

# AGENDA

- **\*** KEY POINTS
- SALES FOR FISCAL YEAR 2019-2020
- NEWS
- OUTLOOK FOR THE END OF FISCAL YEAR 2019-2020
- **\*** APPOINTMENT
- **SCHEDULE AND CONTACTS**
- **GLOSSARY**



AUGUST 3, 2020

# KEY POINTS .....

- Significant growth in sales for the fiscal year: +3.2%\*, in spite of a fourth quarter down moderately
- Outlook for the end of fiscal year 2019-2020:
  - Good resistance of the current operating margin rate
  - Forecast of a higher net income compared to 2018-2019, excluding non-recurring items



Vilmorin & Cie continues its growth after a fiscal year that revealed the strategic nature of its business, the first link in the food chain



With current data



#### **REFERENCES**

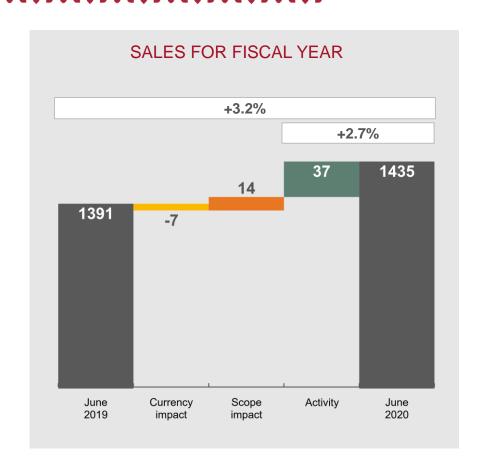
- Accounting reference
  - IFRS on June 30, 2020
- Scope
  - Acquisition of the companies Sursem and Geneze (South America. Field Seeds), finalized in December 2018
  - Sale of the company Van Den Berg (Netherlands. Garden Products) in June 2019
- Rates of the main currencies on June 30, 2020 (and June 30, 2019)

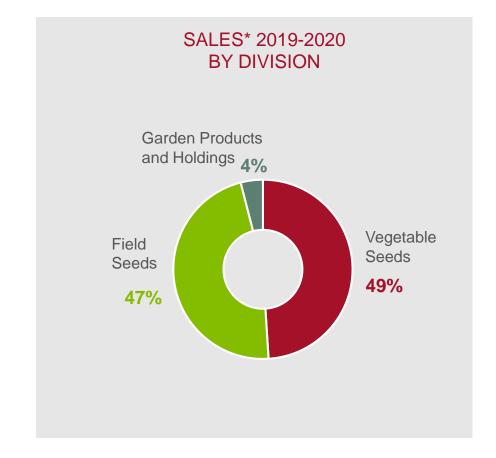
	average		close	
	June 2019	June 2020	June 2019	June 2020
\$	1.14	1.10	1.14	1.12
¥	127	119.51	123	120.66
£	0.88	0.88	0.90	0.91
TRY	6.40	6.76	6.57	7.68
ILS	4.16	3.88	4.06	3.88
BRL	4.41	4.95	4.35	6.11
INR	80.53	80.13	78.52	84.62
MXN	22.00	22.66	21.82	25.95
UAH	31.13	28.05	29.79	29.98
RUB	74.93	73.94	71.60	79.63
ARS	48.27	66.06	48.27	79.13



# **CONSOLIDATED SALES\***

In M€



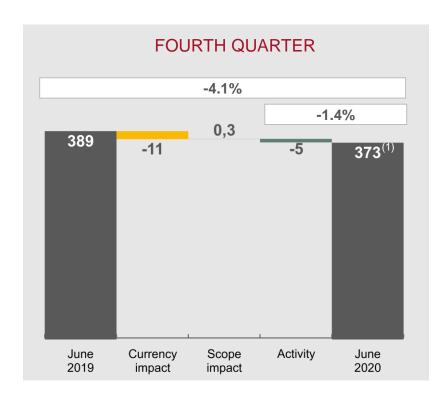




<sup>\*</sup> Revenue from ordinary activities

#### **CONSOLIDATED SALES\***

In M€



(1) of which:

Vegetable Seeds: 241

Field Seeds: 115

Revenue from ordinary activities

- Business growth had been very strong over the 3<sup>rd</sup> quarter particularly in March – partly due to the anticipated orders of certain clients who were concerned to secure their supplies as the context of the health crisis emerged.
- ⇒ Sales temporarily fell back at the beginning of the 4<sup>th</sup> quarter, before growing again towards the end of this period.



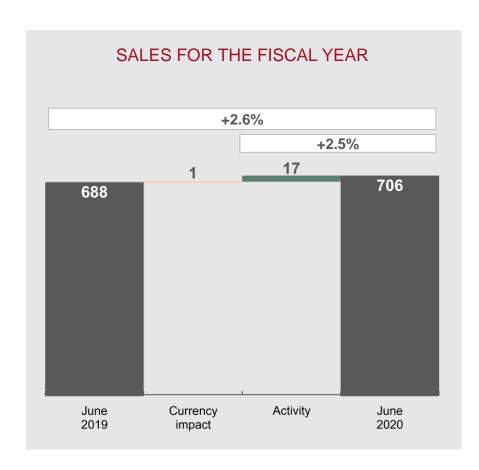
Confirmation of the resilience of business, both in Vegetable Seeds and Field Seeds

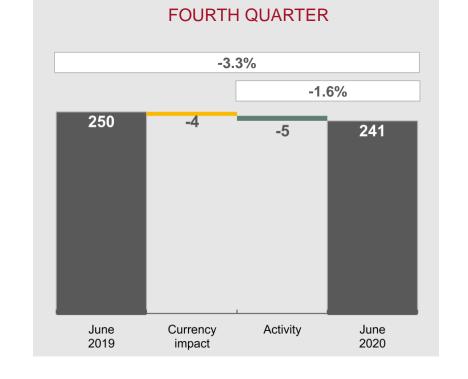


AUGUST 3, 2020

# SALES\* OF VEGETABLE SEEDS

In M€



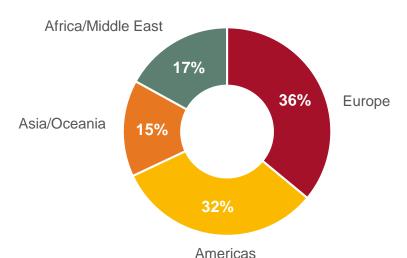




<sup>\*</sup> Revenue from ordinary activities

#### SALES OF VEGETABLE SEEDS

#### ANALYSIS OF VEGETABLE SEED SALES\* PER GEOGRAPHICAL ZONE



- Sales of products

- After a very strong 3<sup>rd</sup> quarter, decrease in business over the 4<sup>th</sup> quarter.
- At the end of the fiscal year, particularly dynamic business in North America, both in Mexico and the United States, and in Turkey too.
- In Asia, the situation varied depending on the country, with significant progress in India in an upbeat market, but the fiscal year was more difficult in China, where the market was under pressure as of January because of the health crisis and in spite of a good quality 4<sup>th</sup> guarter.
- Truly fine performances for several strategic global crops: tomato (market share gains in Europe and in North America), sweet pepper, hot pepper, cauliflower and carrot.
- Marked growth for several crops grown for canning and freezing, such as sweet corn, bean and pea.
- In spite of a context made uncertain by the health crisis, business was not in fact significantly affected taking the fiscal year as a whole, thus showing its resilience.

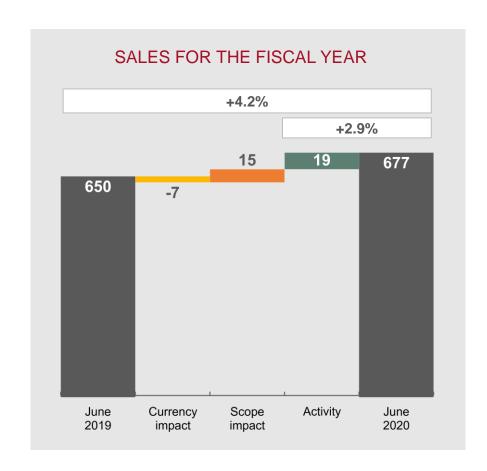


Vilmorin & Cie managed to post marked business growth at the end of the fiscal year, and was able to confirm its position as No. 1 worldwide for vegetable seeds

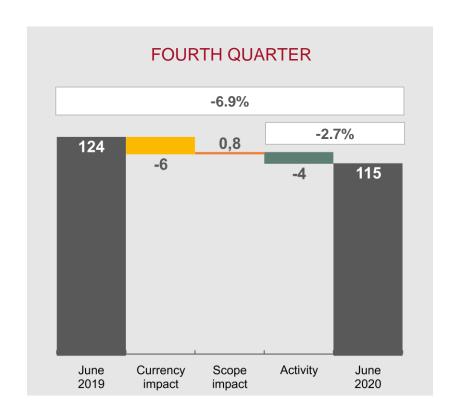


# SALES\* OF FIELD SEEDS

In M€



<sup>\*</sup> Revenue from ordinary activities, after application of IFRS 11 (i.e. excluding AgReliant)





# TRENDS FOR FIELD SEEDS MARKETS

Corn acreage on the increase on the main markets

**United States** ∠ Acreage

**Greater Europe** ∠ Acreage

**Brazil** Safrinha acreage

Sources: USDA, CONAB, internal. June 2020

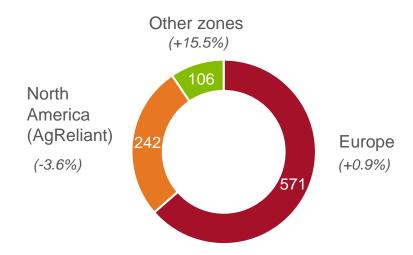




#### SALES OF FIELD SEEDS

#### **TOTAL SALES**

(including AgReliant): 919 M€



#### **ANALYSIS** PER GEOGRAPHICAL ZONE

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

In M€

#### Europe

- A satisfactory commercial campaign:
  - For corn, a fine performance, with growth in commercial volumes, particularly in Russia, France, Germany and Turkey.
  - For sunflower, sales fell back because of a drop in business in Ukraine and in spite of a good increase in volumes sold in Russia.
  - For rapeseed, strong growth in volumes sold, thanks to an extremely efficient product portfolio reflecting significant gains in market share, in a market temporarily experiencing a very sharp decrease. At the end of the 4th quarter, excellent level of sales for the start of the new rapeseed campaign.
  - For cereal seeds (wheat and barley), increase in the royalties received.

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

- In South America, a strong increase in activity posted over the fiscal year:
  - Solid performances both in corn and soybean.
  - Strengthening of commercial positions both in Brazil and Argentina.
- In Asia, a good level of growth, especially in India, with overall confirmation of a quality fiscal year, even though business was impacted by drought in certain countries.



#### Solid business performance over the fiscal year

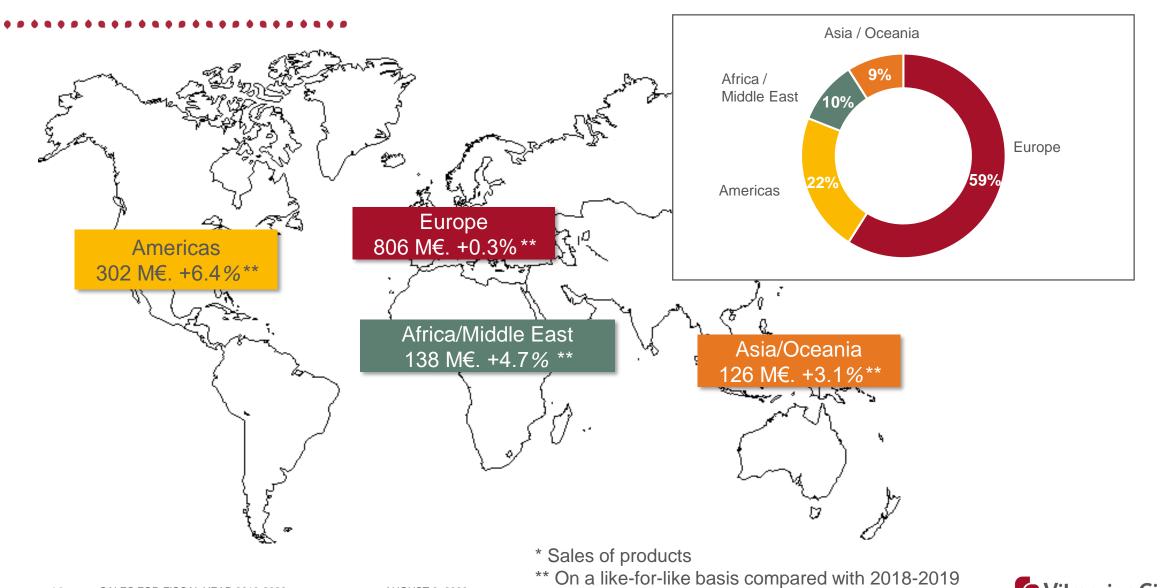
#### Associated companies

- North America (AgReliant): last part of the commercial campaign disappointing in terms of volumes sold and marked by higher returns of seeds than anticipated.
- Africa (Seed Co): strong business growth outside Zimbabwe and, in Zimbabwe, good control of the impacts of the local economic crisis. At the end of the fiscal year, Seed Co confirmed its position as the No. 1 seed company in Africa.



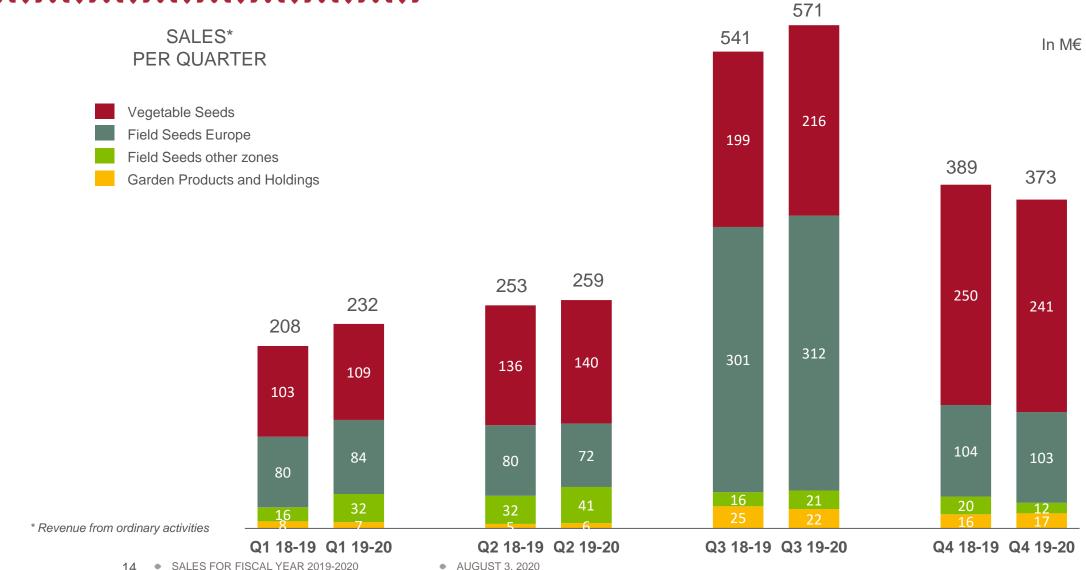
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# **CONSOLIDATED SALES\* PER GEOGRAPHICAL ZONE**

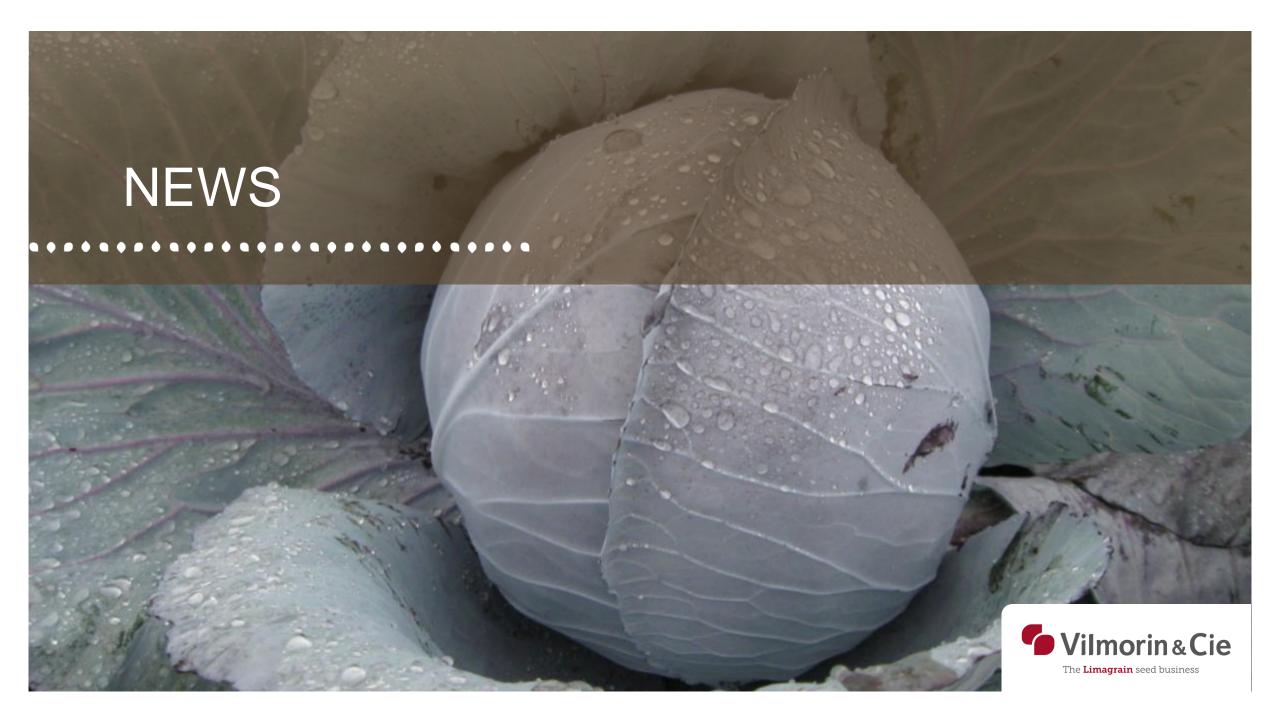




# **CONSOLIDATED SALES\* PER QUARTER**







#### **VILMORIN & CIE AND AFRICA**

#### Presence in Field Seeds initiated at the beginning of 2013

- Acquisition of the seed company Link Seed (South Africa) in January 2013
  - A portfolio of corn seeds, supplemented by soybean seeds
  - Sales of 4.1 million euros on June 30, 2020 and a headcount of around 70
- Purchase of a minority stake in Seed Co during fiscal year 2013-2014
  - Seed Co, the No. 1 African seed company, with leading positions in Sub-Saharan Africa in corn and high quality genetic resources
  - Sales (on March 31, 2020): 114 M\$
  - 6 production sites and 18 research centers
  - Permanent reinforcement in the deployment of this partnership since 2013-2014
  - Today Vilmorin & Cie is Seed Co's reference shareholder<sup>(1)</sup>

#### A strategy of progressive development in Africa

Continue to rely simultaneously on direct locations, partnerships and distribution agreements, while adapting to the specific features of the different countries

(1) On June 30, 2020, Vilmorin & Cie held 29.2% of the capital stock of Seed Co Limited and 30.9% of the capital stock of Seed Co International.





#### THE SOUTH AFRICAN SEED MARKET

#### Corn, an essential crop in South Africa

- The largest African market in terms of value and the 2<sup>nd</sup> largest in acreage (after Nigeria)
- Almost 3 million hectares grown
- 50% white corn and 50% yellow corn
- A market dominated 96% by hybrid seeds
- A market with a value of approximately 220 M€ (90% GMO)
- The other crops present on the market: soybean (around 800 kha), sunflower (around 600 kha) and wheat



# A market with high added value

# Africa, considerable growth potential

A market destined for very strong development, due in particular to extremely dynamic demographic growth

⇒ Africa will be home to nearly a quarter of the world's population by 2050

(Source: United Nations Food and Agriculture Organization/FAO).





#### THE JOINT VENTURE IN BRIEF

A joint venture named Limagrain Zaad South Africa, dedicated to field seeds, particularly corn, and grouping together all the field seeds activities in South Africa of the companies:

- Vilmorin & Cie (through Link Seed)
- Klein Karoo Seed Marketing<sup>(1)</sup>, a South African seed company firmly established in the country since its creation in 2002
- Seed Co
- ⇒ Combining the strengths of the three companies and capitalizing on a high level of synergies and strong complementarities in terms of:
  - research.
  - production,
  - product portfolio,
  - sales organization,
  - marketing, with in particular three well-known brands.







# Some key facts regarding the joint venture

- A joint venture controlled by Vilmorin & Cie, and operational since July 2020
- Around 300 employees
- Sales of more than 20 million euros
- A joint venture covering South Africa, as well as Lesotho, Eswatini and Namibia, which also require temperate genetics for corn

<sup>(1)</sup> Klein Karoo Seed Marketing is a subsidiary of the South African group Zaad, which in turn belongs to the Zeder Investment group, an investment company specializing in the agricultural sector and listed on the Johannesburg Stock Exchange.



# THE OBJECTIVES OF THE JOINT VENTURE

#### Create a major player in South Africa

- By proposing a specific multi-crop approach standing out on the market by offering soybean, sunflower, wheat, sorghum and forage as a complement to corn
- By benefiting from critical mass in an already highly consolidated field seed market in the country
- Fully integrated into Vilmorin & Cie's worldwide field seeds research organization
- ⇒ Ambition of reaching 10% corn market share in South Africa within three years





A joint venture that is perfectly in line with Vilmorin & Cie's field seeds strategy, and is a concrete demonstration of the strengthening of its collaboration with Seed Co

=> A new major stage in Vilmorin & Cie's development in Africa





#### **ESTIMATED TRENDS**

- Good resistance of the current operating margin rate, which should be close to 8%, after accounting for research investment of around 260 million euros
  - In 2018-2019, the current operating margin rate came to 8.4%, accounting for several non-recurring operating items<sup>(1)</sup> for a net total estimated at 7 million euros, i.e. +0.5 percentage points.
- A contribution from associated companies standing at a little less than 20 million euros
  - In 2018-2019, it came to 26 million euros and included a revaluation profit of 11 million euros, resulting from the financial and legal reorganization of the international activities of Seed Co (Africa. Field Seeds).
- Net income lower than that of the previous fiscal year. Nevertheless, excluding non-recurring operating items for 2018-2019 and the above-mentioned revaluation profit, it should show a marked increase.
  - In 2018-2019, total net income for the fiscal year came to 77.9 million euros, of which a group share of 73.9 million euros.

<sup>(1)</sup> Cf. Vilmorin & Cie's press release of October 15, 2019. Non-recurring operating items for fiscal year 2018-2019 mainly concerned capital gains from the reorganization of the biotechnology research company Biogemma, and profit from the disposal of an industrial plant devoted to the production of corn seeds in Hungary.

#### A FISCAL YEAR THAT REVEALED THE STRATEGIC NATURE OF SEEDS

A seed market relatively unaffected by the health crisis, because of its strategic nature, even though there remain a number of uncertainties for the coming fiscal year





Thanks to the full mobilization of its teams, Vilmorin & Cie has been able to ensure the continuity of its activities, contributing to the security of food production

Vilmorin & Cie should manage to preserve its level of profitability and post solid financial performances in 2019-2020

These performances are also the fruit of the measures taken to cushion the additional costs linked to the crisis (control over operating expenses and industrial investments)

A fiscal year which demonstrates the robustness of Vilmorin & Cie's development model and the relevance of its strategic foundations combining research and international development, with a long-term vision





# APPOINTMENT OF OLIVIER FALUT AS CHIEF FINANCIAL OFFICER, FOLLOWING THE FORTHCOMING DEPARTURE OF VINCENT SUPIOT

- Appointment, as of September 1, 2020, of Olivier FALUT as Vilmorin & Cie's Chief Financial Officer. In this capacity he will also join the Executive Committee.
- **Expertise and experience:** 
  - Olivier FALUT has combined higher education in finance and business law.
  - He has built up solid experience in all areas of finance, in different French companies of international dimension, particularly in the agri-food sector (Bel, Lactalis, Sodiaal cooperative group).
  - Before joining Vilmorin & Cie, Olivier FALUT was Corporate CFO at Segula Technologies.

This appointment is the consequence of the forthcoming departure of Vincent SUPIOT, CFO of Vilmorin & Cie since September 2017. Vincent SUPIOT has expressed the desire to pursue another professional project, after more than 20 years of career within the Group.

He will leave his position mid-September 2020, at the end of a transition period with his successor.





#### WEDNESDAY OCTOBER 14, 2020<sup>(1)</sup>

Disclosure of results for fiscal year 2019-2020

#### MONDAY NOVEMBER 2, 2020<sup>(1)</sup>

➡ Disclosure of sales at the end of the 1<sup>st</sup> quarter 2020-2021

#### FRIDAY DECEMBER 11, 2020

Annual General Meeting of Shareholders in Paris

<sup>(1)</sup> 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 MONSÉRAT Head of Financial Communication and Investor Relations valerie.monserat@vilmorincie.com

Vilmorin & Cie

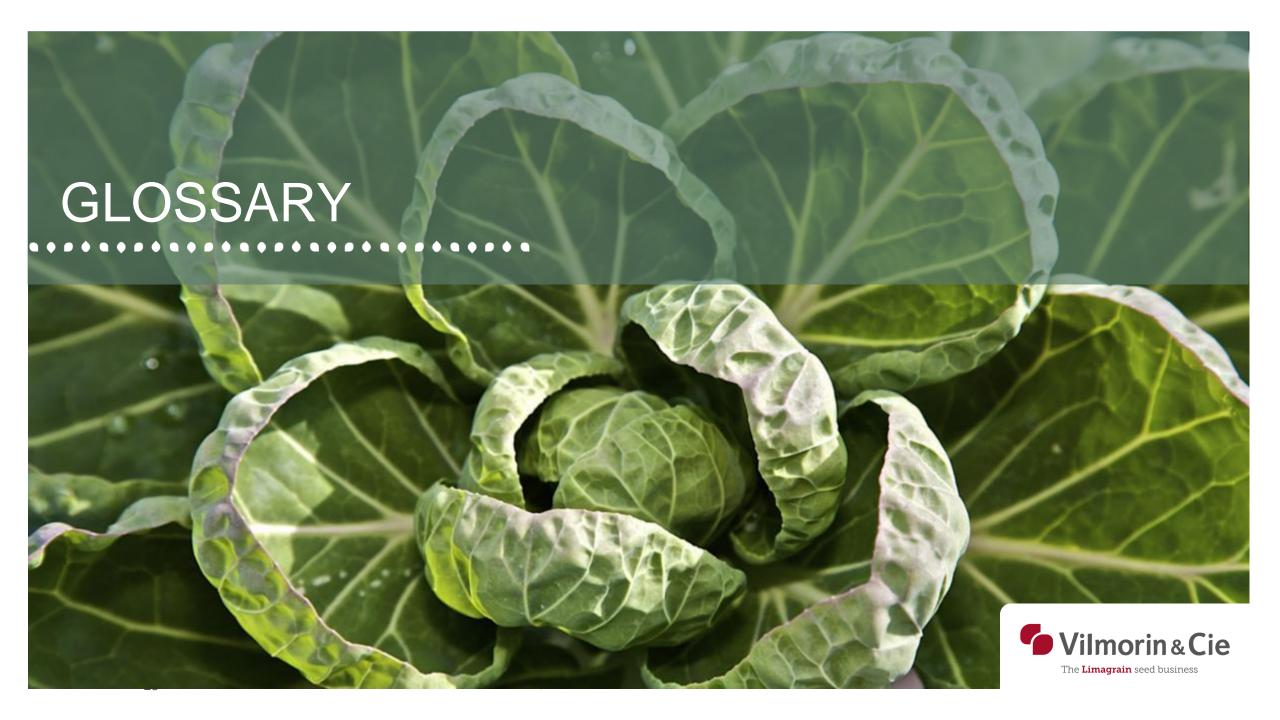
Head office: 4 quai de la Mégisserie – F-75001 PARIS

Mailing 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: www.vilmorincie.com





#### Like-for-like data:

Like-for-like data is data that is restated for constant scope and currency translation. Therefore, financial data for 2018-2019 is restated with the average exchange rate for fiscal year 2019-2020, and any other changes to the scope, in order to be comparable with data for fiscal year 2019-2020.

Variations in the consolidation scope come from the acquisition of the companies Sursem and Geneze (South America. Field Seeds) finalized in December 2018, and from the sale of the company Van Den Berg (Netherlands. Garden Products) in June 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.

AUGUST 3, 2020



