

PRESS RELEASE

Loudéac, 30 March 2022



Sharp growth in results for the 2021 financial year

Revenue up +9.3%

High gross margin maintained, and profitability increased

2022: reaffirmed confidence in a tense environment that demands vigilance

WINFARM (ISIN: FR0014000P11 - ticker: ALWF), No. 1 French distance-seller for the farming industry, today announced strong growth in its consolidated annual results for the 2021 financial year.

On 30 March 2022, the Board of Directors approved the consolidated financial statements for the financial year ended 31 December 2021. These financial statements have been reviewed by the statutory auditors and the certification reports are currently being prepared. The consolidated financial statements for the 2021 financial year are available on the company's website in the investor section.

<i>Consolidated data, French accounting standards, Audited financial statements in €m</i>	2021	2020	Δ
Revenue	108.1	98.9	+9%
Gross margin	36.1	33.2	+9%
<i>As a % of revenue</i>	33.5%	33.6%	stable
EBITDA	4.9	2.7	+81%
<i>As a % of revenue</i>	4.5%	2.7%	+1.8 pt
Sponsorship and image rights expenses ¹	(0.2)	(3.3)	
Adjusted EBITDA ²	5.1	6.0	-15%
<i>As a % of revenue</i>	4.7%	6.0%	-1.3 pt
Depreciation, amortisation and provisions	(3.1)	(2.3)	ns
Operating income/loss	2.2	0.7	x 3.3
Financial income/loss	(0.1)	(0.1)	ns
Non-recurring profit/loss	-	0.2	ns
Corporate tax	(0.7)	(0.6)	ns
Share of net income of companies accounted for by the equity method ³	-	0.1	ns
Net income (Group share)	1.4	0.5	x 2.8

¹ 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 securities sponsor contract became a partnership agreement and the Group decided to return to an EBITDA without restatement.

² EBITDA restated for expenses related to cycling sponsorship and image rights

³ 22% stake in Pineau Cycling Evolution (cycling team) sold on 25/06/2020

CONSOLIDATED REVENUE GROWTH OF +9.3%

In 2021, WINFARM recorded consolidated revenue of €108.1m, up +9.3% (+2.8% organic growth), integrating BTN de Haas, acquired in July 2021, for a contribution of €6.4m over the year.

Agro-supply (89% of annual revenue), under the Vital Concept brand, posted revenue of €96.7m, up 13% compared to 2020.

WINFARM continued to benefit in particular from the momentum of the horse and landscape diversification markets, whose sales showed high growth rates in 2021 of +28% and +54% respectively. These performances confirm the still very significant growth pool of these markets, which had already posted strong growth in previous years, +23% and +42% respectively in 2019, and +33% and +88% respectively in 2020.

Agronutrition (9% of annual revenue), under the Alphatech brand, posted revenue of €9.8m, having suffered from the economic downturn over the financial year, penalised in particular by the health environment with restrictive measures for trade outside France. As a reminder, Alphatech generates over 50% of its revenue abroad.

The launch of a new operational division at Alphatech in H1 2021 sparked fresh momentum that has already been illustrated by double-digit sales growth in the last two months of the year and which is expected to continue in the coming months.

SUSTAINED INCREASE IN GROSS MARGIN AND PROFITABILITY

The increase in activity resulted in a rise in gross margin of +9% to €36.1m. This accounted for 33.5% of 2021 revenue, compared with 33.6% in 2020. Against a backdrop of widespread inflation in commodity costs, this performance demonstrates the Group's ability to effectively pass on the purchase price increases recorded over the period.

Agro-supply EBITDA increased by +58% to €6.8 million, representing an EBITDA margin of €7.0% (+2 points), under the combined effect of the reduction in sponsorship and image rights expenses, the contribution of BTN de Haas, acquired in July 2021, in the amount of €702k, an increase in the average basket on the markets for diversification of the horse and landscape and control of employee numbers.

Agronutrition's EBITDA was resilient in a context of declining activity, coming out at €0.7m compared to €0.4m in 2020, for an EBITDA margin of 7.3% over the year.

Overall, consolidated EBITDA rose sharply by +81% to €4.9m, representing 4.5% of sales for 2021 versus 2.7% in 2020 (6.0% adjusted EBITDA margin in 2020, if we include sponsorship and image rights expenses for €3.3m in 2020, the contract for which ended at the end of 2020).

After taking into account depreciation, amortisation and provisions for €3.1m, operating income multiplied by 3 to reach to €2.2m, compared to €0.7m in 2020.

Incorporating financial income of €0.1m and the tax expense of €0.7m, net income Group share is multiplied by 2.8 to reach €1.4m, compared to €0.5m in 2020.

A STRENGTHENED FINANCIAL STRUCTURE

As at 31 December 2021, the company posted equity of €22.7m for financial debt of €21.8m (including amounts due to credit institutions, financial liabilities on financial leases, current bank loans and contributions to current accounts), down €2.3m compared to 2020.

Cash stood at €12.2m, 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.

REAFFIRMED CONFIDENCE IN 2022 IN A TENSE ENVIRONMENT THAT DEMANDS VIGILANCE

The beginning of 2022 has been characterised by a continued rise in the cost of commodities, encouraging WINFARM to be extremely vigilant. While WINFARM managed to pass on all purchase price increases in 2021 to its sales prices, a prolonged continuation of these increases in 2022 could temporarily penalise the Group's margins.

Apart from these economic factors, WINFARM reiterates its confidence in achieving another year of growth in 2022.

To this end, WINFARM will draw on the revival of its Agronutrition business, with a new management team that came into force in 2021, and the provision of new sales resources to address three new regions abroad: Southeast Asia, Latin America and the Middle East.

In addition, WINFARM plans to launch the construction of an extension of the food supplement plant in H1 2022, for a total investment of €3.5m, which will contribute to the nutrition activity from the second half of 2023.

In the Agro-supply business, WINFARM will continue its voluntary acquisition strategy by expanding its customer base, particularly by addressing new market segments such as grain producers, increasing the average basket through greater customisation of online offers and capitalising on its subsidiaries in Belgium and the Netherlands to conquer new international markets, particularly in Flanders.

After the successful acquisition of BTN de Haas in 2021, WINFARM intends to pursue its external growth strategy, particularly on the international front, which presents high-potential opportunities, but also in France with a view to consolidating its positions.

In the longer term, the Group reconfirms its objectives to achieve revenue of around €200m and an EBITDA margin of around 6.5% by 2025. 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 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

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