Statement (EFPS) certified by an independent body. This EFPS is included in the financial report and will be posted on the company's website as of 31 January 2023.

### **DIVIDENDS**

As a trade-off between the decline in net income and the financing of future growth, the Board of Directors will propose to the General Meeting to be held on 28 March to approve the accounts for the financial year 2021/2022 that no dividend be paid.

*Next event: 28 March 2023 - General Meeting of Shareholders and update on the first quarter's activity.*

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***About Graines Voltz***



## **GRAINES VOLTZ**

*Graines Voltz is one of Europe's leading independent distributors of seeds and young flower and vegetable plants. Graines Voltz is a family-owned group headed by its founder Serge Voltz, and has been growing strongly 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 is driven by growing consumer demand in Europe for diversified, high-quality plants from short distribution channels, and has the ambition to export its model to other countries. 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](http://www.graines-voltz.com)*

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