

# PRESS RELEASE

Loudéac, 30 March 2023



## 2022 full-year results

Excellent business activity

Solid gross margin maintained and good EBITDA resilience in an inflationary environment

Illustration of the strength and resilience of WINFARM's business model

## Outlook for 2023

Continued growth and improvement in operating profitability

**WINFARM (ISIN: FR0014000P11 - ticker: ALWF), the number one French distance seller for the farming industry, published its consolidated 2022 full-year results today.**

At its meeting on 30 March 2023, the Board of Directors approved the consolidated financial statements for the financial year ended 31 December 2022. These financial statements have been reviewed by the statutory auditors and the certification reports are currently being prepared. The consolidated financial statements for the 2022 financial year are available on the company's website [in the investor space](#).

<i>Consolidated data, French accounting standards, Audited financial statements in €m</i>	2022	2021
<b>Revenue</b>	<b>130.9</b>	<b>108.1</b>
Gross margin	41.7	36.1
<i>As a % of revenue</i>	31.9%	33.5%
<b>EBITDA</b>	<b>4.5</b>	<b>4.9</b>
<i>As a % of revenue</i>	3.5%	4.5%
Depreciation, amortisation and provisions	(3.6)	(3.1)
<b>Operating income/loss</b>	<b>1.1</b>	<b>2.2</b>
Financial income	(0.2)	(0.1)
Non-recurring profit/loss	(0.2)	(0.0)
Corporate tax	(0.2)	(0.6)
Share of net income of companies accounted for by the equity method	-	0.1
<b>Net income (Group share)</b>	<b>0.6</b>	<b>1.4</b>

### STRONG BUSINESS GROWTH: +21% TO €130.9M

WINFARM recorded a sharp increase in business in 2022. Consolidated revenue came to €130.9m in 2022 versus €108.1m at 31 December 2021, reflecting strong growth of +21%, of which +10% organic

growth. This performance includes the full-year contribution from BTN de Haas, which was acquired in July 2021, and five months of activity of the Kabelis Group companies acquired in August 2022.

The **Farming Supplies** business (89% of annual revenue), the products of which are marketed under the Vital Concept brand, generated revenue of €116.8m, up 21% compared with 2021 (+10% organic). During the year, WINFARM succeeded in passing on the substantial price increases in its products while meeting customer demand against a backdrop of shortages. This effective forward-looking and agile management approach enabled it to continue winning new business throughout 2022.

The **Farming Production business (formerly Farming Nutrition)** (10% of annual revenue), marketed under the Alphatech brand, made revenue of €12.2m, a sharp increase of +25% entirely through organic growth, having benefited from the Group's aggressive sales policy, particularly in exports, to gain new market share.

The arrival of a new operational manager at Alphatech during the first half of 2021 helped to boost momentum and ramp up activity throughout the year, which is reflected in the Group's overall performance.

## **SOLID GROSS MARGIN MAINTAINED**

### **FARMING SUPPLIES: GROWTH IN EBITDA**

### **FARMING NUTRITION: EBITDA INTEGRATING A PROACTIVE SALES POLICY**

Despite the inflationary environment, WINFARM succeeded in maintaining a solid gross margin. Overall, gross margin rose by 16% to €41.7m versus €36.1m in 2021, representing 31.9% of revenue compared with 33.5% in 2021. Amid a widespread increase in raw material prices, this performance demonstrates the Group's ability to effectively pass on the purchase price increases recorded over the period while retaining its appeal for its customer base.

In the Farming Supplies business, which accounts for 80% of the Group's sales, WINFARM showed excellent financial discipline, enabling it to generate strong activity and operating profitability. This financial discipline also allowed it to effectively pass on the increase in its purchase prices and in certain external expenses, such as fuel (+€700k) and wage (structural increase in the basis point due to inflation) costs. As a result, EBITDA from operating activities increased by 6% to €7.2m compared with €6.8m at end-2021, giving a consistently high EBITDA margin of 6.2%. This includes the contribution to activity from Kabelis Matériaux and Kabelis Espaces Verts (consolidated from August 2022), whose activity levels are traditionally lower during the last few months of the year.

In the Farming Production (formerly Farming Nutrition) business, the aggressive customer acquisition strategy that gave rise to growth of +25% over the year also weighed temporarily on the profitability of the business, with EBITDA coming out at €0.5m versus €0.7m. In this context of new gains in market share, WINFARM succeeded in keeping the division's gross margin stable in value terms (+2% to €5.2m at end-2022 versus €5.1m at end-2021).

Overall, the Group saw a limited fall in consolidated EBITDA to €4.5m versus €4.9m in 2021.

After accounting for €3.6m in depreciation and amortisation, compared with €3.1m in 2021, related to the Group's infrastructure reinforcement work (extension of the plant, extension of administrative buildings and construction of the transformation plant), operating income came to €1.1m versus €2.2m in 2021. Net income (Group share) came to €0.6m versus €1.4m in 2021.

## **A SOLID FINANCIAL STRUCTURE**

As at 31 December 2022, the Company had shareholders' equity of €23.9m and financial debt of €32.2m (including amounts due to credit institutions, financial liabilities on financial leases, current bank loans and shareholder current account contributions). The cash position was €9.2m compared with €12.2m at 31 December 2021.

## 2023: CONFIDENT ABOUT CONTINUED GROWTH AND AN IMPROVEMENT IN OPERATING PROFITABILITY

One of the Group's priorities for the year is to achieve a further improvement in profitability while maintaining continued strong growth. The Group will benefit in this regard from the combined effect of several growth drivers:

- The gradual easing of agricultural raw material prices since the beginning of the year;
- Greater care in optimising the cost structure;
- Synergies from the successful consolidation of BTN of Haas;
- The full-year contribution of the Kabelis business;
- The significant improvement in farming production margins (Alphatech brand) following the sales efforts undertaken in 2021 to resume sustainable growth momentum, enabling it to be reference listed with the biggest clients in Europe. In the longer term, the Group believes it can achieve a double-digit operating margin for this division.

After the successful acquisition of BTN of Haas in 2021 and Kabelis in 2022, WINFARM continues to explore external growth opportunities, and is looking outside France in particular due to strong potential for further expansion, in order to strengthen its positions and establish a stronger foothold at the European level.

In the longer term, the Group reasserted its goals of achieving revenue of around €200m and an EBITDA margin of around 6.5% by 2025.

To this end, WINFARM will draw on the strength of its model which is underpinned by key fundamentals that create results:

- A solid business model combining an established historical activity and growth drivers that offer strong growth potential;
- A vast catalogue that is constantly being renewed through constant innovation;
- Prices that are competitive and transparent to customers and optimised costs;
- Proven acquisition and integration capacity;
- A unique positioning at the centre of the agricultural market, creating competitive offers for its farmer customers.

## About WINFARM

*Founded in Loudéac, in the heart of Brittany, at the beginning of the 1990s, the Winfarm group is today the leading French player offering the agricultural, livestock, horse-breeding and landscape markets a range of consultancy, service and distance selling products and global, unique and integrated solutions to help them meet the new technological, economic, environmental and social challenges of the new generation of agriculture.*

*With a vast catalogue of more than 35,000 product references (seeds, phytosanitary, harvesting products, etc.), two-thirds of which are marketed under own brands, WINFARM has more than 45,000 customers in France, Belgium and the Netherlands.*

*By 2025, WINFARM aims to achieve revenue of around €200m and an EBITDA margin of about 6.5%.*

*For more information about the company: [www.winfarm-group.com](http://www.winfarm-group.com)*

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