

Agricultural spraying



**HARDI International A/S**  
Herthadalvej 10  
4840 Norre Alslev  
Denmark  
Tel: +45 4358 8300  
Fax: +45 4371 3355  
www.hardi-international.com



**Groupe HARDI France**  
301, Rue du 21 Mai 1940  
62990 Beaurainville  
France  
Tel: +0 825 879 679  
Fax: +33 (0) 21 90 08 01  
www.hardi-fr.com



**BERTHOUD Agricole**  
1, Rue de l'Industrie  
69220 Belleville  
France  
Tel: +33 (0) 4 74 06 50 50  
Fax: +33 (0) 4 74 06 50 77  
www.berthoud.com



**TECNOMA Technologies**  
54, Rue Marcel Paul – BP 195  
51206 Épernay  
France  
Tel: +33 (0) 3 26 51 99 99  
Fax: +33 (0) 3 26 51 83 51  
www.tecnoma.com



**C.M.C**  
1, Rue Vincent Ballu  
51200 Épernay  
France  
Tel: +33 (0) 3 26 51 18 88  
Fax: +33 (0) 3 26 51 83 51  
www.cmc51.com



**EQUIPMENT TECHNOLOGIES WORKS**  
2201 Hancel Parkway  
Mooreville, IN 46158, USA  
Tel: +1 800 861 2142  
Fax: +1 317 834 4501  
www.etsprayers.com



**AGRIFAC**  
Eesveeneweg 15-17  
83332 JA Steenwijk  
Netherlands  
Tel: +31 (0) 521 527 210  
Fax: +31 (0) 521 517 328  
www.agrifac.com



**CARUELLE NICOLAS**  
2, Rue de l'Industrie  
45550 Saint-Denis de l'Hôtel  
France  
Tel: +33 (0) 2 38 46 31 31  
Fax: +33 (0) 2 38 46 31 00  
www.caRuelle-nicolas.com



**PRÉCULTURE**  
165, Rue des Verriers  
51230 Fere Champenoise  
France  
Tel: +33 (0) 3 26 42 40 51  
Fax: +33 (0) 3 26 42 04 96  
www.preciculture.fr



**VERMOREL**  
3, Strada Pompelor – CP 100411  
Ploiesti, Jud. Prahova  
Romania  
Tel: +40 344 104 178  
Fax: +40 244 522 152  
www.vermorel.eu



**EXXACT Robotics**  
1, Rue Vincent Ballu  
51200 Épernay  
France  
Tel: +33 (0) 3 26 51 18 88  
Fax: +33 (0) 3 26 51 83 51  
www.exxact-robotics.com

Sugar beet harvesters



**HOLMER Maschinenbau GmbH**  
Regensburger Str. 20  
84069 Schierling/Eggmühl  
Germany  
Tel: +49 (0) 9451 93030  
Fax: +49 (0) 9303 313200  
www.holmer-maschinenbau.com



**CAPAGRI**  
Rue pasteur  
59159 Noyelles-sur Escaut  
France  
Tel: +33 (0) 3 27 72 52 72  
Fax: +33 (0) 3 27 79 52 61  
www.capagri.com

Garden watering and spraying



**HOZELOCK EXEL**  
891 Route des frênes, ZI de  
Joux 69653 Villefranche Cedex  
France  
Tel: +33 (0) 4 74 62 48 48  
Fax: +33 (0) 4 74 62 37 51  
www.hozelock-exel.fr



**HOZELOCK Ltd (UK Head Office)**  
Midpoint Park  
Birmingham B76 1AB  
United Kingdom  
Tel: +44 (0) 121 313 4242  
www.hozelock.com

Industrial spraying



**SAMES KREMLIN**  
13, chemin de Malacher – BP 86  
38243 Meylan Cedex  
France  
Tel: +33 (0) 4 76 41 60 60  
Fax: +33 (0) 4 76 41 60 90  
www.sames-kremlin.com



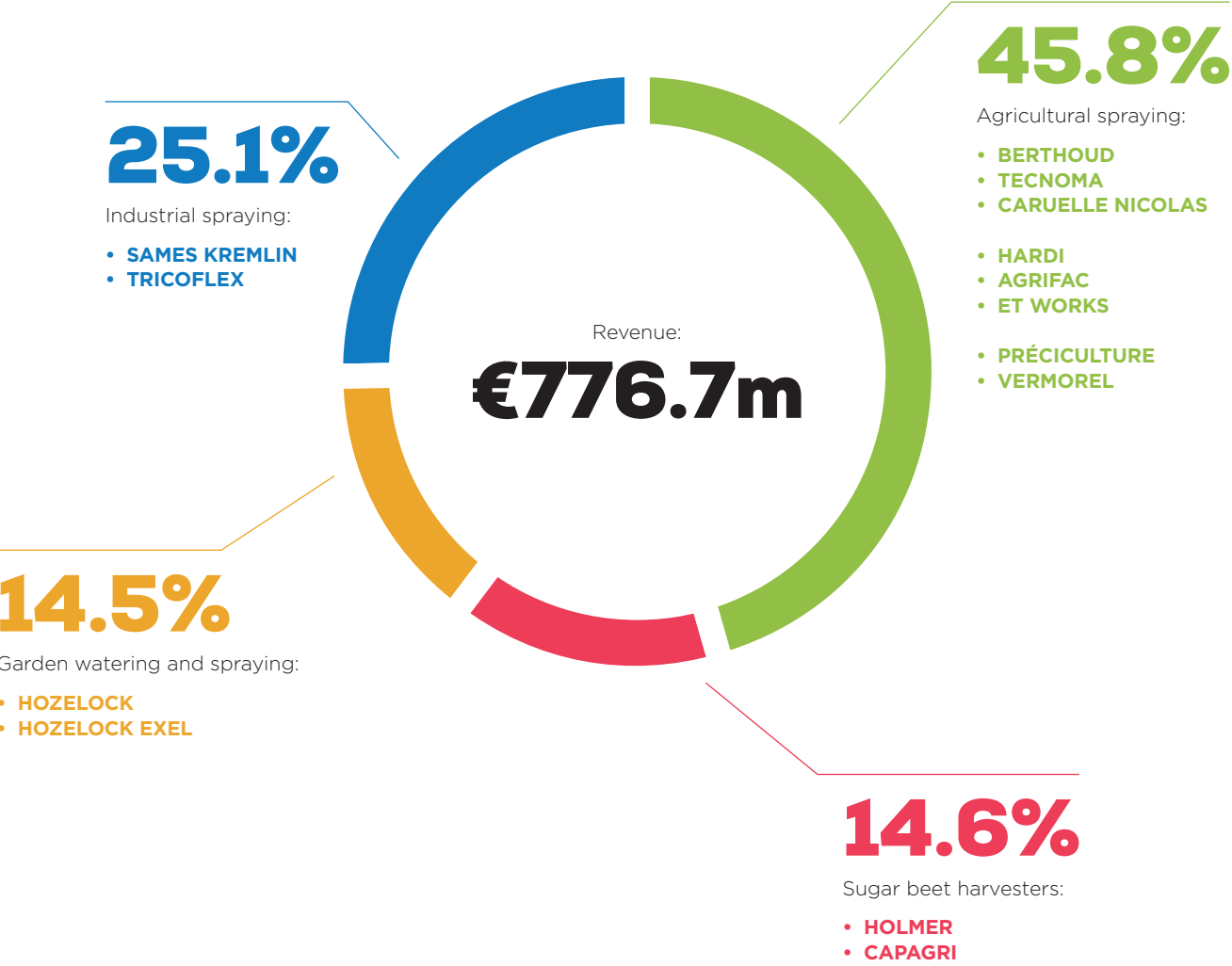
**TRICOFLEX**  
17 avenue Jean Juif  
51300 Vitry Le François  
France  
Tel: +33 (0) 3 26 73 67 67  
Fax: +33 (0) 3 26 73 67 50  
www.tricoflex.com



Spraying specialist

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 be a global leader in its markets and to do so through constant innovation and an international strategy.



EXEL Industries Group 2019 Annual Report

EXEL Industries Group  
2019 Annual Report

**EXEL Industries**  
Head office: 52, Rue de la Victoire, 75009 Paris, France Tel: +33 (0) 1 71 70 49 50 Fax: +33 (0) 1 71 70 49 53  
Registered office: 54, Rue Marcel Paul – BP 195, 51206 Épernay, France  
www.exel-industries.com





# Agricultural spraying

**EXEL Industries plays a leading role in plant protection worldwide.**

With a portfolio of twelve strong, independent brands in agricultural spraying, EXEL Industries helps boost agricultural output and protect the environment. The result is higher farm yields and a smaller environmental footprint, which is good for farmers and good for the world's population.



Operating Review **page 12**



# Garden watering and spraying

**We've expertise in garden watering and spraying, we help with the protection and enhancement of gardens and kitchen gardens.**

Our main target region is Europe, where the efficiency of our supply chain, and specific product ranges for each retail distribution segment, deliver customer satisfaction and growth for the Group.

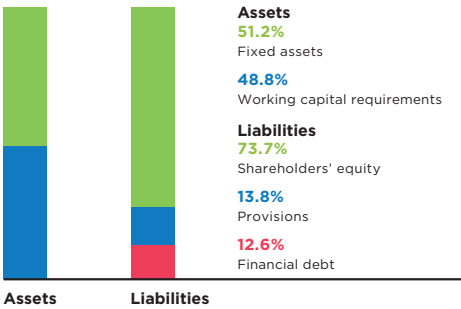
Our production plants in France and the United Kingdom enable us to be close to our customers.



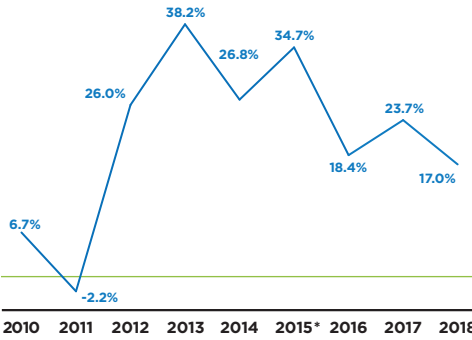
Operating Review **page 20**



Simplified Balance Sheet



Gearing as % of shareholders' equity



# Sugar beet harvesters

**HOLMER is a leading manufacturer of sugar beet harvesting and loading machinery as well as high-powered carrier tractors.**

We continually innovate to improve harvesting techniques, increase productivity, reduce soil compaction and promote sustainable agriculture. We improve our customers' competitiveness by delivering very high quality, connected machinery that is configured for the requirements of every user.

With a great deal of passion, respect and innovation, HOLMER is helping to shape the future of agriculture.



Operating Review **page 16**



# Industrial spraying

**A major player in our markets for more than 90 years.**

We have consistently been a driving force for industrial change. Our innovations focus on value-added technologies in bonding, protection of materials and finishing.

Our sights are set on the future, providing support for our customers to meet the challenges of industry 4.0.



Operating Review **page 24**

## Key figures

**€41.8**

Share price on 11/29/2019

**€283.1m**

Market capitalization at 11/29/2019

**1,029**

Average number of shares traded per day

Designed and produced by **emperor**  
Visit us at **emperor.works**



## Share ID card

NYSE-Euronext Paris, compartiment B  
Indices: EnterNext® PEA-PME 150  
ISIN/MNEMO/Reuters/Bloomberg:  
FR0004527638/EXE/EXEP.PA/EXE:FP  
Close of fiscal year: **September 30**  
Number of shares: **6,787,900**  
Nominal value: **€2.50**

## 2020 schedule

March 12, 2020:  
**Annual General Meeting**

April 28, 2020:  
**Q2 revenue**

June 2, 2020:  
**First half results**

July 28, 2020:  
**Q3 revenue**

October 27, 2020:  
**Q4 revenue**

December 17, 2020:  
**Full-year results**

## Analyst coverage

Gilbert Dupont  
ID Midcap  
Oddo Securities  
Portzamparc  
CM-CIC



**EXEL Industries is an international group driven by a strategy of innovation. For more than 60 years, EXEL Industries has been coming up with innovative ideas in order to offer customers unique, effective and competitive products that are simple to use.**

Today, EXEL Industries is a worldwide leader in agricultural spraying solutions and sugar beet harvesters, and one of the principal global leaders in retail water supply solutions and industrial spraying solutions.

Since it was formed and through its strategy of innovation and international development, the Group has recorded significant growth in each of its markets, through both organic growth and corporate acquisitions, positioning it as a key competitor.

**Contents:**

In brief	2
Strategy	4
Message from the Chairman of the Board of Directors	6
The Board of Directors	8
The management team	9
Innovation	10
Agricultural spraying	12
Sugar beet harvesters	16
Garden watering and spraying	20
Industrial spraying	24
Corporate social and environmental responsibility	28
Fiscal year 2018-2019	32

Strategy in action page 26



Strategy in action page 14



Strategy in action page 18



Strategy in action page 22







# International development

Our focus on international expansion has resulted in market share gains and acquisitions, the opening of new subsidiaries in growth markets, higher professional standards in our local teams and the launch of new products specifically adapted to each market.

5

continents

27

countries

+80

subsidiaries



## 1946

Vincent BALLU invents and builds the first high-clearance tractor for narrow row vineyards.

## 1952

Vincent BALLU founds the family company, TECNOMA.

## 1980

Patrick BALLU takes over at the helm from his father. The Company generates close to €12 million in revenue.

## 1987

TECNOMA acquires BERTHOUD, the leading manufacturer of farm and garden sprayers in France, with its subsidiaries SEGUIP, THOMAS and PERRAS.

The family firm is renamed EXEL and becomes a multi-brand group in agricultural and consumer spraying.

## 1986

TECNOMA acquires CARUELLE and NICOLAS, both manufacturers of agricultural spraying equipment.

## 1990

EXEL acquires PRECICULTURE, a major manufacturer in France of agricultural self-propelled sprayers and high-clearance tractors.

## 1996

Having established itself in the agriculture and consumer segments, EXEL Industries expands into the industrial market with the acquisition of KREMLIN, an international paint spraying firm.

## 1997

EXEL Industries is listed on the Paris stock exchange with revenue at the time of €150 million, of which 75% is earned in France and 25% abroad.



## Our mission

Spraying the right dose  
in the right place at the  
right time.

Corporate social and environmental  
responsibility **page 28**

## Our values

- Customer care
- Product care and innovation
- Excellence and professionalism
- Trust and initiative
- Frankness and transparency
- Team spirit
- Pride in belonging
- Acting responsibly



**EXEL Industries group was built upon a family and people-focused model. It is managed in accordance with 8 values that define its responsibility towards its customers, employees and partners."**

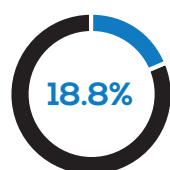
### The Americas

**13**  
sites

Revenue:

**€145.8m**

% of total revenue



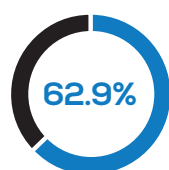
### Europe

**39**  
sites

Revenue:

**€488.6m**

% of total revenue



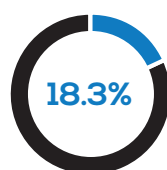
### Asia, Africa, Australia, CIS

**11**  
sites

Revenue:

**€142.3m**

% of total revenue



## 2011

In April, Guerric BALLU takes over from his father Patrick as CEO of EXEL Industries with revenue at the close of that fiscal year of €430 million, of which 50% is earned in France and 50% abroad.

## 2007

The Company acquires the Danish group HARDI and MOREAU.

## 2001

The Company acquires SAMES and MATROT.

## 2012

The Company acquires AGRIFAC and HOZELOCK.

## 2013

The Company acquires the German group HOLMER: EXEL Industries becomes the world leader in the sugar beet harvester market.

## 2016

The Company acquires ET WORKS (USA), which specializes in agricultural spraying equipment. SAMES KREMLIN formed from the merger of KREMLIN REXSON and SAMES Technologies.

## 2019

EXXACT Robotics established.

Yves BELEGAUD, takes over from Guerric BALLU and becomes the first Chief Executive Officer from outside the BALLU family.

## 2017

MATROT Équipements and HARDI EVRARD merge to form HARDI France group.



**Innovation, sustainable and profitable growth, and international development are the bedrock of the Group's development.**



### Customer experience

When a customer visits us, he is the priority. Every encounter is a unique and memorable moment. We work together, with the customer becoming part of the team. We understand the customer's needs and deploy all of our talented people in order to meet them.



Our interactions with our customers are simple, focused on their needs. Understanding our customers' concerns and being close to them inspires our innovation, our marketing offer and products, our logistics and our services. Our employees are committed and value this relationship with our customers. We want our customers to be proud of using our products and to work alongside us.



### Helpful innovation

Offering innovative products and services that bring real added value to our customers and users.



Since our story began, we have led the way in innovative spraying solutions and have pioneered the use of new technologies. EXEL Industries is aware of the environmental and regulatory challenges that it faces and is more than ever committed to researching and developing smart technical solutions to improve spraying accuracy. The specific solutions must continue to be simple to use and accessible to all of our customers. Our innovative products and services are unique and meet both the needs of our customers and environmental and business challenges.



EXEL Industries group was built in Europe by consolidating SMEs, all of which were highly innovative in their own markets. The Group strives to maintain and protect the expertise and DNA of each of its subsidiaries, developing an in-depth knowledge of its markets and customers through a strong local presence, flexibility and the ability to respond quickly to events and needs.



## Growing internationally

Continuing our expansion, by organic growth or through acquisitions, in countries where our activities offer the potential for growth.



EXEL Industries has focused on international growth for many years. Our sales outside of France represent close to 80% of our revenue. With the acquisition of ET WORKS in 2016, the Group consolidated its presence in the United States. Each of our businesses has also identified opportunities for geographical expansion, such as Asia for agricultural activities. EXEL Industries' ambition is global in scale.



## Focusing on people

People are at the center of our customer relations and at the heart of the Company. Our emphasis is on being close to our customers, on discussion and simplicity.



EXEL Industries is a family group which has always been very committed to human values. These values promote respect, transparency, frankness, initiative and team spirit. Our businesses are structured in a simple and responsive way. There is a place for everyone and the businesses develop passionate and talented people and contractors.

# Message from the **Chairman** **of the Board of Directors**

---

We are confident in the ability of our high quality and very motivated employees to revitalize our Group and to pursue a principled, profitable and sustainable approach in accordance with our strategy.



//

Our extremely robust financial position enables us to continue to invest, structure our business on the basis of new technologies and continue to develop our business, including through external acquisitions."



### What are the reasons for the reduction in your income this year?

2018-2019 fiscal year revenue is down 7% for two main reasons. The conditions in the European sugar industry had a considerable impact on our Sugar Beet Harvesters activity. In addition to this, a combination of regulatory, environmental and social pressures is also creating some headwinds for the Agricultural Spraying activity in Western Europe are causing this market to falter.

Rigorous cost management initiatives during the year however allowed us to mitigate the impact of these adverse effects. On an inflation adjusted basis fixed expenses have been maintained at the same level as last year. However, reduced absorption of fixed costs has resulted in an unfortunate year of deterioration in operating income from €39.2 million to €4.1 million.

It should be noted that the result includes provisions of more than €20 million for the reorganization costs of these two activities.

This explains why our Net Income was €4.1 million compared with €39.2 million last year.

### What does reorganizing your agricultural activities involve?

The sugar industry is in the midst of a major crisis. The cost of sugar is only recovering slowly and eight sugar mills were closed in Europe at the end of the 2019 season. As a result, the amount of land devoted to sugar beet will be further reduced in 2020. As we are forecasting that this temporarily difficult environment for our Sugar Beet Harvesters activity will last for at least two years, we have adjusted our production capacity and workforce accordingly.

In addition, in Western European markets, particularly in France, policy decisions are targeting a dramatic reduction in the use of pesticides in farming. However, thanks to new technologies, precision spraying enables a significant reduction in the quantities of products applied, and organic farming also requires the application of plant health products.

For this reason, we are strengthening our abilities to innovate and our expertise to support farmers in centers of expertise that will be gradually introduced in 2020, and through our subsidiary, EXXACT Robotics.

### What are your forecasts for EXEL Industries group in the short term?

The cost saving introduced to EXEL's Sugar Beet Harvester activity in the summer of 2019 will deliver benefits in the current fiscal year. In parallel with these measures, we will continue to grow sales of the Terra Variant, our high capacity carrier which is dedicated to in-field logistics, and to conquer new areas such as China.

The impact of the ongoing reorganization of Agricultural Spraying activity will be evident from 2021. Our centers of expertise will assist to drive down production costs, improve quality, adopt a dynamic innovation oriented approach to product development that meets the expectations of customers and other stakeholders.

EXEL Industries's Industrial spraying activity continues a strategy of partnering with integrators and developing sales of standard equipment through our subsidiaries and dealer networks that are present in five continents. The next two years will be marked by renewal of a number of product ranges.

With regard to Garden watering and spraying activity, the drivers of growth continue to develop dealer's network, new markets and innovation.

We trust our high quality and very motivated employees to relaunch our Group on a principled, profitable and sustainable path in accordance with our strategy. Lastly, our extremely robust financial position provides a solid foundation to continue to invest, structure our business on the basis of new technologies, and continue to develop our business, including through external acquisitions.

### Who have you chosen as your new Chief Executive Officer?

The EXEL Board of Directors has appointed Yves BELEGAUD as its new Chief Executive Officer. Yves replaces my son Gueric, who completed his term of office on December 17<sup>th</sup>, 2019. In addition to his excellent knowledge of the world of agriculture, Yves BELEGAUD will bring substantial skills and experience to EXEL Industries group. His accomplishments in cross-cultural management and consolidation of new acquisitions will be of tremendous value to the Group. Yves has extensive knowledge and experience in global agriculture and has strong philosophical alignment with the values and DNA of our family group. Yves' appointment marks an important milestone for the Group as it is the first time EXEL has a Chief Executive Officer from outside of the Ballu family. Importantly, Yves will continue the strategies introduced by me and other members of my family.

I would like to take this opportunity to give my sincere and heartfelt thanks to my son, Gueric, for his complete commitment as Chief Executive Officer since 2011. Under his guidance, EXEL Industries group has almost doubled its revenue, by growing its international business and continuing the acquisition strategy I started when the Group was formed in 1986.



**Patrick BALLU**

Chairman of the Board of Directors

## The Board of Directors

**The Board of Directors seeks first and foremost to grow the Company, set overall strategy and monitor its implementation, verify the reliability and accuracy of information pertaining to the Group, and protect its corporate assets.**

EXEL Industries is governed by a Board of Directors comprising seven members, two of whom are independent.

The Board sets the Company's business priorities, ensures their implementation and performs the controls and verifications it considers appropriate.

The Group has chosen to separate powers and, therefore, has both a Chairman of the Board of Directors and a Chief Executive Officer. The Board of Directors meets as often as the Company's interests require.

### The Audit Committee

The Audit Committee, chaired by Pascale AUGER, independent director, is responsible for monitoring:

- the process for producing financial information;
- the efficiency of the internal control systems;
- the identification and audit of risk management;
- the statutory audit by the Statutory Auditors of the annual and consolidated financial statements;
- the independence of the Statutory Auditors and the quality of the information they receive.

### The Remuneration and Appointments Committee

The Remuneration and Appointments Committee, chaired by Claude LOPEZ, independent director, is responsible for making the decisions to appoint corporate officers and determine their remuneration and benefits.

**Marie-Pierre du CRAY-SIRIEIX**  
Director

**Sylvain MACCORIN**  
Director representing employees

**Marc BALLU**  
Director

**Pascale AUGER**  
Independent director  
Chair of the Audit Committee

**Patrick BALLU**  
Chairman of the  
Board of Directors

**Claude LOPEZ**  
Independent director  
Chair of the Remuneration and  
Appointments Committee

**Guerric BALLU**  
Director





## The management team

The Management Team is made up of the CEOs of the Group's main subsidiaries and the three corporate function directors. Four Strategic Committees are responsible for considering and taking strategic decisions regarding the general guidelines for each activity: **Agricultural spraying**; **Sugar beet harvesters**; **Garden watering and spraying** and **Industrial spraying**.



**Yves BELEGAUD**  
CEO EXEL Industries group



**Sophie BOUHERET**  
Group Chief Financial Officer



**Amandine PASCAL**  
Group Chief Legal Officer



**Philippe BESANÇON**  
Director, Group Human Resources



**Sten KJELSTRUP**  
Strategic Coordinator 'Agricultural spraying', CEO HARDI



**Daniel TRAGUS**  
Strategic Coordinator 'Sugar Beet', Chairman HOLMER, director AGRIFAC, HARDI, Advisor to the Group on M&A strategy



**Marc BALLU**  
Strategic Coordinator 'Consumer Market', CEO HOZELOCK and HOZELOCK EXEL, Chairman TRICOFLEX



**Cédric PERRES**  
Strategic Coordinator 'Industries', CEO SAMES KREMLIN group



**Sébastien TREMBLAIS**  
CEO BERTHOUD PRECULTURE, Chairman ET WORKS, TECNOMA, CMC, CARUELLE



**Wolfgang BERGMANN**  
CEO, HOLMER Maschinenbau



**Fabrice DOOSTERLINCK**  
CEO, TRICOFLEX



**Regan MURRAY**  
CEO SAMES KREMLIN INC



**Matt HAYS**  
CEO, ET WORKS



**Wim VAN DEN BOSCH**  
CEO, AGRIFAC



**Bertrand GARNIER**  
CEO Groupe HARDI France



**Bill FRANKLIN**  
CEO, HARDI Australia



# A Group driven by **innovation**

The EXEL Group has its foundations in remarkable inventions. Everything began in the 1940s with Vincent BALLU's invention of the high-clearance tractor.

## Innovation at EXEL Group today.

Within the EXEL Industries group, innovation has to be 'useful', in other words, focused on adding value for customers. This innovative effort ranges across all corporate functions: in the consulting offices which design products directly with customers and also in the production, logistics, marketing and commercial services functions.

Our innovative products are unique because they are the result of expertise in several areas: spraying, mechanics, hydraulics, electrical components, electronics, automation and, more recently, the decision-making system, digital, data-processing and artificial intelligence.

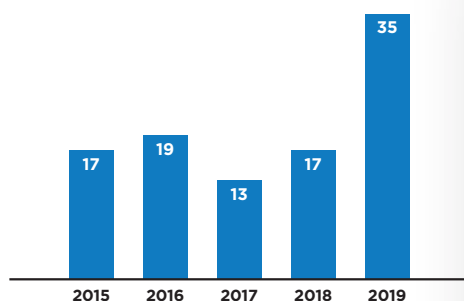
EXEL Group owns 295 current patent families which protect our contracts against potential counterfeiters, whether they are European, Asian or even based in the Americas.

INPI (the French National Intellectual Property Institute) has ranked us in the top 10 medium-sized companies who filed patents in 2018.

The number of patent applications filed in fiscal year 2018-2019 doubled compared to the previous fiscal year.



Number of patent family applications  
by fiscal year



## EXXACT Robotics established

EXXACT Robotics delivers accurate agricultural solutions for protecting plants.

Against the background of the accelerating agro-ecological transition, EXXACT Robotics is the industry's response for providing farmers with automated solutions and sensors that can target, automate and record day-to-day work, while offering the best possible performance, safety and environmental protection.



**Innovation is not just about technical products, but is also to do with what will make a difference for our customers."**

Sébastien TREMBLAIS



# A history of successful innovation

**1975**

## Electronic variable flow rate to travel speed: Hydro electron

TECNOMA develops the first electronic spraying mechanism that adjusts to travel speed. The system ensures a constant volume per hectare regardless of travel speed.

**1987**

## Air-assisted spraying: Twin

HARDI designs an air-assisted spraying system that significantly reduces overspray.

**2005**

## Spray boom and chassis stabilization on slopes: Stabilis

Automatic spray boom tracking and self-propelled sprayer chassis-leveling system on slopes on undulating land. Developed by MATROT, this system won a gold medal at the 2005 SIMA Innovation Awards.

**2011**

## Mapping and dosage: Optispray (HARDI) OSS+ (TECNOMA)

This involves using several multi-nozzle units which are controlled according to the pattern of the plants to be treated.

**2018**

## Targeted spraying on a nozzle by nozzle basis using artificial intelligence

On-board cameras analyze images using artificial intelligence to recognize the plant to be treated and control pulse nozzles which precisely spray the required dose for this plant.

**1974**

## Tanker harvester

In 1974, HOLMER develops the first six-row, self-propelled tanker harvester. The self-propelled harvester combines beet stripping, topping, lifting and cleaning with a high storage capacity allowing it to work without separate transport containers.

**2009**

## Separate row harvesting

HOLMER develops a system to (manually) adapt the height of the lifting share of each single row independently in order to adapt better to uneven ground.

**2015**

## EasyLift, precision from start to finish

HOLMER markets its EasyLift system. Integrated with the onboard controls, the system continuously measures the height and size of the beets and automatically adjusts the height of the lifting share of each single row independently to optimize extraction.

**1902**

## Backpack sprayer

BERTHOUD develops the 'Européen', the first backpack sprayer with a diaphragm pump.

**1959**

## First Hose connector

HOZELOCK creates the Hoze-Lock, a plastic connector for garden hoses. It is a world first.

**1993**

## Super TRICOFLEX high resistance hose guaranteed for 30 years

Launch of the 'Super TRICOFLEX' hose. Boasting woven polyester fiber reinforcement, the flexible multilayer hose is quality guaranteed for 30 years.

**1999**

## Autoreel

The first automatically retracting, wall-mounted hose reel.

**2016**

## Cloud Controller

This allows gardens to be watered remotely using a mobile app and a connection to an Internet router.

**1955**

## Electrostatic spray gun

SAMES KREMLIN is the first to market a paint spray gun based on electrostatics.

**1975**

## Airmix

SAMES KREMLIN creates a revolutionary paint spraying technology called Airmix. It combines quality of finishing and productivity thanks to an air injection technology enabling very fine atomization at high flow rates.

**1980**

## Bell Cup: centrifugal spraying

SAMES KREMLIN installs the first bell cup that atomizes paint thanks to a turbine revolving at 30,000 revolutions per minute. Combined with an electrostatic charge, this new technology provides a very high level of finish for automobile plants.

**2017**

## Technology HiTE for High Transfer Efficiency

By managing the air flow around the spray, this technology makes it possible to obtain impacts of variable size in order to paint faster and with a minimum of loss the parts which have both large and narrow surfaces.

**2018**

## Vortex Technology

Translucent paints such as wood stains, varnishes and light color dyes cannot tolerate the slightest imperfection. Vortex is an innovative technology that rotates the paint just in front of the spraying nozzle in order to guarantee an evenly applied layer.





Agricultural spraying







# Agricultural spraying



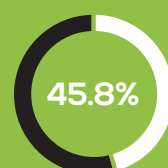
**We are the spraying experts, applying the right dose in the right place at the right time.**

EXEL Industries intends to play a full role in meeting the challenge of providing healthy nutrition to a global population of 9.7 billion people in 2050. At the same time, it will ensure that farming is competitive, productive and environmentally friendly by designing, manufacturing and marketing increasingly high-performance, accurate and efficient agricultural sprayers.

Revenue:

**€356.0m**

% of total revenue:



Number of sites:

**29**

(including 14 production sites)

Number of employees (permanent):

**1,708**

## The business

EXEL Industries is one of the worldwide leaders in agricultural spraying equipment with its different brands: HARDI, EVRARD, BERTHOUD, TECNOMA, NICOLAS, MATROT, CMC, AGRIFAC and APACHE, all with a different DNA. They cover a complete range of products designed to protect and improve agricultural productivity, whether for small or large crops, vines, market gardens, fruit trees or tropical crops.

Sprayer brands are marketed by independent networks of approved dealers who provide sales and after-sales services for our sprayers.

The Group's development on all continents also enables it to limit the risks of regional climatic variations on its businesses.

## Strategy

EXEL Industries' potential for growth lies in developing its sales in geographic areas where there is the potential to improve agricultural yields, such as CIS, North America, China, Australia and, in the longer term, Africa.

In Europe, and more particularly in France, the political and social context is targeting a dramatic reduction in the use of pesticides in farming. In order to significantly reduce the quantities of pesticides, our strategy is to improve the accuracy of spraying using new technologies such as precision farming, electronics, automation, confined spraying and artificial intelligence to identify the plants to be treated.

This strategy allows the Group to operate in all of the world's major agricultural regions (Europe, CIS, the Americas, Asia and Australia).

# Constant innovation: Agricultural spraying



## New products

### HARDI's new Navigator i

To reduce environmental impacts as far as possible, the new Navigator i offers the best 'intelligent spraying features' – for example, the AutoWash system ensures that no product treatment residues remain in the sprayer. The AutoNozzleControl also controls each nozzle individually for more accuracy at high speed.



## Awards



### AGRIFAC won the 2019 Red Dot Design Award for the new Condor Endurance

AGRIFAC's Condor Endurance II won the '2019 Product Design' prize at the Red Dot Awards. The prestigious jury only awards this prize to exceptionally well-designed products.

The design of the Condor Endurance is notable for its ergonomics, capacity, comfort, ease-of-use and simplicity. This pioneering agricultural machine uses artificial intelligence technology to identify which plants to treat.



I believe that in the near future, for financial and environmental reasons, farmers will have no choice but to adopt the AiCPlus system (the new AiCPlus camera system that incorporates artificial intelligence to operate in accordance with what the camera detects). AGRIFAC is now working on integrated cultivation algorithms which will allow local spraying with greater accuracy."

Gerrit KURSTJENS, Beefwood Farms, Moree, NSW, Australia



## Strategic foundations



Customer experience



Helpful innovation



Growing internationally



Focusing on people



### Innovation



#### BERTHOUD uses Artificial Intelligence (AI) for improved spraying

To respond to the constraints of lower pesticide volumes, our agricultural customers must find effective solutions. To help them, BERTHOUD is committed to investing in the development of accurate application solutions. BERTHOUD is partnering with start-ups who are using artificial intelligence to identify weeds. Using cameras fixed on the boom of the sprayer and on-board computers, the AI systems are able to accurately identify any type of weed in real time. This is a genuine technological advance which allows a 30-90% reduction in the volume of products sprayed and guarantees the right dose in the right place at the right time.



#### TECNOMA's new 'TecLine-L' boom

TECNOMA officially launched its new 'TecLine-L' (also known as 'TLL') boom at the SIMA Innovation Awards in February 2019. To make access and operations easier, a compact boom was required which did not extend beyond the tanks. TecLine-L achieves this successfully thanks to its new four-arm boom which is available in lengths of **between 30 and 39 metres**. The second objective was to respond to requests from users wishing to operate at high operating speeds. In order to work at more than 20 km/h, the suspension has been improved accordingly with TECNOMA returning to an axial suspension combined with the 'Smart-Active' system which ensures stability on slopes, cambers and rough terrain.



#### Production in the USA

##### Bruin production starts in Mooresville

ET WORKS produces the French-designed Bruin sprayers locally at its Mooresville plant. The target was to build a Bruin HS1100 machine at ET WORKS in the autumn of 2019.





Sugar beet harvesters





# Sugar beet harvesters



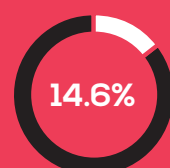
**With a great deal of passion, respect and innovation, HOLMER is helping to shape the future of agriculture.**

HOLMER, the world's leading manufacturer of sugar beet harvesters, is committed to technological innovation to protect the environment and win over increasingly demanding customers.

Revenue:

**€113.4m**

% of total revenue:



Number of sites:

**7**

(including 2 production sites)

Number of employees (permanent):

**353**

## The business

HOLMER develops, manufactures and markets three product lines:

- a full line of sugar beet harvesters for a wide variety of applications;
- cleaner-loaders for cleaning and loading beets before transport to the sugar refinery;
- medium- and high-capacity carriers used for field logistics.

Sugar beet harvesters are marketed to agricultural contractors, farmer co-ops, large-scale farmers and agribusinesses. In the main, sales are made directly or sometimes through dealers.

Cleaner-loaders are used by cooperatives and contractors working for sugar mills. Sales are made directly to contractors and cooperatives on the recommendation of the mills.

The Terra Variant medium- and high-capacity carriers are used to transport sugar beets or grains from the harvester (picker or reaper) to the field's edge or directly onto the truck. They also act as high-capacity spreaders of liquid and solid manure.

## Strategy

In EXEL Industries' Beet Harvesting division, our strategy is based on our considerable innovation capacity and ability to identify high value-added markets. Innovation is central to HOLMER's 'product' policy.

The growth in sales of sugar beet harvesters is intensifying in Eastern European countries, China, Turkey and the USA.

For the Terra Variant line of high-capacity carriers, our efforts are focused on Europe, with priority given to Germany, France and Great Britain.



# Constant innovation: Sugar beet harvesters



## Terra Felis 3 evo – new version of the HOLMER sugar beet harvester

The Terra Felis 3 evo comes with a new engine that is compatible with the Stage V emissions standard, a data interface to optimize logistics, telemetry system EasyHelp 4.0 for faster service as well as a connection to farm management systems. The liftable cab, DynaFill driver assistance system and VarioPick height adjustable pick-up, familiar from the Terra Felis 3, are, of course, retained.

## Innovation



### HOLMER is extending its product line with the 'HRO lifting unit'

The Oppel-wheel equipped HRO harvesting unit for the Terra Dos T4 sugar beet harvester works extremely gently, especially in light, sandy and moist soils, and achieves optimum harvesting quality. The HRO lifting unit is equipped with EasyLift patented automatic row by row depth control. Its drive power is 40% higher than that of other Oppel wheel systems. The lateral displacement of the Oppel wheels provides for better tracking of the beets while the speed of the sugar beet pick tyres is separate from that of the Oppel wheels, causing less damage to the beets.



**This system is revolutionary. I've always trusted HOLMER and its research and development teams when it comes to developing very efficient systems. But this module, coupled with the power of T4-type machines, exceeds all of our expectations. We have won back several customers and have worked in extreme conditions where we were the only people able to harvest."**

Gilles ALLIMONIER, HOLMER machine user

## Strategic foundations



Customer experience



Helpful innovation



Growing internationally



Focusing on people



## New products

### Terra Variant, new rapid transport equipment, for in-field logistics

Following the sale of the first Terra Variant 585 in France in 2018, HOLMER presented its 'little brother' the Terra Variant 435 in February 2019 at the SIMA Innovation Awards. This extremely light unit protects the soil and enables to enter the fields very early in the season when they can still be wet. The Terra Variant has a driver assistance system for protecting the soil and maintaining directional stability in row crops.



## New products

### HOLMER connects to Agrirouter

Agrirouter is a data exchange platform which is independent of the manufacturer and allows data to be exchanged between agricultural machinery and farm management systems. Using the Terra Dos T4-40, HOLMER successfully took part in the first live demonstration of Agrirouter with 300 visitors from 14 countries. Agrirouter was officially launched at SIMA, since February 22, 2019, farmers and contractors have been able to use the data exchange platform. Farming 4.0 becomes a reality!



## Exclusivity

### Successful defence of the HOLMER EasyLift patent

EasyLift, the unique driver assistance system in the Terra Dos T4 sugar beet harvester, automatically controls the depth of each row so that each beet is always harvested at its optimum depth. This patented solution gives us a major competitive advantage when selling our machines. Following negotiation and after demonstrating our right to the patent, our competitor ROPA has agreed to pay us retrospective compensation and to stop offering this option in the future.





Garden watering and spraying







# Garden watering and spraying



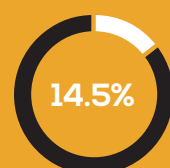
## Offering gardeners the most innovative and satisfying solutions.

With its HOZELOCK, BERTHOUD, LASER and COOPER PEGLER brands, the EXEL Industries group offers innovative and high-quality watering and plant protection solutions to gardeners and professionals alike.

Revenue:

**€118.5m**

% of total revenue:



Number of sites:

**5**

(including 2 production sites)

Number of employees (permanent):

**386**

## The business

Accelerating urbanization means that consumers increasingly consider their garden, terrace or balcony as another separate living area, a place where they can also enjoy their gardening hobby, or indeed their passion for it.

Given the increasingly unpredictable climate with alternating periods of drought and rain, digital technology, home automation and the growth of online sales are all drivers of growth for the plant watering and protection business.

In addition, with stricter European pesticide regulations poised to shape the consumer market, the natural gardening solutions we offer are well positioned to boost sales of our products in Europe.

## Strategy

EXEL Industries has a four-pronged strategy for Garden watering and spraying:

- focusing our development efforts on Europe and emerging markets;
- being the market leader in alternatives to pesticides;
- innovating in the garden watering marketplace;
- providing a premium service to our customers in all our markets.

# Constant innovation:

## Garden watering and spraying



### New products

#### HOZELOCK in France

BERTHOUD (sprayers) and HOZELOCK (Watering, Spraying, and Gardening Naturally) are our two strategic brands for our Consumer Market activity internationally.

This could be seen in 2019, and will be even more apparent in 2020, with the launch of new products and, particularly, a completely new HOZELOCK sprayer product range for southern Europe from January 2020, and from January 2021 in other markets.

Developed from TECNOMA brand bestsellers and existing HOZELOCK sprayers, it will offer more significant growth potential to all our subsidiaries.



### New products

#### Tuffhoze

Tuffhoze is a new hybrid garden hose combining the best of PVC and textile technologies to create a light hose that is incredibly flexible and extremely strong! Up to 50% lighter than traditional hoses, Tuffhoze is kink-free and is easy to handle and to put away. The Dura-Tech inner core provides incredible flexibility and maximum strength, while the outer layer woven in 'Tuff-Fibre' ensures enhanced and long-lasting abrasion resistance as evidenced by its 30-year guarantee. Tuffhoze is able to withstand the pressure of 40 bars and is compatible with all accessories – simply 'Click and Connect'!





## Strategic foundations



Customer experience



Helpful innovation



Growing internationally



Focusing on people



### New products

#### The new range of HOZELOCK sprayers now incorporates TECNOMA products in France

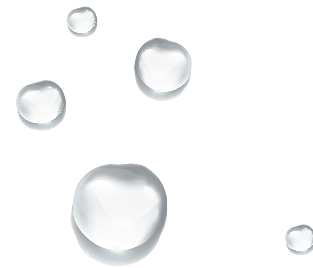
The new range of sprayers manufactured in France or in the UK (5L format upwards), compatible with new garden product formulations for responsible gardening and descended from both TECNOMA's bestselling and HOZELOCK's current products.



### Awards

#### A string of awards for our BIOMIX sprayer at different industry exhibitions and from the business press:

- At the April 2019 JDC Garden trend exhibition in France, HOZELOCK's Bio Mix was awarded the 'gardening naturally' and 'grow-your-own' prizes.
- For the 11<sup>th</sup> edition of the Jard'innov awards in France, HOZELOCK was presented with a gold award for its Bio Mix and Green Power XL products.



### New products

#### Innovation in spraying products in the Consumer Market = multi-use nozzle

HOZELOCK's innovative solution to provide the correct nozzle according to the treatment to be carried out (weeding insecticide/fungicide or DIY): a single nozzle holder, which is practical and compact with three integrated nozzles for all types of processes.

Easy to use: simply give the holder a third of a turn and the chosen nozzle is ready to use.

#### Second HOZELOCK brand sponsorship campaign on France Télévisions

We have continued to promote the reputation of the HOZELOCK brand in France, where we advertised for the second successive year on France Télévisions. The campaign aired between April and June 2019, reaching an audience of more than 360 million through 780 TV ads shown during popular French dramas.

To promote its bestselling items (the Superhose extending hose, the Auto Reel automatic reel, and the new electric weeder, Green Power XL), HOZELOCK peppered the small screen with three fun, family-friendly ads featuring its mascot, Bizzi the bee.



## Industrial spraying







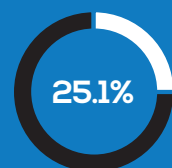
# Industrial spraying

Bond, protect, beautify.

Revenue:

**€194.8m**

% of total revenue:



Number of sites:

**21**

(including 5 production sites)

Number of employees (permanent):

**894**

## The business

EXEL Industries group provides its customers with solutions for spraying paints and varnishes and for applying adhesives and mastics via SAMES KREMLIN, supplemented with a large range of technical hoses from TRICOFLEX. Technological innovation is at the heart of our pump, hose and manual, automatic and automated dispenser products. It enables even more accurate and efficient spraying, which is synonymous with productivity gains, environmental protection and operator health.

Our equipment forms part of the production lines of the largest worldwide manufacturers in the automotive, aeronautical, home appliance and furniture sectors, among others. Our manual products are mainly used by SMEs and tradespeople.

## Strategy

Our professional customers seek suppliers who understand their business and help them to improve in terms of operating efficiency and environmental protection. So our strategy is focused on three areas:

- An applied understanding of our customers' business using our systems services and, at the heart of our strategy, the design and marketing of innovative standard equipment;
- Investing heavily in R&D with dozens of international patents being filed every year, leading to the launch of numerous new products every year. By way of example, half of our product catalogue will be renewed within a three-year period;
- Expert teams, reinforced by our partner dealers and integrators, to provide our customers with a local service, responsiveness, advice and training.

Our teams and partners are proud to offer our customers around the world their applied expertise, resulting innovations and local presence to improve their competitiveness and offer them a unique customer experience.

# Constant innovation: Industrial spraying



## Innovation

### Self-adjusting cartridge

Customers who use very high pressure pumps often complain about the difficulty of adjusting the pump seals correctly as leaks may occur and parts are quickly spoiled. SAMES KREMLIN has developed self-adjusting technology which means that the painter does not need to be a maintenance expert but simply proficient in using the pump to be able to work more efficiently and sustainably. Customer experience for improved sustainability.

### AIRLESS diffuser

For customers using AIRLESS spraying, quality finishing often comes second to productivity. Indeed, the very high atomization pressure of the paint in AIRLESS systems is an obstacle to high levels of finesse. SAMES KREMLIN's ambition has been to bring together quality of finish and high levels of productivity in the AIRLESS area by creating diffuser technology which controls the path of the paint and 'pre-atomizes' it in several stages without reducing its flow. Customer experience for a premium AIRLESS finish and a very high level of productivity.



## Success story

### FPro: OEM Automobile Market (Nissan, KIA, etc.)

SAMES KREMLIN has been very successful in marketing its FPro manual pneumatic spray guns. More than a hundred have been sold to Nissan automobile plants in the United Kingdom and Kia plants in Mexico enabling painters to apply base coatings and varnishes in vehicle interiors. Customers are particularly pleased with the quality and efficiency of these spray guns. SAMES KREMLIN is already very active in the area of automobile paint application with its robot-mounted, electrostatic bell cups. The manual FPro enhances SAMES KREMLIN's range of products and usage of them, particularly in automotive spray booths.





## Strategic foundations



Customer experience



Helpful innovation



Growing internationally



Focusing on people



The FPro Lock at NISSAN (UK): "We are saving 40cm<sup>3</sup> of paint per vehicle and, all in all, that's a lot every year! The spraying is excellent! It's also really light and very comfortable to use. We're also saving on air! It's a really nice spray gun!"

Nissan Production Engineer

## Events



### EMM – French Connection

SAMES KREMLIN welcomed its dealers to the Elite Member Meeting organized in Paris in May 2019. Employees from each of the two SAMES KREMLIN sites, at Stains and Meylan, were keen to show their recognition by giving these guests a guard of honor. The customers were struck by the commitment of the employees. The theme of this EMM was to present and train our Elite Dealers in our new products and, particularly, the 35C50. This integrated partnership allows them to enjoy an exclusive ordering facility for the brand new 35C50 pump over a two-month period.



# A people-focused group

**Each Group entity is independently responsible for its own HR practices and environmental and social initiatives. As one of the Group's core values, 'Acting Responsibly' is the foundation of its corporate, social and environmental actions.**

A family group which is focused on human values, EXEL Industries has based its CSR policy on firm commitments to its employees.

Its commitments take the form of action plans in the areas of apprenticeships, training, absenteeism and workplace accidents. An international group with more than 56% of its workforce outside of France, emphasis is placed on valuing diversity of origins and career paths, diversity in teams and developing skills and promotions within the Group.

Each subsidiary, with its local employees, is autonomous in terms of implementing these commitments. They are also encouraged to introduce innovative measures to guarantee improvements in workplace well-being and a sense of enjoyment in working and daring together.

## **A Group firmly rooted in socio-economic life at the local level**

The presence of the Group's companies in its areas of operations, whether in rural locations or on the outskirts of towns and cities, represents a commitment. The local eco-system is taken into account. Our employees enter into commitments with schools, universities, networks of local companies (start-ups, platforms, etc.) and non-profit organizations.

## **A Group innovating to help the environment**

Through an active policy of developing its innovations, filing patents, close relationships with partners involved in precision technologies and participation alongside AXEMA in the FNSEA 'solutions agreement', EXEL Industries is a stakeholder committed to addressing environmental issues.

EXEL Industries, through its culture of being close to its customers, meets their needs through improved services and sustainable solutions that are environmentally friendly. Its high-end market position, supporting precision and technology, allows it to play a role in making essential changes so that our resources are used in a rational way to help people and, more broadly, the environment.

Lastly, EXEL Industries is an operator that contributes to the health of people and of animals in general, with a number of the products applied using our equipment avoiding contamination by toxins.







## CSR: an important driver of genuine improvement

Workplace safety, absenteeism, apprenticeships, gender balance, diversity and training are priorities addressed in each Group company through targeted action plans.



# Various initiatives to improve the environment

## Some examples of initiatives undertaken

Waste streams are in place at most facilities. LED lighting is gradually replacing traditional lighting. In-house recycling streams are being implemented at facilities housing industrial processes. Replacement products are introduced as soon as possible. Particular care is taken to raise employee awareness of environmental issues including the implementation of specific initiatives such as 'The Happy Recyclers' which is of concern to everyone, introducing beehives, helping non-profit organizations to protect the environment, increasing the use made of video and web conferencing to reduce business travel, and incentives to use clean modes of transport.

## Agricultural spraying

- Spraying solutions with mounted jets that precisely adjust the amount of spray to different vineyard layouts. The solution is compatible with retrieval panels that confine spraying to the vines and recycle the pesticides not caught by the plants.
- Dose control on a nozzle-by-nozzle basis cuts pesticide and water use by up to 90%.
- Partnering with start-ups who are using artificial intelligence to identify weeds. Using cameras fixed on the boom of the sprayer and on-board computers, AI systems are able to accurately identify any type of weed in real time.

## Sugar beet harvesters

- Developing sales of the Terra Variant 435 powered by a stage V engine and reducing particulate emissions by 80% compared to stage IV engines and a driving assistance system to protect the soil and maintain directional stability in row crops.
- Using wider tyres with lower pressure reduces soil compaction.

## Garden watering and spraying

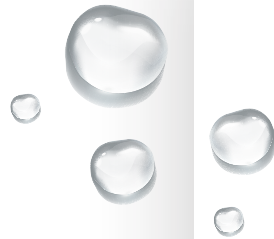
- HOZELOCK is expanding its Pure range of natural gardening products with the Bokashi kitchen waste composter, the BioMix liquid plant food maker, the Green Power XL Thermal Weeder and the Pure spraying kit.
- Adapting our product lines to allow more widespread development of micro-irrigation, which uses less water.
- Wonderweeder reduces the use of active ingredients by up to 90%.

## Industrial spraying

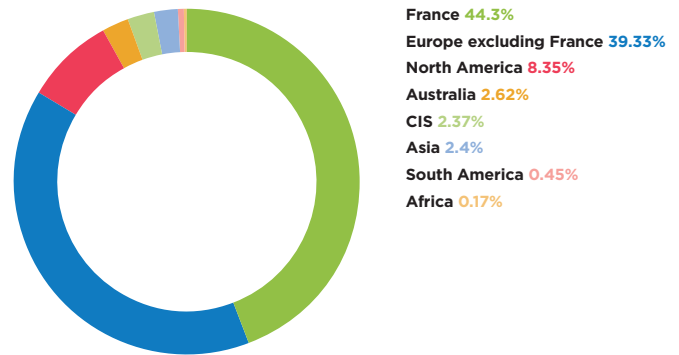
- Our manual and automatic Airspray spray guns require less energy for atomization thanks to our Vortex technology which reduces air and, therefore energy, consumption by 15%.
- Vortex also helps reduce paint fume emissions and, therefore, reduces waste of paint by 15%.
- Our new reduced-diameter TRICOFLEX hoses require fewer rinsing solvents each time they are cleaned and, therefore, fewer solvents to be processed and less waste.
- The continuing improvement in transfer efficiency (proportion of paint actually applied to the target) of our equipment helps reduce the amount of paint used and the amount of solvents discharged into the atmosphere.
- The expansion of our stainless steel ranges supports the business in moving towards water-based, solvent-free paints.
- We are investing in a new powder range as this painting technology does not generate any waste (powder paint is recyclable) or VOCs (Volatile Organic Compounds).

Number of apprentices:	
Fiscal year 2016	83
Fiscal year 2017	94
Fiscal year 2018	101
Fiscal year 2019	107





Breakdown of workforce by geographical area in %



Our family business  
is driven by strong  
people-focused  
values."

Guerric BALLU

Reduction in  
workplace accidents:

**-19%**

Increase in number of apprentices:

**+6%**

Reduction in  
accident severity:

**-9%**

Training:

**+36%**



## Fiscal year 2018-2019

**The Group's revenue amounted to €776.7 million, a reduction of 7.4% compared with last year.**

Two thirds of this reduction are due to the Sugar beet harvesters activity which is being affected by the crisis in the sugar manufacturing industry in Europe.

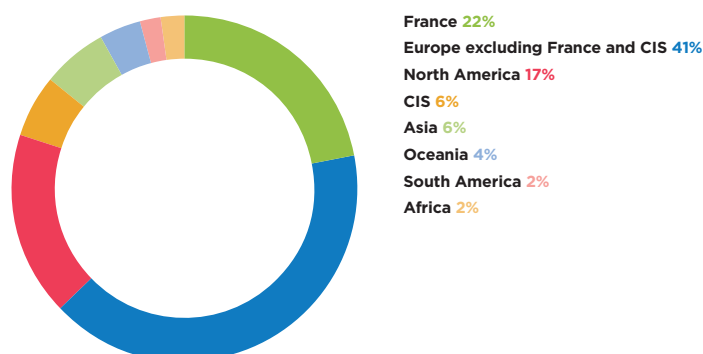
In the context of less favorable weather than last year, HOZELOCK has continued to gain market share and to increase sales of its innovative products.

Industrial spraying is down 3.4% with a reduction in sales of projects with full engineering services in favor of increased standard equipment sales. The strong growth in activity in the USA compensated for the slowdown seen in China.

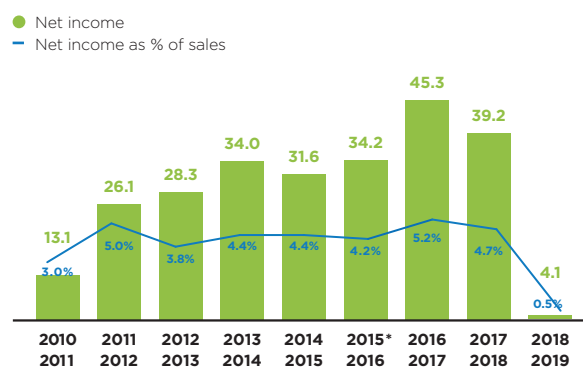
Agricultural spraying activity finished the year down 2.3% in the context of market uncertainty about ecological and environmental issues.

The under-absorption of fixed costs (although they are under control) means that Current Operating Income is down and amounted to €32.8 million or 4.2% of revenue. Net income of €4.1 million includes €21 million of exceptional restructuring costs.

### Sales by geographical area in %

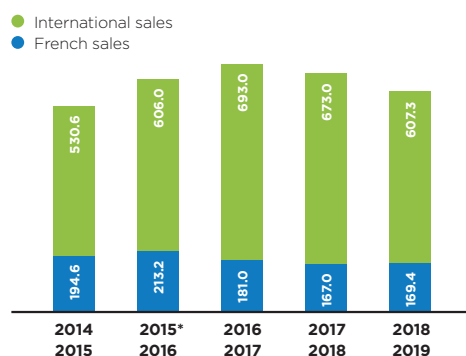


### Net income in €m



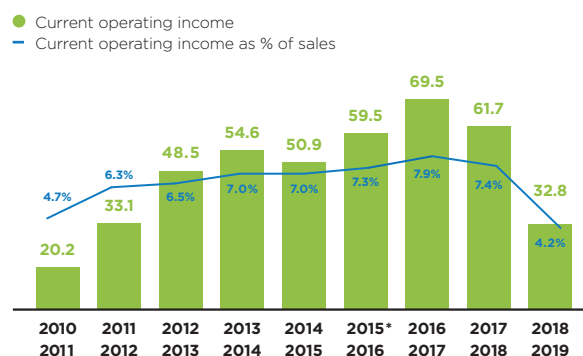
\* 13 months.

### Sales in the French and international markets in €m



\* 13 months.

### Current operating income in €m



\* 13 months.