EthiFinance Ratings

L.D.C. SA

576850697 CORPORATE

A

ISSUER RATING
LongTerm

OUTLOOK
Stable

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Rating Action and Rationale

- EthiFinance Ratings affirms LDC SA's long-term rating at A, maintaining a Stable outlook.
- LDC is the largest player in the French poultry market with renowned brands including Loué, Le Gaulois, Maître Coq, and Marie. With its three divisions, LDC breeds, transforms, and sells chicken and catered food to French and international customers.
- Our rating remains supported by LDC's excellent financial fundamentals, characterized by a sustained negative net financial debt position. This stems from solid operating cash-flow generation, covering the significant capex of the group (c. 5% of its revenues), and a contained dividend policy (payout ratio of around 20%). The group has been really active on the M&A front recently with 6 acquisitions closed in FY25 (to end-February) and 1 acquisition closed in FY26 so far, of which Indykpol active in the turkey segment in Poland (c. €213m sales), and Group Pierre Martinet active in convenience food in France (c. €230m sales). The group also enjoys a positive momentum in poultry consumption. These materialize with strong growth in revenues reported for its half-year 2026 (to end-August 2025) with a 15.6% growth vs HY25. The growth was split between perimeter effect (+9.9%), price effect (+4.0%), and volume effect (+1.7%).
- Over our forecast period (FY26-28), we expect the group to deliver solid growth on the back of organic and inorganic growth. The EBITDA margin, which stood at 8.1% in FY25, is expected to remain stable. Due to capex (c. €350m) and the acquisition of Groupe Pierre Martinet, free cash-flow after dividends is expected to be negative in FY26, which will temporarily decrease the net adjusted cash position of the group. Over FY27-28, assuming no significant acquisitions, we expect the net adjusted cash position will strengthen again.
- In addition, our rating is supported by the group leading position in the French poultry market and being among the leaders in Europe. The group is also active in the convenience segment, being #2 in France with some well-known brands (such as Marie). Management has a rather good track record characterized by a prudent financial policy, as evidenced by LDC's robust financial profile and strong liquidity profile for the past few years.
- However, our rating is slightly constrained by the industry assessment. The agricultural products sector, in which LDC operates, displayed a moderate level of profitability, limited barriers to entry, and growth prospects which are broadly in line with GDP growth. In addition, LDC's diversification remains limited as the poultry segments represented over 70% of its revenues, while the French market still accounted for c. 85% of its revenues despite the internationalization over recent years.
- Finally, various controversies have also negatively impacted the rating, leading to a one-notch downgrade from the anchor rating. These controversies encompass mainly animal mistreatment and environmental issues in the supply chain. Notably, in June 2023, the French animal rights organization L214 filed a complaint alleging animal mistreatment at a farm associated with LDC. More recently, its plant in Vaiges is threatened with closure on environmental grounds (impact on water catchments and olfactory nuisance). These factors could impact the group's brand image and potentially lead to reductions in tonnage volumes under unfavorable scenarios.
- The agribusiness industry has medium-to-high ESG risks under our methodology (sector heatmap score between 3.5 and 4). This results in a sector rating being downgraded one notch by industry-related ESG considerations. Regarding environmental factors, 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 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. 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 LDC's ESG policy is neutral (company ESG score of between 1.5 and 3.5), resulting in no adjustments of the financial risk profile based on ESG considerations. Governance remains good, with strong structures and environmental stewardship. Our assessment of social factors improved thanks to better turnover, lower accident frequency, and absenteeism linked to work accidents or illnesses. However, environmental considerations have deteriorated due to higher energy consumption, GHG emissions (scopes 1 and 2), and water consumption.

Issuer Description

Headquartered in France, LDC is the largest player in the French poultry market with renowned brands including Loué, Le Gaulois, Maître Coq, and Marie. With its three divisions, LDC breeds, transforms, and sells chicken and catered food to French and international customers. Majority ownership lies with the founding families – the Lamberts, the Chancereuils, the Huttepains, and the Guillets. Its market capitalisation stood at €3.3bn as of October 30th, 2025, with a free float of 13%.

For its FY25 (to end-February 2025), LDC reported revenues of €6.3bn with adjusted EBITDA of €513m, equivalent to an 8.1% EBITDA margin (vs 8.9% for FY24). The company maintained a robust net cash position, as evidenced by its negative net adjusted financial debt (-€251m at end-February 2025).

Main Financial Figures

Main financial figures. Millions of EUR	FY24	FY25	FY26e	FY27e	FY28e	25vs24
Turnover	6 198	6 323	7 082	7 387	7 645	2,0%
EBITDA (1)	550	513	569	600	637	-6,8%
EBITDA Margin	8,9%	8,1%	8,0%	8,1%	8,3%	-0,8pp
EBIT	377	315	328	350	377	-16,4%
EBIT Margin	6,1%	5,0%	4,6%	4,7%	4,9%	-1,1pp
EBT	393	337	322	346	375	-14,3%
Total Assets	3 896	4 248	4 619	4 803	5 000	9,0%
Equity	2 130	2 290	2 480	2 688	2 914	7,5%
Total Financial Debt (2)	449	635	743	690	636	41,3%
Net Financial Debt	-454	-251	-134	-194	-285	44,8%
Equity/TFD	474,1%	360,7%	333,9%	389,8%	458,1%	-113,4pp
NFD/EBITDA	n/a	n/a	n/a	n/a	n/a	n/a
Funds From Operations	513	461	483	512	542	-10,0%
FFO/NFD	n/a	n/a	n/a	n/a	n/a	n/a
EBITDA/Interest	55,5x	41,1x	35,6x	43,9x	50,5x	-14,4x

(1) *Adjusted mainly for other operating revenues and expenses*

(2) *Adjusted for pensions*

Credit Rating

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

Rating Sensitivity

- Long-term rating positive factors (↑)

Given LDC's excellent financial metrics, an upgrade of our rating to A+ would have to derive from an improvement of the business risk profile of LDC. In particular, a strengthened diversification of LDC in terms of geography, and/or segment would have a positive impact on our assessment. In addition, an improvement in the assessment of controversies (and period of absence from them) would also help towards a rating upgrade.

- Long-term rating negative factors (↓)

Major events regarding animal disease or company reputation could lead to a significant deterioration of credit metrics and potentially of our rating. A rating downgrade could also derive from a more aggressive financial policy in the event of a significant debt-funded M&A.

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

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.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

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.