



Second quarter 2021-2022 sales: up 2.0%

Growth in all businesses except Leisure

Q2 sales (January 2022–March 2022)	2020 – 2021	2021 – 2022	Change in value (€m)		Change (%)	
	Reported	Reported	Reported	*Like-for-like	Reported	*Like-for-like
AGRICULTURAL SPRAYING	119.7	122.1	+2.4	+0.9	+1.9%	+0.8%
SUGAR BEET HARVESTERS	16.8	21.5	+4.7	+4.2	+28.2%	+25.0%
LEISURE	46.0	38.2	-7.8	-17.4	-17.0%	-37.8%
INDUSTRY	60.2	65.7	+5.5	+4.2	+9.3%	+6.9%
EXEL Industries Group	242.7	247.5	+4.8	-8.1	+2.0%	-3.3%

*Like-for-like = at constant foreign exchange rates and scope

HY1 sales (October 2021–March 2022)	2020 – 2021	2021 – 2022	Change in value (€m)		Change (%)	
	Reported	Reported	Reported	*Like-for-like	Reported	*Like-for-like
AGRICULTURAL SPRAYING	178.2	186.8	+8.6	+6.0	+4.8%	+3.4%
SUGAR BEET HARVESTERS	33.2	39.2	+5.9	+4.9	+17.9%	+14.9%
LEISURE	59.6	55.2	-4.4	-16.5	-7.3%	-27.7%
INDUSTRY	114.2	125.7	+11.5	+8.9	+10.0%	+7.8%
EXEL Industries Group	385.2	406.9	+21.6	+3.4	+5.6%	+0.9%

*Like-for-like = at constant foreign exchange rates and scope

Situation in Ukraine and Russia

The Group has been closely monitoring the conflict in Ukraine and has mobilized its teams to welcome colleagues from the region and their families to western Europe.

EXEL Industries has two agricultural equipment subsidiaries in Ukraine: one in agricultural spraying, the other in sugar beet harvesters. The fall in sales in the second quarter was limited to €4.5 million compared to 2021. In this uncertain climate, the Group expects business to recover only slowly in the short term.

In Russia, the Group is mainly focused on agricultural equipment. Given the need to minimize future impacts on food supply, EXEL Industries is maintaining as much of its activity as possible, in compliance with European rules and applying special vigilance.

As a reminder, the Group's sales in Russia, Belarus and Ukraine made up 4% of 2020–2021 sales.

Second quarter 2021–2022 sales

Sales for the second quarter of the 2021-2022 fiscal year amounted to **€247.5 million, up 2.0%** compared with the same period of the previous fiscal year. At constant exchange rates and same scope, (+€3.7 million, mainly due to the rises of the US dollar and the GBP), Group sales were down **3.3%**. Two factors explain the fall: first, the introduction of a new ERP software in the gardening business led to delays in dispatching orders; second, the ongoing supply chain difficulties particularly in components again disrupted production this quarter, postponing some deliveries, notably in agricultural spraying.

The scope effect is the result of two recently acquired businesses by the Group: the nautical activity was consolidated from September 30, 2021 and contributed €3 million this quarter and €5.1 million in the half-year; GF Garden (Italy) has been consolidated into the garden division since February 15, 2022 and generated €6 million this quarter.

- **AGRICULTURAL SPRAYING, sales of €122.1 million, up €2.4 million (up 1.9%)**

The conflict in Ukraine boosted the prices not only of agricultural commodities (wheat, corn, rape, etc.) but also spare parts and components. Sales from agricultural spraying grew slightly in volumes with different trends seen in different markets. Europe has remained stable and in Australia the healthy tendency glimpsed in the first quarter continued. In contrast, North America was held back by a lack of spare parts and components. Again this quarter, production at all the Group's plants was affected by shortages in supply chains for mechanical, hydraulic and electronic components resulting in severely late deliveries.

- **SUGAR BEET HARVESTERS, sales of €21.5 million, a €4.7 million increase (up 28.2%)**

This quarter confirmed the healthy start made in the first quarter by this business, following on from a year of strong growth in 2020-2021. Sales of second-hand machines and spare parts are up, and price increases, as a consequence of the inflation of the prices of steel and components, were passed in all product families.

- **LEISURE, sales of €38.2 million, down 17%**

The acquisitions of the nautical division on September 30, 2021 (Wauquiez, Rhéa Marine, Tofinou) and of GF Garden on February 15, 2022, resulted in a scope effect increasing sales for this activity by €9 million. At constant exchange rates and same scope, the garden business had a difficult quarter in a downward European market and was affected by significant delays caused by migrating the IT systems to SAP. At the same time, the pricing offer was adapted to compensate for the sharp rises in costs (logistics, commodities).

- **INDUSTRY, sales of €65.7 million, a €5.5 million increase (up 9.3%)**

North America and China continue to drive growth in industrial spraying, in both volume and value terms (automotive and wood industry). The position is more difficult in Europe and the economic environment remains uncertain. In technical hoses, rising costs of commodity led to regular sales price rises, resulting in increased revenue for this business.

Outlook

- **AGRICULTURAL SPRAYING**

- Agricultural commodity prices are expected to remain at high levels, encouraging farmers to renew their machines.
- Commercial brands are adjusting their sales prices, to offset the steel and components costs increases and to try to limit the impact on margins.
- The order book is rising ahead of its 2020-2021 levels, but supply chain disruptions (components) persist and will continue to affect productivity and the pace of deliveries.
- Some orders are likely to be canceled as a result of the conflict in Ukraine.

- **SUGAR BEET HARVESTERS**

- Stabilization of new machine sales expected in the fiscal year, despite canceled/delayed orders in Ukraine and Russia.
- Confirmation that the diversification into the Terra Variant range can act as a driver of growth into new regions.
- Sales of spare parts and used machines remain strong.

- **LEISURE**

- The change of ERP software implemented in the second quarter (migration to SAP) should disturb less the dispatching of orders in the third quarter, with a gradual recovery in volumes over the third and fourth quarters. However, in this seasonal business, a portion of these delays will be difficult to recover.
- The new Easy-Mix composter, which has won a string of awards from different organizations, looks set to grow sales.
- After briefly stabilizing, commodity prices are rising-up again.
- The commercial and industrial restructuring of the nautical activity continues.

- **INDUSTRY**

- The automotive market is difficult in all regions, with carmakers showing signs of a wait-and-see attitude.
- Asia and America should continue to support growth in other markets.

Yves Belegaud, Chief Executive Officer of the EXEL Industries Group, said:

"By being able to rely on its diversified businesses, the Group showed, in the second quarter, its resilience in an uncertain geopolitical context. Sales were slightly up on the second quarter 2020-2021, despite an unfavorable basis of comparison and the disruptions we are currently facing. The order book nonetheless remains strong, in an uncertain global environment but with very favorable agricultural commodity prices. EXEL Industries again showed its pricing power to cope with an even more inflationary environment."

Upcoming events

May 31, 2022: 2021-2022 half-year results

July 26, 2022 after market closing: third quarter 2021-2022 sales

About EXEL Industries

EXEL Industries is a French family-owned group that designs, manufactures and markets capital equipment and provides associated services that enable its customers to improve efficiency and productivity or enhance their well-being while achieving their CSR objectives.

Driven by an innovation strategy for 70 years, EXEL Industries has based its development on innovative ideas designed to offer customers unique, efficient, competitive and user-friendly products.

Since its inception, the Group has recorded significant growth in each of its markets through both organic growth and corporate acquisitions, underpinned by a stable shareholder base guided by a long-term development strategy.

EXEL Industries employs approximately 3,546 permanent employees spread across 27 countries and five continents. The Group posted FY 2020-2021 sales of €877 million.

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Press release available onsite www.EXEL-industries.com

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