

PRESS RELEASE

Loudéac, 13 October 2021



FIRST-HALF 2021 RESULTS

Solid sales growth

Improving the profitability of Farming Supplies

Structuring the Group to embark on a new phase of growth

WINFARM (ISIN: FR0014000P11 - ticker: ALWF), No. 1 French distance-seller for the farming industry, announced its consolidated results today for the first half of 2021.

On 13 October 2021, the Board of Directors approved the consolidated financial statements for the financial year ended 30 June 2021. These financial statements have been subject to a limited review by the statutory auditors, and the certification reports are currently being prepared.

WINFARM recalls that the Group has sponsored a professional cycling team under a 3-year contract. In 2020, WINFARM reported on adjusted EBITDA, restated for these costs, for the purpose of presenting the Group's economic performance without taking these specific expenses into account. From 2021, the sponsorship agreement will become a partnership agreement (€400k/year). The Group has decided to return to an EBITDA without restatement for the sake of readability of its financial statements from now on to ensure comparability with respect to the EBITDA target it has set for 2025.

<i>Consolidated data, French accounting standards, Limited review, in €k</i>	H1 2021	H1 2020
Revenue	51 996	49 402
Sponsorship and image rights expenses ¹	(200)	(1 483)
EBITDA	2 221	1 018
<i>EBTIDA margin</i>	4.3%	2.1%
Depreciation, amortisation and provisions	(1 318)	(1 052)
Operating income/loss	1 023	50
Financial income/loss	(91)	(42)
Non-recurring profit (loss)	92	188
Corporate tax	(461)	(190)
Share of net profits of entities accounted for by the equity method	60	191
Net income (Group share)	660	111

¹ From 2021, the title sponsor contract becomes a partnership contract

GROWTH IN SALES IN HISTORICAL ACTIVITY, ACCELERATION IN GROWTH DRIVERS

<i>In millions of euros, Limited review</i>	H1 2021	H1 2020	Change
Farming Supplies	46.5	42.8	+9%
Farming Nutrition	4.8	6,0	-20%
Other	0.7	0.6	+15%
Total	52.0	49.4	+5%

FARMING SUPPLIES

Acceleration in the high-potential horse and landscape markets (+41% and +85%, respectively)

The Farming Supplies business (89% of H1 2021 revenue), under the Vital Concept brand, recorded sales growth of +8.7% year-on-year.

WINFARM benefited from the impacts of its diversification in the horse and landscape markets, where sales continued to gather pace over the first six months of the year, generating growth of +40.6% and +84.6%, respectively. These performances are all the more noteworthy for coming on the heels of sharp respective gains of +23% and +42% in 2019, and +33% and +88% in 2020, underscoring the impressive potential of these markets to contribute to the Group's future growth.

The Group also benefited from strong growth in the Farm Gates segment, single-handedly accounting for more than one-third of total H1 2021 revenue growth.

Drawing on its well-established reputation, Vital Concept has become a key brand and a leading partner in these two markets.

The Group is also expanding in its historical scope of operations, aided by successful diversification in high-demand categories such as the Tubular range in livestock equipment, wear parts with the development of the STEROK brand, and the Clothing & Footwear range.

FARMING NUTRITION

Farming Nutrition: Change of Management and cyclical downturn in exports due to the health crisis

At the beginning of the year, the Group's Management decided to review the Operational Management of Farming Nutrition, under the Alphatech brand, to enable it to be able to follow the strategic roadmap. In addition, business was temporarily penalised due to the temporary impacts of the rise in bird flu cases in Southeast Asian countries combined with the conditions brought on by the COVID-19 health crisis, which continued to adversely affect export trade given that Alphatech earns more than 50% of its revenue outside France.

IMPROVEMENT IN PROFITABILITY CARRIED BY THE FARMING SUPPLIES DIVISION

The Group's gross margin grew faster than business growth. Up +8% to €17.1m, it now accounts for 32.8% of revenue vs. 32.1% in H1 2020. Against a backdrop of generalised increases in commodities prices, this control of the gross margin illustrates the Group's ability to effectively pass on purchase price increases.

The increase in business and the continuation of work to optimise logistics flows as well as the reduction in the use of subcontracting continued to favour the increase in EBITDA for the farming supplies division, which amounted to €2.2 million, representing 6.1% of revenue compared with 4.2% in H1 2020.

In the Farming Nutrition division, EBITDA increased to €0.6m compared to €0.2m in H1 2020, benefiting from the increase in gross margin, which helped limit the impact of the drop-in activity in the division due to the decline in export sales.

Overall, consolidated EBITDA amounted to €2.2m compared to €1.0m in H1 2020, representing an EBITDA margin of 4.3% of revenue compared with 2.1% in H1 2020. After reintegrating sponsorship and image rights expenses, the adjusted EBITDA rate was 4.5% vs. 5.1% in H1 2020.

After taking into account depreciation, amortisation and provisions for €1.3m, operating income amounted to €1.0m compared to €0.1m in H1 2020.

Net profit, Group share, amounted to €0.7m vs. €0.1m in H1 2020

A SOLID FINANCIAL STRUCTURE

As at 30 June 2021, the company posted equity of €22.9m for financial debt of €18.6m (including amounts due to credit institutions, financial liabilities on financial leases, current bank loans and contributions to current accounts), down €5.5m compared to H1 2020. Cash was €16.2m, including the proceeds from the exercise of the overallotment option related to the fundraising carried out in December 2020 as part of the company's IPO.

2021 OUTLOOK

Heading for a new phase of growth

In the second half of 2021, the Group is confident that the strong sales momentum will continue. WINFARM will benefit in particular from the acquisition of BTN Haas last July, an important new step in its European conquest strategy, by establishing itself as a major player in the Netherlands, one of the most important markets in the field of agriculture and livestock in Europe, and establishing itself as a major international player.

The next objectives will be focused primarily on the success of the integration, with the aim of extending the scope of BTN de Haas to the farming nutrition market, offering significant potential for development.

The Group will also capitalise on the strengthening of Alphatech's managerial structure, whose mission will be to increase the awareness of the Alphatech brand and accelerate its sales once the health situation stabilises. This business development plan will ultimately be linked to the production of the food supplement plant, which is expected to begin construction in the coming months.

On the Farming Supplies markets, the expansion of the client base to new market segments such as grain producers, the development of the web channel with the roll-out of a purchasing recommendations algorithm and the realisation of new partnerships will be all the levers that should enable the Group to accelerate the growth of its Farming Supplies business. The Group will also benefit from the strong potential of the horse and landscape markets, a growth driver for the Group that offers solid opportunities in terms of both organic growth and external growth in markets that are still highly fragmented.

WINFARM is confident that the strong sales momentum will continue in H2 2021. The rise in commodities prices could, however, weigh slightly on the excellent margins. For 2021, the Group anticipates continued growth in the first half of the financial year. This growth in the business should be accompanied by an improvement in EBITDA.

In the longer term, the Group reiterates its targets, which, by 2025, aim to achieve revenue of around €200m and an EBITDA margin of around 6.5%. Half of this acceleration in growth would be achieved through organic growth and half through external growth.

About WINFARM

Founded in Loudéac, in the heart of Brittany, in the early 1990s, WINFARM is now the French leader in distance selling for the agricultural world. WINFARM offers farmers and breeders comprehensive, unique and integrated solutions to help them meet the new technological, economic, environmental and social challenges of the next generation of agriculture. With a vast catalogue of more than 15,500 product references (seeds, phytosanitary, harvesting products, etc.), two-thirds of which are own brands, WINFARM has more than 44,500 customers in France and Belgium.

In 2020, WINFARM recorded sales of €98.9m, surpassing its target.

By 2025, WINFARM aims to double in size, with a revenue target of around €200m and an EBITDA margin of about 6.5%.

For more information about the company: www.winfarm-group.com

Contacts:

WINFARM

investisseurs@winfarm-group.com

ACTIFIN, financial communications

Benjamin LEHARI
+33 (0) 1 56 88 11 11
winfarm@actifin.fr

ACTIFIN, financial press relations

Jennifer JULLIA
+33 (0)1 56 88 11 19
jjullia@actifin.fr