



Sablé-sur-Sarthe, 04 January 2023

Q3 2022-2023 revenue +17.4%

Growth in value

Implementation of a new mutual assistance plan to deal with new cases of avian influenza

2023 targets confirmed

LDC Group (FRFR0013204336 – LOUP) has released its consolidated revenue for the third quarter of its 2022-2023 financial year (1 September 2022 to 30 November 2022).

In the third quarter, the Group was still affected by persistently high commodity prices and persistent inflation on other costs (energy, packaging, etc.). The avian influenza episode brought down the Group's marketed volumes. Against this backdrop, the tariff revaluations obtained in poultry both in France and internationally, combined with the Group's industrial agility, offset the consequences of this unprecedented situation.

Over the first nine months of financial year 2022-2023, sales growth in value terms amounted to +15.3%, resulting in cumulative revenue of €4.2bn compared with €3.7bn over a comparable period, and volumes sold were down -4.4%. On a like-for-like basis¹ and at constant exchange rates, revenue was up +14.8% over the period, and sales volumes were down -5.1%.

Q3 2022-2023 revenue amounted to €1.5bn versus €1.3bn in Q3 2021-2022, corresponding to a solid growth of 17.4% in value terms. In line with the trend observed during the first half of the year, volumes fell by -6.5%. On a like-for-like basis¹ and at constant exchange rates, sales grew by +17.5% in value terms and were down -6.8% in volume terms.

Consolidated revenue

In €m	2022-2023				2021-2022			
Divisions	Q1	Q2	Q3	Cumulative	Q1	Q2	Q3	Cumulative
Poultry and Upstream	998.3	1,028.3	1,077.4	3,104.0	901.3	915.7	939.8	2,756.7
International	152.7	184.2	202.2	539.1	112.6	116.2	139.8	368.7
Catered Food	191.0	181.0	212.1	584.1	181.8	168.5	190.7	541.0
Consolidated activities	1,342.0	1,393.5	1,491.7	4,227.2	1,195.7	1,200.4	1,270.3	3,666.4

Poultry France: growth mainly driven by the effect of tariff revaluations

Including Upstream business, the Poultry France division made revenue over the first nine months of the financial year of €3,104.0m, up +12.6% and up +12.1% on a like-for-like basis.

As in H1, this growth in value is explained by the effects of the tariff revaluations obtained, which were necessary for the balance of the poultry sector. The decline in volumes was limited by the Group's industrial agility in dealing with the avian influenza episode at the beginning of the year.

Excluding Upstream, the Poultry division's cumulative sales at the end of November were up +12.5% in value to €2,813.3 million, while volumes sold were down -6.6%. On a like-for-like basis (excluding the acquisition of the Ronsard Group's assets in April 2021), the division's business increased by +11.9% in value to €2,799.3 million and was -7.2% in volume terms.

In the third quarter, the Poultry division's sales rose by +14.5% in value terms and declined by +8.9% in volume terms, including, however, a favourable processed product mix effect.

International: increase in sales in value terms due to tariff revaluations and the favourable change in the product mix

Sales over the first nine months of the financial year (January to September) came to €539.1m, an increase of 46.2% (+45.0% on a like-for-like basis and at constant exchange rates), alongside a +3.8% increase in volumes sold (+2.0% on a like-for-like basis).

In the third quarter, due to the tariff increases obtained, the division's sales increased 44.6% in value to €202.1m (+45.4% on a like-for-like basis and at constant exchange rates) for stable volumes (-1.7% on a like-for-like basis).

This strong performance can be attributed primarily to:

- Substantial price revaluations obtained during the previous financial year and since 1 January 2022 for all families marketed in the countries,
- Organic growth in domestic markets combined with a favourable change in the product mix.

Catered food: solid revenue growth

In 2022, growth in the Catered Food business was driven by the Marie brand in both fresh and frozen products. Tariff revaluations, for which negotiations are on going, are still insufficient to cope with the rise in raw material and energy costs.

Over 9 months, sales rose +8.0% to €584.1m, with volumes sold down -2.7%.

Sales in the third quarter came to €212.1m, up +11.2%, with volumes down -2.5%.

Confirmation of objectives

The Group is facing a new wave of avian influenza in Pays de la Loire, particularly in Vendée. A mutual assistance plan identical to the one at the start of the financial year was put in place.

The holiday period was in line with our expectations. Under these conditions, the Group confirms the 2022-2023 targets announced in its half-year results. As such, the Group aims to exceed €5.8 billion in revenue and a current operating margin of more than 4.5% of revenue.

In the medium term, LDC confirms all the targets set as part of its strategic plan, namely to exceed €7bn in annual revenue in five years. This new dimension must be accompanied by an increase in profitability, with an EBITDA target of nearly €560m for the 2026-2027 financial year, a full 40% higher than in 2021-2022.

¹: Like-for-like: Based on the same scope as Year N-1, not including contributions from acquired entities.

Next event:

2022-2023 full-year revenue
06 April 2023 after market close

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