



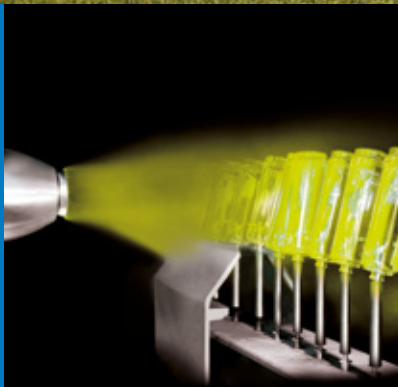
**A family-owned,
established,
diversified**
industrial group

**AGRICULTURAL
SPRAYING**



**SUGAR BEET
HARVESTING**

**INDUSTRIAL
SPRAYING**



**GARDEN
WATERING
AND SPRAYING**



EXEL Industries **today**

EXEL Industries is a federation of independent companies. The Group is a family business, with more than 80% of the equity owned by the Ballu family, and the Company has been listed on the Paris stock exchange since 1997.

EXEL Industries is a diversified group that operates in sectors beyond its agricultural business, thanks to strong growth in the garden and industrial spraying sectors.

EXEL Industries is also a group with extensive international operations: it has more than 20 industrial sites around the world (France, UK, Netherlands, Denmark, Germany, Romania, United States, Australia), and 80% of its sales are generated outside of France.

The Group has outstanding human potential in its 3,500 employees, with committed teams in all business areas and on all continents.

EXEL Industries, a federation of independent companies, is an established, 70-year-old family group that is financially healthy

EXEL Industries is successfully managed for the first time by a non-family manager

EXEL Industries is fully equipped to face future challenges



Patrick Ballu,
chairman
of the board
of EXEL Industries

History

The EXEL Industries group was founded by Patrick Ballu after he took over Tecnomat when his father Vincent passed away in 1980. The Group first expanded in the field of agricultural spraying with the successive acquisitions of Caruelle and Nicolas (1986), Berthoud and its subsidiaries Seguip, Thomas and Perras (1987), Vititrac and Loiseau (1989) and Préciculture (1990). Business development was focused solely on agricultural spraying until the Group purchased Kremlin, a paint spraying specialist, in 1996.

The Group then solidified its positions in these two areas of activity: on the one hand in agricultural spraying with Matrot (2001), Hardi and Evrard (2007), Agrifac (2012) and ETWorks (2016); and on the other in industrial spraying with the purchases of Rexson (2000) and Sames (2001). In addition, the EXEL Industries group entered the sugar beet harvesting sector with Matrot (2001), and then the acquisition of Herriau (2003), Moreau (2007) and Holmer (2013).

Finally, the Group expanded into garden watering and industrial hoses (Hozelock, Tricoflex in 2012).



Key figures

(source: 2019 Annual Report)

SALES:

777 M€

Breakdown of sales by activity:



- Agricultural spraying: **46%**
- Sugar beet harvesting: **15%**
- Industrial spraying: **25%**
- Garden watering and spraying: **14%**

Breakdown of sales by geographical area:



- Americas: **19%**
- Europe : **63%**
- Asie, Afrique, Australie, CEI : **18%**

3,500

employees

295

patent families

(EXEL Industries is among the top 10 French midsize enterprises in terms of number of patents filed per year)

Constant innovation

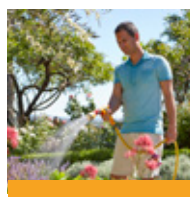
Since the outset, EXEL Industries has pursued a policy of constant innovation, in the spirit of Vincent Ballu, who invented the high-clearance tractor in 1946. The companies of EXEL Industries facilitate major innovations in every activity:



Agricultural spraying

Electronic flow rate proportional to ground speed (1975), TWIN air-assisted system (1987), stabilization of the spray boom and chassis on an incline (2005),

mapping and Optispray dosage (2011) and nozzle-by-nozzle precision spraying (2018).



Garden watering and spraying

1st plastic connector for watering hose (1959), Super Tricoflex hose with a 30-year warranty, automatic hose reel (1999), Cloud Controller remote watering control (2016).



Sugar beet harvesting

Creation of the tanker machine (1974), row-by-row harvesting (2009), EasyLift automation of the row-by-row harvesting height, SmartTurn automatic turn at the end of the field (2019).



Industrial spraying

Electrostatic spray gun (1955), Airmix air-assisted spraying (1975), centrifugal spraying by bell (1980), Vortex technology (2018).

A restrictive environment

Agriculture in general, and the liquidity of farms in particular, is suffering from commodity prices that have been low for the last two years, while farmers are still recovering from the dismal 2016 harvest in France. Farmers are subject to increasingly drastic regulations that prohibit or will prohibit some crop protection products (neonicotinoids, glyphosate, etc.), and this will inevitably affect yields. Crops suffer from certain climate disturbances that cause stress to plants, under extreme weather constraints.

Sales of sugar beet harvesting equipment have been curtailed by the crisis in the European sugar-producing industry, which in turn is dependent on record-low global sugar prices, while industrial spraying has suffered from the slowdown on the Asian markets.



Adaptations underway

The strength of the EXEL Industries group lies in its ability to continue a major activity, agricultural spraying, despite diminished returns, thanks to its successful diversification as well as healthy management with low debt, budget discipline and good cost control.

In light of the shrinking sprayer market, EXEL Industries boldly overhauled its agricultural activities in 2019, taking on a new industrial and marketing configuration.

At the same time, the Group adjusted its structure in sugar beet harvesting equipment, lowering the break-even point. All of these adjustments are now poised to bear fruit.



A new Chief Executive Officer

For the first time in the history of EXEL Industries, in December 2019 a Chief Executive Officer was recruited from outside the family, with Yves Belegaud taking the helm. His arrival bolsters the Group's ability to implement the major transformation needed to adapt to market circumstances.

For the management team, this entails finalizing most of the agricultural spraying reorganization plan by the end of 2020; accelerating the establishment of synergies, such as in Purchasing, Marketing, IT, etc.; continuing developments in the garden sector; being active in the growth of industrial spraying with the purchase of Intec in January 2020, which adds to Sames-Kremlin's activities; reviving organic growth and innovation at Tricoflex; and ramping up the development of advanced technologies in electronics and robotics with Exxact Robotics. All of this will be done with a steadfast goal of continuously improving operational performance.

The appointment of an external Chief Executive Officer underscores the Ballu family's ambition to continue to grow the EXEL Industries group. This appointment has sparked dynamism by further clarifying the management's responsibility in the business in relation to the family shareholders. The relationship with shareholders is clear and effective thanks to the successful teamwork of Patrick Ballu and Yves Belegaud.



Yves Belegaud:

Why I joined EXEL Industries

I've admired Patrick Ballu's career and the undertaking initiated with Tecnoma in 1980, which is manifested in strong growth that is nevertheless well managed and self-financed. I knew that I could create a good partnership with Patrick Ballu, and this has now come true.

I have a connection to and understanding of agricultural issues that I honed over more than 25 years at Tereos. I developed a passion for mechanics through cars: my father was a mechanic and my great-grandfather was an inventor and car manufacturer.

This is a company where people matter – a trait I appreciate – and that has great decision-making agility thanks to the business acumen of the members of the Board of Directors, a family entrepreneurial spirit, robust operating cash flows and financial partners who have confidence in the Group.

At the age of 60, I have no personal ambition other than to lay the foundations for a new balance between hands-on family shareholders and an operations team that enacts the strategy. I am delighted to be embarking on this new chapter ».



Prospects for the future

EXEL Industries is a diversified conglomerate. To be sure, it has strong roots in agriculture, and its business in this sector continues to be significant, accounting for 60% of sales. However, the garden and industrial spraying activities have strong growth potential.

Through its Hozelock and Laser brands, the Group offers a comprehensive line of watering hoses, reels, connectors and fittings. These cutting-edge products are geared toward amateur and professional gardeners. Hozelock, the leader in the United Kingdom and Scandinavia, is growing all over Europe and in Australia.

Through Sames-Kremlin and Intec, the industrial spraying activity designs, manufactures and distributes a comprehensive line of pumps, technical hoses and manual, automatic and robotic applicators. These products are intended mainly for the automotive industry, but also for boats and aircraft, as well as for the wood industry. This activity is expanding worldwide.

The Group wishes to strengthen its positions in agriculture because it believes that agriculture will remain robust in Europe. However, agriculture will operate with a new focus, which the Group has largely anticipated, on the accuracy and selectivity of applications. This point will be decisive in the coming years. In addition, the Group needs to continue to combine organic growth and acquisitions, as it has always done.

EXEL is dedicated to remaining a federation of independent companies. This model has demonstrated its worth, in terms of empowering business managers and operating with a minimal corporate level. The challenge lies in finding consistent operating procedures, group cohesion, sharing of best practices and an ability to implement synergies on cross-functional topics that serve everyone's interests.

Generally speaking, the Group will develop a talent management approach that prioritizes employees' passion for the Group and the promotion of internal mobility. The safety of people will be reasserted as a priority.

The EXEL Industries group undeniably has assets that will enable it to remain a major player in its different activities.

OUR VALUES

- **Love of product, innovation**
- **Customer support**
- **Excellence, professionalism**
- **Trust, initiative**
- **Openness, transparency**
- **Team spirit**
- **Pride in belonging**
- **Acting responsibility**



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