



## Press release

Lochem, 17 November 2022

# ForFarmers announces revised Strategy 2025

**In order to be better able to respond to rapidly changing market conditions ForFarmers has taken a fresh look at the basic principles of its Strategy 2025. This review has resulted in five more focused strategic principles whereby the emphasis is on an even more local market approach, differentiation and sustainability-focused innovation of feed concepts. ForFarmers aims for a consolidated return on average capital employed (ROACE) of at least 10% based on underlying operating profit (EBIT) by 2025.**

Since the launch of the strategy in 2020 the emphasis on making the agricultural sector more sustainable has grown, partly due to the accelerated proposal and implementation of measures under the EU Green Deal. In addition, prices of raw materials and energy have increased and become even more volatile, also as a result of the war in Ukraine. This has made it more difficult to pass on fluctuations in raw material prices. At the same time the current market conditions call for more consolidation and cooperation in the supply chain, from feed manufacturer to retailer.

### Five more focused strategic principles

ForFarmers has the knowledge, expertise and resources to strengthen its position amid the changing market conditions. Its mission, For the Future of Farming, continues to be the guiding principle through which the company is fully focused on a sustainable livestock farming industry, both ecologically and economically. In anticipation of the strategy review, ForFarmers last year adjusted the way it works, assigning more responsibility to the local management teams. This provides the foundation for meeting the first principle of the revised strategy: the local teams are leading, to enable ForFarmers to work even more closely to the customer. The teams are supported by the central departments and draw on the knowledge and experience that is present within the group, for example in the area of innovation. The organisation will be adapted to this way of working.

Secondly, in the current market conditions ForFarmers is uniquely well placed to distinguish itself in each individual market and segment in providing a differentiated offering, driven by the local situation of each sector. The offering can range from total solutions to optimise returns, to supplying specific products that best meet the livestock farmer's needs amid challenging market conditions.

Thirdly, ForFarmers will focus more emphatically on sustainable solutions which address wider societal issues such as the use of alternative raw materials, circularity and further reducing nitrogen and other emissions. In this context ForFarmers will intensify its efforts aimed at cooperation between the supply chain parties in the various markets. This cooperation is important both ecologically and economically and constitutes the fourth principle.

Finally, ForFarmers will remain true to the – fifth – principle, which is to supply good feed at competitive prices that contribute to business profitability for both ForFarmers and its customers. For this, ForFarmers continues to focus on optimally efficient and effective business processes.

### Mergers and acquisitions: strengthening and broadening

In order to strengthen or broaden selective positions in home markets as well as to enter new markets with added growth potential, ForFarmers is looking for opportunities for mergers with or acquisitions of candidates that are a good cultural fit (in terms of both country and business).



### **Transition to further sustainability**

The livestock farming industry is faced with the challenge of feeding an ever-growing number of people while at the same time reducing the impact that the production of animal proteins has on the climate and on nature. In its Strategy 2025, reflected in the third and fourth principle, ForFarmers is therefore giving the Going Circular sustainability agenda an extra boost. Accordingly, in order to create even more focus, a new organisation is formed that includes the activities of Reudink (organic feed) and the co-products to develop and market concepts that address societal concerns regarding matters such as climate, animal welfare and former food stuffs. We will start with this in the Netherlands. Examples include concepts which use alternative raw materials or incorporate more moist co-products and residual flows from the food industry. Concepts such as these are an essential factor in establishing collaborative partnerships in the supply chain, from feed company to retailer. Such concepts are also crucial to livestock farmers and other stakeholders in pursuing the current trend towards net zero.

### **#ProudtobeForFarmers**

As part of the strategy review we have adjusted our core values. The success of the strategy is largely dependent on the attitude and efforts of employees and management. Our values **P**assionate, **R**esponsible, **O**pen-minded, **U**nited and **D**elivering are more than just words to ForFarmers; they provide a concrete guideline for our daily interactions with customers, chain partners, stakeholders – and each other.

### **Financial objective**

With this revised strategy ForFarmers aims for a consolidated return on average capital employed (ROACE) of at least 10% based on underlying operating profit (EBIT) by 2025, barring unforeseen events. The company will refrain from making statements about (annual) targets for the development of underlying EBITDA in view of the changing markets, in which important policy decisions are still forthcoming, as well as the continuing geopolitical and macroeconomic uncertainties.

The dividend policy will remain unchanged and is aimed at distributing a cash dividend of between 40% and 60% of underlying net profit.

*This press release contains information that qualifies as inside information in the sense of Article 7 paragraph 1 of the EU Market Abuse Regulation.*

### **Note to the editor / For further information:**

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### **Additional information on Strategy 2025**

ForFarmers will today provide additional information on its revised Strategy 2025 to those invited, including analysts. The relevant presentation will be available on the company website from 10 am CET ([www.forfarmersgroup.eu](http://www.forfarmersgroup.eu)). The audio recording of the explanatory session will also be posted on the site later today.

### **About ForFarmers N.V.**

ForFarmers N.V. is an international organisation that provides complete, innovative feed solutions to the livestock farming industry. With its **For the Future of Farming** mission ForFarmers is committed both to the continuity of farming and to further increasing the sustainability of the agricultural sector. ForFarmers is the market leader in Europe with annual sales of around 10 million tonnes of animal feed and is active in the Netherlands, Germany,



Belgium, Poland and the United Kingdom. ForFarmers has around 2,500 employees and in 2021 generated revenue of approximately €2.7 billion. ForFarmers N.V. is listed on Euronext Amsterdam.

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**FORWARD-LOOKING STATEMENTS**

This press release contains forward-looking statements, for example relating to ForFarmers' legal obligations in terms of capital and liquidity positions in certain specified scenarios. In addition forward-looking statements may, without limitation, contain phrases such as "intends to", "expects", "takes into account", "is aimed at", "plans to", "estimates" and/or words of a similar meaning. These statements pertain to or may affect matters in the future, such as ForFarmers' future financial results, business plans and current strategies. Forward-looking statements are subject to a number of risks and uncertainties which may lead to material differences between the actual results and performance and the expected future results or performance as implicitly or explicitly contained in the forward-looking statements. Factors that may result in, or contribute to, deviations from current expectations include, but are not limited to developments in legislation, technology, taxation, jurisprudence and regulations, share price fluctuations, legal proceedings, investigations by regulatory bodies, the competitive landscape and general economic conditions. These and other factors, risks and uncertainties that may affect any forward-looking statements or the actual results of ForFarmers are discussed in the most recently published annual report. The forward-looking statements in this press release relate solely to statements as of the date of this document and ForFarmers accepts no obligation or responsibility whatsoever to update the forward-looking statements contained in this release, regardless of whether these pertain to new information, future events or otherwise, unless ForFarmers is legally obliged to do so.