



2018-2019 Full-Year Results A year of transformation

- **€776.7 million in sales, down 7.4%**
- **Current EBIT of €32.8 million, 4.2% of sales**
- **Provision for restructuring of Sugar Beet Harvesting and Agricultural Spraying activities as exceptional items**
- **Solid financial structure with €61.1 million in net debt or a 17.0% gearing ratio (net debt to shareholders' equity) and leverage (net debt to EBITDA) of 1.47**

In € millions	2017-2018 Oct 17 - Sept 18	2018-2019 Oct 18 - Sept 19
Sales	839.1	776.7
Current operating income (Current EBIT)	61.7	32.8
<i>Current EBIT as a % of sales</i>	<i>7.4%</i>	<i>4.2%</i>
Exceptional items	-	-22.1
Profit before tax	55.2	9.6
Net income	39.2	4.1

• Analysis of 2018-2019 results

Sales for the 2018-2019 fiscal year totaled €776.7 million, down €62.4 million from the previous year, due mainly to:

- repercussions from the crisis in the European sugar industry for our Sugar Beet Harvesting activity;
- an uncertain market for Agricultural Spraying in light of regulatory and environmental issues and unfavorable conditions in Ukraine and Australia.

Garden Watering and Spraying had a decent year compared to 2017-2018, when weather conditions were exceptional.

In Industrial Spraying, sales of standard equipment were stable, with strong growth in the United States offsetting the decrease observed in China.

The Group's margin on direct costs was virtually stable. Rigorous management helped to keep fixed expenditures at the same level as last year and to offset inflation. Given the decrease in sales,

the lower absorption of fixed expenditures explained most of the deterioration in current EBIT (4.2% of sales vs. 7.4%).

Exceptional items included €20.5 million in provisions for the restructuring of our Sugar Beet Harvesting and Agricultural Spraying activities and €1.5 million in supplementary pension provisions in the UK following a change in legislation.

Operating WCR decreased by almost €19 million, thanks to the decrease in inventories and work-in-progress and the improvement in the average customer payment times.

Net Financial Debt (NFD) at the end of September 2019 stood at €61.1 million, down €23.6 million, back to its level at the end of September 2017.

The gearing ratio (net financial debt to shareholders' equity) fell from 23.4% to 17.0%.

Net income - Dividends

Considering these items, net income stood at €4.1 million, compared to €39.2 million last year. The Annual General Meeting of February 6, 2020 will be asked to not distribute a dividend this year of transformation.

Audit Process

The Group's Audit Committee met on December 16, 2019.

The Board of Directors met on December 17, 2019 and approved the Group's annual and consolidated financial statements at September 30, 2019.

The certification procedures for the annual and consolidated financial statements were carried out and an unqualified report is being issued by our Statutory Auditors.

• Outlook and Strategy

Patrick Ballu, Chairman of the Board of Directors, made the following comments:

"The term of Gueric Ballu as Chief Executive Officer ended at the Board of Directors' meeting of December 17, 2019, at which the financial statements for our 2018-2019 fiscal year were approved. For the first time, we hired a Chief Executive Officer, Yves Belegaud, who is not a member of the family. We have every confidence that he will successfully complete the reorganizations already underway and give the Group a virtuous, profitable and sustainable relaunch, in line with our strategy. Our very strong financial health is enabling us to continue to invest, reorganize, and expand again."

Yves Belegaud, the new Chief Executive Officer, made the following comments:

"I am very happy to be joining EXEL Industries Group and to have the confidence of the Board of Directors. Since December 2, 2019, I have been discovering a family business that is resilient and human-sized. Since the early 1980s, EXCEL has successfully managed steady external growth. Bolstered by its successful diversification, its tightly organized and efficient teams, its healthy financial position, and the transformation plans underway for our agricultural activity, I am convinced that we will get through this transition period with efficiency and speed. I fully subscribe to the strategy implemented by the Ballu family."

The sugar industry, which I know well, is going through a major crisis. Sugar prices are taking a long time to recover. Several sugar factories will be closed in Europe by the end of 2019 and the beet crops will be reduced in 2020. Our Sugar Beet Harvesting activity has therefore been in sharp decline and we are projecting difficult conditions for at least the next two years. Our production capacities and workforce have been adjusted accordingly. This scaling-back will be noticeable for the current fiscal year.

On the Western European markets and in France especially, political decisions will try to drastically reduce the use of phytosanitary products. Thanks to new technologies, the precision of our agricultural sprayers makes it possible to reduce the quantities of products applied. We are strengthening our innovation capacities and our expertise to benefit farmers, in excellence centers that will be set up by the end of 2020.

The creation of the company EXXACT Robotics, which specializes in precision farming technologies that use artificial intelligence, robotics, electronics, and agronomics, is also strengthening our capacity for innovation.

The Industrial Spraying activity will continue its strategy of partnering with our integrators and increasing sales on our distribution channels and of standard equipment.

The year will be marked by numerous product line renovations, which should boost our sales and help offset the slowdown observed in Asia.

As for the Garden Watering and Spraying activity, expansion of the distribution network, new geographic markets, and innovation continue to drive growth.

Worldwide, we anticipate slow growth for 2019-2020. The measures taken to reduce our fixed costs and restore our margins should return us to sustainable and profitable growth."

- **Upcoming events**

- January 23, 2020 after market closing: first-quarter sales 2019-2020;
- February 6, 2020: Annual General Meeting of Shareholders;
- April 28, 2020 after market closing: second-quarter sales 2019-2020.

About EXEL Industries:

EXEL Industries' core business is agricultural and industrial spraying. The Group also competes in the consumer watering products market and in sugar beet harvesters. The goal of EXEL Industries is to expand in its markets through a policy of constant innovation and an international growth strategy. EXEL Industries employs 3,544 people in 27 countries on 5 continents.

*Euronext Paris, SRD Long only – Compartment B (Mid Cap)
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*The SFAF presentation is available at www.exel-industries.com.
This press release is available in French and in English.*



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