



GRAINES VOLTZ

Press Release

Colmar, June 28 2023

RESULTS FOR THE 1ST HALF OF 2022/2023

GRAINES VOLTZ SHOWS GOOD RESILIENCE IN A TURBULENT ENVIRONMENT

Colmar, 28 June 2023 - The Board of Directors of Graines Voltz, meeting under the chairmanship of Mr Serge Voltz, examined the business and consolidated accounts for the first half of the 2022/2023 financial year, which will end on 30/09/2023.

In a market severely affected by two successive climatic crises and by the effects of inflation, Graines Voltz demonstrated good resilience in its business over the first half, which grew by 0.9% on a reported basis and fell by only 4.4% on a like-for-like basis. Operating profitability stood at 7.9%.

(K€)	Audited data		
	2022/23	2021/22	
Net sales	76 630	75 910	+0.9%
Current Operating Profit	6 119	10 025	-38.9%
Current Operating Profit/Sales	7.9%	13.2%	
Operating profit	4 883	10 048	-51.4%
Group net profit	2 126	7 058	

Commenting on the first-half results, Serge Voltz, Chairman and CEO of Graines Voltz, said: *"In an environment that has been disrupted for over a year now by historic climatic crises and a difficult economic climate, Graines Voltz has demonstrated its resilience by posting a stable level of sales. This has been bolstered by the resilience of our customers, who have been able to adapt to these conditions. The resilience of the industry, which continues to be driven by strong social trends, means that we can expect a return to growth once these exceptional conditions ease."*

CONSOLIDATED SALES FOR THE 1ST HALF OF 2022/2023: +0.9%

Graines Voltz's sales for the first half of its 2022/2023 financial year came to €76.6 million, up 0.9% on a reported basis and down 4.4% on a like-for-like basis compared with the first half of the previous financial year.

Geographically:

- **France** accounts for 65.4% of sales, with sales up 3% at €50m.
- **Europe** accounted for 30.2% of sales, down 0.2% at €23m.
- The **Rest of the World** accounted for 4.3% of sales, down 18% to €3m, mainly due to the withdrawal of the Turkish subsidiary and a drop-in business in Morocco.

In terms of products:

- **Seeds** accounted for 38.3% of sales, down 8.2% to €29.4m.
- **Seedlings** accounted for 59.2% of sales, up 7.9% on a reported basis (down 1.7% on a like-for-like basis accounted) at € 45.4 million.
- **Supplies** accounted for 2.5% of sales, up 1.8% at €1.9m.

In a context disrupted by several major crises, the stability of Graines Voltz's business reflects good resilience. The development of the young plants/seed mix, the diversity of the range of varieties on offer and its European deployment have enabled the group to contain most of the effects of these crises.

OPERATING PROFIT ON ORDINARY ACTIVITIES: €6.1M

Profit from recurring operations is set at €6.1m, down €3.9m compare to the first half of the previous year, giving an operating margin of 7.9%.

The change in operating profit on ordinary activities is mainly due to the fact that Graines Voltz has sized its organization (both in terms of its payroll and its production facilities) for the 2022/2023 financial year in order to support its development. However, the economic environment and weather conditions affected business over the first half of the year. The Group is currently considering a number of measures to adapt its cost structure should the situation persist.

Financial expenses rose by €157k due to the increase in short-term debt and the rise in interest rates. Short-term loans, granted at variable rates, are mainly used in the second quarter to finance the increase in seasonal working capital.

In line with its commitment to focus its business in Europe, the Group sold its remaining 49% stake in TOPSEM, its Algerian subsidiary, on 23 March 2023. This disposal had a negative impact of €1.3m on the financial statements. The Group has sold all its non-strategic subsidiaries, and now retains only its Moroccan subsidiary outside Europe, whose business model, based on short circuits, is close to the European model.

Net profit (group share) came to €2.1m, compared with €7.1m at the same period of the previous financial year, considering the cost of withdrawing from its Algerian subsidiary.



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FINANCIAL STRUCTURE

Group share equity was stable at €74m, compared with €73.6m at 31/03/2022.

Working capital requirements amounted to €110m, €15m higher than at 31/03/2022.

This increase is mainly due to the increase in seed stocks (+€11.3m) following orders placed during the previous financial year on the basis of the strategy in force at the time and the decline in seed sales. The aim of this strategy was to hold around three years' worth of seeds in stock. At the end of the 2021/2022 financial year, the group has decided to review this strategy by lowering the target level of its seed stocks. This new strategy will have a downward impact on stock levels next year.

The group's long- and medium-term debt came to €21.9m, down €2.2m. The ratio of long-term debt to consolidated shareholders' equity fell from 32.9% to 29.6%. The group has taken out two medium-term loans totaling €5m. These loans were taken out at fixed rates with no bank covenants.

Net short-term debt rose by €21m to €51.4m, mainly to finance the increase in inventories. This level is set to fall structurally from the next financial year as a result of the new stocking policy.

OUTLOOK FOR THE YEAR CONFIRMED

On the basis of available data, third-quarter business appears to be holding up well. Barring any unexpected deterioration in the 4th quarter, the group's business should therefore be stable over the year on a reported basis, and slightly down on a like-for-like basis, in line with the group's expectations.

Next event : September 13 2023 after 2022 after close of trading – Third quarter activity

About 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, Graines Voltz employs more than 600 people and has been growing strongly since its creation in 1985. Its success is based on a very wide range of 31,000 references, unique on the European market in terms of diversity of varieties, aimed at professionals in short circuits (market gardeners, horticulturists, nursery 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

For more information :

GRAINES VOLTZ

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