



GRAINES VOLTZ

Press release

Colmar, September 30, 2022

ADDITIONAL INFORMATION ON THE BUSINESS AND OUTLOOK

Colmar (France), September 30, 2022 - During the visit of institutional investors organized on September 21 at the Brain-sur l'Authion site, the Chairman and CEO, Serge Voltz, provided a number of details on the publication of the activity of the first nine months, on the outlook and on the solidity of the group's fundamentals.

BUSINESS DEVELOPMENT AND OUTLOOK

Slower growth in the second half of the year due to the Ukrainian and climatic crises

The slowdown in growth was unforeseeable at the beginning of the year, especially as activity for the first half of the year had grown by 13% (16.7% on the strategic scope), in line with objectives.

It is the unprecedented combination of several crises: a major conflict in Europe, the sudden resurgence of inflation, and one of the three worst weather seasons in the last sixty years, all of which occurred after February 2022, which is the cause of the slowdown in growth in the second half. Its unpredictability is reinforced by the fact that most of the revenues of the 4th quarter and part of those of the 3rd quarter are not "structural" orders, which are known relatively early on via the order book accumulated at the beginning of the year. These are restocking orders, which are ordered by customers at the end of the season in order to carry out additional harvests. The anxious context, the bad weather and the threats of watering restrictions have led a certain number of professionals, notably industrialists, not to take the risk of these additional harvests. It is therefore mainly the seed sales activity in France that has been affected.

Graines Voltz, which began to perceive this downturn in demand in June but was unable to quantify it precisely, had alerted the market when announcing its half-year results on June 29, 2022, by revising its business growth forecasts downwards on the basis of an average assumption of 10% growth at current scope. At the time, it could not foresee the exceptional heat wave in July and August, which resulted in the switch to the lower assumption.

In addition, niche products such as Smart Garden, which generated fewer orders in a post-COVID and energy-efficient environment, and the embargo measures against Russia penalized certain Moroccan vegetable producers, customers of the group's Moroccan subsidiary, who were working with Russia.

Despite this exceptional situation, the company will achieve sales growth of between 6.5% and 8% on a current consolidation scope basis, despite a very unfavorable base effect. As a reminder, business grew by more than 40% during the previous fiscal year in a COVID context that was ultimately favorable.

First encouraging signs for the 2022/2023 fiscal year

Although it is still too early to have a precise idea, it can be observed to date that, in those activities where order intentions are beginning to be formulated, they are in line with those of last year, before the crisis. At André Briant Jeunes Plants (ABJP), a company acquired in February 2022, for example, the situation is very good, since the pre-orders recorded today already represent more than 85% of the sales forecasts for 2023 for this entity, while the commercial synergies with Graines Voltz are only just beginning to be put in place. As a reminder, ABJP, which until now had only 3 sales representatives, will now be able to rely on the group's sales teams. ABJP's activity is driven by the demand for greening cities in a market that is cruelly lacking in tree supply in Europe.

On this basis, and barring any further deterioration in the environment, the Group considers that growth of 5 to 10% is possible for the coming year, at current perimeter.

EVOLUTION OF THE RESULT

Mechanical impact of the activity on the results of the fiscal year 2021/2022

The scissor effect on the restocking activity in the third and especially in the fourth quarter, the sudden increase in energy and transport costs which could not be immediately passed on to sales prices given the difficulty of changing catalogs during the season, and the underperformance of non-strategic subsidiaries in North Africa will automatically have an effect on results, which will necessarily be below the initial target. Without being able to give a precise figure while the financial year is not over, it was specified that the current operating result would be less than 10M€.

Flexibility for the 2022/2023 fiscal year

The group confirms its ability to pass on the increase in its costs (energy and transport in particular) to its sales prices for the next season. On the other hand, ABJP is already showing important growth levers in terms of activity notably by robotizing some tasks. Moreover, the nursery production method (open air or unheated tunnel) consumes little energy, which is an important advantage in the current context.

CAUTION WITH REGARD TO INVESTMENT AND ACQUISITION OPPORTUNITIES

In the current climate of uncertainty, caution is the order of the day with regard to investments and external growth, but this does not prevent the group from keeping an active watch on these matters.

Graines Voltz has identified several investment projects to improve its productivity, such as the interconnection of the Anjou sites, the robotization of certain activities and the internalization of part of the subcontracted production of young plants, a sector that is growing steadily, even in the current context.

In addition, several external growth projects, whose unit size has increased significantly, have been studied. However, beyond their size, which raises the question of their financing, the group considers that these projects are too expensive in relation to its investment criteria in the current context of uncertainty.



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Next event: December 14, 2022 - Annual sales 2021/2022.

About Graines Voltz

Graines Voltz is one of the leading independent European 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, intended for professionals in short circuits (market gardeners, horticulturists and communities).

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 the growing demand of consumers in Europe for diversified quality plants from short circuits, has the ambition to export its model. Germany, the largest market after France, is developing very rapidly.

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

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