

# WORLD LEADER

IN PRECISION SPRAYING SOLUTIONS

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ANNUAL REPORT 2016

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Agricultural spraying



Sugar beet harvesters



Garden spraying and watering



Industrial spraying



# Agricultural spraying

EXEL Industries Group plays a very important role in plant protection worldwide. With a portfolio of 12 strong, independent brands in agricultural precision spraying, EXEL Industries contributes to boosting agricultural output and protecting the environment, leading to more and better quality food, which is good for farmers and good for the world's population.





# Sugar beet harvesters

HOLMER's history is synonymous with revolutionizing agricultural technology. The company developed the first autonomous sugar beet harvesters and the most powerful tractor in the world.

Today, our engineers set the standards, shaping the future of agricultural processes and farm machinery technology. HOLMER knows the performance needs of its customers. It not only delivers efficiency, but also inspires customers and partners alike with its high-quality custom products. Motivated by passion, respect and innovation, HOLMER is helping to shape the future of agriculture.





## Garden spraying and watering

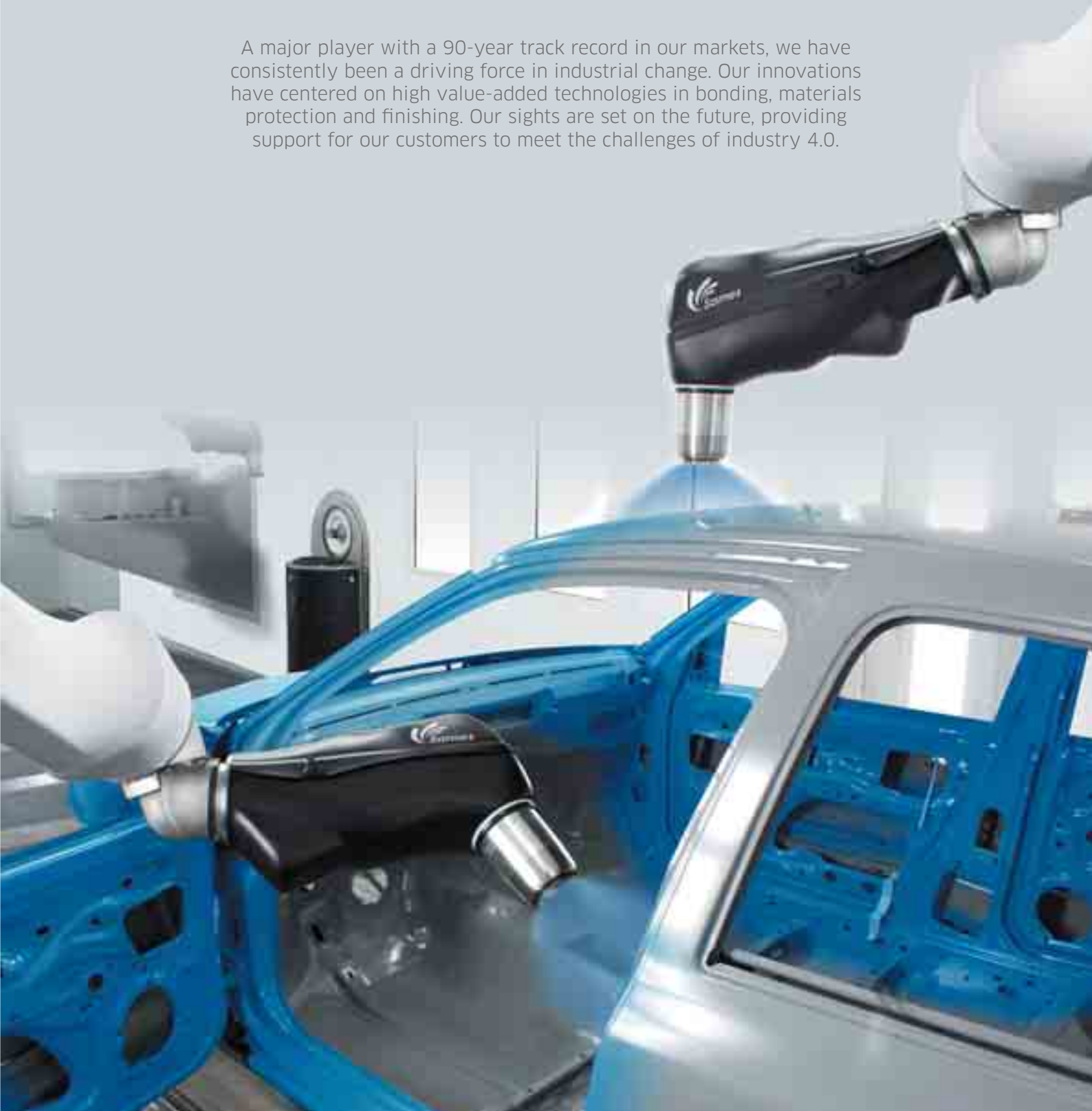
With specialist expertise in garden spraying and watering, we focus our expertise and innovation drive in this area. Our main target region is Europe, where the efficiency of our supply chain and specific product ranges for each retail distribution segment will deliver customer satisfaction and growth for the Group. Our production plants in France and the United Kingdom are an advantage in providing a local presence.





## Industrial spraying

A major player with a 90-year track record in our markets, we have consistently been a driving force in industrial change. Our innovations have centered on high value-added technologies in bonding, materials protection and finishing. Our sights are set on the future, providing support for our customers to meet the challenges of industry 4.0.



# History

## • 1946

Vincent BALLU invents and builds on his own the prototype of the first "high-clearance tractor".



## • 1952

Vincent BALLU founds **TECNOMA**: high-clearance tractors and agricultural sprayers.



## • 1980

Patrick BALLU takes over at the helm from his father. **TECNOMA** generates close to 80 million French francs (€12.2 million) in revenue.



## • 1986

The Epernay plant is modernized, new line of agricultural sprayers. Takeover of **RAM** and **CARUELLE** in the Orleans area and **NICOLAS** in Agen.

## • 1987

Creation of the EXEL Group and acquisition of **BERTHOUD**, the French market leader for agricultural and garden precision spraying solutions, with its subsidiaries **SEGUIP**, **THOMAS** and **PERRAS**. The acquisition triples the Group's size and positions it as a global leader in agricultural spraying solutions.

## • 1990

Acquisition of **PRECICULTURE**, the French leader in agricultural self-propelled sprayers.



## • 1996

Diversification into industrial spraying with the acquisition of **KREMLIN**, the French leader in painting equipment.

## • 1997

The EXEL Group changes its name to EXEL Industries and is listed on the Second Market of the Paris stock exchange.

## • 2000

Acquisition of **EUROTEC** followed by **REXSON** in industrial spraying.

EXEL Industries becomes the world No. 3 for industrial precision spraying solutions.

## • 2001

Acquisition of **SAMES**, number 2 worldwide in electrostatic industrial spraying.

Acquisition of **MATROT Equipements**, a specialist in self-propelled spraying and in sugar beet harvesters.

## • 2007

Acquisition of **MOREAU**, the French leader in sugar beet harvesters.

Acquisition of the Danish group **HARDI**, No. 2 worldwide in agricultural sprayers. The acquisition consolidates EXEL Industries' global leadership in agricultural spraying.

## • 2011

Patrick BALLU passes the baton to his son, Gueric Ballu, who takes over as CEO of the EXEL Industries Group, whose revenue at that time amounted to €430 million.



## • 2012

Acquisition of **AGRIFAC**, a Dutch company specializing in agricultural spraying and sugar beet harvesters.

In its Consumer operations, EXEL Industries acquires the English group **HOZELOCK**, a major European maker of gardening equipment (sprinkling, watering, spraying).

Acquisition of **TRICOFLEX**, a specialist in technical hoses.



## • 2013

Acquisition of the German group **HOLMER**, the historical leader on the sugar beet harvester market, with a global presence. EXEL Industries becomes the world leader in the sugar beet harvester market.



## • 2016

Acquisition of the US-based **ET Works**, specializing in agricultural spraying solutions.



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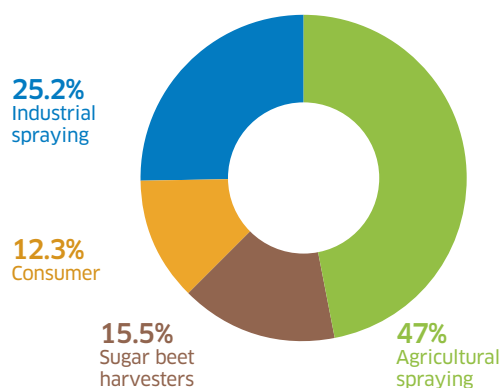
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# Leader in each of our markets

Revenue  
breakdown



## EXEL Industries' core business is agricultural and industrial

**sprayers.** The Group also competes in retail water supply solutions and in sugar beet harvesters. EXEL Industries' goal is to be a global leader in its markets and to do so through constant innovation and an international strategy. Since its founding, the Group has recorded significant growth in each of its markets, through organic growth or corporate acquisitions, positioning it as either a global leader or a key competitor.

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.



**€819.3 million**

in revenue



**3,720**

employees, including 55.70%  
outside France and 83 apprentices



**220**

patent families

# Our mission

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

Federation of dynamic companies



Agricultural spraying



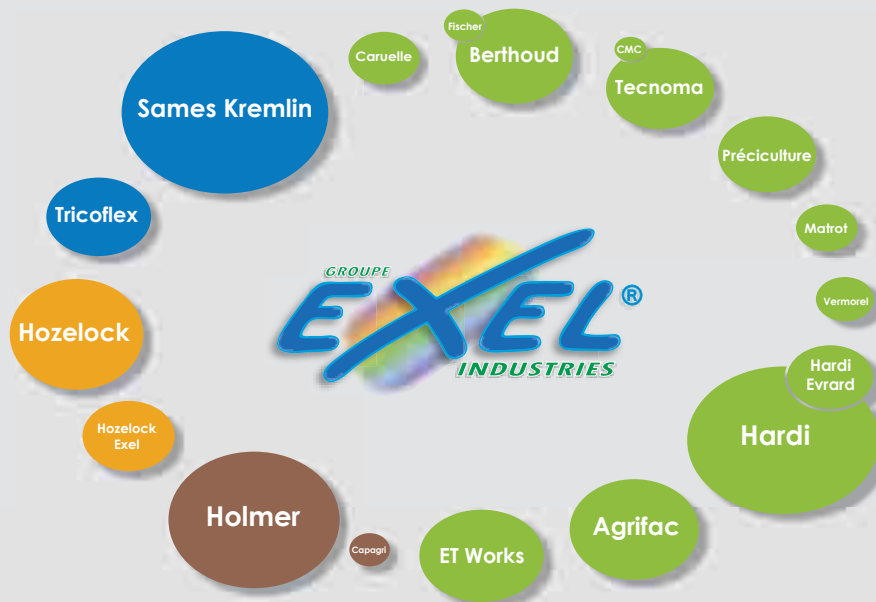
Sugar beet harvesters



Garden spraying and watering



Industrial spraying



# Our values

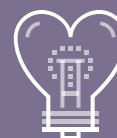
## CUSTOMER CARE

The Group's long-term growth and sustainability is founded on the quality of our customer service.



## LOVE OF PRODUCT, INNOVATION

Innovating means bringing our customers new answers that serve their real - but sometimes unspoken - needs.



## EXCELLENCE, PROFESSIONALISM

Aiming at excellence means always striving to improve our offer in order to grow our customer base.



## TRUST, INITIATIVE

Allow each employee to take the initiative in quickly responding to high or urgent stakes.



## FRANKNESS, TRANSPARENCY

Being transparent means daring to tell each other everything and accepting to listen to everything, in the respect of others.



## TEAM SPIRIT

Lasting success is always a collective endeavor.



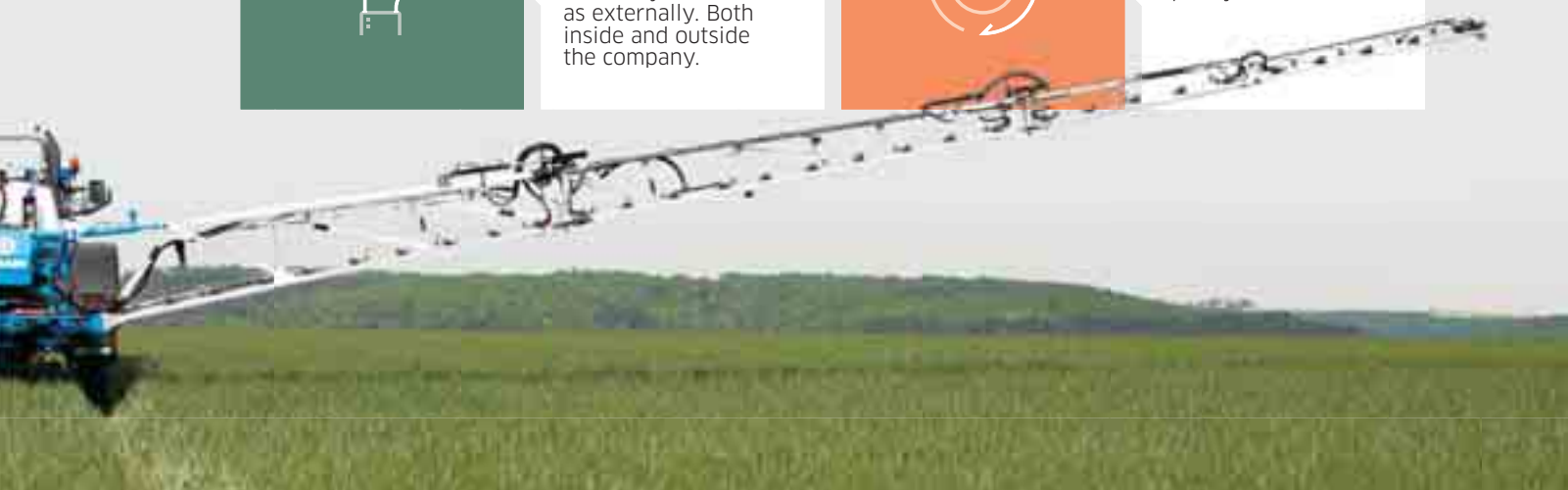
## PRIDE OF BELONGING

Everyone is the Group's Ambassador, internally as well as externally. Both inside and outside the company.



## CORPORATE RESPONSIBILITY

Improving our environment and quality of life.



# Message from the Chief Executive Officer



*The men and women that make up the **EXEL Industries Group** are committed to the highest professional standards to deliver customer satisfaction.*

**Guerric BALLU**

Chief Executive Officer of the Group

**You completed a strategic acquisition in the US market this year. What was the year like for EXEL Industries?**

Our January 2016 acquisition of ET Works in the United States gave us a strategic position in the American market, which is the biggest market in the world for self-propelled agricultural sprayers. This deal reflects our strategy of establishing an international presence in all our markets.

EXEL Industries Group revenue for 13-month 2015-2016 amounted to €819.3 million. Our results continue to improve helped by our action plan to reduce WCR and the prior year's cost-cutting programs.

**At €28 million, was investment higher than usual this year?**

We allocated a large proportion of our profits for this year and next year to property and real estate investments at our industrial sites in Germany, the Netherlands and Denmark to underpin our growth in the long term. We also have a very active policy of innovation. We filed 25 new patents this year, compared with an average of 8 per year in previous years. This year also saw us introduce many innovations in all our specialty areas.

**Against the backdrop of geopolitical turbulence, economic and monetary uncertainty, and the persistent crisis in agriculture, how do you see 2017 shaping up?**

Our strategy in place for a number of years of expanding into the international market strengthens our position in this environment. The outlook for Industrial Spraying is positive. The KREMLIN REXSON - SAMES merger will create a global player to provide better solutions for customers.

In Garden Spraying and Watering, HOZELOCK will continue its growth in international markets, especially in Europe, building on partnerships with Carrefour and Kingfisher.

The outlook for Agricultural Spraying is good in Eastern Europe and in Australia, and we look forward to the first signs of a recovery in the United States. In France, however, 2017 promises to be difficult and restructuring will be on the cards in our plants.

In Sugar Beet Harvesting, the increase in land used to grow sugar beet in Western Europe together with the replacement of aging equipment stock in Russia and Ukraine should drive up sales in 2017.

Our growth and development are underpinned by our four core businesses, vibrant entrepreneurial spirit and an agile organization.

**What is this confidence in the EXEL Industries Group's future based on?**

The men and women that make up the EXEL Industries Group are loyal, motivated, and committed to the highest professional standards to deliver customer satisfaction. Our family business is based on a powerful set of human values.

We want to create an emotional connection with our customers and to create an emotional experience in the use of our products. This goal not only gives us a competitive edge, but also drives us to design unique and innovative products.

We see the challenges of the future as growth drivers: the need to feed more people, increasing scarcity of resources, managing the water resource, and protecting the environment...

By implementing our strategy of expanding our international reach, innovation, profitable and sustainable growth, and backed by the trust of our customers, suppliers and banking partners, we will achieve our objective of generating €1 billion in revenue while continuing to increase profitability.

# The Board of Directors

The Board of Directors aims first and foremost to develop the company, to adopt major strategies and monitor their implementation, verify the reliability and accuracy of information pertaining to the Group and protect its corporate assets.



**Claude LOPEZ**  
Independent Director  
Chairman, Remuneration  
and Appointments  
Committee

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

**Marc BALLU**  
Director

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

**Guerric BALLU**  
Director and CEO

**Marie-Claude BERNAL**  
Independent Director  
Chairman of the Audit  
Committee

## **EXEL Industries is administered by a six-member Board of Directors, two of whom are independent directors.**

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

The Board meeting of April 22, 2011 decided to modify corporate governance procedures and instituted separation of the powers of Executive Management, with a Chairman of the Board of Directors and a Chief Executive Officer. The Board of Directors meets as often as is necessary in the interest of the company.

The Audit Committee, under the chairmanship of Marie Claude BERNAL, Independent Director, is responsible for ensuring monitoring of the following, in particular:

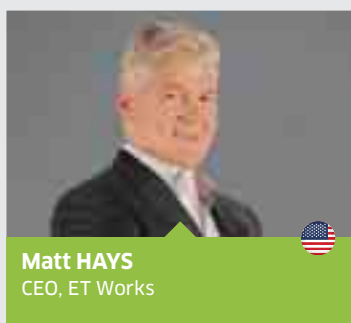
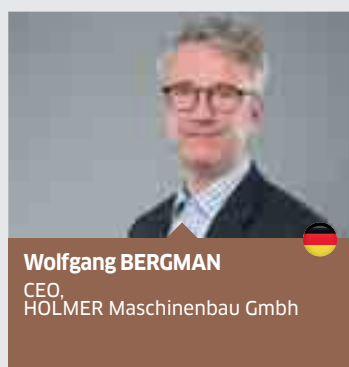
- the process for producing financial information;
- the efficiency of the internal control systems;
- the identification and audit of risk management;
- the statutory audit by the Auditors of the separate parent company and consolidated financial statements;
- the independence of the Statutory Auditors and the quality of the information received.

The Remuneration and Appointments Committee, chaired by Claude LOPEZ, Independent Director, is responsible for preparing for decisions on the selection of corporate officers and determining their remuneration, directors' fees, and benefits.



# Management Team

The Management Team is comprised of CEOs of the main Group subsidiaries. Four Strategic Committees are responsible for examining and making strategic decisions on the broad guidelines to be adopted by business line (Agricultural Spraying, Sugar Beet Harvesting, Garden Spraying and Watering, and Industrial Spraying).



# Group strategy

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



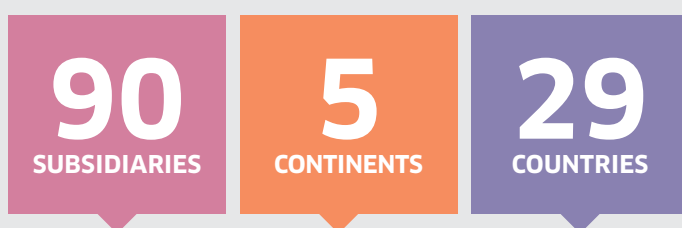
The EXEL Industries Group was built in Europe by consolidating SMEs, all of which were highly innovative in their own markets. The Group strives to maintain the company culture of each subsidiary in the Group, which gives us an in depth knowledge of the market and of customers - provided by great proximity, flexibility and responsiveness.

**The Group's growth drivers are largely international, and EXEL Industries is determined to keep developing a strategy of innovation and a policy of sustainable growth, to be a leader on all continents. Founded on the basis of strong human values, EXEL Industries will continue its trajectory of growth guided by these principles.**

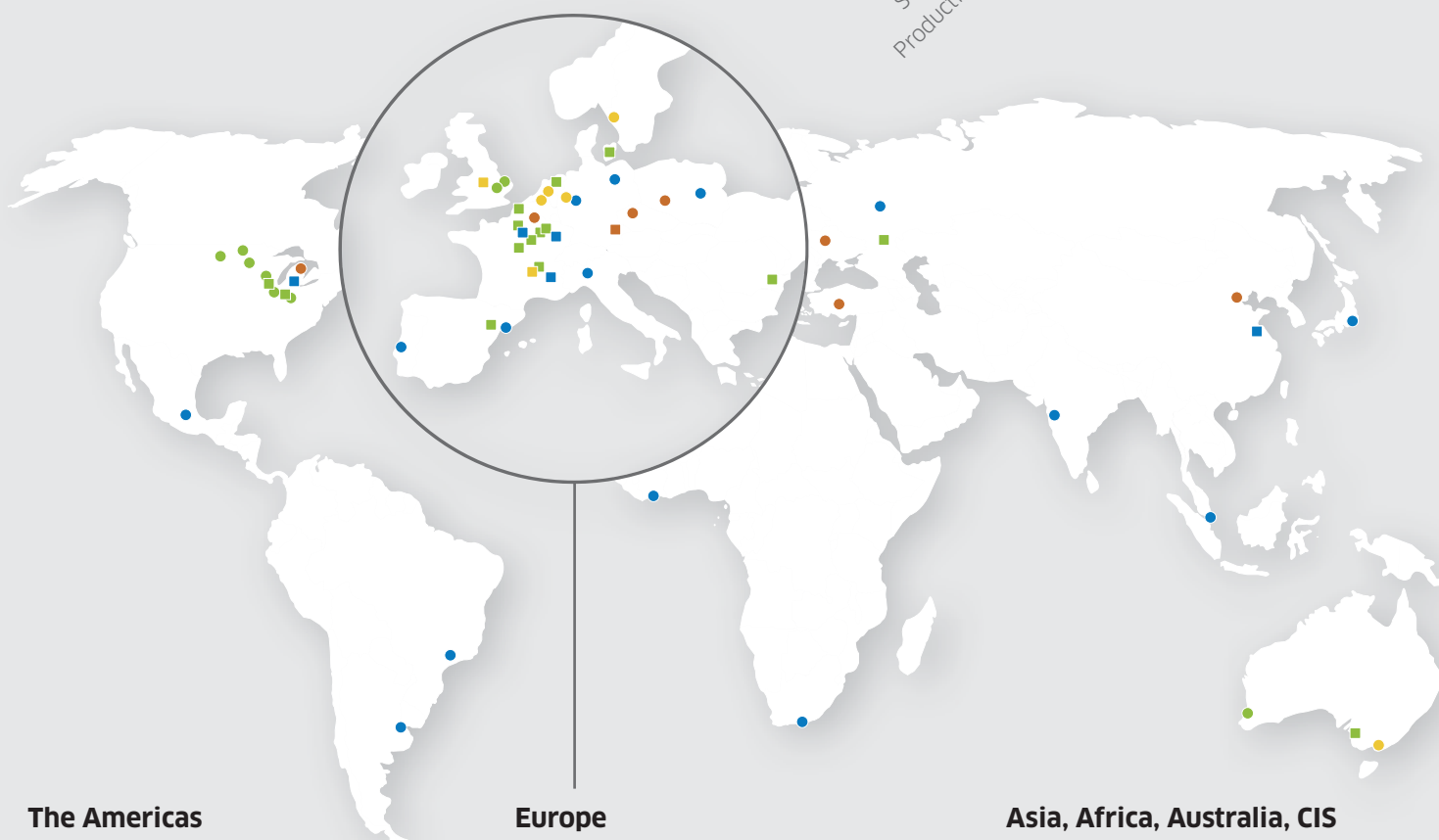


# International presence

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



## Production and sales sites



### The Americas

**14** sites  
Revenue: **€133.8 million**  
**16.3%** of total revenue

### Europe

**38** sites  
Revenue: **€522.8 million**  
**63.8%** of total revenue

### Asia, Africa, Australia, CIS

**11** sites  
Revenue: **€162.7 million**  
**19.9%** of total revenue

# Focus on the international market



## SAMES KREMLIN China

EXEL Industrial China was rewarded for its influence in the paint segment during an official ceremony in Beijing. It is now positioned as one of the 10 leading paint companies in Asia.



## HOZELOCK in Europe

HOZELOCK continues to deepen its international footprint, especially in Europe, building on partnerships with Carrefour and Kingfisher.



## HOLMER in Russia

With the sugar beet harvesting market sluggish in Western Europe, HOLMER Exxact turned to the Russian market to capitalize

on its need to replenish its equipment stock. The strategy proved successful and sales rose significantly in Russia in 2016.



# A Group driven by innovation

EXEL Industries Group built its leadership position based on innovation. The story began with Vincent BALLU's invention of the high-clearance tractor.

The growth of the Group has been driven by a strategy of constant innovation, to offer customers unique, effective, competitive products that are simple to use.

To stay innovative, the Group has integrated a great many skills from a variety of disciplines within its teams – mechanical engineering, hydraulics, electronics, fluid mechanics and electrostatics – and mastered a great many manufacturing processes, such as mechanical welding, rotational casting, plastic injection, laser cutting and machining.

The Group designs all the machines and products that it assembles in 20 plants, and subcontracts some components to outside suppliers, which makes it possible to handle seasonal spikes or spurts in demand.

#### **There are two parallel innovation processes in the Group:**

- Planned innovation : is an incremental, organized process referring to very precise specifications drawn up by the sales force to offer innovative solutions through the use of our products, such as the creation of a new line of higher-capacity machines.
- Spontaneous innovation : which is the result of our regular contacts with customers, inspiring ideas about ways to improve our products. A simple, effective organizational structure of the Group's R&D teams allows us to test ideas rapidly, in the field, and to perfect and patent them. This process leads to disruptive innovations.

The principal subsidiaries all have research laboratories and R&D teams working on the development of new products. Every year the Group devotes about 5% of sales revenue to R&D, and 6% of the Group's personnel are directly involved in the innovation process. 5-10 patent applications are filed every year, giving the Group more than 220 active patent families.

The principal **subsidiaries all have research laboratories and R&D teams** working on the development of new products.



## INNOVATION IN SUGAR BEET HARVESTERS



### HOLMER LEAF STRIPPER

Operating in the direction of travel, the leaf stripper harvests the sugar beet and strips the leaves. The wide working width of the 12-row harvester optimizes the transport corridors for the transfer/unloading vehicles.



### EASY HELP

A remote maintenance system that collects operating data. The customer, or HOLMER customer services, is in permanent communication with the sugar beet harvester via a GSM link.

## INNOVATION IN AGRICULTURAL SPRAYING



### AGRIFAC'S ECOTRONICPLUS

The application to control spraying by varying the flow from one or more nozzles from a smartphone.

### CARBON

HARDI introduced carbon fiber in its Delta Force spray booms. The principle is to reduce weight as the boom is moved from the center, while retaining full strength.



## INNOVATION IN INDUSTRIAL SPRAYING

### CHEMICAL CONVERSION

The automotive industry's bid to shed weight and make lighter vehicles has led to a surge in demand for aluminum sheet. To meet this demand, we introduced the use of electrostatic bell surface coating to replace dip coating techniques. The development delivers higher speeds, as well as improved control of coating thickness and consistency.



### EASYPROFILE

SAMES has once again revolutionized electrostatic powder application techniques by radically altering how parts are painted and automatically positioning the sprayers in a cabin, based on 3D detection of the shape of the part for painting. The installation is virtually autonomous to adapt to increasingly flexible production.

## INNOVATION IN GARDEN SPRAYING AND WATERING



### HOZELOCK CLOUD

Enables remote control of garden watering via a smartphone app and an internet router connection.



### EASY DRIP

The universal drip system that fits a standard hose to control the rate and direction of watering.

# Our **operations**



Agriculture

Agricultural  
spraying  
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Agriculture

Sugar beet  
harvesters  
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Consumer

Garden  
spraying  
and watering  
p.24



Industry

Industrial  
spraying  
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# Agricultural spraying

*We are all experts in spraying:  
the right dose in the right place  
at the right time.*



Backed by its portfolio of brands, **HARDI, EVRARD, BERTHOUD, TECNOMA, CARUELLE, NICOLAS, SEGUIP, THOMAS, MATROT, CMC, AGRIFAC** and **APACHE**, EXEL Industries is one of the worldwide leaders in agricultural spraying equipment. Thus, EXEL Industries has a wide range of sprayers designed to protect and to improve agricultural productivity, whether it is for small or large-scale crops, cereal crops, vines, market gardening, fruit trees or tropical crops.

### The business

Agricultural spraying consists of protecting and improving crop yield. Optimizing the use of pesticides requires increasingly precise and efficient application, so that it protects only the plant and prevents any dispersion of sprayed products.

From its central involvement in the world's food issues and as one of the leaders in agricultural precision spraying solutions, EXEL Industries has a major role to play:

- thanks to the performance of existing equipment and to the development of new sprayers, EXEL Industries group companies contribute and will continue to contribute to boosting agricultural output by improving the quality of crops, while reducing the environmental impact;
- at EXEL Industries, we are continuously innovating to provide industry with the most up-to-date spraying technologies in line with new practices and new environmental measures. Our sprayers deliver more efficiency to spray the right dose in the right place at the right time.

### Strategy

Each company is responsible for its own brand, which is marketed through independent networks of approved distributors who handle the sales and after-sales service of our sprayers.

*World population growth and dietary changes in developing countries are going to call for a 70% increase in agricultural production by 2050.\**

\* Source FAO

This strategy allows the Group to ensure a presence in all of the world's major agricultural regions (Europe, CIS, the Americas, Asia and Australia), where agricultural productivity is at high levels.

EXEL Industries' potential for growth lies in increasing its market shares in regions where the Group already operates and developing new products, as well as exploring geographical regions where yields are not yet at European levels but that have significant land reserves.

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



## AWARDS



### **HARDI EVRARD broke the world spraying record**

On August 25, 2016, EVRARD broke the world spraying record (set in 2006 by the MATROT self-propelled sprayer) with a trailed sprayer. The HARDI EVRARD Meteor 5400 fitted with a 44 m spray boom sprayed 136.82 hectares (333.08 acres) in one hour, with 99% accuracy.

The EXEL Industries Group retains the record.

### **Apache self-propelled sprayer wins highest retained value award**

EquipmentWatch knows the importance of investment in equipment for agriculture. The website collates and analyzes transaction data for a broad range of equipment and awards prizes to the machines offering the highest retained value in the market. The Apache AS1000 Series is among the winners in the "Self-propelled sprayer" category.

Apache is proud to be the only manufacturer included in the awards list that is not a tractor brand. The distinction recognizes the brand's sales policy, based on the Apache product range providing added value for end users.

## INTERNATIONAL



### **Sales in China: TECNOMA granted China Compulsory Certificate (CCC mark)**

TECNOMA received the CCC mark for its deployment in China. After conducting two audits at TECNOMA, the Chinese authorities granted the mark in August 2016. TECNOMA will make its first appearance at the China International Agricultural Machinery Exhibition (CIAME) in Wu Han in China.

This certification is in line with the strategy of pursuing growth in high-potential countries.



### **New self-propelled sprayer for the US market**

The two new self-propelled sprayers in the BERTHOUD range are the B700 (700gal-2600l) and the B1100 (1100gal-4200l). Also known as broadacre sprayers, these large-capacity field machines are the solution for large holdings mainly in North America and the CIS.

With their powerful engines, broad tracks, large-dimension chassis and spraying equipment, they offer high travel speeds in the field and on the road, and the ability to handle several hundred hectares of crops per day.



### **Certification in Germany**

With increased brake capacity and improved road signals (lights and reflective plates), the MATROT Hellios II was granted certification for the German market by the German technical inspection and certification body, the TÜV.

Our German client currently uses this machine for a delicate crop, and the self-propelled sprayer is ideal for the 300 hectares (741.3 acres) of strawberries.



### **The largest French self-propelled sprayer tackles the Australian plains**

The Rubicon 9000 is the new self-propelled sprayer planned for the Australian market. It should deliver significant productivity gains with 150 ha (370.6 acres) per 60 liters, a 50% increase in hectares sprayed. RUBICON's production is a fine example of cooperation between the companies in the EXEL Industries Group. Made in France by MATROT, it is marketed by HARDI.

## ☆ NEW PRODUCTS

**New RAPTOR: a new spraying concept**

As part of the overhaul of its range of self-propelled sprayers, BERTHOUD launched RAPTOR, the second of its name. With its distinctive style and high performance, the RAPTOR is BERTHOUD at its finest. The nimble new transmission makes it a pleasure to drive, while also optimizing fuel consumption. There are plenty of all-new customization options to suit a range of crops, such as the hydraulic clearance.

**CARUELLE'S NEW NYPHEOS**

The French manufacturer developed the NYPHEOS self-propelled sprayer to meet the new needs of its customer base. Available in four different tank capacities, it delivers optimized driving performance and lower fuel consumption. The design improves driver comfort (soundproofing, space, etc.).

## 🕒 INVESTMENTS

**New AGRIFAC factory 4.0 in the Netherlands**

AGRIFAC is building a new plant to meet its growth needs. This factory 4.0 complies with the environmental requirements of the BREEAM international certification standard and is rated "outstanding", the highest level. BREEAM assessments cover nine categories: management, health, energy, transport, water, materials, waste, land use, and pollution-free ecology.

The factory is a zero-energy building, thanks to 3,000 sq. m. of solar panels on the roof. Construction is due for completion in the fall of 2017.

**New HARDI headquarters in Denmark**

HARDI is rationalizing its organization and consolidating all its Danish operations at its Nørre Alslev production site. Construction took place throughout the winter of 2015/2016 and was completed and inaugurated in June 2016. There will be 50 new workspaces across several departments – R&D, dispatch, planning and purchasing – as well as new offices for sales, marketing, exports, IT, finance, and management.



# Sugar beet harvesters

*Motivated by passion, respect  
and innovation, **HOLMER** is helping  
to shape the future of agriculture.*



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**HOLMER**, the world leader in sugar beet harvesters, is committed to technological innovation to gain market share and win over increasingly demanding customers.

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### 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.
- high-capacity carriers used for logistics in the field.

The sugar beet harvesters are used by agricultural production companies, farmer co-ops, large-scale farmers and agricultural holding companies. In the main, sales are made directly or through dealers. 4.5 million hectares (11.11 million acres) of sugar beet are planted every year, mainly in the northern hemisphere from the United States to China.

Cleaner-loaders are used by contractors who work for sugar operators. Sales are made directly to the contractors, on recommendation by the sugar operation.

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

### Strategy

The strategy of EXEL Industries' Beet Harvesting division is based on its strong ability to innovate and to identify high value-added markets.

Innovation is central to HOLMER's product policy. Three patents were filed during the period that offer greater flexibility in the use of machines and increase harvest efficiency.

Sales development intensified, targeting new markets according to our product lines.

For tanker harvesters, two large markets remain to be converted: the USA and Turkey.

For the Terra Variant line – high-capacity carriers – efforts are focused on Europe, with the priority on France, Great Britain and Denmark.




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*“In 2016, **HOLMER** consolidated its position in sugar beet harvesting and developed the **Terra Variant** range of high-capacity carriers.”*

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INTERNATIONAL



Turkey: a new subsidiary in a growth market

HOLMER established a new subsidiary in Turkey, where it is positioned as the market leader. Turkey grows 300,000 hectares (741,316 acres) of sugar beet and has an active fleet of 100 Terra Dos sugar beet harvesters. The new entity is based in the Konya region, one of the leading sugar beet areas. It employs five people, including two technicians and two sales personnel.



NEW PRODUCTS



New HOLMER leaf stripper to harvest “smooth” sugar beets

HOLMER’s new flail rotor for sugar beets is a new option available with its leaf strippers. The new system harvests leaf-free beet. For the first time, the flails turn perpendicular to the forward direction of travel, yielding cleaner sugar beet and reducing losses for the farmer. Rubber flails rotate slower and are less subject to wear. The system can also be combined with the HOLMER DynaCut topper.

Terra Variant 585: the latest version of the most powerful carrier tractor in the world

The new Terra 585 is powered by a Mercedes Benz 6-cylinder 585 HP/430 kW diesel engine and meets the Tier 4f emission standard. HOLMER’s smart, light design using new materials guarantees unbeatable power for vehicle weight. The new dynamic design improves driver all-round visibility enhancing safety on the road and in the field.



The 12-row harvester with Easy Lift

The Terra Dos T4, Machine of the Year in 2014 and 2016, combines the widest range of functions, ease of use, power, advanced environmental protection capability, stability and comfort. The Terra Dos T4 also offers impressive soil protection. The wide working width

of the 12-row harvester optimizes the transport corridors for the transfer/unloading vehicles. It delivers the best results, even in the toughest harvesting conditions. The 12-row harvesting unit considerably reduces the cost of lifting the sugar beets and increases output.

## INVESTMENT



### Logistics center: the first step towards HOLMER's future

In 2015, the company purchased land in Schierling, just 5 km from HOLMER'S headquarters in Eggmühl. A new factory was long in the planning, since its current facilities were not suitable for extension. The first building on the 140,000 sq. m. site will be HOLMER's logistics center, which is currently based in Regensburg. In time, all of its operations could be located at this site, in the spirit of industry 4.0.



## AWARDS



### HOLMER's green sugar beet harvester: Milestones of Agriculture Going Green

At the 2015 Agritechnica in Hanover, HOLMER was singled out as one of the companies offering the most advanced green solutions in "Milestones of Agriculture Going Green". The HOLMER Terra Dos T4 sugar beet harvester is an eco-friendly solution: the company's EcoPower transmission, the light construction designed for soil protection, and the automatic depth control offered by the HOLMER EasyLift system are just a few of the innovations that have ensured the success of its latest generation of sugar beet harvesters.



## ANNIVERSARY

### Terra Variant is 20 years old

Last May 24 and 25, HOLMER marked the 20th anniversary of Terra Variant, the most powerful carrier tractor in the world. For a wide range of tasks, from field logistics to spreading manure, the tractor's wide tires and crab steering mode are designed to protect the soil. Its tractive power and high product volume ensure high daily yields. Its efficiency combined with optimum driving comfort make the Terra Variant a favorite with professionals.



### Celebrating 20 years of the Polish subsidiary

HOLMER Poland celebrated its 20th anniversary this year. It is a reliable partner of the sugar beet industry in Poland with a 12-strong team responsible for sales and marketing of HOLMER equipment.



# Garden spraying and watering

*Innovation at your service*



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

### The activity: a dynamic market

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 hobby, or even their passion, of gardening.

The growing number of older people in employment, combined with returning consumer confidence, has resulted in increased expenditure on gardening products throughout Europe, particularly in the areas of watering and cleaning.

### Strategy

EXEL Industries Group's Strategy for Garden Spraying and Watering operations is based on three priorities: Strengthening our brand portfolio, winning over new markets, and improving internal processes.

Our ability to innovate allows us to strengthen our leading position with respect to professionals and "general public" consumers, particularly by offering differentiated premium brands.

While all of the brands are available internationally, the growth strategy is focused as a priority on European markets.

An optimized approach to quality enables the Garden Spraying and Watering business to increase not only customer satisfaction but also improve its profitability.

### HOZELOCK:

*"Gardening For Life"*

### COOPER PEGLER:

*"Spraying Technology"*

### TECNOMA:

*"The pleasure of gardening"*

### LASER INDUSTRIE:

*"Spraying Solutions"*



☆ NEW PRODUCTS



**HOZELOCK SUPERHOZE:  
The extendible hose**

HOZELOCK SuperHose is the first extendible hose in the range. Light, compact and guaranteed not to kink or tangle, the hose is small enough to fit in a plastic case, but can extend up to 40 meters in length. The technical innovations in the patented HOZELOCK SuperHose improve performance and durability.

**Pro Gun: new spray gun range**

The new HOZELOCK Pro Gun range is the ultimate line of garden watering tools. The Pro Gun features a stainless steel body for increased durability and damage resistance.



**HOZELOCK Pico Power high-pressure washer**

Pico Power is the all new pressure washer from HOZELOCK that combines the power of a large machine with all the advantages of a compact unit. Compact, portable, and easy to store, Pico Power is ideal for city dwellers and older people who do not want to compromise on performance.

The key to the product is the new 6 mm flexible high-pressure hose. Light, versatile and easy to use, this innovation eliminates the bulky hose coil and greatly reduces the weight of the high-pressure cleaner.

## AWARDS

**HOZELOCK Cloud Controller**

September 2015 saw HOZELOCK win Gold in the Innovation section of the annual Glee Awards for their revolutionary NEW Cloud Controller.

The Cloud Controller allows users to easily water the garden from their mobile phone. Whether on holiday or at work, plants will be protected from the vagaries of the weather.

The easy-to-use mobile app (available for Apple or Android) can be used to control the garden watering system remotely, pause watering or change the timing. The app keeps users up to date on current weather conditions and forecast changes.



## ENVIRONMENT

**Green Power Evolution, the electric weeder and barbecue lighter**

Building on the success of the Green Power electric weeder launched in 2012 as an innovative alternative to existing weeding techniques, HOZELOCK EXEL introduced a new-generation weeder in 2016, Green Power Evolution.

Suitable for use in organic farming, the weeder efficiently eliminates weeds from gardens and patios by delivering a 600°C, thermal shock. Green Power Evolution features enhanced user comfort and more functions, such as the barbecue lighter (to light a charcoal barbecue in less than two minutes).

**“PURE” range:  
responsible gardening**

Designed for the growing number of gardeners who prefer to use natural products, HOZELOCK EXEL launched the TECNOMA Pure sprayer in France in 2016. Developed in partnership with a French Ecology Center, it is specifically designed for liquid manure (a filter is provided and the hose and tank are translucent), and for white vinegar (highly resistant seals).

The sprayer comes with a free recipe booklet and is available in stores and online.

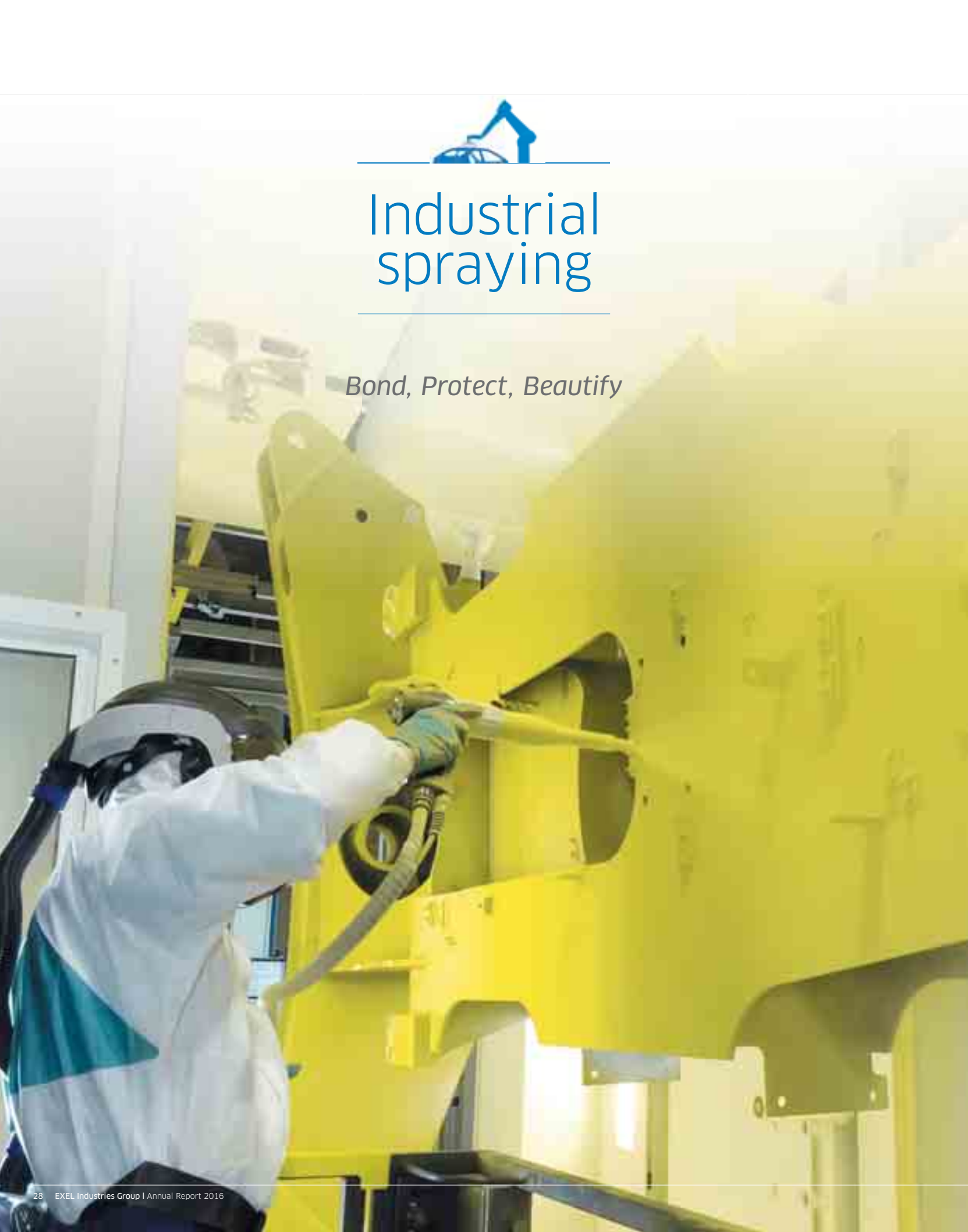
[http://www.tecnoma.fr/articles/tecnoma/r/PURE\\_Recette.pdf](http://www.tecnoma.fr/articles/tecnoma/r/PURE_Recette.pdf)





# Industrial spraying

*Bond, Protect, Beautify*



The Industrial Spraying business provides its customers with integrated solutions and services in the areas of protection, finishes and lubrication. It operates in a variety of markets: wood, metal and plastic but also glass, leather and foods.

### The business: complementary business lines to stay competitive

The companies in the Group's Industrial Spraying business offer a comprehensive range of complementary products and solutions: manual, automatic or robotic pumps, machines, reinforced hoses and applicators.

These products enable our customers to improve their productivity significantly through increasingly accurate spraying, while protecting the environment and operator health.

Through SAMES KREMLIN, the EXEL Industries Group offers equipment for distributing and applying paints (liquids and powders), glues, adhesives and lubricants.

TRICOFLEX specializes in the manufacture of reinforced hoses for foodstuffs, adhesives, glues and paint.

### Strategy

As a major player in the automotive, aerospace and agricultural machinery markets, our Industrial Spraying companies continue their development strategy by intensifying the complementarity of their products and solutions.

*“Proximity, innovation and quality are our three key strengths to improve the competitiveness of our customers throughout the world.”*

*“Respect for the environment and protecting health are core concerns.”*

Major ongoing investment in research and innovation, protected by a large number of international patents, positions the Group to maintain its leadership position and secure its long-term growth.

Our final priority is customer support. Improving the skills of our local teams, expanding our partner network and developing our services are all part of the Group's everyday priorities. Close proximity and quality are the essential ingredients for excellent customer relations.



**KREMLIN REXSON and SAMES, two global players, aim to generate maximum synergies to reach the critical mass of their main competition and expand their line-up in their respective markets.**



☆ NEW PRODUCTS

**S Flow spray gun**

The new S Flow is an airless spray gun featuring the brand's new colors. It is designed for high-volume industrial applications with rigorous requirements in terms of both coverage and finish quality. It is suitable for spraying

products with viscosity of up to 25,000cPs. The S Flow spray gun comes in a range of pressures from 275 to 450 bars and two trigger configurations (2 or 4 fingers) to optimize operator comfort.



**NANOGUN-MX spray gun**

The newest addition to the NANOGUN range is an AIRMIX® electrostatic paint spray gun, the NANOGUN-MX. Available in two versions (120 and 200 bars), the NANOGUN-MX features the KREMLIN REXSON and SAMES most advanced electrostatic and AIRMIX® technologies. NANOGUN-MX is ideal for high-volume applications that call for thick coatings in a single application, or for

use with high-viscosity products with very little dilution. It delivers optimum finish results, and is recommended for coating sections, agricultural machinery or gas cylinders. Control of production costs is also part of the equation with 30% higher transfer efficiency than with conventional spray guns.

👍 SUCCESS STORIES

**Responsible products and services for the shipping industry**

KREMLIN REXSON materials guarantee the seal on natural gas tanks for ships. The switch to natural gas as fuel is transforming the shipping industry. Ships that run on natural gas, a cleaner fuel alternative, refuel from LNG barges. These refueling stations must be hermetically sealed for safety and security. One option is a membrane containment system in the tank. The US firm, CONRAD Industries looked to KREMLIN REXSON for its expertise in glues and adhesives and drew on its local teams in devising a solution to this challenge.



## 👍 SUCCESS STORIES



### SAMES Easy Paint Robot solutions

TVS Motor, the Indian No. 2 for the manufacture of motorcycles, scooters and mopeds, selected SAMES to modernize its paint line (base and varnish). It opted for the Easy Paint Robot with electrostatic bell atomizer that reduces paint consumption by 30 to 50% in a pre-engineered unit

that has already proved its worth in many automotive applications. This success story is the first in India and is due to the skills and local engagement of our teams in India.



### "Peelable" body-protection coating: LATC

Transporting vehicles from the manufacturing site to dealers requires the utmost care. Custom-made tarps, plastic film or protective wax are some of the methods used to protect car bodies and the paintwork during transport. These are all expensive and often pollution-generating solutions which are set to be replaced by an innovative solution developed and patented by EXEL North America.

Strips with a protective coating are placed over the car body by multi-axis robots to form a second skin that can be peeled off in a matter of seconds.

Toyota in the United States is already a fan and has installed four units in its Paint Shop.



### SAMES and KREMLIN REXSON offer complementary product ranges in the United States, Mexico, and Argentina

ABC Group, an automotive industry supplier, chose EXEL North America, a KREMLIN REXSON and SAMES subsidiary in the United States, to fully equip its production site in Mexico. ABC Group can rely on the presence on the ground of our

local teams from the very early stages of the project.

In Argentina, the new Renault Cordoba paint line energized personnel at headquarters and in the local subsidiary. The 18 SAMES robotic sprayers are

controlled by the KREMLIN REXSON Streamloop regulation system.

These two major success stories showcase product synergy and tight coordination between all teams involved.



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# Societal and Environmental Responsibility

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Each of the Group's companies is independently responsible in terms of HR practices, and its societal and environmental projects. Nevertheless, a general CSR theme is clearly discernible, a reflection of one of the Group's core values: "Acting responsibly."

### **Respect for and development of each person; success of all**

Our long-term growth is based on our people and our flexibility: changes in headcount are due to people joining and leaving, and to the inclusion of a new company, ET Works in the scope of consolidation.

The human scale of the Group allows the senior management team to be physically present on the ground, showing the importance we attach to each and every person, in all countries in the world. The Group is expanding its international reach. The vast majority of our people are based in Europe, and we have employees on every continent.

Assistance to our people throughout the world takes the form of significant training activities.

The Group's overall policy is to manage its employees based on their abilities, without regard for gender, age, disability, ethnic group, religion, sexual orientation, political opinion, health, marital status, etc. Women in the Group have the same access as men to managerial positions.

As a matter of ethical principle, the Group, which is a family business, scrupulously honors the fundamental rules governing Human Rights.

### **Our companies integrated into the local social and economic fabric**

The organization of the Group comprises a union of medium-sized enterprises which, along with respect for local cultures, has historically favored locating our sites in rural areas and integrating them into local industrial life and society.

In these rural areas our companies often play a predominant role. Aware of this responsibility, we become very locally invested.

*"Our family business is based on a powerful set of human values."*  
**Guerric BALLU**

Relations with our local business partners are marked by respect and high standards in terms of their own societal practices.

### **Innovation helping the environment**

Respect for the environment is the fundamental approach at EXEL Industries and we are proud to work in business sectors that are closely linked with this concept.

In itself, our business has a limited impact on the environment. Every Group company takes concrete steps to reduce its environmental impact. We have made numerous industrial investments in this area.

It is chiefly through the products that the Group offers its customers that we are most significantly involved in protecting the environment.

Technical developments in precision spraying equipment fall within the ECOPHYTO 2018 action plan, set up by the French Minister for Agriculture following the Grenelle Environmental Forum, which aims to reduce the use of phytosanitary products in France by 50% by 2018 and to reduce the risk to operator health.



## Protecting the environment

### Examples of steps taken:

- AGRIFAC is building a new plant to meet its growth needs. This factory 4.0 complies with the environmental requirements of the BREEAM international certification standard and is rated “outstanding”, the highest level. BREEAM assessments cover nine categories: management, health, energy, transport, water, materials, waste, land use, and pollution-free ecology. The factory is a zero-energy building, thanks to 3,000 sq. m. of solar panels on the roof. Construction is due for completion in the fall of 2017.
- Reuse of wooden pallets.
- Reroofing and investment in a boiler to reduce energy consumption.
- Introduction of a system to manage pollutant and hazardous waste.
- Training for employees in recycling oil and steel, as well as initiatives to raise awareness about selective waste sorting and COP21.
- Replacement of degreasing machines.
- Installation of a well and use of rainwater to reduce water consumption.

### And in particular in industry:

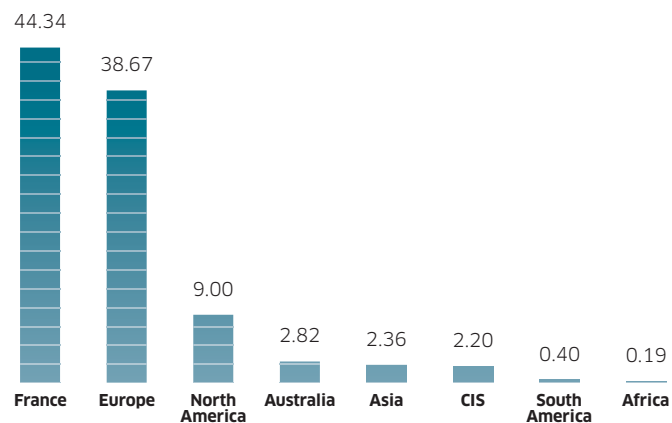
- Increased “transfer efficiency” (proportion of paint applied to the target).
- Reduced use of solvents for cleaning paint-application equipment.

### And also in agriculture:

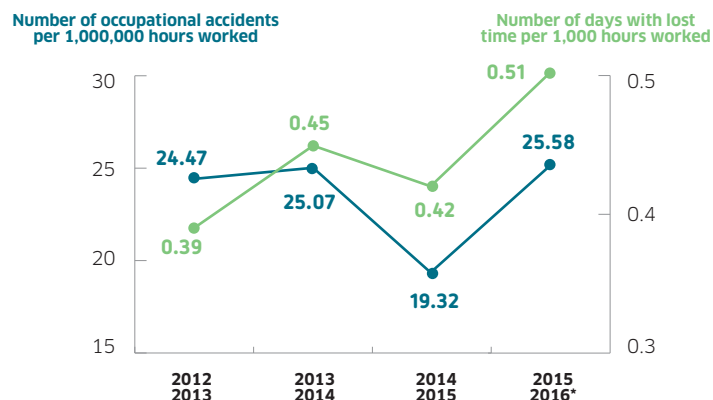
- Air-assisted spraying that will enable drift from the sprayed products to be very significantly reduced (Twin).
- Filling management system which prevents tank overflow and assists the operator to adjust the sprayer (Novaflow).
- Filling the sprayer's main tank via an intermediate tank to avoid any risk of contamination (O'Clear).
- Developing GPS use to record sprayed areas and avoid double spraying in these areas.
- Electric weeder that destroys weeds by creating a thermal shock (Green Power).



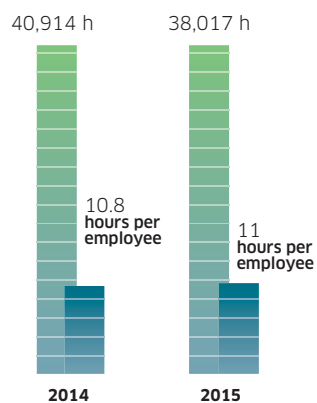
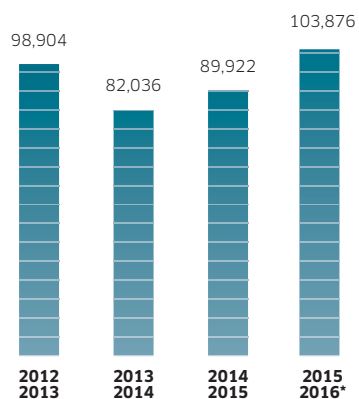
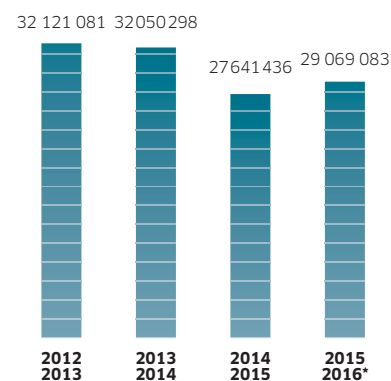
## BREAKDOWN OF WORKFORCE BY GEOGRAPHICAL AREA IN %



## NUMBER OF DAYS WITH LOST TIME DUE TO OCCUPATIONAL ACCIDENTS REMAINED WELL BELOW THE AVERAGE FOR THE SECTOR, FOR A STABLE NUMBER OF OCCUPATIONAL ACCIDENTS



## THE TOTAL TRAINING HOURS PER YEAR PER EMPLOYEE REMAINED STABLE

WATER USAGE IN M<sup>3</sup>GREENHOUSE GAS EMISSIONS WERE MAINTAINED IN VIEW OF THE 13-MONTH FISCAL YEAR AND THE CONSOLIDATION OF ET WORKS. CONVERTED INTO CO<sub>2</sub> EMISSIONS (IN M<sup>3</sup>)

\* 13-month fiscal year



# Fiscal Year 2015-2016

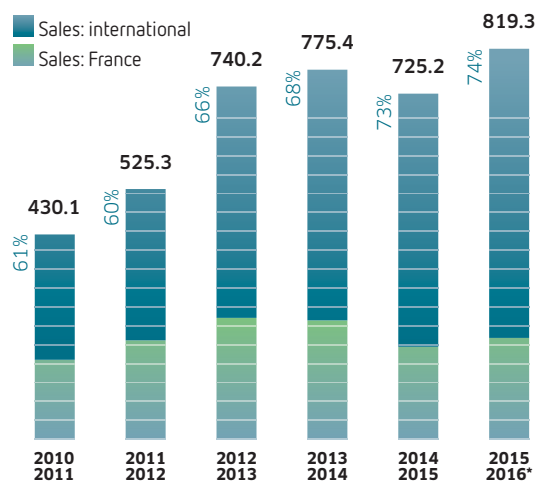
## 13-month revenue was €819.3 million.

On a comparable 12-month basis with the previous year, revenue amounts to €770.9 million, up from €725.2 million in the prior year. This increase in revenue is due to the acquisition of ET Works during the year (a company specializing in the production and sale of agricultural sprayers in the United States), and a higher Agriculture business volume in Eastern Europe.

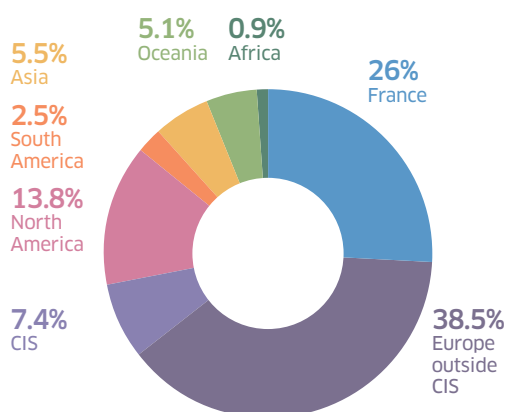
The international market now accounts for 74% of sales, up from 73%.

13-month Current Operating Income was €59.5 million, or 7.2% of revenue, showing a steady increase since 2010.

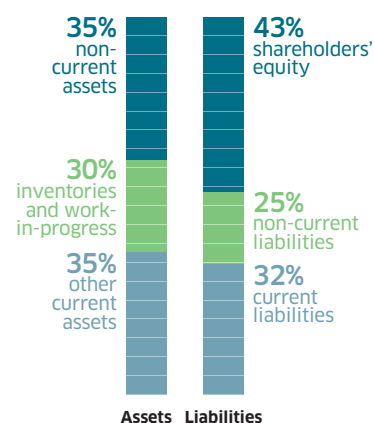
### SALES IN THE FRENCH AND INTERNATIONAL MARKET, IN €m



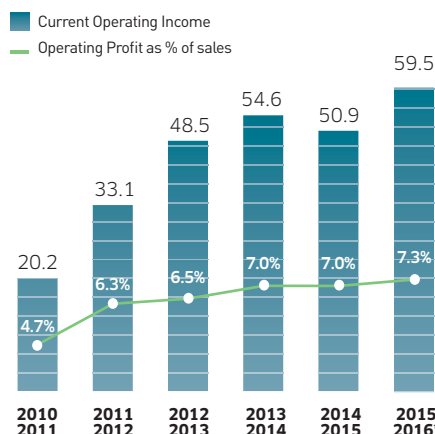
### BREAKDOWN OF SALES BY GEOGRAPHICAL AREA IN %



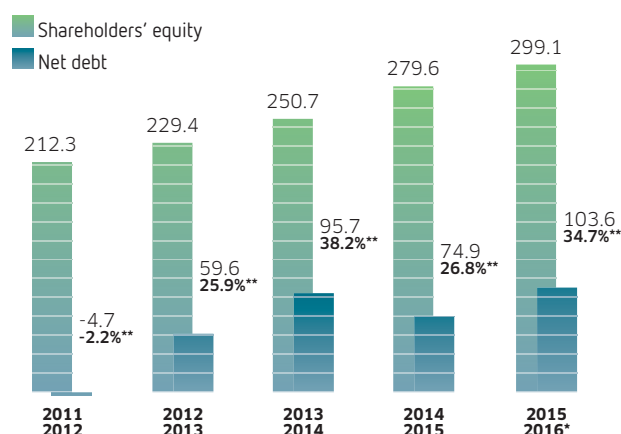
### SIMPLIFIED BALANCE SHEET



### CURRENT OPERATING INCOME (IN €m)



### SHAREHOLDERS' EQUITY AND NET DEBT (IN €m)

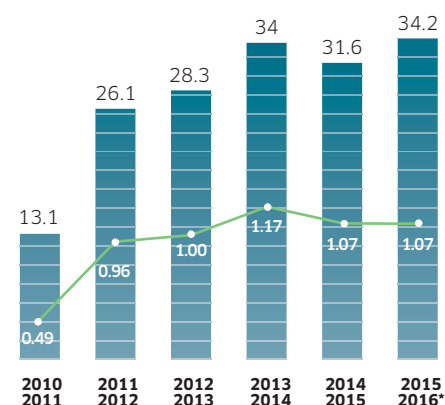


\* 13-month fiscal year

\*\* Percentage of gearing

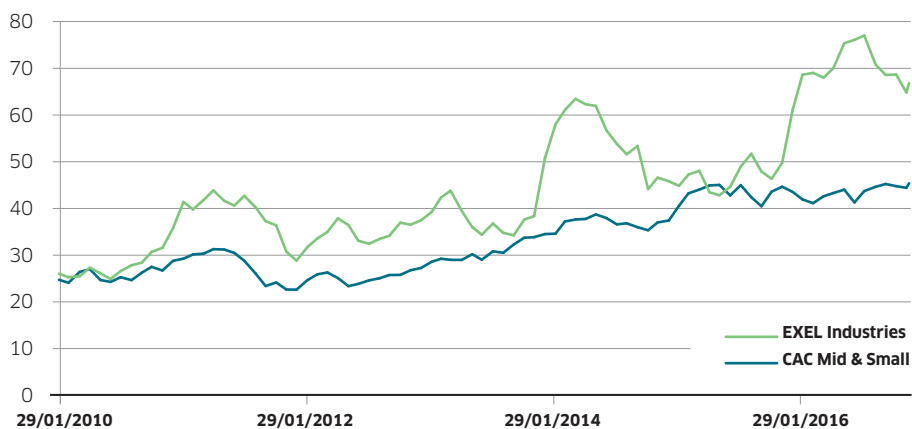
## NET INCOME (IN €m)

— Dividends



\* 13-month fiscal year

## EXEL INDUSTRIES ON THE STOCK MARKET



## KEY FIGURES

- Share price at 12/14/2016: **€70.45**
- Share performance, 1-year: **+11.8%**
- Market capitalization at 12/14/2016: **€478.2 million**
- Average number of shares traded per day: **3,220**
- 2015-2016 dividend: **€1.07**

## 2017 SCHEDULE

- February 9, 2017: **Annual General Meeting**
- April 20, 2017: **Q2 revenue**
- June 15, 2017: **H1 results**
- July 20, 2017: **Q3 revenue**
- October 26, 2017: **Q4 revenue**
- December 19, 2017: **Full-year results**

## SHARE ID CARD

- NYSE-Euronext Paris, compartment B**
- Indices:**  
CAC Mid&Small CAC Small 190  
EnterNext© PEA-PME 150 index
- ISIN/MNEMO/Reuters/Bloomberg:**  
FR0004527638/EXE/EXEP.PA/EXE:FP
- Close of fiscal year:**  
September 30
- Number of shares:**  
6,787,900
- Par value:**  
€2.50

## ANALYST COVERAGE

- Gilbert Dupont**
- ID Midcap**
- Oddo Securities**
- Portzamparc**



## Agricultural spraying



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[www.preciculture.fr](http://www.preciculture.fr)



### VERMOREL

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## Sugar beet harvesters



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Fax: +49 (0) 9451 3370  
[www.holmer-maschinenbau.de](http://www.holmer-maschinenbau.de)



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## Garden spraying and watering



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## Industrial spraying



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