

# ISAGRO AS OF JUNE 30<sup>TH</sup>, 2016

Conference Call

*Milan, August 5<sup>th</sup>, 2016*



1 FACTS & FIGURES

2 BACK-UP

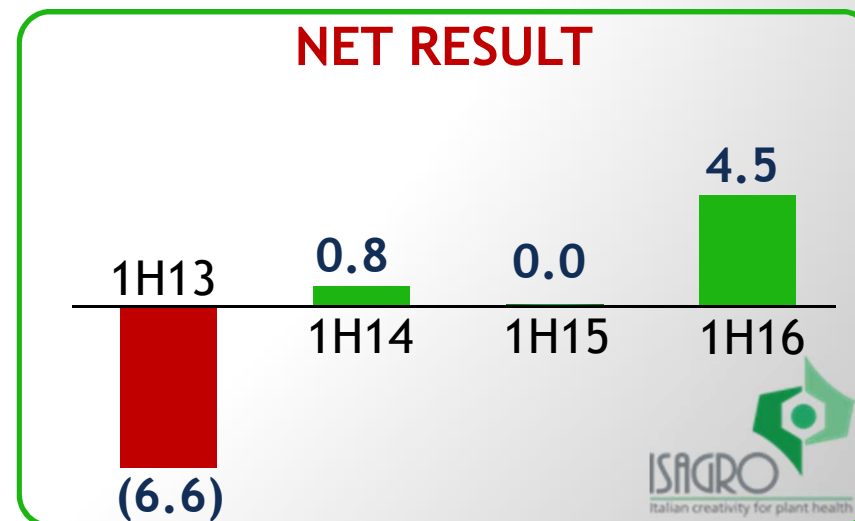
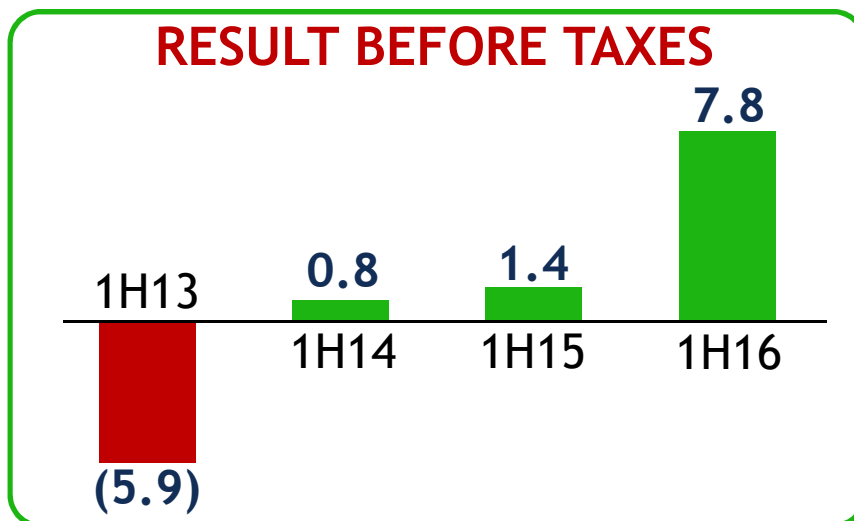
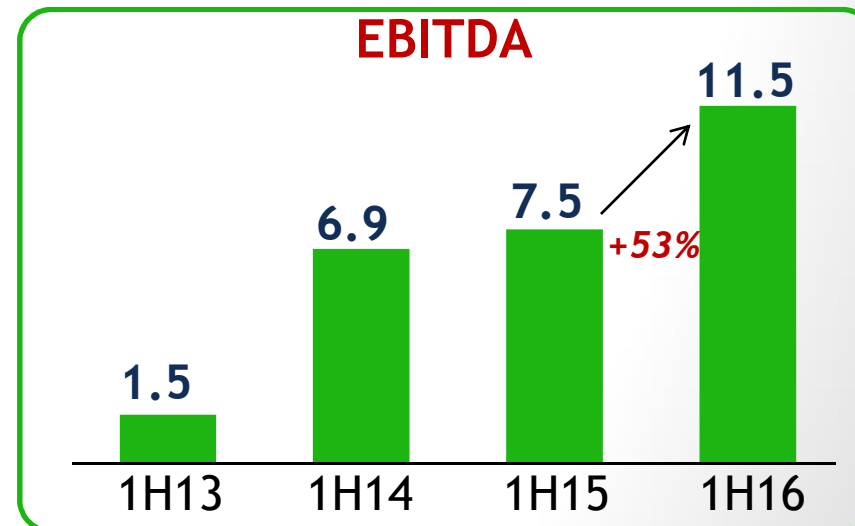
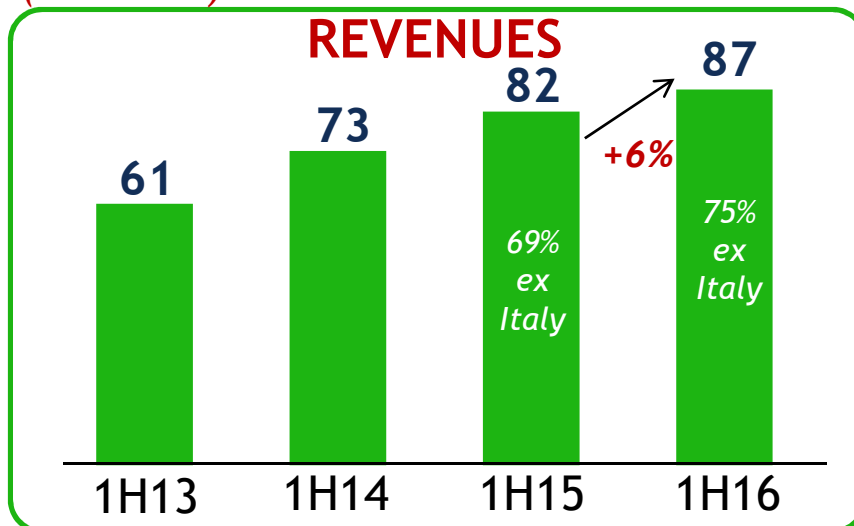
RESULTS AS OF JUNE 30<sup>th</sup>, 2016

MAIN EVENTS

ISAGRO IN THE STOCK MARKET

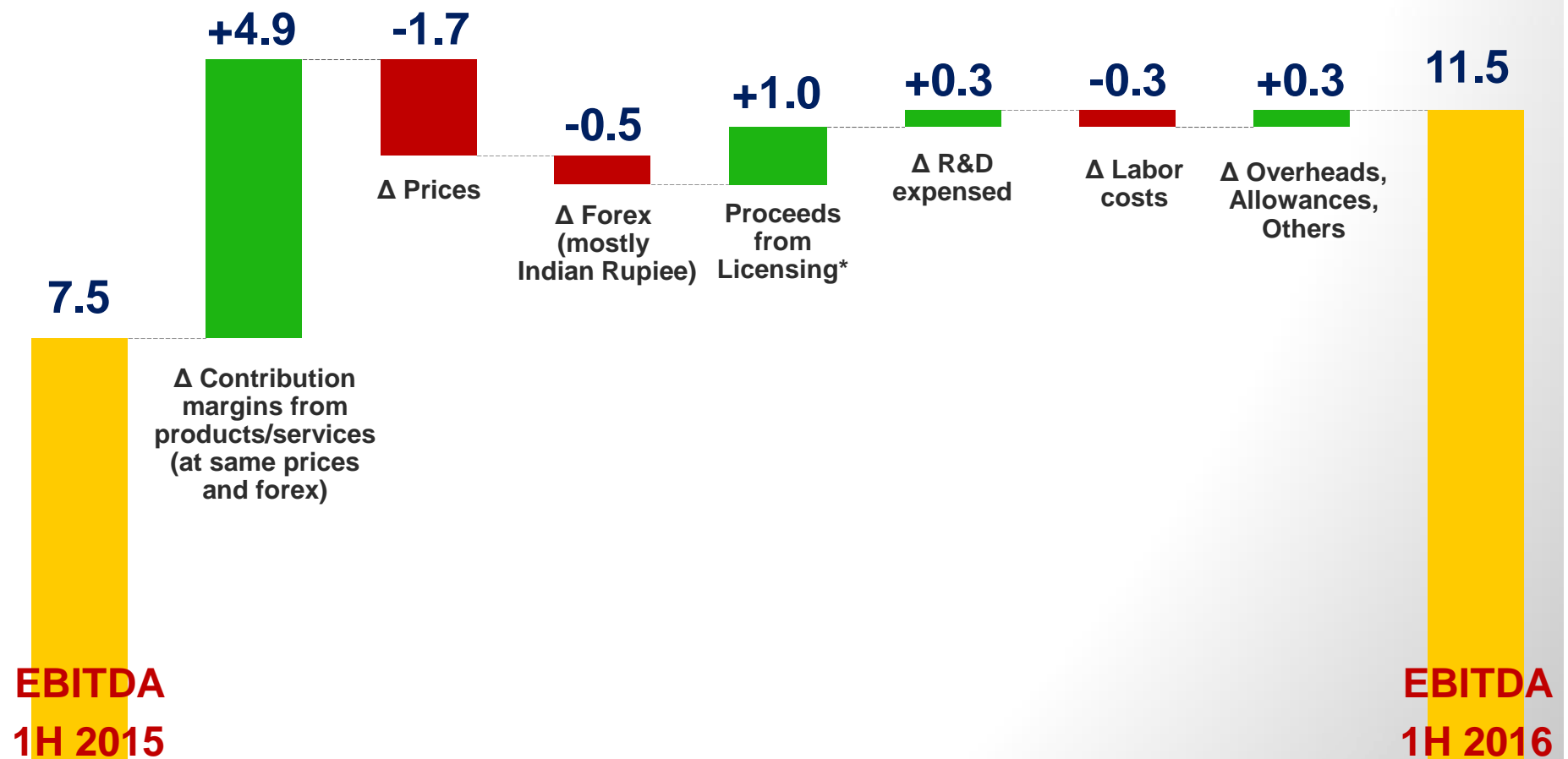
# IN THE FIRST 6 MONTHS OF 2016 WE KEPT ON GROWING ...

Consolidated data  
(€ million)



# ... WITH 1H 2016 EBITDA BENEFITING FROM "OPERATING LEVERAGE" ...

**Consolidated data**  
(€ million)



\* 1.0€m in 1H 2016 vs. nil in 1H 2015

# ... AND A REDUCTION OF FINANCIAL DEBT IN THE 6 MONTHS ...

## Consolidated data

(€ million)

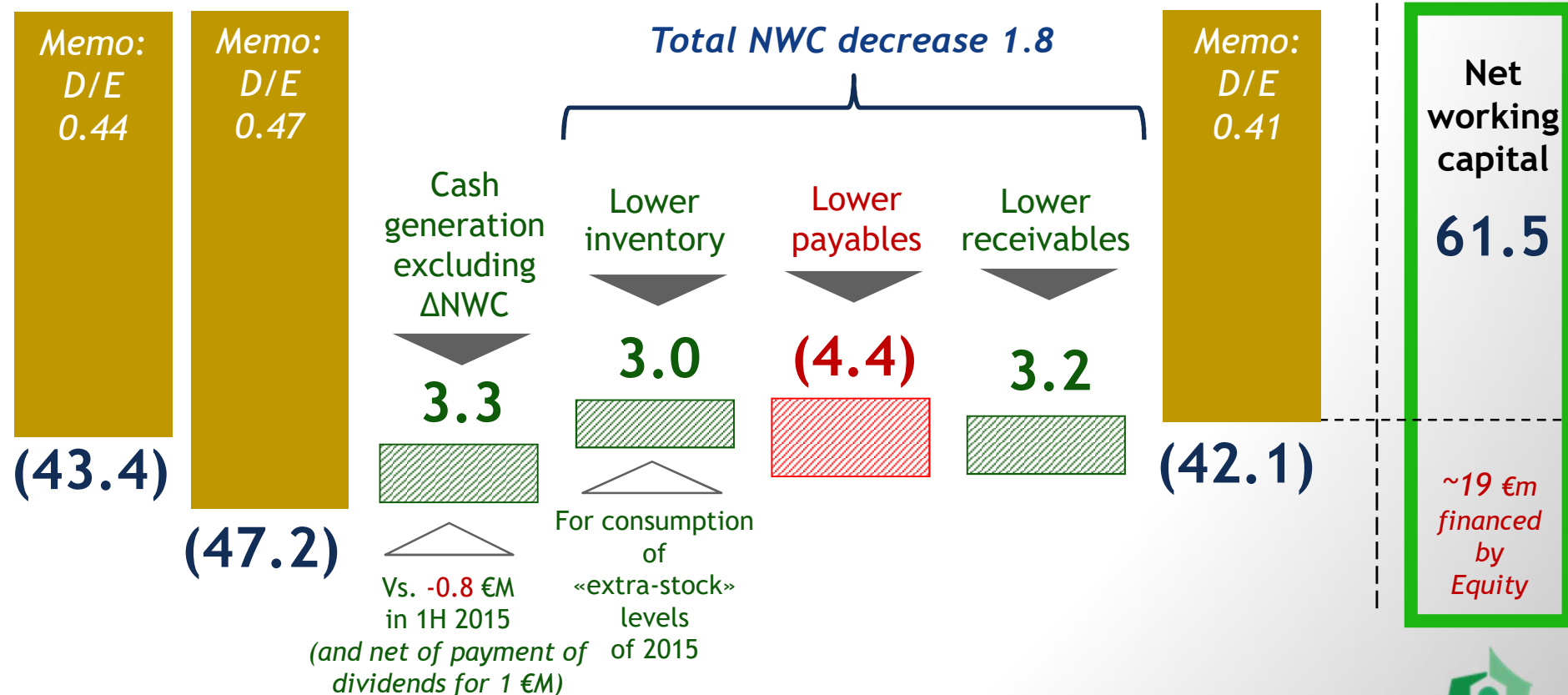
Net Fin. Debt

06/30/15 12/31/15

Net Fin. Debt

06/30/16

Memo:



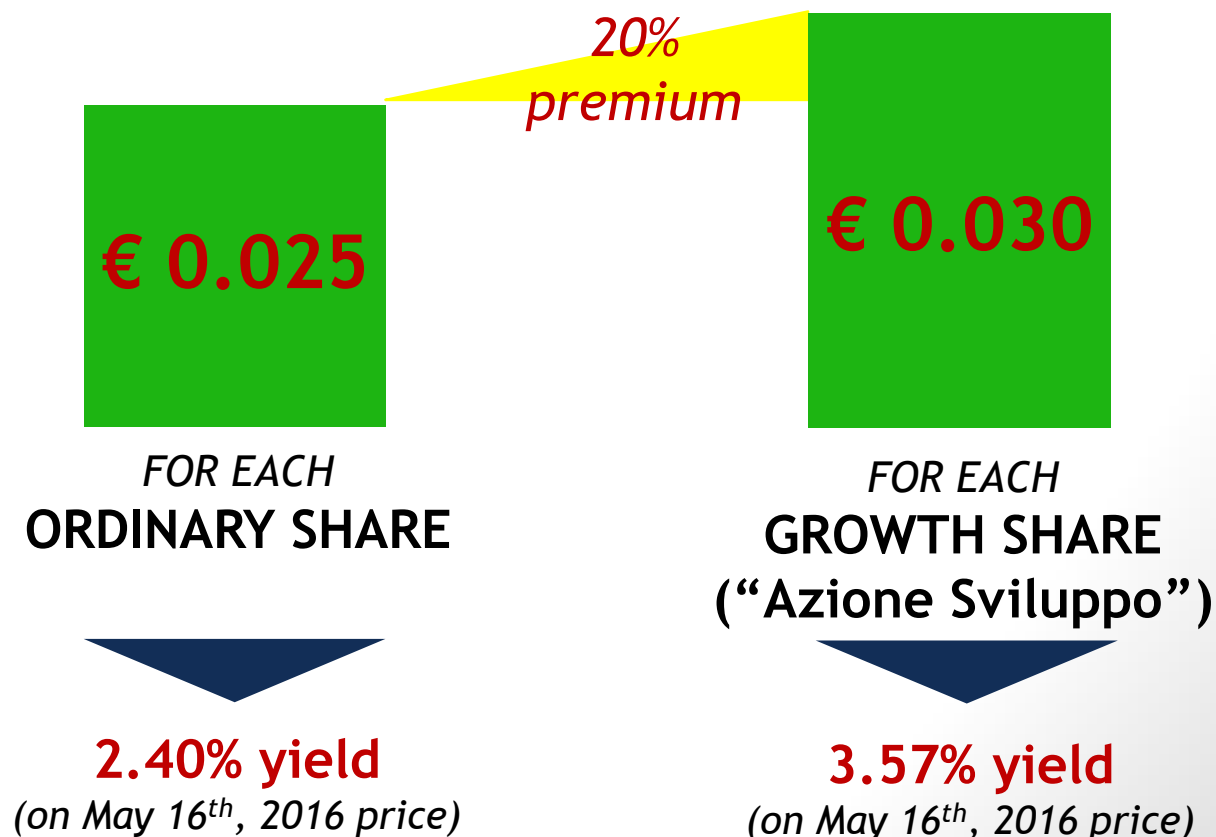
(MEMO: UN-UTILIZED ISAGRO SPA'S BANKING LINES AS AT JUNE 30, 2016 >60 €M )

## ... THOUGH WITHIN A MARKET SCENARIO STILL DIFFICULT

- In 1H 2016, prosecution of adverse conditions for the Crop Protection Market to recover
  - unfavorable climatic conditions in key markets
  - low prices of agricultural commodities
  - in Brazil, also economic/financial crisis
  
- High level of inventory within distribution channels
  
- 1H 2016 sales of main global players (BASF, Bayer, Dow, DuPont, Monsanto, Syngenta) lower than 2015

# BASED ON 2015 RESULTS, IN MAY 2016 ISAGRO RETURNED TO PAY DIVIDENDS

Resolution of the Assembly of last April 28<sup>th</sup>  
(*ex-dividend date May 16<sup>th</sup>, 2016 and payment date May 18<sup>th</sup>*)



## PERSPECTIVES: IN 2016 WE AIM AT CONSOLIDATING 2015 RESULTS ...

- First Half 2016 results are encouraging vis-à-vis the implementation of Isagro's new Strategic Guidelines
- Second Half 2016 is expected to be negatively influenced by **weaker sales in Brazil vs. 2015** plus an increase in fixed costs for the development of commercial structure
- 2016 is confirmed being a **year of consolidation** of 2015 results



# ... WITH A TARGET OF 200 MILLION EURO REVENUES IN 2020

*Based on our Strategic Guidelines:*

1

**DISCOVERY OF NEW MOLECULES ALONE**

2

**DEVELOPMENT OF NEW MOLECULES MOSTLY THROUGH ATTRIBUTION OF RIGHTS TO A “MAIN DEVELOPER” WHILE RETAINING RIGHTS FOR ISAGRO ON SELECTED SEGMENTS/MARKETS**

3

**VALUE EXTRACTION FROM OUR I.P. AND RETAINED RIGHTS ALSO THROUGH LICENSING**

4

**GROWTH IN THE BIOSOLUTIONS BUSINESS, ALSO THROUGH ACQUISITIONS**

5

**OPPORTUNISTIC DEVELOPMENT OF OFF-PATENTED PRODUCTS**

6

**EXPANSION OF OUR GLOBAL COMMERCIAL ORGANIZATION**

1

FACTS & FIGURES

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BACK-UP

RESULTS AS OF JUNE 30<sup>th</sup>, 2016

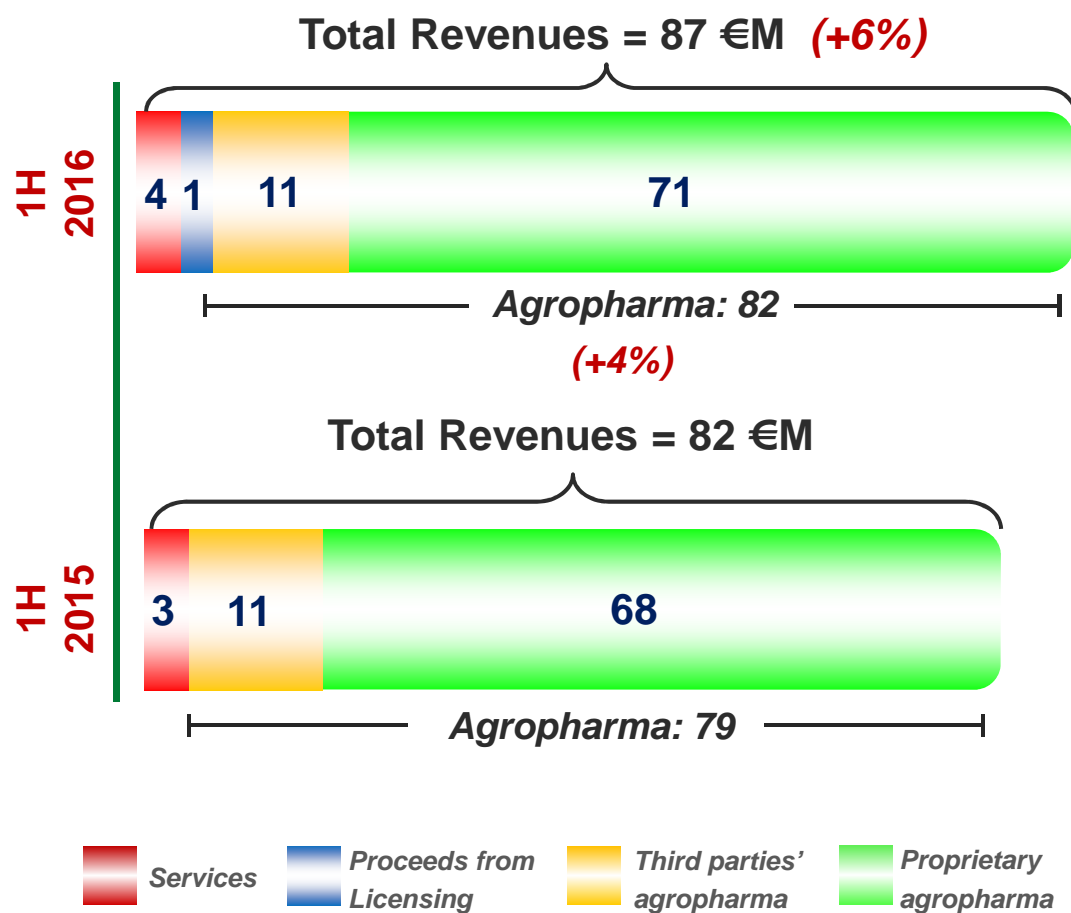
MAIN EVENTS

ISAGRO IN THE STOCK MARKET

# CONSOLIDATED REVENUES

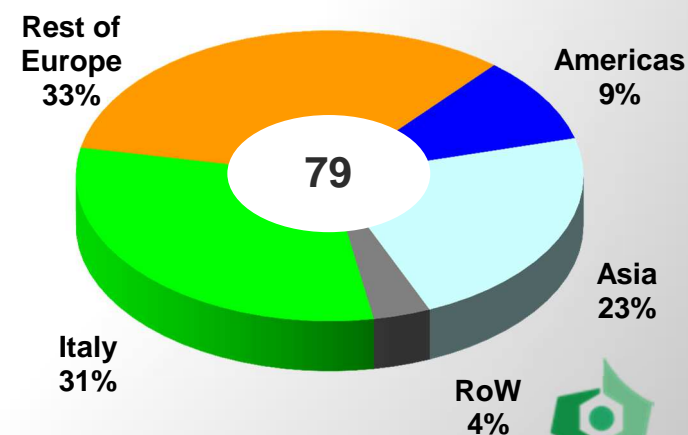
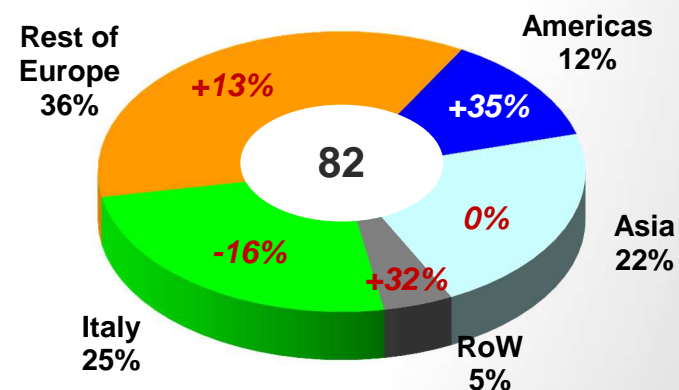
€ million

## REVENUES BREAKDOWN BY PRODUCT CATEGORY



## REVENUES BREAKDOWN BY REGION

(AGROPHARMA ONLY)





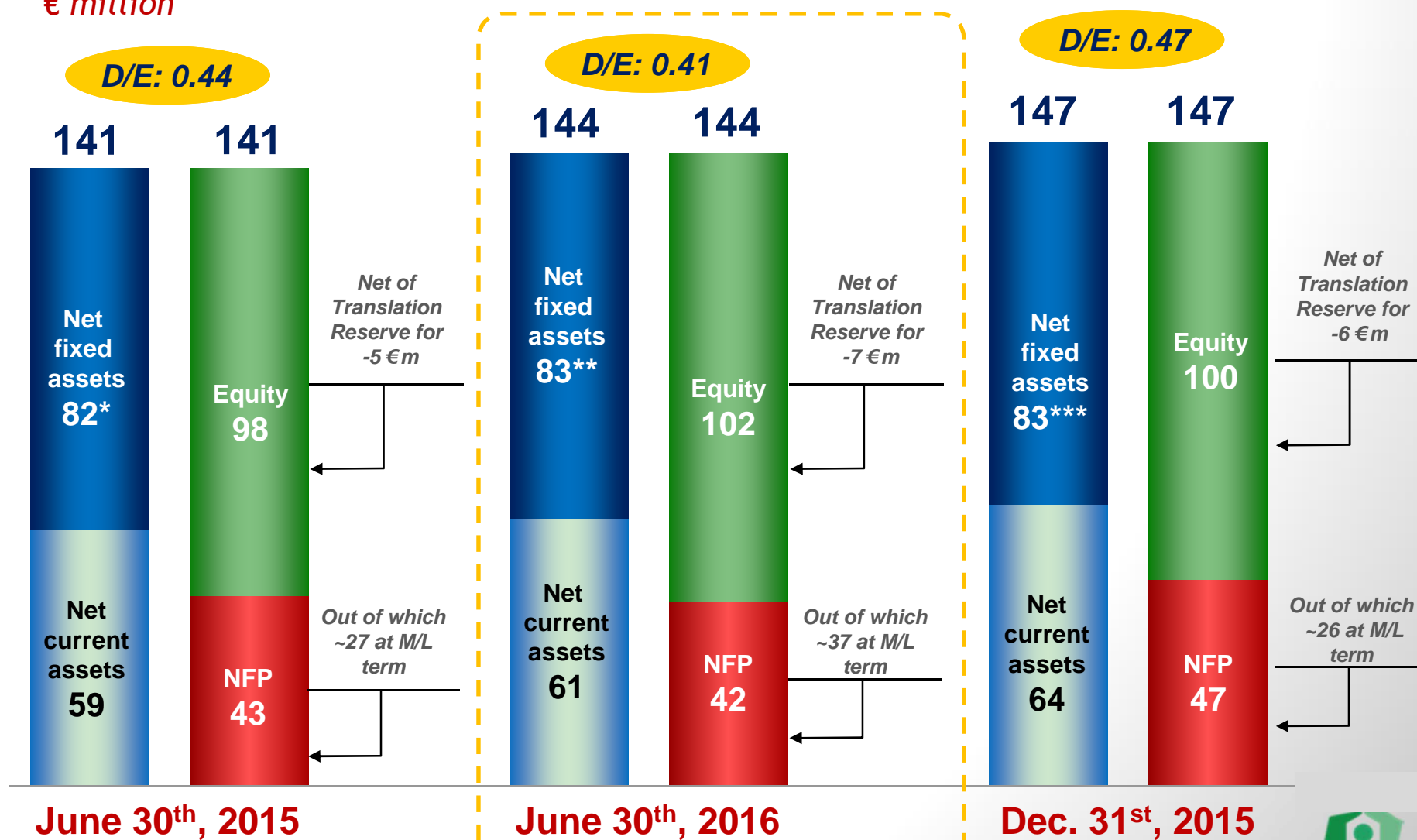
# CONSOLIDATED P&L

€ million

	1H 2016	1H 2015	<i>Variances</i>	
<b>REVENUES</b>	<b>87.1</b>	<b>82.1</b>	<b>+5.0</b>	<b>+6%</b>
<i>Of which: Licensing</i>	1.0	-	+1.0	
<b>EBITDA</b>	<b>11.5</b>	<b>7.5</b>	<b>+4.0</b>	<b>+53%</b>
<b>% ON REVENUES</b>	<b>13,2%</b>	<b>9,2%</b>		
Depreciation & amortization	(4.5)	(4.3)	-0.2	
<b>EBIT</b>	<b>7.0</b>	<b>3.2</b>	<b>+3.8</b>	<b>n/s</b>
Financial items	(0.3)	(0.6)	+0.3	
Gain/(loss) from hedging on copper and EUR/USD	1.1	(1.2)	+2.3	
<b>RESULT BEFORE TAXES</b>	<b>7.8</b>	<b>1.4</b>	<b>+6.4</b>	<b>n/s</b>
Current and deferred taxes	(3.3)	(1.4)	-1.9	
<b>NET RESULT</b>	<b>4.5</b>	<b>0.0</b>	<b>+4.5</b>	<b>n/s</b>

# CONSOLIDATED BALANCE SHEET

€ million



June 30<sup>th</sup>, 2015

June 30<sup>th</sup>, 2016

Dec. 31<sup>st</sup>, 2015

\* Net of Severance Indemnity Fund for 2.8 €m  
 \*\* Net of Severance Indemnity Fund for 2.9 €m  
 \*\*\* Net of Severance Indemnity Fund for 2.9 €m

# P&L OF OPERATING COMPANIES

€ million

ISAGRO GROUP (consolidated)		Isagro S.p.A. (holding Co.)	Isagro Asia (at 100%)	Isagro Colombia (at 100%)	Isagro España (at 100%)	Isagro USA (at 100%)
87.1 82.1	<b>REVENUES</b> Memo: 1H 2015	63.5 59.5	22.9 23.1	2.3 2.0	8.4 7.9	2.9 1.3
11.5 7.5	<b>EBITDA</b> Memo: 1H 2015	8.1 4.0	4.7 5.0	0.4 0.3	1.2 1.0	(1.5) (1.1)
4.5 0.0	<b>NET RESULT</b> Memo: 1H 2015	2.6 1.1	3.1 3.1	0.3 0.1	0.9 0.7	(1.5) (0.8)

# BALANCE SHEET OF OPERATING COMPANIES

€ million

ISAGRO  
GROUP  
(consolidated)

Isagro  
S.p.A.  
(holding Co.)

Isagro  
Asia  
(at 100%)

Isagro  
Colombia  
(at 100%)

Isagro  
España  
(at 100%)

Isagro  
USA  
(at 100%)

61	<b>NET CURRENT ASSETS</b>	41.1	16.7	1.3	1.4	4.7
83	<b>NET FIXED ASSETS *</b>	97.6	4.9	0.3	0.0	0.1
<b>144</b>	<b>NET INVESTED CAP.</b>	<b>138.7</b>	<b>21.6</b>	<b>1.6</b>	<b>1.4</b>	<b>4.8</b>
141	<i>Memo: 06.30.2015</i>	126.7	23.8	1.7	1.2	10.0
	<b><u>FINANCED BY:</u></b>					
<b>102</b>	<b>EQUITY</b>	<b>90.3</b>	<b>32.3</b>	<b>1.4</b>	<b>1.3</b>	<b>(0.3)</b>
98	<i>Memo: 06.30.2015</i>	86.6	29.1	1.1	1.1	1.8
<b>42</b>	<b>NFP at debt/(credit)</b>	<b>48.4</b>	<b>(10.6)</b>	<b>0.2</b>	<b>0.1</b>	<b>5.1</b>
43	<i>Memo: 06.30.2015</i>	40.1	(5.2)	0.6	0.1	8.1

\* Net of Severance Indemnity Fund

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RESULTS AS OF JUNE 30<sup>th</sup>, 2016

**MAIN EVENTS**

ISAGRO IN THE STOCK MARKET



## MAIN EVENTS OF 1H 2016

- Approval of 2015 Financial Statements by the Assembly, with dividend payment resolution (0.025 Euro and 0.030 Euro for respectively each Ordinary Share and each Growth Share)
- Appointment of new Independent Director
- Appointment of new Board of Statutory Auditors
- Aprilia plant not operating from June to September 2016 due to estimated lower sales in Brazil and lower toll manufacturing for third parties in 4Q vs. both 2015 and initial estimate

1

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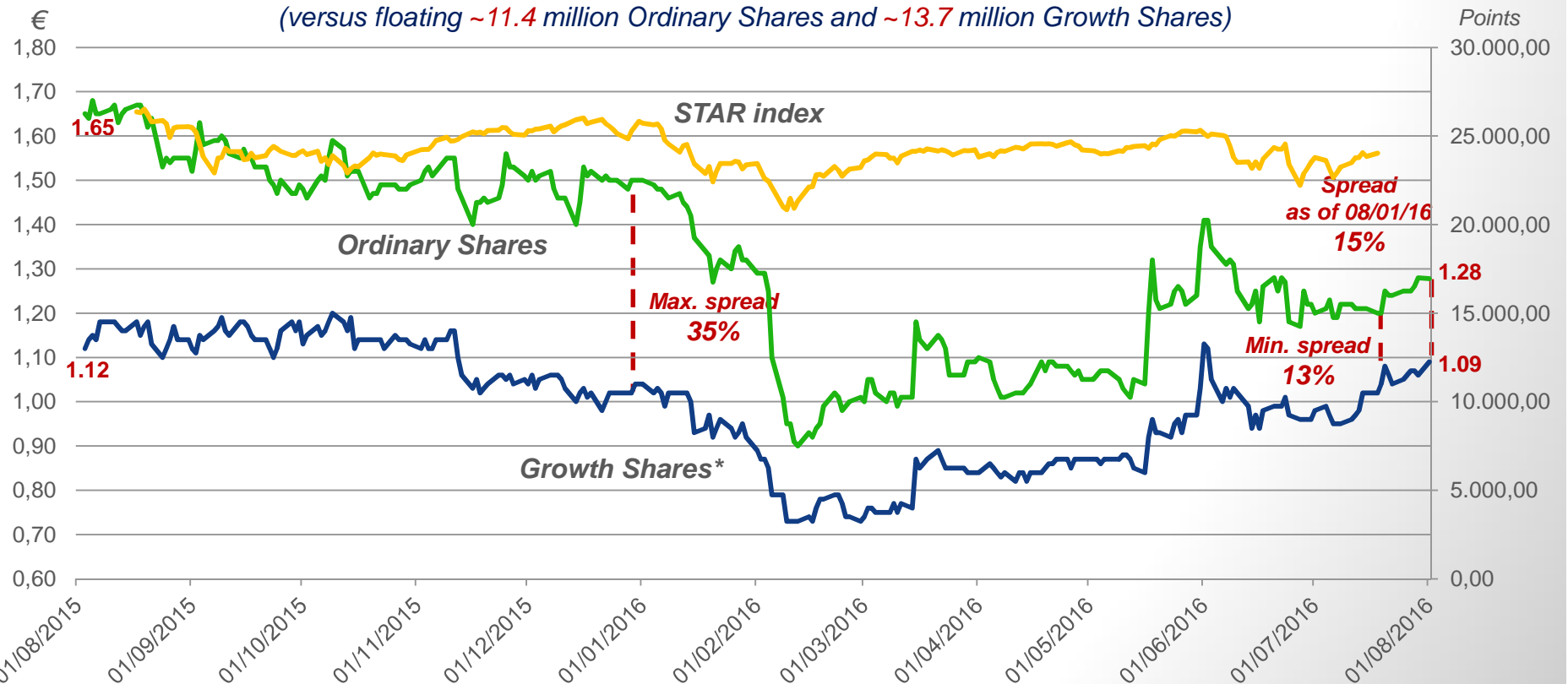
MAIN EVENTS

ISAGRO IN THE STOCK MARKET

# UNJUSTIFIED SPREAD BETWEEN ORDINARY AND GROWTH SHARES

In the last 12-month period: **~11.5 million Ordinary Shares** and **~5.7 million Growth Shares** traded

(versus floating **~11.4 million Ordinary Shares** and **~13.7 million Growth Shares**)



\***Growth Shares** are a new category of special shares, issuable by companies having a Controlling Subject, which against the absence of voting right:

- **grant an extra-dividend** vs. Ordinary Shares (20% in the case of Isagro);
- **are automatically converted into Ordinary Shares in the ratio 1:1** if the controlling Subject loses control and/or in any case of Compulsory Public Offer

# MARKET CAPITALIZATION LOWER THAN BOOK VALUE

	Price as of August 1 <sup>st</sup> , 2016 <i>(Euro per share)</i>	Market Capitalization <i>(Euro/million)</i>
ORDINARY SHARES	1.28	31.4
GROWTH SHARES	1.09	15.4
<b>MARKET CAP.</b>		<b>46.8</b>
<b>EQUITY BOOK VALUE</b>		<b>102.3*</b>

**Market capitalization < Book Value**

\* Book value of net fixed assets significantly lower than realizable market value

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