



First-quarter 2018-2019 sales
Sales impacted by the decrease in agricultural activities

	2017-2018	2018-2019	Published change	Change at constant foreign exchange rates (*)
First quarter sales In €M (October to December)	137.5	132.1	-4.0%	-2.8%
Agricultural Spraying	61.8	56.4	-8.8%	-8.8%
Sugar Beet Harvesters	17.4	16.8	-3.5%	-1.1%
Garden Spraying and Watering	9.5	9.2	-3.9%	-3.5%
Industrial Spraying	48.8	49.8	+2.0%	+4.2%

(*) The amounts at constant foreign exchange rates are calculated by converting the amounts for the current quarter at the average quarterly foreign exchange rates for the previous year.

First quarter sales for the fiscal year 2018-2019 (October to December 2018) stood at €132.1 million, a decrease of -2.8% at constant foreign exchange rates, and -4.0% at real exchange rates compared to the first quarter 2017-2018.

The depreciations of the Argentinian Peso, the Turkish Lira and the Rouble were not offset by the appreciation of the US Dollar against the Euro. The translation effect is negative for €1.5 million.

- **Agricultural Spraying**

Agricultural Spraying solutions began the year down by -8.8% compared to the first quarter of 2017-2018. This decrease was mainly due to Australia, where the drought resulted in poor harvests, Ukraine, where concession holders reduced inventories before placing new orders, and Northern and Eastern Europe, which were also affected by mediocre harvests.

The USA also saw a slight decrease over the quarter. Due to damp weather at harvest time, the season began later. We can also add to this trade tensions with China, which led to a reduction in soybean and corn prices. In contrast, France saw growth of almost 10% driven by the vineyard segment and trailed sprayers for large-scale crops.

- **Sugar Beet Harvesters**

As expected, the activity was slightly down compared to the first quarter of 2017-2018, which was enhanced by deliveries being delayed from September 2017 through October 2018.

- **Garden Spraying and Watering**

The first quarter for this activity is usually slow, and generally represents less than 10% of annual sales. The decrease of €0.3 million compared to the first quarter of the previous fiscal year was mainly due to France and the delay in orders from two customers.

- **Industrial Spraying**

At constant foreign exchange rates, Industrial Spraying grew by +4.2% with good growth in sales of standard equipment in accordance with the strategy. Growth was driven by Asia and the USA.

- **Application of IFRS 15**

The Group has applied IFRS 15 "Revenue from contracts with customers" since October 1, 2018. The impact on the recognition of sales mainly comes from the way in which the rights to return goods in the sugar beet harvester and agricultural spraying activities, are recorded as a deduction from sales. Over the first quarter of the fiscal year, this effect is, however, not significant (less than €50 thousand).

The standard's retrospective effect is processed using the simplified retrospective method: shareholders' equity at the current fiscal year opening is adjusted for the cumulative impact. The resulting decrease in reserves (including deferred taxes) was assessed at less than 1% of shareholders' equity at end-September 2018.

- **Outlook and Strategy**

Mr. Gueric Ballu, Chief Executive Officer, EXEL Industries Group commented:

"The Group's sales remained impacted over this first quarter by the decrease in the Agricultural Sprayer and Sugar Beet Harvester activities. Order entries were down 5% to 10% for agricultural activities, and we are currently implementing action plans to limit the impact on our results and our working capital requirements.

In France, the 2018 grape harvest was exceptional in terms of both quality and quantity. Winemakers invested in our high-clearance tractors and sprayers. With wheat prices stable at around €200/metric ton for the last six months, and respectable harvests, sales of agricultural sprayers for large-scale crops also increased in France. In contrast, Australia, and Northern and Eastern European countries, with poor harvests due to the very dry weather in 2018, saw a timid start to the year.

The Sugar Beet Harvester activity is in line with our forecasts.

In Industrial Spraying, the action plans implemented in the USA are showing results.

EXEL Industries Group dedicates 6% of its headcount to research and development and we file 20 patents each year.

From February 24 to 28, the Paris International Agribusiness Show (SIMA 2019) will take place in Villepinte, France, where we will showcase numerous innovations including Tecnoma's OSS+ technology with Varioselect multiple nozzle supports that compensate for dosage in turns, new sprayers such as Caruelle's M and Matrot's Hellios III, and also the new LPA6 spray boom mounts from Evrard. We are also proud to announce that the Berthoud Rent concept, a long-term rental offering from €7/hectare, received the bronze medal at the SIMA Innovation Awards 2019.

Innovation remains a major driver for the EXEL Industries Group's profitable and sustainable growth."

- **Upcoming events**

- February 7, 2019: Annual General Meeting of Shareholders;
- April 25, 2019 after market closing: second quarter sales 2018-2019;
- June 4, 2019 before market opening: first half 2018-2019 results.

EXEL Industries	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015-2016 13 months	2016/2017	2017/2018
Sales in €m	430.1	525.3	740.2	775.4	725.2	819.3	874.2	839.1

About EXEL Industries:

EXEL Industries' core business is agricultural (world leader) and industrial spraying. The Group also competes in the consumer watering products market and in sugar beet harvesters (world leader). 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 3,745 people spread over 29 countries and on five continents.

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