# INVESTORS PRESENTATION

FEBRUARY 2021

Vilmorin & Cie

The Limagrain seed business

# DISCLAIMER

*Some of the statements contained in this document may be forward-looking statements concerning Vilmorin & Cie SA's financial position, results, businesses, strategy or projects.*

*Vilmorin & Cie SA considers that such statements are based on reasonable assumptions but cannot and does not give any assurance that the Group's future performance will be consistent with those statements.*

*Actual results could differ from those currently anticipated in such statements due to a certain number of inherent risks and uncertainties, most of which are beyond Vilmorin & Cie SA's control, such as those described in the documents filed or to be filed by Vilmorin & Cie SA with the French securities regulator (Autorité des marchés financiers) and made available for downloading from the Company's website: www.vilmorincie.com*

# AGENDA


- VILMORIN & CIE AT A GLANCE s. **04**
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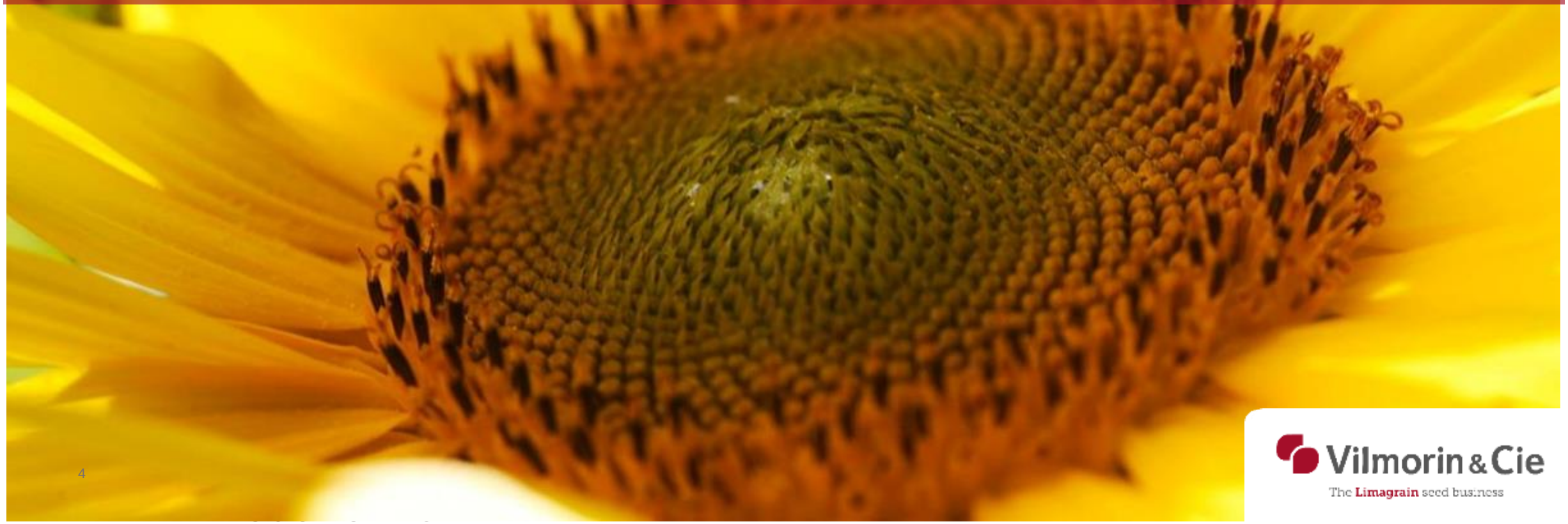
# VILMORIN & CIE AT A GLANCE





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The Limagrain seed business

# VILMORIN & CIE, 4TH LARGEST SEEDS COMPANY IN THE WORLD

- Fourth largest seeds company in the world with leading positions on its core activities

**N°1**

worldwide

for vegetable seeds

**N°6**

worldwide

for field seeds

- Pure player built up on historical expertise in botany since 1743 and on the basis of real proximity with the agricultural world

- A long-term vision of the development, strengthened by the consistent support of its reference shareholder, Limagrain, both an agricultural cooperative owned by French farmers and an international seed group

# A FULL CONTROL OF ALL STAGES IN SEEDS BUSINESS

ANALYZING NEEDS

COLLECTING GENETIC RESOURCES → CREATING NEW SEEDS

PRODUCING SEEDS

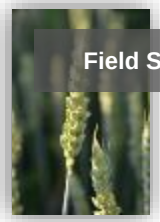
DISTRIBUTING AND SELLING SEEDS

**A 7 TO 10 YEARS** CYCLE

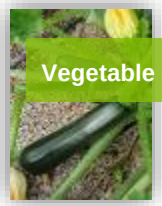
**337 VARIETIES**
LAUNCHED IN 2019-2020

# A TRACK RECORD COMBINING ORGANIC AND EXTERNAL GROWTH

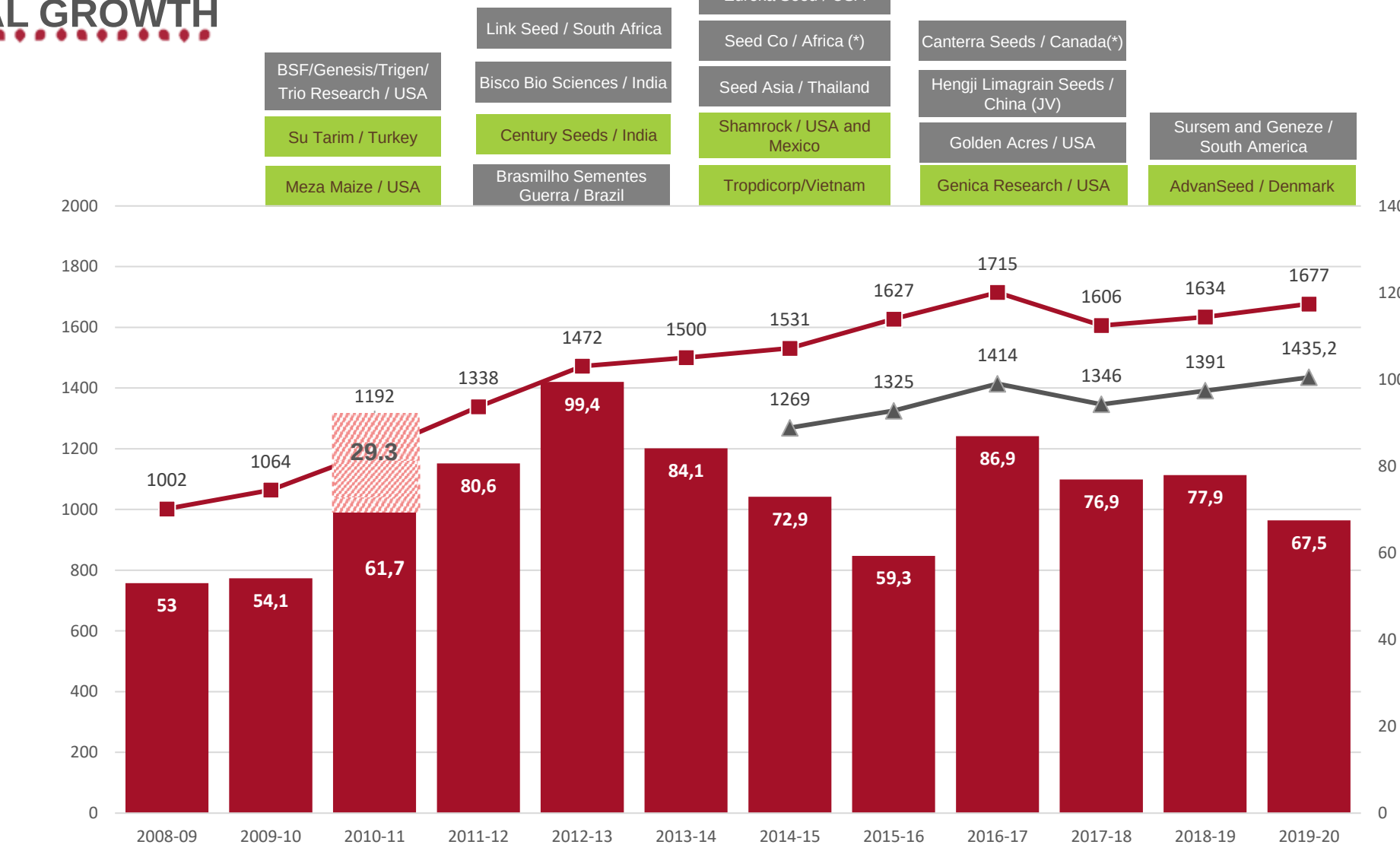
In M€



Field Seeds acquisition



Vegetable Seeds acquisition




*(*) Share of profit of associates.*
*Acquisitions examples are not exhaustive.*

Net income (Groupe share)
Sales
Sales (IFRS 11)
Capital gains from sale of minority stakes in China



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# A BUSINESS ORGANIZATION CLOSE TO THE MARKETS: KEY FOR SUCCESS

## VEGETABLE SEEDS

- VEGETABLE GROWERS
- 3 BUSINESS UNITS

Key leading brands:

## FIELD SEEDS

- FARMERS
- 6 BUSINESS UNITS

Key leading brands:

## GARDEN PRODUCTS

- MARKET GARDENERS
- 1 BUSINESS UNIT

Key leading brands:

# A LONG TERM REFERENCE SHAREHOLDER

- Groupe Limagrain:

Limagrain

- An agricultural cooperative owned by French farmers
- An international seed group involved in the development of integrated agricultural chains
  - Vegetable Seeds and Field Seeds

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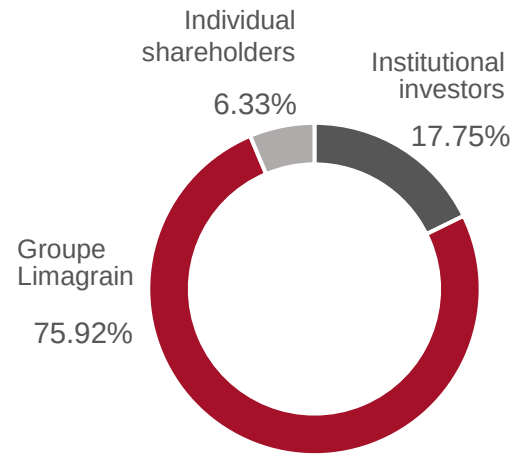
  - Agri-Food (Ingredients and Bakery Products)

Jacquet Brossard

## BREAKDOWN OF THE CAPITAL ON JUNE 30, 2020




*On October 14, 2020, Bpifrance Participations entered the capital of Vilmorin & Cie and holds 5.71%, thus becoming the second largest shareholder of Vilmorin & Cie, alongside Limagrain.*

## TOTAL NUMBER OF SHARES:

# 22,917,292

*Sources: Euroclear, Internal*

# A LONG TERM REFERENCE SHAREHOLDER

- Groupe Limagrain, a reference shareholder guaranteeing:
  - Stable corporate governance
  - Long term strategy
  - A perfect knowledge of agriculture, customers and their needs

## LIMAGRAIN IN BRIEF

**MISSION**

- Cooperating for the progress of agriculture everywhere, for everyone

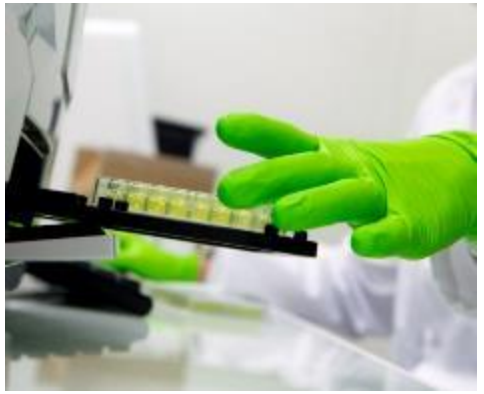
**STRATEGY**

- Serving all types of agriculture, taking into account their diversity
- Helping to meet the food needs in terms of nutrition, health and consumption patterns

**KEY FIGURES**

- Nearly 1,500 farmer members
- 1,909 million euros in sales + 642 million euros in sales from strategic partnerships*
- More than 9,000 employees

** Strategic partnerships: AgReliant, AGT, Genective, Seed Co, Soltis, Canterra Seeds, Hengji Limagrain Seeds, Carthage Génétique and Prime Seed Co. 2019-2020.*



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# VILMORIN & CIE GROWTH STRATEGY

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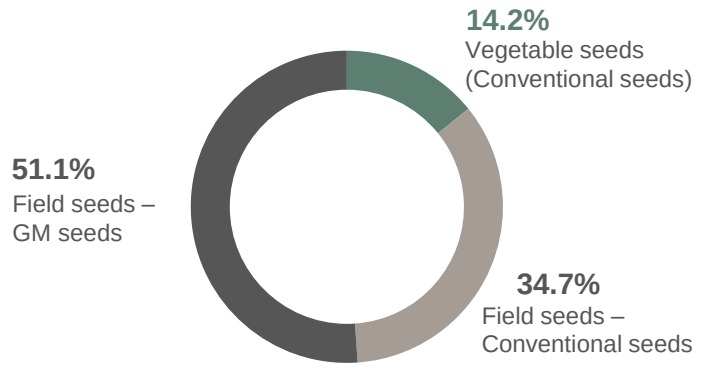
# 1/ PROMISING WORLD SEEDS MARKETS

## POWERFUL GROWTH FACTORS:

- Increase in seeds demand
  - Growth in the world population (10 bn in 2050)
  - Improvement in the standards of living
- Increase in the use of commercial seeds
- Adoption of genetically modified ("GM") seeds worldwide

## WORLD MARKET FOR COMMERCIAL SEEDS (2019)




## MARKET VALUE 2019:

**$39.8 BN.**

*Source: AgbioInvestor 2018 and 2019*



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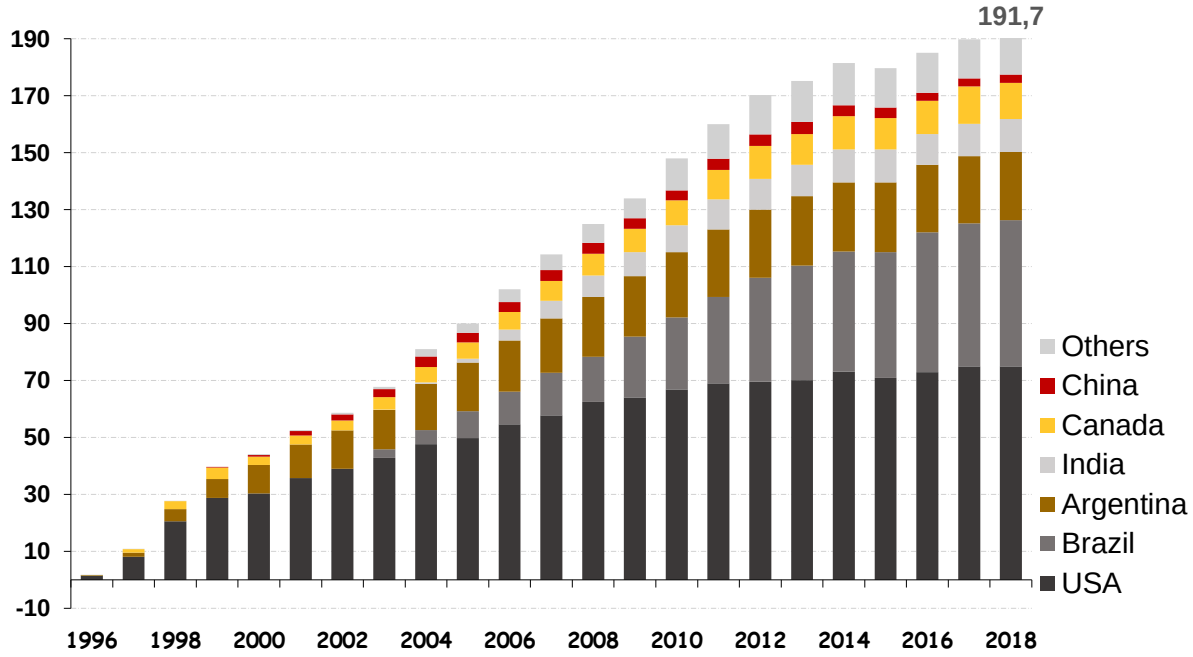
# 1/ MARKET FOR SEEDS: SLIGHT INCREASE FOR GMO IN 2018

## WORLD MARKET ACREAGE

- 191.7 million hectares (more than 10% of arable land), +1.9% / 2017, grown by 17 million farmers in 26 countries

GMO :
ACREAGE PER COUNTRY

*million ha*




## WORLD MARKET VALUE

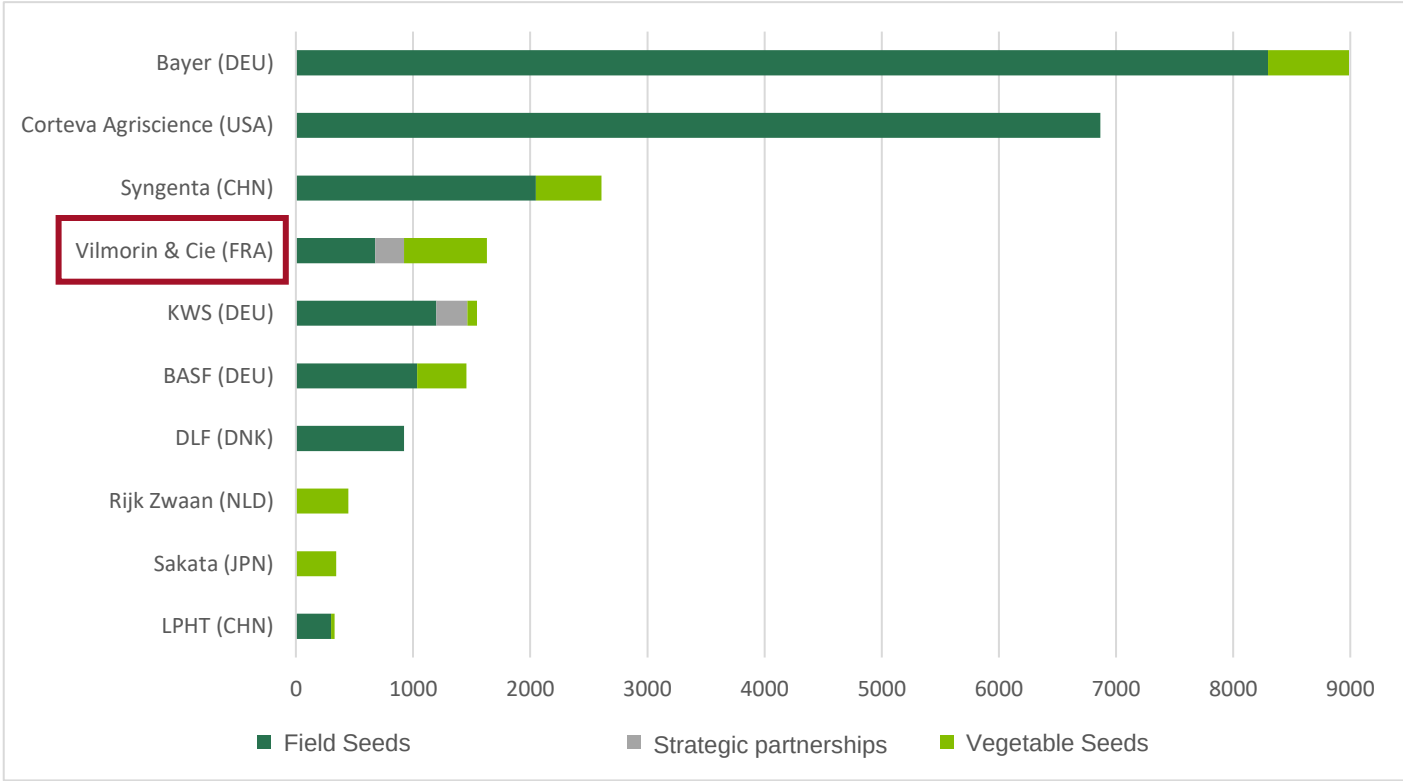
More than $20 billion in 2019 *(i.e. 51.1% of the world market for seeds)*

*Sources: ISAAA 2019. AgbioInvestor 2018*

# 1/ MARKET FOR SEEDS: HIGH BARRIERS TO ENTRY

- A concentrated competitive environment
- High barriers to entry:
  - Width and depth of the genetic resources
  - R&D investment (conventional breeding and biotechnologies)
  - International coverage

## WORLDWIDE COMPETITIVE ENVIRONMENT FOR SEEDS




*In M€. Sources: company release and internal est. sales for 2019. Vilmorin & Cie, KWS, Rijk Zwaan, DLF and Sakata sales for 2020. Vilmorin & Cie and KWS before IFRS11. Strategic partnerships include 50% of AgReliant and Soltis sales for Vilmorin & Cie, and AgReliant and Kenfeng sales for KWS.*
**Bayer: field seed sales include soybean, corn and an internal est. of other field seed sales (cotton, rapeseed, wheat, rice & sorghum).*
***DLF seed sales restated excluding the vegetable seed multiplication business and the potato business.*
*Exchange rate: EUR 1 = USD 1.11*



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# 2/ A STRATEGY OF WINNING MARKET SHARES

## 3 STRATEGIC FOUNDATIONS

**1**
**Strong, continuous investment in research**

**2**
**Strong internationalization of the activities**

**3**
**Capacity to combine targeted acquisitions and partnerships**

## 3 STRATEGIC PRIORITIES

| | |
|---|---|
| **Vegetable seeds** | OBJECTIVE<br>**Reinforce world leadership** |
| **Corn seeds** | OBJECTIVE<br>**Confirm its position as a global player** |
| **Wheat seeds** | OBJECTIVE<br>**Ultimately become the world reference** |



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# 3/ VEGETABLE SEEDS. DIVISION PROFILE

**N°1**
worldwide
for vegetable
seeds

- A very strong competitive position addressing worldwide vegetable growers and food processors

- An extremely diversified product line-up with more than 80 different crops for which around 40 Vilmorin & Cie develops research programs: tomato, sweet and hot pepper, carrot, etc

## KEY FIGURES 2019-2020

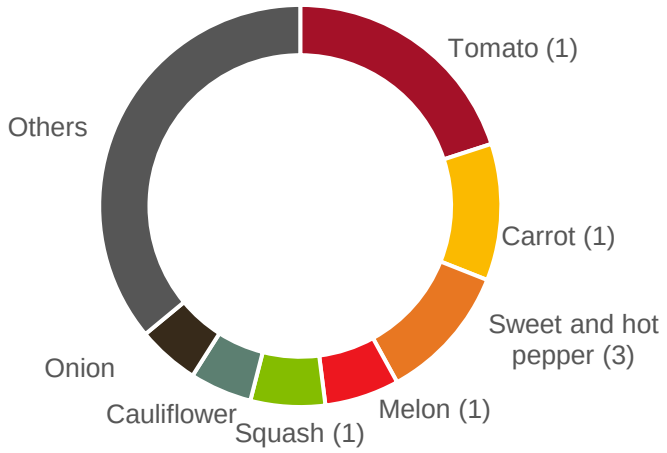
**705.5** M€ SALES

**36** COUNTRIES WITH LOCATIONS

**14.6%** OPERATING MARGIN

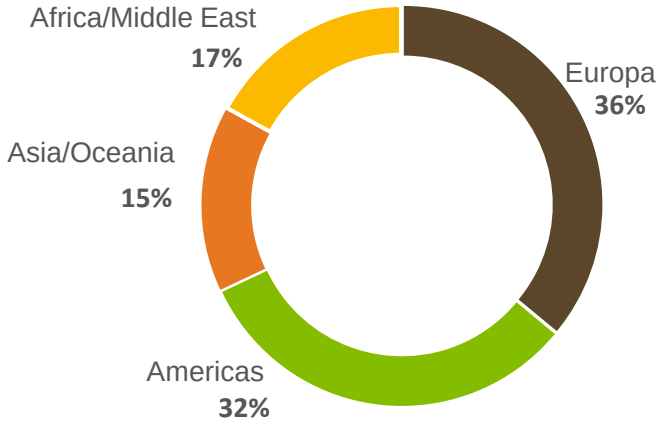
*Current operating margin: 14.6%*

**SALES OF VEGETABLE SEEDS**
PER CROP. 2019-2020




*(1),(2),(3): worldwide competitive positions*

**SALES OF VEGETABLE SEEDS**
PER GEOGRAPHICAL AREA. 2019-2020



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# 3/ VEGETABLE SEEDS. STRATEGY

- Strengthen world leadership
  - Make full use of the virtuous circle of innovation and proximity to the markets to continue to win market shares
  - Close targeted operations for acquisitions or partnerships to strengthen positions on certain crops and/or certain geographical zones
  - Develop business on complementary crop/zone segments and become a leader on all key markets with strong ambitions in Asia and all the strategic crops

*Examples of acquisitions:*

## CENTURY SEEDS

*October 2012*

- 10 local crops
- India
- Sales: 4 M€

## TROPDICORP

*March 2015*

- Bitter gourd, pumpkin, wax gourd
- Vietnam
- Sales: 6 M$

## GENICA RESEARCH

*February 2016*

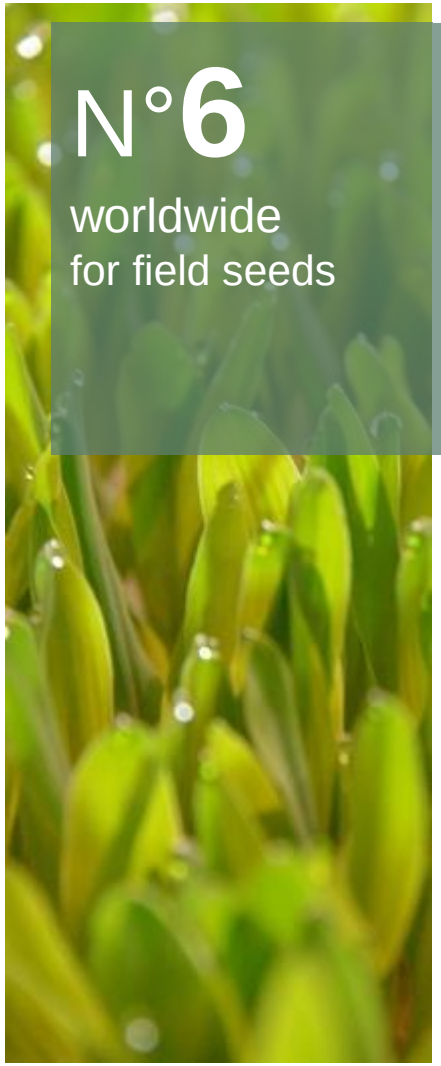
- Sweet and hot peppers, cucumber, summer squash
- United States
- Sales: more than 25 M$

## ADVANSEED

*July 2018*

- Spinach and leafy vegetables
- Denmark
- Sales: 3 M€

# 4 / FIELD SEEDS. DIVISION PROFILE



**N°6**
worldwide
for field seeds

- One of the top players in strategic crops targeting farmers with a multi-crop strategy
- 4 strategic crops: corn, wheat, sunflower and rapeseed - 2 of which are global: corn and wheat
- And a full range adapted to the needs of farmers in each region where it operates: barley, soybean, millet, rice, and pulses

## KEY FIGURES 2019-2020*

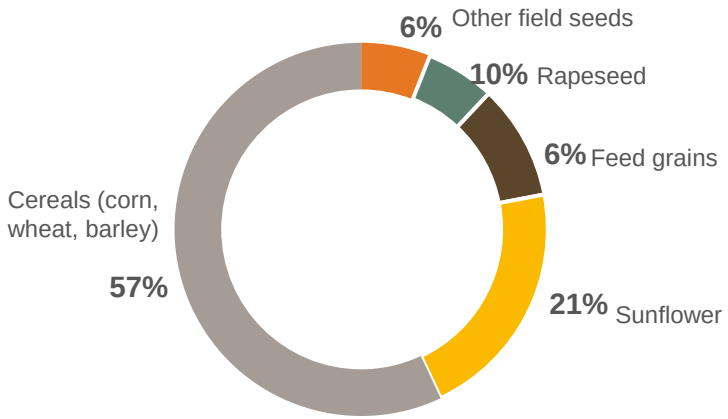
**677** M€ SALES

**36** COUNTRIES WITH LOCATIONS

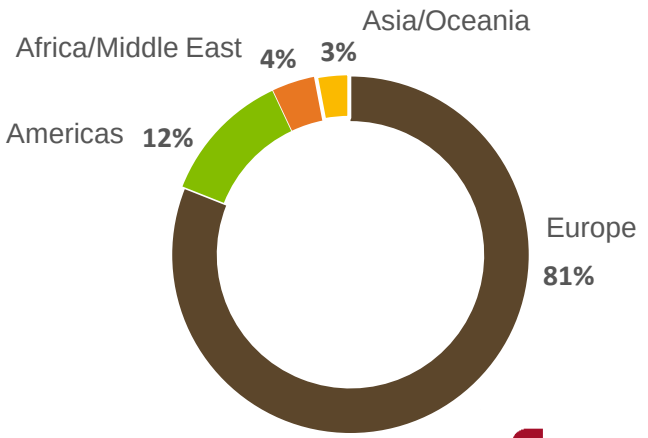
**2.9%** OPERATING MARGIN
*Current operating margin: 3.2%*

* Taking into account the impact of the standard IFRS 11, i.e. excluding AgReliant (North America. Field Seeds).

## SALES OF FIELD SEEDS*
PER CROP. 2019-2020




## SALES OF FIELD SEEDS*
PER GEOGRAPHICAL AREA. 2019-2020



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# 4/ CORN SEEDS. STRATEGY

## CORN SEEDS: CONFIRM ITS POSITION AS A GLOBAL PLAYER

on the largest world seed market in terms of value (nearly $17 bn in 2019*)

- Reinforce leading positions in Europe and North America
- Develop activities in South America, Asia and Africa

*Recent operations:*

**SEED CO**
*Minority stake. 2014*

- #1 African seeds company
- Sales: 114 M$ in 2019-2020
- 6 factories & 9 research stations in south east Africa

**Hengji Limagrain Seeds**
*JV. September 2015*

- Corn
- China
- Production and distribution

**SURSEM and GENEZE**
*December 2018*

- Corn
- Argentina and Brazil
- Sales: more than 40 M$ in 2017

- Develop a proprietary portfolio of GM seeds

GENECTIVE technology for plants

- Technological strategic partnership between Vilmorin & Cie and KWS
- GM corn traits licensing agreements with Syngenta (October 2015)

*Source: AgbioInvestor 2019*

# 4 / WHEAT SEEDS. STRATEGY

## WHEAT SEEDS: ULTIMATELY BECOME THE WORLD REFERENCE

- Consolidate a position of leader in Europe and Australia and become the world reference of the first worldwide crop in terms of cultivated surface areas (more than 220 million hectares in 2019*)
- Develop more efficient seeds and contribute to converting the market to high value seeds
- Develop solid positions in North America

### AUSTRALIA

*(Australian Grain Technologies)*

AGT

### NORTH AMERICA

- United States

LCS

- Canada

CANTERRA SEEDS

*Sources: FAO, USDA.



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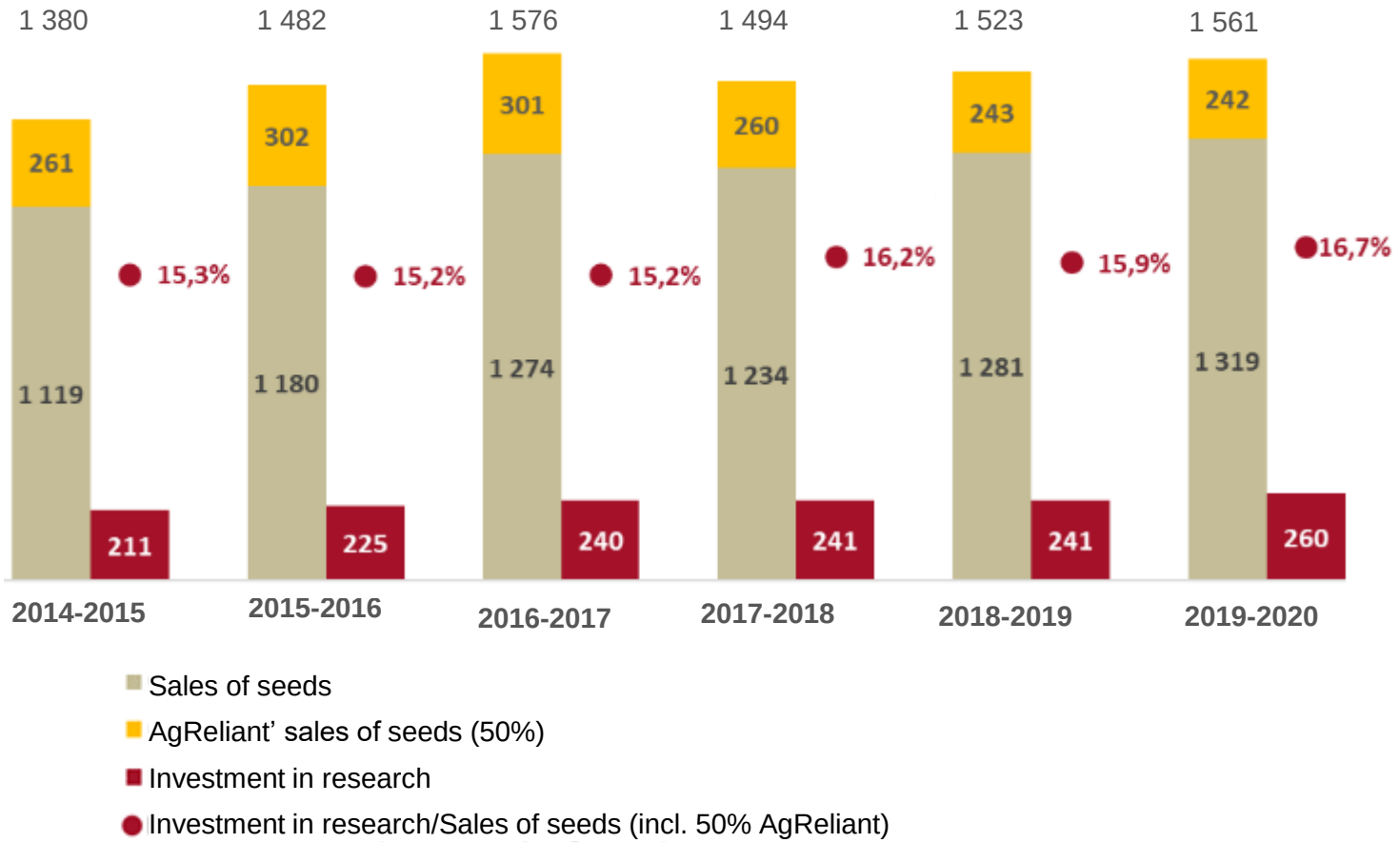
# 5/ R&D: INNOVATE TO INSURE TOMORROW'S GROWTH

- Maintain regular investment in research (breeding and biotechnologies) and broaden the partnerships




2019-2020

**16.7%** OF SEED SALES INVESTED IN RESEARCH

**14%** INVESTED IN BIOTECHNOLOGIES

**€310** MILLION RESEARCH INVESTMENT INTEGRATING PARTNERSHIPS*

**of which €260 million research investments without integrating partnerships*



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# CSR PROGRAM

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# VILMORIN & CIE'S BUSINESS MODEL

## MAIN CHALLENGES FOR THE SEED SECTORS

- Increase in the world population and in food needs
- Growing urbanization and a trend towards the reduction of arable land
- Climate change and the preservation of natural resources
- Access to plant biodiversity
- Digital transformation

**No. 4 seed company worldwide,**
Vilmorin & Cie creates vegetable and field seeds with high added-value, contributing to meet food challenges

1. ANALYZING NEEDS
2. MANAGING AND ENRICHING GENETIC RESOURCES
3. CREATING NEW SEED VARIETIES
4. PRODUCING SEEDS IN THE FIELDS
5. PROCESSING SEEDS
6. SELLING SEEDS

RESEARCH & DEVELOPMENT

## A SPECIFIC DEVELOPMENT MODEL

- A single core business of seed
- Organization very close to its markets
- A long-term vision of its development
- Three founding values: progress, perseverance and cooperation

## AN AMBITIOUS STRATEGY OF WINNING MARKET SHARES

- Strong permanent investment in research
- Strong internationalization of activities
- Capacity to combine targeted acquisitions and partnerships

## A CSR PROGRAM ANCHORED IN THE COMPANY'S DNA

- Contribute to lasting progress of agriculture through seed
- Act responsibly
- Encourage cooperation

# A CSR PROGRAM ANCHORED IN VILMORIN & CIE's DNA

**The foundations of the program**:

- 3 founding values: progress, perseverance and cooperation
- The standard ISO 26000 and the 10 principles of United Nations Global Compact which the Group has signed
- Vilmorin & Cie's specific development model:
  - A single core business of seed
  - Organization very close to its markets
  - A long-term vision

The CSR program is deployed around **3 priorities**:

1. Contribute to lasting progress in agriculture through seed
2. Act responsibly
3. Encourage cooperation

A program truly anchored in Vilmorin & Cie's DNA,
with the challenges that Vilmorin & Cie was already meeting in its daily actions

# A CSR PROGRAM ANCHORED IN VILMORIN & CIE's DNA

## Contribute to lasting progress in agriculture through seed

*Particularly through*:

- Innovative and responsible solutions originating in plant genetics, for all forms of agriculture
  *E.g. Rapeseed varieties LG Aviron and LG Ambassador*
- Access to quality seeds for all farmers
  *E.g. Adaptation of the marketing and commercial offer according to customer typology*
- Protection and enrichment of plant biodiversity
  *Vilmorin & Cie invests in the conservation of plant biodiversity worldwide by contributing to the activities of gene banks*

**Nearly 6,000 varieties marketed worldwide and research work covering 55 plant species**

**337 new varieties launched in 2019-2020**

## Act responsibly

- Encourage the professional fulfilment of employees
- Act according to the ethical principles and to the Code of Conduct
- Limit the environmental impact of activities

Among objectives with regard to the environment: **recover 85% of waste by 2022**

## Encourage cooperation

*Particularly through*:

- A societal commitment framework that aims to develop sustainable, efficient integrated chains with local stakeholders
- Commitment in regions where Vilmorin & Cie has sites with respect to local cultures and specificities, fostered by its organization and management model

**176 measures** devoted to **societal actions in 2019-2020** such as **support for the creation of gardens in schools**



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# SALES FOR THE 1ST QUARTER 2020-2021 (ON SEPTEMBER 30, 2020)

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# KEY POINTS

- Sustained sales growth for the 1st quarter: 234.4 M€ i.e. +6.7%*
  - Vegetable Seeds (+2.2%*): growth in line with objectives, at the end of a quarter marked by fluctuating currency rates
  - Field Seeds (+9.5%*): a strong increase for the start of the fiscal year, driven by the excellent momentum of business in South America

- … 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 2020-2021

** On a like-for-like basis*

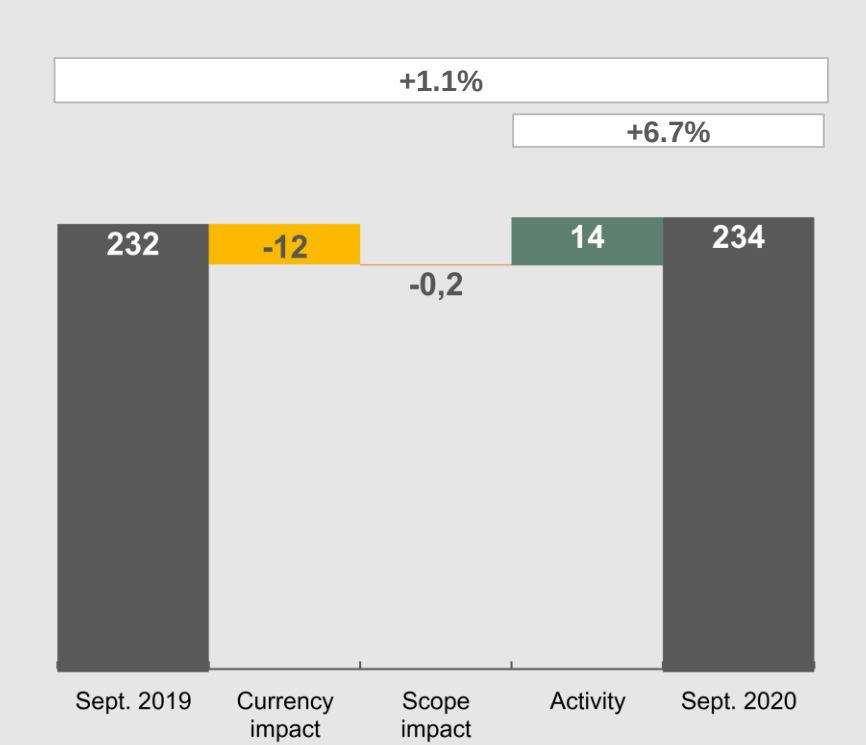
# REFERENCES

- Accounting reference
  - IFRS on September 30, 2020
- Consolidation scope
  - Disposal of the Garden Products division's business in Turkey, finalized at the end of fiscal year 2019-2020
- Average rates of the main currencies on September 30, 2020 (and September 30, 2019)

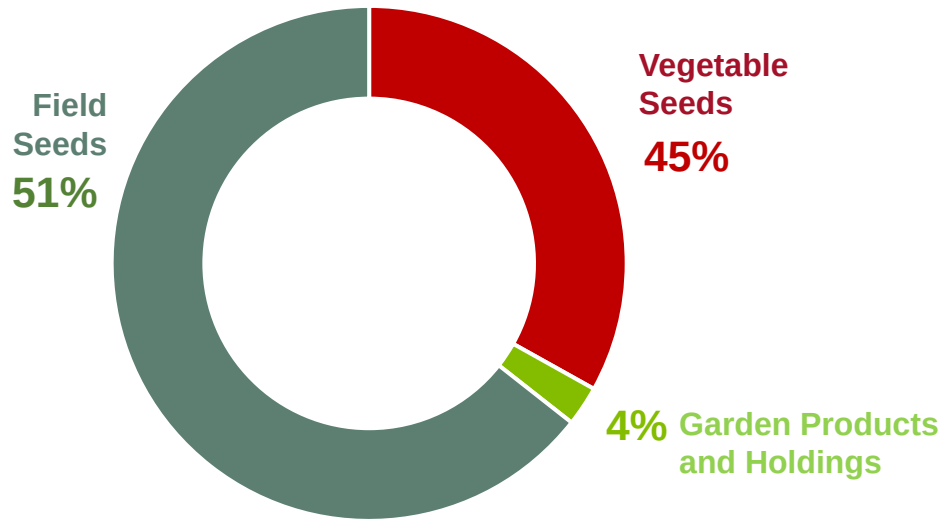
| | 2019 | 2020 |
|---|---|---|
| $ | 1.11 | 1.17 |
| ¥ | 119 | 124.09 |
| £ | 0.90 | 0.90 |
| TRY | 6.31 | 8.47 |
| ILS | 3.92 | 4.00 |
| BRL | 4.41 | 6.29 |
| INR | 78 | 86.95 |
| MXN | 21.6 | 25.83 |
| UAH | 28.0 | 32.33 |
| RUB | 71.8 | 86.32 |

# CONSOLIDATED SALES*

In M€




## SALES* FOR THE 1ST QUARTER 2020-2021 PER DIVISION




* *Revenue from ordinary activities*



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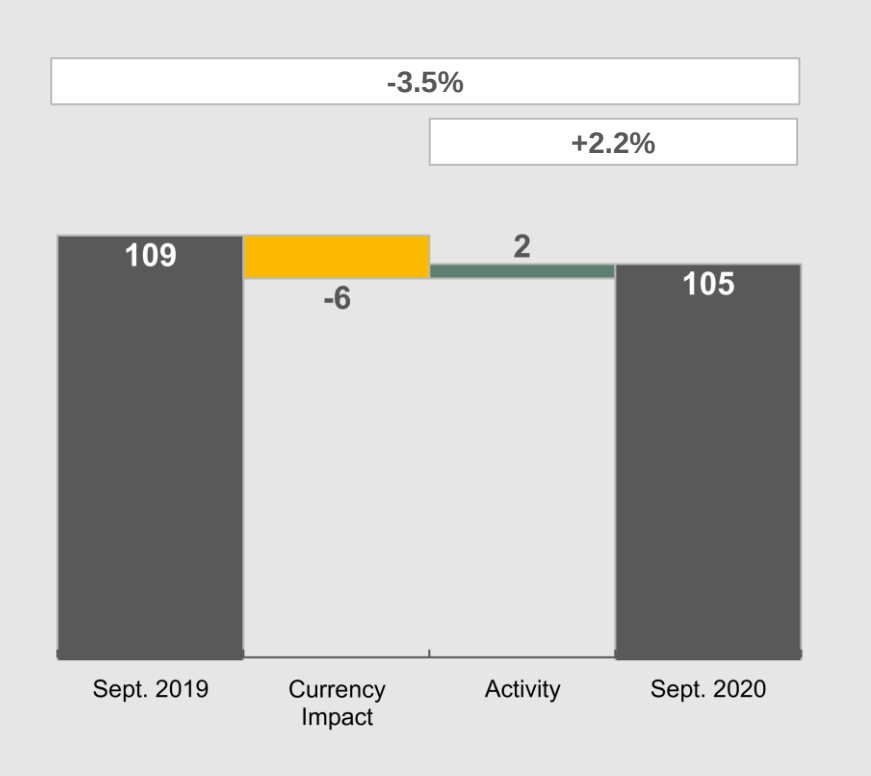
# SALES* VEGETABLE SEEDS

In M€




* *Revenue from ordinary activities*

- Fine growth for several strategic crops, foremost of which were cauliflower, bean and lettuce

- Strong increase in sales in several territories:
  - Very good performance in the Americas, particularly South America
  - Good level of growth in Europe, particularly in Western Europe
  - However, in Asia, sales penalized by unfavorable weather conditions, particularly in India and China, as well as by a few one-off shortages in seed availability

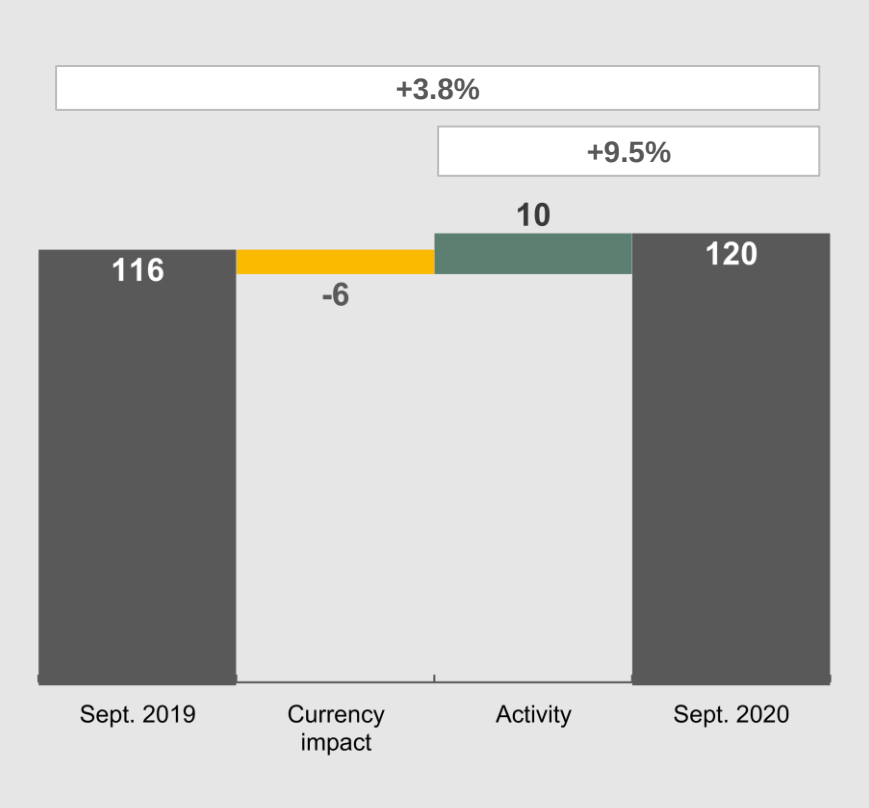
⇒ No significant impact from the Covid-19 health crisis on business, despite persistent uncertainties

⇒ Continued growth in markets which confirm their resilience

**Confirmation of the sales growth objective for the fiscal year (i.e. at least +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 high level of growth, in a declining market (acreages considerably reduced in most countries, the sowing period being affected by drought)
  - ⇒ Further market shares gains, thanks to an extremely high technical performance product portfolio
- Straw cereals (wheat, barley): marked drop in sales (postponed orders)
- Forage and amenity grass seeds: significant growth in sales

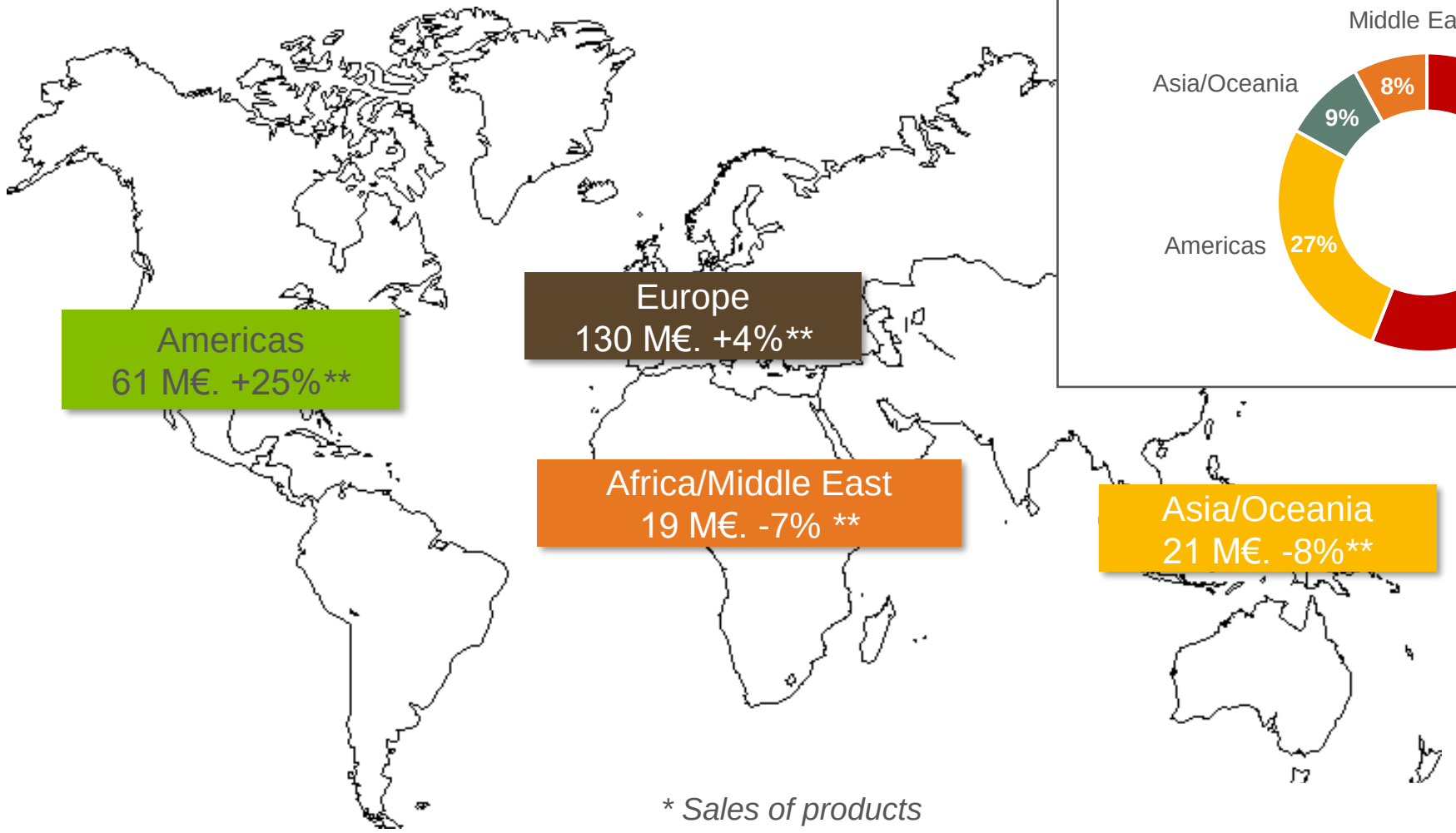
*South America:*

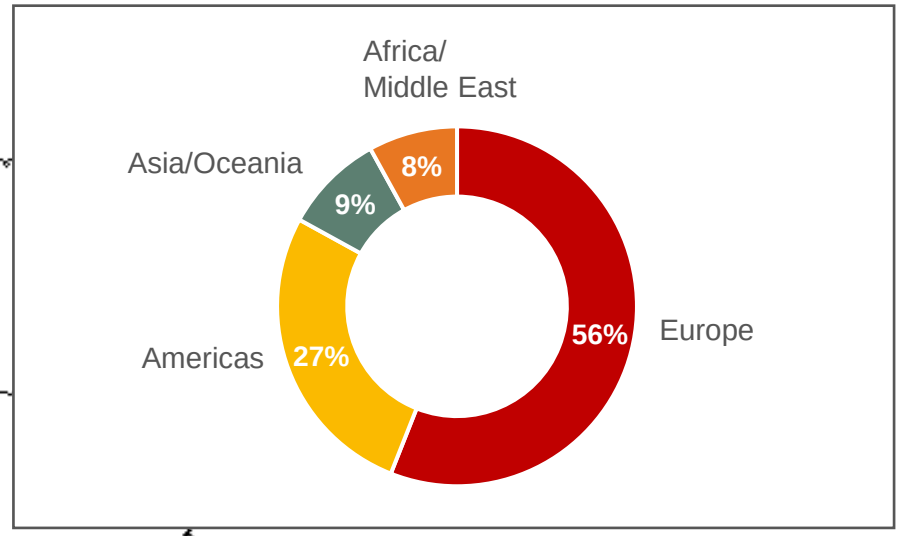
- Very sharp increase in sales, both in Brazil and in Argentina
- In Brazil:
  - Very marked growth in sales, in globally dynamic agricultural markets despite the continuing health crisis
  - Sharp rise in sales for the first corn campaign in Brazil (*safra*), against a backdrop of an anticipated slight decline in cultivated acreage devoted to this crop
  - Very satisfactory order books for the second corn campaign (*safrinha*), for which acreage should be stable
- In Argentina:
  - Particularly fast growth in business: strong increase in volumes sold in corn seeds, confirming the successful integration of the company Sursem
  - ⇒ Strengthened presence of Vilmorin & Cie on this major market for field seeds

*For the coming commercial spring campaign, procurement of corn seeds is nearly complete, both in Europe and North America. It has been marked by difficulties for certain European and North American production because of the weather conditions. Their impacts will be covered by the use of safety inventories.*

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

# CONSOLIDATED SALES* PER GEOGRAPHICAL AREA




** Sales of products*
*** On a like-for-like basis compared to 2019-2020*



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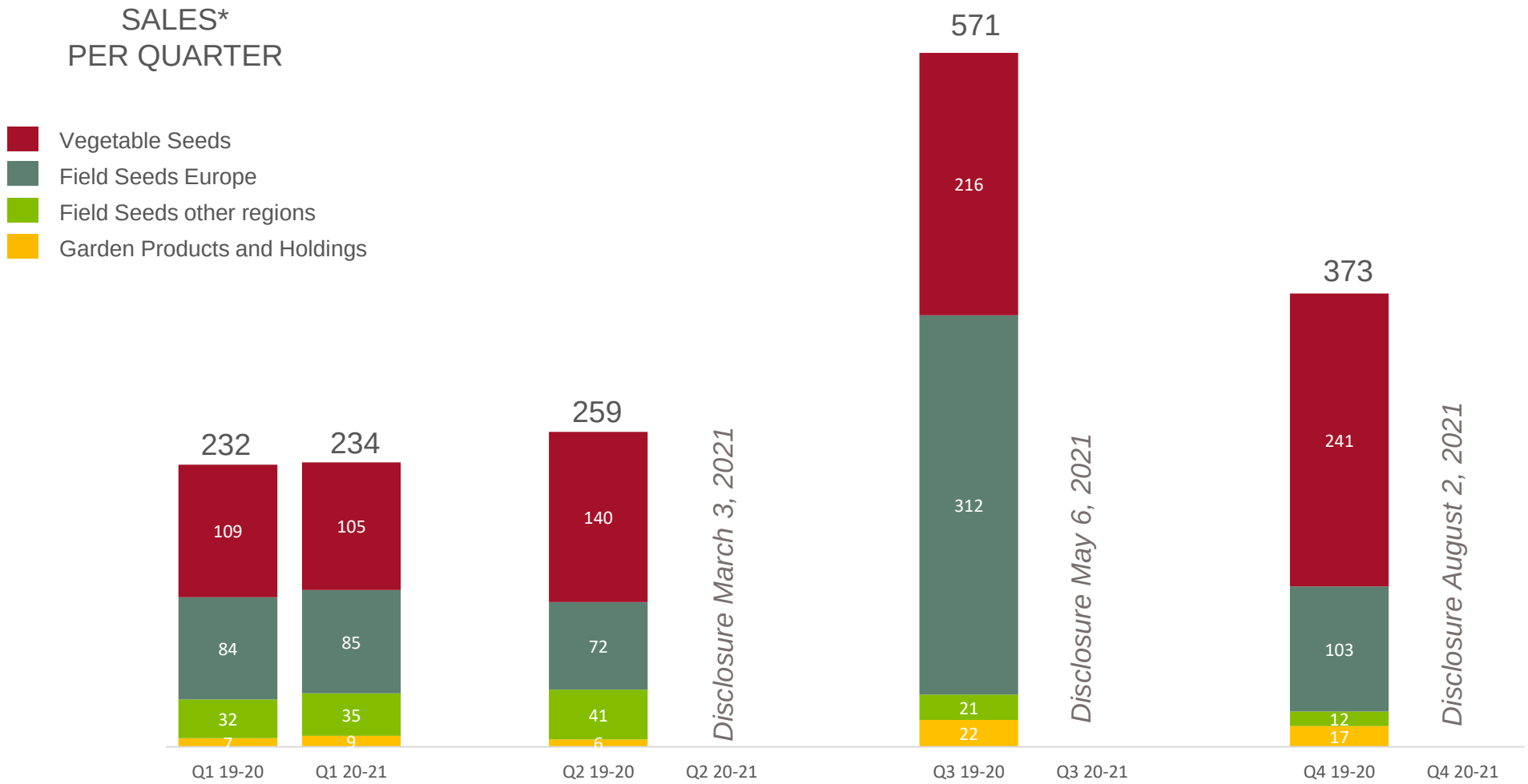
The Limagrain seed business

# CONSOLIDATED SALES* PER QUARTER




** Revenue from ordinary activities*



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# OUTLOOK FOR 2020-2021

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# CONFIRMATION OF THE MID-TERM OUTLOOK

*Seeds, a crucial segment for food security*
*and positioned at the heart of agricultural policy challenges*

**Confirmation of Vilmorin & Cie's capacity to offer mid- and long-term perspectives for sustainable, resilient development**

## Vegetable Seeds

### Reinforce world leadership

- Strengthen positions on the more mature markets (Europe, Middle East, North America)
- Strongly develop presence in Asia, ultimately reaching about 20% of sales on this continent (vs about 12% in 2019-2020)
- Build up the foundations for business organization in Africa beyond current positions in North Africa, to bring out the continent's potential

## Field Seeds

### Be positioned as a global player, with worldwide presence in corn and wheat, and a portfolio of crops adapted to each region

- Consolidate and develop alliances and partnerships to gain access to technologies and pursue varietal innovation as efficiently as possible
- Develop corn activities in new regions, as a priority in South America and Africa, eventually to reach between 5 and 10% of market shares



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# CONFIRMATION OF OBJECTIVES

## Vegetable Seeds

### Strengthen position as No. 1 worldwide

> By reinforcing commercial positions, with the aim of becoming a leader on all the main markets and for all the strategic crops, with a special focus on Asia

**Objective for 2020-2021**

Vegetable Seeds sales
up by ≥ 3%
on a like-for-like basis

## Field Seeds

### Develop business in all the areas where it operates

> By pursuing consolidation of its European positions, both in Western and Eastern Europe

> And by confirming the strong growth impetus posted in its development regions in 2019-2020

**Objective for 2020-2021**

Field Seeds sales
up by ≥ 3%
on a like-for-like basis

**In market conditions that will very probably still lack visibility as a result of the likely continuation of the global health crisis**

# CONFIRMATION OF OBJECTIVES

Consolidated **sales**
up by at least 3%
on a like-for-like basis

**Current operating margin rate close to 8%,**
including research investment > 265 M€

Aim for a contribution from its associated companies*
of around 22 million euros.

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

Pursue business growth while continuing to deliver
solid financial performances
on a resilient world seed market



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# NEWS

Vilmorin & Cie
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NEWS

# BPI FRANCE CONFIRMS ITS STRATEGIC COMMITMENT TO VILMORIN & CIE AND BECOMES THE SECOND LARGEST SHAREHOLDER

## Looking back:

- In 2010 the FSI(1) acquired a stake in the capital of Groupe Limagrain Holding (GLH) – the lead holding company of Limagrain, Vilmorin & Cie's reference shareholder - through a capital stock increase of GLH and the issue by GLH of bonds redeemable as shares (ORA) in Vilmorin & Cie
- A partnership extended in 2016 and formalized through a shareholders' agreement(2)

⇒ The objective: contribute financially and strategically to the acceleration of Vilmorin & Cie's development

## The operation as finalized in October 2020: repositioning of Bpifrance as a Vilmorin & Cie shareholder

- Early conversion(3) of the Vilmorin & Cie ORA held by Bpifrance, representing 3.9% of Vilmorin & Cie's capital
- Additional sale by Limagrain of 1.81% of Vilmorin & Cie's capital stock (with Limagrain holding a total of 70.18% of Vilmorin & Cie's capital stock following this operation)
- Operation structured through the framework of a new shareholders' agreement between Vilmorin & Cie, Limagrain and Bpifrance

Holding 5.71% of the capital stock,
Bpifrance becomes Vilmorin & Cie's 2nd largest shareholder alongside Limagrain
and enters the Board of Directors

*(1) Strategic Investment Fund, today Bpifrance Participations. (2) This agreement may be consulted on the AMF website: www.amf-france.org. (3) Conversion on October 14, 2020, instead of March 2021 as stipulated in the shareholders' agreement.*

NEWS

# BPI FRANCE CONFIRMS ITS STRATEGIC COMMITMENT TO VILMORIN & CIE AND BECOMES THE SECOND LARGEST SHAREHOLDER

## Since 2010: Accompaniment in the deployment of Vilmorin & Cie's strategy

- Main areas in Vegetable Seeds: intensification of organic growth and targeted acquisitions
- Main areas in Field Seeds: going beyond Europe and North America, launch of the internationalization of positions in corn and wheat seeds, strengthening of research investment

## 2020: Bpifrance's desire to pursue this partnership, in support of the deployment of Vilmorin & Cie 's strategy

- Around reaffirmed priorities: research, international development, partnerships and targeted acquisitions
- And with new challenges that are opening up, in particular:
  - Acceleration of the development of Vegetable Seeds in Asia
  - Intensification of the international deployment of Field Seeds from already-existing bases all over the world, with a strong focus on Africa

Recognition of the strategic character of seeds



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# VILMORIN & CIE: AMBITIONS ALIGNED WITH THE ORIENTATIONS OF THE FRENCH GOVERNMENT'S RECOVERY PACKAGE

**The French Government's recovery package: 100 billion euros of which 1.2 billion euros for agriculture, with three priorities**:

- strengthening of food sovereignty
- adaptation to climate change particularly through a reforestation plan in France
- acceleration of the agroecological transition

**Vilmorin & Cie proposes sustainable solutions to meet the challenges of agricultural transition and climate change**

- The objective: To reconcile environmental concerns and food security
- How? By breeding and proposing seed varieties that are:
  - better adapted to climates and the specific feature of each region,
  - more resistant to diseases, to water stress, etc.
  - more productive,
  - while meeting the needs of all types of agriculture.

*Examples:*

**The rapeseed varieties LG Aviron and LG Ambassador**: with these varieties, thanks to their resistance to the turnip yellows virus, transmitted by an aphid, it is possible to reduce the use of insecticides, while the occasional lack of a supply of nitrogen in the soil is also better tolerated.

**Tree seeds**: Vilmorin & Cie is the No. 1 private producer of tree seeds in France(1).
=> 2 trees out of 3 in France come from Vilmorin & Cie seeds.

*(1) In collaboration with INRAE (National Research Institute for Agriculture, Food and the Environment) and ONF (French Forestry Office).*

# VILMORIN & CIE
# ON THE STOCK EXCHANGE

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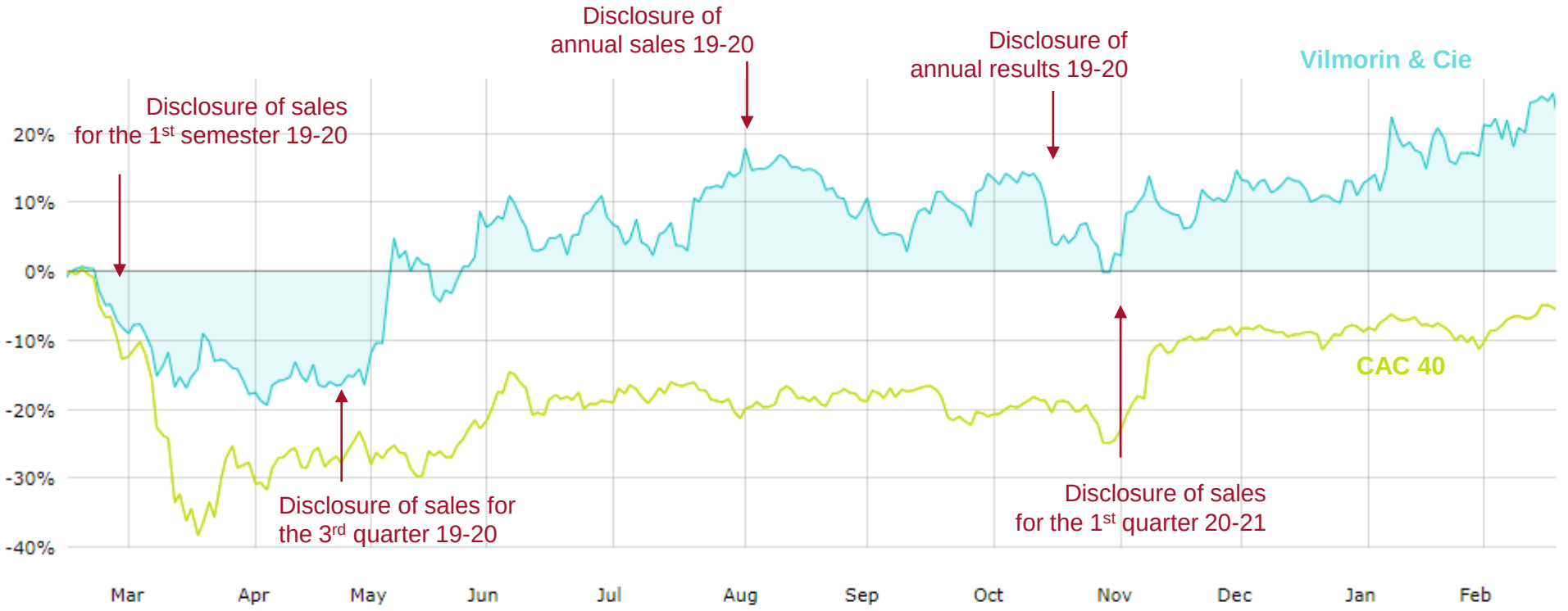
# EVOLUTION OF THE SHARE PRICE (over 1 year)

From: 2020-02-17 to: 2021-02-17




€55.00

SHARE PRICE ON FEBRUARY 17, 2021

MARKET CAPITALIZATION ON FEBRUARY 17, 2021

€1.3BN.

*Sources: Euronext.com; internal.*

| | | | |
|---|---|---|---|
| Vilmorin & Cie : | +74.71% 15 years | +1.03% 10 years | +28.40% 1 year |



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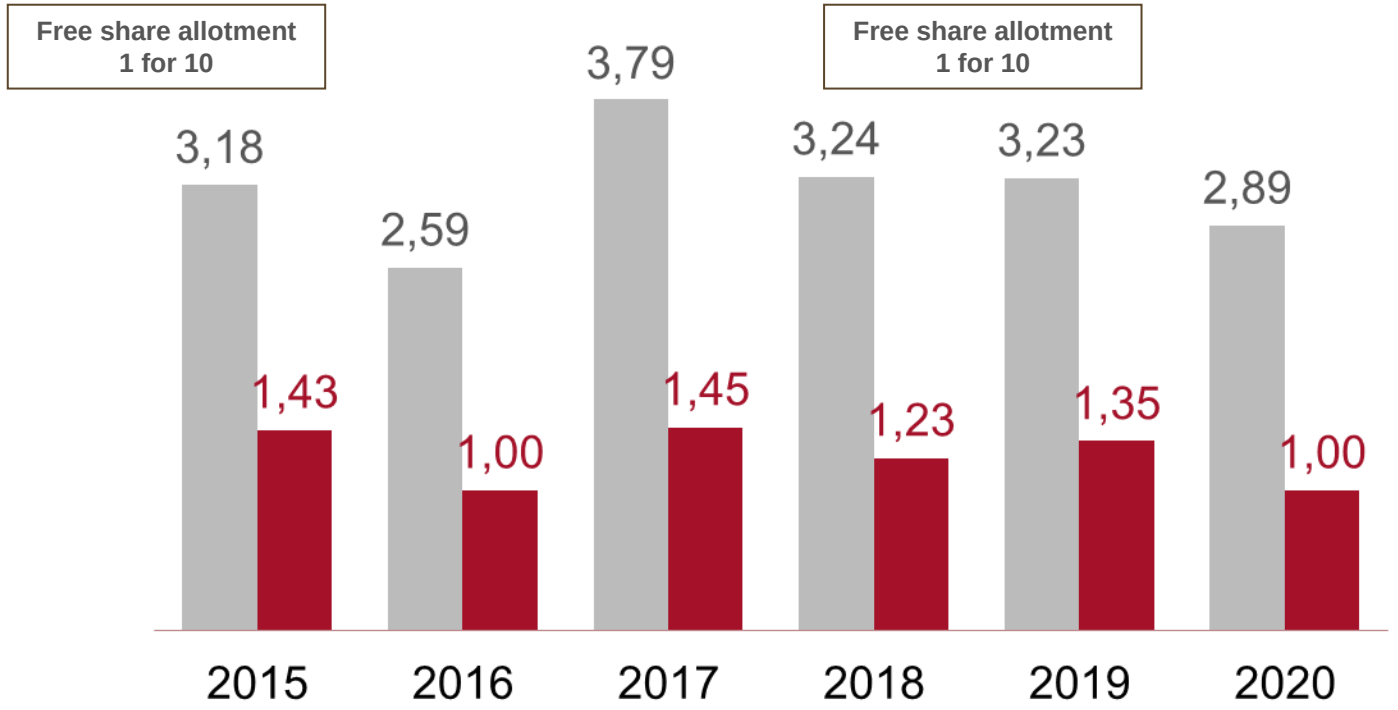
# DIVIDENDS

## Evolution of the earnings per share, group share, and dividend per action(1)

*(in euros)*




| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| **Pay-out rate** | **44.8%** | **38.6%** | **38.4%** | **38.0%** | **41.9%** | **34.6%** |

(1) *Data adjusted for free allotment of shares.*



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# SCHEDULE AND CONTACTS

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## SCHEDULE

WEDNESDAY MARCH 3, 2021(1)

- Disclosure of sales and results for the first semester 2020-2021

THURSDAY MAY 6, 2021(1)

- Disclosure of sales at the end of the 3rd quarter 2020-2021

MONDAY AUGUST 2, 2021(1)

- Disclosure of sales for fiscal year 2020-2021

WEDNESDAY OCTOBER 13, 2021(1)

- Disclosure of results for fiscal year 2020-2021

*(1) Disclosure after trading on the Paris stock market*

*Dates provided as an indication only, and liable to be changed*

For any further information:

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Valérie MONSERAT
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Vilmorin & Cie
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Postal address: CS 20001 Saint-Beauzire – F-63360 GERZAT
Tel: + 33 473 634 485 - Fax: +33 473 634 180

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

# GLOSSARY

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# GLOSSARY

- **Current data:**
  Current data is data expressed at the historical currency exchange rate for the period, and without adjustment for any changes in scope.

- **Current operating margin:**
  The current operating margin is defined as the accounting operating margin restated for any impairment and reorganization costs.

- **EBITDA:**
  The EBITDA is defined as the operating result to which are added any provisions for depreciation, amortization and impairment.

- **Financial indebtedness:**
  Financial indebtedness corresponds to the financial debts less cash and cash equivalents.

# GLOSSARY

- **Gearing**: gearing is defined as the ratio comparing the net financial debt[(1)] to the equity[(2)].

- **Leverage**: leverage is defined as the ratio comparing the net financial debt[(1)] to the EBITDA.

- **Like-for-like data:** like-for-like data is data that is restated for constant scope and currency translation. Therefore financial data for 2019-2020 is restated with the average rate for fiscal year 2020-2021, and any other changes to the consolidation scope, in order to be comparable with data for fiscal year 2020-2021.

- **Research investment:**
  Research investment corresponds to gross research expenditure before recording as fixed assets any research costs and research tax relief.

*(1) The net financial debt is equal to the net financial indebtedness.*

*(2) Equity corresponds to the line "Consolidated equity", as presented in the Financial progress report.*



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# APPENDICES

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# APPENDICES

## RESULTS FOR FISCAL YEAR 2019-2020 (ON JUNE 30, 2020)



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# KEY POINTS

- Sales for fiscal year 2019-2020 of 1,435.2 million euros, up significantly (+3.2%(1))
  - Vegetable Seeds: +2.6%(1)
  - Field Seeds: +4.2%(1)

- Quality financial performances when compared with 2018-2019, which was marked by non-recurring positive items
  - Operating result: 109.8 M€ (-4.8 M€(2))
  - Current operating margin: 7.8% (-0.8 pt(2))
  - Consolidated net income: 67.5 M€ (-10.5 M€(2))
    - ⇒ But a marked increase of more than 12%, if the non-recurring operating items of fiscal year 2018-2019 (≈ 7 M€) and the revaluation profit from the reorganization of Seed Co in Africa (11 M€) are excluded

- Objectives for 2020-2021
  - Business growth of at least 3% on a like-for-like basis
  - Current operating margin rate close to 8%

(1) *With current data.*

(2) *Variations vs data for 2018-2019 restated for IFRS 16.*



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# REFERENCES

- Accounting reference
  - IFRS on June 30, 2020
  - First application of the standard IFRS 16
- Scope
  - Acquisition of the companies Sursem and Geneze (South America. Field Seeds) finalized in December 2018 and impacting the full fiscal year 2019-2020
  - Disposal 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 |

# PERFORMANCES IN 2019-2020. VEGETABLE SEEDS

| In M€ | 2018-2019 | 2018-2019 restated IFRS 16 | 2019-2020 | Variation vs 2018-2019 restated |
|---|---|---|---|---|
| Sales | 687.5 | 687.5 | 705.5 | +2.6%(1) |
| Operating result | 102.7 | 104.3 | 102.8 | -1.5 M€ |
| Operating margin | 14.9% | 15.2% | 14.6% | -0.6 pt |
| Current operating margin | 14.9% | 15.0% | 14.6% | -0.4 pt |
| EBITDA | 203.3 | 216.1 | 220.6 | +4.5 M€ |

*(1) With current data*

- Pronounced growth over the fiscal year, confirming the position of No. 1 worldwide:
  - Particularly dynamic activity in North America and contrasting performances in Asia.
  - Very fine performances for several strategic world crops (tomato, sweet pepper, hot pepper, cauliflower, carrot).
  - Marked growth for crops intended for the canning and deep freezing market (sweet corn, bean, pea).

- Slight drop in the operating margin rate to 14.6%, hit by:
  - An unfavorable product mix, particularly due to an increase in varieties intended for canning, with less margin.
  - The application of new phytosanitary regulations, with a temporary effect on the commercial margin.
  - Strong investment in research and development, up by 6 M€.

# PERFORMANCES IN 2019-2020. FIELD SEEDS

| In M€ | 2018-2019 | 2018-2019 restated IFRS 16 | 2019-2020 | Variation vs 2018-2019 restated |
|---|---|---|---|---|
| Sales | 649.9 | 649.9 | 677.0 | +4.2%(1) |
| Operating result | 27.4 | 28.9 | 19.5 | -9.4 M€ |
| Operating margin | 4.2% | 4.4% | 2.9% | -1.5 pt |
| Current operating margin | 5.1% | 5.2% | 3.2% | -2.0 pts |
| EBITDA | 125.8 | 135.6 | 126.7 | -8.9 M€ |

*(1)With current data*

- Solid performance over the fiscal year:
  - Satisfactory commercial campaign in Europe, in spite of a reduction in the sales of sunflower seeds, with a good performance in corn and a very high quality year in rapeseed (market share gains).
  - Strong business growth in the development regions, particularly in South America, with good progression in corn and soybean, and with further strengthening of commercial positions in Brazil and Argentina.
- Ongoing significant increase in sales margin, by more than 2 percentage points, in all the group's strategic geographical areas: Europe, South America and Asia.
- Increase in net operating charges because of the previous year’s non-recurring items:
  - including capital gains on the reorganization of the research company Biogemma;
  - and profit on the disposal of industrial plant devoted to corn seed production in Hungary.
- Intensification of R&D investment, up by 14 M€.
- Consequently, decrease (-2 points) in the current operating margin.

# PERFORMANCES IN 2019-2020. INCOME FROM ASSOCIATED COMPANIES

Income from associated companies: 17.9 M€ (-8.1 M€ with current data)

## AgReliant (Field Seeds. North America)

- Contribution of 8 M€ (a rise of 6.1 M€ on a constant currency basis) corresponding to total sales of 535.7 M$ and a total net income of 17.8 M$.
- A contribution that rose significantly in 2019-2020, in spite of lower sales:
  - after a year still marked by the deployment of the new commercial organization, initiated over the previous fiscal year, which affected certain AgReliant's dealer networks (sales through dealers);
  - and with a disappointing end of campaign in terms of volumes sold and seed returns.
- Position as the 3rd largest player on the North American corn seed market maintained.
- Further gradual integration of the Syngenta GMO corn trait technologies, in accordance with initial plans.

## Seed Co (Field Seeds. Africa)

- Contribution of 1.1 M€ (a drop of 18.2 M€ on a constant currency basis) while the contribution for 2018-2019 included a revaluation profit of 11.1 M€(1).
- Fiscal year 2019-2020 marked by strong business growth outside Zimbabwe, and control over the impacts of the economic crisis in Zimbabwe.
- Intensification of collaborations in field seeds – with the creation of two joint ventures – and in vegetable seeds through the joint venture Prime Seed Co International.

*(1) Related to the financial and legal reorganization of Seed Co's international activities.*

# PERFORMANCES IN 2019-2020. OTHER ASPECTS ANALYZED

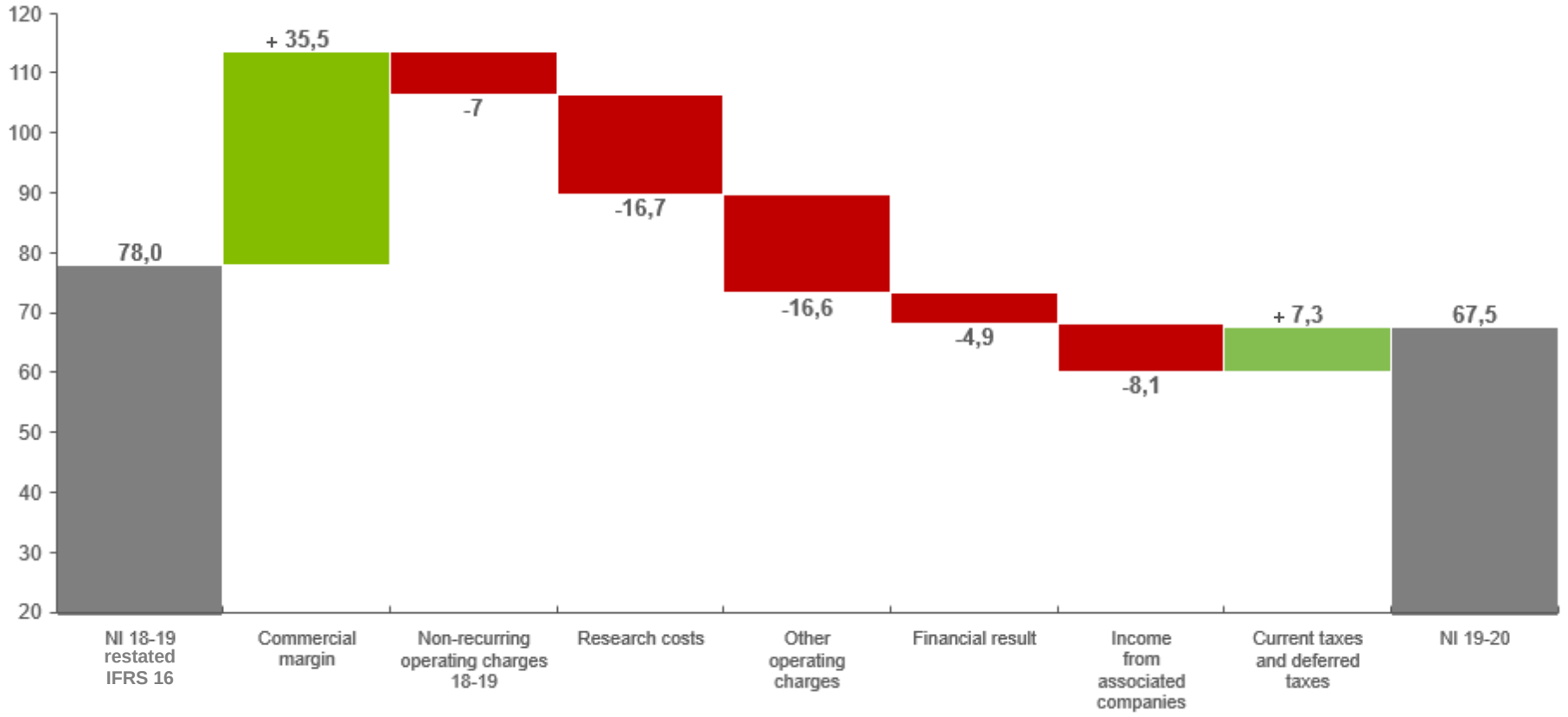
- Main impacts of the application of IFRS 16 on the income statement
  - EBITDA: +25.5 M€
  - Operating income: +4.2 M€
  - Financial result: -3.1 M€

- Financial result down 4.9 M€, to 53.3 M€
  - Increase in funding costs of 3.4 M€, as a result of the increase in average indebtedness, in particular due to the external growth operations achieved in South America at the end of 2018 with full impact over fiscal year 2019-2020.
  - Net currency exchange loss of 20.2 M€ (compared to a loss of 8.6 M€ on June 30, 2019), due to the strong drop of certain currencies in the context of the health crisis, and this significantly affected the positions of the group in several currencies (especially Turkish lira, Russian ruble, Argentine peso and Brazilian real), leading to currency exchange losses on transactions settled on June 30, 2020, and negative conversion differences on balance sheet positions.
  - Positive impact of the non-recurring income of 3.3 M€, due to a change in functional currency (from the Argentine peso to the US dollar) for the Argentinian companies, whereas the application of the standard related to hyperinflation (IAS 29) in Argentina had resulted in a charge of 5.3 M€ in 2018-2019.

- Improvement in the global income tax charge of 7.3 M€, to -6.9 M€
  - Decrease of the net tax charge mainly because of the evolution of the economic activity of Vilmorin & Cie's companies, combined with the implementation of tax incentives in certain countries to counter the health crisis (particularly in the United States).

# PERFORMANCES IN 2019-2020 – SUMMARY

In M€




**-10.5 M€**



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# KEY FINANCIAL DATA FOR FISCAL YEAR 2019-2020



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# INCOME STATEMENT

| In M€ | 2018-2019 | 2018-2019 restated IFRS 16 | 2019-2020 | Variation 2019-2020 / 2018-2019 restated |
|---|---|---|---|---|
| **Sales** | **1 390.7** | **1 390.7** | **1435.2** | **+3.2%** |
| Sales margin | 678.7 | 678.7 | 714.2 | +35.5 M€ |
| *Sales margin rate* | *48.8%* | *48.8%* | *49.8%* | *+1.0 pt* |
| **Operating income** | **111.0** | **114.6** | **109.8** | **-4.8 M€** |
| *Operating margin rate* | *8.0%* | *8.2%* | *7.7%* | *-0.5 pt* |
| *Current operating margin rate* | *8.4%* | *8.6%* | *7.8%* | *-0.8 pt* |
| Income from associated companies | 26.0 | 26.0 | 17.9 | -8.1 M€ |
| Financial income | -45.0 | -48.4 | -53.3 | -4.9 M€ |
| Income taxes | -14.1 | -14.2 | -6.9 | +7.3 M€ |
| **Net income** | **77.9** | **78.0** | **67.5** | **-10.5 M€** |
| Net income group share | **73.9** | **74.0** | **66.2** | **-7.8 M€** |

# KEY FIGURES FOR EACH ACTIVITY'S CONTRIBUTION TO CONSOLIDATED SALES

| | Sales* | | | Operating income | | | Net income | | |
|---|---|---|---|---|---|---|---|---|---|
| In M€ | 2018-2019 | 2018-2019 restated IFRS 16 | 2019-2020 | 2018-2019 | 2018-2019 restated IFRS 16 | 2019-2020 | 2018-2019 | 2018-2019 restated IFRS 16 | 2019-2020 |
| Vegetable Seeds | 687.5 | 687.5 | 705.5 | 102.7 | 104.3 | 102.8 | 71.7 | 71.6 | 69.0 |
| Field Seeds | 649.9 | 649.9 | 677.0 | 27.4 | 28.9 | 19.5 | 32.8 | 32.8 | 26.1 |
| Garden Products and Holdings | 53.3 | 53.3 | 52.7 | -19.1 | -18.6 | -12.5 | -26.6 | -26.4 | -27.6 |
| **Consolidated** | **1 390.7** | **1390.7** | **1435.2** | **111.0** | **114.6** | **109.8** | **77.9** | **78.0** | **67.5** |

** Revenue from ordinary activities*



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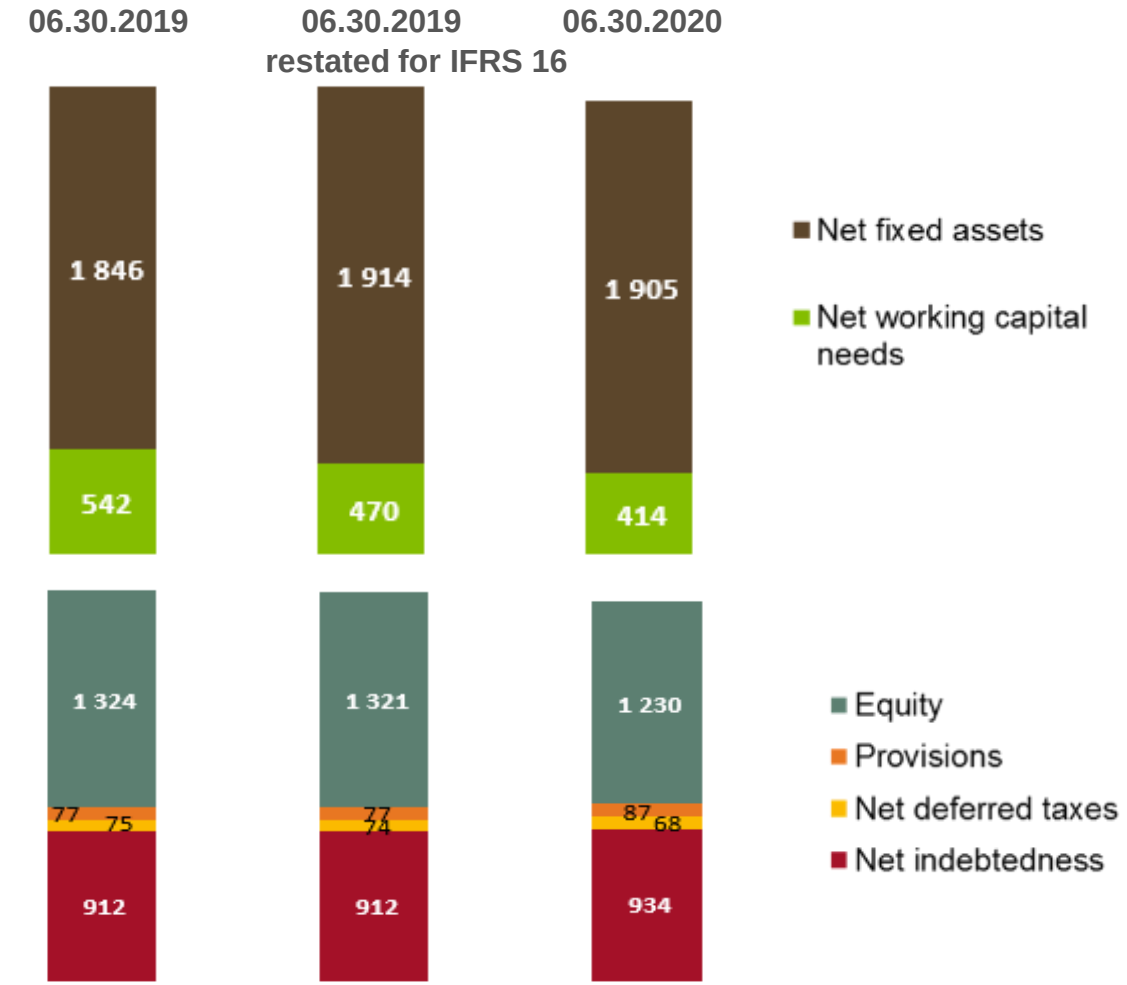
# FREE CASH FLOW

| In M€ | 2018-2019 | 2019-2020 |
|---|---|---|
| **Net indebtedness at the beginning of the FY** | **766** | **912** |
| EBITDA | 322 | 348 |
| Variation of working capital needs | -2 | -29 |
| Other operating items | -61 | -27 |
| Net industrial investments | -17 | -60 |
| Activated development costs | -171 | -182 |
| **Operating cash-flow** | **70** | **50** |
| Net financial investments | -151 | -3 |
| Capital and other equity contributions | -3 | 0 |
| Dividends | -24 | -26 |
| Net financial charges | -30 | -36 |
| **Free cash-flow** | **-138** | **-16** |
| Other restatements (IFRS/Currency, etc.) | -8 | -7 |
| **Net indebtedness at the end of the FY** | **912** | **934** |

# BALANCE SHEET STRUCTURE

In M€




**Gearing 76%**
**Leverage 2.7**

| | 06.30.2019 | 06.30.2019 restated for IFRS 16 | 06.30.2020 |
|---|---|---|---|
| **Total balance sheet** | **2 388** | **2 384** | **2 319** |
| ***of which cash*** | ***249*** | ***249*** | ***235*** |



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# APPENDICES
## VILMORIN & CIE ORGANIZATION CHART

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# FIELD SEEDS

- Limagrain Europe

- AgReliant (corn, soybean)

- Limagrain Asia-Pacific

- Limagrain Cereal Seeds (wheat)

- Limagrain South America

- Limagrain Africa

# VEGETABLE SEEDS

- HM.CLAUSE

- Hazera

- Vilmorin-Mikado

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# THANK YOU

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