

## SPEECH BY MR PATRICK BALLU

October 5, 2022

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Mr Regional Prefect of Marne,  
Madam Deputy Regional Prefect of Epernay,  
Mr Mayor, also representing our Regional President,  
Madam President of Grand Reims,  
Madam Rouillère, representing the honorable Mr Girardin,  
Mr Rodrigues, representing the honorable Mr de Courson and Chair of  
the Departmental Council,  
Ladies and gentlemen of the mayoralties and city councils,  
Ladies and gentlemen leaders of the business community and their  
representatives,  
*Dear institutional partners, agricultural and industrial communities,  
EXEL Industries executive officers and operational managers, friends  
and family.*

Thank you for being with us today to celebrate the 70th anniversary of EXEL Industries. This anniversary is an opportunity for me to acknowledge the men and women of the Group, as well as its partners around the world, and to pay tribute to my father Vincent Ballu, who seven decades ago founded Tecnoma, the company that would go on to become our EXEL Industries Group some 45 years later.

For 70 years, EXEL Industries has pursued a single guiding principle: *to seek excellence by doing things differently and better than before*. This anniversary gives me the opportunity to look back and reflect on how we got to where we are today.

Our Group has been built through innovation, internal growth and the integration of a large number of small and medium-sized companies. First in France, then all over the world.

As you may well imagine, in order to reach this point, we have had to weather many storms, overcome difficulties and learn how to get back on our feet after a setback, in order to once again move forward.

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**1/ First and foremost, EXEL Industries means the certainty that it is possible to meet the greatest of challenges.**

To succeed, you must **be bold**. This certainty and our bold approach form the cornerstone of the Group.

It all started 75 years ago with an idea from my father, then a young sales representative for Vermorel. Building on his experience gleaned on the family farm, he realized that farm work needed to be mechanized. He imagined a high-clearance tractor for vineyards that would pass *over* the vines. His bold, visionary attitude gave him the courage to submit his idea to Robert-Jean de Vogüë, then CEO of the prestigious Moët & Chandon champagne house.

And so, in the workshop provided to him by Moët, he designed and built the world's first high-clearance vineyard tractor. We have faithfully restored it to working order and you can see it at the entrance to the Avenue de Champagne.

It was a risky venture, but a successful one. The tractor was awarded first prize in a competition organized by the Champagne wine-growing association and the CIVC. Moët made good on its promise and bought his prototype.

After a few years spent perfecting his revolutionary tractor, in 1952, some 70 years ago, my father founded Tecnoma to market his high-clearance tractors and more efficiently perform his role as a dealer of Vermorel sprayers in five departments.

A keen proponent of innovation, my father once again wanted to “*do things differently and better than before*”. So he designed and manufactured a piston-membrane pump, subsequently patented, as well as nozzles and connectors made from synthetic resin, a substance that was more resistant than copper to the new nitrate products. He first offered them to Vermorel and then to its competitors, but none of them took him seriously, nobody believed in it.

Disappointed but not discouraged, in 1959 he decided to launch his own range of TECNOMA sprayers, also fitted with a synthetic resin tank.

It was an overnight success: farmers and winegrowers instantly saw that his sprayers were more practical, lighter, more efficient, more resistant, and even less expensive.

My father had the courage to innovate, to forge his own path and to compete with Vermorel, the most prestigious player on the European market. Just as we call a vacuum cleaner a “Hoover”, we used to call a sprayer a “Vermorel”. Eventually, five years later, he bought up the trademark and products of this sacred cow that everyone thought was indestructible.

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In July 1980, after my father’s sudden and untimely passed away, I hurried back to Tecnoma to take over the reins of the company. We modernized the plant, upgraded the product range and changed the color scheme to better position Tecnoma against market giants such as Berthoud, Caruelle, Séguip and Nicolas... until we acquired them all, one after the other, at the end of the 1980s. This was followed by Matrot, Herriau, Moreau, Hardi, Ilémo, Evrard, Agrifac, ETW and many others in the decades that followed.

As a result, we have become one of the top three global leaders in agricultural spraying. Our vocation is “to spray the right dose, in the right place, at the right time”.

Towards the end of the millennium, we embarked on our first diversification project, still in spraying, in order to palliate the cyclical nature of our agricultural activities, by taking over Kremlin, the French leader in paint spray guns, which was about to file for bankruptcy.

I still remember the presentation we gave at Quai de Bercy to the interministerial industrial restructuring committee (CIRI) in front of all those worried-looking bankers, as we dared take on a much more powerful group that was listed on the stock exchange. Our boldness paid off and victory was ours. Having swiftly modernized and turned Kremlin around, we successively took over its competitors: Rexson, Samès, Johnstone, PRiNTEC and iNTEC, now united under the banner of Samès.

As a result, we have become one of the top three global leaders in industrial spraying.

Besides *“protecting and nurturing plants to better feed the world”*, we now *“protect and add color to objects to make them more beautiful and longer lasting”*.

With the acquisition of UK-based Hozelock and its garden spraying and watering equipment, we have developed a third business line, that of leisure. We now contribute to the pleasure of gardening, helping people to grow their own vegetables and adorn their gardens with their favorite flowers, while contributing to the protection of the environment. We have expanded the leisure gardening business through progressive acquisitions, including RCM, Agis, Protec, Cooper, Tricoflex, Aquasolo and, this year, the Italian company G.F. There again, we have become one of the top three global leaders in the field. Congratulations to my son Marc, who runs the business with great passion.

A year ago, we expanded this leisure business from land to sea, grasping the opportunity to buy a small group of three shipyards with iconic brands: Wauquiez, Rhea and Tofinou. Fair winds to my son Cyril who is putting all his energy into it.

In four decades, we have taken over and integrated over 40 business groups comprising over 100 companies.

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## **2/ EXEL Industries means a policy of reasonable growth.**

When acquiring companies, often competitors, I have always sought to preserve their own corporate culture, their expertise and their brand; in short, their entire DNA. I have frequently kept the founder on until retirement; founders know their business and teams like the back of their hands and want to ensure their continuity.

I have fond memories of my talks with the Berthoud family in the late 1980s. After a bitter trade war, we ended up joining forces and started jointly buying out French competitors whose owners had no successors. There is a mutual understanding between family groups: we share the same values. It was a logical step, and one that we were able to make on good terms, to buy up Berthoud, including Perras, Séguip and Thomas, from the founding family in 1987.

I also remember the acquisition of Préciculture in 1990. Suffering from non-payment issues with devastating consequences, hampered by a set of agricultural machines with which it had become associated, the company was in danger of sinking and dragging Maurice Lestradet's entire entrepreneurial career down with it. I was sympathetic to the history of Préciculture, a business firmly rooted in nearby Fère Champenoise. At that time, it was the leading French manufacturer of self-propelled sprayers! So I bought the company, keeping Maurice on as director until his retirement while his three sons stayed in the business for almost 30 years.

Mindful that it is the men and women of the companies we buy that have forged the brand's image and reputation, we have sought to retain their talents and local presence whenever possible. People are the **soul** of a company, a catalyst of unity and loyalty among customers and employees alike.

Occasionally, when we took over some companies that were bankrupt or on the verge of bankruptcy, we unfortunately had to let go some of the staff, as the ship was close to sinking. Recognizing that it was rarely the employees' fault, we always made sure to help them board a new ship to secure their professional future.

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### **3/ EXEL Industries means the quest for innovation geared to industrial coherence.**

As we have gradually expanded our scope of activity, we have had to constantly ask ourselves the question: how can we do things differently and better than before?

Innovation is a core value in our Group's DNA. In the mid-1980s when we embarked on our external growth strategy, we constantly sought to foster sustainable growth that would create value for all our stakeholders, customers, employees, suppliers and partners alike. This growth is based on purposeful innovation and the search for long-term synergies.

With over 20 patents filed every year, we have become one of the top three mid-sized companies filing the most patents in France. In 2021, we even ranked among the top 50 French patent applicants in the world, all categories combined.

To encourage thinking outside the box and generate new markets, we have created our own internal start-ups.

One of them, "**Nature with us**", develops new methods of eco-friendly gardening and ultra-economical watering.

Another, "**Exxact Robotics**", is ramping up the use of robotics to perform agricultural tasks. Some thirty experts in robotics, artificial intelligence and agronomy are developing precision farming solutions to drive the agricultural transition. Just look at Traxx, our new vineyard robot, which is running around on its own in this very courtyard. We

are working on other groundbreaking ideas, such as the assisted harvesting of whole bunches of grapes for the Champagne region.

Today, the agricultural transition has become an essential issue. Sustainable development and respect for the environment will determine the future of our business. I welcome this and I followed this afternoon's discussions on the subject with great interest.

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#### **4/ EXEL Industries means the pursuit of excellence.**

One of the keys to our success has been *the pursuit of excellence, doing things differently and better than before*. As you have understood, the name EXEL Industries is a phonetic reference to the notion of excellence. All of our brands and their respective colors are summed up in this collective name and our rainbow logo.

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#### **5/ EXEL Industries: our ambition is to forge a modern and human Group**

I am proud to have worked alongside men and women possessing unrivaled expertise in their respective fields. I have often found that colleagues and employees sense when things start to go wrong long before their boss does. Listening to them can help us identify the root causes of existing or potential problems.

They are not pushing against the grain, but working by our side to find remedies and bring solutions, however painful they may be.

We also encourage these fruitful exchanges in our **Federal Commissions**, where managers working in different Group companies but who perform the same role meet and talk on equal terms. In this spirit, we have also created the **EXEL Academy**, designed to train our managers to motivate their teams and deal with the most delicate situations.

In order to foster a stimulating environment conducive to initiative-taking, we have opted for a **federal structure** based on decentralized operations, staying as attentive as possible to problems and requirements while placing our trust in local, flexible and agile initiatives. Each Group company is operational and autonomous without being independent.

In addition, the EXEL Industries holding company staffed by only 15 people provides the strategic vision and ensures consistency. It centralizes and pools a number of highly technical or cross-disciplinary subjects.

All of these factors help generate a group mindset and a sense of pride in belonging.

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Tecnoma came into existence 70 years ago thanks to the courage and inspiration of my father. Since I took over 42 years ago, as you may well guess, I am proud to have contributed to the construction of this Group with its inestimable wealth of human resources.

Along the way, over a period of four decades, we have gone from 300 people generating sales of €12 million in 1980 to nearly 4,000 people generating €1 billion today, working in 30 countries spanning 5 continents.

We have grown so much and so well that we now rank among the top three global leaders in each of our business lines.

In a few months, we will publish the story of this wonderful adventure, in which I am currently penning the last words. The book will narrate seven decades of innovations, acquisitions, growth, anecdotes, challenges, crises and recoveries.

You will also find some of our key success factors, which may well be of use to other entrepreneurs, as they have been useful to us in our





*quest of excellence and our desire to do things differently and better than before.*

Some 15 other participants, including current or retired managers and executives, external consultants and members of my family, will also contribute their own candid insights into this wonderful human and shared adventure.

Thank you for your attention, and see you later over a glass of champagne!