



SALES FOR THE 1ST QUARTER 2018-2019

November 5, 2018

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AGENDA

- ❖ KEY POINTS
- ❖ SALES FOR THE 1ST QUARTER 2018-2019
- ❖ NEWS
- ❖ OUTLOOK FOR 2018-2019
- ❖ SCHEDULE AND CONTACTS
- ❖ *GLOSSARY*

KEY POINTS



KEY POINTS

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- ❖ Significant increase in sales over the first quarter: 207.5 M€, up 5.3%*, with double-digit growth for the field seeds activity
 - Vegetable Seeds (+0.7%*): measured growth for the first quarter, marked by wide variations in performances according to geographic regions
 - Field Seeds (+11.4%*): an excellent start to the fiscal year
- ❖ ... on a globally unrepresentative basis for the fiscal year
 - The 1st quarter has represented, in recent years, on average around 15% of sales for the year
- ❖ Confirmation of objectives for 2018-2019
- ❖ Acquisition of the companies Sursem and Geneze (South America. Field Seeds)

** On a like-for-like basis*

SALES FOR THE 1ST QUARTER 2018-2019 (ON SEPTEMBER 30, 2018)

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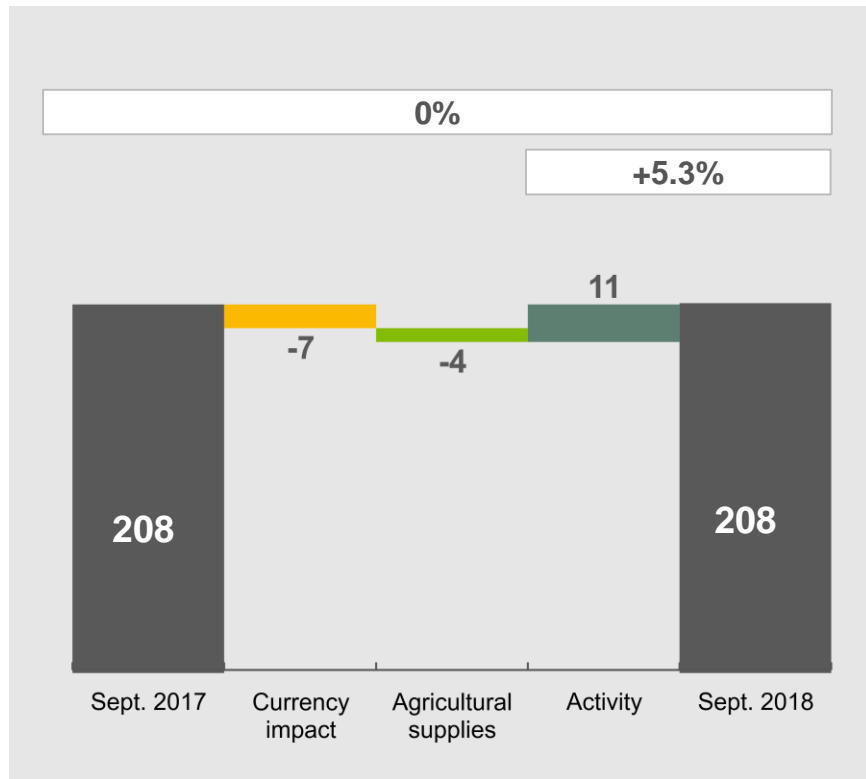
REFERENCES

- ❖ Accounting reference
 - ❖ IFRS on September 30, 2018
- ❖ Scope
 - ❖ Consolidation scope: acquisition of the company AdvanSeed (Denmark. Vegetable Seeds), made in July 2018
 - ❖ Scope of activity: withdrawal by the Business Unit Vilmorin-Mikado (Vegetable Seeds) from the distribution of agricultural supplies in Japan undertaken in fiscal year 2017-2018
- ❖ Average rates of the main currencies on September 30, 2018 (and September 30, 2017)

	2017	2018
\$	1.17	1.16
¥	130	130
£	0.90	0.89
TRY	4.13	6.60
ILS	4.18	4.23
BRL	3.71	4.60
INR	76	82
MXN	20.9	22.1
UAH	30.5	31.9
RUB	69.3	76.3

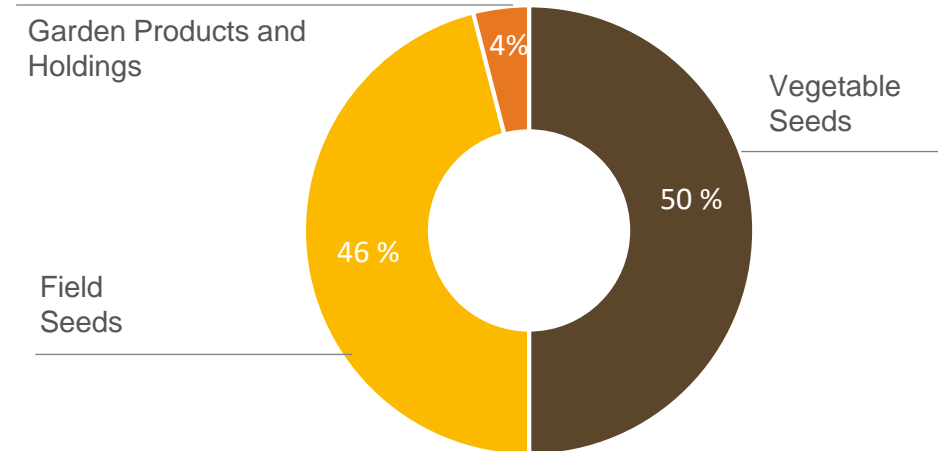
CONSOLIDATED SALES*

In M€



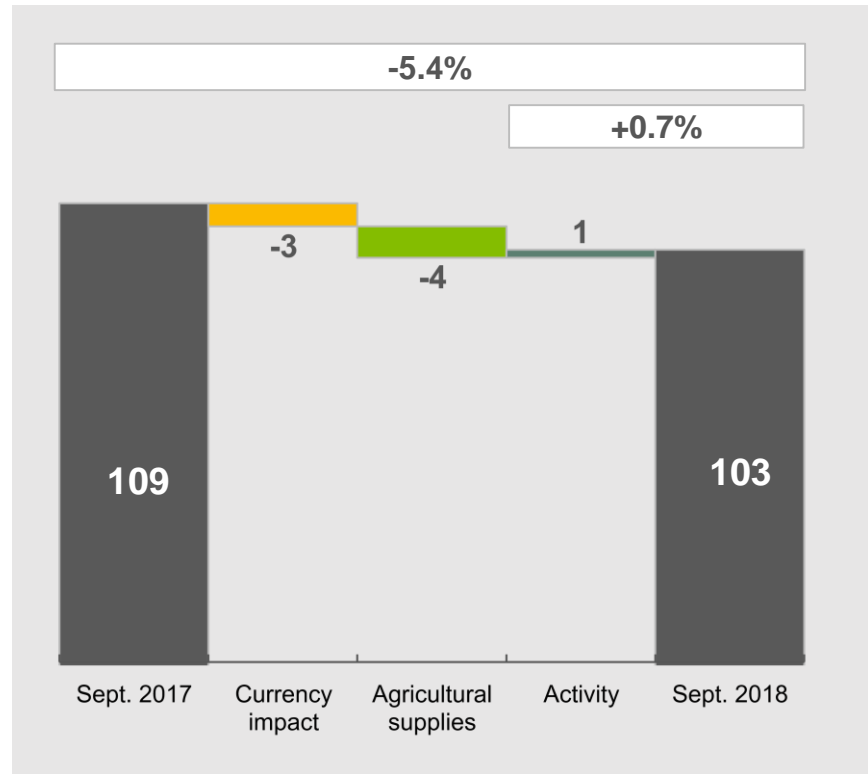
* Revenue from ordinary activities

SALES* FOR THE 1ST QUARTER 2018-2019 PER DIVISION



SALES* VEGETABLE SEEDS

In M€



* Revenue from ordinary activities

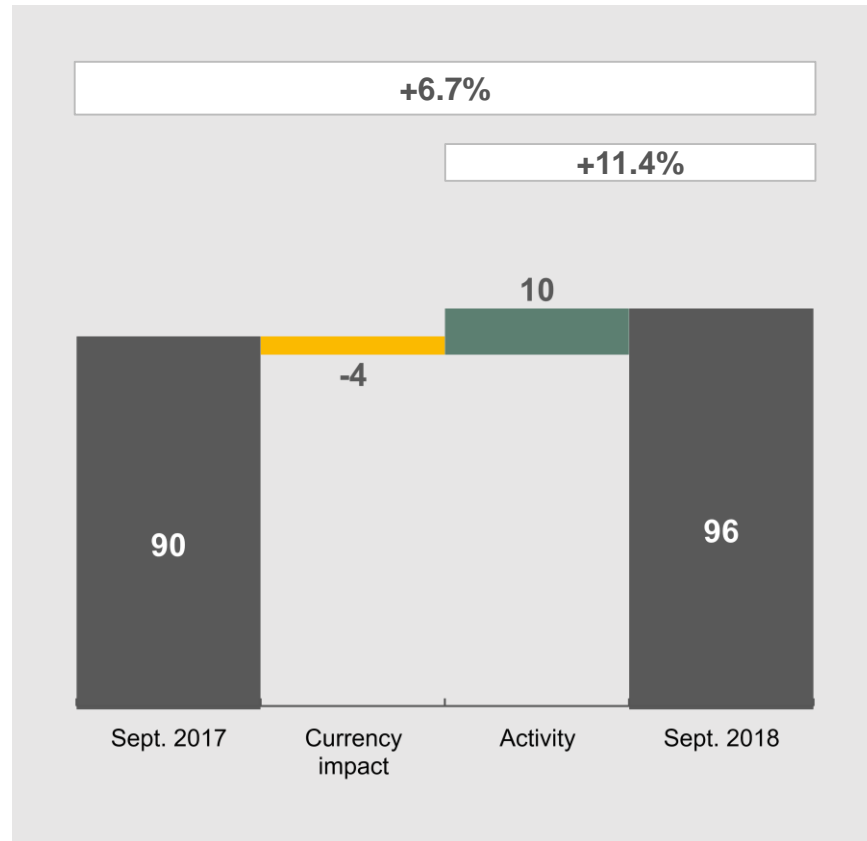
- Strong increase in sales of several strategic crops: hot pepper, carrot, summer squash and bean, in particular
- Variations in performances according to geographical regions:
 - Strong business increase in North America, indicating a progressive return to a healthier situation in distributors' inventory levels
 - Significant business growth in Asia (especially in China for carrot seeds) and in Africa
 - Increase in activity in Europe
 - On the other hand, sales dropped considerably in the Middle East (Iran, Turkey) and South America, related to the unstable geopolitical and monetary context currently affecting sales activities in these regions
- ⇒ Business recovery lessened by these disruptions
- ⇒ Measured sales growth at the end of the first quarter



Confirmation of the objective for sales growth for the fiscal year (i.e. +2% to +3% on a like-for-like basis)

SALES* FIELD SEEDS

In M€



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

Europe:

- Rapeseed:
 - Very strong growth (volume and value), particularly in France, and also in Central Europe and Germany, the fruit of a portfolio of technically very efficient products
 - High-quality achievement that could be partially offset during the 2nd quarter by an end of campaign affected by the consequences of the drought in Western Europe
- Straw cereals (wheat, barley): drop in sales, in a market environment that remains uncertain
- Forage and amenity grass seeds: considerable increase in sales

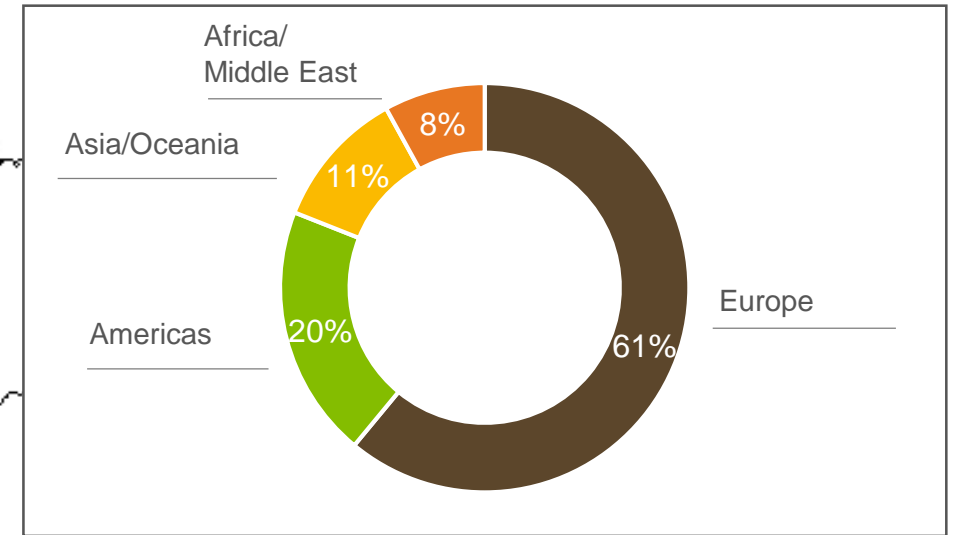
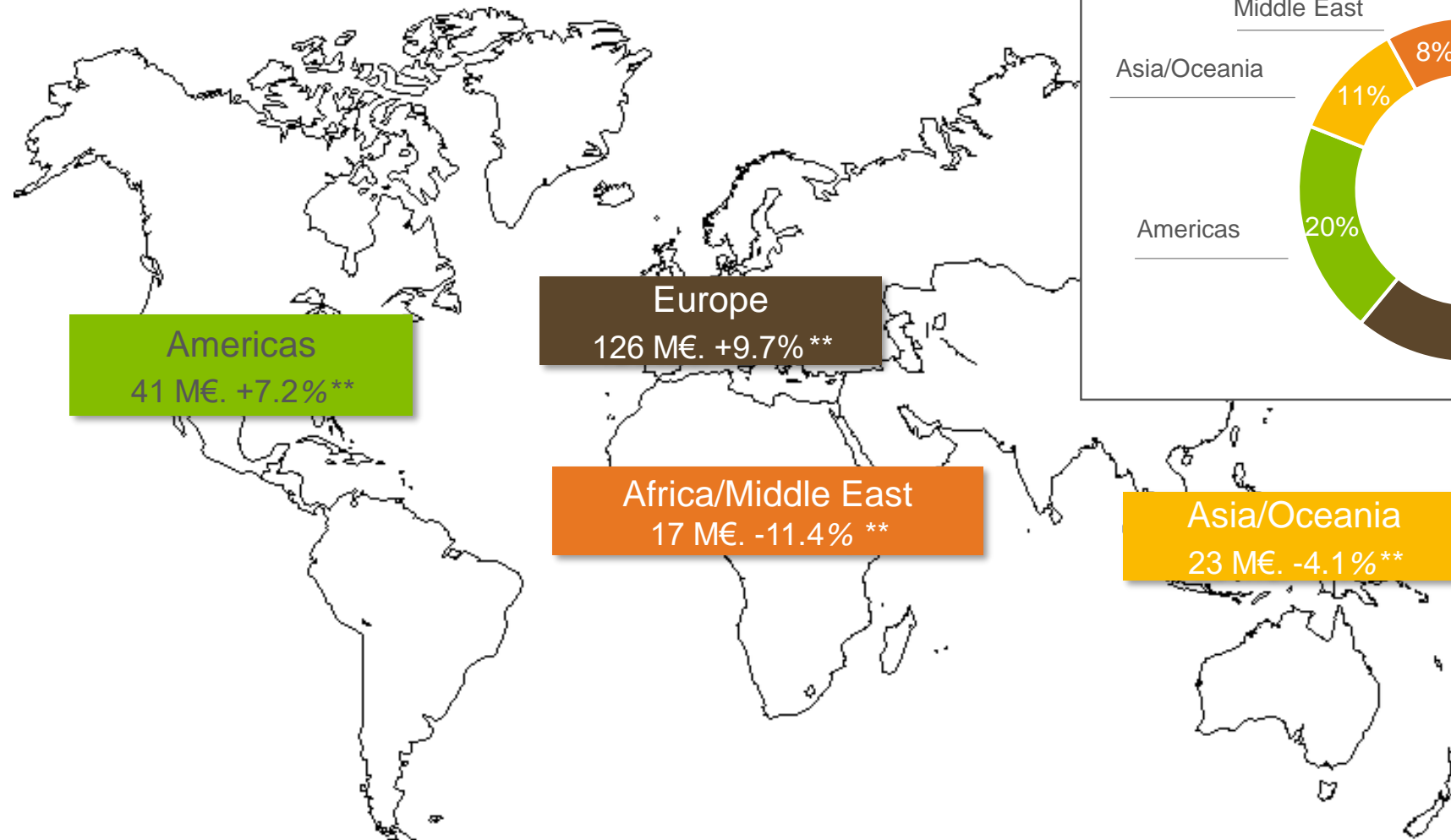
South America:

- Strong increase in sales, particularly through the sales of soybean seeds, a relevant complement to the corn offering
- Stable sales for the 1st corn campaign in Brazil (*safrá*), reflecting the current evolution of acreage for this crop, in a more favorable price context
- Satisfactory prospects for orders for the 2nd corn campaign (*safrinha*), for which acreage should increase
- In Argentina, very significant increase in corn seed sales (volume and value), since the market in this country is growing

For sales in the second half of the fiscal year in corn: seed availability is expected to be adequate, with harvests having taken place in satisfactory conditions

**Reaffirmation of the objective to increase sales
for the fiscal year (by +2% to +3% on a like-for-like basis)**

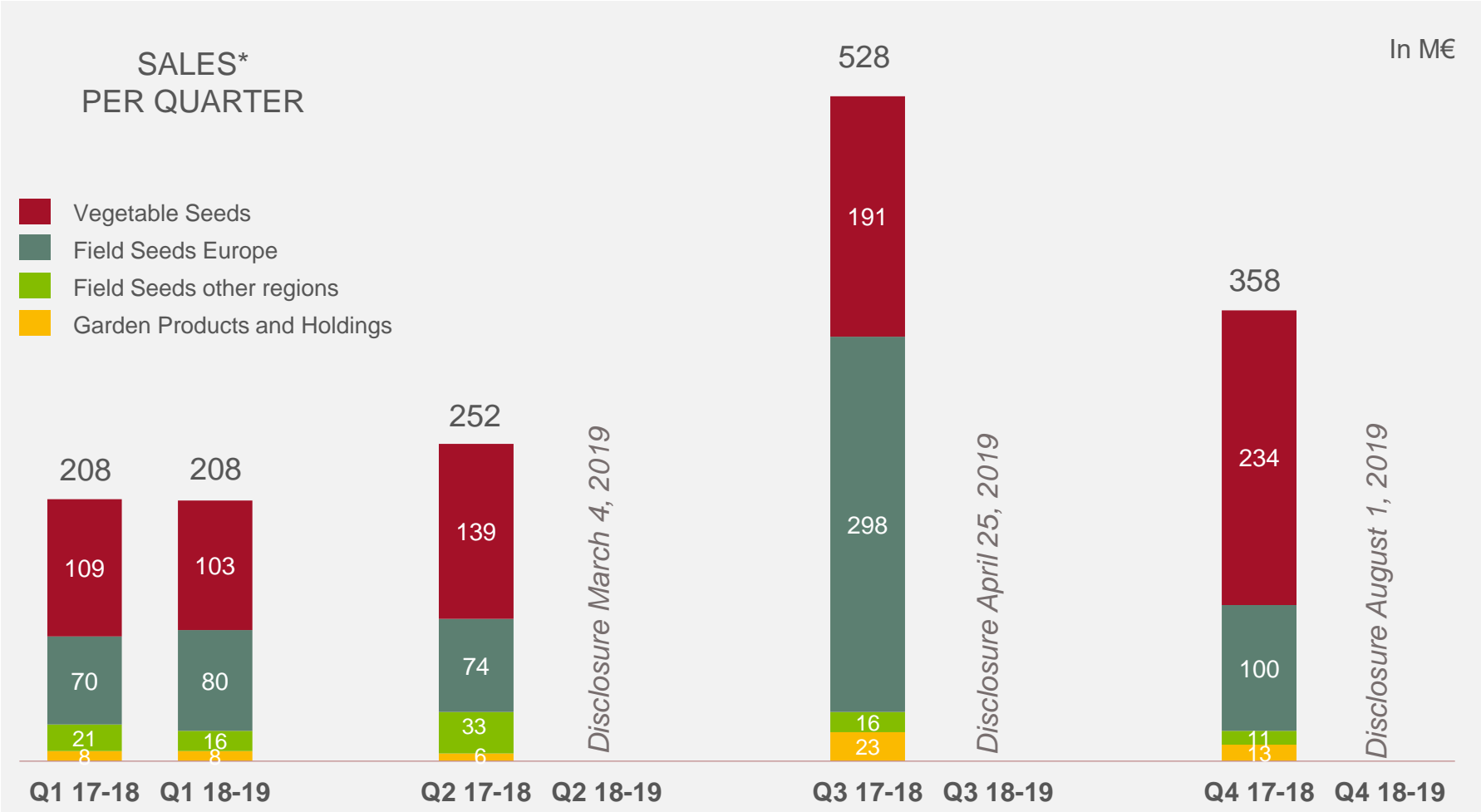
CONSOLIDATED SALES* PER GEOGRAPHICAL AREA



* Sales of goods

** On a like-for-like basis compared with 2017-2018

CONSOLIDATED SALES* PER QUARTER



* Revenue from ordinary activities

NEWS



ACQUISITION OF THE COMPANIES SURSEM AND GENEZE (South America. Field Seeds)

Sursem (Argentina) and Geneze (Brazil) in brief:

- ❖ 2 independent companies, acquired from the investment fund Pampa Agribusiness*
- ❖ An activity of breeding, production and distribution mainly of hybrid corn seeds, with a complement of wheat, sunflower and soybean seeds
- ❖ A comprehensive set-up: 4 research centers, 2 production sites, and an extensive commercial network

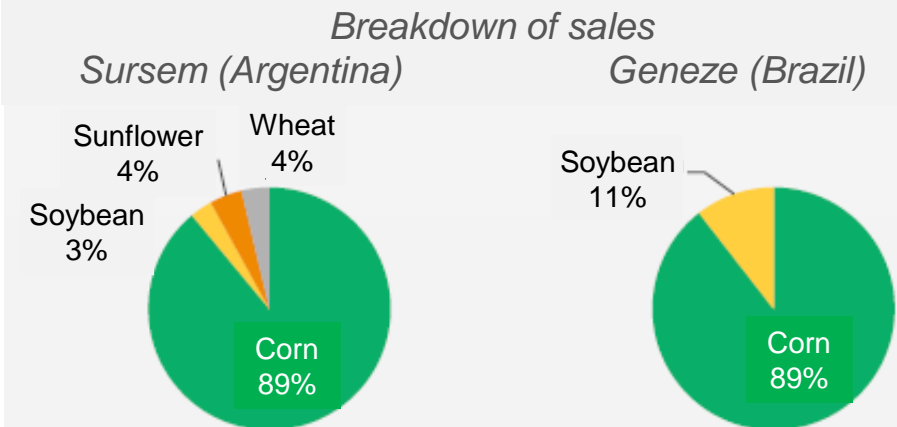


- ▲ Head offices
- ▲ Production sites
- ▲ Research centers



Sursem and Geneze: key data for 2017

- Total sales of more than 40 M\$
- More than 160 employees



* This acquisition is made through the acquisition of Mars Holding B.V., a Dutch holding entity which owns Sursem and Geneze.

ACQUISITION OF THE COMPANIES SURSEM AND GENEZE (South America. Field Seeds)

Strategic interests of the operation:

- ❖ In Argentina:
 - A relevant, significant extension of Vilmorin & Cie's organization (research, production, commercial network)
 - Immediate access to commercial positions in corn, wheat and sunflower
- ❖ In Brazil: Consolidation of market shares

=> Very significant reinforcement of Vilmorin & Cie's organization and its commercial positions in South America in key crops



**A new, major step in the internationalization
of Vilmorin & Cie's Field Seeds activity**



Argentina, a major market

- 4th largest world market for field seeds
- 6.6 Mha of corn acreage
- Temperate corn germplasm, that fits in well with the genetic resources of Europe, North America and south of Africa

VILMORIN & CIE CONTINUES TO RISE IN THE GAÏA INDEX



- ❖ Vilmorin & Cie integrated the Gaïa Index in 2016
 - The Gaïa Index is the reference stock exchange index in France for medium-sized companies in terms of Socially Responsible Investment
 - It brings together the 70 French securities that obtained the best non-financial ratings from a panel of 230 listed companies
- ❖ **New rise in Vilmorin & Cie's rating in the 2018 index:**
 - **36th position** out of the 230 companies analyzed (as opposed to 45th last year)
 - An overall score of 79/100 (the average score of companies stood at 59/100)



**A clear sign of the progress Vilmorin & Cie has made
in terms of non-financial performance**

OUTLOOK FOR 2018-2019

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CONFIRMATION OF OBJECTIVES

Vegetable Seeds

Strengthen world leadership

in market conditions that offer little visibility

- > By continuing to rely on a specific market approach, characterized by very close proximity to customers, in a context where the main competitors are reorganizing their businesses following major consolidation operations
- > By accentuating development investments in Asia (China, Southeast Asia, Japan, etc.), in order to accelerate expansion in this region with very strong potential

Objective for 2018-2019

Sales for Vegetable Seeds
with growth of 2% to 3%
on a like-for-like basis

Field Seeds

Strengthen positions in regions where it has set up business

in a market environment that lacks stability

- > By continuing to gain market shares in Western Europe, in a context that remains difficult
- > By confirming strong business development in Eastern Europe (Ukraine and Russia)
- > By returning to dynamic business growth in South America

Objective for 2018-2019

Sales for Field Seeds
with growth of 2% to 3%
on a like-for-like basis

CONFIRMATION OF OBJECTIVES



- ❖ Achieve an increase in activity and the current operating margin rate:

Consolidated sales
up by 2% to 3%
on a like-for-like basis

Current operating margin rate
with growth of 0.5 to 1 percentage points
compared with 2017-2018,
including research investment > 250 M€

- ❖ Aim for a contribution from its associated companies*, at least equivalent to that of 2017-2018.

** 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 that will probably continue to be affected
by very volatile market environments

SCHEDULE AND CONTACTS



THURSDAY NOVEMBER 22, AND FRIDAY
NOVEMBER 23, 2018

- ✦ Actionaria Fair in Paris

FRIDAY DECEMBER 7, 2018

- ✦ Annual General Meeting of Shareholders in Paris

WEDNESDAY DECEMBER 12, 2018

- ✦ Detachment of the dividends

FRIDAY DECEMBER 14, 2018

- ✦ Payment of the dividends

MONDAY MARCH 4, 2019⁽¹⁾

- ✦ Disclosure of sales and results for the first semester 2018-2019

THURSDAY APRIL 25, 2019⁽¹⁾

- ✦ Disclosure of sales at the end of the third quarter 2018-2019

THURSDAY AUGUST 1, 2019⁽¹⁾

- ✦ Disclosure of sales for fiscal year 2018-2019

TUESDAY OCTOBER 15, 2019⁽¹⁾

- ✦ Disclosure of results for fiscal year 2018-2019

⁽¹⁾ Disclosure after trading on the Paris stock market
Dates provided as an indication only, and liable to be changed

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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 is data that is restated for constant scope and currency translation.
Therefore financial data for 2017-2018 is restated with the average rate for fiscal year 2018-2019, and any other changes to the scope, in order to be comparable with data for fiscal year 2018-2019.
- ❖ **Current data:** current data is data expressed at the historical currency exchange rate for the period, and without adjustment for any changes in scope.
- ❖ **Research investment:** research investment refers to gross research expenditure before recording as fixed assets any research costs and research tax relief.
- ❖ **Current operating margin:** the current operating margin is defined as the accounting operating margin restated for any impairment and reorganization costs.



THANK YOU

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Vilmorin & Cie
The **Limagrain** seed business