AVRIL SCA

799403050 CORPORATE

BBB- ISSUER RATING
LongTerm

OUTLOOK
Stable

BBB- INSTRUMENT RATING
NeuMTN

EF2 ISSUER RATING
ShortTerm

EF2 INSTRUMENT RATING
NeuCP

Initiation date	30/11/2022
Rating Date	28/07/2026

Contacts

Lead analyst
Anne Guy
anne.guy@ethifinance.com

Committee chair
Thomas Dilasser
thomas.dilasser@ethifinance.com

Rating action and rationale

- EthiFinance Ratings downgrades Avril SCA's long-term issuer rating, as well as the rating for the NEU MTN programme of up to €75m, from BBB to BBB-, maintaining a Stable outlook. In addition, EthiFinance Ratings also downgrades the short-term issuer rating and the rating for the NEU CP programme of up to €700m, from EF1 to EF2.
- Avril SCA (Avril) is a French group specializing in the industrial processing and transformation of oilseed grains into oils and proteins (crushing, refining, etc) for various applications such as biodiesel, edible oils, and oleochemicals.
- Our rating downgrade is a direct consequence of the revision of our central scenario for Avril's credit metrics for the foreseeable future. Despite a slight - albeit uneven - improvement observed in FY25 credit metrics, our revised scenario for Avril's credit metrics over 2026-28 deteriorated compared with our previous scenario. Avril's credit metrics have notably been hampered in 2025 by the underperformance of some of its companies (notably Oleon and Eurolysine). Additionally, recent M&A and minority buybacks will exert further pressure, particularly in 2026, while the current market environment remains challenging for oleochemistry and Eurolysine, and despite the good performance of oil processing and animal nutrition activities. Consequently, through the cycle, Avril's credit metrics will be weaker.
- In FY25, Avril generated higher revenues of €8.2bn (+6.3% vs FY24), mainly driven by a perimeter effect. Profitability also improved, with an adjusted EBITDA margin of 6.1% (vs 5.5% in FY24). However, this improvement was mainly driven by Sofiproteol's results following significant disposals. For FY26, we now expect profitability to return to FY24, with an adjusted EBITDA margin of around 5.5%. This is considering a normative contribution from Sofiproteol, good performance of oil processing and animal nutrition segments, but with continued difficulties for Eurolysine and oleochemistry. Cash generation is also expected to deteriorate, reflecting lower profitability and cash outflows linked to capex and M&A. As a result, our credit metrics are expected to weaken, with the adjusted net leverage ratio exceeding 3.0x (vs 2.5x at end-2025) on one side, and the interest coverage ratio (EBITDA/interest) dropping to below 6.0x (vs 6.7x in FY25) on the other. Looking ahead to FY27-28, we remain cautious on profitability, assuming a stable adjusted EBITDA margin of around 5.6%, although lower capex should support some deleveraging. The adjusted net leverage ratio is expected to slightly improve but remain close to 3.0x, above our previous scenario of around 2.5x.
- However, our ratings remain supported by Avril's satisfactory competitive position, reflecting its leadership across several markets through brands such as Lesieur and Puget. The group is a key player in France, where it is the fifth-largest agribusiness group. Avril also benefits from strong product diversification, with activities spanning oleochemicals, edible oils, biodiesel, vegetable proteins, green chemistry, and agricultural services. In addition, its strong governance profile is underpinned by high-quality management and a stable shareholder base. The group's prudent, long-term approach, which we assess as essential in an industry with significant temporal inertia (today's harvests partly reflect decisions taken years earlier), has limited the impacts of recent political and economic headwinds.
- Finally, our ratings are still constrained by our assessment of the agribusiness industry, which generally has rather low and volatile profitability (measured by EBIT margins). In particular, the oil processing activities are related to commodities, the prices of which can fluctuate significantly. The volatility of commodity prices has also been amplified by recent geopolitical tensions and climate issues. In addition, agribusiness segments have only moderate growth prospects, limited by the current economic environment.
- The agribusiness industry has medium-to-high ESG risks under our methodology (sector heatmap score between 3.5 and 4.0). This results in a sector rating downgraded one notch by industry-related ESG considerations. Regarding environmental factors, the agribusiness has a high impact on resources as a major user of land and water but also on pollution with the contamination of soils and water basins through the intensive use of fertilizers. The sector also has an impact on climate through the use of carbon-intensive processes, and it significantly impacts biodiversity. Moreover, consumers are highly concerned by issues linked to food safety and quality. Finally, the sector has a medium impact on communities as access to good food is an essential part of social stability and contributes to a population's health.
- Our assessment of the group's ESG policy remains advanced (company ESG score of between 0 and 1), which weighs positively on our financial assessment and therefore more than offsets the impact resulting from our industry assessment. Avril stands out in terms of governance with the separation of the roles of chairman and CEO, and the prioritization of ESG issues. Regarding social considerations, Avril scores well with limited absenteeism, solid representation of women within the staff, notably management, and controlled accident frequency rate. Environmental factors slightly improved in 2025 (compared to 2024) linked to a decrease of direct GHG emissions, energy consumption and of water consumption.
- This rating action factors in our forecasts until 2028. Forecasts until 2027 have been discussed with the company but are not disclosed due to confidentiality.

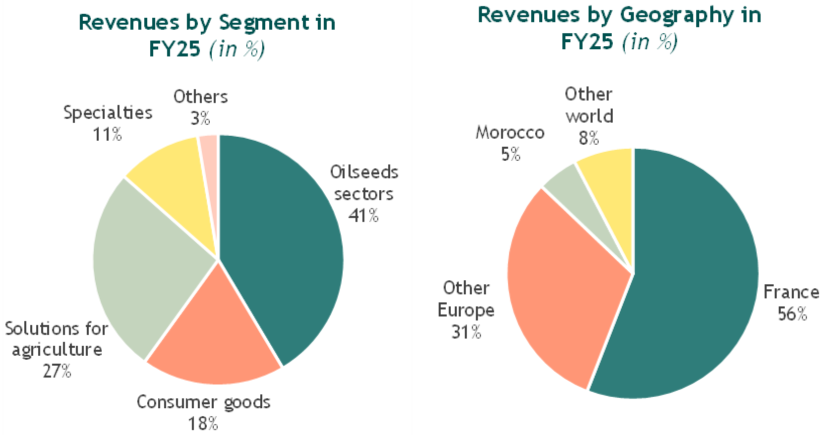
Issuer description

Avril is a large French private group specializing in the industrial processing and transformation of oilseed grains into oils and proteins (crushing, refining, etc) for various applications such as biodiesel, edible oils, and oleochemicals. It is the fifth-largest agribusiness group in France.

The group has 4 industrial activities:

- Oilseed Processing and Renewable Energy: historical activities with seed crushing, in addition to the production of oilseed meals, refined oils, and biofuels.
- Consumer Goods: edible oils, condiments, plant-based meals, and soaps, through different brands, the main ones being Lesieur and Puget in France, and Lesieur and Cristal in Morocco.
- Specialties: renewable chemistry activities producing specialty ingredients for global industry (biosourced products).
- Solutions for Agriculture: various products dedicated to livestock farms and farmers (animal nutrition, organic fertilizers, etc.)

The group also has a financial branch, Sofiproteol, rated by EthiFinance Ratings, through which it invests in the agribusiness and food industries, especially companies in the edible oils and protein sectors. It also invests in start-ups through its incubators dedicated to food ingredients and biomaterials.



Source: Avril

The group is active in 18 countries through 82 industrial facilities (of which 62 in France) and had 8,478 employees at end-2025. For FY25, Avril reported revenues of €8.2bn along with EthiFinance Ratings-adjusted EBITDA of €496m, equivalent to a 6.1% margin, and a net adjusted leverage ratio of 2.5x.

Fundamentals

Business risk profile

Industry risk assessment

- **Moderate growth prospects overall, due to the current economic environment despite growing sustainability practices**

Avril’s renewable energy business, mainly through its biodiesel product, plays a significant role in the transition towards cleaner energy. Under the Renewable Energy Directive III (RED III), the European Union targets more than 42.5% of renewable energy share in final energy consumption by 2030. For transport, this implies a GHG reduction of transport fuels of 14.5% by 2030. Member countries are not compelled to set biofuel incorporation targets, however biofuel is a way to achieve the EU GHG reduction target. Within biofuels, the EU favours advanced biofuels (made from non-food raw materials) over conventional biofuels (made from crops, mainly rapeseed). This materialized with a maximum threshold of incorporation of conventional biofuels (7% maximum), a minimum threshold for advanced biofuels (5.5% minimum), and the possibility to double count advanced biofuels when calculating the global GHG footprint. However, some countries, such as Germany – European’s largest renewable diesel market - decided to eliminate the double counting of advanced biofuels towards GHG quotas. This is linked to the prevention of fraud, as some cases of fraud from used cooked oil (UCO) from China were detected in Europe. The elimination of double counting will therefore support conventional biofuels. Demand is also expected to come from air transport, as the EU has set targets for Sustainable Aviation Fuel (SAF) incorporation. For 2025, the target was set at 2%, but significantly increase for 2030, with a 20% target, and then 70% in 2050.

Among other divisions, consumer good segment enjoys resilient demand as their products are either central to or connected closely to people's habits, such as edible oils (Lesieur, Puget). The current market environment remains marked by economic slowdown, impacting volumes, and increasing price sensitivity among customers which tend to prefer private label products.

Overall, we expect the market environment to remain subdued due to economic and geopolitical tensions, tariff barriers impacting moderately the agribusiness and consumer goods sectors. However, current disruptions in the Strait of Hormuz may also disturb the entire agrifood system, as global fertilizer scarcity may lead to lower yields and then tightening food supplies.

- **Technical know-how and capital required constitute high barriers to entry despite strong competition**

Industrial processing and refining require technical know-how and capital to operate. This, in our view, establishes quite solid barriers to entry. However, in the biodiesel segment, the group could still suffer from competition from Asian suppliers offering recycled oils such as used cooking oil (UCO) or directly used cooking oil methyl ester (UCOME/biodiesel). Some cases of fraud in Europe were detected, with false UCO from China. The European regulation also tends to reduce the environmental impact of biofuels and to promote sustainable sourcing. As an example, biofuels produced with palm oil are not considered as a renewable source by the EU.

In addition, in its consumer goods segment (c. 18% of its FY25 revenues), the group may face competition from newcomers as well as from private label products, a growing trend for the past few years (c. 40% of the products sold in 2025 in France).

- **Moderate-to-high volatility since results depend largely on commodity prices, but EGALIM negotiations partly mitigate the impacts for edible oils**

The moderate-to-high volatility of the market for Avril's products constrains our ratings as the group's performance depends on commodity prices, which follow market trends. Under the new EGALIM law, French agricultural production companies engage in price negotiations on a regular basis with large French retailers. These talks play an essential role in the players' profitability as they can mitigate the impacts of commodity price swings.

Following the disruptions in the Strait of Hormuz, food commodity prices have risen, particularly vegetable oil prices as a direct consequence of elevated oil prices which increased demand for biofuels. As of April, the FAO Vegetable Oil Price index had reached its highest level since July 2022. However, cereal prices have only increased moderately so far, supported by a good level of stocks from previous harvests.

In addition, the levels of profitability of the agribusiness sector are quite low, as a result of high production costs and the correlation between selling prices and the volatile commodity markets. The food industry generally enjoys better levels of profitability. However inflation may have a temporary impact, due to the lag to pass on price increases to consumers.

Company's competitive positioning

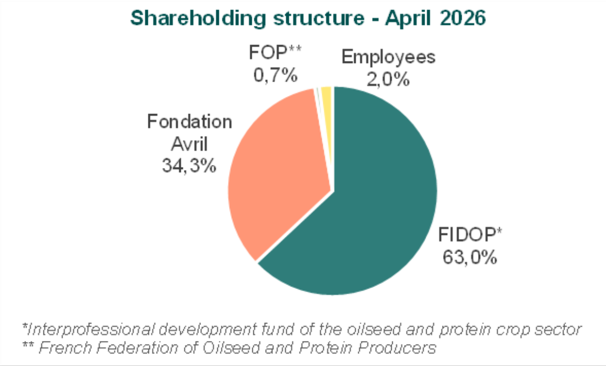
- **Strong business positions with significant market share and good business diversification, but only moderate geographic diversification**

Our ratings are supported by the group's size, in terms of both revenues and EBITDA. In particular through its biodiesel division, where Saipol is the French leader in oilseed processing, with c. 3m tons of rapeseed and sunflower seeds processed (c. 45% of the French production). In addition, Avril enjoys rather good business positions with a portfolio of strong brands. In the edible oils segment, Avril is the leader in France and has leading positions in Morocco and Romania, with a portfolio of well-known brands (Lesieur, Puget, ISIO 4, etc.). In the animal nutrition segment, Sanders is the French leader with c. 15% market share, and its position has been strengthened by the completion of the acquisition of Tellus.

Avril has good product diversification, with many applications for oils and proteins through the different steps of the refining process, especially through the oleochemicals division. The group strengthens its product diversification regularly, adding new end-market products through acquisitions. Among the main acquisitions realized recently, the group completed its activities in the amino acids production for animal nutrition (Eurolysine) and in the castor oil industry with Azevedo in Brazil. Avril also develops new products through its incubator. As of FY25, the group has 3 innovation labs in France, with 52 ongoing projects, and invested €38m in R&D in that same year. However, geographic diversification remains moderate - with c. 56% of revenues realized in France in FY25 – and therefore a slight constraining factor.

Governance

- **Stable, private shareholding with strong ties to Avril's main business**



Source: Avril

Avril SCA, the group's holding company, has been a limited partnership with share capital ('Société en Commandite par Actions, or 'SCA') since 2015. The specific shareholding and governance structures aim to prevent a buyout of Avril while allowing shareholders to have their voice heard. Avril Gestion is the 'associé commandité' and controls the group. The Fonds de Développement Interprofessionnel de la Filière des Oléagineux et des Protéagineux (FIDOP), Fondation Avril, FCPE Avril, and the Fédération française des producteurs d'oléagineux et de protéagineux (FOP) are the 'associés commanditaires'. As per the by-laws, Paul-Yves L'Anthoën represents Avril Gestion, the 'associé commandité', and is the 'gérant' (equivalent to the CEO of the group). He replaced Jean-Philippe Puig, who retired in March 2026. Paul-Yves L'Anthoën was previously the CEO of Axéréal, and has held several executive management positions in the agricultural sector on top of an international experience.

- **Good management quality with proven track record**

Management has a solid track record, delivering growth and leading a group that has shown strong resilience over the different periods of volatility which have affected its business over the last few years. It is actively working to improve margins, demonstrating a commitment to operational efficiency and long-term profitability. We assess Avril' financial policy as prudent. No dividends are distributed, except in FY24, when a mandatory dividend was paid to its funding shareholder. In addition, as per the by-laws, any dividend payment would be limited to a maximum of 30% of net income. Despite operating in capital-intensive industries, the company has succeeded in maintaining a contained level of leverage.

In 2024, Avril unveiled its new strategic plan 'Ambition 2030', targeting to become the leader in plant-based transformation by consolidating its position in all the segments it already covers (agricultural, food, and environmental transitions). Through this plan, Avril specifically aims to reach €550m EBITDA by 2030, compared to €391m for FY23, at the announcement of the plan. This growth will be supported by a significant investment plan to support development and improve efficiency.

- **ESG Policy: Avril's purpose, "Serving the Earth" and its related commitments pave the way for more sustainable practices**

The group is committed to helping transitioning to a more sustainable world. While biodiesel - an ingredient blended with diesel - may be at risk over the very long term, it is nevertheless a significant part of the transition towards cleaner mobility in transport and offers reliable alternative solutions to crude oil-sourced energy. Avril is also very active on the R&D front to develop and provide clean, fossil-free alternative solutions for different industries through its oleochemicals business. In 2023, Avril made concrete commitments regarding its GHG emissions with the target to reduce its scope 1, 2 and 3 GHG emissions by 30% by 2030 (compared to 2019). These targets have been validated by the SBTi in a well-below 2°C global warming scenario. The group has an internal extra-financial plan 'SPRING', covering the period 2024-30, which is based on 6 pillars and 14 KPIs. These pillars include actions to protect the planet by supporting sustainable agriculture practices and reducing the group's impact on the environment (water consumption, GHG emissions, etc.).

Financial risk profile

Results and profitability

- **Increase in revenues and improvement of profitability despite some mixed effects between segments**

For FY25, Avril's sales increased by 6.1% to €8.2bn (vs €7.7bn in FY24). Revenue growth was linked to a perimeter effect (€0.3bn) with the integration of Tellus (animal nutrition activities of Axéréal), Eurolysine and Oleon Brazil, and to a volume effect (€0.2bn). By segment, except for the Consumer goods division, the revenues of all the business units increased.

EthiFinance Ratings-adjusted EBITDA improved to €496m in FY25 (vs €423m in FY24), corresponding to a 6.1% margin (vs 5.5% in FY24). Improvement in EBITDA mainly came from the contribution of Sofiproteol, with significant gains on disposals made with the disposal of Ceva Santé Animale particularly. By business unit, Oilseed Processing and Renewable Energies's profitability improved thanks to higher volume. However, the profitability of both the Consumer Goods and Solutions for Agriculture divisions deteriorated, respectively due to the poor performance of some brands and to the difficulties of Eurolysine. In addition, oleochemistry activities (Oleon mainly) were disappointing, impacted by a difficult market environment. However, edible oils and animal nutrition performed well.

Going forward, we expect limited growth in revenues, considering the current market environment which remains challenging. Regarding profitability, we expect margins to normalize and to be broadly back in line with those of FY24, considering a normative contribution from Sofiproteol.

Cashflow and leverage

- **Slight improvement in financial profile despite significant investments**

Cash-flow generation slightly improved in FY25 due to higher EBITDA and despite significant investments (€303m mainly related to development and R&D, and maintenance and safety). However, Avril's adjusted free cash flow after dividends remained negative at -€148m (vs -€207m in FY24). At end-2025, our adjusted net leverage ratio – which is adjusted for operating leases, employee benefits, and readily marketable inventories (RMI) – slightly improved to 2.5x (vs 2.6x at end-2024). For FY26, considering normalized profitability, capex (c. €240m, excluding Sofiproteol) and M&A, with the acquisition of Valtris notably, we expect our net leverage ratio to deteriorate and stand above 3.0x. Over the rest of our forecast period (FY27-28), we expect this ratio to improve but to remain above the level observable at end-2025.

The interest coverage ratio also slightly improved in FY25 at 6.7x (vs 5.7x in FY24), despite stable interest expenses on the back of higher EBITDA. We expect this ratio to slightly deteriorate over our forecast, hampered by lower EBITDA and higher financial expenses, and lie just around 6.0x.

Capitalisation

- **The financial profile remains sound, bolstered by well-spread maturities**

As of end-2025, Avril's consolidated gross debt amounted to €1.9bn (vs €1.7bn at end-2024), comprising €356m for Sofiproteol and €1,543m for the industrial divisions. The latter is mainly held by Avril SCA, especially through its Club Deal facilities, an ESG-linked Schuldschein, its NEU CP and NEU MTN programs, and bank loans.

Adjusted for 50% of RMI, deconsolidated factoring, employee benefits, and operating leases, EthiFinance Ratings-adjusted net debt stood at €1,250m, resulting in an adjusted net leverage ratio of 2.5x (1.4x as per Avril's calculation with €706m for the covenant net debt, which is notably adjusted for 75% of RMI as per its debt contracts).

In 2025, the group refinanced its Club Deal facilities, increasing the total amount available to €1.05bn (vs €900m previously) and extended the maturity of the debt to July 2029. The Club Deal facilities now comprise a €100m term loan, and two RCFs of €650m and €300m, all maturing in July 2029. In addition, Avril had an ESG-linked Schuldschein totaling €90.0m, divided into several tranches: €47.0m due in December 2027, €6.5m in December 2028, and the remaining amount in December 2029. The other debt mostly comprised bank loans.

The majority of this debt carries a variable interest rate with partial interest hedging implemented by the group. The Club Deal facilities outlined a financial covenant (leverage ratio below 3.5x tested semi-annually), one which has been complied with in the past and is expected to remain complied with during our forecast period.

Liquidity

- **Good liquidity and strong refinancing profile**

Avril's liquidity score is 'Superior' as per our methodology. This results from the well-spread maturity of its debts, and the undrawn credit lines (€1.2bn at end-2025). Avril also has a receivables securitization program to enhance liquidity. Our assessment is also supported by the strong refinancing profile, which features a large banking pool and solid relationships, as confirmed by the refinancing of the Club Deal facilities in 2025.

Credit metrics expected evolution (CMEE)

- **Stable CMEE**

Our Stable CMEE reflects our view that credit metrics will remain broadly unchanged over the next twelve months.

Modifiers

- **Controversies**

Over the course of our review, we found no significant controversies regarding the group.

- **Country risk**

With 75% of its facilities located in France and revenues evenly split between France and other low-risk countries, Avril does not have any specific country risk.

Financial forecasts

Our main assumptions for our financial forecasts over 2026-28 are:

- Limited growth of revenues.
- Stable profitability with an EBITDA margin of c. 5.6%.
- Lower capex with c. €240m in FY26 and c. €200m from FY27 onwards (excluding Sofiproteol).
- Adjusted net leverage expected to be close to 3.0x on average as a consequence of our assumptions.

Main financial figures

Main financial figures. millions of EUR	FY23	FY24	FY25	25vs24
Turnover	7 888	7 704	8 188	6,3%
Adj EBITDA (1)	391	423	496	17,1%
Adj EBITDA Margin	5,0%	5,5%	6,1%	0,6pp
EBIT	185	154	126	-18,2%
EBIT Margin	2,4%	2,0%	1,5%	-0,5pp
EBT	104	74	107	45,3%
Total Assets	5 143	5 606	5 661	1,0%
Equity	2 161	2 188	2 114	-3,4%
Adj Total Financial Debt	1 932	2 255	2 398	6,3%
Adj Net Financial Debt (2)	910	1 108	1 250	12,8%
Equity/TFD	111,9%	97,0%	88,2%	-8,9pp
Adj NFD/Adj EBITDA	2,3x	2,6x	2,5x	-0,1x
Adj Funds From Operations	263	258	326	26,5%
Adj FFO/Adj NFD	28,9%	23,2%	26,1%	2,8pp
Adj EBITDA/Adj Interest	6,5x	5,7x	6,7x	1,0x

(1) *Adjusted for operating leases, and capitalized R&D*

(2) *Adujsted for capitalisation leases payments, pensions, factoring, and 50% of readily marketable inventories (vs 75% for the company)*

Please note that the company presents its accounts under French GAAP, so we have made adjustments in line with IFRS rules when analyzing financial ratios for benchmarking purposes.

Credit rating

Credit Rating	
Business Risk Profile	**BBB-**
Industry risk assessment	*BB*
Industry's ESG	*Negative*
Competitive Positioning	*BBB+*
Governance	*BBB*
Financial Risk Profile	**BBB-**
Cash flow and leverage	*BB+*
Solvency	*BBB-*
Company's ESG	*Positive*
Anchor Rating	**BBB-**
Modifiers	-
Rating	**BBB-**

Instrument rating

- **BBB- rating assigned for the existing NEU MTN programme, and EF2 for the existing NEU CP programme**

In order to diversify funding sources, the group has implemented both NEU MTN and NEU CP programmes - €75m for the former and €700m for the latter. According to our instrument rating methodology, the NEU MTN instrument being unsecured and unsubordinated, the rating is similar to the long-term issuer rating, which results in a BBB- rating for the existing NEU MTN programme.

The NEU CP rating derives from our short-term methodology and is the same as the issuer short-term rating, at EF2.

Rating sensitivity

- **List of ratings:**
  - LT issuer rating: BBB-
  - NEU MTN rating: BBB-
  - ST issuer rating: EF2
  - NEU CP rating: EF2

- **Factors which could influence positively the long-term and short-term ratings (↑)**

An upgrade to our long-term ratings could result from an improvement in profitability, in particular with the recovery of specialties' activities, and additional cash generation, which would result in improved credit metrics. For instance, an adjusted net leverage ratio of around 2.6x combined with an interest coverage ratio of around 6.5x, on a sustainable basis, could entail an upgrade of the long-term ratings.

With respect to the short-term ratings, an upgrade of the long-term ratings would mechanically result in an upgrade of the short-term ratings.

- **Factors which could influence negatively the long-term and short-term ratings (↓)**

A downgrade of the long-term ratings would derive from a strong deterioration in credit metrics. In particular, a lower profitability combined with higher capex and M&A activity, leading to an adjusted net leverage above 3.5x and an interest coverage ratio of around 5.0x on average would result in downgrade.

All things being equal, a downgrade of the long-term ratings is improbable at present and would result from a significant unforeseen change in credit metrics and financial policy.

Sources of information

The credit rating assigned in this report has been requested by the rated entity, which has also taken part in the process. It is based on private information as well as public information. The main sources of information are:

1. Annual Audit Reports.
2. Corporate Website.
3. Information published in the Official Bulletins.
4. Rating book provided by the Company.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
    - Corporate Rating Methodology - General : https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203
- The rating scale used in this report is available at https://www.ethifinance.com/en/ratings/ratingScale.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.