



INFORMATIONAL MEETING

February 28, 2018

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

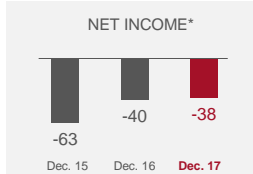
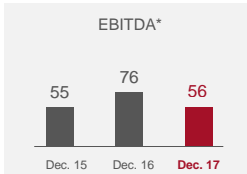
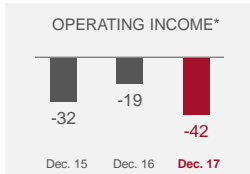
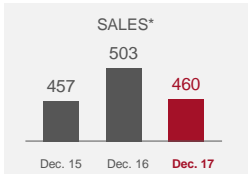


AGENDA

- ❖ KEY POINTS
- ❖ RESULTS FOR THE 1ST SEMESTER 2017-2018
- ❖ CHALLENGES AND OUTLOOK FOR END OF FISCAL YEAR 2017-2018
- ❖ SCHEDULE
- ❖ *GLOSSARY*
- ❖ *APPENDICES*

KEY POINTS

- ❖ Reduction in sales for the first semester, resulting in a decrease in the operating income
 - ❖ Regain in activity for Vegetable Seeds over the 2nd quarter
 - ❖ Contrasting business over the semester for Field Seeds, in a market context that remains tense
- ❖ Slight improvement of the net income for the 1st semester 2017-2018



* In M€

- ❖ Outlook for 2017-2018
 - ❖ Objective for business growth readjusted at 4% (on a like-for-like basis)
 - ❖ Objective for the current operating margin rate maintained



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Confirmation of Vilmorin & Cie's capacity to achieve another quality fiscal year, in a competitive environment characterized by major consolidation operations

Vilmorin & Cie
The Limagrain seed business

RESULTS FOR THE 1ST SEMESTER 2017-2018 (ON DECEMBER 31, 2017)

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RESULTS FOR THE 1ST SEMESTER 2017-2018

REFERENCES

- ❖ Accounting reference
 - ❖ IFRS on December 31, 2017
- ❖ Scope
 - ❖ Consolidation scope: minority stake in Prime Seed Co (Zimbabwe. Vegetable Seeds)
 - ❖ Activity scope: withdrawal from the distribution of agricultural supplies by the Business Unit VILMORIN-MIKADO (Vegetable Seeds) in Japan
- ❖ Rates of the main currencies on December 31, 2017 (and December 31, 2016)

| | average | | close | |
|-----|---------|---------|---------|---------|
| | Dec. 16 | Dec. 17 | Dec. 16 | Dec. 17 |
| \$ | 1.10 | 1.18 | 1.05 | 1.20 |
| ¥ | 116 | 132 | 123 | 135 |
| £ | 0.86 | 0.89 | 0.86 | 0.89 |
| TRY | 3.43 | 4.30 | 3.71 | 4.55 |
| ILS | 4.19 | 4.16 | 4.05 | 4.16 |
| BRL | 3.59 | 3.77 | 3.43 | 3.97 |
| INR | 73.73 | 75.87 | 71.59 | 76.61 |
| MXN | 21.15 | 21.63 | 21.77 | 23.66 |
| UAH | 28.13 | 31.10 | 28.58 | 33.71 |
| RUB | 70.03 | 69.04 | 64.30 | 69.39 |

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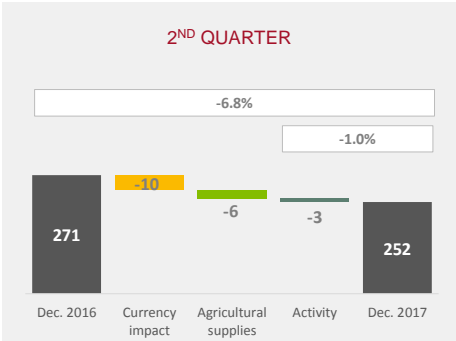
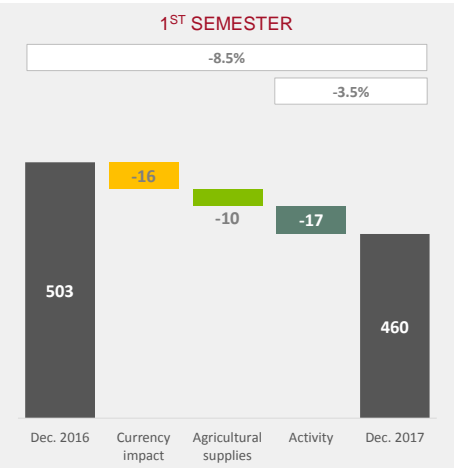
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RESULTS FOR THE 1ST SEMESTER 2017-2018

CONSOLIDATED SALES*

In M€



* Revenue from ordinary activities

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RESULTS FOR THE 1ST SEMESTER 2017-2018

ACTIVITY AND PERFORMANCES OF VEGETABLE SEEDS

| In M€ | 12.31.15 | 12.31.16 | 12.31.17 | Variation (12.31.17 vs 12.31.16) |
|-----------------------|----------|----------|----------|-------------------------------------|
| Sales | 271.4 | 286.9 | 248.7 | -6.0% ⁽¹⁾ |
| Operating income | 11.8 | 12.8 | 1.0 | -11.8 M€ |
| Operating margin rate | 4.3% | 4.5% | 0.4% | -4.1 pts |

(1) on a like-for-like basis

- ❖ **Upswing in business over the 2nd quarter** (+2.9%⁽¹⁾), with growth in the sales of seeds for the three Business Units, particularly in Asia and a number of countries in the Mediterranean basin (Turkey)
- ❖ Decrease over the full semester (-6.0%⁽¹⁾), due to:
 - distributor inventory levels globally high (North America)
 - problems importing seeds into certain countries
- ❖ Acceleration of the withdrawal from the distribution of agricultural supplies by the Business Unit VILMORIN-MIKADO in Japan
- ❖ Very promising order portfolio for the coming months
- ❖ Strong increase in the commercial margin rate (+4.4 points) due to:
 - the withdrawal from the distribution of agricultural supplies in Japan
 - a drop in obsolescence costs over the semester
 - a favorable product mix
- ❖ Increase in operating charges (+6.9% on a like-for-like basis), including, in particular, strong investment in R&D (+2.2 M€)
- ❖ Consequently, deterioration over the semester of the operating margin (-4.1 points)

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RESULTS FOR THE 1ST SEMESTER 2017-2018

ACTIVITY AND PERFORMANCES OF FIELD SEEDS

| In M€ | 12.31.15 | 12.31.16 | 12.31.17 | Variation (12.31.17 vs 12.31.16) |
|-----------------------|----------|----------|----------|-------------------------------------|
| Sales | 170.5 | 201.6 | 197.9 | = ⁽¹⁾ |
| Operating income | (29.6) | (20.7) | (29.9) | -9.2 M€ |
| Operating margin rate | -17.3% | -10.3% | -15.1% | -4.8 pts |

(1) on a like-for-like basis

- ❖ **Activity stable for the 1st semester**⁽¹⁾, in spite of a downturn in business over the 2nd quarter (-5.2%⁽¹⁾), in a difficult market context
- ❖ Europe:
 - Very strong progression for the rapeseed campaign, reflecting market share gains
 - Drop in the sales of straw cereals (wheat, barley), in a market context where the use of commercial seeds has fallen
 - Orders for corn looking satisfactory and fully in line with objectives for sunflower (Eastern Europe)
- ❖ South America: downswing in business
 - Stable sales for the first corn campaign (*safrá*)
 - Later start for the second corn campaign (*safrinha*), where orders are lower, directly linked to the downward market trends
- ❖ Reduction of the consolidated commercial margin by 0.8 points, particularly in South America, in spite of the increase in the commercial margin in Europe, due to growth in the rapeseed business
- ❖ Increase in the operating charges (+8.4% on a like-for-like basis) including an increase in R&D investment (+3.3 M€)
- ❖ Consequently, deterioration (-4.8 points) of the operating margin for the first semester

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RESULTS FOR THE 1ST SEMESTER 2017-2018

ASSOCIATED COMPANIES

| In M€ | 12.31.15 | 12.31.16 | 12.31.17 | Variation (12.31.17 vs 12.31.16) | |
|-------------------------------------|----------|----------|----------|--|------------------------------|
| Income from associated companies | (24.2) | (24.9) | (26.6) | -1.7 ⁽¹⁾ | (1) on a like-for-like basis |

❖ AgReliant (Field Seeds. North America)

Loss of 25.3 M€ (base 50%) for the first semester, down compared with December 31, 2016:

- ❖ Satisfactory campaign launch (corn, soybean) in spite of a late start and characterized by a less favorable product mix
- ❖ Recording of further amortization of the licenses for GM corn technologies from Syngenta

❖ Seed Co (Field Seeds. Africa)

Loss of 0.5 M€ (base 29.6%) for the first semester on September 30, 2017, an improvement compared with 2016-2017:

- ❖ Strong increase in sales (white corn) over the first semester, particularly in Zimbabwe, Malawi and South Africa

RESULTS FOR THE 1ST SEMESTER 2017-2018

OTHER ITEMS IN THE ANALYSIS OF CONSOLIDATED PERFORMANCES

❖ Deterioration of the financial income (-9.9 M€):

- ❖ Net foreign exchange loss of 4.6 M€ compared to a net gain of 4.1 M€ on December 31, 2016
- ❖ Slight increase in interest costs in spite of relatively stable average indebtedness compared to the first semester 2016-2017 and favorable rates

RESULTS FOR THE 1ST SEMESTER 2017-2018

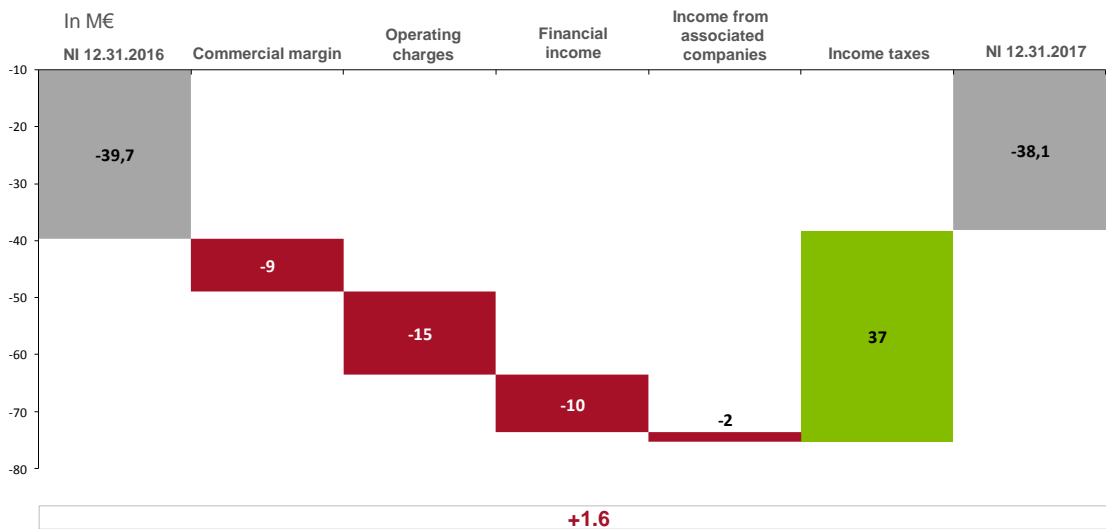
OTHER ITEMS IN THE ANALYSIS OF CONSOLIDATED PERFORMANCES

- ❖ Strong positive impact of tax income: 47.6 M€ (i.e. +37.1 M€ compared to December 31 2016), particularly due to:

| | |
|---|---|
| Change in the corporate tax rate in France | ➤ Finance law 2018: corporate tax rate lowered over 5 years from 34% to 25%. Impact on deferred taxes |
| Change in the corporate tax rate in the United States | ➤ Federal tax rate lowered on 01.01.2018 from 35% to 21%. Impact on deferred taxes |
| Income from tax pooling in France | ➤ Temporary recording of corporate tax income limited to the taxable profit from tax pooling in France over the second semester |

RESULTS FOR THE 1ST SEMESTER 2017-2018

PERFORMANCE 1ST SEMESTER: EVOLUTION OF NET INCOME (NI) OVER THE SEMESTER



RESULTS FOR THE 1ST SEMESTER 2017-2018

EVOLUTION OF THE BALANCE SHEET STRUCTURE

- ❖ A solid balance sheet structure, marked by:
 - ❖ A strong seasonal effect directly linked to the evolution of business
 - ❖ Stabilization of the net Working Capital Needs at 671 M€ (+6 M€)
 - ❖ A moderate investment policy

KEY DATA ON DECEMBER 31, 2017

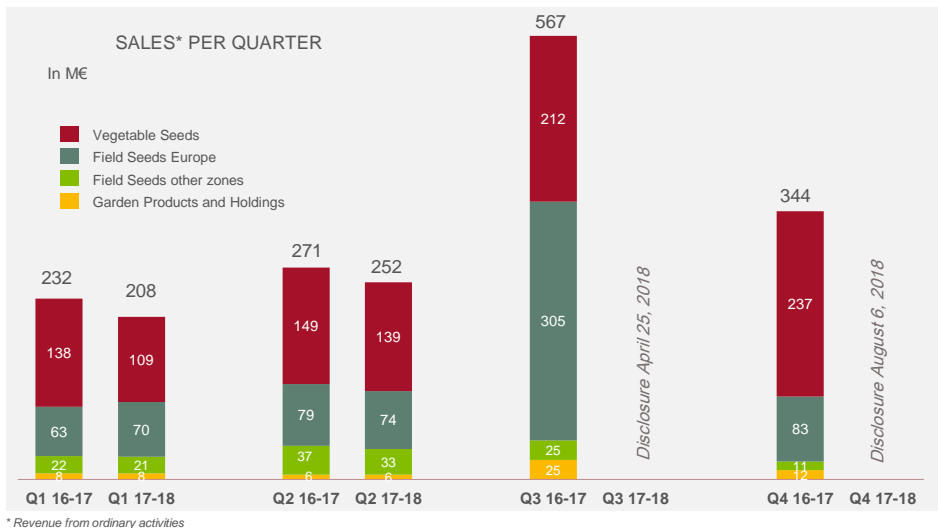
- Equity: 1,193 M€ (-29 M€)
- Net financial debt: 986 M€ (-3 M€)
including cash of 226 M€
- Gearing: 82.7%
(+1.7 points)

CHALLENGES AND OUTLOOK FOR END OF FISCAL YEAR 2017-2018



CHALLENGES AND OUTLOOK FOR END OF FISCAL YEAR 2017-2018

A DECISIVE SECOND SEMESTER DUE TO THE SEASONAL NATURE OF BUSINESS



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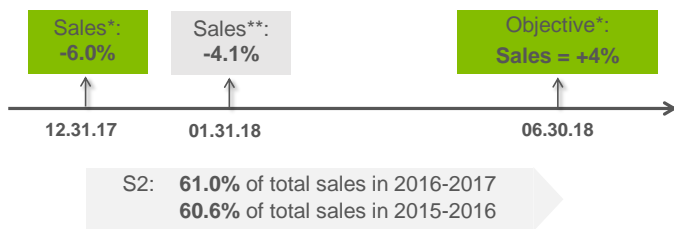
CHALLENGES AND OUTLOOK FOR END OF FISCAL YEAR 2017-2018

VEGETABLE SEEDS

Challenges for the end of the fiscal year

- ❖ Confirmation of a regain in activity
- ❖ Tight control over the supply chain
- ❖ Tight control over margin levels
- ❖ Control over the evolution of operating charges

Objective for 2017-2018 maintained (besides the impact of the withdrawal from the distribution of agricultural supplies in Japan)



Confirmation of the mid-term ambition
Reach average sales growth higher than the estimated market growth for vegetable seeds

* On a like-for-like basis.

** On a like-for-like basis. Sales at the end of January 2018 not audited

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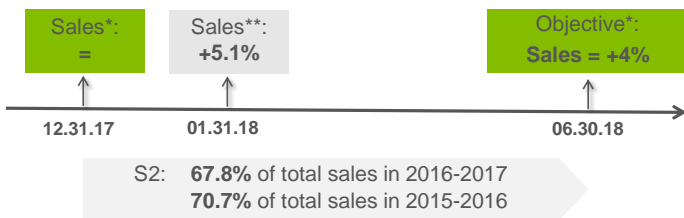
CHALLENGES AND OUTLOOK FOR END OF FISCAL YEAR 2017-2018

FIELD SEEDS

Challenges for the end of the fiscal year

- ❖ Definitive evolution of the allocations of cultivated acreage, especially for corn, in particular in Europe and South America
- ❖ Resistance to pressure on pricing policies, particularly in South America
- ❖ Confirmation of the potential of Eastern European markets

Objective for 2017-2018 readjusted



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Challenges and outlook / Associated companies

- *AgReliant*: Continued consolidation of positions, in a context of near stability expected for corn acreage
- *Seed Co*: Confirmation of the high quality operating performance begun during the 2nd part of the fiscal year, taking into account a high benchmark from the previous year

Confirmation of the mid-term ambition
Reach average sales growth higher than estimated market trends

* On a like-for-like basis.

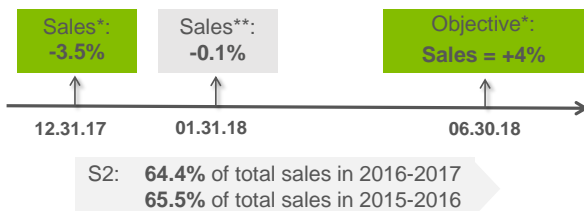
** On a like-for-like basis. Sales at the end of January 2018 not audited

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CHALLENGES AND OUTLOOK FOR END OF FISCAL YEAR 2017-2018

OBJECTIVES 2017-2018

❖ Business growth objective readjusted



* On a like-for-like basis.

** On a like-for-like basis. Sales at the end of January 2018 not audited

❖ Current operating margin rate objective maintained

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

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

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

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MID-TERM AMBITIONS

STRATEGIC ORIENTATIONS

- Fiscal year 2017-2018 should be able to confirm the solid growth course of Vilmorin & Cie
- In a context still marked by depressed agricultural prices
- And characterized by major consolidation operations in the agrochemical sector



**Confirmation of the mid-term strategic ambition
and continued deployment of the
development and innovation strategy,
in a long-term vision**

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SCHEDULE
AND CONTACTS

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SCHEDULE

WEDNESDAY MARCH 7, 2018

- ❖ Filing with the AMF of the update of the annual report for 2016-2017

MONDAY APRIL 23, 2018, AFTER TRADING

- ❖ Disclosure of sales at the end of the 3rd quarter 2017-2018 (on March 31, 2018)

MONDAY AUGUST 6, 2018, AFTER TRADING

- ❖ Disclosure of sales for fiscal year 2017-2018 (on June 30, 2018)

WEDNESDAY OCTOBER 17, 2018, AFTER TRADING

- ❖ Disclosure of results for fiscal year 2017-2018 (on June 30, 2018)

CONTACTS

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Consult all the financial information on the website:
www.vilmorincie.com

GLOSSARY



GLOSSARY

- ❖ **Like-for-like data:** like-for-like data is data that is restated for constant scope and currency translation.
 - Therefore financial data for 2016-2017 is restated with the average rate for fiscal year 2017-2018, and any other changes to the scope, in order to be comparable with data for fiscal year 2017-2018.
 - The only change in the consolidation scope is the purchase of a stake of 49% of the capital stock of Prime Seed Co (Zimbabwe. Vegetable Seeds), in April 2017.
 - The change in the scope of activity is due to the withdrawal by the Business Unit VILMORIN-MIKADO (Vegetable Seeds) from the distribution of agricultural supplies in Japan.
- ❖ **Current data:** current data is data expressed at the historical currency exchange rate for the period, and without adjustment for any changes in scope.
- ❖ **EBITDA:** the EBITDA is defined as the operating result to which are added any provisions for depreciation, amortization and impairment.

GLOSSARY

- ❖ **Research investment:** research investment refers to gross research expenditure before recording as fixed assets any research costs and research tax relief.
- ❖ **Gearing:** gearing is defined as the ratio comparing the net financial debt⁽¹⁾ to equity⁽²⁾.
- ❖ **Current operating margin:** the current operating margin is defined as the accounting operating margin restated for any impairment and reorganization costs.

⁽¹⁾ Net financial debt is equal to net financial indebtedness.

⁽²⁾ Equity corresponds to the line "Consolidated Equity", presented in the Financial Progress Report.

APPENDICES



APPENDICES

❖ COMPETITIVE ENVIRONMENT

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COMPETITIVE ENVIRONMENT

A COMPETITIVE ENVIRONMENT BEING RESHAPED

❖ Acquisition of Monsanto by Bayer

- May 2016: disclosure of the operation. Signing of the agreement in September 2016 for \$66 billion.
- March 2017: plan for the disposal of assets raised to \$2.5 billion (previously \$1.6 billion).
- October 2017: the European Commission decides to suspend the antitrust process.
- February 2018: the European Union decides once again to push back the deadline for the inquiry into the operation until April 2018.
- **Finalization of the operation pending approval and still planned for the beginning of 2018.**

❖ Creation of DowDupont

- December 2015: disclosure of the merger between Dupont Pioneer and Dow (on the basis of a market capitalization of \$130 billion), in order to form, after the merger, 3 specialized independent companies: "agriculture", "material science" and "specialty products".
- Divestment of several activities by Dow and Dupont in order to comply with the demands of the antitrust authorities– in particular a portion of Dow's Brazilian corn business, sold to CITIC (China) for \$1.1 billion.
- **August 2017: finalization of the merger and creation of DowDupont.** The separation into 3 companies will take place during the 1st semester of 2019.

❖ Purchase of Syngenta by Chemchina

- February 2016: disclosure of the plan for ChemChina to acquire Syngenta for \$43 billion.
- **June 2017: finalization of the operation** and delisting of the Syngenta shares in January 2018.
- February 2018: finalization of the acquisition of Nidera Seeds (South America) by Syngenta.

❖ BASF

- October 2017: signing by BASF of an agreement to acquire part of the field seeds and herbicides activities from Bayer, for \$7 billion – including specifically canola (North America), oilseed rape (mainly Europe), cotton (Americas and Europe) and soybean (Americas).
- **Finalization of the operation planned for early 2018** (on condition the acquisition of Monsanto by Bayer is approved).

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APPENDICES

CONTEXT OF THE DIFFERENT MARKETS

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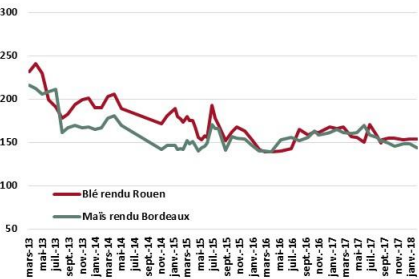
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CONTEXT OF THE DIFFERENT MARKETS

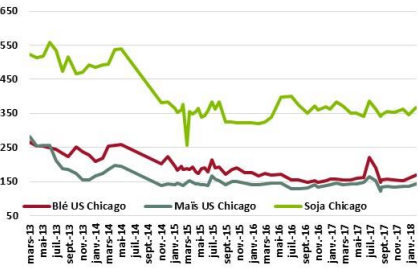
FIELD SEEDS TRENDS

Price of corn, Bordeaux: **144 €/t**
Price of wheat, Rouen: **154 €/t**
February 2018



Sources: IGC, Stratégie Grain, France Agricole. February 2018

Corn, soybean and wheat prices, Chicago
Corn **144 \$/t**
Soybean: **368 \$/t**
Wheat: **170 \$/t**
February 2018



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CONTEXT OF THE DIFFERENT MARKETS

FIELD SEEDS TRENDS

❖ Corn acreage

United States
≈ Acreage

Europe 28
↘ Acreage

Greater Europe
↘ Acreage

Brazil
↘ *Safra* acreage
↘ *Safrinha* acreage

❖ Sunflower acreage

Europe 28
↘ Acreage

Greater Europe
↗ Acreage

Sources: USDA 2017 and 2018, internal source December 2017 and January 2018

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APPENDICES

❖ KEY FINANCIAL DATA
FOR THE 1ST SEMESTER 2017-2018

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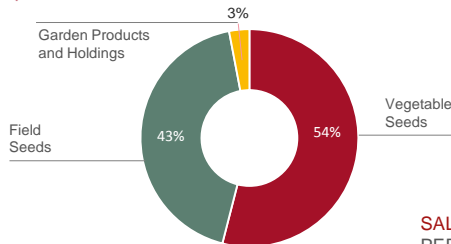
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RESULTS FOR THE FIRST SEMESTER 2017-2018

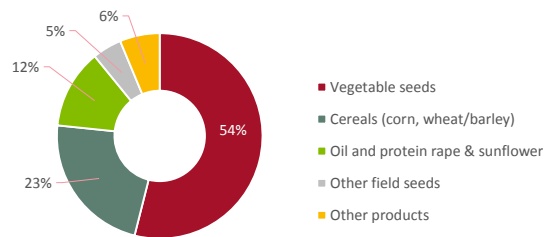
CONSOLIDATED SALES ON DECEMBER 31, 2017

SALES
PER DIVISION*

* Revenue from ordinary activities



SALES
PER PRODUCT*

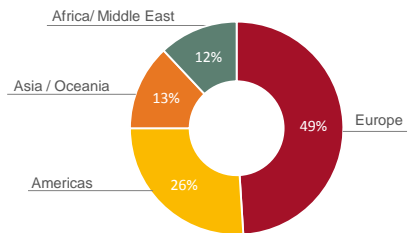


* Sales of products

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SALES
PER GEOGRAPHICAL ZONE*



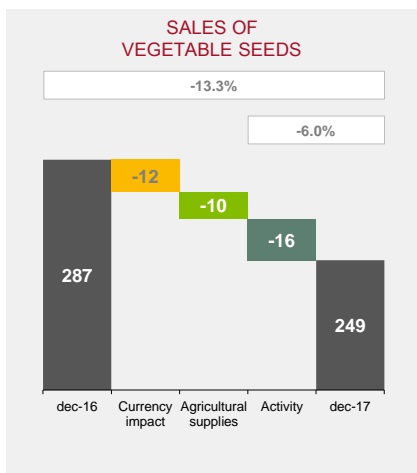
* Sales of products

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RESULTS FOR THE FIRST SEMESTER 2017-2018

SALES* PER ACTIVITY

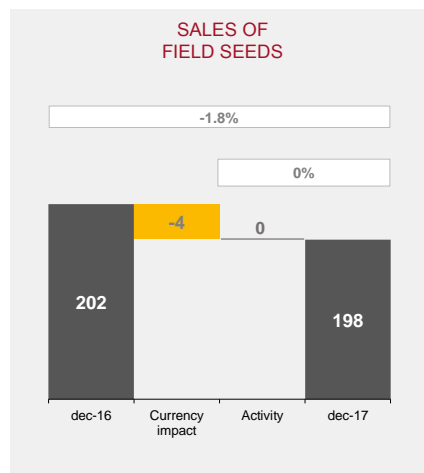
In M€



* Revenue from ordinary activities

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

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RESULTS FOR THE FIRST SEMESTER 2017-2018

INCOME STATEMENT

| In M€ | 12.31.2016 | 12.31.2017 | Variation* |
|----------------------------------|--------------|--------------|------------------|
| Sales | 503.0 | 460.1 | -8.5% |
| Commercial margin | 246.0 | 236.8 | -9.2 M€ |
| <i>Commercial margin rate</i> | <i>48.9%</i> | <i>51.5%</i> | <i>+2.6 pts</i> |
| Operating income | -18.5 | -42.4 | -23.9 M€ |
| <i>Operating margin rate</i> | <i>-3.7%</i> | <i>-9.2%</i> | <i>-5.5 pts</i> |
| Financial income | -6.8 | -16.7 | -9.9 M€ |
| Income from associated companies | -24.9 | -26.6 | -1.7 M€ |
| Income taxes | 10.5 | 47.6 | +37.1 M€ |
| Net income | -39.7 | -38.1 | -(1.6) M€ |
| Group share of net income | -38.8 | -37.3 | -(1.5) M€ |

* With current data

RESULTS FOR THE FIRST SEMESTER 2017-2018

INCOME STATEMENT – OPERATING CHARGES

| In M€ | 12.31.2016 | 12.31.2017 | Variation* |
|----------------------------------|---------------|---------------|-------------------|
| Marketing and sales | -91.8 | -92.6 | +0.9% |
| Research and development | -93.6 | -97.1 | +3.7% |
| Administration and other charges | -79.6 | -89.8 | +12.8% |
| Impairments | 0.0 | 0.1 | +0.1 M€ |
| Reorganization | -0.8 | 0.1 | +0.9 M€ |
| Disposal of assets | 1.3 (CG) | 0.1 (CG) | -1.2 M€ |
| Net operating charges | -264.5 | -279.2 | +(14.7) M€ |

* With current data

CG = capital gains

RESULTS FOR THE FIRST SEMESTER 2017-2018

KEY FIGURES PER ACTIVITY (CONTRIBUTION TO CONSOLIDATED RESULTS)

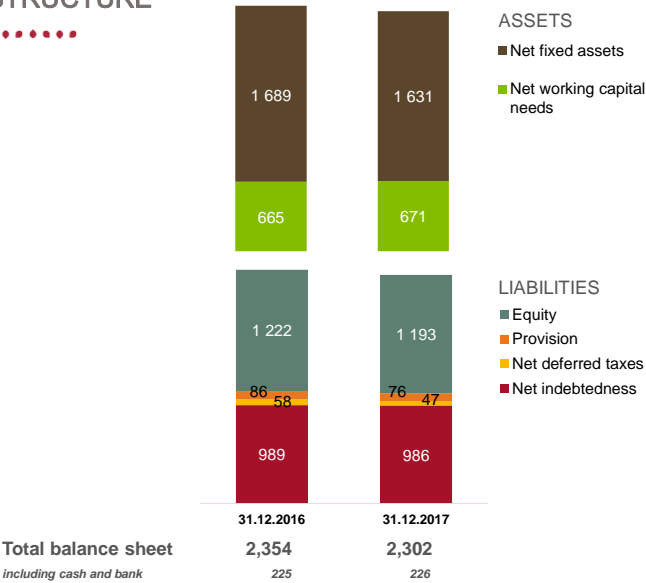
| | Sales* | | Operating income | | Net income | |
|---------------------|--------------|--------------|------------------|--------------|--------------|--------------|
| In M€ | 12.31.2016 | 12.31.2017 | 12.31.2016 | 12.31.2017 | 12.31.2016 | 12.31.2017 |
| Vegetable Seeds | 286.9 | 248.7 | 12.8 | 1.0 | 7.9 | 10.7 |
| Field Seeds | 201.6 | 197.9 | -20.7 | -29.9 | -45.3 | -40.1 |
| Garden Products | 14.1 | 13.1 | -7.1 | -7.7 | -7.7 | -7.7 |
| Holdings | 0.4 | 0.4 | -3.5 | -5.8 | 5.4 | -1.0 |
| Consolidated | 503.0 | 460.1 | -18.5 | -42.4 | -39.7 | -38.1 |

* Revenue from ordinary activities

RESULTS FOR THE FIRST SEMESTER 2017-2018

BALANCE SHEET STRUCTURE

In M€





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