

PRESS RELEASE

Loudéac, 10 February 2022



2021 revenue up 9% to €108m

- Consolidated growth of 13% in agro-supply (90% of revenue)
- Successful integration of BTN de Haas contributing to the Group's activity for six months (from 1 July 2021)
- Continued strong growth in high-potential horse and landscape markets (+28% and +54%, respectively)
- In agronutrition, a cyclical downturn in exports due to the health crisis but a return to growth confirmed at the end of the year

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

<i>In millions of euros, unaudited</i>	2021	2020	VAR.
Agro-supply	96.7	85.7	+13%
Agronutrition	9.6	11.8	-19%
Other	1.5	1.4	+7%
TOTAL	107.8	98.9	+9%

In 2021, WINFARM recorded consolidated revenue (including BTN de Haas at 1 July 2021) of €108m, up 9% compared to 2020 (+2.5% organic growth).

The **agro-supply** business (90% of annual revenue), under the Vital Concept brand, posted revenue of €96.7m, up 13% compared to 2020.

This performance includes the contribution of the acquisition of BTN de Haas in the Netherlands as of 1 July 2021. The company, which benefits from a large catalogue of 8,000 references, serving more than 150,000 customers, both agricultural and individual professionals, recorded turnover of €12.8m in 2021, up 17%, of which €6.4 million was consolidated in WINFARM's 2021 revenue.

WINFARM continued to benefit from the dynamism 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.

Internationally, agro-supply sales in Belgium also continued to show strong momentum, up 22% to €2.4m over the financial year, after an already high growth rate of 27% in 2020.

The **Agronutrition** activity (9% of yearly turnover), under the Alphatech brand, recorded sales of €9.6m, which were down due to the economic context, notably the impact of the health crisis including travel restrictions still in place in most countries and causing constraints on trade outside France over the period, while Alphatech generates over 50% of its sales internationally.

The arrival of a new operational division of Alphatech in H1 2021 to boost nutrition sales, combined with the easing of certain health restrictions in the second half of the year, enabled growth to return over the last two months of the year, although not yet significantly enough to offset the decline over the year.

Strong performance of expected gross margin in 2021 but an increase in structural costs, which should weigh on EBITDA

Building on the trust placed in it by its customers and the high quality of its catalogue, WINFARM was able to pass on the increase in commodity prices recorded in 2021 to its sales prices, enabling it to anticipate the maintenance of its consolidated gross margin rate in 2021.

In addition to the effect of the context-related decline in Nutrition activity, which has a high contribution to the margin, the 2021 financial year will also include new overhead costs of around €1.2 million, leading the Group to estimate lower consolidated EBITDA compared to adjusted EBITDA¹ in 2021 (adjusted for sports sponsoring costs and image rights), which came to €6.0m:

- Launch of a 13th month starting in 2021 for Vital Concept employees ²;
- Increase in the amount of profit-sharing distributed to employees linked to the profitability growth in 2021;
- Miscellaneous fees and commissions related to the deployment of the external growth strategy.

For financial year 2021, the Group nevertheless anticipates a strong rise in its reported consolidated EBITDA and its net profit compared to 2020.

Outlook

2021 enabled WINFARM to take another important step in its European conquest strategy by establishing itself as a major player in the Netherlands, one of the key agricultural and livestock markets in Europe with the acquisition of BTN de Haas.

As early as 2022, the successful integration of the Dutch company will provide an initial catalogue of common products. WINFARM will also capitalise on the cultural and linguistic proximity of the Netherlands with Flanders to develop its sales in Flemish Belgium.

In the nutrition business, the growth recorded at the end of the year, the resumption of operations by experienced management and the gradual lifting of health restrictions have made the Group confident in a rebound in sales momentum this year. In its plan, the Group will rely on the food supplement production plant, whose construction is expected to be launched soon and which is expected to contribute to the nutrition activity from 2023.

¹ 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.

² See press release of 7 April 2021

Next publication: 2021 half year results, on 30 March 2022 after market closure.

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 2021, WINFARM recorded sales of €107.8m, 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

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