

Half Year Financial Report

Half year ended June 30, 2023

2023



ROBERTET
GROUPE



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Half year ended June 30, 2023

Consolidated financial statements

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STATEMENT OF INCOME FOR THE PERIOD

In thousands of euros	Note	30 June 22	31 Dec 22	30 June 23
Turnover	12	358 865	703 037	376 438
REVENUE FROM ORDINARY ACTIVITIES		358 865	703 037	376 438
Other operating income		1 656	4 664	3 129
Purchases consumed		-164 577	-329 682	-172 526
External expenses		-43 967	-92 500	-50 705
Personnel expenses		-73 880	-149 232	-78 212
Taxes and duties		-6 486	-7 918	-4 548
Depreciation, provisions and reversals	13	-12 155	-25 441	-12 318
Other operating expenses		-70	-1 018	-292
CURRENT OPERATING INCOME	12	59 386	101 910	60 966
Asset disposals		73	229	12
OPERATING INCOME		59 459	102 139	60 978
Income from cash and cash equivalents		235	764	1 100
Gross cost of financial debt		-657	-3 077	-4 127
Net financial cost	14	-422	-2 313	-3 027
Other financial income and expense	14	993	-466	-2 887
INCOME BEFORE TAX		60 029	99 360	55 064
Equity Accounting Share in Net Income		239	401	263
Current and deferred taxes	15	-14 783	-23 104	-15 137
INCOME FROM CONSOLIDATED COMPANIES		45 246	76 256	39 926
NET INCOME OF THE CONSOLIDATED GROUP		45 485	76 656	40 189
Income attributable to Non-Controlling Interests		424	636	254
Net income (Group share)	12	45 061	76 020	39 935
NET INCOME PER EXISTING SHARE (in euros)	20	19,49	36,41	19,13
DILUTED NET INCOME (in euros)	20	19,49	36,41	19,13

STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	Note	30 June 22	31 Dec 22	30 June 23
Net Income		45 485	76 656	40 189
Recyclable items		16 208	9 548	-3 827
Foreign exchange Gain/Loss Variations	SCSE ⁽¹⁾	16 208	8 665	-4 418
Interest rate swaps			1 191	797
Tax on rate swaps			-308	-206
Non-recyclable items		1 695	1 769	
Revaluation of Net Liability (Asset) of defined Benefit Plans	8	2 285	2 401	
Tax on revaluation of employee benefits		-590	-632	
Comprehensive Income	SCSE ⁽¹⁾	63 388	87 973	36 362
Share attributable to the shareholders of Robertet SA	SCSE ⁽¹⁾	62 964	87 343	36 108
Share Attributable to non-controlling interests	SCSE ⁽¹⁾	424	630	254

SCSE ⁽¹⁾ : Statement of Changes in Shareholders' Equity.



BALANCE SHEET

In thousands of euros	Note	31 Dec 22	30 June 23
NON-CURRENT ASSETS		316 209	328 328
Goodwill	3	61 608	63 628
Intangible assets	4	37 969	41 421
Property, plant and equipment	4	159 890	161 687
Rights of use	4	14 767	14 494
Financial assets	5	34 412	38 613
Investments in associates		3 337	3 449
Deferred taxes	15	4 226	5 035
CURRENT ASSETS		531 004	529 732
Inventory and work-in-progress	6	246 489	242 193
Trade receivables and related accounts	7	130 623	152 274
Other receivables and accruals	8	20 107	26 354
Current tax assets	8	5 732	1 880
Other current financial assets		12	28
Cash and cash equivalents	16	128 043	107 003
TOTAL ASSETS		847 214	858 059
SHAREHOLDERS' EQUITY		415 787	435 629
Capital		5 782	5 764
Share premium		61 945	61 945
Consolidated retained earnings		347 263	366 942
SHAREHOLDERS' EQUITY (GROUP SHARE)		414 990	434 651
MINORITY INTERESTS		798	979
NON-CURRENT LIABILITIES		270 602	267 125
Provisions - long-term portion	9	615	387
Employee benefits - non-current portion	9	9 589	10 208
Non-current borrowings	10.1	229 751	224 994
Rental liabilities - non-current portion	10.2	11 614	11 523
Deferred taxes	15	19 035	20 013
CURRENT LIABILITIES		160 824	155 305
Provisions - current portion	9	40	7
Employee benefits - current portion	9	1 101	1 298
Financial liabilities - current portion	10.1	52 301	45 176
Rental liability - current portion	10.2	4 203	4 027
Current tax liabilities		3 814	6 005
Suppliers		54 989	57 859
Other current liabilities	11	44 376	40 934
TOTAL EQUITY AND LIABILITIES		847 214	858 059

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Capital	Premiums	Consolidated reserves	Conversion reserve	Own shares	Equity, group share	Non-controlling interests	Total Equity
Total equity as of December 31, 2021	5 779	61 945	480 234	-2 223		545 734	168	545 902
Net income			45 061			45 061	424	45 485
Other comprehensive income			1 695	16 208		17 903		17 903
COMPREHENSIVE INCOME			46 756	16 208		62 964	424	63 388
Dividends paid			-18 502			-18 502		-18 502
Change in scope of consolidation			2 291			2 291		2 291
Allocation of free shares			847			847		847
Capital increase	3		-3					
Other changes			1 058			1 058		1 058
Total other change in equity	3		-14 309			-14 306		-14 306
Total shareholders' equity as of June 30, 2022	5 782	61 945	512 680	13 986		594 392	592	594 984
Total shareholders' equity as of December 31, 2022	5 781	61 945	548 441	2 871	-204 048	414 990	798	415 787
Net income			39 935			39 935	254	40 189
Other items of comprehensive income			591	-4 418		-3 827		-3 827
COMPREHENSIVE INCOME			40 526	-4 418		36 108	254	36 362
Dividends paid			-17 756			-17 756		-17 756
Transactions with Minority interests			-177			-177	-74	-250
Allocation of free shares			1 067			1 067		1 067
Capital reduction	-18				18			
Other changes			419			419		419
Total other changes in equity	-18		-16 447	0,00	18	-16 447	-74	-16 520
Total shareholders' equity as of June 30, 2023	5 764	61 945	572 520	-1 547	-204 030	434 651	979	435 629

CASH FLOW STATEMENT

In thousands of euros	Note	30 June 22	31 Dec 22	30 June 23
Consolidated net income	12	45 061	76 020	39 935
Non-Controlling interests		424	636	254
Elimination of Equity Method Net Income		-139	-301	-113
Depreciation of tangible and intangible assets	13	10 927	23 137	11 776
Net allocations to provisions		-328	-299	398
(Gain)/Loss on disposal of assets		-73	-229	-12
Non Cash Expenses and Revenues		847	1 697	1 501
Tax expenses (current and deferred)	15	14 784	23 104	15 137
Net Financial Interest cost		197	1 519	2 569
Hyperinflation Impact		683	1 435	638
Cash flow from operations before cost of net financial debt and taxes		72 383	126 720	72 084
Interest paid		-527	-2 711	-4 051
Interest received		339	1 454	1 557
Taxes paid		-19 031	-31 887	-10 322
Cash flow from operations after Net Financial Interest Cost and Tax		53 163	93 576	59 269
Change in inventory	6	-27 182	-48 406	631
Change in trade and other receivables	7	-33 980	-2 083	-26 686
Change in trade and other payables		-939	3 674	-456
Impact of Working Capital changes		-62 101	-46 815	-26 511
Net cash flow from operating activities		-8 938	46 762	32 758
Industrial investments and financial leases	4	-13 224	-22 761	-9 299
Financial investments net of divestments		-7 554	-19 554	-7 554
Asset disposals		281	1 654	4 318
Dividends received			105	
Acquisition of subsidiaries, net of cash acquired ⁽²⁾		-26 546	-26 700	-11 340
Net cash used in investing activities		-47 044	-67 256	-23 874
Dividends paid by the parent company	SCSE ⁽¹⁾	-18 502	-18 502	-17 756
Loan subscriptions		15 400	205 400	
Loan repayments		-13 254	-28 350	-12 650
Increase in other financial liabilities		16 845	18 859	1 944
Decrease in other financial liabilities		-15 718	-16 638	-582
Repurchase of treasury shares			-204 048	
Cash flow from financing activities		-15 229	-43 280	-29 044
Impact of exchange rate on cash and cash equivalents		1 738	-578	-798
Overall Cash Flow change		-69 473	-64 353	-20 958
Net cash and cash equivalents at the beginning of the period		186 777	186 777	122 423
Net cash and cash equivalents at the end of period	16	117 303	122 423	101 465

SCSE⁽¹⁾: Statement of Changes in Shareholders' Equity.

⁽²⁾ These include cash outflows linked to the acquisition of Aroma Esencial and the earn-out paid in connection with the acquisition of Omega Ingredients.

Half year ended June 30, 2023



Notes to the condensed consolidated
financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL INFORMATION, SIGNIFICANT EVENTS OF THE PERIOD AND POST-CLOSING EVENTS

General information

The Robertet Group's condensed consolidated financial statements for the first half of 2023 include Robertet and its subsidiaries. Robertet is a Group entirely focused on the design, manufacturing and marketing of aromatic products. Robertet is a company incorporated under French law, listed on the Paris Stock Exchange (Euronext compartment B), with its headquarters located at 37, avenue Sidi-Brahim, 06130 Grasse.

Robertet's condensed consolidated half year financial statements were approved by the Board of Directors on September 20, 2023.

Significant events of the period

Aroma Esencial, a company based in Girona, Spain, was fully consolidated for the first time. Holdings Limited was acquired on February 8, 2023 the entire share capital at a purchase price of €10 million, financed entirely by shareholders' equity.

The company specializes in the processing of natural products such as vetiver, patchouli, cedar, ylang-ylang and other strategic products for the aroma industry. It has significant expertise, top-of-the-range fractionation and molecular distillation facilities and a range of strategic products for the fine-Fragrance sector. The Robertet Group is proud to welcome Aroma Esencial and to continue producing high quality ingredients to better meet customer demand.

Revenue and profits from ordinary activities since the acquisition date amount to 1,759 thousand euros and €383 thousand respectively. The main assets and liabilities acquired are industrial and commercial items linked to the activity of this entity.

This consolidation led to the recognition of provisional goodwill of €2.2 million allocated to the Ingredients division, corresponding mainly to expected synergies from the company's technology and customer portfolio. In accordance with IFRS3, the provisional amounts recognized may be adjusted within the statutory allocation period.

The parent company, Robertet SA, is currently undergoing a fiscal audit for the 2020 and 2021 fiscal years. This audit is still in progress at the date of publication of the 2023 interim financial statements.

Post-closing events

No significant events that could alter the financial information presented have occurred between the closing date of the Accounts on June 30, 2023 and the date of the Board of Directors' meeting which approved these financial statements, September 20, 2023, that would be likely to affect the financial information presented.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis for preparing the accounts

The Robertet Group's consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union.

The condensed consolidated financial statements at June 30, 2023 have been prepared in accordance with the provisions of IAS 34 on interim financial reporting. In accordance with this standard, only selected explanatory notes are included in these condensed financial statements. These notes should be completed in conjunction with the consolidated financial statements for the fiscal year ended December 31, 2022. The accounting policies are identical to those applied for the consolidated financial statements for the year ended December 31, 2022.

The Group has not anticipated any standards or interpretations whose application is not mandatory in 2023.

In presenting the condensed interim consolidated financial statements for the six months ended June 30, 2023, the Group has applied all the standards and interpretations that have come into force at European level, applicable to fiscal years beginning on or after January 1st 2022.

These new standards and interpretations are as follows:

STANDARDS AND INTERPRETATIONS WITH MANDATORY APPLICATION FROM JANUARY 1, 2023

- IFRS 17 – Insurance contracts including amendments published on June 25, 2020
- Amendments to IAS 1 and its Practice Statement 2 "Materiality - Improve disclosures of accounting policies in the notes to the financial statements, particularly with regard to the concept of materiality,

- Amendments to IAS 8 - Clarifying the boundary between changes in estimates and changes in methods
- Amendment to IAS 12 - Deferred taxes on assets and liabilities arising from a single transaction
- Amendments to IFRS 17 - First-time adoption of IFRS 17 and IFRS 9 - Comparative information

These new regulations had no significant impact on our financial statements.

STANDARDS AND INTERPRETATIONS NOT YET ADOPTED BY THE EUROPEAN UNION

- Amendments to IAS 1 - Classification of liabilities as current or non-current (including October 31, 2022 amendments)
- Amendments to IFRS 16 - Lease liabilities related to sale and leaseback (published on 22/09/2022)
- Amendments to IAS 7 and IFRS 7 - Vendor Financing Arrangements (publication May 25, 2023)

The Group has chosen not to apply these standards and interpretations early, but has begun to analyze the consequences of their application. The Group will apply these standards in its financial statements as soon as they are adopted by the European Union.

Use of estimates

The preparation of financial statements in accordance with the conceptual framework of IFRS requires the use of estimates and assumptions that affect the amounts reported in the financial statements. The main items concerned by the use of estimates and assumptions are the valuation methods used to identify and measure intangible assets in business combinations, the impairment of non-financial assets, employee benefits, provisions for contingencies, impairment of inventories and receivables, and the determination of lease terms and payments included in the lease liability for leased assets.

These estimates are based on the best information available to management at the balance sheet date. Changes in estimates and assumptions could have an impact on the amounts recognized in the financial statements.

Consolidation methods

In accordance with IFRS10-Consolidated Financial Statements, the consolidated financial statements include (i) the financial statements of all entities that Robertet directly or indirectly controls, irrespective of its level of equity interest in these entities, and (ii) associates or entities over which Robertet exercises significant influence.

Subsidiaries (controlled companies) are consolidated.

Shares in companies that do not meet these criteria are recorded as equity investments.

Reciprocal receivables, payables, income and expenses are eliminated in full for consolidated companies, as are intra-Group profits (dividends, capital gains, margins on inventories, etc.).

All companies have been consolidated on the basis of financial statements as of June 30, 2023.

The financial statements of foreign companies whose functional currency is not the euro are translated into euros at the year-end exchange rate, and their income statements and cash flows at the average exchange rate for the fiscal year. The resulting translation difference is recorded in other comprehensive income under "Translation reserves" in "Consolidated reserves".



Argentina and Turkey are considered hyperinflationary economies under IAS 29 - Financial Reporting in Hyperinflationary Economies since 2018 and 2022 respectively. In application of this standard :

- non-monetary balance sheet items are restated using a general price index;
- income statement and statement of comprehensive income items in local currency are restated by applying the change in the general price index as from the initial recording of income and expense items in the financial statements;
- the balance sheet, income statement and statement of comprehensive income are translated into euros at the period-end exchange rate;
- the restatement of reserves to reflect the indexation of equity items in Argentina and Turkey are presented as changes in translation differences in the statement of comprehensive income, and as translation adjustments in the statement of changes in consolidated shareholders' equity.

The risks identified within the Robertet Group are identical to those described in the consolidated financial statements for the fiscal year ending December 31, 2022.

Description of the main risks and unknowns for the remaining six months

The risk factors relating to the Group's business sector, human resources, financial and environmental risks are of the same nature as those set out in the 2022 Annual Report (management report) and have not changed significantly over the first half of 2023.

Main related-party transactions

Information on related parties is provided in note 18, which presents the main developments during the half year.

NOTE 3 - GOODWILL

Goodwill on assets breaks down as follows:

In thousands of euros	31 Dec 22	30 June 23
Flavors Division		
Gross value	19 422	19 422
Depreciation		
Net value	19 422	19 422
Fragrance Division		
Gross value	17 808	17 808
Depreciation		
Net value	17 808	17 808
Raw Materials Division		
Gross value	24 377	26 398
Depreciation		
Net value	24 377	26 398
Total net value	61 608	63 628

Changes in net values can be analyzed as follows:

In thousands of euros	31 Dec 2022	30 June 23
Net book value at the beginning of the period	50 048	61 608
Acquisitions ⁽¹⁾	11 543	2 201
Change in consolidation method		
Conversion differences	17	-181
Total	61 608	63 628

⁽¹⁾ This concerns provisional goodwill relating to the acquisition of Aroma Esencial, which will be fully consolidated in the first half of 2023. This provisional goodwill is allocated to the Ingredients CGU in line with the company's activity.

Provisional goodwill has been calculated as follows (in thousands of euros), as these values may be adjusted in the twelve months following the acquisition:

Price paid for 100% stake in Aroma Esencial	10 048
Aroma Esencial cash and cash equivalents at acquisition date	73
Price paid for 100% stake in Aroma Esencial net of cash acquired	9 974
Identifiable assets acquired	
Intangible assets	4 044
Property, plant and equipment	3 631
Long-term investments	2
Inventory and work in progress	857
Accounts receivable	629
Other receivables	276
Liabilities assumed	
Financial liabilities	245
Trade payables	1
Other liabilities	202
Deferred taxes	1 210
Fair value of net assets acquired	7 781
Goodwill	2 195

Analysis of goodwill showed no indication of depreciation as of June 30, 2023.

NOTE 4 - INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND RIGHTS OF USE

1 - Intangible assets

Intangible assets (in thousands of euros)	Value at Dec 31, 21	Conversion differences	Acquisitions	Terminations	Other movements	Change in scope	Value at June 30, 22
Gross value	26 020	828	599	-9			27 438
	Value at Dec 31, 21	Conversion differences	Allocations	Reversals	Other movements	Change in scope	Value at June 30, 22
Depreciation	6 630	143	676	-6			7 443
NET VALUE	19 390						19 995

Intangible assets (in thousands of euros)	Value at Dec 31, 22	Conversion differences	Acquisitions	Terminations	Other movements	Change in scope	Value at June 30, 22
Gross value	44 058	623	166	-6		4 046	48 888
	Value at Dec 31, 22	Conversion differences	Allocations	Reversals	Other movements	Change in scope	Value at June 30, 23
Depreciation	6 089	106	1 272	-2		3	7 467
NET VALUE	37 969						41 421

2 - Property, plant and equipment

Fixed assets (in thousands of euros)	Value at Dec 31, 21	Conversion differences	Acquisitions	Terminations	Other movements	Change in scope	Value at June 30, 22
Land and improvements	28 906	681	7		55		29 649
Buildings	172 892	5 934	1 703		-512	1 099	181 116
Technical installations	169 766	5 405	3 342	-70	1 898		180 341
Other fixed assets	21 529	359	649	-87	-761	635	22 324
Assets under construction	11 212	245	3 132		-513	97	14 173
TOTAL	404 305	12 624	8 833	-157	167	1 831	427 603
Depreciation (in thousands of euros)	Value at Dec 31, 21	Conversion differences	Allocations	Reversals	Other movements	Change in scope	Value at June 30, 22
Land and improvements	3 848	7	79				3 934
Buildings	87 140	2 912	3 289		119		93 460
Technical installations	141 189	4 395	4 181	-58	104		149 811
Other fixed assets	17 717	203	642	-74	-231		18 257
TOTAL	249 894	7 517	8 191	-132	-8		265 462
NET VALUE	154 411						162 141

Fixed assets (in thousands of euros)	Value at Dec 31, 22	Conversion differences	Acquisitions	Terminations	Other movements	Change in scope	Value at June 30, 23
Land and improvements	29 460	-76			153	263	29 800
Buildings	183 379	-905	580	-47	4 060	965	188 032
Technical installations	182 839	-1 602	2 641	-730	1 061	2 203	186 412
Other fixed assets	19 191	-3	437	-68	222	65	19 844
Assets under construction	11 386	20	3 143		-4 409	130	10 270
Assets held for sale							
TOTAL	426 255	-2 566	6 801	-845	1 087	3 626	434 358
Depreciation (in thousands of euros)	Value at Dec 31, 22	Conversion differences	Allocations	Reversals	Other movements	Change in scope	Value at June 30, 23
Land and improvements	3 988	-23	63		3		4 031
Buildings	95 945	-602	3 026	-21	-1 562		96 786
Technical installations	151 609	-1 131	4 443	-720	2 089		156 290
Other fixed assets	14 823	-31	719	-54	107		15 564
TOTAL	266 365	-1 787	8 251	-795	637		272 671
NET VALUE	159 890						161 687

3 - Rights of use

Changes in rights of use in the first half of 2023 and 2022 can be analyzed as follows:

Rights of use (in thousands of euros)	Value at Dec 31, 21	Conversion differences	Acquisitions	Terminations	Other movements	Change in scope	Value at June 30, 22
Buildings	17 586	311	3 201	-417	-367	81	20 395
Technical installations	13 428	747	58				14 233
Other fixed assets	6 342	187	553	-1	-21		7 060
TOTAL	37 356	1 245	3 812	-418	-388	81	41 688
Depreciation of rights of use	Value at Dec 31, 21	Conversion differences	Allocations	Reversals	Other movements	Change in scope	Value at June 30, 22
Buildings	11 788	85	1 158	-410		-24	12 597
Technical installations	8 784	407	241				9 432
Other fixed assets	3 261	104	661				4 026
TOTAL	23 832	596	2 060	-410		-24	26 054
NET VALUE	13 524						15 634

Rights of use (in thousands of euros)	Value at Dec 31, 22	Conversion differences	Acquisitions	Terminations	Other movements	Change in scope	Value at June 30, 23
Buildings	21 041	-539	687	-35			21 153
Technical installations	13 910	89	387				14 386
Other fixed assets	7 822	-14	1 657	-700			8 764
TOTAL	42 773	-464	2 730	-736			44 303
Depreciation rights of use (in thousands of euros)	Value at Dec 31, 22	Conversion differences	Allocations	Reversals	Other movements	Change in scope	Value at June 30, 23
Buildings	13 920	-454	1 252	-14			14 703
Technical installations	9 388	123	255				9 766
Other fixed assets	4 699	-26	747	-79			5 341
TOTAL	28 006	-357	2 254	-93			29 809
NET VALUE	14 767						14 494

The residual rental charge at June 30, 2023 amounts to €0.5 million (vs. €0.6 million at end-June 2022) and represents rental income from leases not capitalized under the exceptions provided for in the standard.

NOTE 5 - FINANCIAL ASSETS

Non-current financial assets

In thousands of euros	31 Dec 22	30 June 23
Equity investments	2 811	3 201
Interest rate swaps	1 191	1 988
Receivables related to equity investments	4 344	4 480
Other long-term investments ⁽¹⁾	19 102	22 879
Loans	29	99
Other financial assets	6 935	5 966
TOTAL	34 412	38 613

⁽¹⁾ These are long-term investments made by the US subsidiary Robertet USA.

NOTE 6 - PRODUCTS INVENTORY

In thousands of euros	31 Dec 22	30 June 23
Raw materials	172 465	163 882
Work in progress and finished goods	83 978	87 958
Gross value	256 444	251 840
Depreciation	-9 955	-9 647
NET VALUE	246 489	242 193

Depreciation breaks down as follows:

In thousands of euros	31 Dec 22	30 June 23
Balance at the beginning of the period	9 537	9 955
Change in scope of consolidation	21	
Increases	6 719	4 834
Reversals and uses	-6 323	-5 440
Conversion differences	68	-110
Other	-67	408
Balance at the end of the period	9 955	9 647

NOTE 7 - TRADE RECEIVABLES

Breakdown of trade receivables (in thousands of euros)	31 Dec 22	30 June 23
Europe	51 991	51 565
North America	35 324	56 028
South America	14 322	12 795
Asia	27 318	31 202
Other countries	11 788	11 369
TOTAL GROSS RECEIVABLES	140 743	162 961
Depreciation	-10 120	-10 687
TOTAL NET RECEIVABLES	130 623	152 274

Depreciation losses can be analyzed as follows:

In thousands of euros	31 Dec 22	30 June 23
Balance at beginning of the period	8 267	10 120
Increases	2 536	1 289
Change in scope of consolidation		
Reversals and uses	-667	-660
Conversion differences	26	32
Other movements	-43	-95
Balance at the end of the period	10 120	10 687

NOTE 8 - OTHER CURRENT ASSETS

In thousands of euros	31 Dec 22	30 June 23
Prepaid expenses	7 645	6 202
Other receivables	12 462	20 152
TOTAL OTHER RECEIVABLES AND PREPAYMENTS	20 107	26 354
Current tax assets	5 732	1 880
Deferred tax assets (see Note 15)	4 226	5 035
TOTAL	30 065	33 269

NOTE 9 - PROVISIONS AND EMPLOYEE BENEFITS

In thousands of euros	Opening	Allocations	Applications	Change in exchange rate	Other comprehensive income	Other	Closing
RETIREMENT BENEFITS	8 219	510	-2	-1			8 727
Other commitments to employees ⁽²⁾	2 472	133	-15	190			2 780
Other risks ⁽¹⁾	654	561	-790	-32			394
RISKS AND EXPENSES	3 126	694	-805	158			3 174
TOTAL PROVISIONS & BENEFITS TO STAFF	11 345	1 204	-806	157			11 900
of which current liabilities	1 141						1 305
of which non-current liabilities	10 204						10 595

⁽¹⁾ Other risks correspond mainly to social and commercial risks.

Each known dispute in which Robertet or Group companies are involved has been examined at the balance sheet date, and after consulting legal counsel, any provisions deemed necessary have been set aside to cover the estimated risks.

⁽²⁾ As the expected impacts are not material, no changes have been made to the actuarial assumptions used to calculate retirement benefits and other employee commitments for the Group's French entities as of December 31, 2022 (as commitments in France represent 99.1% of the Group's retirement provisions, only the assumptions concerning France are detailed), with the exception of the discount rate:

In thousands of euros	30 June 22	31 Dec 22	30 June 23
Discount rate ⁽¹⁾	3,22%	3,75%	3,75%

⁽¹⁾ This corresponds to the Iboxx AA10+ rate.

NOTE 10 - FINANCIAL AND RENTAL LIABILITIES

1 - Financial liabilities

Analysis by debt category (in thousands of euros)	31 Dec 22	30 June 23
Borrowings	254 573	243 664
Bank overdrafts	5 619	5 537
Other financial liabilities ⁽¹⁾	20 108	19 630
Partners' current accounts	1 752	1 339
TOTAL	282 052	270 170

⁽¹⁾ These liabilities include :

- 7 505 thousand euros in financial debt in respect of a put option on the Astier Demarest investment
- 11 800 thousand euros in debt related to the acquisition of Omega Ingredients on the basis of a price adjustment clause.

Analysis by repayment schedule (in thousands of euros)	31 Dec 22	30 June 23
Due within one year ⁽¹⁾	52 301	45 176
More than one year and less than five years	225 899	221 920
More than five years	3 852	3 074
TOTAL	282 052	270 170
of which in Euros	253 614	242 254
of which in USD	12 909	12 867
Other currencies	15 529	15 049

⁽¹⁾ The current portion of borrowings breaks down as follows:

In thousands of euros	31 Dec 22	30 June 23
Current portion of borrowings	42 854	37 942
Current portion of other financial liabilities	3 828	1 697
Bank overdrafts	5 619	5 537
TOTAL	52 301	45 176

The breakdown of fixed-rate and variable-rate borrowings is as follows (this breakdown takes into account the implementation of a hedging instrument):

In thousands of euros	31 Dec 22	30 June 23
Fixed-rate borrowings	148 175	140 851
Variable-rate	106 398	102 813
TOTAL	254 573	243 664

Loan repayments for the half year came to 12,650 thousand euros, compared with 13,254 thousand euros at the end of the half year of 2022 and 28,350 thousand euros for fiscal year 2022. No loans were taken out in the first half of the year.

Some of the parent company's and Robertet USA's borrowings are subject to covenants.

For Robertet Grasse, the total balance amounts to 188,965 thousand euros at June 30, 2023, and the trigger limits of these covenants are respected. A swap on Robertet Grasse's BNP loan (188,965 thousand euros at June 30, 2023) has been entered into. It concerns 50% of the loan at a swap rate of 2.605% and qualifies as a hedging instrument.

Robertet USA Inc has taken out a \$13.5 million financial debt with PNC Bank in 2022. This financial debt is subject to certain covenants concerning mainly information obligations on the part of the borrower towards the PNC bank. As Robertet USA Inc. failed to meet certain deadlines for transmitting this information by June 30, 2023, this financial debt is presented under current financial liabilities at June 30, 2023 in the amount of €11.5 million (the same situation as at December 31, 2022, which led to this financial debt being presented under current financial liabilities in the amount of €12.5 million).

2 - Rental liabilities

These debts represent the Group's financial liabilities under all its leases, in accordance with IFRS 16.

In thousands of euros	Opening	New contracts and renewals	Refunds and terminations	Change in scope and other movements	Conversion difference	Closing
RENTAL OBLIGATIONS	15 817	1 463	-1 636		-95	15 549
of which current liabilities	4 203					4 027
of which non-current liabilities	11 614					11 523

Analysis by repayment schedule (in thousands of euros)	31 Dec 22	30 June 23
Less than one year	4 203	4 027
More than one year and less than five years	7 234	7 457
More than five years	4 381	4 065
TOTAL	15 817	15 549
Of which in euros	4 773	4 448
Of which in USD	7 943	7 245
Other currencies	3 101	3 856

NOTE 11 - OTHER CURRENT LIABILITIES

In thousands of euros	31 Dec 22	30 June 23
Tax and social security liabilities	27 497	24 627
Other liabilities	15 715	15 068
Deferred income	1 165	1 239
TOTAL	44 376	40 934

NOTE 12 - SECTOR INFORMATION

In accordance with IFRS 8, the Group provides sector information as used internally by the PDO (principal operating decision-maker). The PDO is the Robertet Group's General Management, chaired by Philippe Maubert.

The Group's sector information is based on business segments. The breakdown is based on the Group's three Divisions:

- Raw materials
- Fragrance
- Flavors

Internal reporting to the PDO corresponds to the operating segments identified above.

As of 30 June 2023 (in thousands of euros)	Total	Raw materials	Fragrance	Flavors
Consolidated sales	376 438	100 788	141 987	133 663
Current operating income	60 965	12 724	24 520	23 721
Net income, Group share	39 935	6 544	16 992	16 399
GOODWILL	63 628	26 398	17 808	19 422
PROPERTY, PLANT AND EQUIPMENT & RIGHTS OF USE	176 181	62 975	57 806	55 400

As of 30 June 2022 (in thousands of euros)	Total	Raw materials	Fragrance	Flavors
Consolidated revenues	358 865	105 207	127 739	125 919
Current operating income	59 386	19 545	17 633	22 208
Net income, Group share	45 061	14 250	14 152	16 659
GOODWILL	80 325	25 069	17 808	37 448
PROPERTY, PLANT AND EQUIPMENT & RIGHTS OF USE	177 775	61 497	56 109	60 169

As of 31 December 2022 (in thousands of euros)	Total	Raw materials	Fragrance	Flavors
Consolidated revenues	703 037	204 603	250 843	247 591
Operating income recurring	101 910	29 015	34 440	38 455
Net income, Group share	76 020	20 043	26 009	29 968
GOODWILL	61 608	24 377	17 808	19 422
PROPERTY, PLANT AND EQUIPMENT & RIGHTS OF USE	174 657	61 382	55 121	58 154

NOTE 13 - DEPRECIATION AND PROVISIONS

In thousands of euros	30 June 22	31 Dec 22	30 June 23
Depreciation of fixed assets	10 664	23 179	11 955
Charges to and reversals of provisions ⁽¹⁾	1 491	2 262	363
TOTAL	12 155	25 441	12 318

⁽¹⁾ Charges to and reversals of provisions concern inventories, receivables and provisions for liabilities and charges (see notes 6, 7 and 9).

NOTE 14 - NET FINANCIAL RESULT

In thousands of euros	30 June 22	31 Dec 22	30 June 23
Interest on loans and similar charges	-657	-3 077	-4 127
Income from securities	235	764	1 100
Net financial cost	-422	-2 313	-3 027
Foreign exchange (losses)	-1 447	-4 802	-3 431
Foreign exchange (gains)	2 802	5 245	1 302
Other	-362	-909	-758
Other financial income and expenses	993	-466	-2 887
TOTAL	571	-2 779	-5 914

NOTE 15 - TAXES

The tax charge for the half year is calculated by applying the estimated average effective tax rate for the fiscal year to the pre-tax income for the period. This calculation is performed individually for each of the Group's consolidated tax entities.

In thousands of euros	30 June 22		30 June 23	
	Net income before tax	Net income tax (expense)/income	Net income before tax	Net income tax (expense)/income
French companies of the Group	39 296	-10 007	27 639	-8 181
Other Group companies	20 733	-4 776	27 425	-6 956
TOTAL	60 029	-14 783	55 064	-15 137

In thousands of euros	30 June 22	30 June 23
Current tax	-15 278	-16 484
Net deferred tax	495	1 346
IMPÔT	-14 783	-15 137

Tax assets and liabilities can be analyzed as follows:

In thousands of euros	31 Dec 22	30 June 23	Variation
Deferred tax assets	4 226	5 035	809
Deferred tax liabilities	19 035	20 013	978
Net deferred tax	-14 809	-14 978	-169

In thousands of euros	31 Dec 22 ⁽¹⁾	30 June 23
Net deferred taxes assets/(liabilities) at January 1	-7 556	-14 809
Recognized in equity	-6 135	-1 429
Perimeter entry	-114	
(Expense)/revenue	-1 285	1 346
Conversion differences	281	-86
TOTAL	-14 809	-14 978
Of which deferred tax liabilities	19 035	20 013
Of which deferred tax assets	4 226	5 035

The Group is currently analyzing the impact of the application of Pillar 2 regulations from 2024 onwards, which should have no impact on the financial statements.

NOTE 16 - CASH AND CASH EQUIVALENTS

Net cash position (in thousands of euros)	31 Dec 22	30 June 22	30 June 23
Cash	119 794	111 404	98 561
Marketable securities	8 249	16 354	8 441
Bank overdrafts	-5 619	-10 454	-5 537
TOTAL	122 423	117 303	101 465

Analysis of changes in working capital (in thousands of euros)	31 Dec 22	Foreign exchange and other flows	Cash flow	30 June 23
Inventories and work-in-progress	256 443	-3 367	-1 237	251 840
Trade and other receivables	160 920	1 150	27 315	189 385
Trade and other payables	-99 365	116	456	-98 793
Gross working capital requirement	317 999	-2 102	26 534	342 431
Depreciation	-20 144	-236	-24	-20 404
Net working capital requirement	297 854	-2 338	26 511	322 027

Marketable securities comprise certificates of deposit and other short-term, liquid investment products with maturities of less than three months:

In thousands of euros	31 Dec 22	Variation	Conversion diff.	30 June 23
Marketable securities	8 249	48	144	8 441
TOTAL	8 249	48	144	8 441

NOTE 17 - CALCULATION OF EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the periods ended June 30, 2023, December 31, 2022 and June 30, 2022 is presented below:

Basic earnings	31 Dec 22	30 June 22	30 June 23
Net income attributable to Company shareholders (in thousands of euros)	76 020	45 061	39 935
Weighted average number of ordinary shares and investment certificates outstanding (in thousands)	2 088	2 312	2 087
Basic earnings per share (in euros)	36,41	19,49	19,13

Diluted earnings	31 Dec 22	30 June 22	30 June 23
Net income attributable to Company shareholders (in thousands of euros)	76 020	45 061	39 935
Weighted average number of common shares and investment certificates outstanding (in thousands)	2 088	2 312	2 087
Weighted average number of shares used to calculate diluted earnings (in thousands)	2 088	2 312	2 087
Diluted earnings per share (in euros)	36,41	19,49	19,13

The investment certificate is a fraction of the capital without voting rights.



NOTE 18 - INFORMATION ON RELATED PARTIES

Transactions with related companies consist solely of purchases and sales of raw materials between the parent company and these companies. The parent company's purchases from and sales to these related companies amounted to 1 245 thousand euros and 12 thousand euros respectively for the first half of 2023.

In addition, a free share plan has been set up as described below, authorized by the Board of Directors on June 14, 2023

Free shares granted to each executive during the fiscal year					
	Date of the plan	Number of shares	Conditions of acquisition	Date of acquisition	Date of availability
Philippe MAUBERT	14/06/2023	1 566	free of charge	14/06/2024	14/06/2026
Christophe MAUBERT	14/06/2023	349	free of charge	14/06/2024	14/06/2026
Olivier MAUBERT	14/06/2023	349	free of charge	14/06/2024	14/06/2026
Julien MAUBERT	14/06/2023	174	free of charge	14/06/2024	14/06/2026
Jérôme BRUHAT	14/06/2023	287	free of charge	14/06/2024	14/06/2026
Jérôme BRUHAT	14/06/2023	745	free of charge	14/06/2026	14/06/2028

In addition, some of the free shares allocated in June 2022 were definitively acquired by each executive director during the half year:

Free shares acquired by each executive during the fiscal year					
	Date of the plan	Number of shares	Conditions of acquisition	Date of acquisition	Date of availability
Philippe MAUBERT	14/06/2022	630	free of charge	14/06/2023	14/06/2025
Christophe MAUBERT	14/06/2022	355	free of charge	14/06/2023	14/06/2025
Olivier MAUBERT	14/06/2022	355	free of charge	14/06/2023	14/06/2025
Lionel PICOLET	14/06/2022	395	free of charge	14/06/2023	14/06/2025
Jérôme BRUHAT	14/06/2022	302	free of charge	14/06/2023	14/06/2025

The IFRS 2 expense resulting from these plans recognized at June 30, 2023 amounted to 1 067 thousand euros, compared with 849 thousand euros at June 30, 2022.

Note 23 to the 2022 Annual Report gives details of all these remunerations.

NOTE 19 - SEASONALITY

The Group's business is not highly seasonal. The contribution of the first half to annual sales is historically slightly higher than that of the second half.

NOTE 20 - LIST OF CONSOLIDATED SUBSIDIARIES

Entities	Countries	% control	Method of consolidation
Robertet GMBH	Germany	100%	GLOBAL INTEGRATION
Robertet Argentina	Argentina	100%	
Robertet Do Brasil	Brazil	100%	
Robertet Espana	Spain	100%	
Robertet USA	United States	100%	
Robertet Canada	Canada	100%	
Robertet Italia	Italy	100%	
Robertet Hiyoki	Japan	100%	
Robertet de Mexico	Mexico	100%	
Robertet UK	United Kingdom	100%	
Omega Ingedients	United Kingdom	100%	
Robertet et Cie SA	Switzerland	100%	
Robertet Turkey	Turkey	100%	
Robertet South Africa Aromatics	South Africa	100%	
Arco	France	100%	
Charabot China	China	100%	
Robertet Corée	Korea	100%	
Robertet China	China	100%	
Robertet India	India	100%	
Plantes Aromatiques du Diois	France	100%	
Robertet Bulgaria	Bulgaria	100%	
Robertet Andina	Colombia	100%	
Robertet Asia	Singapour	100%	
Robertet Goldfield	India	100%	
Robertet Indonésie	Indonesia	100%	
Robertet Africa	France	100%	
Sirius	France	100%	
Astier Demarest	France	60%	
Bionov	France	100%	
Aroma Esencial	Spain	100%	
Hitex SAS	France	50%	EQUALIZATION

Half year ended June 30, 2023



Business report for the first half of 2023

BUSINESS REPORT FOR THE FIRST HALF OF 2023

Robertet has approached 2023 with both confidence and caution. The inflationary context has kept raw material and energy costs high, putting ongoing pressure on our margins. The return of inflation has been confirmed and is weighing on consumer purchasing power, leading to a risk of lower consumption and a temptation to buy cheaper products.

We have entered a prolonged phase of war in Ukraine, high prices and uncertain consumer patterns. In the face of these challenges, our best responses reside in the quality and originality of our products, especially our naturals, the consistency and trust of our customers, and the resilience of our teams.

Results to end June 2023 are encouraging. Sales totaled 376.4 million euros, up +4.9% overall, including +4.4% organic growth.

This organic growth remains strong and close to our 2022 organic growth target of +5.4%. Our external growth brought additional growth of +1.1% versus +4.6% in 2022. We have also seen a reversal in currency effects, with a negative impact of -0.7% on sales, compared with +6% in 2022.

By division, sales results were rather mixed: the Fragrance division increased its sales by +11.2%, while the Flavors division grew by +6.2%.

On the other hand, we suffered a sharp decline in the raw materials division, down 5.1%. This was due to strong destocking by our customers, combined with a slowdown in the aromatherapy and organic products sectors. Finally, we see moderate growth in the Health & Beauty division of +3.4%, with a stronger sales presence in Asia.

The North America region reported strong double-digit growth, driven by a surge in fine fragrance and nice developments in flavors. Nevertheless, the slowdown in economic activity and the continuing decline in aromatherapy are penalizing our natural raw materials division in the United States.

Similarly, South America is developing well, both in volume and in value, in all our major markets such as Mexico, Argentina, and also Brazil, which is in recovery.



Europe, on the other hand, was stable, impacted by an economic slowdown and inventory controls by our customers, following a euphoric 2022 and the rebuilding of inventories. These effects are accentuated by the slowdown in the organic products market, which is being hit hard by the decline in consumer purchasing power.

Markets in the Middle East and Africa got off to a slow start this year.

South Asia was also stable, with contrasting situations such as the slowdown in Vietnam and Thailand, but a good performance in Indonesia. North Asia is slowing down, particularly in China, where sales are not progressing as expected, despite very promising new product launches by local brands.

Profitability measured in EBITDA stood at 73.6 million euros, up +2.7% on the first half of 2022, and represented 19.6% of sales.

Sharp rises in energy costs, particularly in the first quarter, put a strain on this operating margin. The gradual easing of raw material costs enabled gross margin to recover to some extent.

Net income came to €39.9 million, down -11.4% on the first half of 2022. This sharp drop is explained by the financial charges on the debt contracted last year for the purchase of their own shares and by the operational currency effects of our exposed subsidiaries.

Robertet is pursuing its policy of targeted acquisitions, designed to strengthen its natural positions, increase its international presence and enhance its technological capabilities. The acquisition of Aroma Esencial in February contributes to these objectives, by giving us a high-level industrial tool with greater production capacity. It also enriches our product offering with a number of rare, top-of-the-line ingredients for our most prestigious customers.



Robertet also continues to improve its extra-financial and sustainable development performance. Its scores with recognized organizations such as Ecovadis and CDP continue to improve. Major efforts are being made to reduce resource use, water consumption and greenhouse gas emissions. By its very nature, Robertet is exposed to the supply of numerous natural raw materials, and is constantly improving its supply chains and their traceability. It is also constantly increasing the number of its supply chains certified by recognized external audits, such as Fair for Life or UEBT.

Natural products have a bright future, and are a source of innovation and creativity.

Our development teams introduced our customers to new extraction technologies, such as CleanRscent, a collection of new products that marks the transition to healthier, biodegradable extractions, while bringing new qualities and facets to our natural products.

In the first half of the year, Robertet inaugurated its Villa Blu start-up gas pedal, located in Grasse and specializing in natural products. The first five companies have joined us since March, and another five will be selected in September. Robertet's Villa Blu enables these young companies to benefit from strong support for their development, free accommodation and Robertet's expertise in Naturals.

In an uncertain economic climate, Robertet has a reasonably positive outlook for the end of the year. The gradual easing of raw material and energy prices should help progressively to restore operating margins. Reductions in customer inventory levels and lower-than-expected consumption should lead to an annual organic sales increase of around +4%.



Half year ended June 30, 2023



**Certification of the persons responsible
for the half year financial report 2023**



Philippe MAUBERT
*Chairman of the
Board of Directors*

Jérôme BRUHAT
General Manager

Grasse, September 20, 2023

**CERTIFICATION OF THE PERSONS RESPONSIBLE
FOR THE HALF YEAR REPORT 2023**

We hereby certify that, to the best of our knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and all the companies included in the consolidated financial statements, and that the interim management report presents a true and fair view of the significant events of the first six months of the fiscal year, their impact on the interim financial statements, the main transactions with related parties and the outlook for the remaining six months of the fiscal year.

Half year ended June 30, 2023



Statutory auditors' report on the half year financial information for 2023

Period from January 1st 2023 to June 30 2023 / Robertet S.A. - 37 avenue Sidi-Brahim - 06130 Grasse

STATUTORY AUDITORS' REPORT ON THE HALF YEAR FINANCIAL INFORMATION FOR 2023

Period from January 1st, 2023 to June 30, 2023
Robertet S.A. - 37 avenue Sidi-Brahim - 06130 Grasse

Ladies and Gentlemen Shareholders,

In compliance with the assignment entrusted to us by the Annual General Meeting and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on :

- the review of the accompanying condensed half year consolidated financial statements of Robertet S.A., for the period from January 1st, 2023 to June 30, 2023;
- verification of information given in the half yearly activity report.

These condensed half year consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express a conclusion on these financial statements based on our limited review.

1. Conclusion on accounts

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists principally of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review of interim financial information consists principally of making inquiries of persons responsible for financial and accounting matters, and applying analytical and other review procedures, less extensive than an audit conducted in accordance with professional standards applicable in France.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information given in the half year management report commenting the condensed half year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half year consolidated financial statements.

The Statutory Auditors

Marseille, September 28, 2023
KPMG S.A

Lyon, September 28, 2023
COGEPARC

Loïc HERRMANN
ASSOCIATE

Christian LAURAIN
ASSOCIATE

KPMG S.A.

KPMG S.A., a firm of chartered accountants and statutory auditors registered with the Paris Order of Chartered Accountants under no. 14-30080101 and attached to the Compagnie régionale des commissaires aux comptes de Versailles et du Centre. A French member of the KPMG network of independent firms affiliated to KPMG International Limited, a private company limited by guarantee.

Société anonyme with Board of Directors / Registered office: Tour EQHO
2 avenue Gambetta - CS 60055 - 92066 Paris La Défense Cedex
Capital social : 5 497 100 €
775 726 417 RCS Nanterre

COGEPARC S.A.

COGEPARC SA, a firm of chartered accountants and statutory auditors registered with the Auvergne Rhône Alpes Order of Chartered Accountants under number 09.00001204.01 and attached to the Lyon-Riom Regional Association of Statutory Auditors.

Société anonyme with a Board of Directors / Head office: Le Thélémus
12-15 quai du Commerce - 69009 Lyon
Capital social : 205 500 €
964 501 308 RCS Lyon





ROBERTET
GROUPE

Half Year Financial Report 2023

Half year ended June 30, 2023



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