



# Informational Meeting

March 1<sup>st</sup>, 2023

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## Agenda

- ❖ Keys points
- ❖ Results for the first semester 2022-2023
- ❖ News
- ❖ Objectives and outlook for the end of fiscal year 2022-2023
- ❖ Schedule and contacts
- ❖ Glossary

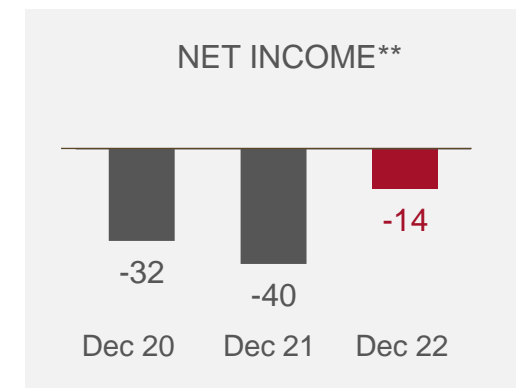
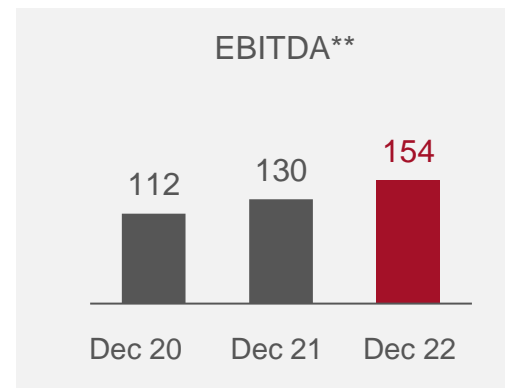
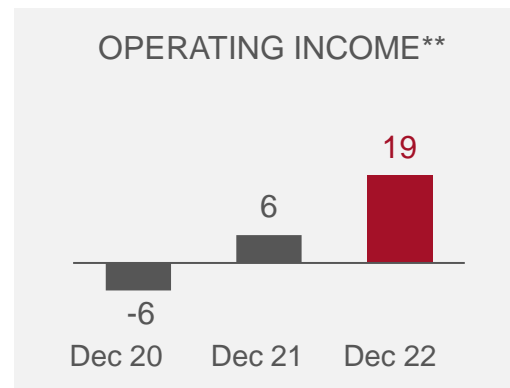
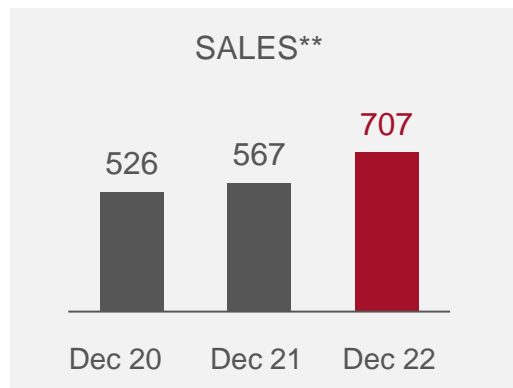


## Keys Points

❖ Sales for the first semester: confirmation of the dynamic growth in Europe and in South America for Field Seeds, with a market that remains lackluster for Vegetable Seeds

- **Vegetable Seeds:** 259.1 M€ (-0.7%\*)
- **Field Seeds:** 432.2 M€ (+38.3%\*)

❖ Results for the first semester:



❖ Partial revision of the annual objectives for 2022-2023

- **Growth in consolidated sales of between 8% and 10%\***
- **Current operating margin rate of at least 8%**
- **Contribution from associated companies lower than that of the previous fiscal year**

# Results for the 1<sup>st</sup> semester 2022-2023

(on December 31, 2022)

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## References

### ❖ Accounting reference:

- IFRS on December 31, 2022

### ❖ Variations in scope:

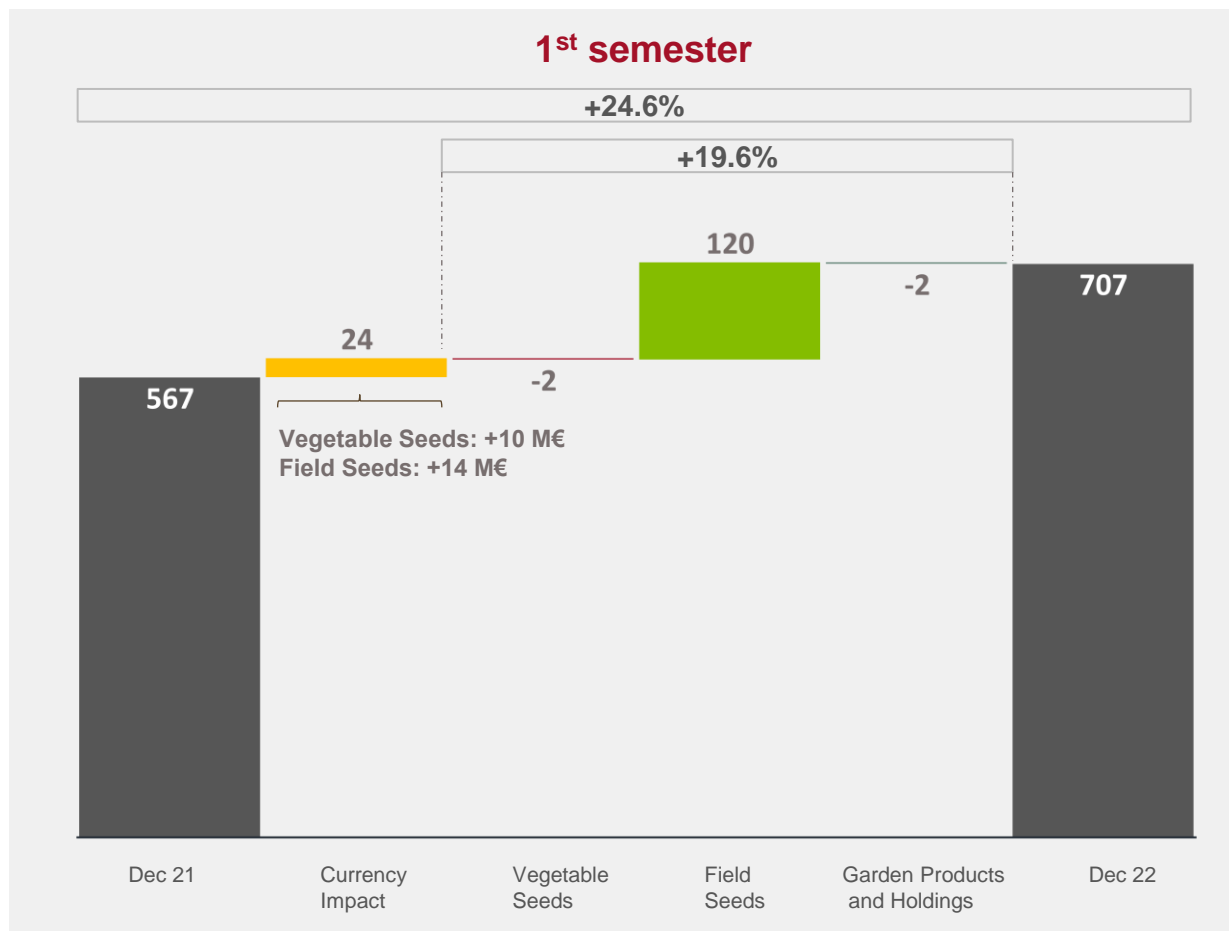
- None

### ❖ Rates of the main currencies:

	Average		Close	
	December 2021	December 2022	December 2021	December 2022
\$	1.16	1.01	1.13	1.07
¥	129.90	141.71	130.38	140.66
£	0.85	0.86	0.84	0,89
TRY	11.42	19.96	15.23	19.96
ILS	3.71	3.50	3.52	3.76
BRL	6.27	5.33	6.31	5.64
INR	86.52	82.10	84.23	88.17
ARS	114.76	151.30	116.78	189.03
MXN	23.66	20.23	23.14	20.86
UAH	31.11	36.58	31.03	39.40
RUB	84.86	62.70	85.30	77.91

## Consolidated sales\* for the 1<sup>st</sup> semester

In M€



\* Revenue from ordinary activities

## Consolidated sales\* for the 1<sup>st</sup> semester 2022-2023 per division

Garden Products and Holdings

**2%** (vs. 3% on 12/31/2021)

Vegetable Seeds

**37%**

(vs. 44% on 12/31/2021)

Field Seeds

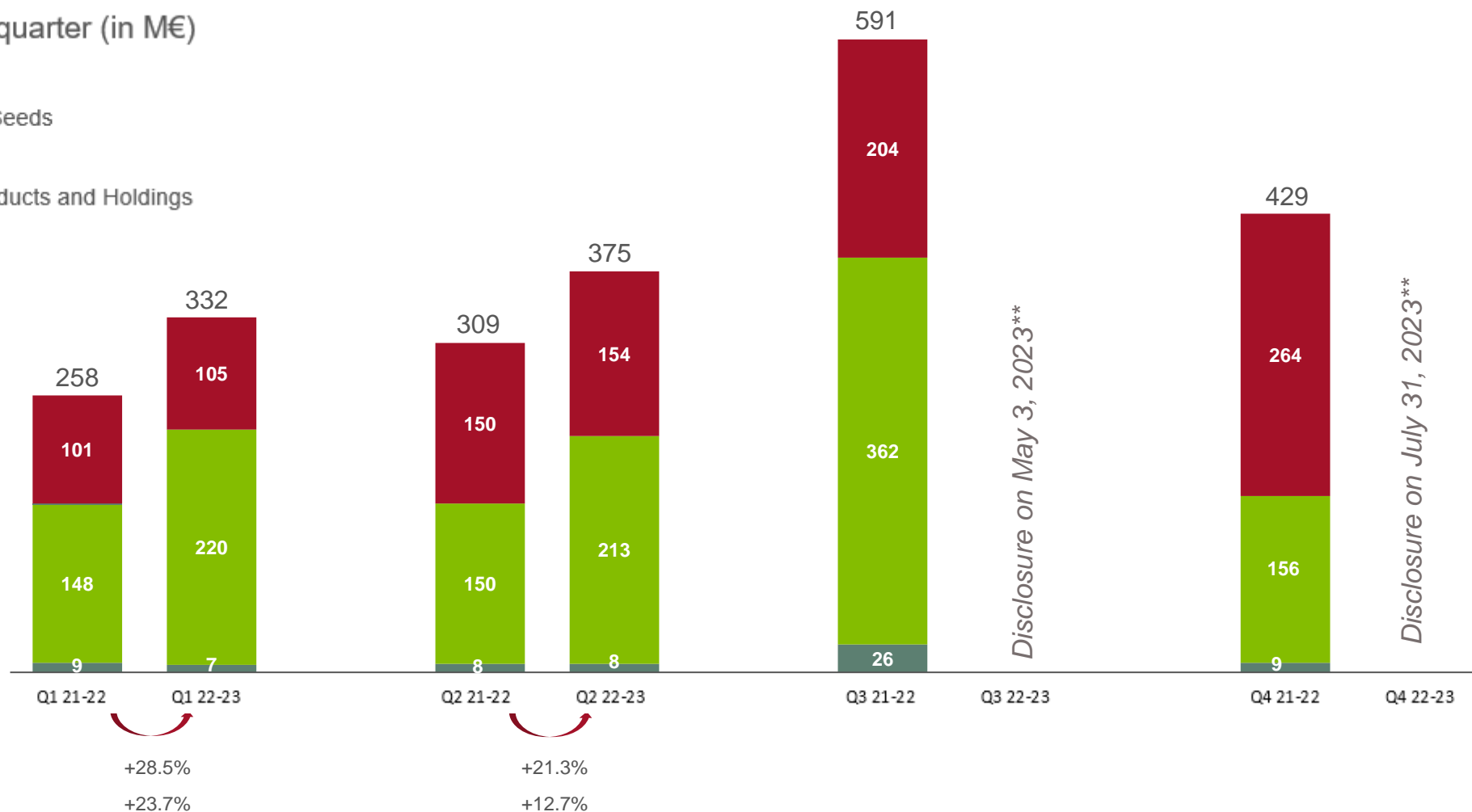
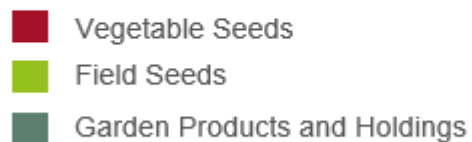
**61%**

(vs. 53% on 12/31/2021)



## Consolidated sales\* per quarter

Sales\* per quarter (in M€)



## Results for the 1<sup>st</sup> semester per division

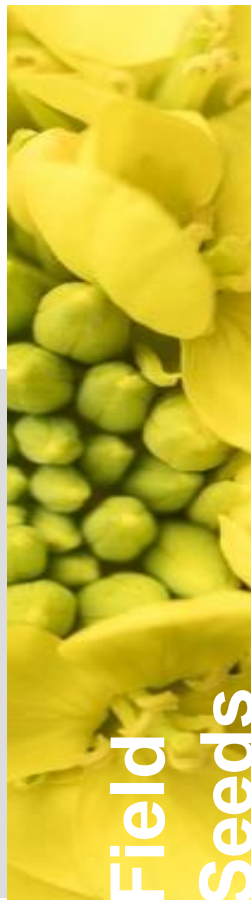


Vegetable  
Seeds

**259.1 M€**  
sales

**-25.5 M€**  
operating income

**-25.7 M€**  
net income

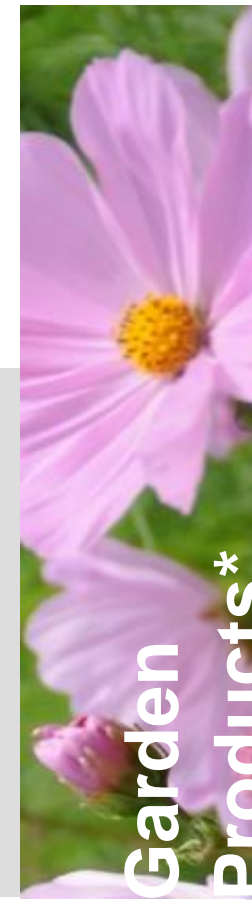


Field  
Seeds

**432.2 M€**  
sales

**55.3 M€**  
operating income

**19.2 M€**  
net income



Garden  
Products\*

**15.2 M€**  
sales

**-10.6 M€**  
operating income

**-7.2 M€**  
net income



## Focus: Vegetable Seeds

In M€	12.31.21	12.31.22	Variation (12.31.22 vs 12.31.21)
Sales	251.3	259.1	-0.7%*
Operating income	(3.2)	(25.5)	-22.3 M€
Current operating margin rate	-1.3%	-9.8%	-8.5 pts
Net income	(10.8)	(25.7)	-14.9 M€

❖ **Several contrasting situations on a market that remains globally lackluster, with a downward trend in sales volumes:**

- **Overall business growth in Mexico, Turkey, India and China** – despite major logistical difficulties linked to Covid-19 in this latter country,
- **An overall favorable pricing effect**, which was nevertheless not sufficient to offset the **decline in volumes in Western Europe**, and for certain crops, in the United States,
- **An agricultural context in Europe (particularly) that remains difficult**: decline in demand for vegetables, rising production costs for growers.

❖ **A current operating margin rate that has deteriorated:**

- An **unfavorable product mix** and a **decrease in volumes**,
- The will to **maintain strong investment in research** in order to support future results.

\* On a like-for-like basis

## Focus: Field Seeds

In M€	12.31.21	12.31.22	Variation (12.31.22 vs 12.31.21)
Sales	298.6	432.2	+38.3%*
Operating income	17.0	55.3	+38.3 M€
Current operating margin rate	5.7%	12.8%	+7.1 pts
Net income	(20.5)	19.2	+39.7 M€

### ❖ Confirmation of the dynamic growth in Europe and in South America:

- **Europe:** a **rapeseed** campaign that enabled Vilmorin & Cie to consolidate its position as leader in this high-margin crop, increased sales for **wheat** (volumes and prices), massive early orders of **sunflower** and **corn** with rising sales prices,
- **South America:** higher volumes and selling prices in **Brazil** (*safrinha* corn and soybean), corn and sunflower campaigns in **Argentina** remaining on a favorable track in terms of volumes,
- **South Africa:** **increased demand** and **good product availability** for corn and soybean.

### ❖ A current operating margin that continues to increase:

- A **marked increase in business** in the two major world regions,
- A **favorable product mix**.

\* On a like-for-like basis

## Associated companies

Income from associated companies : -20.0 M€ (+9.6 M€ with current data)

### ❖ AgReliant (North America. Field Seeds):

- **Limited business over the first semester** due to its seasonal nature,
- A good level of soybean sales but **orders for corn and soybean below expected levels**.

### ❖ Seed Co (Africa. Field Seeds):

- Business was penalized by a **drop in demand** in Malawi and Zimbabwe. In Zimbabwe, price increases were not sufficient to compensate for the **sharp devaluation** of the currency and the **delayed launch of government agricultural programs** penalized sales.

### ❖ Australian Grain Technologies (Australia. Field Seeds):

- Start to the fiscal year suggesting a **favorable outlook** for the year 2023.

### ❖ Hengji Limagrain Seeds (China. Field Seeds):

- **Satisfactory progression in sales** despite a health situation that remains complicated.



## Financial result and taxes



### ❖ Financial result: net charge of **23.8 M€** (vs. 18.3 M€ on December 31, 2021)

- Deterioration of the cost of funding (-1.2 M€): rise in interest costs on debts in euros and US dollars, rise in funding costs in Argentina,
- Integration of the impact of restatements due to hyperinflation in Turkey (-4.5 M€) in contrast to December 31, 2021 (the transition of Turkey to hyperinflation was recognized in February 2022).

### ❖ Income taxes: net income of **10.9 M€** (vs. 2.6 M€ on December 31, 2021)

- An increase (+8.3 M€) linked in particular to the evolution of taxable income, in a context of underperformance of the Vegetable Seeds activities during the first semester.

## Performance 2022-2023: evolution of net income

In M€



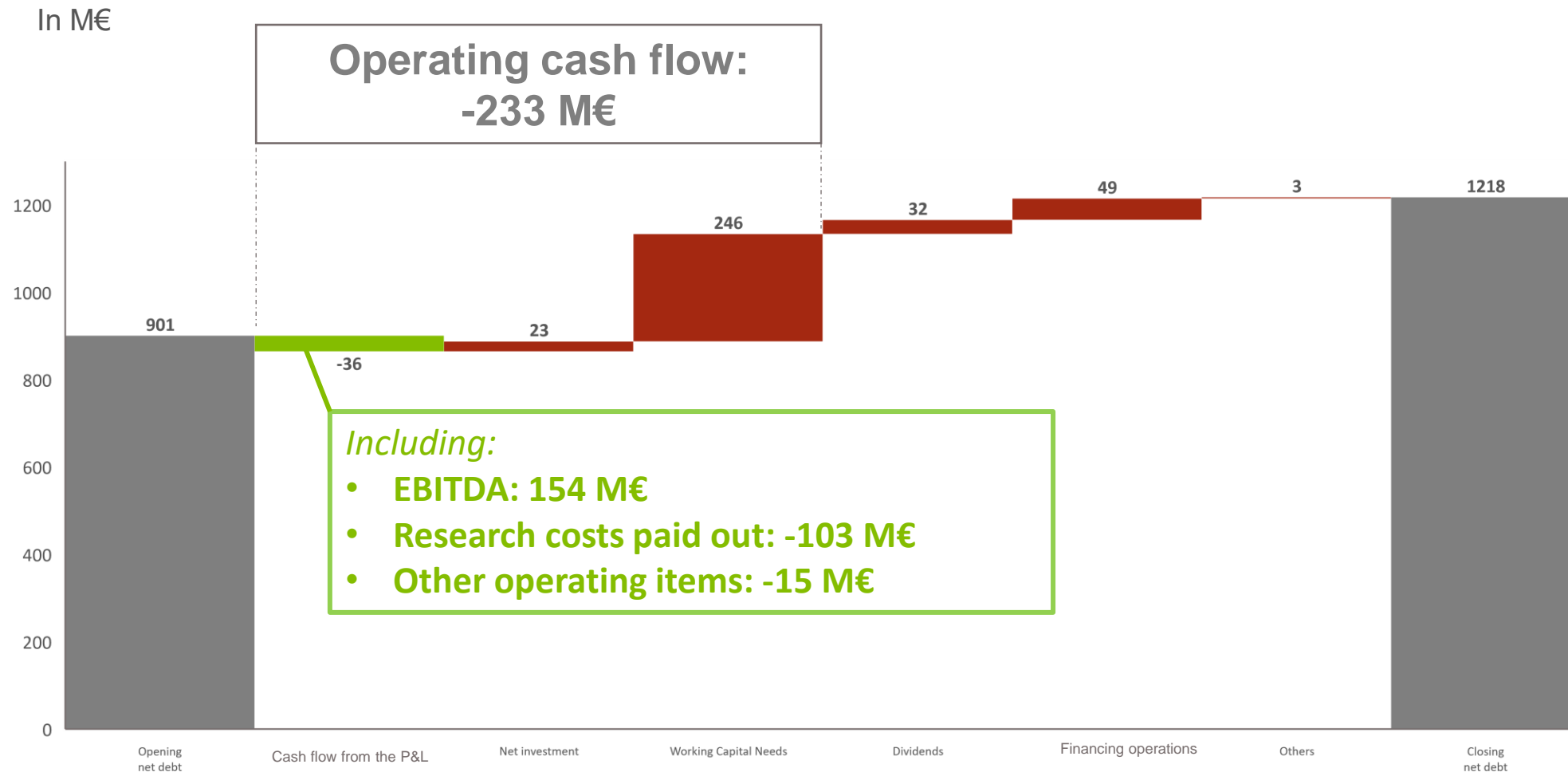
Variations (12.31.22 vs 12.31.21):

Increase in the net income of  
**+25.9 M€**

Increase in the operating income of  
**+13.5 M€**

Current operating margin rate  
**2.7%**  
vs 1.0% on 12.31.21

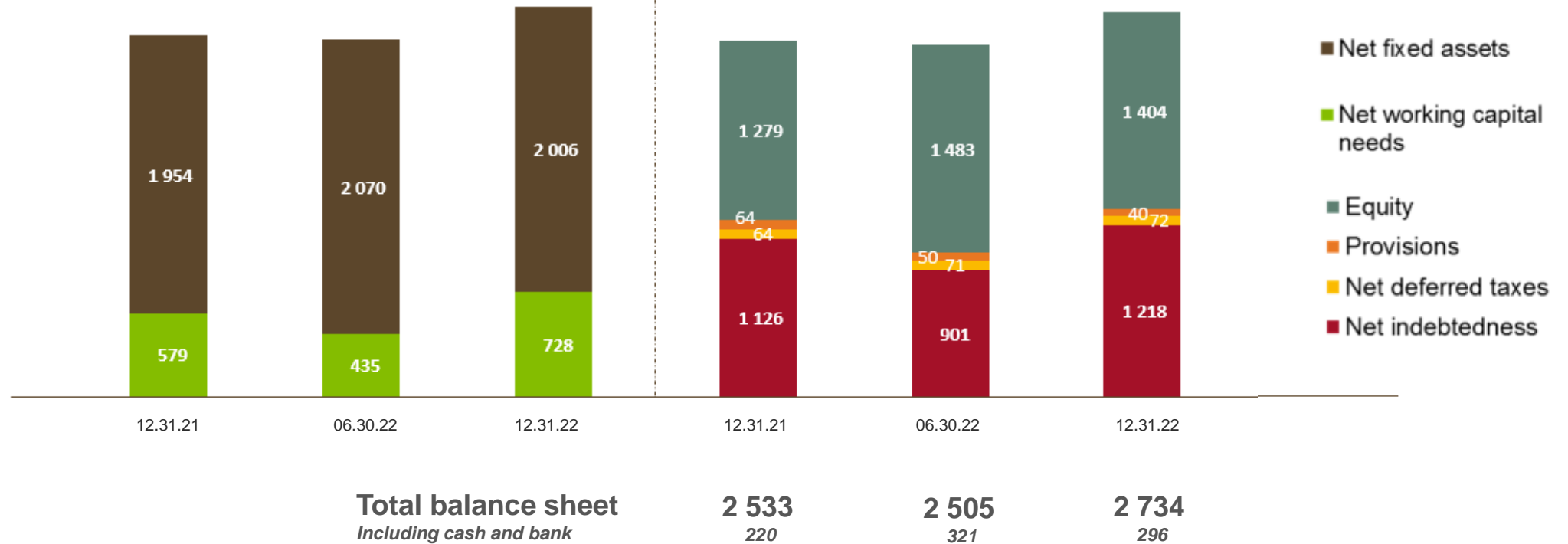
## Performance 2022-2023: evolution of net indebtedness





## Balance sheet structure

In M€



# News

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## Update on the situation in Turkey

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- ❖ Following the two violent earthquakes that in particular struck Turkey on February 6, 2023, Vilmorin & Cie sadly regrets the death of one of its employees.
- ❖ 17 employees and their families present in the east of the country, the region most affected:
  - Measures deployed to help with relocation,
  - Material and psychological assistance provided.

### Presence of Vilmorin & Cie in Turkey

- 4 Business Units: Limagrain Europe (Field Seeds), Hazera, HM.CLAUSE and Vilmorin-Mikado (Vegetable Seeds),
- 250 employees altogether,
- Activities of sales and marketing, research and production,
- Most of the infrastructure is located outside the areas affected by these earthquakes,
- Sales for 2021-2022: less than 40 million euros\*.

\* Sales of products



## Update on the situation in Ukraine and in Russia

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### Ukraine

- Continuity of commercial and research activities ensured, despite the ongoing conflict in the country,
  - Stable sales at the end of the rapeseed campaign,
  - Sales of corn seeds down sharply, due to a drop in acreage,
  - On the other hand, more favorable outlook for sunflower, with a slight increase in acreage expected.
- Vilmorin & Cie anticipates a level of activity similar to that of the previous year



### Russia

- Fear of producers and distributors of a lack of seed availability for the 2023 campaign: very high levels of advanced orders for corn and sunflower, with a sharp rise in sales prices,
- Orders that were prepaid, but which can only be confirmed at the time of their successful delivery, which could be partly jeopardized due to persistent geopolitical and logistic problems.

# Objectives and outlook for the end of fiscal year 2022-2023

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## Partial revision of objectives for 2022-2023

- ❖ **Vegetable Seeds:** a market that remains globally lackluster, with a downward trend in sales volumes
- ❖ **Field Seeds:** a high number of early orders over the 1<sup>st</sup> semester, the majority prepaid – particularly in Russia –, but delivery capacities that could be jeopardized due to geopolitical and logistic problems
- ❖ **Associated companies:** a more unfavorable outlook, mainly for AgReliant and Seed Co

Growth in consolidated sales  
**of between 8% and 10%\***

on a like-for-like basis

*(initial objective between 6% and 8%)*

Current operating margin rate  
**of at least 8%**

including R&D investment comparable to that of 2021-2022

*(objective unchanged)*

Contribution from associated companies\*\*  
**lower than that of 2021-2022**

*(initial objective: at least equal to that of the previous fiscal year)*

\*Excluding the positive impact of the Egalim law, which modifies certain product flows between Vilmorin & Cie and its supplier, the Limagrain Cooperative

\*\*Mainly AgReliant (North America. Field Seeds), Seed Co (Africa. Field Seeds), AGT (Australia. Field Seeds) and Hengji Limagrain (China. Field Seeds)

## Field seeds trends

❖ Greater Europe\*

❖ United States

❖ Brazil

**CORN**  
acreage



↘ *Safrá*  
↗ *Safrinha*

**SUNFLOWER**  
acreage



**SOYBEAN**  
acreage



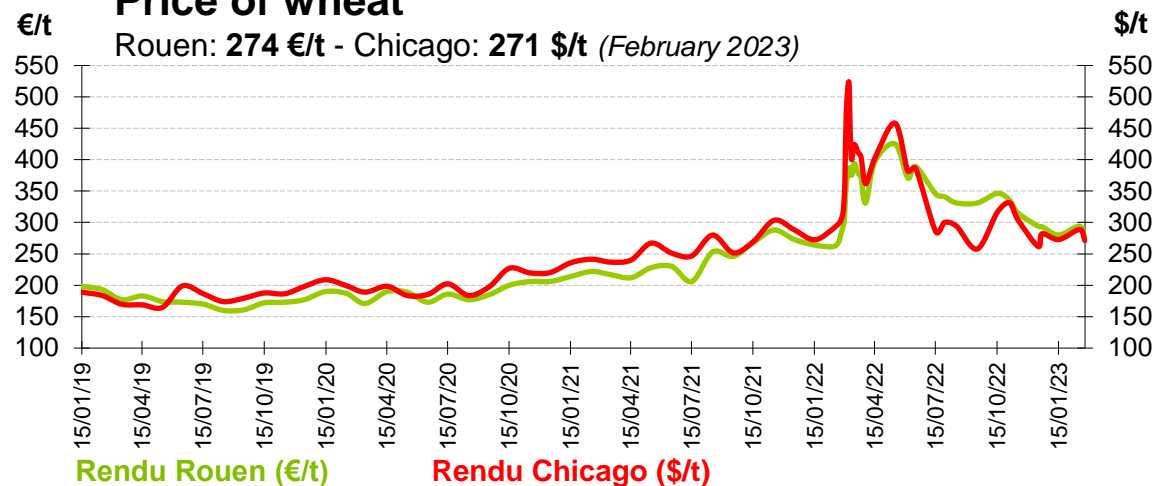
\* Main countries in which Vilmorin & Cie is present  
Sources: Conab, USDA, internal - February 2023



## Prices of agricultural commodities that remain high

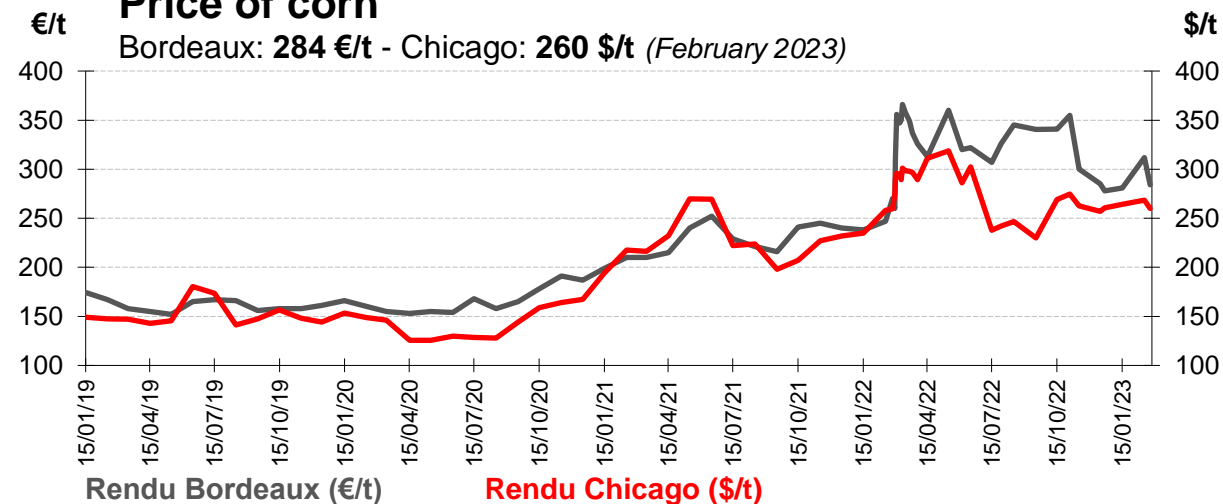
### Price of wheat

Rouen: 274 €/t - Chicago: 271 \$/t (February 2023)



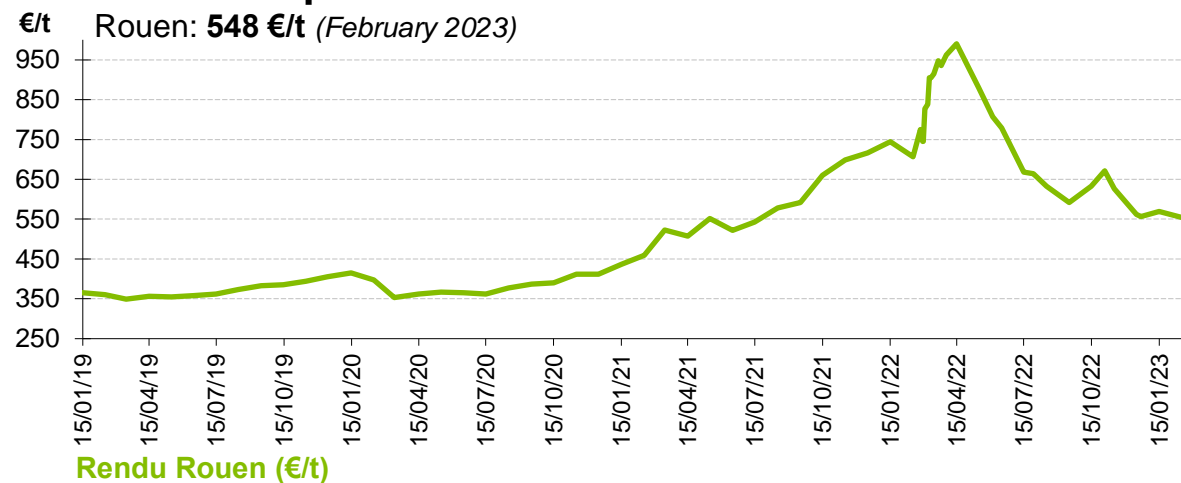
### Price of corn

Bordeaux: 284 €/t - Chicago: 260 \$/t (February 2023)



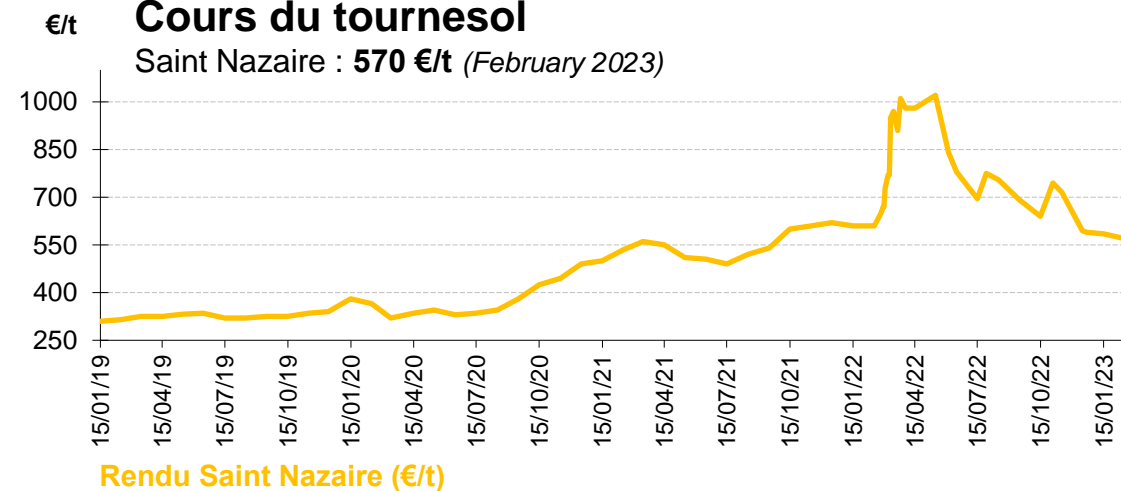
### Price of rapeseed

Rouen: 548 €/t (February 2023)



### Cours du tournesol

Saint Nazaire : 570 €/t (February 2023)





# Schedule and contacts

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## Coming disclosures and events

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❖ **Wednesday May 3, 2023\***

Disclosure of sales at the end of the 3<sup>rd</sup> quarter 2022-2023

❖ **Monday July 31, 2023\***

Disclosure of sales for fiscal year 2022-2023

❖ **Wednesday October 11, 2023\***

Disclosure of results for fiscal year 2022-2023

❖ **Friday December 8, 2023**

Annual General Meeting of Shareholders

*\*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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You can consult all our financial information on the website:

**[www.vilmorincie.com](http://www.vilmorincie.com)**



# Glossary

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## Main financial terms



- ❖ **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
- ❖ **Like-for-like data**  
Like-for-like data is data that is restated for constant scope and currency translation. Therefore, financial data for 2021-2022 is restated with the average rate for fiscal year 2022-2023, and any other changes to the consolidated scope, in order to be comparable with data for fiscal year 2022-2023.
- ❖ **Research investment**  
Research investment refers to gross research expenditure before recording any research costs as fixed assets and tax relief for research.



# Thank you

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