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PRESS RELEASE

Euralis 2021-2022 financial results

For the third consecutive year, the Group's turnover increased by 15% to 1.6 billion euros. This increase can be explained by the rise in grain prices and volumes, market share gains for Maison Montfort and Rougié, and continued efforts to develop Lidea's growth.

The responsiveness, creativity and adaptability of all of the cooperative's employees have helped to strengthen the Group's economic performance. The group's EBITDA increased to 82 million euros (up by 4 million from the previous financial year), in an economic environment that was particularly disrupted by the war in Ukraine, the rising prices of raw materials and input products and a new episode of bird flu that was unprecedented in its intensity.

All of the transformation plans carried out by our teams over the past three years with rigour and commitment are paying off. Over the past financial year, the group has invested nearly 54 million euros, devoted in particular to transforming the agricultural model and innovation.

Euralis' international development remains a key challenge for our seed and foie gras activities. It also offers new development opportunities for our local production. Over the past financial year, 30% of turnover was generated outside France.

We have confirmed our collective ambition in the face of challenges. We are thus pursuing our three main missions.

- The first, food production, aims to offer high-quality agricultural and food products (Label Rouge, PGI, organic, regenerative agriculture, etc.) to as many people as possible.
- The second, our societal role, has led the Group to design innovative solutions and products that respond to social, environmental and economic challenges.
- The third, energy, demonstrates our commitments to the production of decarbonised energy (solar energy, bioethanol, methanisation, etc.)

Christophe Congues, farmer and president of the Euralis Group: *"Thanks to our expertise and cooperative network, in the 2021-2022 financial year, we have demonstrated the sustainability of our economic model by confirming our development strategy. Faced with the challenges of food sovereignty, we are designing new supply chains with our downstream clients. Faced with the challenge of energy autonomy, we are developing a solar energy offer with our members: some thirty of them have already taken the step this year. In the face of*

climate challenges, let us not forget that agriculture is the only sector capable of sequestering carbon naturally and sustainably. As available water resources are limited for all activities, our teams are also working on controlled irrigation and developing varieties that are more resistant to water stress. Without water, there will be no agriculture.”

Philippe Saux, CEO of the Euralis Group: *“In a difficult context marked by a new bird flu outbreak, the war in Ukraine and unprecedented inflation, we nevertheless recorded strong growth in our turnover and an improvement in our economic performance. The mobilisation and adaptability of our teams as well as the commitment of our member farmers who actively participate in the cooperative’s project certainly contribute to these results. And we reaffirm our ambition: to succeed together in the agriculture, food and energy transformation by developing innovative and sustainable solutions and products in our territories.”*

These results will be submitted to the Euralis Coop General Meeting for approval on 10 February 2023.

Focus on the different activities for the 2021-2022 financial year.

Agricultural activities: the transformation is in full swing!

In the context of turbulent markets, the Agricultural Division effectively continued its transformation and doubled its EBITDA compared to the previous year.

Support for farmers towards efficient and sustainable production channels was strengthened with the increase in advisory and service offers (+15%) intended to support these transitions for 2,000 farmers and in three key areas.

Crop production benefited from good yields in 2021 and the development of contracts: 39% of Euralis farms are now under contract (52,000 ha in seeds, fruit and vegetables, special maize), an increase of 11% compared to the last financial year.

The **livestock sectors** (poultry, ducks and cattle) maintained their level of profitability, despite a new episode of bird flu combined with the rise in grain prices.

The Agricultural Division also confirmed its commitment to renewable energy production, with the creation of Eurasolis and 32 solar energy contracts signed for 9MW in the first year.

As for **Point Vert stores**, turnover was slightly down this year (-5%) but a positive dynamic has been maintained since 2019 with an increase in activity of more than 19%, thanks in particular to the products marketed in our “Table des Producteurs” food aisles.

Finally, the Agricultural Division is continuing its transformation with sustained investment in training and team development (1.3 million euros invested in training between 2021 and 2023).

Lidea: A robust model in an unprecedented context

The construction of Lidea continued in its second year, with a spring campaign under the new Lidea and CS Pro brand names.

Due to a lack of sunflower availability, Lidea was not able to keep up with the growth of the market, while it was largely affected by the decline of the maize markets in Western Europe.

The war in Ukraine has greatly disrupted our activities. However, the commitment of our employees worldwide has enabled us to maintain business development in our various Eastern European markets.

Lidea's turnover increased by 5% overall, mainly due to price increases to cope with inflation.

Finally, Lidea's seed genetics showed good results in the various trials carried out on its markets, thus confirming the relevance of investments in this area, which represent more than 9% of turnover.

Food activities: positions maintained

Duck Activities continue their economic recovery with an EBITDA increase of 4 million euros, despite the two bird flu outbreaks that marked the financial year. The cooperative's teams were mobilised to support breeders in the Southwest and Western regions of France.

Last July, the CIFOG (foie gras interprofession), in consultation with the public authorities and the other poultry sectors, adopted a new roadmap to reinforce protection measures for farms.

We have maintained our investments, in particular at our Herbiers site in Vendée, western France (improved ergonomics of workstations, investment in video surveillance systems for animal protection purposes at key points on the site)

The Maison Montfort brand is strengthening its number 2 position in supermarkets. There has also been a rebound in Rougié's activities, which, after a year marked by the closure of restaurants in 2021, has returned to the level of activity recorded in 2019. International activity was maintained, with our customers reaffirming their confidence despite the constraints of bird flu.

After two years of remarkable growth, **Delicatessen Activities** managed to maintain their profitability over the financial year, despite particularly turbulent markets, notably due to inflation and tensions over supplies.

The Qualité Traiteur brand saw its turnover increase by almost 10% over the course of the year. These results reflect the successful implementation of the strategies around product superiority and differentiation, as well as innovation.

These product innovations are accompanied by ongoing industrial investments, including in the savoury pastry workshop in Yffiniac, western France.

Prospects for 2023

Overall context

The 2022-2023 financial year started with an unprecedented drought which impacted volumes collected this autumn. This will have an impact on the Agricultural Division and Lidea. Duck production, which has been affected by bird flu, will impact availability for the festive season.

Optimising water resources

Every day, we work to provide consulting and technical solutions to farmers to better manage water resources. We are also stepping up research into less water-intensive varieties. This also requires investment in new water storage capacities, supported by the public authorities.

Making the foie gras industry sustainable

Working alongside breeders, we are involved in the Adour Plan, which is planning a complete cleaning from 15 December to 15 January. We are also waiting for the introduction of animal vaccination to ensure the sustainability of the sector. At present, several vaccines are being tested.

Supporting innovations and investing in the financing of start-ups

Euralis is a partner of Agri-Impact and Capagro 2. These 2 funds provide:

- Financial support for diversification projects for farmers (Agri-Impact)
- The financing of start-ups in the fields of agriculture, food and nutrition with innovative solutions and technologies with high value creation potential (Capagro 2).

Contributing to the socio-economic development of territories through an ambitious CSR policy

Euralis is a collective of 10,000 employees and members and more than 50,000 indirect or induced jobs (employee expenses, suppliers, clients, etc.).

In terms of economics, they represent each year:

- €200 million in payroll
- €360 million of purchases from members
- €670 million in purchases from suppliers (raw materials, transport, energy, etc.)

Each year, we welcome 260 trainees and work-study students from 25 establishments in our territories (*grandes écoles*, agricultural colleges, etc.).

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