



2022-2023 Annual Results (July 1, 2022 - June 30, 2023)

Growth in the Bonduelle Group's business and profitability in 2022-2023

- **Significant growth in revenue, declining volumes**
- **Current operating profitability up, above the annual target but insufficient**
- **Solid financial position despite the impact of inflation on inventories**
- **One-third of revenue B Corp™ certified**
- **Further increase in revenue and profitability expected in 2023-2024**

On September 29, 2023, the Supervisory Board, under the chairmanship of Martin Ducroquet, reviewed the statutory and consolidated financial statements for FY 2022 - 2023 as approved by the General Management and certified by the company's statutory Auditors.

The Bonduelle Group's revenue for the fiscal year 2022-2023 ended June 30, 2023 amounted to € 2,406.2 million, an increase of 9.2% on a reported basis and 5.0% on a like for like basis⁽¹⁾ compared to the previous fiscal year. Currency fluctuations had a favorable effect of +4.2% on the group's growth this year, with a significant appreciation of the US dollar and more notably the Russian ruble.

Current operating profitability increased by +24.8% on a reported basis and +26.9% on a like for like basis⁽¹⁾, with the current operating margin of 2.7%, higher than the communicated guidance.

Key figures

Consolidated Accounts (In € million)	2022-2023	2021-2022	Variations
Revenue	2,406.2	2,202.6	+9.2%
Current operating income	65.9	52.8	+24.8%
Net result	14.5	35.4	-59.1%

www.bonduelle.com

Head Office - "La Woestyne" - 59173 Renescure - Bonduelle SCA.

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

Registration number: DUNKERQUE B 447 250 044

Message from Xavier Unkovic - Chief Executive Officer:

“In an environment of a widespread inflation and where strong geopolitical tensions remain in certain regions where the group operates, the diversity of our activities (long-life, fresh and processed), our production and sales regions, distribution channels (retail, food service) and our products either branded or private label enabled the Bonduelle Group to post a growth in both revenue and current operating income.

Financial year 2023-2024 starts in a climate of significant deconsumption, fuelled by still important inflation. More than ever, our ability to innovate and offer product differentiation through strong and accessible brands will be key elements in the necessary recovery of the group’s profitability. “

Activity by Geographic Region

Total consolidated revenue (In € million)	2022-2023	2021-2022	Variation Reported figures	Variation Like for like basis ⁽¹⁾
Europe Zone	1,508.1	1,357.3	11.1%	11.6%
Non-Europe Zone	898.1	845.3	6.3%	-5.8%
Total	2,406.2	2,202.6	9.2%	5.0%

Activity by Operating Segments

Total consolidated revenue (In € million)	2022-2023	2021-2022	Variation Reported figures	Variation Like for like basis ⁽¹⁾
Canned	1,126.3	958.4	17.5%	13.0%
Frozen	278.8	238.4	17.0%	165%
Fresh processed	1,001.1	1,005.9	-0.5%	-5.4%
Total	2,406.2	2,202.6	9.2%	5.0%

Europe Zone

The Europe Zone, representing 62.7% of the business activity in FY 2022-2023, recorded a very strong revenue growth of +11.1% on reported figures and +11.6% on like for like basis⁽¹⁾.

All technologies reported growth in value over the year, despite Quarter 4 marked by a downturn in retail.

For the long life segment, canned-brand activities posted a drop in volume, but maintained their market share in declining markets, while the group private labels activities experienced a more limited decline, enabling them to meet the expectations of the various market segments. Driven by the year’s innovations, the frozen activity posted a growth in volume. Price increases, made necessary by the rise in various cost items, supported growth in value. The food service activity, mainly frozen, confirmed its dynamism over the whole year, with a growth in volume, reinforced in value by price increases.

More sensitive to the consumer environment, the fresh processed segment in retail also contributed to overall growth in value, with sales sustained by a good performance in fresh prepared activity, with growth in volume thanks to the success of innovations and favorable weather conditions, on the other hand, the fresh cut salads showed a sharper decline.

Non-Europe Zone

The revenue of the Non-Europe Zone, representing 37.3% of the business activity over FY, recorded a growth of +6.3% on reported figures and -5.8% on a like for like basis⁽¹⁾.

In North America, the downturn in the fresh processed segment remained marked in retail, due to an unfavorable market trend returning to pre-Covid levels, an agronomic crisis linked to a plant disease that affected the entire sector, and the residual impact of the previous year's loss of references; the price rises made necessary by cost increases did not offset the volume declines recorded. As in the Europe Zone, the dynamic remains encouraging in the food service activity, with growing markets and the conquest of new customers.

The reorganization of our sales teams, the overhaul of our commercial policy, the outcome of recent negotiations, the relaunch of our innovation policy and the stabilization of markets should enable us to achieve a recovery in sales volumes in the future.

In the Eurasia zone, the canned activity, which is predominant in this area and impacted by the geopolitical context, posted an overall decline in volume, with the Globus brand preserving the brand's significant market share in this region. The frozen activity, which is more marginal, posted for its part a significant decline. For safety reasons, the Russian frozen plant in Belgorod has been shut down for the 2023 harvest, with the processing activity being outsourced during this period.

The export activity of the group also suffered the consequences of the inflationary and geopolitical environment, with heightened competition in certain regions with limited purchasing power and major delivery constraints, while continuing to expand with the introduction of Bonduelle's range of frozen products in Israel.

Operating profitability

(In € million)	2022-2023	2021-2022	Variation Reported figures	Variation Like for like basis ⁽¹⁾
Revenue	2,406.2	2,202.6	+9.2%	+5,0%
Current operating profitability	65.9	52.8	+24.8%	+26,9%
Current operating margin rate	2.7%	2.4%	34 bps	59 bps

For fiscal year 2022-2023, the Bonduelle Group's current operating profitability stands at € 65.9 million at constant exchange rates compared to € 52.8 million for the previous fiscal year, i.e., a current operating margin of 2.7% on reported figures.

The Europe Zone posted a like for like⁽¹⁾ current operating margin of 4.7% with price increases making it possible to absorb the considerable increases in production costs.

The Non-Europe Zone saw its profitability recover over the fiscal year. The Eurasia region benefited from favorable exchange rates for the competitiveness of the products sold, with the fresh processed segment in North America seeing its negative profitability narrow under the effect of the competitiveness initiatives put in place and set to strengthen in 2023-2024.

After taking into account non-recurring items of € -11.7 million for the fiscal year, mainly related to the industrial reorganization costs for the fresh processed segment in North America, Bonduelle Group's operating income stood at € 54.1 million as reported compared to a loss of € -65.2 million for the previous fiscal year, where impairment of property, plant and equipment and intangible assets was recorded as a non-recurring item.

Net Result

Financial result amounted to € -31.3 million, compared to € -14.5 million at the end of the previous fiscal year. This rise is mainly due to the higher cost of debt as a result of the increase in interest rates in the currencies in which the Bonduelle Group finances its activity along with the nature of the instruments used, with the average financing rate rising from 1.61% to 4.01% and, lastly, an increase in working capital requirement on a like for like basis due to the impact of inflation on inventories.

Foreign exchange hedging transactions generated a loss of € -4.6 million, mainly due to changes in the Russian ruble, which is now ineligible for foreign exchange hedges and which is offset by the competitiveness gains mentioned above. Net income from associates was € 4.4 million corresponding to the share of income from Nortera Foods holding, now accounted for under the equity method, less impairments recorded on non-controlling interests in start-ups intended to reflect their market value.

The income tax expense amounted to € 18.5 million, compared to € 40.0 million the previous year, the effective tax rate (80.9%) being distorted by the non-capitalization of losses on fresh processed activities in North America.

After taking into account income from associates, financial result, tax expense and an earn-out of € 5.7 million related to the disposal of the long-life activity in North America the previous fiscal year, Bonduelle Group's net income for fiscal year 2022-2023 came to € 14.5 million, compared with € 35.4 million for the previous fiscal year, or 0.6% of revenue.

Financial situation

	June 30, 2021 Reported figures	June 30, 2021 Excl. IFRS 16 standards	June 30, 2022 Reported figures	June 30, 2022 Excl. IFRS 16 standards	June 30, 2023 Reported figures	June 30, 2023 Excl. IFRS 16 standards
Net debt (In € million)	716.0	631.0	362.9	267.9	436.1	356.7
Gearing ⁽²⁾	0.97	0.85	0.43	0.31	0.56	0.45
Leverage ratio ⁽³⁾	3.38	3.33	2.63	2.28	2.94	2.84

Net debt (excluding IFRS 16) at June 30, 2023 was € 356.7 million, compared with € 267.9 million at June 30 of the previous fiscal year. The ratio of debt to the group's shareholders' equity (gearing) remains limited to 0.45. The leverage ratio (net debt/REBITDA) amounted to 2.84 compared to 2.28 the previous fiscal year.

Other significant information

Adaptation of the American industrial set up

In February 2023, the Bonduelle Group announced the adaptation of the industrial structure of its activity on the East Coast of the United States in order to improve its competitiveness in the fresh processed market in the United States and to refocus its activity on its valued segment. Thus, the manufacturing activities in Florence (New Jersey) are currently being transferred to the Swedesboro site (New Jersey). This operation aims at optimizing the production of all products for customers nationally, while achieving gains in efficiency and coverage of fixed costs.

At the closing date, the project was underway, with completion scheduled for the first half of the fiscal year 2023-2024.

The net impact of this reorganization has been recorded in the fiscal year 2022-2023 under non-recurring items (€ 10.1 million).

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.

First B Corp™ certifications awarded

In 2018, the Bonduelle Group announced its ambition to become a certified B Corp company by 2025. This ambition involves each of its entities obtaining their certification one by one. FY 2022-2023 marks a major milestone with the certification of Bonduelle in Italy and Bonduelle Fresh Americas in the United States, together accounting for a third of group revenue. The two Bonduelle Group entities are the first to meet B Lab's demanding social and environmental impact standards. They join the growing community of B Corp-certified companies, working collectively to make the global economy more respectful of the planet, inclusive and equitable every day.

These two certifications illustrate the Bonduelle Group's determination to place a positive impact at the heart of its business model, formalized from 2020 through a roadmap called the B!Pact and built around 3 pillars: food, planet and people. The B Corp certification process accelerates the commitment and mobilization of all the company's activities around the group's positive impact programs.

Governance evolution

Following the announcement of Guillaume Debrosse' departure in May 2023, the group announced the appointment of Xavier Unkovic as Chief Executive Officer. The appointment took effect on June 1, 2023.

Xavier Unkovic held positions in finance, sales, marketing and executive management in the United-States for 23 years, within the Mars Group and then with Amy's Kitchen, a B Corp-certified californian company that markets a range of organic prepared meals, which he turned around and developed. Since 2021, Xavier Unkovic has been the CEO of the french company NAOS, a major player in skin care and health under the brands Bioderma, Institut Esthederm and Etat Pur.

Outlook

Given a difficult consumer environment, the Bonduelle Group is targeting revenue growth of around 5% - i.e. estimated revenue for 2023-2024 of € 2,530 million - and an operating margin exceeding 3% - i.e. current operating profitability of around € 75 to 80 million - both at constant exchange rates, fueled by the confirmed recovery in business in North America, and strict management of overheads, despite still significant inflation and a change in currencies adversely impacting production costs.

Financial notice - September 29, 2023 - 6pm

⁽¹⁾ 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.

⁽²⁾ net financial debt / equity

⁽³⁾ net financial debt / recurring EBITDA

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

Next financial events:

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| - 2023-2024 1 st Quarter Revenue: | November 7, 2023 (after market closing) |
| - Annual Shareholder's Meeting: | December 7, 2023 |
| - 2023-2024 1 st Half Year Revenue: | February 1, 2024 (after market closing) |
| - 2023-2024 1 st Half Year Results: | February 29, 2024 (after market closing) |
| - Analysts and investors meeting: | March 1, 2024 |

**Find all annual results
and the schedule of financial publications on www.bonduelle.com**

About the Bonduelle Group

We want to inspire the transition toward a plant-rich diet, to contribute to people's well-being and planet health. We are a French family business with 11,038 employees and we have been innovating with our farming partners since 1853. Our products are cultivated on 68,300 acres and marketed in 100 countries, with a revenue of € 2,406.2 million (data as of June 30, 2023)

Our 4 brands are:



BON

LISTED

EURONEXT

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 employees shareholder index (I.A.S.)

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

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