

## Press release

Olivet, 10 December 2021

### SHAREHOLDERS' MEETINGS AND ANNUAL RESULTS

On 9 December 2021, the Board of Directors laid the accounts for the financial year to 30 June 2021 before the Shareholders' meeting.

**Despite the difficult situation in 2020-2021, Axereal cooperative group maintained its operational performance and continued on its strategic path focusing on the agricultural and nutrition transition.**

**Jean-François Loiseau, Axereal Chairman, said:** "The 2020-2021 season will stand out as a particularly difficult one, with historically low harvest volumes and markets still reeling from the Covid-19 crisis. Against this backdrop, the strategic shift in our agricultural businesses that we began a year ago has really come into its own by providing us with more agility and more synergies. At Axereal, the agricultural and nutrition transition is no longer a goal, it is a reality. The value it is creating is visible at all levels, on the farms, in the progress made in our manufacturing operations and with our customers, creating safe, secure production for high-quality food. At the same time as focusing on this objective, we are guiding our operations towards the most promising markets to add value to our members' production. Over the last 12 months, we have spent a total of 3,500 days talking to our farmers and making plans with them to ensure that together, we make this ambitious transformation a success. It is through dialogue and empathy that we will build our future."

#### Keeping our sights set on sustainable performance

In our French agriculture division, the 2020 harvest dipped to a notable low with 3.2 million tonnes originated, a fall in yield of 20% compared to the previous year, consistent with the general situation in the country.

We are nevertheless **maintaining our target of selling a million tonnes of grain under channels in 2022**. A total of 620,000 tonnes are now destined for these channels this year, **an increase of 14%** on the previous year.

Thanks to the **synergies achieved between our various operations and the ramp-up of our digitalisation projects** we have already seen our businesses gain in competitiveness, with the development of e-commerce solutions for use by members (traffic on our platform is up 34% month-on-month), increased market share, in particular in the malting division, agility within logistics, etc.

**Progress towards decarbonising our channels** is already measurable: a target of 200,000 tonnes of low-carbon crops across all species for the 2022 harvest, the creation of a network of farmers pioneering working methods and soil health at farm level in France and progress towards making our processing sites energy self-sufficient, with for example the commissioning of a solar thermal power plant at Issoudun, our original malting plant.

#### Turnover: €3,128M, up 3% on the previous year

This progress was mainly due to the increase in malt sales volumes, with excellent sales performance achieved during the year against the backdrop of a shrink in the malt market due to the various

lockdowns worldwide. Sales volumes in the year to 30 June 2021 stood at 2,649kT and accounted for 43% of Group turnover.

The Agriculture & Processing Channels division contributed 57% of Group turnover.

### **EBITDA: €165M, up 19%**

In Agriculture and Processing Channels, the first actions in our transformation plan are showing results, putting us in a position to prepare for the future. The restructure plan has been implemented on time, and will generate savings from 2021. Our repositioned commercial strategy for agriculture has been welcomed by the farmers involved.

In Malting, we have now completed our first full year since we took over the Cargill Malt business. The projects launched to capitalise on synergies and optimise costs have generated results in excess of our expectations. Key initiatives have included, for example, rolling out a new information system, and starting up production at our Ethiopia plant.

The year was nevertheless affected by the pandemic. The impacts of the health crisis, estimated at 150,000 tonnes at 30 June 2021, were mainly volume losses due to a depressed malt market resulting from the lockdowns put in place in many countries.

In addition, our agricultural division has seen origination dip to a record low, down more than a million tonnes.

**Paul-Yves L'Anthoën, Axereal CEO**, said: “We have put in place a major investment plan to support the transformation of our Group, and we have not strayed from it, despite the chaotic year. In 2020-2021, we invested €98m, a €13m increase on the previous year. We are continuing to support our agricultural sites, enabling them, for example, to keep pace with growth in our value-added channels. In malting, we have boosted production capacity in a number of locations, including Buckie in Scotland, Athy in Ireland and Cavan in Australia. Also during the year, we have successfully completed the operational integration of the malting plants that we recently acquired from Cargill. We are now in a strong position to service the brewing and distilling markets across the world. Last but certainly not least, the dedication shown by our staff has been exemplary and outstanding, and I would like to congratulate them for that. They have adapted to another unprecedented year and brought the business to high levels of performance in line with our customers’ expectations.”

### **Three new administrators for Axereal**

On 9 December 2021, three new administrators joined the cooperative’s Board of Directors. All three already sit on regional councils and were part of the first Axereal cohort to earn the “Cooperative Governance and Strategy” certificate at Paris-Dauphine University.

**Flavie Delattre** (27), has been managing a field crop farm at Férolles (Loiret) in the Seine Loire region since 2020, after working at this same farm from 2018.

**Thibault Lecomte** (37), has been managing a field crop farm at Soye-en-Septaine (Cher) in the Champagne Berrichonne region since 2015.

**Nicolas Chevrier** (43), has been managing a field crop farm at Céré-la-Ronde (Indre-et-Loire) in the Grand Ouest region since 2000.

Dominique Dhuy and Pierre Mellin, who had served as administrators since 1999 and 1996 respectively, left the Board. “We would like to thank Dominique Dhuy and Pierre Mellin for their many years of hard work. Through their vision and commitment, they have supported the cooperative in its

transition towards sustainable performance, with a focus on processing channels,” said Jean-François Loiseau, Axereal Chairman.

Images of the Shareholders’ meeting are available [HERE](#)

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**About Axereal**

Axereal is one of France’s foremost cereals cooperative groups, with locations in France and across the world. It specialises in growing and processing grain for the brewing, baking and livestock industries. Axereal has 11,000 cooperative members and 4,000 employees. It generates turnover of around €3 billion per year. As the leading originator of sustainably produced grain, Axereal helps bring high-quality food to the market and is actively involved in bringing about an agricultural and nutritional transition. Axereal operates in 18 countries (Argentina, Australia, Belgium, Bulgaria, Canada, Croatia, Ethiopia, France, Germany, Hungary, Ireland, the Netherlands, Romania, Serbia, Slovakia, Spain, the UK and the USA).

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