



Q2 2019-2020 sales

Mixed impact of the health crisis depending on activity

	2018-2019	2019-2020	Change Published	Change at constant scope and foreign exchange rates (*)
Q2 2019-2020 sales in € millions (January to March)	216.8	194.9	-10.1%	-12.5%
Agricultural Spraying	120.8	100.1	-17.1%	-17.4%
Sugar Beet Harvesting	14.6	16.9	+15.1%	+15.3%
Garden Watering and Spraying	36.0	31.4	-12.8%	-13.4%
Industrial Spraying	45.4	46.5	+2.6%	-7.8%

	2018-2019	2019-2020	Change Published	Change at constant scope and foreign exchange rates (*)
H1 sales in € millions (October to March)	348.9	314.3	-9.9%	-11.7%
Agricultural Spraying	177.2	156.1	-11.9%	-12.3%
Sugar Beet Harvesting	31.4	31.8	+1.3%	+0.8%
Garden Watering and Spraying	45.2	39.3	-13.0%	-13.6%
Industrial Spraying	95.2	87.1	-8.5%	-13.8%

(*) The amounts at constant scope and foreign exchange rates are calculated:

- by converting the amounts for the current quarter at the average quarterly exchange rates of the previous year;
- by excluding Intec sales, a company acquired in February 2020.

Q2 2019-2020 sales (January to March 2020) totaled €194.9 million, down 10.1% on Q2 2018-2019.

This decrease is predominantly attributable to the Agricultural Spraying and Garden Watering and Spraying activities, which were impacted by the Covid-19 crisis just as their season got underway.

- **Agricultural Spraying**

After a stable first quarter compared with last year, the decrease of 17.1% in the second quarter is due to the shutdown and/or slowdown of production and deliveries at the start of the lockdown.

- **Sugar Beet Harvesting**

The second quarter saw marginal growth, driven by sales of Terra Variant (agricultural carrier vehicles) and spare parts. This enabled the Sugar Beet Harvesting business to stabilize its sales over the first half of the year, which has remained low due to its seasonality.

- **Garden Watering and Spraying**

The abrupt closure of our main clients' sales outlets has had a major impact on the garden watering and spraying business at the start of the season. A decrease of 30% was recorded during the month of March, which represented 13% of annual sales in 2018-2019.

- **Industrial Spraying**

The consolidation of Intec enabled this business to achieve minor growth during the quarter. At constant scope, it fell by 7.8% due to the sharp decline in the automotive sector in Europe and North America. On the other hand, there has been a slight upturn in the market in Asia.

The group has not wanted to apply the emergency measures of delaying the payment of social charges and taxes as proposed by the French government.

- **Outlook and Strategy**

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

"Our agricultural activities are at peak production at this time of year with full order books. The agricultural sprayer factories generally have a busy schedule until the end of June. The same applies to the production of sugar beet harvesters. Our short-term activity is therefore secure. But the drastic fall in commercial activity over the past month has meant we need to think creatively if we are to boost order numbers. The agricultural commodities market is currently coping well with the crisis, with the exception of sugar which has seen its global price collapse once again.

Agriculture, heavily castigated over recent years, is making a comeback. Agrifood, agriculture and farming equipment are once again being recognized as essential and noble businesses.

Our garden watering activity has been directly impacted by the varying degrees of closure of shops, hardware stores and garden centers across different countries. And this is happening during the peak time for garden equipment purchases. This sudden standstill has resulted in a significant slowdown at the Hozelock factories and, to a lesser extent, the Tricoflex factories.

Our industrial spraying business is suffering due to the extended shutdown of automobile manufacturers, in particular, leading to delivery delays, a drop in order numbers and the reconsideration of investments among our major clients.

In the short term, the public health crisis will reduce our activity to varying degrees according to the different sectors. It is hard to put a figure on the potential economic consequences at the moment. However, the situation has prompted us to take a more prudent approach to decisions regarding recruitment, investments, and expenditure in general. These significant short-term efforts should enable us to maintain our strength and agility once the recovery begins.

Our teams all over the world have very quickly and intelligently established conditions that have allowed us to continue to operate with the health of our employees as our top priority. The measures, which have been shared with the staff representatives and are compliant with the health recommendations, have enabled us to minimize the impact of the lockdown.

We have the resilience and financial robustness needed, thanks to the commitment of our teams and the sound management that has enabled the group to become what it is today."

- **Upcoming meetings**

- June 2, 2020 (before market opening): H1 2019-2020 results.
- July 28, 2020 (after market closing): Q3 2019-2020 sales.

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.

Euronext Paris, SRD Long only – compartment B (Mid Cap)
EnterNext© PEA-PME 150 index (Mnemo EXE / ISIN FR0004527638)

The SFAF presentation is available on the website www.exel-industries.com
This press release is available in French and in English.



YOUR CONTACTS



Yves BELLEGAUD
Group Chief Executive Officer
yves.belegaud@exel-industries.com

Sophie BOUHERET
Group Chief Financial Officer/Investor Relations
sophie.bouheret@exel-industries.com