



Q1 2019-2020 sales
Quarter marked by a temporary decline in the
Industrial Spraying

	2018-2019	2019-2020	Change Published	Change at foreign exchange rates (*)
Q1 sales in €m (October to December)	132.1	119.4	-9.6%	-10.3%
Agricultural Spraying	56.4	56.0	-0.6%	-1.2%
Sugar Beet Harvesting	16.8	15.0	-10.8%	-11.9%
Garden Watering and Spraying	9.2	7.9	-13.8%	-14.5%
Industrial Spraying	49.8	40.5	-18.6%	-19.4%

(*) Amounts at foreign exchange rates are calculated by converting the figures for the current quarter using the average quarterly foreign exchange rates for the previous year

Sales during the first quarter of the 2019-2020 fiscal year (October to December 2019) totaled €119.4 million, a decline of 9.6% compared to Q1 2018-2019.

Almost 75% of this drop is linked to the Industrial Spraying business which had a very good Q1 2018-2019, particularly in Asia.

- **Agricultural Spraying**

Agricultural Spraying sales were stable compared with Q1 2018-2019. Ongoing regulatory changes and public opinion pressure have impacted the business as a whole.

- **Sugar Beet Harvesting**

Continuing the trend of the previous fiscal year, business was down 10.8%, still affected by the crisis in the European sugar industry.

- **Garden Watering and Spraying**

The first quarter was insignificant, representing less than 10% of annual sales. The decline compared to the 1st quarter of the previous fiscal year is predominantly due to the delay in orders from several clients in the United Kingdom.

- **Industrial Spraying**

Industrial Spraying is in decline, in particular due to the downturn in the Asian market, the effects of which we have felt since Q2 2018-2019. Moreover, the phasing of projects, whose sales are recognized over time, was unfavorable this quarter.

- **Outlook and Strategy**

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

"Q1 sales have fallen by almost 10%, heavily impacted by the Industrial Spraying business.

However, despite this business suffering due to the slowdown in the Asian market, we have seen an increase in orders over the past few weeks. Furthermore, the project order book is improving, boosted in particular by a large project in Poland.

Restructuring of the Agricultural Spraying business has begun. Incoming orders remain slow, in the context of changing regulations on the use of phytosanitary products in Western Europe, the draft law to open up the agricultural land market in Ukraine and the severe drought in Australia. Nevertheless, better pricing trends for agricultural commodities and the easing of trade tensions between the US and China should enable us to stabilize our sales figures at the previous fiscal year's level.

The Sugar Beet Harvesting business is in line with our expectations. Our forecasts for the 2019-2020 fiscal year remain conservative but the effects of our cost reduction plan, the announced production shortfall and higher sugar prices should be favorable factors for the coming fiscal year.

During this year of transition, our main challenges consist of successfully completing our planned transformations. Taking into account the details of each business, we expect 2019-2020 to be a year without growth at constant scope. The steps taken to reduce our fixed costs and to improve our margins should nonetheless enable us to improve our profitability."

- **Upcoming meetings**

- March 12, 2020: Shareholders' Annual General Meeting;
- April 28, 2020 (after market closing): Q2 2019-2020 sales;
- June 2, 2020 (before market opening): H1 2019-2020 results.

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 approximately 3 544 people spread across 27 countries and five continents.

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



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