

# **AGENDA**

- **\*** KEY POINTS
- SALES FOR FISCAL YEAR 2017-2018
- NEWS
- OUTLOOK FOR THE END OF FISCAL YEAR 2017-2018
- SCHEDULE AND CONTACTS



# KEY POINTS .....

- Strong increase in sales over the fourth quarter: +10.9%\*
  - **♣** A quality quarter for Vegetable Seeds, reflecting a rebound in business: +6.1%\*
  - **♦** An excellent performance for Field Seeds: +23.3%\*
- Slight increase in sales for 2017-2018 : +0.7%\*, in line with the latest objective set
- Outlook for 2017-2018: confirmation of the decrease in the current operating margin rate



<sup>\*</sup> On a like-for-like basis



#### REFERENCES

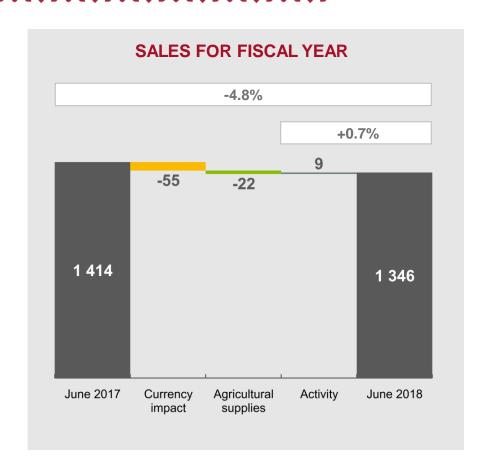
- **Accounting reference** 
  - IFRS on June 30, 2018
- Scope
  - Consolidation scope: minority stake purchased in Prime Seed Co (Zimbabwe. Vegetable Seeds)
  - Scope of activity: withdrawal from the distribution of agricultural supplies by the Business Unit Vilmorin-Mikado (Vegetable Seeds) in Japan
- Rates of the main currencies on June 30, 2018 (and June 30, 2017)

	average		close	
	2017	2018	2017	2018
\$	1.09	1.19	1.14	1.17
¥	119	132	128	129
£	0.86	0.89	0.88	0.89
TRY	3.68	4.63	4.01	5.34
ILS	4.08	4.21	3.99	4.26
BRL	3.51	3.96	3.76	4.49
INR	72.43	77.69	73.74	79.81
MXN	21.09	22.35	20.58	22.88
UAH	28.56	31.73	29.75	30.74
RUB	66.38	70.51	67.54	73.16
<sup>2</sup> ARS	16.84	23.27	18.94	33.68

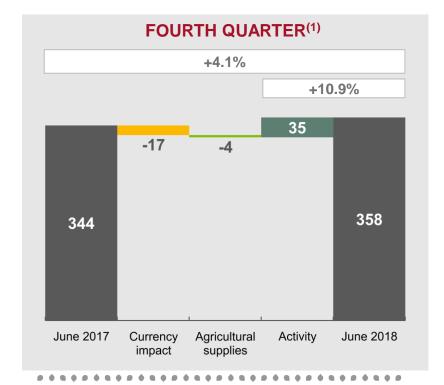


### **CONSOLIDATED SALES\***

In M€



\* Revenue from ordinary activities

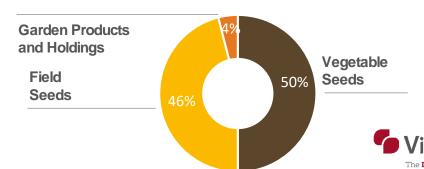


(1) of which:

Vegetable Seeds: 234

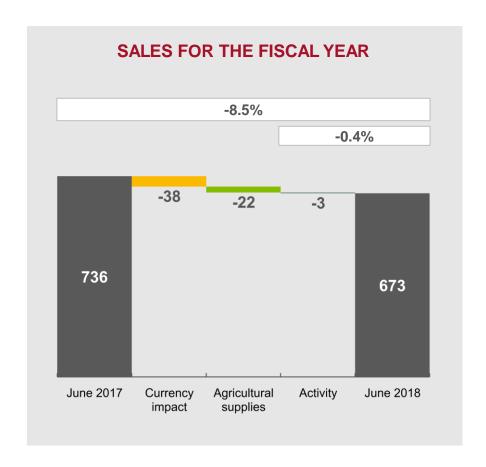
Field Seeds: 111

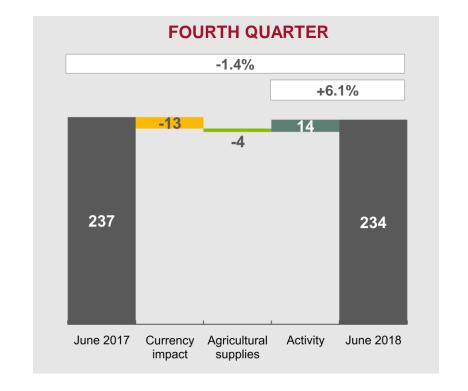
#### **SALES\* FOR FISCAL YEAR 2017-2018 BY DIVISION**



# **SALES\* OF VEGETABLE SEEDS**

In M€



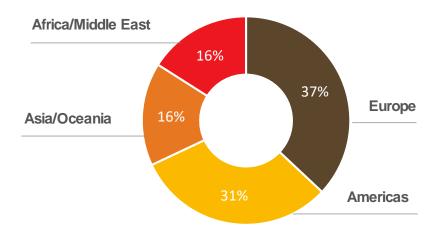




<sup>\*</sup> Revenue from ordinary activities

#### SALES OF VEGETABLE SEEDS

# ANALYSIS OF VEGETABLE SEEDS SALES\* PER GEOGRAPHICAL ZONE



\* Sales of products



- Very good level of commercial activity over the quarter, with a rebound in business, particularly for the sales of carrot seeds.
- Fine performances for several regional crops (witloof chicory, corn salad).
- Vigilance concerning the timing of sales made at the end of the fiscal year, bearing in mind the situation of surplus inventories in the distribution networks begun during the last quarter of 2016-2017.
- One-off impact from the transient contraction of several markets (onion).
- Market share gains over the fiscal year and strong business increase in Asia (India and China) and South America (Brazil and Argentina)
- Rapid deployment of the programmed withdrawal from the distribution of agricultural supplies by the Business Unit Vilmorin-Mikado in Japan.
- Nevertheless, the performance was below the objective for the year, in more contrasting vegetable seed markets this year, even though their fundamentals remain intact.

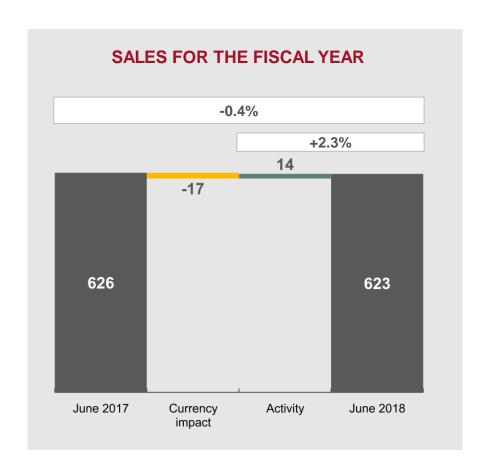


Confirmation of world leadership on vegetable seed markets and confidence in a continuing growth dynamic over the coming years

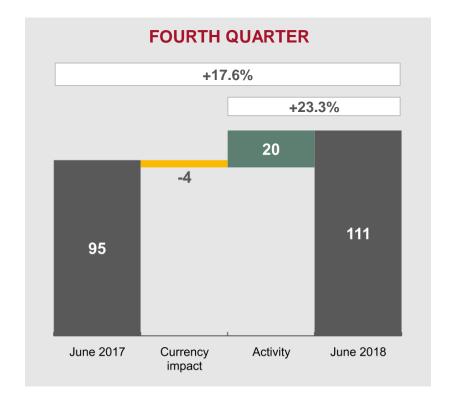


# SALES\* OF FIELD SEEDS

In M€









### TRENDS FOR THE FIELD SEEDS MARKETS

- A difficult market context for field seeds
- Low level of prices for agricultural raw materials
- Reduction of corn acreage on the main markets

Corn

Brazil

Safra acreage

Sunflower

Europe 28

> Acreage

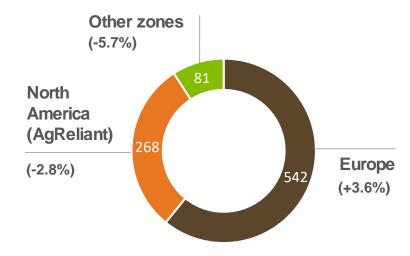




#### SALES OF FIELD SEEDS

#### **TOTAL SALES**

(including AgReliant): 891 M€



# ANALYSIS PER GEOGRAPHICAL ZONE

(evolution on a like-for-like basis, before application of IFRS 11)

In M€

#### Corn, sunflower and straw cereals. Europe

- Excellent end to the commercial campaign, due to a late spring campaign (weather conditions in Western Europe) and the strong increase in sales in Eastern Europe (Ukraine, Russia).
- Slight drop in royalties for straw cereal seeds (wheat and barley), due to the decline in the commercial seed market, particularly in France.
- ⇒ Fine growth in business by the end of the fiscal year, reflecting market share gains in corn and sunflower.

#### Corn. Other zones (South America, Asia)

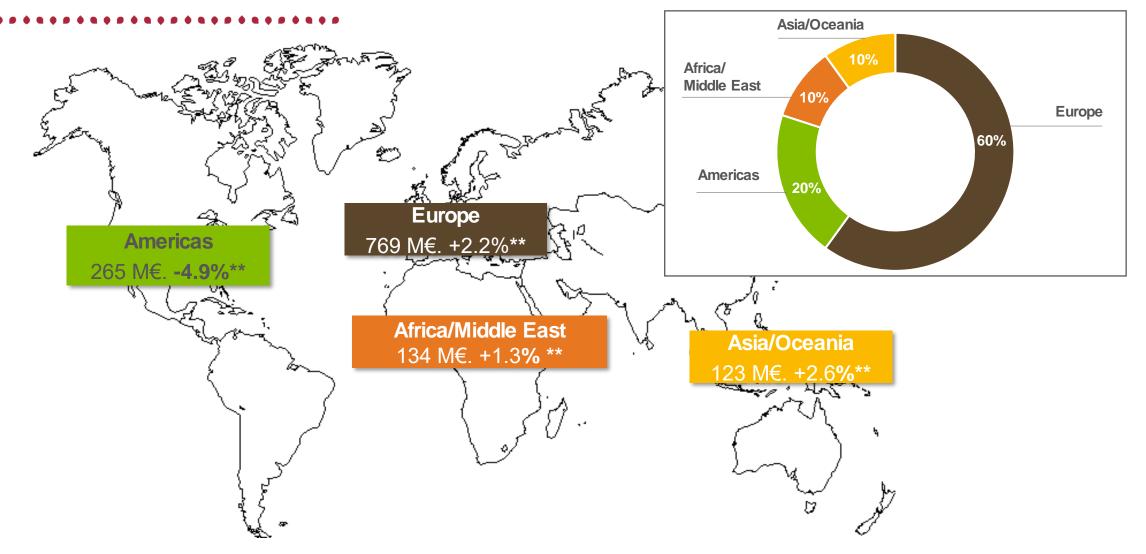
- Fall in business in South America, in a very difficult market context this year in Brazil (drop in acreage, strong pressure on prices), but at the same time achieving market share gains.
- Varying performances depending on the country in Asia, with an increase in business in India and a disappointing campaign in South-East Asia.

Very good business performance, above the objective set, in a tense market context

#### **Associated companies**

- North America (AgReliant): Sales down with a drop in corn seed volumes marketed and persistent pressure on prices.
- Africa (Seed Co): High quality fiscal year, superior to the objectives initially set in spite of the drop in sales.

# **CONSOLIDATED SALES\* PER GEOGRAPHICAL ZONE**

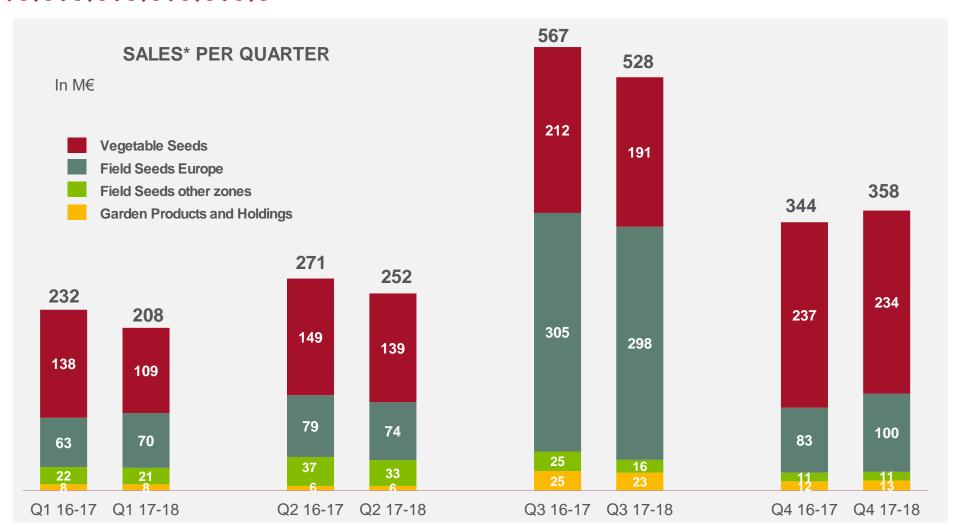


<sup>\*</sup> Sales of products



<sup>\*\*</sup> On a like-for-like basis compared with 2016-2017

# **CONSOLIDATED SALES\* PER QUARTER**



<sup>\*</sup> Revenue from ordinary activities





# **ACQUISITION OF ADVANSEED (DENMARK. VEGETABLE SEEDS)**

#### AdvanSeed in brief:

- Company founded in 2005 and based in Denmark, specialized in the breeding, production and sales of hybrid spinach and leafy vegetable seeds.
- Commercial presence in 23 countries: essentially Asia, the Middle East,
   South America and Europe.
- => Sales of around 3 million euros in 2017-2018, with very strong development of the business for several years.

# **Strategic interests of the operation:**

- Capitalize on AdvanSeed's genetic resources, exploiting them in the main commercial basins (California, Europe, China, Japan, etc.).
- Complement the Vegetable Seeds' product portfolio, with a new position for a crop not worked on until now, and strengthen its global presence in leafy vegetables.















#### **ESTIMATED TRENDS**

- Confirmation of the marked decrease in the current operating margin rate, after accounting for research investment which will stand at under 255 million euros.
- Global contribution of associated companies below the contribution of 2016-2017
  - as a result of the drop in the profitability of AgReliant (North America. Field Seeds),
  - : and in spite of the excellent operating performance of Seed Co (Africa. Field Seeds).
- Consequently, net income lower compared with the previous fiscal year
  - : in spite of the positive fiscal impact due in particular to the lowering of tax rates in France and the United States.

	16-17	17-18 (Trend)
Sales	<b>1,414.0</b> M€	<b>1,346.0</b> M€
Current operating margin	9.2%	7
Total net income	90.1 M€	7







- Like-for-like data: like-for-like data concern data that are restated for constant scope and currency exchange rates.
  - Accordingly the average exchange rate for fiscal year 2017-2018, and any changes in the scope, are applied to financial data for 2016-2017, for a true comparison with data from fiscal year 2017-2018.
  - The only change to the consolidation scope is the stake of 49% in the capital stock of Prime Seed Co (Zimbabwe. Vegetable Seeds), purchased in April, 2017.
  - The change in the scope of activity relates to the withdrawal by the Business Unit Vilmorin-Mikado (Vegetable Seeds) from the distribution of agricultural supplies in Japan.
- Current data: current data are the data expressed with the historical currency exchange rates for the period, and not adjusting for any changes in the scope.
- Research investment: research investment refers to gross research expenditure before recording any research costs and tax relief for research as fixed assets.
- Current operating margin: the current operating margin is defined as the accounting operating margin restated for any impairment and reorganization costs.





\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

#### WEDNESDAY OCTOBER 17, 2018, AT THE END OF TRADING

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

#### MONDAY NOVEMBER 5, 2018, AT THE END OF TRADING

Disclosure of sales at the end of the first quarter 2018-2019 (on September 30, 2018)

#### THURSDAY 22 AND FRIDAY 23 NOVEMBER, 2018

Actionaria fair in Paris

#### FRIDAY DECEMBER 7, 2018

Annual General Meeting of Shareholders in Paris



#### For any further information:

Vincent SUPIOT
Chief Financial Officer
vincent.supiot@vilmorincie.com

Valérie MONSÉRAT Head of Financial Communication and Investor Relations valerie.monserat@vilmorincie.com

Vilmorin & Cie

Head office: 4 quai de la Mégisserie – F-75001 PARIS

Postal address: CS 20001 Saint-Beauzire – F-63360 GERZAT

Tel: +33 (0)4 73 63 44 85 - Fax: +33 (0)4 73 63 41 80

You can consult all our financial information on the website:

www.vilmorincie.com



