



Q4 Revenue 2017-2018

Declining agricultural activity but strong results in Garden Watering

	2016-2017	2017-2018	Published Change	Change at constant foreign exchange rates (*)
Q4 Revenue in €m (July to September)	273.5	252.7	-7.6%	-6.7%
Agricultural Spraying	78.5	73.7	-6.1%	-5.7%
Sugar Beet Harvesting	115.9	92.6	-20.0%	-19.0%
Garden Spraying and Watering	17.0	25.3	+49.0%	+49.2%
Industrial Spraying	62.1	61.0	-1.8%	-0.4%

	2016-2017	2017-2018	Published Change	Change at constant foreign exchange rates (*)
Revenue (12 months) in €m (October to September)	874.2	839.1	-4.0%	-1.7%
Agricultural Spraying	380.8	364.4	-4.3%	-1.5%
Sugar Beet Harvesting	176.2	154.6	-12.3%	-11.2%
Garden Spraying and Watering	108.8	118.5	+9.0%	+10.3%
Industrial Spraying	208.4	201.6	-3.2%	-0.2%

(*) Figures 'at constant foreign exchange rates' are calculated by translating the current year amounts using the average monthly exchange rates of the prior year

Revenue for the fourth quarter of fiscal year 2017-2018 fell by 7.6%, primarily due to the comparison with Q4 2016-2017 for which Sugar Beet Harvesting revenue was exceptionally high. On the other hand, the Garden Watering business experienced an outstanding last quarter, with revenue up 49% by virtue of additional market share gains and a particularly hot and dry summer.

Revenue for fiscal year 2017-2018 totaled €839.1 million; down 1.7% on the previous year at constant foreign exchange rates and 4% lower at actual exchange rates. Over the year, fluctuations in foreign exchange rates - in the USD and AUD in particular - had a negative impact of €20.5 million on revenue.

- **Agricultural Spraying**

During the fourth quarter, Agricultural Spraying revenue fell by 6%, predominantly in Eastern Europe and Australia, both of which were exposed to a period of drought.

The Agricultural Spraying business finished the year down 1.5% at constant exchange rates and down 4.3% at actual foreign exchange rates. The rate of decline in France has slowed and the recovery commenced in the USA during Q3 continued.

- **Sugar Beet Harvesting**

As anticipated, sales of beet harvesters during the fourth quarter did not match those of the previous fiscal year. These were also affected by canceled orders in Russia and sales delayed to 2018-2019 fiscal year. Over the year, Sugar Beet Harvesting business activity remained at a good level, despite being 12% down compared with the exceptional 2016-2017 fiscal year.

- **Garden Spraying and Watering**

The Garden Watering business profited from a particularly hot and dry summer, resulting in impressive revenue growth of 49% for the quarter.

Over the year as a whole, business increased 9%, driven by gains in market share, new product development and exceptional weather conditions. Excluding the GBP/EUR exchange rate effect, growth would have been +10.3%.

- **Industrial Spraying**

In accordance with our strategy to refocus on our most profitable businesses and gain additional market shares, sales of standard equipment rose by over 15% during Q4, thus offsetting the decline in direct project sales.

Over the fiscal year as a whole, the Industrial Spraying business remained stable at constant exchange rates and was down 3.2% at actual foreign exchange rates. Sales of standard equipment increased by almost 10% at constant exchange rates, driven by strong growth in Asia, Germany and Poland.

- **Outlook and Strategy**

Mr. Gueric Ballu, Chief Executive Officer of EXEL Industries group comments:

"We end the year with a total revenue of €839.1 million, below that of last year. If we exclude the exchange rate impacts, this decline is mainly attributable to the Sugar Beet Harvesting and Agricultural Spraying businesses.

On the agricultural machinery market, sales of sprayers are undergoing a period of uncertainty. Despite wheat prices increasing to almost €200/ton, farmers are reluctant to purchase sprayers given the questions surrounding political decisions to be made in response to rising ecological and environmental pressures in France and Europe. The outlook in North America is good. We have just opened a subsidiary in Canada. The trade war between China and the USA could lead China to invest more in farming equipment to strengthen its levels of self-sufficiency in soybeans and other food products. In France, fruit and grape crops achieved record levels this year, suggesting a good year to come in this area.

With sugar prices remaining under pressure, sales of Beet Harvesters are lower than expected. We manufactured machines in advance to meet export tender offers. Due to canceled orders, these machines are in stock, ready to be shipped next year. The growth outlook remains interesting in Russia, across Eastern Europe, in China and in the United States. The development of field logistics and carrier vehicle Terra Variant is accelerating and continues to look promising.

Garden Spraying and Watering has enjoyed a good year. We have strengthened our positions in key countries (UK, France, Russia, and Poland) with a view to progressing from British market leader to European market leader.

With regard to Industrial Spraying, our strategy to boost sales of our standard products and to enter into partnership with integrators for other projects has started to bear fruit. We achieved excellent results this year in Asia and measures are being implemented to push sales in the USA.

In order to secure growth for the 2018-2019 fiscal year, we have decided to anticipate the purchase of certain components, for which our suppliers have agreed to extend the delivery schedules to meet high demand for equipment from the public works sector.

We therefore expect to achieve better results in 2018-2019 than we did this year, and in particular, we predict significant growth in North America. As a family business, our priority is to look to the long term and the strength of our balance sheet allows us to pursue our strategy, based on innovation and international expansion, and to remain open to all opportunities for external growth."

Next events:

- December 18, 2018, before market opening: 2017-2018 full-year results;
- January 24, 2019 after market close: Q1 Revenue 2018-2019.

EXEL Industries	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015-2016 13 months	2016-2017
Revenues 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). 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.

SRD Long only – compartment B (Mid Cap)

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The SFAF presentation is available at www.exel-industries.com.

This press release is available in French and in English.

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