



INFORMATIONAL MEETING

October 19, 2017

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 **Vilmorin & Cie**
The **Limagrain** seed business

A background image of a field of sunflowers. The left side is a semi-transparent grey overlay containing the agenda text. The right side shows the full sunflower field.

AGENDA

- ❖ KEY POINTS
- ❖ RESULTS FOR FISCAL YEAR 2016-2017
- ❖ NEWS
- ❖ COMPETITIVE ENVIRONMENT
- ❖ OUTLOOK FOR 2017-2018 AND MID-TERM AMBITIONS
- ❖ SCHEDULE AND CONTACTS
- ❖ *GLOSSARY*
- ❖ *APPENDICES*



KEY POINTS

- ❖ **Sales for fiscal year 2016-2017 of 1,414 million euros: strong growth (+ 6.7%*), beyond the objective**
 - ❖ Vegetable Seeds : +6.2%*
 - ❖ Field Seeds: +8.3%*
- ❖ **Strong increase in financial performances, the fruit of dynamic business and the tight management of all the operating charges**
 - ❖ Operating income: €118.3 M (+€18 M)
 - ❖ **Current operating margin: 9.2% (+0.8 percentage points)**
 - ❖ Consolidated net income: €90.1 M (+€29.3 M)
- ❖ **Objectives for 2017-2018**
 - ❖ Continue to achieve significant growth in business
 - ❖ Consolidation of the current operating margin rate



Further deployment of the development and innovation strategy
in a long-term vision, and in a competitive environment undergoing consolidation

**On a like-for-like basis*

RESULTS FOR FISCAL YEAR 2016-2017 (ON JUNE 30, 2017)

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REFERENCES

❖ Accounting reference

❖ IFRS on June 30, 2017

❖ Rates of the main currencies on June 30, 2017 (and June 30, 2016)

	Average rate		Close rate	
	2016	2017	2016	2017
\$	1.11	1.09	1.11	1.14
¥	129	119	114	128
£	0.75	0.86	0.83	0.88
TRY	3.22	3.68	3.21	4.01
ILS	4.28	4.08	4.28	3.99
BRL	4.10	3.51	3.59	3.76
INR	73.61	72.43	74.96	73.74
MXN	19.24	21.09	20.63	20.58
UAH	26.52	28.56	27.58	29.75
RUB	74.86	66.38	71.52	67.54

PERFORMANCES IN 2016-2017. VEGETABLE SEEDS

In M€	2015-2016	2016-2017	Variation
Sales	688.7	735.8	+6.2%⁽¹⁾
Operating income	109.3	125.8	+€16.5 M
Operating margin	15.9%	17.1%	+1.2 pt
Current operating margin	16.2%	17.3%	+1.1 pt
EBITDA	195.3	219.5	+€24.2 M

(1) on a like-for-like basis

- ❖ Another fiscal year confirming excellent, dynamic growth, and reinforcing the average structural trend recorded in recent years, characterized by:
 - ❖ growth of all the Business Units and further market share gains,
 - ❖ confirmed development of major strategic crops, supported by an excellent flow of innovations in all key regions, and particularly in North America.
- ❖ High quality operational performance with, in particular :
 - ❖ an increase of 1.2 percentage points of the operating margin,
 - ❖ a sustained (net) investment capacity in R&D (+€5.4 M),
 - ❖ an increased contribution to the consolidated results (+€24.2 M in EBITDA, +€13.3 M in net income).

PERFORMANCES IN 2016-2017. FIELD SEEDS

In M€	2015-2016	2016-2017	Variation
Sales	581.7	626.0	+8.3 %⁽¹⁾
Operating income	10.6	17.2	+€6.6 M
Operating margin	1.8%	2.7%	+0.9 pt
Current operating margin	2.8%	3.6%	+0.8 pt
EBITDA	96.8	107.5	+€10.7 M

(1) on a like-for-like basis

- ❖ Context of agricultural markets still difficult (level of prices, pressure on pricing conditions), leading globally to a drop in the seeds markets in Western Europe (volumes and values).
- ❖ Strong business growth in Ukraine and Russia, particularly for sunflower seeds, and fine consolidation of corn market shares in Western Europe in a context of receding cultivated acreage.
- ❖ Strong growth in business in South America, driven by a dynamic market, resulting in a real improvement in operational performance.
- ❖ Further structuring of the more recent Business Units and continuing consolidation of (net) investments in R&D (+€6.2 M).
- ❖ Contribution to consolidated income up considerably (+€10.7 M in EBITDA, +€14.6 M in net income), in spite of the impact of extraordinary charges related to the reorganization of research centers in Europe.

PERFORMANCES IN 2016-2017. INCOME FROM ASSOCIATED COMPANIES

Income from associated companies: €33.9 M (+€3.1 M with current data)

❖ **AgReliant (Field Seeds. North America)**

- ❖ Contribution of €22.3 M (-€1.6 M) corresponding to total sales of \$657 M and a total net income of \$48.6 M.
- ❖ **Overall solid commercial performance in spite of a drop in volumes of corn seeds distributed to market, but corresponding to the reduction in cultivated acreage for this crop, and difficult sowing conditions during the campaign.**
- ❖ **Market shares preserved in a context of strong pressure on prices.**

❖ **Seed Co (Field Seeds. Africa)**

- ❖ Contribution of €5.7 M (+€1.5 M) corresponding to total sales of \$134.6 M (vs \$96 M) (mainly for corn) and a total net income of \$20.7 M (vs \$15 M).
- ❖ **Fiscal year 2016-2017 marked by an excellent level of contribution and further collaborations in field seeds (technologies, corn germplasm).**
- ❖ **Finalization of the cooperation project in vegetable seeds through the creation, over the course of the fiscal year, of a joint venture: Prime Seed Co International.**

PERFORMANCES IN 2016-2017. OTHER ASPECTS ANALYZED

❖ Non-recurring items

- ❖ Re-organization plans (€6.2 M) for certain activities, including
 - Finalization of Vilmorin Jardin's Job Protection Plan launched during the previous fiscal year,
 - Provisions for the streamlining of the European research organization in Field Seeds, which will be deployed as of 2017-2018.
- ❖ Impairments of intangible assets (€6.1 M) mainly on Vilmorin Jardin's portfolio of commercial brands.

❖ Financial income

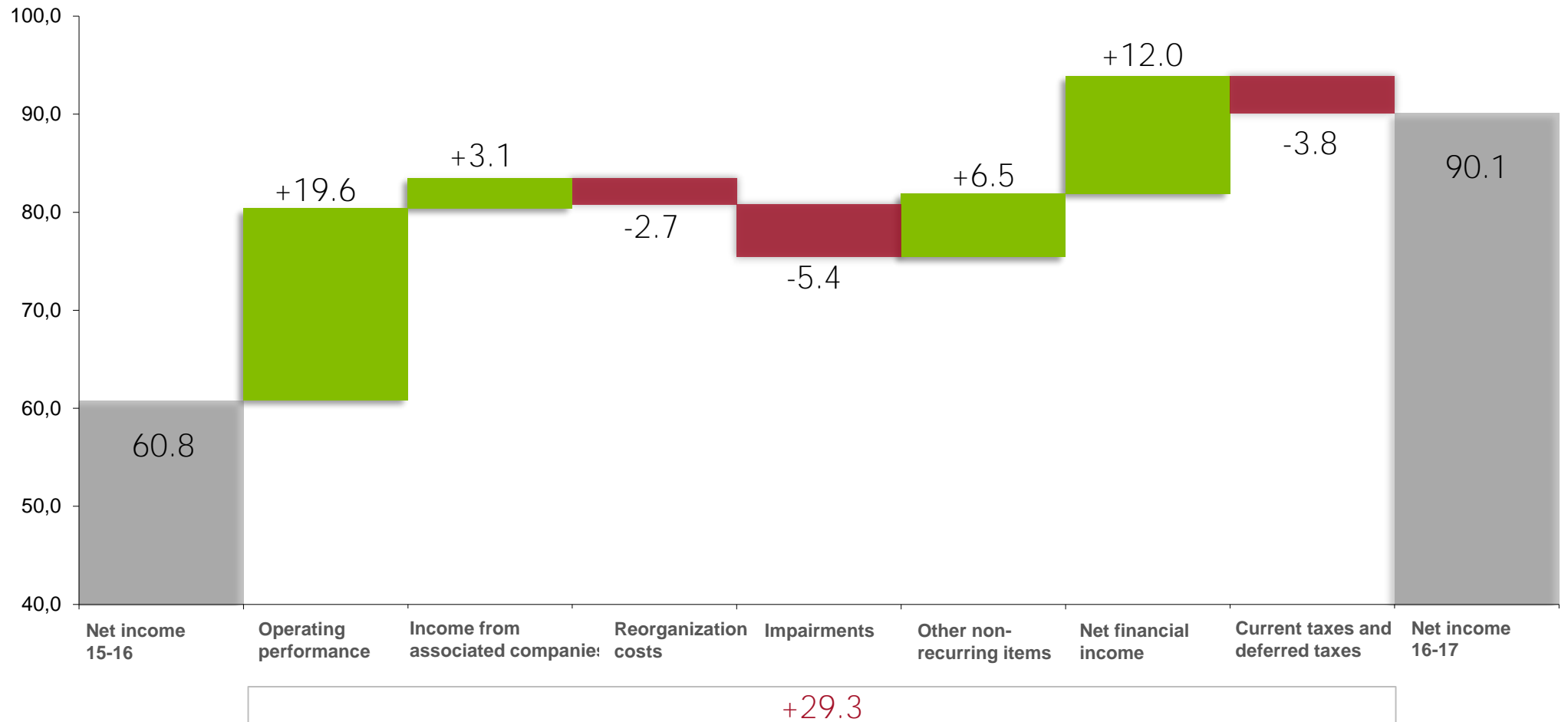
- ❖ Reduction of the net financial charge related to indebtedness (-€1.7 M) in spite of the seasonal increase of the average debt (> €35 M).
- ❖ Negative impact (€0.7 M) of the operation to exchange the crossed minority equity investments between Vilmorin & Cie, its holding Vilmorin USA Corp. and Arcadia BioSciences.

❖ Taxes

- ❖ Increase in the global tax charge recorded (+€3.8 M) particularly because of the cap on deferred taxes on assets imposed by French tax integration.

PERFORMANCES IN 2016-2017 – SUMMARY

In M€



EVOLUTION OF THE BALANCE SHEET STRUCTURE

❖ Net financial debt down considerably, notably due to:

- ❖ the strong increase in EBITDA (+€38 M), a good level of operating cash flow (€57 M) in spite of an increase in working capital needs dedicated to business,
- ❖ a tight investment program with the exception of research and development.

- ❖ Equity hit hard once again by exchange losses (-€28 M) with partial compensation by net actuarial gains on pension plans (€12 M)
- ❖ Diversified financial resources, consolidated during the fiscal year through a new Schuldscheine issue (€100 M) and extension of maturity and/or global commitment agreements (€, \$)

KEY DATA ON JUNE 30, 2017

- Equity: €1,309 M
- Net financial debt: €714 M
including cash €256 M
- Gearing: 55%
- Leverage: 2.3

NEWS

A close-up photograph of a person wearing purple nitrile gloves working in a laboratory or greenhouse. The person is using a pipette to apply a liquid substance to a young corn plant growing in a black plastic tray. The corn plants are green and have several leaves. The background is slightly blurred, showing more of the plants and the person's arm in a white lab coat. The word "NEWS" is overlaid in white text on the left side of the image, with a dotted line below it.

GOVERNANCE

❖ Vilmorin & Cie's Board of Directors

❖ **Proposal to appoint Annick BRUNIER as Director at the next AGM of December 8, 2017***

- Annick BRUNIER is a farmer and has been a Director of Limagrain since 2012
- She represents the Group in different professional organizations



❖ Vilmorin & Cie Management team

❖ **Appointment to come of Daniel JACQUEMOND as CEO Delegate of Vilmorin & Cie** bearing in mind that Emmanuel ROUGIER, Vilmorin & Cie's current CEO Delegate, will be stepping down to retire at the end of 2017.

- *Daniel JACQUEMOND has been Vilmorin & Cie's CFO since 2000*
- He has more than 30 years experience in the *group's main business lines*



❖ **Appointment to come of Vincent SUPIOT as Vilmorin & Cie's CFO**

- Over almost 20 years Vincent SUPIOT has exercised several missions as CEO or CFO in the *group's Business Units* (France, Netherlands, United States, Japan)



* To replace Joël ARNAUD, whose term of office will be expiring and who is not seeking renewal

FIELD SEEDS. REORGANIZATION OF THE RESEARCH SITES IN EUROPE














❖ Crucial optimization of existing infrastructures

- Current organization very scattered in Europe, for historical reasons
- 28 sites in Europe, most of them small



- Reorganization of the research sites in Europe, with a reduction from 28 to 22 sites:
 - 6 sites transferred and closed (4 in France, 1 in the UK, 1 in Belgium)
 - 6 sites with increased activity (4 in France, 1 in the UK, 1 in the Netherlands)
 - 1 site with reduced activity (France)
 - 1 molecular laboratory activity transferred (from the Netherlands to France)
 - 15 sites will remain largely unchanged

Current research sites in Europe:
28 sites spread over 13 countries

		Number of sites before reorganization	Corn	Cereals	Sunflower	Rape	Support functions
France		10					
UK		3					
Germany		3					
Spain		2					
Belgium		1					
Czech Republic		1					
Hungary		1					
Italy		1					
Poland		1					
Romania		2					
Russia		1					
Netherlands		1					
Ukraine		1					
TOTAL		28					

FIELD SEEDS. REORGANIZATION OF THE RESEARCH SITES IN EUROPE

❖ Objective: develop more efficient research facilities

- In the context of difficult markets in Europe, benefit from research facilities that are better suited to the evolution of field seed markets.
- Optimize research investments:
 - Constantly integrate new technologies.
 - Deploy new breeding methods and tools.
 - ⇒ Reorganization accompanied by investments.
- Take full advantage of synergy opportunities between the different crops, with the creation of centers of expertise.

Project initiated in 2016-2017, with implementation in 2017-2018.



GARDEN PRODUCTS. REORIENTATION OF THE MARKETING STRATEGY

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Reminders:

- ❖ An activity largely affected by an environment of falling markets with a decline in the segment for sales of seed packets.



Implementation of a Job Protection Plan
in 2015-2016 and 2016-2017,
affecting about 20 jobs,
with the objective of resizing the organization
to adapt to a declining market.

The market for seed packets for home gardeners

- > A drop of more than 17% in 6 years in volume
- > A drop of more than 13% in 6 years in value

Source: GFK (year-to-year aggregate data)








GARDEN PRODUCTS. REORIENTATION OF THE MARKETING STRATEGY

- ❖ Reorientation of the marketing strategy in 2017-2018:
 - Realign with all consumer profiles
 - Provide answers for all gardeners, from novices to experts



Among avenues for reflection: simplification of the brand portfolio

The current brand strategy

Distribution network	Main brand	Secondary brand	Entry level
Specialized	All stores 		All stores 
Supermarkets	Carrefour, Cora, Auchan, Casino 	Leclerc, Système U, Intermarché 	

Ongoing reflection to redeploy the brand strategy around the leading brand Vilmorin, accompanied by a limited number of tactical brands.

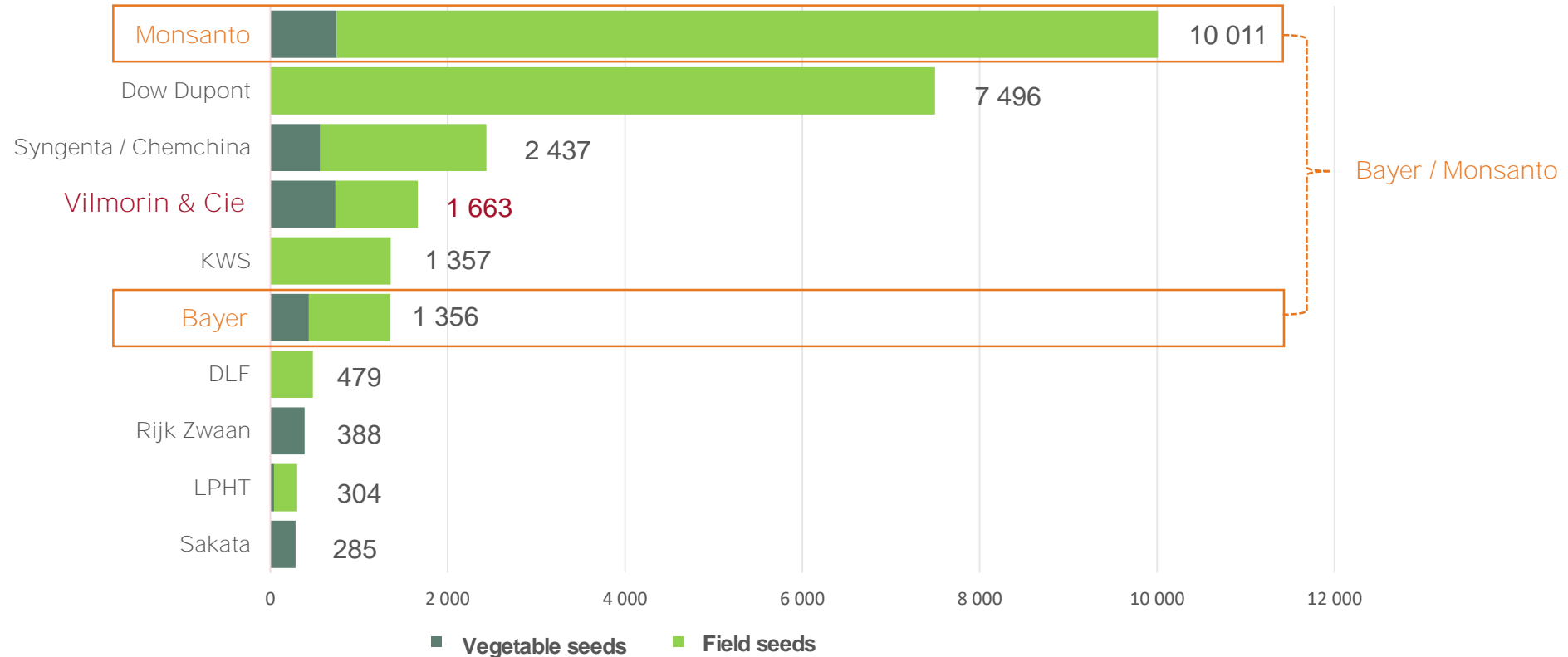


COMPETITIVE ENVIRONMENT



A COMPETITIVE ENVIRONMENT UNDERGOING MAJOR CHANGE

Current positions of the main competitors in the seeds business



Seeds business – Sales for 2016 in millions of euros

(Monsanto and Vilmorin & Cie: data 2016-2017)

(Vilmorin & Cie: excluding sales for Garden Products / without taking IFRS 11 into account)

Sources: company disclosures and internal estimates for 2017

A COMPETITIVE ENVIRONMENT UNDERGOING MAJOR CHANGE

❖ Acquisition of Monsanto by Bayer

- **May 2016:** announcement of the operation. The agreement was signed in September 2016 for 66 billion US\$.
- **March 2017:** asset disposal program raised to 2.5 billion US\$ (1.6 billion US\$ previously).
- **October 2017:** the European Commission decided to suspend the anti-trust process.
- Finalization of operation now planned for the beginning of 2018.

❖ Creation of DowDupont

- **December 2015:** announcement of the merger of Dupont Pioneer and Dow (on the basis of a market capitalization of 130 billion US\$), with the objective, after the merger, of creating three specialized, independent companies: “agriculture”, “material science” and “specialty products”.
- **Dow and Dupont have disposed of several activities in order to respect the demands of the anti-trust authorities – in particular** part of Dow’s corn seed business in Brazil, sold to CITIC (China) for 1.1 billion US\$.
- August 31, 2017: finalization of the merger and creation of DowDupont.

❖ Purchase of Syngenta by Chemchina

- **February 2016:** announcement of ChemChina’s project to acquire Syngenta for 43 billion US\$.
- June 2017: finalization of the operation (**ChemChina** had obtained 98% of Syngenta’s shares).

❖ BASF

- **October 2017:** signature by BASF of an agreement to acquire field seeds activities and herbicides sold by Bayer for 7 billion US\$ - in particular including canola seeds (North America), rapeseeds (mainly Europe), cotton (Americas and Europe) and soybean (Americas).
- Finalization of the operation planned for the first quarter of 2018.

OUTLOOK FOR 2017-2018 AND MID-TERM AMBITIONS

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STAKES AND OBJECTIVES FOR THE FISCAL YEAR

Vegetable Seeds

Strengthen world leadership:

- > **By pursuing innovation in plant breeding and close proximity to markets.**
- > **While remaining on the look-out for any external growth opportunity to consolidate positions for strategic zones and crops**

In Japan, Vilmorin & Cie will pursue its programmed rundown of the agricultural supplies and equipment activity of the Business Unit VILMORIN-MIKADO.

Objective for 2017-2018

Sales for Vegetable Seeds = +4%
on a like-for-like basis

Field Seeds

Strengthen positions in regions where facilities have been established:

Europe

North
America

South
America

Asia

Africa

- > **In market conditions that will probably remain difficult in Europe.**
- > **Pursuing the deployment of the strategic plan for Field Seeds aiming to:**
 - **Become a global player in corn seeds.**
 - **Ultimately become the world reference for wheat seeds.**

Objective for 2017-2018

Sales for Field Seeds > +5%
on a like-for-like basis

OBJECTIVES



- ❖ **Achieve significant growth in sales and consolidate the current operating margin rate**

Consolidated **sales +5%**
on a like-for-like basis

Current operating margin rate at the
same level as in 2016-2017, taking into
account research investment ≈ €255 M

- ❖ **Aim for a contribution from its associated companies* at least equivalent to 2016-2017.**




** Mainly AgReliant (North America. Field Seeds), Seed Co (Africa. Field Seeds) and AGT (Australia. Field Seeds).*



Pursue deployment of the development and innovation strategy,
in a long-term vision,
**over a fiscal year which will probably continue to be affected by a context
of depressed agricultural prices
and marked by the consolidation of the agrochemical sector.**

STRATEGIC ORIENTATIONS

- ❖ Confirmation of the strategic ambitions for 2020
 - Accelerate development to reach business growth higher than market trends and increase operating margins, both in Vegetable Seeds and Field Seeds
 - Materialize the three strategic priorities:

VEGETABLE SEEDS	CORN SEEDS	WHEAT SEEDS
REINFORCE WORLD LEADERSHIP	BECOME A GLOBAL PLAYER	ULTIMATELY BECOME THE WORLD REFERENCE
		

- ❖ Fiscal year 2016-2017 fully confirmed these ambitions
- ❖ Objectives for 2017-2018 firmly in line with these trends

SCHEDULE AND CONTACTS

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MONDAY NOVEMBER 6, 2017 AFTER TRADING

- ✦ Disclosure of sales at the end of the first quarter 2017-2018 (on September 30, 2017)

THURSDAY NOVEMBER 23 AND FRIDAY NOVEMBER 24, 2017

- ✦ Actionaria Fair in Paris

FRIDAY DECEMBER 8, 2017

- ✦ Annual General Meeting of Shareholders in Paris

WEDNESDAY DECEMBER 13, 2017

- ✦ Dividend detachment

FRIDAY DECEMBER 15, 2017

- ✦ Payment of the dividends

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You can consult all our financial information on the website:

www.vilmorincie.com

GLOSSARY



- ❖ Like-for-like data: **like-for-like data are data readjusted for constant consolidation scope and currency exchange rates.** The average rates for fiscal year 2016-2017 are thus applied to the financial data for 2015-2016, along with any changes in the consolidation scope, so that data for the two fiscal years can be compared on the same basis.
- ❖ Current data: **current data are the data expressed with the historical currency exchange rates for the period, and not adjusting for changes in the consolidation scope**
- ❖ EBITDA: **the EBITDA is defined as the operating income to which are added any provisions for depreciation, amortization and impairment.**
- ❖ Research investment: **research investment refers to gross research expenditure before recording any research costs as fixed assets.**

- ❖ Gearing: **gearing is defined as the ratio comparing the net financial debt⁽¹⁾ to the equity⁽²⁾.**
- ❖ Leverage: **leverage is defined as the ratio comparing the net financial debt⁽¹⁾ to the EBITDA.**
- ❖ Current operating margin: **the current operating margin is defined as the accounting operating margin restated for any impairment and reorganization costs.**
For fiscal year 2015-2016, certain items of an extraordinary nature had also been restated: additional procurement costs and partial allocation of goodwill.

⁽¹⁾ Net financial debt corresponds to the net financial indebtedness.

⁽²⁾ Equity corresponds to the line "Consolidated equity", as presented in the Financial progress report.

APPENDICES





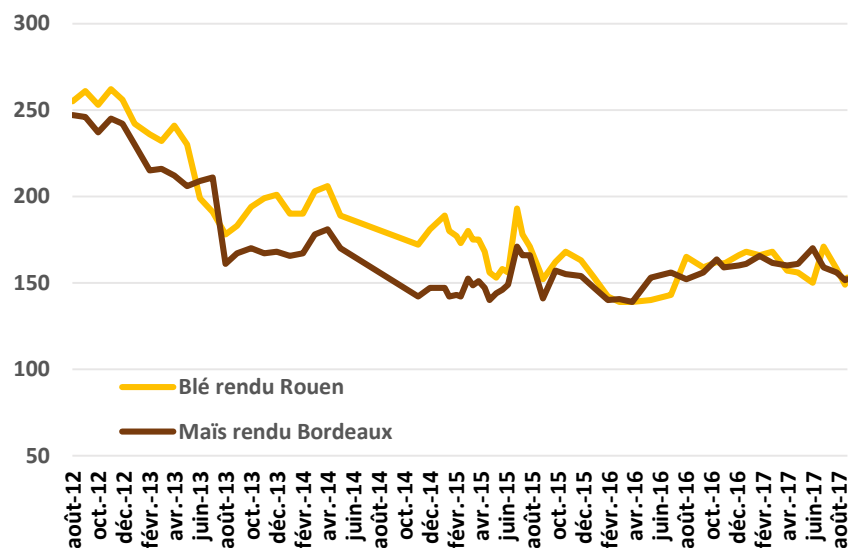
APPENDICES

❖ MARKET CONTEXT

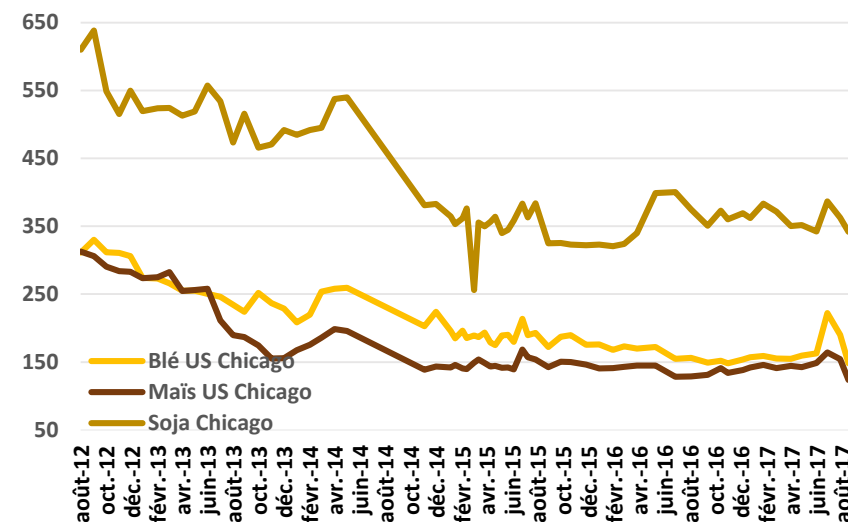
TREND FOR FIELD SEEDS

❖ Low price levels of agricultural raw materials

Corn price. Bordeaux : 152 €/tn
Wheat price. Rouen : 153 €/tn
 September 2017



Corn, soybean and wheat prices. Chicago
Corn: 134 \$/t
Soybean: 346 \$/t
Wheat: 154 \$/t
 September 2017



Sources: Cereals market - FranceAgriMer, IGC, La dépêche, internal. September 2017

TRENDS FOR FIELD SEEDS

✦ Corn acreages

United States
↘ Acreage

Europe 28
↘ Acreage

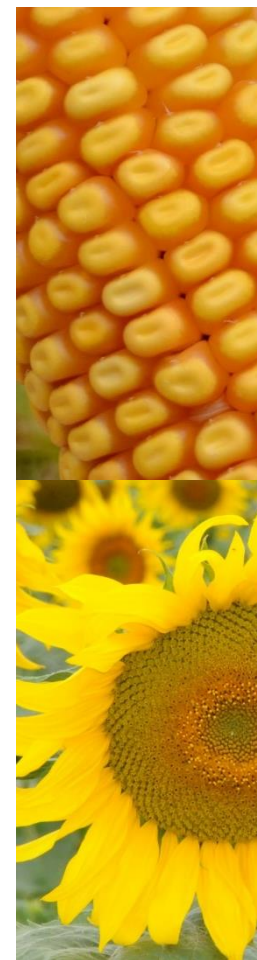
Greater Europe
↘ Acreage

Brazil
↗ Acreage Safra
↗ Acreage Safrinha

✦ Sunflower acreages

Europe 28
↗ Acreage

Greater Europe
↗ Acreage



Sources: USDA 2017, internal source

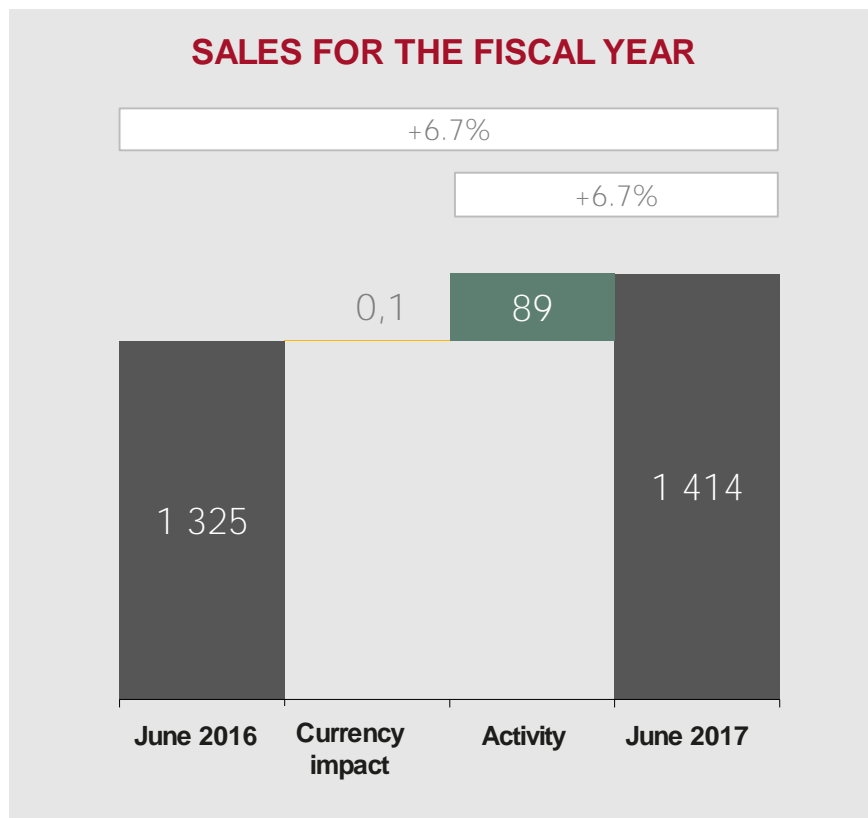


APPENDICES

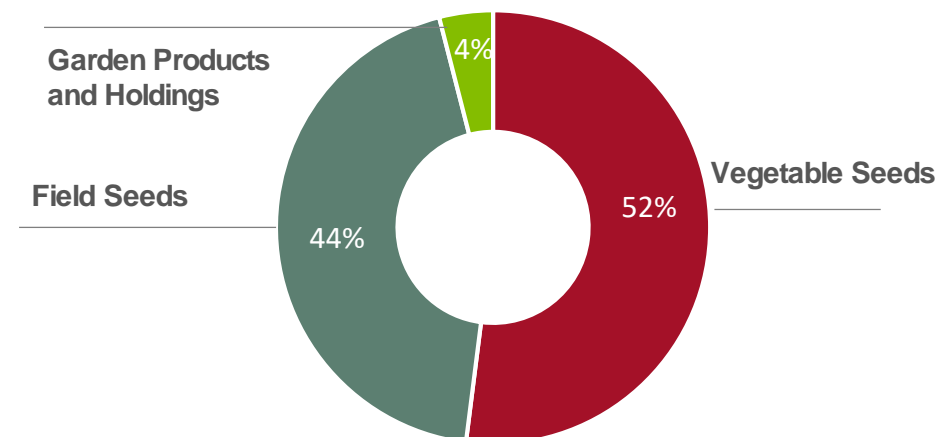
❖ KEY FINANCIAL DATA ON JUNE 30, 2017

CONSOLIDATED SALES*

In M€



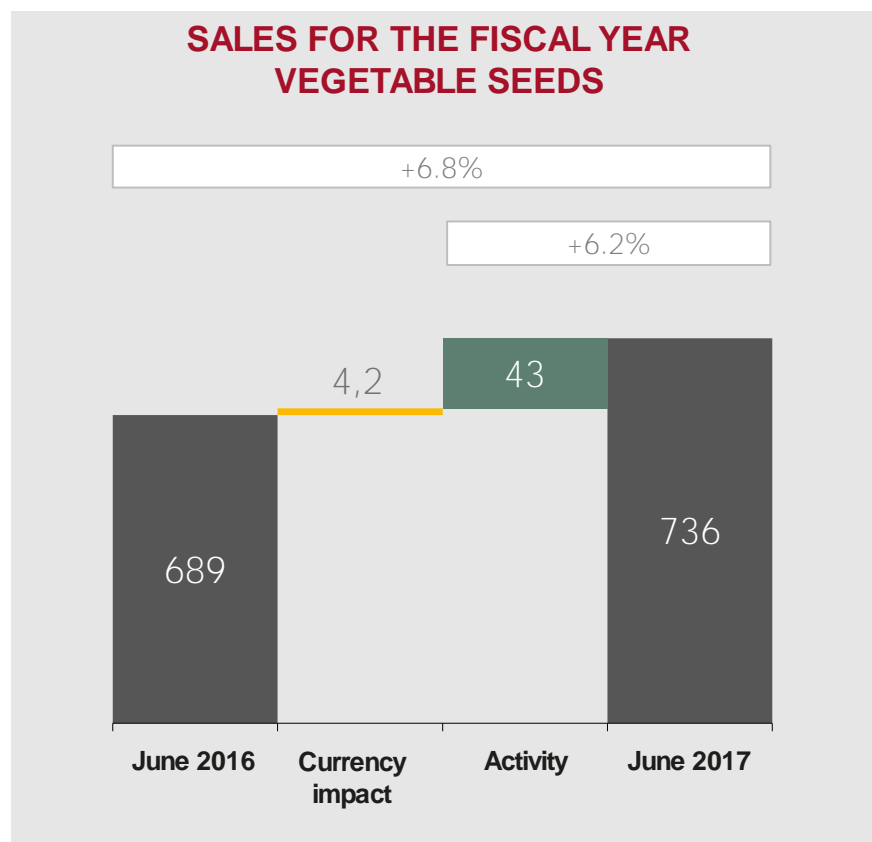
SALES* 2016-2017 PER DIVISION



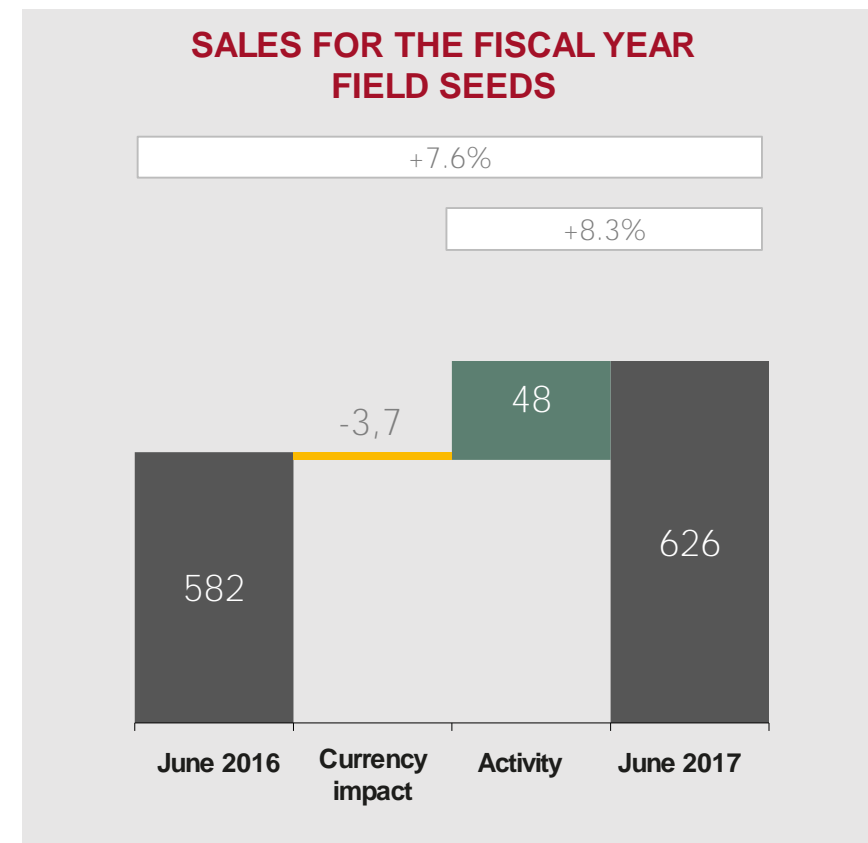
* Revenue from ordinary activities

SALES* PER ACTIVITY

In M€

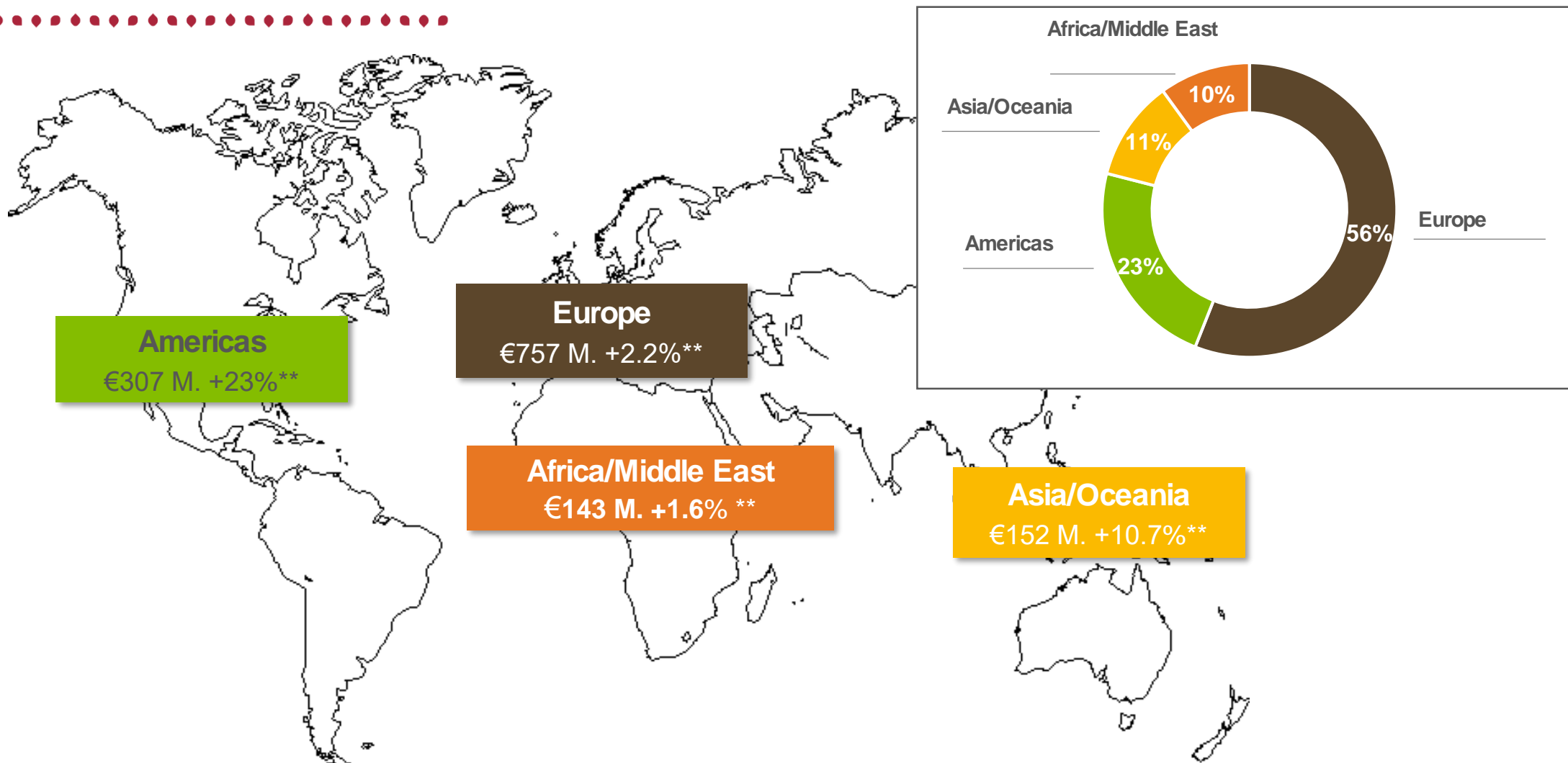


* Revenue from ordinary activities



* Revenue from ordinary activities,
after application of IFRS 11 (i.e. excluding AgReliant)

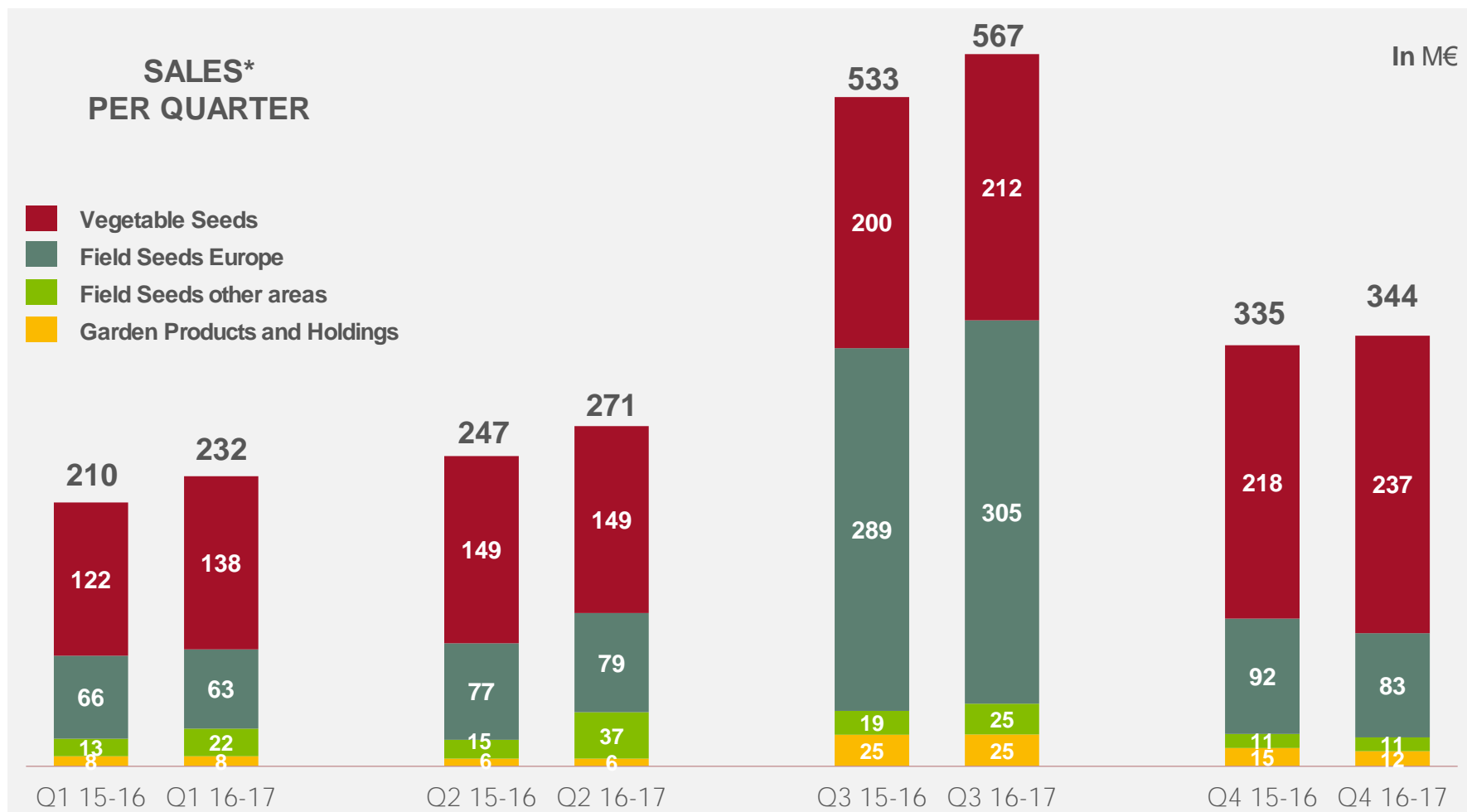
CONSOLIDATED SALES* PER GEOGRAPHICAL AREA



* Sales of goods

** Current data compared with 2015-2016

CONSOLIDATED SALES* PER QUARTER



* Revenue from ordinary activities

INCOME STATEMENT

In M€	2015-2016	2016-2017	Variation
Sales	1 325.1	1 414.0	+6.7%
Sales margin	632.2	687.0	+€54.8 M
Sales margin rate	47.7%	48.6%	+0.9 pt
Operating income	100.3	118.3	+€18.0 M
Operating margin rate	7.6%	8.4%	+0.8 pt
Current operating margin rate	8.4%	9.2%	+0.8 pt
Income from associated companies	30.8	33.9	+€3.1 M
Financial income	-36.5	-24.5	-(€12.0) M
Income taxes	-33.8	-37.6	+(€3.8) M
Net income	60.8	90.1	+€29.3 M
Net income Group share	59.3	86.9	+€27.6 M

OPERATING CHARGES

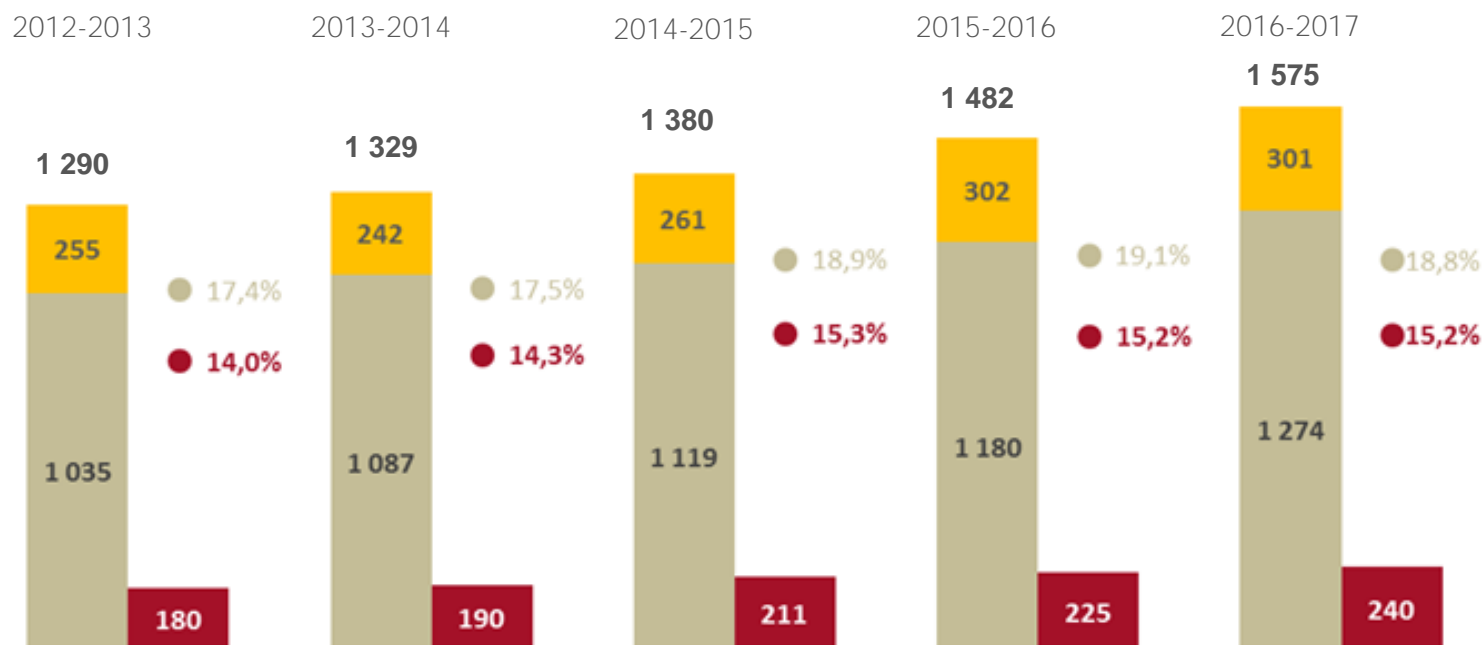
In M€	2015-2016	2016-2017	Variation*
Marketing and sales	-186.1	-194.3	+4.4%
Research and development	-177.5	-192.4	+8.4%
Administration and other charges	-165.3	-169.7	+2.7%
Impairments	-0.7	-6.1	+(€5.4) M
Reorganization operations	-3.5	-6.2	+(€2.7) M
Disposal of assets	1.2 (CG)	-	-€1.2 M
Net operating charges	-531.9	-568.7	+(€36.8) M

* With current data

CG = capital gains

RESEARCH AND DEVELOPMENT

In M€



- Sales of seeds
- AgReliant' sales of seeds (50%)
- Investment in research
- Investment in research/Sales of seeds (IFRS 11)
- Investment in research/Sales of seeds (incl. 50% AgReliant)

In M€ (variation / 2015-2016)

R&D investment	240	(+15)
Impact of R&D activation	-15	(- 2)
Tax relief for research	-32	(+2)

KEY FIGURES FOR EACH ACTIVITY'S CONTRIBUTION TO CONSOLIDATED SALES

	Sales*		Operating income		Net income	
In M€	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017
Vegetable Seeds	688.7	735.8	109.3	125.8	71.6	84.9
Field Seeds	581.7	626.0	10.6	17.2	17.3	31.9
Garden Products	53.6	51.2	-4.6	-6.7	-4.6	-6.9
Holdings	1.1	1.0	-15.0	-18.0	-23.5	-19.8
Consolidated	1 325.1	1 414.0	100.3	118.3	60.8	90.1

* Revenue from ordinary activities

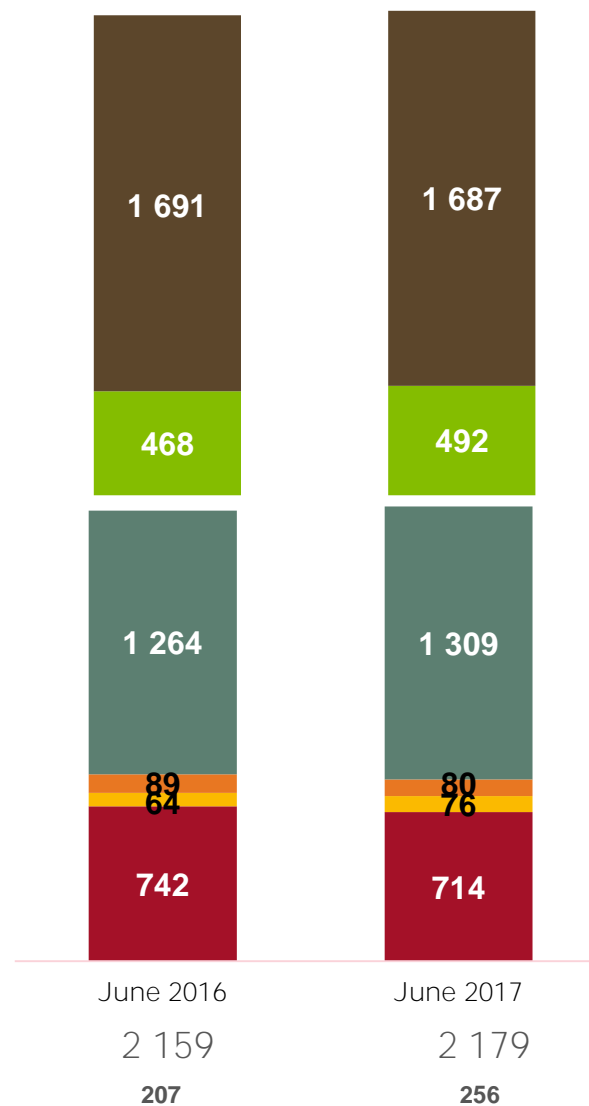
FREE CASH-FLOW

In M€	2015-2016	2016-2017
Net indebtedness at the beginning of the FY	660	742
EBITDA	278	316
Variation of working capital needs	20	-43
Other operating items	-28	-12
Net industrial investments	-46	-38
Activated development costs	-157	-165
Operating cash-flow	68	57
Net financial investments	-116	-5
Capital and other equity contributions	-1	-
Dividends	-10	-4
Net financial charges	-23	-23
Free cash-flow	-83	25
Other restatements (IFRS/Currency, etc.)	1	3
Net indebtedness at the end of the FY	742	714

BALANCE SHEET STRUCTURE

In M€

Total balance sheet
of which cash

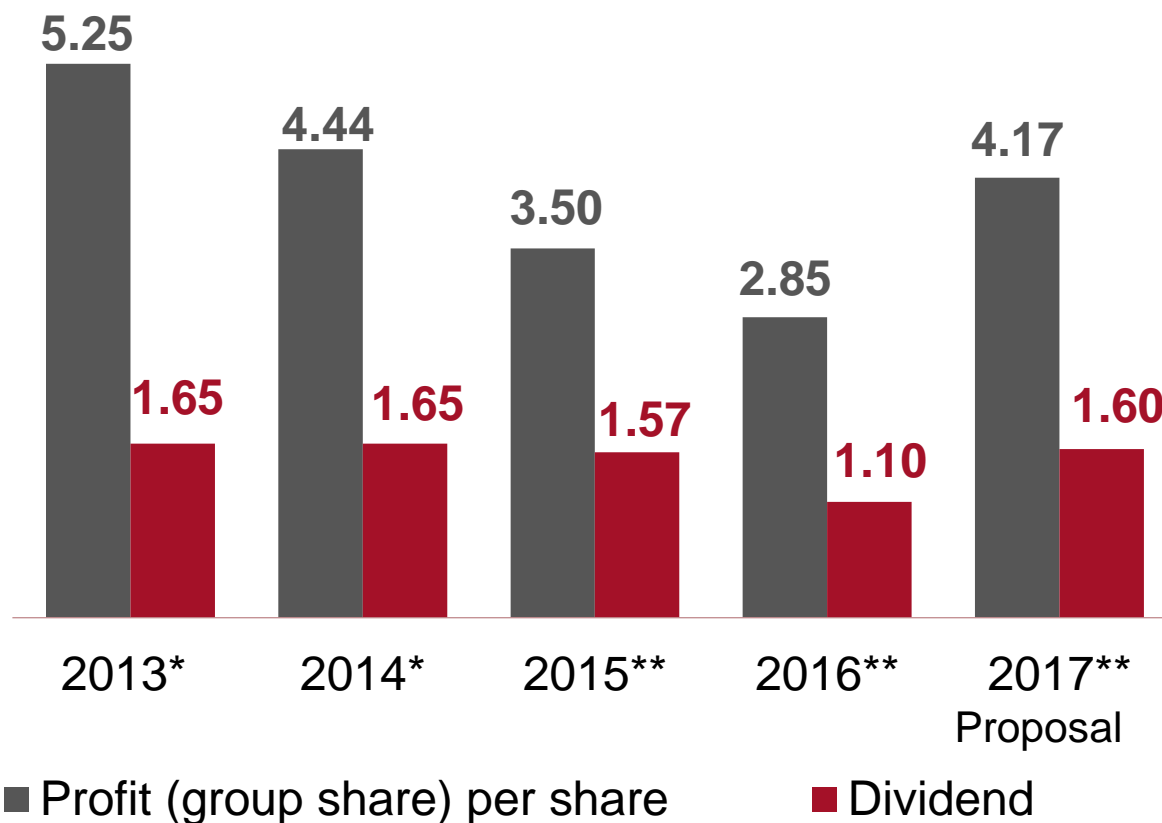


- Net fixed assets
- Net working capital needs
- Equity
- Provisions
- Net deferred taxes
- Net indebtedness

Gearing 55%
Leverage 2.3

DIVIDENDS PROPOSAL

In €



Pay-out

31.4% 37.2% 44.8% 38.6% 38.4%

* calculated on the basis of 18,939,911 shares

** calculated on the basis of 20,833,902 shares

A vibrant field of sunflowers under a clear blue sky. In the background, two people wearing white caps and red shirts are working in the field. The sunflowers are in sharp focus in the foreground, with their bright yellow petals and dark brown centers clearly visible.

THANK YOU

VILMORIN & CIE

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 **Vilmorin & Cie**

The **Limagrain** seed business