



## **First Half Year 2021-2022 Financial Results** (July 1 - December 31, 2021)

### **Stability of the activity and lower profitability in the first half of the FY**

- **Overall stability of sales in the first half and differentiated development of distribution channels**
- **Good performance in the various business operating segments in terms of revenue and profitability, but hampered by the difficulties of the fresh prepared food business in North America**
- **Revenue growth and current operating margin stability expected for FY 2021-2022**
- **Impacts of Ukraine-Russia conflict difficult to quantify at this stage**

#### **Comments from Guillaume Debrosse, Chief Executive Officer:**

*"At the end of the first half of the financial year, the Bonduelle Group reported figures in line with its expectations. The trend is towards a normalization of the activity in all our business areas, with the retail market returning to pre-Covid dynamics and an out-of-home catering whose recovery is really encouraging, though still incomplete. In the fresh processed segment, Europe is back to growth and in North America, the teams remain actively focused on implementing the restructuring plan. Finally, in Russia and peripheral countries, it is the brand performance in both canned and frozen products that propels the development of this area.*

*In an uncertain environment, depending on the sanitary context, price increase negotiations linked to the context of unprecedented inflation and to the fresh prepared food segment in North America, our objective of revenue growth and profitability stability for FY 2021-2022, once again demonstrates the group's resilience and the solidity of its business model. The geopolitical context resulting from the conflict between Ukraine and Russia will influence this scenario, although it is not possible at this stage to estimate the impacts.*

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We are extremely saddened by the conflict that is currently raging before our eyes in Ukraine. All our support goes to our Ukrainian colleagues and their families, whose lives have been overturned in just a few days and whose safety remains our primary concern.

Our thoughts also go to our Russian colleagues, who are inevitably sorely affected by this awful situation.

We can only hope for an early return to peace.

Bonduelle has been operating for many years in both Ukraine and Russia. At the moment, we are doing everything in our power to ensure the continuity of our business by providing essential food requirements and pursuing our sowing operations with our farming partners to secure tomorrow harvests and avoid adding a food crisis to the already critical situation we are experiencing.

Regarding our operations in Russia, we continue to adapt our modus operandi in accordance with the measures implemented by the various authorities involved.

Above all, we are staying focused on our mission to produce high-quality, affordable plant-based food in the midst of our regions for all populations."

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The 2021-2022 half-year financial statements were approved by the General Partner, then reviewed by the Supervisory Board of March 3, 2022 and by the Statutory Auditors.

## Significant Results

(in € millions)	1 <sup>st</sup> HY 2021-2022	1 <sup>st</sup> HY 2020-2021	Variation
Revenue	1,442.8	1,441.5	+0.1%
Current operating income	46.5	56.3	-17.4%
Current operating margin	3.2%	3.9%	-68 bps
Consolidated net income	24.-	31.9	-24.8%
Gearing <sup>(1)</sup> exclud. IFRS 16	1.19	1.20	

## Revenue

The Bonduelle Group's revenue stands for the 1<sup>st</sup> half of FY 2021-2022 at € 1,442.8 million against € 1,441.5 million last financial year over the same period, virtually unchanged on reported figures (+0.1%) and on a like for like basis<sup>(2)</sup> (-0.4%).

Currency effects, which were negative in the first quarter, made a positive contribution to growth in the second quarter, resulting in a total effect of +0.5% for the first half of the financial year, mainly due to the strengthening of the Canadian dollar during the period.

No change in the group's scope of consolidation occurred over the period.

## Activity by Geographic Region

Total Consolidated Revenue (in € millions)	1 <sup>st</sup> HY 2021-2022	1 <sup>st</sup> HY 2020-2021	Variation Reported figures	Variation Like for like basis <sup>(2)</sup>
Europe Zone	663.8	648.-	+2.4%	+2.5%
Non-Europe Zone	779.-	793.5	-1.8%	-2.8%
<b>Total</b>	<b>1,442.8</b>	<b>1,441.5</b>	<b>+0.1%</b>	<b>-0.4%</b>

## Activity by Operating Segments

Total Consolidated Revenue (in € millions)	1 <sup>st</sup> HY 2021-2022	1 <sup>st</sup> HY 2020-2021	Variation Reported figures	Variation Like for like basis <sup>(2)</sup>
<b>Canned</b>	593.4	589.-	+0.8%	-0.1%
<b>Frozen</b>	362.9	332.-	+9.3%	+8.1%
<b>Fresh processed</b>	486.4	520.5	-6.5%	-6.2%
<b>Total</b>	<b>1,442.8</b>	<b>1,441.5</b>	<b>+0.1%</b>	<b>-0.4%</b>

### Europe Zone

The revenue for the Europe Zone, representing 46.-% of the business activity, posted over the first half of this financial year an overall growth of +2.4% on reported figures and +2.5% on a like for like basis<sup>(2)</sup>. The long-life operating segment (canned and frozen) continued to normalize in the first half of the financial year, with, on the one hand, overall stability in canned sales despite a high basis of comparison linked to the second wave of Covid 19 and the restrictions imposed last year, and, on the other hand, a significant pick up in frozen sales driven by the out-of-home catering business, which was penalized last year by the lock down measures.

The fresh processed business activities recorded accelerated growth in the 3 main countries of operation (France, Italy, and Germany) fuelled by more dynamic retail markets and the recovery of the out-of-home catering business.

### Non-Europe Zone

The revenue of the non-Europe Zone, representing 54.- % of the business activity over the period, was down -1.8% on reported figures and -2.8% on like for like basis<sup>(2)</sup>.

In North America, the canned and frozen segments recorded the same momentum as those observed in Europe, reinforced by more substantial price increases.

Over the first half of the financial year, the fresh processed food segment continued to decline, as a result of the ongoing deliberate policy of price increases and contract selectivity, which led to lower volumes, as part of the strategy to improve profitability.

In the Eurasia region, the growth in sales in Russia and peripheral countries was fuelled by both the growth of the branded canned food businesses (Bonduelle and Globus) and the development of Bonduelle branded frozen food sales following the recent launches.

### Operating income

The current operating profitability of the Bonduelle Group, for the first half of financial year 2021-2022 stands at € 46.5 million, a 17.4% decline on reported figures and 18.8% on a like for like basis<sup>(2)</sup>. The current operating margin was at 3.2%, down 68 bps when compared with the first half of last FY.

Profitability in the Europe Zone continues to grow to reach € 37.7 million on reported figures (€ 35.1 million last financial year), hence a current operating margin of 5.7% both on reported figures and like for like basis<sup>(2)</sup> (5.4 % last financial year). This good performance is largely attributable to the general recovery of the out-of-home catering segment in Europe, in favor of frozen technology, the good performance of the Cassegrain brand in canned food in France coupled with the success of the innovations launched in this zone.

The current operating profitability in the non-Europe zone stands at € 8.8 million on reported figures, a current operating margin at 1.1%, down 160 bps over the same period last financial year on reported figures (1.-% and 170 bps respectively on a like for like basis<sup>(2)</sup>). Despite the initiated recovery, expected to materialize in the second half of the year, the fresh prepared business segment in North America is

penalizing the profitability of the non-Europe Zone, masking the strong sales momentum and increased profitability in the other long-life business activities in North America, Russia and peripheral countries.

After non-recurring items amounting to € 3 million, mainly related to restructuring, insurance deductible following a claim and M&A advisory fees, the operating profitability stands at € 43.5 million against € 54 million over the same period last financial year.

### **Net result**

The net financial result stands at - € 10.4 million against - € 9.9 million last financial year. The financial expenses improved significantly under the combined effect of lower interest rates and competitive financing instruments, offset by a limited negative exchange rate result. The decrease in corporate income tax expense (€ 8.5 million against € 12.1 million last financial year) is linked to the change in operating result and the lower tax rate observed in France. After taking into account both financial result and taxes, the group's net income amounts to € 24 million, or 1.7% of revenue, down 55 bps compared to the same period last financial year.

### **Financial situation**

The Bonduelle Group's net financial debt stood on December 31, 2021, at € 909.9 million against € 808.2 million over the same period last financial year, excluding the impact of the application of IFRS 16, i.e., a debt-to-equity ratio (gearing<sup>(1)</sup>) of 118.6% (119.5% last financial year). The increase in debt is explained by the increase in working capital requirements, itself linked to the partial reconstitution of stocks, the increase in their value due to inflation and the decline in the fresh business segment, which generated excess working capital. The average cost of debt, excluding IFRS 16, stands at 1.59%, a significant improvement compared to the first half of the previous financial year (1.99%).

Restated from IFRS 16, the group's net financial debt stands at € 1,003.2 million and the gearing<sup>(1)</sup> ratio at 131.3%.

It should be noted that the seasonal nature of the business (summer agricultural crops) results in a high level of debt on December 31, which is not representative of the average level of debt or the one observed at the end of the financial year.

### **Highlights**

#### **Conflict between Ukraine and Russia**

The Bonduelle Group has been present commercially in Russia and Ukraine since the 90s and industrially in Russia since 2004. The revenue in Russia and in peripheral countries represents approximately € 150 million, i.e. 5% of the group revenue, of which less than € 10 million from Ukraine. The group has 3 vegetable processing plants in Russia, including one in Belgorod, near the Ukrainian border and 2 in the region of Krasnodar, near the Azov sea, supplying 65% of products marketed in Russia. Bonduelle has 10 employees in Ukraine and circa 900 employees in Russia. In Ukraine, all employees and their families are currently safe, all commercial activity, given the circumstances, has been interrupted. In Russia, the 3 vegetable processing plants are in operation.

The group pays attention to the evolution of the situation, to the measures taken both by the international community and in Russia, which impacts - in particular relating to the supply of raw materials and finished products, financial transfers and currency management - are difficult to quantify at this stage.

### **Long-Life business activity changes in North America**

On September 27, 2021, the Bonduelle Group announced that it had initiated a discussion on the evolution of the shareholding structure of its canned and frozen food operating segments in North America, namely the Bonduelle Americas Long Life (BALL) business unit.

Following the various express interests received in relation to these activities, the group is studying the diverse options likely to allow it to focus its resources on its strategic priorities, in particular the development of its branded activities, while allowing the BALL business unit to pursue its growth strategy.

### **Bonduelle releases its first integrated report**

In line with its strategy of sustainable growth with positive impact, the Bonduelle Group has published its first integrated report. This report makes it possible to share with stakeholders the group's integrated vision of its business model and its approach to short, medium and long term value creation. The integrated report is available on the Bonduelle Group website [www.bonduelle.com](http://www.bonduelle.com).

### **Outlooks**

Taking into account, on the one hand, the very different dynamics of the markets addressed in a context of a changing sanitary crisis, and on the other hand, the strong inflation of the various cost components offset in varying proportions depending on the region by negotiated price increases and finally, the recovery of the fresh prepared food business segment in North America, which is only expected to materialize from the second half of the financial year, the group confirms its objective of 3,-% business growth and aims a stable current operating margin compared to the previous financial year, i.e. 3.6% of revenue, at constant exchange rates and scope of consolidation.

These outlooks are likely to be impacted by the consequences of the conflict between Ukraine and Russia, which are difficult to quantify at this stage.

<sup>(1)</sup> net debt / equity

<sup>(2)</sup> at constant currency exchange rate and scope of consolidation basis. The revenues in foreign currency over the given period are translated into the rate of exchange for the comparable period. The impact of business acquisitions (or gain of control) and divestments is restated as follows

- For businesses acquired (or gain of control) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
- For businesses acquired (or gain of control) during the prior fiscal year, revenue generated during the current period up until the first anniversary date of the acquisition is excluded;
- For businesses divested (or loss of control) during the prior fiscal year, revenue generated in the comparative period of the prior fiscal year until the divestment date is excluded;
- For businesses divested (or loss of control) during the current fiscal year, revenue generated in the period commencing 12 months before the divestment date up to the end of the comparative period of the prior fiscal year is excluded.

Alternative performance indicators: the group presents in its financial notices performance indicators not defined by accounting standards. The main performance indicators are detailed in the financial reports available on [www.bonduelle.com](http://www.bonduelle.com)

**Next financial events:**

- 2021-2022 3<sup>rd</sup> Quarter FY Revenue: May 2, 2022 (after stock exchange trading session)
- 2021-2022 Financial Year Revenue: August 1, 2022 (after stock exchange trading session)
- 2021-2022 Annual Results: October 3, 2022 (prior to stock exchange trading session)

Find the complete Half Year results on [www.bonduelle.com](http://www.bonduelle.com)

**About the Bonduelle Group**

We want to inspire the transition toward a plant-based diet, to contribute to people's well-being and planet health. We are a French family business with 14,700 employees and we have been innovating with our farming partners since 1853. Our products are cultivated on 124,000 acres and marketed in 100 countries, with a revenue of € 2,779 million.

Our 6 strong brands are:



Bonduelle is listed on Euronext compartment B

Euronext indices: CAC MID & SMALL - CAC FOOD PRODUCERS - CAC ALL SHARES

Bonduelle is part of the Gaia non-financial performance index and employee shareholder index (I.A.S.)

Code ISIN : FR0000063935 - Code Reuters : BOND.PA - Code Bloomberg : BON FP

Find out about the group's current events and news on Twitter @Bonduelle\_Group, and its financial news on @BonduelleCFO

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