

## H1 2022-2023 results

### Performance in line with expectations

**Interim results that reflect the traditional seasonal nature of the business**

**Strong growth expected at the year-end driven by spring sales of potting soils and continued growth in China**

**Ramp-up of BIVIS rentals with 4 new facilities in the UK and first contract signed in the US**

**Saint-Mars-du-Désert, 27 April 2023:** Florentaise (FR001400GO75, ALFLO), a pioneer in low-carbon potting soils, is today releasing its consolidated 2022/2023 interim financial statements for the period ended 31 December 2022, as approved by the Board of Directors' meeting of 27 April 2023.

*These interim consolidated financial statements were prepared in accordance with the financial statements presented as part of the public offering and listing of Florentaise's shares for trading on the Euronext Growth® Paris market on 12 April 2023. This is the first time the Company has produced consolidated interim financial statements and therefore there is no previous half-year comparison base for the income statement. The pro forma interim income statement was prepared on the basis of the inclusion in the consolidation scope at 1 July 2022 of all companies acquired as at 31 December 2022 as part of the spin-off of the potting soils activity, namely Granofibre, Floreasy India, Fulan 2 and Fulan 3. This spin-off was part of a restructuring operation within the Floreasy Group, the parent company of Florentaise, with the aim of simplifying the legal structure of the listed entity and aligning the capital structure of the potting soils business with its operational scope.*

### **Pro forma revenue driven by dynamic potting soil sales in France and China**

The Company has traditionally experienced a strong seasonal effect due to the fact that gardening activities tend to ramp up in spring, resulting in significantly lower revenue for it during the first half of the financial year versus the second half of the year, historically representing only 20% to 30% of annual revenue.

€m <sup>(1)</sup>	Consolidated over 6 months (at 31/12/2022)	Pro forma 6 months (at 31/12/2022)	Pro forma 12 months 2021/2022 (at 30/06/2022)
Potting soils business	12.5	15.8	55.7
Bivis businesses <sup>(2)</sup>	1.1	1.1	1.8
<b>Revenue</b>	<b>13.6</b>	<b>16.9</b>	<b>57.5</b>
<b>Other operating income</b>	<b>4</b>	<b>4</b>	<b>0.4</b>
- O/w Bivis royalties	0.18	0.18	0.14

(1) Data as at 31/12/2022 unaudited, data as at 30/06/2022 audited

(2) Bivis activity includes rents and maintenance invoiced to customers

Consolidated revenue for the first half of the year (period ending 31 December 2022) came to €13.6 million. On a pro forma basis, after the spin-off of all of the potting soil activities at 31 December 2022, revenue came to €16.9 million, benefiting from the volumes of potted soil and finished products sold both in France and China, with a significant contribution from the Fulan 2 and Fulan 3 sites.

The contribution of the Bivis business in terms of revenue growth at 31 December 2022 was modest given the machines currently being installed, which are not yet generating additional revenue.

Other operating income, including in particular royalties on the know-how related to the Bivis machines provided, and included in Florentaise's historical scope of consolidation, amounted to €4 million over the period. All Bivis revenues (activity + royalties) amounted to nearly €1.3 million, in line with the development plan.

**In France**, growth momentum was driven by both mass consumers and professional customers.

- In the mass consumer segment, renewed access to leading distribution networks enabled the Group to benefit from a broader market reach. The first sales of Algoflash potting soils started in December 2022.
- In the professional segment (market gardening, horticulture & nurseries, mushrooms and green spaces), demand for potting soils remained strong. Growth in horticulture in France and in urban markets continued to drive double-digit growth in this activity.

**In China**, sales continued to grow, the Group having registered average annual growth of more than 85% per year since 2020. As Fulan 2 and Fulan 3 were included in the consolidation scope from their acquisition date of 31 December 2022, they have no impact on the consolidated revenue for this half-year period.

## Results in line with the usual seasonal effects on business

€m <sup>(1)</sup>	Consolidated over 6 months (at 31/12/2022)	Pro forma 6 months (at 31/12/2022)	Pro forma 12 months 2021/2022 (at 30/06/2022)
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<b>Revenue</b>	<b>13.6</b>	<b>16.9</b>	<b>57.5</b>
<b>Other operating income</b>	<b>4</b>	<b>4</b>	<b>0.4</b>
<b>Operating expenses</b>	<b>18.4</b>	<b>21.7</b>	<b>-56</b>
Operating income after adjustments <sup>(2)</sup>	(2.9)	(3.1)	2.8
<i>Operating margin</i>	<i>ns</i>	<i>ns</i>	4.90%
<b>Net income/(loss)</b>	<b>(1.5)</b>	<b>(1.8)</b>	<b>0.9</b>

(1) Data as at 31/12/2022 unaudited, data as at 30/06/2022 audited

Operating expenses remained stable over the first half of the year, in line with the seasonal nature of the business, which requires management and preparation for a significant ramp-up of sales in the second half.

Mainly comprising purchases, these expenses were effectively controlled, despite the impact of higher energy costs, transport costs (fuel prices) and inflation. The Group put a lot of effort into optimising logistics flows during the first half of the year.

After adjustments, operating income at 31 December 2022 fell by €2.9 million on a consolidated basis and by €3.1 million on a pro forma basis. The seasonal nature of the business meant there was less absorption of fixed costs, which are spread over the full year, with operating income traditionally lower in the first half of the year compared to the second half of the year.

After taking into account financial income and non-recurring income, the consolidated entities of Florentaise made a net loss of €1.5 million on a consolidated basis and €1.8 million on a pro forma basis.

All of these results are completely in line with the company's development plan.

## Financial situation strengthened by the recent IPO on Euronext Growth® Paris

At 31 December 2022, the Company had consolidated shareholders' equity of €14.4 million compared with €16.0 million in the consolidated opening balance sheet at 1 July 2022. Consolidated gross financial debt stood at €63.8 million at 31 December 2022 versus €38.0 million at 1 July 2022. This debt includes all amounts due to credit institutions, leasing related to the financing of the Bivis equipment and the parent company current accounts of €19.3 million, of which €12 million was converted into capital as part of the IPO.

Net cash amounted to €1.3 million at 31 December 2022 but did not include the net proceeds from the capital raising of €4.7 million, excluding the offsetting of receivables as part of the IPO carried out last April on Euronext Growth.

€m Unaudited data	Consolidated over 6 months (at 31/12/2022)	Consolidated over 12 months (opening balance sheet at 01/07/2022)
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Cash on hand	1.3	1.9
Shareholders' equity	14.4	16.0
Borrowings and financial liabilities	63.8	38.0
Balance sheet total	95.6	71.3

## Installation of 4 Bivis production lines in the United Kingdom and first installation in the United States

A major area of development for Florentaise in Europe and the United States, the Bivis activity continued to grow. Based on proven technology, the Company recently installed four new Bivis production lines in the UK for a period of 12.5 years. Three more Bivis production lines for the same customer will be installed in the UK by 30 June 2023, with rental beginning on 1 July 2023 also for a duration of 12.5 years.

The Company has also finalised the signature of a contract for the establishment of a Bivis production line in the United States, which is expected to be installed by the end of 2023. This first commercial operation in North America illustrates the quality of the Company's positioning and offering, in terms of its ability to speed up the adoption by multiple international players of low-carbon potting soils.

## Reminder of objectives: Revenue of €120 million in 2027, with an operating margin of around 20%

As announced during the IPO, the Company expects to generate pro forma revenue of more than €65 million for the current financial year, which closes on 30 June 2023, representing growth of around 13% on the previous financial year (€57.5 million).

By 2027 therefore Florentaise expects to generate consolidated revenue of €120 million (80% from potting soils and 20% from Bivis rentals). The execution of this roadmap should be accompanied by an improvement in profitability, driven by the rollout of the Bivis model offering higher margins and the development of the potting soils business in China, which has a lighter cost structure. As such, the Company plans to increase its operating income to more than 20% of revenue in 2027.

*The entire interim financial report is available under the "Documentation" section of the company's website at: <https://investir.florentaise.fr/>*

### Next event:

Publication of Q3 2022/2023 revenue

11 May 2023 after market close

A propos de Florentaise (<https://www.florentaise.com/fr>)

Florentaise, pionnier des terreaux bas carbone, est une ETI détenue par un actionnariat majoritairement familial. Créé en 1973, le Groupe emploie 245 collaborateurs et a réalisé un chiffre d'affaires pro forma de 57,5 millions d'euros au 30 juin 2022. Le catalogue de produits de Florentaise se compose de plus de 600 références produites à la fois en marque propre ou marques de distributeurs, et disponibles au sein des plus grandes enseignes telles que Truffaut, Botanic, Aldi, LIDL ou Intermarché. En France, Florentaise vend près d'un sac de terreau sur cinq auprès du Grand public et couvre 12% du marché des professionnels (horticulteurs, paysagers ou pépiniéristes). Florentaise est aujourd'hui le N°1 français des terreaux et supports éco innovants avec des ambitions fortes à l'International. Au 30 juin 2022, 77% des matières premières utilisées pour la production des terreaux ne contenaient pas de tourbe. Ses solutions brevetées Hortifibre® et Turbofibre® émettent 20 à 50 x moins de CO2 que la tourbe avec des performances agronomiques équivalentes. Présent à l'International dans 6 pays dont la Chine, le Groupe a l'ambition de franchir le cap des 120 millions d'euros de chiffre d'affaires consolidé en 2027 avec un taux de marge d'exploitation de l'ordre de 20% (contre 4,9% au 30 juin 2022).

**Retrouvez toute l'information financière de Florentaise sur :**

**<https://investir.florentaise.fr/>**

**Nous sommes également disponibles par téléphone :**

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