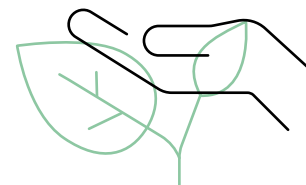


Paris, 16 February 2023

# H1 2022-2023

## revenue



- **First financial publication** for the **TERACT** company, which combines 2MX Organic with Invivo Retail, the former distribution business of Invivo Group
- **Excellent momentum over the half year** thanks in particular to two transforming acquisitions in the **Food Retail** segment: **Grand Marché La Marnière** and **Boulangerie Louise**, the stock market listing of TERACT and the integration of all InVivo Retail businesses into TERACT
- Reported consolidated revenue of **€335.8 million** with resilient sales growth of +0.6% compared to H1 2021-2022 and like-for-like growth of **+14.0%** compared to **pre-pandemic** levels
  - Excellent **E-commerce** performance with double-digit growth
- **Confirmation of financial guidance** thanks to **cost** management and **offer** adaptation efforts

Consolidated revenue in €m <sup>1</sup>	H1 2022-2023	H1 2021-2022	Change		
			Vs H1 2021-2022		Vs H1 2019-2020
			Reported	Like-for-like <sup>2</sup>	Like-for-like <sup>2</sup>
Garden Centre/Pet Retail	314.4	324.2	-3.0%	-3.6%	14.0%
Food Retail	21.3	9.5 <sup>3</sup>	125.4%	NC	NC
<b>Group</b>	<b>335.8</b>	<b>333.7</b>	<b>0.6%</b>	<b>NC</b>	<b>NC</b>

TERACT's financial year ends on 30 June, with H1 beginning on 1 July and ending on 31 December.

**Moez-Alexandre Zouari**, CEO of TERACT, stated: "Against a backdrop of high inflationary tension and pressure on purchasing power TERACT has, in just one-half year, achieved: a successful listing on Euronext, grouped together InVivo Group retail's businesses under its banner and completed major and transforming acquisitions. In a short period of time, we have integrated two companies 2MX Organic and InVivo Retail to form a unique retail player, which is closer to our customers and their expectations. Its backing by to the first agricultural cooperative in France - and number 2 in Europe - allows in particular a vertical management of offer and supply which directly connects the producer to the consumer. Our model, which is also based on responsible and disciplined pricing and cost has enabled us to reduce our

<sup>1</sup> Unaudited

<sup>2</sup> Constant scope restating all changes in the scope of consolidation

<sup>3</sup> On 1 June 2022, InVivo Retail acquired the Bio & Co food stores previously owned by Food & Tech, a division of the InVivo Group

*electricity consumption between September and December 2022 in the Garden Centre/Pet Retail business by 30% with no significant price increases as at end-2022. Our Garden Centre/Pet Retail business is up sharply from pre-pandemic levels in H1. Our Food Retail business continues to expand with the successive acquisitions of Grand Marché la Marnière and Boulangerie Louise, the third largest bakery chain in France which is also well-established in the snacking market. The strength of our teams, coupled with the power of our network and brands and our direct link with agricultural producers make TERACT a player with a unique retail model that will continue to grow despite the tense macro-economic context."*

### Analysis of H1 2022-2023 sales

Consolidated revenue for the **Garden Centre/Pet Retail** business, which includes the Jardiland, Gammvert (and Frais d'ICI range), Delbard, Jardineries du Terroir and Noa banners, amounted to **€314.4 million** in H1 2022-2023, down -3.0% on a reported basis compared with H1 2021-2022. Like-for-like sales were down -3.6%. This performance is in line with the market<sup>4</sup>, although it improved sequentially over the half year, with summer 2022 particularly impacted by extreme weather conditions. Growth compared to the pre-pandemic level was particularly high at **+14.0%**, reflecting the strength of a sector that is structurally buoyant due to its size (€14 billion<sup>5</sup>) and its underlying trends (increasingly hybrid lifestyles, choice of a return to nature and the home). This was confirmed by the success of certain categories such as houseplants, vegetables and aromatic herbs, pet food and fruit trees.

In this inflationary environment with constraints on purchasing power, TERACT has chosen to accelerate the development of its **exclusive and innovative brands** ECLOZ, INVIVO Nous on sème, PURE FAMILY, and les SENS DU TERROIR with the launch of 1,340 new references since January 2022. This has improved the penetration rate of own brands (+4.70 pts to 18% of sales at the integrated stores). This trend will gather pace in 2023 with the planned rollout of 2,200 new SKUs, enabling the Group to propose to customers a unique and differentiating offering in terms of quality and price.

The **e-commerce** websites (Gammvert.fr and Jardiland.com) each recorded double-digit growth over the first half of the year, driven in particular by the sale of plants and bulk products (garden sheds, greenhouses and especially water harvesters). As the **French leader in Garden centres**, TERACT has positioned itself as a key player in the ongoing digitalization of the sector. It has launched its omnichannel revolution plan, with two objectives. The first objective is to put the store back at the heart of digital sales, by introducing technologies that will enable it to better address new purchasing habits, with a business model that favours the redistribution of e-commerce site revenue to the point of sale concerned. The second objective is to provide access to an extended offer through the accelerated development of the

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<sup>4</sup> At the end of November 2022, the Garden market was down -8% on a cumulative basis since January compared to 2021 according to the inter-professional association Promojardin/Prom'animal (*Note de conjoncture du marché du jardin* - published in January 2023)

<sup>5</sup> Xerfi study (published in October 2022) on the Garden market (estimated market of €8.5 billion at end-2022) and Prom'animal's 2021 Annual Report (*Panorama des marchés 2021*) on the Pet market (€5.4 billion at end-2021)

marketplace. The first phase of this plan was implemented with the launch of the new Jardiland.com website on 4 January 2023.

To continue optimizing the seasonality of its model, TERACT has accelerated its strategy of **developing** its **new food activities** through the successive acquisitions at the end of H1 2022 of three Grand Marché La Marnière stores in the Paris region and the Boulangerie Louise chain, the third largest network of bakeries in France. The contribution from these transforming transactions, which took place in last December and were consolidated for one month only, as well as the sales of the seven Bio&Co stores, consolidated over six months, bring the **Food Retail** division's consolidated sales to **€21.3 million** in H1 2022-2023.

TERACT is thus deploying its strategy of promoting short circuits and its brands while benefiting from exclusive access to the cooperatives.

The **Bio&Co** store offering has been reworked during the half year to better reflect the new preferences of customers in favour of more local organic products.

The integration of recently acquired food stores is continuing at a steady pace in 2023. The three **Grand Marché La Marnière** stores are the first milestone in a strategy that will enable TERACT to deploy its new market Food concept. Refocused on the product and the customer through a particularly well-thought-out offer and a high level of service, this concept will be based on privileged access to farmers thus allowing responsible and sustainable consumption.

Since its acquisition on 1 December 2022, initial work on **Boulangerie Louise**'s offer has resulted in historic revenue during the "Galette des Rois" operation during Epiphany week. This acquisition positions TERACT in a bakery market estimated at nearly €18 billion<sup>6</sup>, which has been growing steadily for the past 10 years and has now entered a phase of consolidation. It also provides TERACT with growth prospects in the vast and rapidly evolving snacking market.

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<sup>6</sup> Gira study, *The different Business Models of Bakery Chains in Europe, France: Country Report & Bakery Chain Profiles*, October 2021

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## Outlook

Against the backdrop of international inflationary pressures, which were particularly acute during the second half of 2022, and whose residual intensity has yet to be confirmed for 2023, TERACT is continuing to rebalance the seasonality of its model, to roll out its digital solutions, to make its offer increasingly innovative while it is backed by the powerful resources of InVivo group agricultural cooperatives as well as to develop its unique and differentiating brands. The efforts to achieve major cost savings, which were initiated in 2022 continue in 2023, by leveraging on the size and complementarity of its banners and store network. At the same time, TERACT will make its responsible commitment a long-term one by becoming a mission-led company (*société à mission*).

All things being equal, and in particular provided that the macroeconomic situation does not deteriorate further, FY 2022-2023 guidance (for the year ending 30 June 2023) of revenue of >€870 million, adjusted EBITDA<sup>7</sup> of around €105 million, capital expenditure excluding external growth of around 5% of revenue and Free Cash Flow<sup>8</sup> of some €60 million remain unchanged at present.

Moreover, in response to rumours in the press, TERACT published a press release on 1 February 2023. The Group confirmed that it has begun exploratory discussions with the Casino group that could lead to the combination of the two groups' distribution activities in France within a single entity controlled by Casino, and to the establishment of a newly created entity controlled by TERACT shareholders that would be responsible in particular for the supply of agricultural, local and short-cycle products. Discussions are at a preliminary stage and there can be no certainty that any transaction will be concluded.

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<sup>7</sup> Defined as current operating income plus the elimination of expenses (or income) related to depreciation/ amortization or impairment (or reversals of depreciation/amortization or impairment) of fixed assets

<sup>8</sup> Based on net cash flow from operating activities, plus disposals and deductions of property, plant and equipment and intangible assets and after the deduction of investments in property, plant and equipment and intangible assets

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## Appendix

### 1. H1 2022-2023 highlights

On **29 July 2022** TERACT announced the final completion of its **business combination** with InVivo Retail. InVivo Retail is a leading French player in the Garden Centre market and is also present in the growing Pet and Food Retail markets. InVivo Retail has developed a unique dedicated retail network in France, comprising 1,597 stores, 213 of which are directly owned. Through this transaction, TERACT will have the necessary financial resources, of just over €100 million, to implement the commercial expansion strategy based in particular on the development of “Grand Marché – Frais d’ici”. These financial resources are a combination of funds held by TERACT as part of its initial public offering and funds raised by the Group under a reserved capital increase subscribed by Bpifrance in the amount of €12 million.

On **14 November 2022**, TERACT announced the consolidation of its **Executive Committee** and its structure. Reporting directly to Moez-Alexandre Zouari, Chief Executive Officer of TERACT, Guillaume Darrasse was appointed Deputy Chief Executive Officer of TERACT, in charge of steering the company's activities. Jocelyn Olive also joined TERACT as Deputy Managing Director Food Retail. TERACT intends to organize its activities around two strategic businesses: Garden Centre/Pet Retail with the Jardiland, Gamm vert, Delbard, Jardineries du Terroir and Noa brands; and Food Retail with the Boulangerie Louise, Grand Marché La Marnière, Frais d’ici and Bio&Co brands. Beyond these well-known retail brands, TERACT is also developing product brands that are exclusive to its businesses network such as ECLOZ, INVIVO Nous on sème, PURE FAMILY and les SENS DU TERROIR.

On **30 November 2022**, the Group finalized the acquisition of **Grand Marché La Marnière**. Following approval by the French Competition Authority, TERACT finalized the acquisition from the Famille Zouari Family Office of 51% of the capital and voting rights of the New Retail Food Concept company, operating three food stores under the “Grand Marché La Marnière” brand, located in the Yvelines department (Paris Region) in Plaisir, Maurepas and La Queue-lez-Yvelines. With this acquisition, TERACT will accelerate the development of its food activities by deploying an authentic covered market concept, offering fresh quality products and favouring short and local circuits. The three food stores, which generated €42 million in revenue in 2021, will be fully consolidated from 1 December 2022.

On **1 December 2022**, TERACT finalized the acquisition of **Boulangerie Louise** after the signing of a strategic partnership with its founder on 6 September 2022. Following approval by the French Competition Authority, TERACT finalized the exclusive takeover of Boulangerie Louise. TERACT holds 74.56% of the capital, with its founder Laurent Menisnez retaining the remaining stake. Boulangerie Louise is the leading player in artisanal baking in the North and North-West of France. As the third-largest network in France, Boulangerie Louise has more than 1,500 employees in 129 artisan bakeries. Boulangerie Louise generated revenue of €88 million at the end of 2021 and was fully consolidated as of 1 December 2022. TERACT aims to make Boulangerie Louise the national leader in artisanal baking and has built an ambitious growth and consolidation plan as part of its strategy to create a sustainable sector. Boulangerie Louise will also play a key role in the development of a new food concept integrating artisanal bakeries.

## 2. Store network

	30 June 2022	Openings	Acquisitions	Closures/ Disposals	Transfers	Total change	31 Dec. 2022
<b>Garden Centre/Pet Retail</b>	<b>1,581</b>	<b>3</b>		<b>-4</b>	<b>1</b>		<b>1,581</b>
Jardiland	175			-1	2	1	176
Integrated stores	110				-3	-3	107
Franchises/Affiliates	65			-1	5	4	69
Gamm Vert (including Frais d'ici range)	1,158	3		-3			1,158
Integrated stores	98						98
Franchises/Affiliates	1,060	3		-3			1,060
Delbard and Jardineries du Terroir	245				-1	-1	244
Franchises/Affiliates	245				-1	-1	244
Noa	3						3
Integrated stores	3						3
<b>Food Retail</b>	<b>7</b>		<b>132</b>			<b>132</b>	<b>139</b>
Boulangerie Louise			129			129	129
Integrated stores			120			120	120
Franchises/Affiliates			9			9	9
Grand Marché la Marnière			3			3	3
Integrated stores			3			3	3
Bio&Co	7						7
Integrated stores	7						7
<b>Group</b>	<b>1,588</b>	<b>3</b>	<b>132</b>	<b>-4</b>	<b>1</b>	<b>132</b>	<b>1,720</b>

## 3. Revenue under banner

Estimated pre-tax revenue under banner in €m <sup>9</sup>	HI 2022-2023	HI 2021-2022	Change		
			Vs HI 2021-2022		Vs HI 2019-2020
			Reported	Like-for-like <sup>10</sup>	Like-for-like <sup>10</sup>
Garden Centre/Pet Retail	1,041.0	1,048.6	-0.7%	-1.0%	13.3%
Food Retail	21.3	9.5 <sup>11</sup>	125.4%	NC	NC
<b>Group</b>	<b>1,062.4</b>	<b>1,058.0</b>	<b>0.4%</b>	<b>NC</b>	<b>NC</b>

## 4. Post closing statement

In response to rumours in the press on 1 February 2023, TERACT confirmed on the same day that it has begun exploratory discussions with the Casino group that could lead to the combination of the two groups' distribution activities in France within a single entity controlled by Casino, and to the establishment of a newly created entity controlled by TERACT shareholders that would be responsible in particular for the supply of agricultural, local and short-cycle products. TERACT underlined those discussions are at a preliminary stage and there can be no certainty that any transaction will be concluded.

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<sup>9</sup> Unaudited.

<sup>10</sup> Constant scope restating all changes in the scope of consolidation. Excluding affiliates

<sup>11</sup> On 1 June 2022, InVivo Retail acquired the Bio & Co food stores previously owned by Food & Tech, a division of the InVivo Group

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**Disclaimer**

*This press release may contain forward-looking statements.*

*Forward-looking statements are defined as opposed to historical facts and include, but are not limited to, all expectations regarding:*

- *Future events such as trends, plans, expectations or objectives;*
- *Future business, such as the results, financial condition, performance or strategy of TERACT.*

*Forward-looking statements are based on the expectations and assumptions anticipated by TERACT's management as of the date of this release and are only valid as of the date they are made. Investors and/or shareholders of TERACT are warned not to place undue reliance on these forward-looking statements, which are, by their nature, subject to risks and uncertainties that may or may not be identified and are beyond the control of TERACT. These risks include, among others, those set forth in the "Risk Factors" section of the Prospectus registered with the Autorité des Marchés Financiers on 30 June 2022 under visa no. 22-248 and available at [www.teract.com](http://www.teract.com) (under the heading "Investors/Regulatory Information"). As a result, actual results or performance may differ materially from those expressed or implied by such forward-looking statements.*

*TERACT does not undertake any obligation to update such forward-looking statements, except as required by law and regulation. All forward-looking statements made by or on behalf of TERACT are qualified by this cautionary statement.*

**About TERACT**

TERACT combines, since 29 July 2022, the distribution activities of the InVivo Group (formerly InVivo Retail) and those of the former SPAC 2MX Organic.

TERACT is a major responsible distribution player in the garden centre and pet retail and food distribution growth markets. Our ambition is to create a unique network of brands combining tradition and modernity, agricultural know-how and innovation, in-store and digital experiences. TERACT addresses the demand for a new generation of consumption which is synonymous with quality, sustainability and traceability. TERACT regroups the Garden Centre/Pet Retail brands Jardiland, Gamm vert, Delbard, Jardineries du Terroir and Noa as well as the Food Retail brands Boulangerie Louise, Grand Marché La Marnière, Frais d'Ici and Bio&Co. TERACT's majority shareholder is InVivo, one of the leading agricultural and agri-food groups in Europe.

TERACT is listed on the professional segment of Euronext Paris (ticker code: TRACT, ISIN: FR001400BMH7). Further information is available at [www.teract.com](http://www.teract.com).

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