



INFORMATIONAL MEETING

APRIL 25, 2019

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



AGENDA

- ❖ KEY POINTS
- ❖ SALES AT THE END OF THE THIRD QUARTER 2018-2019
- ❖ OUTLOOK FOR THE END OF FISCAL YEAR 2018-2019
- ❖ SCHEDULE AND CONTACTS
- ❖ *GLOSSARY*



KEY POINTS

- ❖ A 3rd quarter 2018-2019 with growth of 3.3%*, marked by a confirmed upturn in business for Vegetable Seeds and a fine performance by Field Seeds
 - ❖ Vegetable Seeds: marked increase in sales over the third quarter: +3.5%*
 - ❖ Field Seeds: appreciable growth over the quarter, confirming the fine performance of European activities: +2.6%*
- ❖ Consequently, significant growth in aggregate sales (9 months): +3.5%*
- ❖ Confirmation of objectives for 2018-2019
 - ❖ Increase in sales of 2% to 3%*
 - ❖ Slightly higher current operating margin rate

** On a like-for-like basis*

SALES AT THE END OF THE THIRD QUARTER 2018-2019 (ON MARCH 31, 2019)

A close-up photograph of numerous small seedlings with yellow and blue cotyledons and white stems, growing out of dark, rich soil. The seedlings are scattered across the frame, with some in sharp focus and others blurred in the background. A horizontal line of white dots is positioned below the title text.

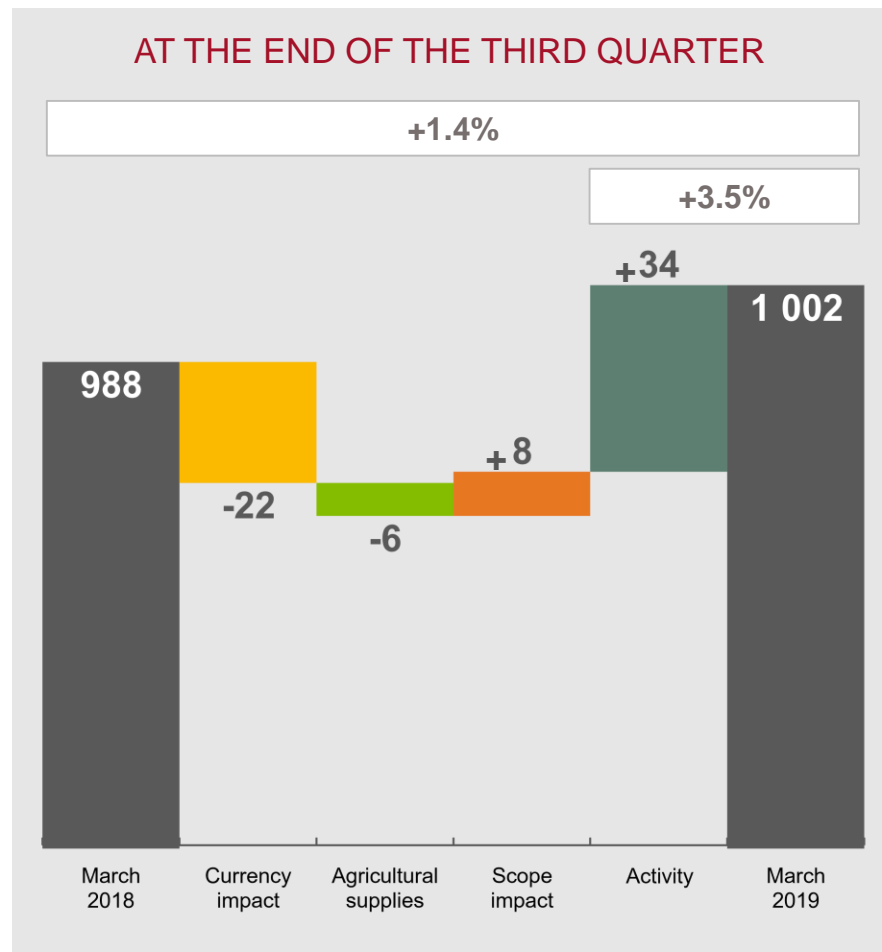
REFERENCES

- ❖ Accounting reference
 - ❖ IFRS on March 31, 2019
 - ❖ Standard IAS 29 with regard to the treatment of hyperinflation, applied to activities in Argentina
- ❖ Scope
 - ❖ Consolidation scope: acquisition of the company AdvanSeed (Denmark. Vegetable Seeds), concluded in July 2018; acquisition of the companies Sursem and Geneze (South America. Field Seeds), finalized in December 2018
 - ❖ Activity scope: withdrawal from the distribution of agricultural supplies by the Business Unit Vilmorin-Mikado (Vegetable Seeds) in Japan, initiated during fiscal year 2017-2018
- ❖ Rates of the main currencies on March 31, 2019 (and March 31, 2018)

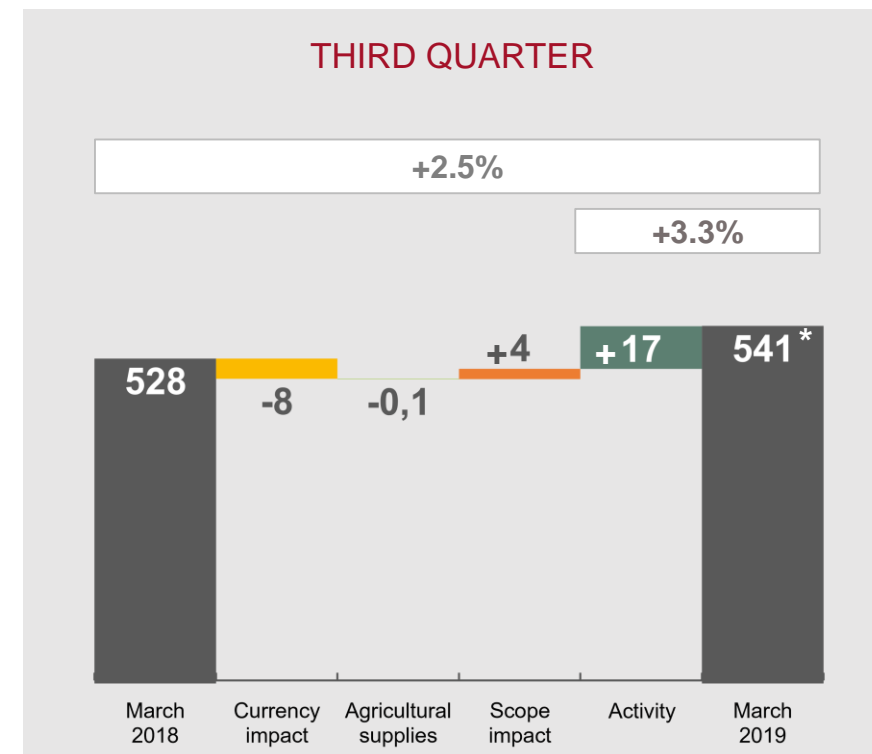
| | average | | close | |
|-----|------------|------------|------------|------------|
| | March 2018 | March 2019 | March 2018 | March 2019 |
| \$ | 1.19 | 1.15 | 1.23 | 1.12 |
| ¥ | 132 | 128 | 131 | 124 |
| £ | 0.89 | 0.88 | 0.87 | 0.86 |
| TRY | 4.43 | 6.33 | 4.90 | 6.34 |
| ILS | 4.19 | 4.20 | 4.33 | 4.08 |
| BRL | 3.84 | 4.41 | 4.09 | 4.39 |
| INR | 76.97 | 81.32 | 80.30 | 77.72 |
| ARS | 21.73 | 48.74 | 24.76 | 48.74 |
| MXN | 22.10 | 22.17 | 22.52 | 21.69 |
| UAH | 31.91 | 31.57 | 32.50 | 30.71 |
| RUB | 69.34 | 75.71 | 70.89 | 72.86 |

CONSOLIDATED SALES*

In M€



* Revenue from ordinary activities



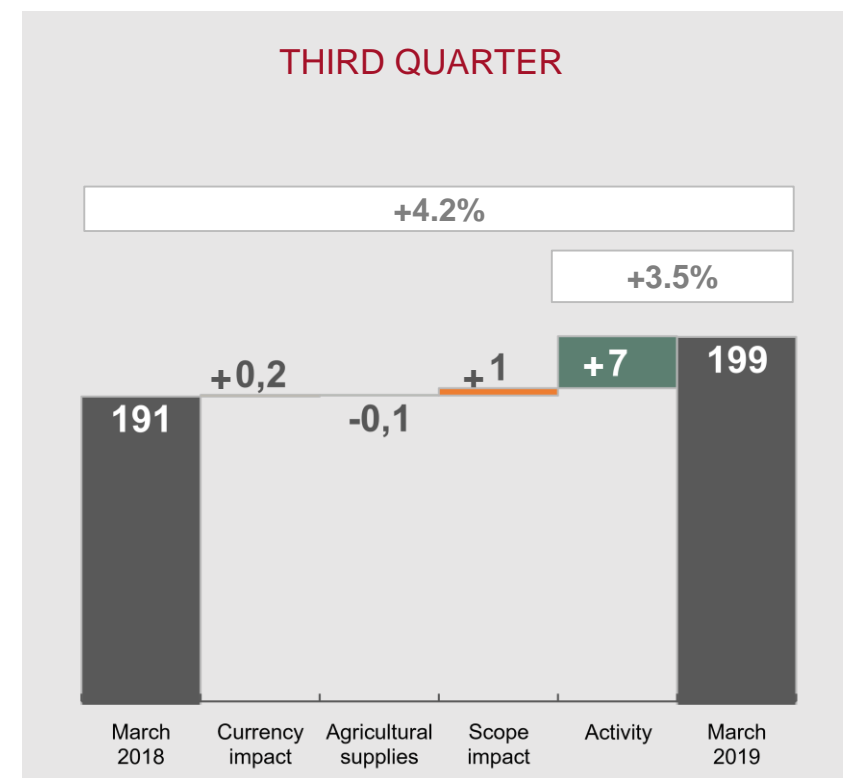
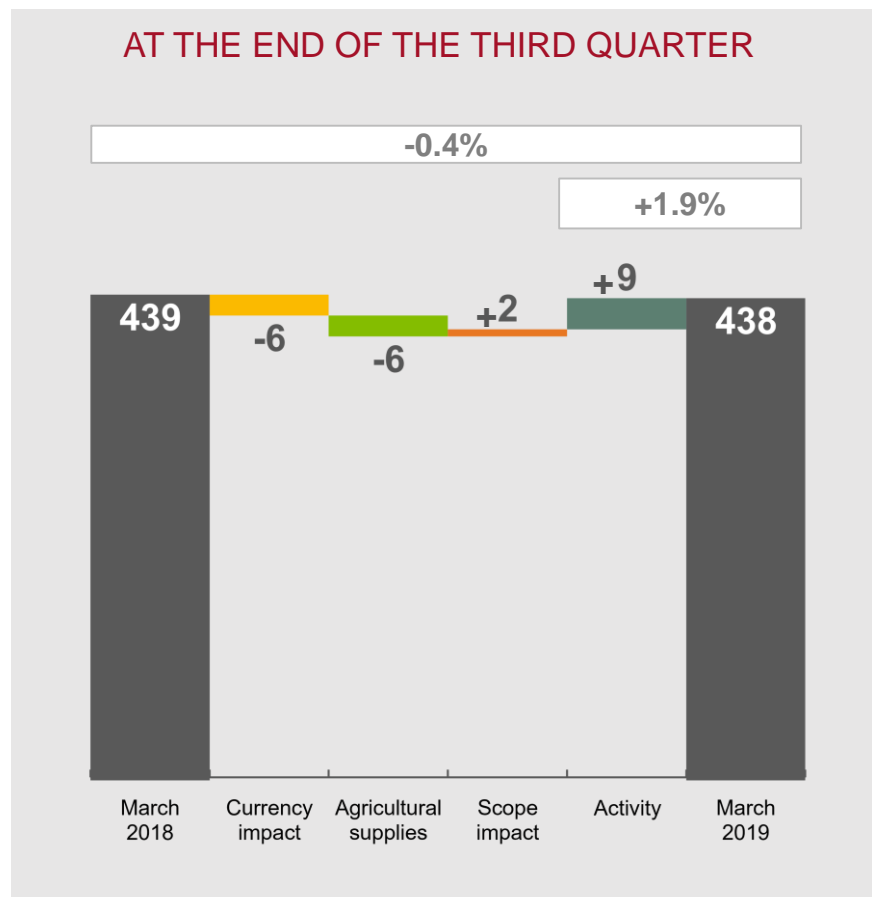
* of which:

Vegetable Seeds: 199

Field Seeds: 317

SALES* OF VEGETABLE SEEDS

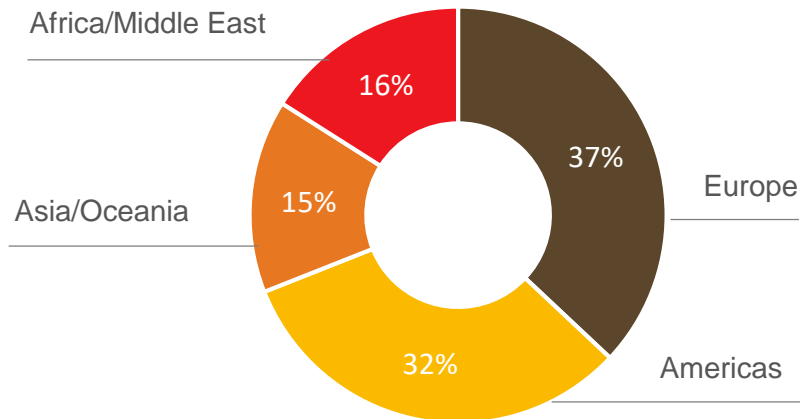
In M€



* Revenue from ordinary activities

SALES OF VEGETABLE SEEDS

ANALYSIS OF SALES* OF VEGETABLE SEEDS PER GEOGRAPHICAL ZONE



* Sales of products



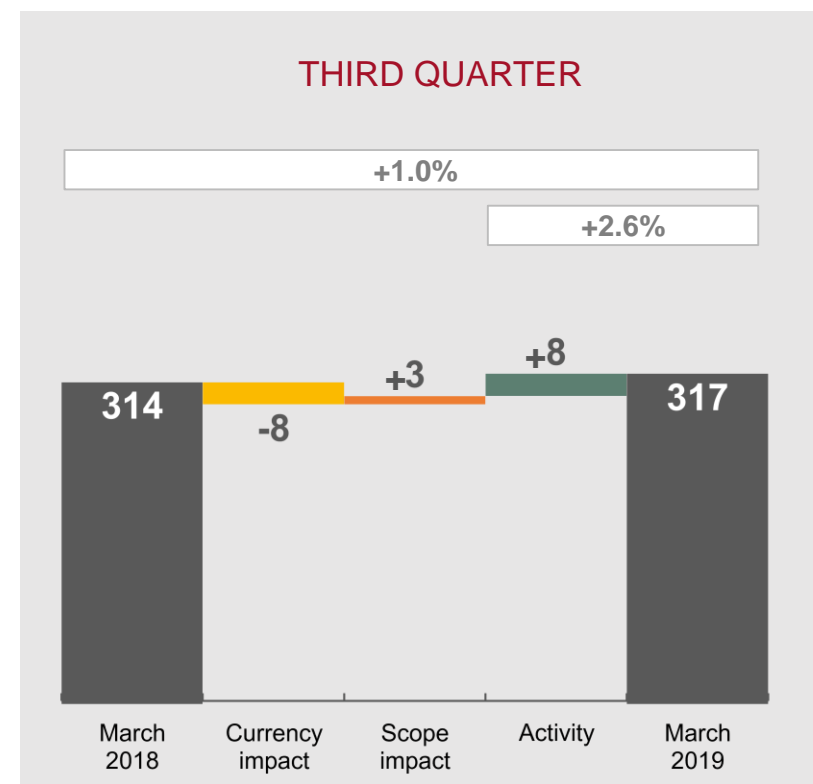
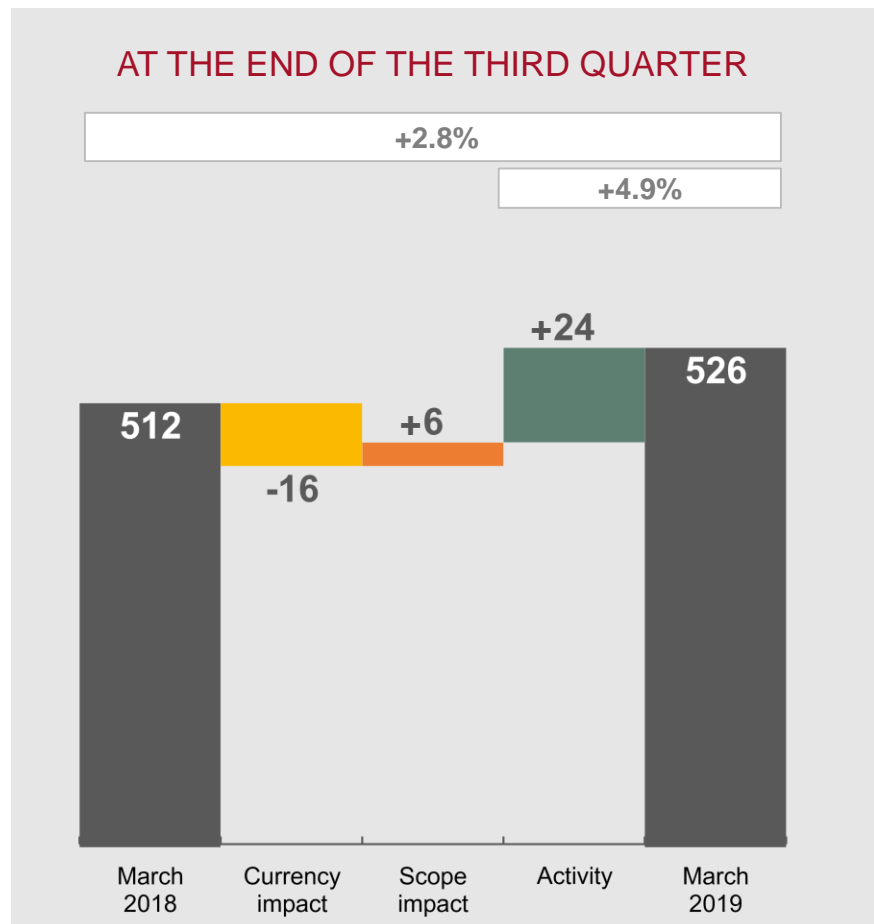
- ❖ Clear business growth over the 3rd quarter, with fine performances for several strategic crops: pepper, summer squash and carrot (particularly in China)
 - ❖ Significant increase in sales in Europe, particularly Western Europe
 - ❖ Sharp rebound in sales in South America and the Middle East, in spite of exogenous factors disturbing commercial activity in these regions
 - ❖ Tense market conditions this year in the Maghreb countries (North Africa) impacting business in this area
 - ❖ In North America, performances were affected by the one-off drop in certain market segments, but confirmed that the inventory levels with distributors is healthier
- ➔ Marked increase in business at the end of the 3rd quarter, within vegetable seed markets whose evolution remains contrasted depending on geographical regions



**Vilmorin & Cie reinforced its rank
as a world leader in vegetable seeds**

SALES* OF FIELD SEEDS

In M€



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

TRENDS FOR THE FIELD SEEDS MARKET

- ◆ Increase in expected corn acreage

United States

↗ Acreage

Europe 28

↗ Acreage

Greater Europe

↗ Acreage

Brazil

↗ *Safrá acreage*

↗ *Safrinha acreage*

- ◆ Trend for a reduction in sunflower acreage

Greater Europe

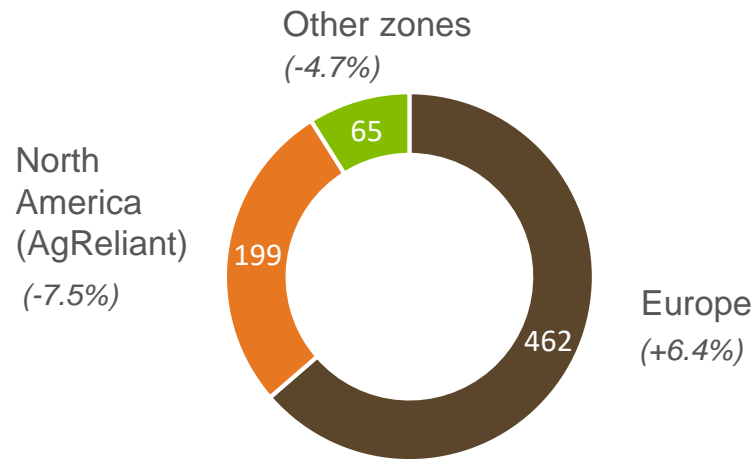
↘ Acreage

In an unstable agricultural market environment



SALES OF FIELD SEEDS

TOTAL SALES
(including AgReliant): 726 M€



**ANALYSIS
PER GEOGRAPHICAL ZONE**
(evolutions on a like-for-like basis,
before application of IFRS 11)

In M€

Europe

- ❖ Fine growth in the sales of corn seeds:
 - ❖ Strong increase in Western and Central Europe, resulting in market share gains
 - ❖ Early sales in the United Kingdom, as a direct result of Brexit
 - ❖ Stable sales of sunflower seeds, with orders looking satisfactory, in spite of certain orders being somewhat late (Russia)
- ⇒ Significant growth of sales in Europe

South America

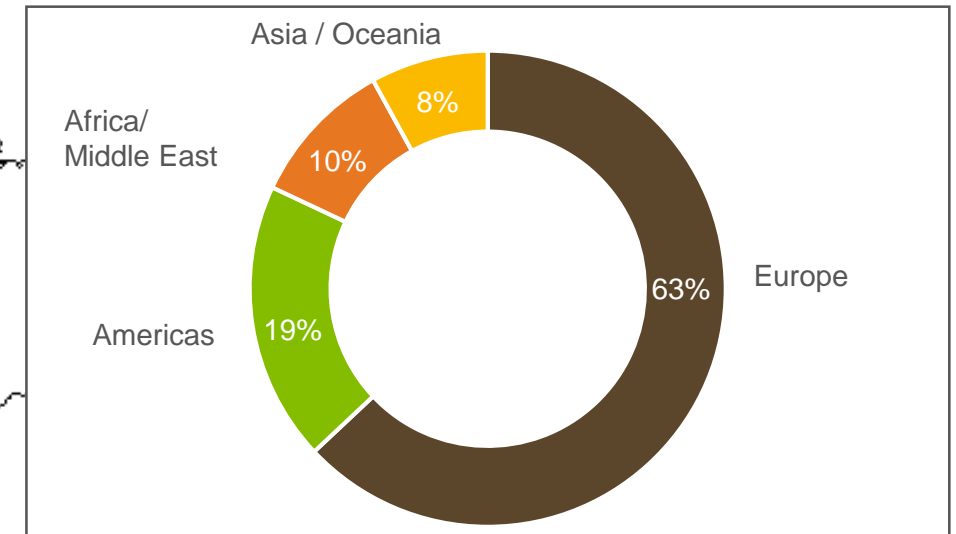
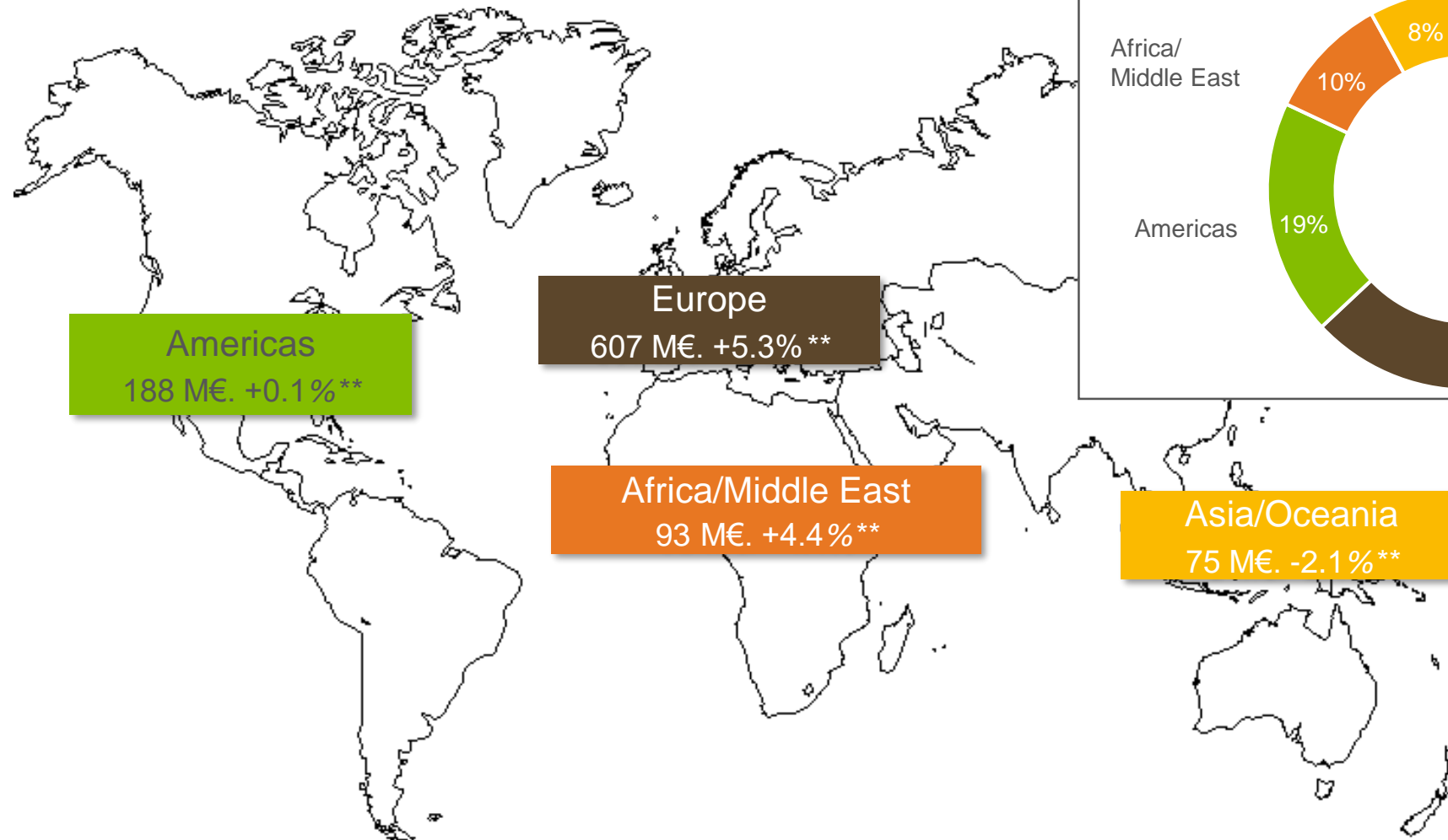
- ❖ Sharp drop in business over the 3rd quarter
 - ❖ In Brazil, significant reduction in volumes for *safrinha* corn, reflecting Vilmorin & Cie's decision to defend its pricing policy while improving its margins levels, in a context of strong competitive pressure on prices
 - ❖ Very strong growth of soybean sales in Brazil and corn sales in Argentina
- ❖ Integration of the companies Sursem (Argentina) and Geneze (Brazil) going according to plans

Associated companies

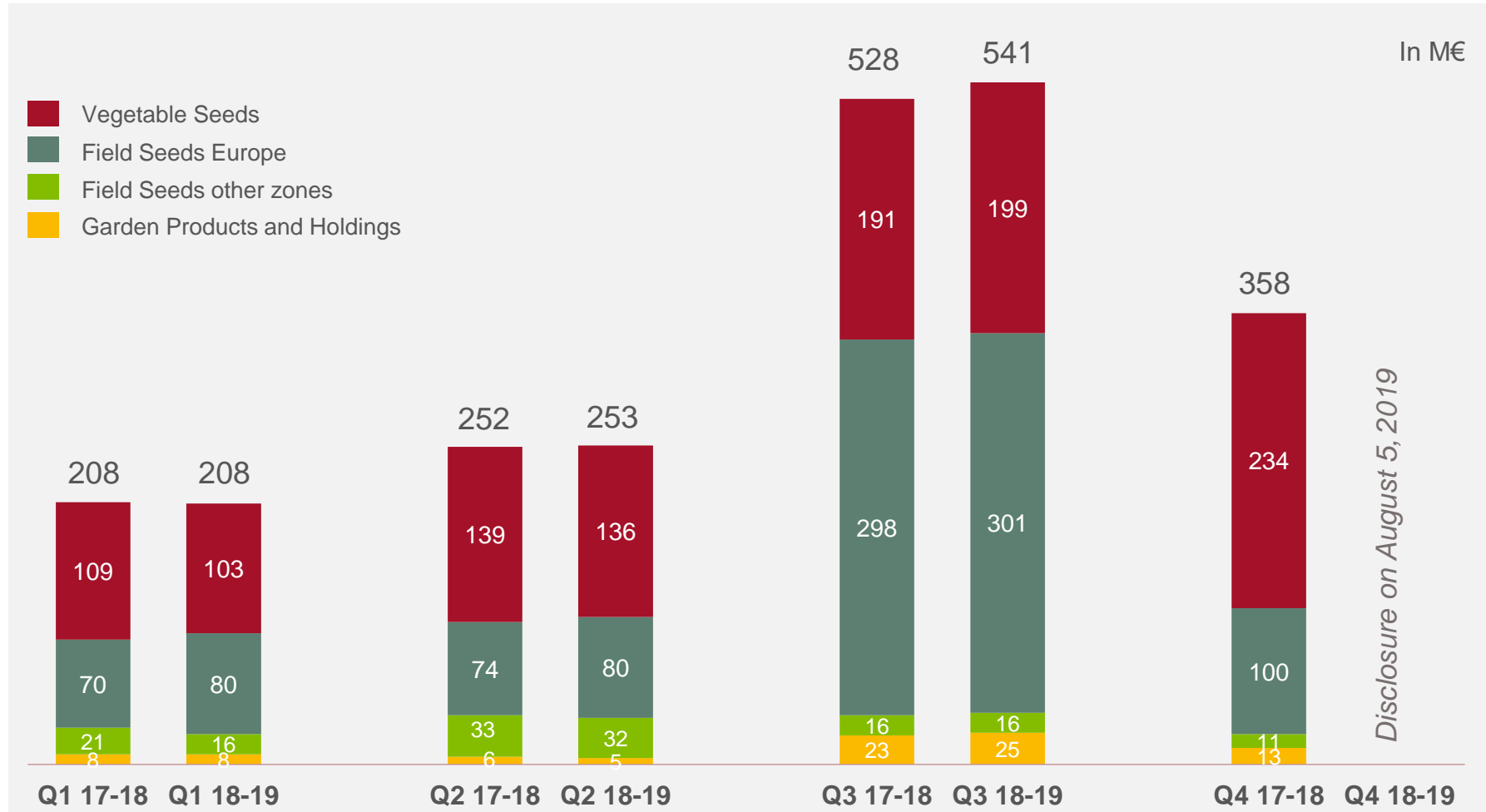
- ❖ North America (AgReliant): Sales down markedly, affected by the deployment of the new commercial strategy, with a major brand reorganization
- ❖ Africa (Seed Co): Strong increase in sales

**Vilmorin & Cie achieved a good level of performance,
particularly in Europe, confirming its capacity to strengthen
its commercial positions globally**

CONSOLIDATED SALES* PER GEOGRAPHICAL ZONE



CONSOLIDATED SALES* PER QUARTER



* Revenue from ordinary activities

OUTLOOK FOR THE END OF FISCAL YEAR 2018-2019

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VEGETABLE SEEDS

❖ Challenges for the end of the fiscal year:

- Confirmation, over the fourth quarter, of the clear upturn in business posted for the third quarter, with a high reference base
- Easing of the geopolitical and monetary context

❖ Outlook for the end of the fiscal year:

- Objective for Vegetable Seeds sales maintained

Objective*
 $+2\% \leq \text{Sales} \leq +3\%$

** On a like-for-like basis.*



FIELD SEEDS

❖ Challenges for the end of the fiscal year:

- Definitive evolution of cultivated acreage of corn and sunflower
- Continuing dynamic business in Europe as achieved over the first 9 months of the fiscal year
- Final impact of the exchange rates between different currencies

❖ Outlook for the end of the fiscal year:

- Objective for Field Seeds sales confirmed

Objective*
 $+2\% \leq \text{Sales} \leq +3\%$

* On a like-for-like basis



CONFIRMATION OF OBJECTIVES FOR THE FISCAL YEAR

❖ Confirmation of objectives for sales and the current operating margin rate

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


Current operating margin rate
up by 0.5 points to 1 point
compared to 2017-2018,
including research investment
now estimated at ≈ 240 M€

❖ Confirmation of the anticipation of a contribution from associated companies down compared to that of 2017-2018

- After excluding the revaluation profit resulting from the reorganization of Seed Co's international activities
- Because of the evolution of the commercial activity of AgReliant (North America. Field Seeds)
- And in spite of the fine performance expected of Seed Co (Africa. Field Seeds)

Pursue deployment of the development and innovation strategy,
in a market environment that remains highly volatile,
while continuing to rely on a specific development model

SCHEDULE AND CONTACTS



MONDAY AUGUST 5, 2019⁽¹⁾

- Disclosure of sales for fiscal year 2018-2019

TUESDAY OCTOBER 15, 2019⁽¹⁾

- Disclosure of results for fiscal year 2018-2019

MONDAY NOVEMBER 4, 2019⁽¹⁾

- Disclosure of sales at the end of the 1st quarter for fiscal year 2019-2020

FRIDAY DECEMBER 6, 2019

- Annual General Meeting of Shareholders in Paris

*⁽¹⁾ Disclosure after trading on the Paris Stock Market
Dates provided as an indication only and liable to be changed.*

For any further information:

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

Valérie MONSERAT
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: +33 473 634 485 - Fax : +33 473 634 180

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.
 - The change in the consolidation scope comes from the acquisition of the company AdvanSeed (Denmark. Vegetable Seeds) made in July 2018, and from that of the companies Sursem and Geneze (South America. Field Seeds) finalized in December 2018.
 - 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 begun in fiscal year 2017-2018.
- ❖ **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

VILMORIN & CIE

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

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

Tel: +33 473 634 485

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