



Second-quarter sales 2017-2018
A weak quarter in an unfavorable currency context

	2016-2017	2017-2018	Published change	Change at constant currency basis (*)
Second-quarter sales in €m (January to March)	218.3	205.4	-5.9%	-2.5%
Agricultural Spraying	122.2	112.6	-7.9%	-4.2%
Sugar Beet Harvesting	12.5	13.5	+8.5%	+9.2%
Garden Spraying and Watering	34.2	33.7	-1.5%	0.0%
Industrial Spraying	49.4	45.6	-7.7%	-2.8%

	2016-2017	2017-2018	Published change	Change at constant currency basis (*)
6-month sales in €m (October to March)	352.7	343.0	-2.8%	+0.4%
Agricultural Spraying	185.0	174.2	-5.9%	-2.5%
Sugar Beet Harvesting	27.7	31.1	+12.2%	+13.7%
Garden Spraying and Watering	43.4	43.3	-0.4%	+1.0%
Industrial Spraying	96.5	94.5	-2.2%	+1.9%

**Constant currency basis: constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates.*

Sales for the first half of fiscal 2017-2018 (October 2017 to March 2018) edged up 0.4% to €343m at constant exchange rates, driven by the Sugar Beet Harvesters business. Activity in the Agricultural Spraying division however declined.

Sales fell 2.8% as reported, with currency depreciation – primarily concerning the US and Australian dollars – resulting in a negative forex impact of €11.1m.

- **Agricultural Spraying**

The 4.2% decline in Agricultural Spraying sales during the second quarter was due exclusively to operations in North America and Australia:

- in the USA, sales were impacted by increased tariffs relating to regulatory developments requiring engines to switch from Tier 3 to Tier 4 standards;
- in Australia, sales were impacted by a 10-month drought. The first rains have just started to arrive.

In France, only our new products are driving large-scale crop sales. The decline in vineyard business was due to poor crop quality in certain regions.

Sales in Russia, Ukraine and Poland remained robust.

- **Sugar Beet Harvesting**

Business remained strong in the second quarter. Sales of large capacity machines, such as those recently launched by Holmer, rose sharply.

- **Garden Spraying & Watering**

The end of trade negotiations resulted in a good referencing for the Company's products with dealers. These products are now in stores ready for the season which has not yet started, given the extremely bad weather in March.

In addition, the product mix is shifting towards more watering solutions, while sales of sprayers are in decline due to regulatory changes regarding the use of mass-market crop protection products.

- **Industrial Spraying**

Industrial Spraying was particularly affected by the US dollar impact.

In line with the Company's strategy to refocus sales on its distribution channels and standard equipment (most profitable activity), project sales are down, which explains the drop in Industrial Spraying sales in the second quarter.

- **Outlook and Strategy**

Mr. Gueric Ballu, CEO of the EXEL Industries Group, comments:

"Performances in the first half of 2017-2018 were lackluster, with marginal growth in the first quarter followed by decline in the second quarter, against a backdrop of an unfavorable monetary environment.

Agricultural Spraying sales remained weak over the first half but the price of wheat – which will be the main driver of an eventual recovery – edged up slightly (€158/t at April 16, 2018). A sales action plan has been implemented in the USA and three new self-propelled sprayers have been launched: the MY 19 Apache, the AS 630 and the Bruin. We are continuing to build up our sales in Russia and the Ukraine thanks to our business relationship with Agro Holdings.

Activity in the Sugar Beet Harvester division remains strong. We are diversifying into open-field logistics with the launch of the Terra Variant 435.

Garden spraying and watering products are ready for the season, which is expected to start soon, with nice weather forecast in the second half of April. Outlook is favorable, thanks to growth in our product references, the development of new products, sales in line and the Russian market.

In the Industrial Spraying division, we are strengthening our ties with distribution channels by organizing information and training events ("Tech Days") and are pursuing our strategy to forge partnerships with integrators and robotics engineers. Outlook in Asia is particularly good, both in the automotive sector and in the other industries.

Our innovation strategy is being extended to include digital technologies. In March 2018, EXEL Industries acquired an equity stake in DKE-Data, a consortium of 11 agricultural machinery manufacturers that manages the data exchange platform *agrirouter*. Farmers use *agrirouter* to connect their farming machines and operating software. In addition to forging partnerships with Agtech start-ups, EXEL Industries is stepping up its efforts in relation to the development of digital agriculture."

Next events:

- May 31, 2018: first half 2017-2018 results;
- July 19, 2018: third quarter 2017-2018 sales.

EXEL Industries	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016 13 months	2016-2017
Sales in €m	384.4	430.1	525.3	740.2	775.4	725.2	819.3	874.2

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). EXEL Industries aims to continually expand 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.

NYSE-Euronext Paris, SRD Long, CAC Mid&Small 190
EnterNext© PEA-PME 150 index (Ticker EXE / ISIN FR0004527638)

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



YOUR CONTACTS



Guerric Ballu
Group Chief Executive Officer
 @Gu3rric

Sophie Bouheret
Group Chief Financial Officer/Investor Relations
sophie.bouheret@exel-industries.com
Tel: +33 (0)1 71 70 49 50