PRESS RELEASE

Loudéac, 3 October 2024

FIRST-HALF 2024 RESULTS

- Return to growth in Q2 2024
- Gross margin holds up well at 32.4% of revenue
- Operating profitability bottoming out

H2 2024 OUTLOOK

- Expected resumption in growth
- Improvement in EBITDA incorporating the full effect of measures to stimulate business activity and control costs

WINFARM (ISIN: FR0014000P11 - ticker: ALWF), the No. 1 French distance-seller for the farming industry, announced its consolidated results today for the first half of 2024.

On 3 October 2024, the Board of Directors approved the consolidated financial statements for the financial year ended 30 June 2024. These accounts have undergone a limited review by the statutory auditors. The certification reports are currently being drawn up.

Consolidated data, French accounting standards, Unaudited, in €k	H1 2024	H1 2023
Revenue	**69,976**	**71,383**
Gross margin	**22,674**	**22,788**
As a % of revenue	*32.4%*	*31.9%*
EBITDA	**196**	**1,631**
As a % of revenue	*0.3%*	*2.3%*
Depreciation, amortisation and provisions	(2,700)	(2,118)
Operating result	**(2,504)**	**(488)**
Net financial income	(515)	(141)
Non-recurring profit (loss)	237	28
Corporate tax	21	(78)
Group share of net income	**(2,699)**	**(689)**

Return to growth in the second quarter of 2024 after a mixed first quarter in 2024

In the first half of 2024, Group revenue fell slightly by 2.0% to €70.0m compared with €71.4m at 30 June 2023.

In **Farming Supplies,** after a first quarter down 14.8%, characterised by an agricultural crisis and exceptional rainfall that had impacted seed orders and delayed the planting of corn plants, the second quarter saw 7.3% growth, benefiting from a catch-up in sales over the period, and limiting the decline over the entire half-year to just 4.5% to achieve revenue of €62.7m.

The **Farming Production** business recorded two consecutive quarters of strong double-digit growth, achieving revenue of €6.3m, up 36%. In the first half of 2024, Winfarm benefited from the return of strong momentum in Global Export, the sustained growth in sales in the Asia region and the full effect of the new production line, which had been commissioned in April 2023, enabling the Group to meet strong demand while enhancing its price-volume competitiveness.

"**Other activities**" combining **Farming Advisory** (marketed under the Agritech brand) and **Farming Innovation** (marketed by the pilot farm in Bel-Orient) recorded a slight decrease in their sales.

The Group continues to roll out commercial initiatives for the dairy processing unit, having signed new contracts during the first part of the year.

Gross margin held up well, profitability bottomed out before the full effect of the measures to stimulate activity and control costs

In the first half of 2024, gross margin reached €22.7m, remaining at the same level as in the first half of 2023, generating a gross margin rate of 32.4%, a slight improvement of 0.5 points, despite an unfavourable price effect in recent quarters due to the sudden reversal in purchase prices. This performance reflects the Group's ability to effectively manage its purchasing volumes while promoting the sale of its most profitable products.

EBITDA stood at €0.2m, versus €1.6m at the end of June 2023, due to still high operating costs over the first half, combined with expenses related to the marketing of "**Au Pré!**" totalling €0.5m, without revenue being able to absorb them in full. However, an improvement in EBITDA is expected in the second half of the year, driven firstly by the stimulus measures for the **Farming Supplies** business initiated in the first half and which will continue during the second half of the year, and secondly by better control of operating expenses (economies of scale in transport costs etc.). The Group also reduced its workforce, with a decrease of six FTEs at the end of the period, enabling it to stabilise its payroll (€10.4m at 30 June 2024 versus €10.3m at 30 June 2023). The Group's policy of strictly limiting replacements in certain positions will continue in the coming months to further reduce these costs.

After taking into account depreciation, amortisation and provisions, operating income came out at €(2.5)m compared with €(0.5)m in H1 2023. Net income (Group share) came to €(2.7)m versus €(0.7)m in H1 2023.

Implementation of measures to ease cash flow pressures

The WCR improvement measures initiated in 2023 began to bear fruit in the first half of 2024, benefiting in particular from a reduction in inventories, which reached €21.6m compared with €22.8m in H1 2023.

At 30 June 2024, the Group's cash position stood at €2.0m, compared with €7.5m at 31 December 2023. This change can be attributed to the finalisation of investments intended to enhance the Group's infrastructure (extension of the plant, extension of administrative buildings, implementation of an ERP system, acquisition of new trucks and construction of the dairy processing plant) and to the repayment of financial debt. Financial debt stood at €36.0m at 30 June 2024, compared with €39.9m at 31 December 2023.

In this context, the Group will rely on the following elements to mitigate pressure on cash:

- Cash generation resulting from the return to growth in **Farming Supplies**;
- Resale of the fleet of owned trucks for an estimated €1.2m. These trucks will continue to be operated but via lease financing;
- Continued improvement in the Group's WCR through continuous improvement in customer payment terms.

Return to growth and improvement in EBITDA expected in H2 2024

As mentioned above, Winfarm has initiated commercial actions aimed at boosting sales in the **Farming Supplies** business, the first results of which began to materialise in the second quarter and which are expected to continue in the second half of 2024. In addition to the initiatives already mentioned (competitive prices on loss leaders, increase in the average basket by listing new own-brand products), Winfarm should continue to capitalise on the growth of the web channel, which has posted solid performances indicative of the site's adoption by the Group's customers.

The **Farming Production** business should also continue to benefit from the positive momentum initiated in the first half, supported by export sales and the ramp-up of its production line.

The gradual take-off of sales for "**Au Pré!**", Winfarm's milk recovery concept for a network of independent farmer members, should foster the gradual contribution of this activity to the Group's profitability. New tests with regional key accounts are under way and could help increase the volumes sold.

The financial discipline initiated by the Group in the first half of the year to limit the increase in operating expenses will continue in the coming months.

Given these factors, Winfarm is confident in the second half of 2024 in terms of business growth, combined with an improvement in EBITDA compared to the first half of 2024.

Next release:

Q3 2024 revenue, 7 November 2024, end of trading.

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.

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