

Bit Market Services

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RESULTS OF JAN.-SEP. 2015

Testo del comunicato

Vedi allegato.

PRESS RELEASE

BOD APPROVES CONSOLIDATED RESULTS OF JAN.-SEP. 2015

- Consolidated Revenues for 114.4 Euro million (+12% vs. 2014)
- Consolidated EBITDA for 10.4 Euro million (+35% vs. 2014)
- Result before taxes of 1.7 Euro million (vs. the loss of -1.1 Euro million of 2014)
- Net Result negative for 0.4 Euro million (vs. the loss of -1.1 Euro million of 2014)
- Net financial debt at 51 Euro million vs. 30 Euro million as of December 31st, 2014, mainly due to the increase of Net working capital

FOR THE FULL YEAR 2015, REVENUES FROM PRODUCTS AND SERVICES ESTIMATED GROWING VS. 2014 BUT AT A LOWER RATE THAN 9 MONTHS' ONE

Milan, November 11th, 2015 – The Board of Directors of Isagro S.p.A. approved today the Consolidated Interim Result Report as of September 30th, 2015, which will be made available to the public at the Company's headquarters, on the corporate website www.isagro.com and at the centralized storage mechanism "eMarket Storage", on the web site www.emarketstorage.com.

Consolidated results of Jan.-Sep. 2015

In the first nine months of 2015 Isagro achieved Revenues for 114.4 Euro million, with a 12.1 million increase (+12%) versus the value of 102.3 million of the same period of last year, mainly thanks to higher sales in Italy and in India.

The EBITDA of first 9-months of 2015 was equal to 10.4 Euro million, 2.7 million higher (+35%) than the value of 7.7 million as of September 30th, 2014 as a direct effect of the increase in Revenues, while the EBIT



of the period reached 3.8 Euro million, thus marking an increase of 2.6 million versus the value of 1.2 million of 2014.

The Net result of Jan.-Sep. 2015, then, registered a loss of -0.4 Euro million, thus recovering versus the loss of -1.1 million of the same period of 2014, without accruing deferred positive taxes on Isagros S.p.A.'s interim fiscal loss, contrary to what happened in 2014. Such Net result as of September 30th, 2015 was affected, moreover, by net losses of -1.3 Euro million from the hedging of USD/EUR forex variations relevant to the 12-months 2015 budgeted net sales in USD (vs. the loss of -0.2 million of 2014), with first nine months of 2015 representing only around 50% of total estimated 12-months sales in USD.

The consolidated Net financial debt as of September 30th, 2015 was equal to 51.0 Euro million versus the value of 27.3 million as of September 30th, 2014 and of 29.7 million as of December 31st, 2014: such increase was mainly due to the growth of Net working capital, with Equity still representing about twice the Net financial debt and financing the Net working capital for 11.2 Euro million.

Perspectives for the current year

Isagro estimates that the sales of 4Q 2015 will be negatively affected:

- in Brazil, by the effects of “El Niño” and by the Country’s economic/financial crisis, with reduced demand in particular of fungicides, high stocks at distributor level and pressures on volumes and prices;
- in the United States, by a particularly dry season in the Western States leading to a stock increase at distributor level, with lower sales than estimated in the latter part of the year versus 2014;
- in India, where Isagro operates directly in the distribution through its controlled company Isagro Asia, by an unfavorable monsoon season, with estimated domestic sales lower than 2014 ones.

With reference to the first and the second event described above, it is forecasted a gradual normalization of the market situations from the second half of 2016 and, more significantly, from 2017. Regarding the third event mentioned above, instead, the normalization is expected already in 2016.

In the light of the above, and also of the results of first nine months of 2015, Isagro estimates for the full current year:

- Revenues from products and services (thus excluding Licensing) for around 150 Euro million, thus still marking an increasing versus the value of 144 million of 2014, but at a lower rate of growth than the one of first 9-months and



- an EBITDA from products and services (excluding Licensing) of around 12 Euro million versus the value of the 12-months of 2014, again excluding Licensing proceeds, of 10.5 million.

With reference to proceeds from new Licensing agreements by December 31st, 2015, the holding company Isagro S.p.A. has ongoing contacts with different Parties, for which it is not possible to estimate the timing of the relevant possible agreements.

Isagro, moreover, confirms the mid term Revenues target of 200 Euro million, based on largely investments already finalized and initiatives underway.

More in particular, the achievement of mid term objectives is based on:

- recovery and normalization of the consolidated existing business in the Americas;
- growth of Biosolutions business (also leveraging on Biofumigant);
- launch of new copper based innovative formulations;
- commercial development of the Group's presence in markets with high growth rates such as China, Asia-Pacific and EEMEA;
- supply of proprietary active ingredients based on the Licensing agreements already finalized;
- new Licensing agreements, particularly with reference to the new broad spectrum fungicide SDHi under development.

Isagro S.p.A. is the holding company of a group which, in twenty years, has become a qualified operator in the crop protection business, with global sales of around € 150 million and over 600 employees worldwide. Listed on the Italian Stock Exchange since 2003, Isagro is active in the innovative research, development, production and marketing, on a worldwide scale, of proprietary crop protection products, as well as in their distribution in some key markets.

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JAN.-SEP. 2015 CONSOLIDATED PROFIT & LOSS STATEMENT

(€ 000)	Jan.-Sep. 2015	Jan.-Sep. 2014	Variation	Full Year 2014
Revenues from sales and services	114,425	102,303	+12,122 +11.8%	145,939
Other operating revenues	2,029	1,853	+176	3,092
Consumption of materials and external services	(91,615)	(79,710)	-11,905	(115,240)
Variations in inventories of products	4,785	1,665	+3,120	4,638
Increases in assets through internal works	2,669	2,482	+187	3,306
Allowances and provisions	(907)	(573)	-334	(701)
Labor costs	(20,210)	(19,511)	-699	(26,153)
Labor costs allowances	(755)	(811)	+56	(1,244)
Other not recurrent income (costs)	-	-	-	(1,170)
EBITDA	10,421	7,698	+2,723 +35%	12,467
<i>% on Revenues</i>	<i>9.1%</i>	<i>7.5%</i>		<i>8.5%</i>
Depreciation:				
- tangible assets	(2,798)	(2,794)	-4	(3,678)
- intangible assets	(3,754)	(3,684)	-70	(5,082)
- write-down and write-ups of assets (IFRS 10)	(44)	-	-44	(187)
EBIT	3,825	1,220	+2,605 N/S	3,520
<i>% on Revenues</i>	<i>3.3%</i>	<i>1.2%</i>		<i>2.4%</i>
Financial charges	(922)	(2,139)	+1,217	(2,807)
Exchange gains/losses and derivatives	(1,276)	(207)	-1,069	108
Write-down/write-ups of investments	37	38	-1	59
Earnings before taxes	1,664	(1,088)	+2,752 N/S	880
Current and deferred taxes	(2,108)	(50)	-2,058	(1,758)
Net result from continuing operations	(444)	(1,138)	694 +61.0%	(878)
Net result of discontinued operations	-	-	-	-
Net result	(444)	(1,138)	694 +61.0%	(878)

CONSOLIDATED BALANCE SHEET AS OF SEP. 30TH, 2015

(€ 000)	09.30.2015	09.30.2014	Variation	12.31.2014	
Net fixed assets					
Goodwill	3,435	4,031	-596	3,762	
Other intangible assets	45,951	39,761	+6,190	40,339	
Tangible assets	23,850	23,727	+123	24,130	
Financial assets	279	231	+48	253	
Other medium/long term assets and liabilities	13,816	14,210	-394	13,093	
Total net fixed assets	87,331	81,960	+5,371	+6.6%	81,577
Net current assets					
Inventories	51,198	38,571	+12,627	40,364	
Trade receivables	46,901	38,174	+8,727	49,598	
Trade payables	(36,052)	(34,611)	-1,441	(44,578)	
Risk funds	(1,029)	(1,408)	+379	(1,651)	
Other current assets and liabilities	1,147	2,957	-1,810	2,700	
Total net current assets	62,165	43,683	+18,482	+42.3%	46,433
Invested capital	149,496	125,643	+23,853	+19.0%	128,010
Severance indemnity fund (S.I.F.)	(2,836)	(3,266)	+430	(3,038)	
Net invested capital	146,660	122,377	+24,283	+19.8%	124,972
Not financial assets and liabilities of discontinued operation	-	-	-	-	
Total	146,660	122,377	+24,283	+19.8%	124,972
<i>financed by:</i>					
Equity					
Capital stock	24,961	24,961	-	24,961	
Reserves and earnings brought forward	78,301	79,203	-902	79,195	
Translation adjustment reserve continuing	(7,155)	(7,967)	+812	(7,992)	
Net group result	(444)	(1,138)	+694	(878)	
Total equity	95,663	95,059	+604	+0.6%	95,286
Net financial position:					
<i>Medium/long term debts:</i>					
- towards banks	28,066	14,598	+13,468	19,632	
- towards other financiers	207	22	+185	266	
- others	-	(2,875)	+2,875	(2,875)	
Total medium/long term financial debts	28,273	11,745	+16,528	N/S	17,023
<i>Short term debts:</i>					
- towards banks	36,316	25,881	+10,435	27,344	
- towards other financiers	1,735	2,321	-586	1,839	
- others	(239)	155	-394	629	
Total short term financial debts	37,812	28,357	+9,455	+33.3%	29,812
Cash and cash equivalents	(15,088)	(12,784)	-2,304	+18.0%	(17,149)
Total net financial position	50,997	27,318	+23,679	+86.7%	29,686
Total	146,660	122,377	+24,283	+19.8%	124,972

JAN.-SEP. 2015 CONSOLIDATED CASH-FLOW STATEMENT

(€ 000)	Jan.-Sep. 2015	Jan.-Sep. 2014
Cash - opening balance	17,149	14,099
<i>Operating activities</i>		
Loss of the period - continuing operation	(444)	(1,138)
- Depreciation of tangible and intangible assets	6,552	6,478
- Losses in value of fixed assets/write-ups of assets IFRS 10	44	-
- Provisions to reserves (including employee indemnity)	832	1,005
Cash Flow	6,984	6,345
- write-down of investments and other financial assets	175	45
- Result on investments valued with the equity method	(37)	(38)
- Change in net current assets	(16,703)	9,794
- Net change in other assets/liabilities	1,096	(4,495)
- Use of funds (including employee indemnity)	(1,685)	(2,725)
Cash flow from operations	(10,170)	8,926
<i>Investment activities</i>		
- Investments of intangible assets	(9,293)	(7,873)
- Investments of tangible assets	(2,550)	(3,104)
- Dividends from affiliated companies	11	11
- Realization price on sale of tangible, intangible assets and branches	-	7
Cash flow from investments	(11,832)	(10,959)
<i>Financing activities</i>		
- Increase/(decrease) in financial debts (current and non-current)	17,105	(28,546)
- Decrease in financial receivables, derivatives and other financial assets	1,994	321
- Shareholders' payments for increase in capital	-	28,073
Cash flow from financing activities	19,099	(152)
Conversion differences	842	870
Cash flow of the period	(2,061)	(1,315)
Cash - closing balance	15,088	12,784

Fine Comunicato n.0679-25

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