



## First Half Year 2022-2023 Financial Results (July 1 - December 31, 2022)

### Confirmation of revenue growth and profitability objectives

- Group revenue growth driven by the canned and frozen activities and favorable currency impact
- Prices increases linked to inflation, in particular agricultural goods, expected to continue
- Adaptation of industrial set up for ready-to-use fresh segment in the United States
- Extension of the maturity of the syndicated loan of € 400 million under attractive conditions
- Confirmation of annual objectives in a volatile environment

*In accordance with IFRS 5, the 2021-2022 income statement items relating to the North American canned and frozen activities, which were sold on June 30, 2022, of which the group now holds 35%, have been restated and combined under "net profit from discontinued operations".*

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

*"The performance of the first half of the year reveals the complementary nature of our activities in an unprecedented global inflationary context. In our canned and frozen activities, both retail and foodservice, our innovations and the policy of price increases, designed to compensate for rising production costs, have enabled us to maintain the group's profitability.*

*In Europe, although our fresh segment is more sensitive to the overall decline in consumption, the recovery and innovation plans initiated in our core businesses are on an encouraging trajectory, particularly in the ready-to-use fresh segment. In North America, the refocusing of activities on valued segments is continuing in parallel with the adaptation of in the industrial set up on the East Coast of the United States.*

*In all zones, the teams are mobilizing to offset the impact of the inflationary shock in the short term and to ensure our medium-term growth relays, enabling the group, in an environment that is more uncertain and volatile than ever, to confirm the annual objectives announced in October 2022.*

*Our mission, to inspire the transition toward a plant-based diet, guides us in the long term towards becoming a positive impact company. More than ever we are convinced that performance can only be called such if it has a positive impact. The price increase agreements signed in France, based on a strong commitment to "trickle down" to our farming partners, the B Corp certification of our*

[www.bonduelle.com](http://www.bonduelle.com)

A French SCA (Limited Partnership by Shares) with a capital of 57,102,699.50 Euros

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*Bonduelle Fresh Americas business unit, the development of our renewable energy supplies linked to a long-standing policy of sobriety and decarbonization, and the successful relocation in Europe of pulses cultivation channels, all demonstrate the relevance of our roadmaps.*

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The 2022-2023 half-year financial statements were approved by the General Partner, then reviewed by the Supervisory Board of March 2, 2023 and by the Statutory Auditors.

### Significant Results

(in € millions)	1 <sup>st</sup> HY 2022-2023	1 <sup>st</sup> HY 2021-2022	Variation
Revenue	1,243.4	1,094.6	13.6%
Current operating income	43.1	27.6	56.1%
Current operating margin	3.5%	2.5%	94 bps
Consolidated net income	20.0	24.0	-16.5%
Gearing <sup>(1)</sup> exclud. IFRS 16	0.68	1.19	

### Revenue

The Bonduelle Group's revenue for the 1<sup>st</sup> half of financial year 2022-2023 amounted to € 1,243.4 million, compared with € 1,094.6 million for the 1<sup>st</sup> half of the previous financial year which represents a growth of +13.6% at current exchange rates and +6.1% on a like for like basis<sup>(2)</sup> with favorable currency variations boosting sales growth by +7.5%.

### Activity by Geographic Region

Total Consolidated Revenue (in € millions)	1 <sup>st</sup> HY 2022-2023	1 <sup>st</sup> HY 2021-2022	Variation Reported figures	Variation Like for like basis <sup>(2)</sup>
Europe Zone	739.1	663.8	11.4%	12.3%
Non-Europe Zone	504.2	430.8	17.0%	-3.4%
Total	1,243.4	1,094.6	13.6%	6.1%

### Activity by Operating Segments

Total Consolidated Revenue (in € millions)	1 <sup>st</sup> HY 2022-2023	1 <sup>st</sup> HY 2021-2022	Variation Reported figures	Variation Like for like basis <sup>(2)</sup>
Canned	597.1	490.0	21.9%	14.1%
Frozen	138.5	118.2	17.2%	16.6%
Fresh processed	507.7	486.4	4.4%	-4.4%
Total	1,243.4	1,094.6	13.6%	6.1%

### Europe Zone

The Europe Zone representing 59.4% of the business activity over the period, posted an overall growth of +11.4% at current exchange rates and +12.3% on a like for like basis<sup>(2)</sup> over the 1<sup>st</sup> half of the year, with all technologies showing growth over the period.

The policy of price increase intended to partially compensate for inflations in production costs continues, particularly in canned and frozen activities. A limited decline in volumes over the period is explained by the quotas applied to certain products following a deficit harvest.

The frozen activity showed positive volume growth both in food service, which is continuing its post-covid recovery, and in retail (success of recent innovations launched, in particular under the Cassegrain brand).

The ready-to-use fresh segment (salad bags and processed), where cost increases, and therefore price increases, are more limited, showed growth in value and a stability in volumes. Supply difficulties and less dynamic markets in salads were offset over the period by a particularly dynamic summer season in processed segment.

### **Non-Europe Zone**

The Non-Europe Zone revenue representing 40.6% of the business activity in the 1<sup>st</sup> half year, posted +17.0% at current exchange rates and -3.4% on a like for like basis<sup>(2)</sup>.

In an uncertain geopolitical context, the Eurasia zone posted higher revenue (canned and frozen), linked to price increases, with volumes in this area slightly down on the previous year.

In North America, the ready-to-use fresh segment declined over the period, impacted on the one hand by the loss of contracts in the 2<sup>nd</sup> half of financial year 2021-2022, by a salad segment that was itself in decline, and on the other hand by an agronomic crisis affecting salad yields in the Salinas region, generating a significant shortage of products and a rise in purchase prices. In this context, the Bonduelle Group decided to adapt its manufacturing set up on the East Coast of the United States to the expected level of activity and refocused on profitable business segments (see below).

### **Operating income**

The Bonduelle Group's recurring operating profitability for the first half of 2022-2023 stands at € 43.1 million, up 56.1% on reported figures and 60.9% on a like for like basis<sup>(2)</sup> with a particularly favorable seasonality effect in the first half year. The current operating margin was at 3.5%, up 94 bps when compared to the first half year of last financial year on reported figures and 130 bps on a like for like basis<sup>(2)</sup>.

In the Europe Zone, price increases, mainly in long life technologies (canned and frozen), helped offset inflation and maintain profitability in the first half year. Thus, the margin operating income increased to € 42.5 million on reported figures (€ 36.3 million for the same period last year) representing a current operating margin of 5.7% on reported figures (5.8% on a like for like basis<sup>(2)</sup>, compared with 5.5% for the same period last year).

In the Non-Europe zone, the current operating profitability stands at € 0.6 million, representing a current operating margin of 0.1% on reported figures (respectively € 1.1 million and 0.3% on a like for like basis<sup>(2)</sup>) compared to € -8.7 million over the same period last financial year.

The ongoing negative contribution of Bonduelle Fresh Americas (BFA), despite the first effects of implemented initiatives, limited the region's profitability, which was offset by the results of the Eurasia zone, with beneficial currency effects improving the competitiveness of Bonduelle EurAsia Markets (BEAM) in its segments.

After taking into account non-recurring expenses of € 1.5 million linked to costs and fees related to the reorganization of the Florence site (New Jersey, USA), operating profitability stands at € 41.5 million on reported figures compared to € 24.6 million at the end of the first half year of previous financial year.

## **Net result**

The net financial result stands at € -17.5 million against € -8.7 million last financial year. Despite a positive volume effect linked to the group debt reduction following the partial disposal of its canned and frozen activity in North America at the end of last year, financial expenses increased due to the rapid rise of interest rates in the main currencies in which the Bonduelle Group refines its activities, particularly outside the Eurozone.

Moreover, the group recorded foreign exchange losses mainly related to the extreme volatility of the Russian ruble (€ -4.5 million), whose impact is more than offset by recorded competitiveness gains in current operating profitability.

The tax charge increase (€ 13.1 million compared with € 4.6 million in the first half of previous year) is due to the non-capitalization of Bonduelle Fresh Americas' losses over the period.

After taking into account the financial result, the result of the equity method accounted companies (including this year 35% of the net result of Nortera Foods) and the tax charge, the net result of the continuing activities amounts to € 14.4 million i.e. 1.2% of the revenue, increasing to 35.3% compared to the same period last year.

The consolidated net result amounted to € 20 million against € 24 million the previous year. It includes the result of discontinued operations, i.e. for the first 6 months of 2022-2023 financial year, a favorable adjustment of the sale price of 65% of the BALL business unit for an amount of € 5.6 million and, for the previous period, i.e. the first half of 2021-2022, 100% of the net result of Nortera Foods representing € 13.3 million.

## **Financial situation**

The Bonduelle Group's net financial debt stood on December 31, 2022 at € 556.7 million against € 909.9 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 68.1% (118.6% last financial year). The decrease in debt is explained by the partial disposal of the long life activity in North America (BALL) in June 2022, partly offset by the increase in working capital requirements, which is itself linked to the increase in the value of inventories due to inflation. Finally, the average cost of debt, excluding IFRS 16, in a context of significantly higher interest rates, stands at 3.93%, up from the first half of the previous financial year (1.59%).

Restated from IFRS 16, the group's net financial debt stands at € 633.9 million and the gearing<sup>(1)</sup> ratio at 79.0%.

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.

## **Other significant information**

### **Adaptation of the American industrial set up**

In order to improve its competitiveness in the ready-to-use fresh produce market in the United States and to refocus its activity on its valued segments, the Bonduelle Group is adapting the industrial structure of its activity on the East Coast of the United States.

Thus, the manufacturing activities in Florence (New Jersey) will be merged in the coming months with the Swedesboro site, also in New Jersey. This operation aims to optimize the production of all products for customers nationally, while achieving gains in efficiency and coverage of fixed costs.

The current Florence site will be converted into a warehouse for the East Coast, maintaining these jobs on the site and all current Florence production workers will be offered a position in

Swedesboro. The net impact of this reorganization, estimated to date between € 6.0 million and € 8.0 million and of which € 1.3 million has already been noted in the first half year, will be recorded in the 2022-2023 fiscal year under non-recurring items.

### **Amendment of the green syndicated loan of € 400 million**

On February 6, 2023, the Bonduelle Group signed an amendment to its € 400 million syndicated revolving credit facility (RCF) with its banking partners, thereby securing an essential source of financing, which is particularly well suited to the seasonal nature of the group's financing needs, and on very competitive terms, despite the current unstable economic environment. This arrangement provides for a two-year extension, bringing the maturity from 2026 to 2028, with two one-year extension options, bringing the final maturity of the loan to February 2030.

The financial terms of this credit line include Corporate Social Responsibility (CSR) indicators in line with the group's mission and purpose, both in terms of B Corp certification and in terms of reducing its carbon footprint and contributing, with its agricultural partners, to a regenerative agriculture.

This operation demonstrates once again the confidence shown by the banking partners in supporting the Bonduelle Group's development over the long term.

### **Universal Registration Document publication**

The Universal Registration Document (URD) for the 2021-2022 financial year can be consulted on the website [www.bonduelle.com](http://www.bonduelle.com).

For the second year, the group is also publishing an integrated report, also available on the website, describing Bonduelle's business model and its approach in terms of financial and non-financial performance.

### **Outlooks**

Bonduelle, like the worldwide food industry, is facing a fragile, volatile and uncertain consumer environment, fueled by unprecedented past and future inflation, particularly for agricultural products, which once again makes significant price increases essential.

Nevertheless, given the performance achieved in the first half year, which benefited from the favorable seasonal nature of profitability, the Bonduelle Group expects, for the whole financial year, a revenue growth of around 8.0% and a stable current operating margin compared to the previous year, both at constant currency exchange rate and scope consolidation basis, in line with the guidance disclosed at the beginning of fiscal year.

<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. In the specific case of the loss of control of the long life activities in North America, the IFRS 5 standard having been applied to the historical data, the revenue is already restated in the historical elements;
- 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:**

- 2022-2022 3<sup>rd</sup> Quarter FY Revenue: May 4, 2023 (after stock exchange trading session)
- 2022-2023 Financial Year Revenue: August 1, 2023 (after stock exchange trading session)
- 2022-2023 Annual Results: October 2, 2023 (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 11,900 employees and we have been innovating with our farming partners since 1853. Our products are cultivated on 73,000 acres and marketed in 100 countries, with a revenue of € 2,203 million (data as of June 30, 2022).

Our 4 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 Gaïa 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](https://twitter.com/Bonduelle_Group), and its financial news on [@BonduelleCFO](https://twitter.com/BonduelleCFO)

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