



## PRESS RELEASE

### ISAGRO BOD APPROVES THE QUARTERLY FINANCIAL RESULTS AS OF MARCH 31<sup>ST</sup>, 2018

*(First quarter of each year not representative of full-year results  
due to Isagro business seasonality)*

- Consolidated revenues 42.2 Euro million (vs. 47.2 Euro million of 2017)
- Consolidated EBITDA 4.5 Euro million (vs. 7.4 Euro million of 2017)
- Net result 1.3 Euro million (vs. 3.3 Euro million of 2017)
- Net financial debt as at March 31<sup>st</sup>, 2017 equal to 50.9 Euro million (vs. 46.2 Euro million as of December 31<sup>st</sup>, 2017 and vs. 51.9 Euro million as of March 31<sup>st</sup>, 2017), with a debt/equity ratio of 0.53

### START OF PROGRAM OF GROWTH SHARES PURCHASE AND TREASURY ORDINARY SHARES SALE

Milan, May 10<sup>th</sup>, 2018 – The Board of Directors of Isagro S.p.A. approved today the Consolidated Interim Result Report as of March 31<sup>st</sup>, 2018, which will be made available to the public following the terms and the modalities of the applicable Laws.

#### **1Q 2018 consolidated financial results**

Isagro achieved in the 1Q, a period historically not representative of the full-year results due to the seasonal nature of the business of the Group, the following consolidated results:

- Revenues of 42.2 Euro million, with a 5.0 Euro million decrease versus 47.2 Euro million of the first quarter of 2017;
- an EBITDA of 4.5 Euro million, with a decrease of 2.9 Euro million versus 7.4 Euro million of the first quarter of 2017;
- a Net result before taxes of 2.3 Euro million, with a decrease of 2.8 Euro million versus 5.1 Euro million of the first quarter of 2017;
- a Net result of 1.3 Euro million, with a decrease of 2.0 Euro million versus 3.3 Euro million of the first quarter of 2017,

with a Net financial position at debt as of March 31<sup>st</sup>, 2018 equal to 50.9 Euro million, with a seasonal increase of 4.7 Euro million versus 46.2 Euro million as of December 31<sup>st</sup>, 2017 and improving of 1.0 Euro million versus 51.9 Euro million as of March 31<sup>st</sup>, 2017.

ISO 9001:2015



CERTIFIED QUALITY  
MANAGEMENT SYSTEM

ISAGRO S.p.A. - company subject to the direction and coordination of Holdisa S.r.l.

Registered office: Caldera Park - Via Caldera, 21 - 20153 Milan - Italy

Corporate Capital Euro 24,961,207.65 - R.E.A. Milan I300947 - Fiscal Code & VAT n. 09497920158



With reference to the Balance Sheet, the Net financial debt as of March 31<sup>st</sup>, 2018 is entirely against Net working capital, with Equity directly backing Net working capital for around 11 Euro million.

### **Perspectives for the current year**

The 2018 full-year results are expected to improve versus 2017 thanks mostly to growth of Isagro Asia and higher initial revenues from new M/L Agreements.

In the mid-term (2020/2021) Isagro confirms the target of around 200 Euro million revenues at a consolidated level, based on the implementation of its Strategic Guidelines:

1. *discovery* of new molecules by itself;
2. development of proprietary molecules through agreements with Third Parties;
3. M/L Agreements to widen the commercial exploitation of its own products;
4. growth in the *Biosolutions* business;
5. expansion of its own global commercial organization;
6. selective actions of growth through acquisitions.

### **Purchase Growth Shares and sale treasury Ordinary Shares**

Pursuant to Article 144-*bis*, paragraph 3, of Consob Issuers' Regulation, the Company notifies that, starting from May 11<sup>th</sup>, 2018, it will launch the programme of purchase of Company's Growth Shares, based on the authorization given by the Shareholders' Meeting on April 24<sup>th</sup>, 2018. This transaction is for the long-term retention and incentive Plan named "2018-2021 Restricted Shares and Performance Shares Plan", which provides the free assignment of Growth Shares to the top management of Isagro.

Moreover, starting from the same date of May 11<sup>th</sup>, Isagro will start the sale of the no. 50,000 treasury Ordinary Shares, currently held by Isagro itself, aimed at optimizing the financial leverage and at increasing the availability of reserves to purchase Growth Shares.

It shall be noted, finally, that:

- the Company appointed Banca Leonardo to carry out the above-mentioned purchase and sale program, which will take trading decisions regarding timing of purchases and sales completely independent from the issuing Company;
- the purchase transactions refer to a maximum of no. 1,000,000 of Growth Shares, corresponding to around 7.05% of total Growth Shares and to around 4.01% of Share Capital;
- the purchases of Growth Shares shall be executed exclusively on the MTA market in accordance with the operating procedures set by the Rules of the Markets organized and managed by Borsa Italiana S.p.A. and the related Instructions, which do not allow the direct matching of purchase offers with predetermined sale offers;



- the unit price of each individual purchase of Growth Shares shall not exceed the highest price between the price of the last independent transaction and the price of the highest current independent purchase offer executed on the regulated market, in compliance with Article 3 of the EU Regulations 2016/1052;
- the minimum unit price of each individual sale of treasury Ordinary Shares shall not be below 5% of the reference price registered by the security in the preceding Stock Exchange sale trading session;
- the period of the given authorization to proceed with the purchase of Growth Shares and with the sale of treasury Ordinary Shares will expire on October 24<sup>th</sup>, 2019.

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The Manager charged with preparing the company's financial reports, Ruggero Gambini, hereby certifies, pursuant to Article 154-bis, paragraph 2 of the Consolidated Law on Finance, that the financial information in this press release is consistent with the entries in the accounting books and records.

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*Isagro S.p.A., an independent company from 1993 with Montecatini/Montedison origin, today leads a Group operating in research, development, production and distribution of agropharmaceuticals (the products for the protection and development of crops) with sales in 80 countries amounting around € 150 million (of which 4/5 outside Italy) and 600 employees worldwide. Isagro is based on the Innovative Research of new molecules, carried out in its Research Center of Novara, and invests in R,I&D activities around 10% of annual turnover. The Group has 5 manufacturing sites (4 in Italy and 1 in India) and distributes directly its products in some selected markets, developing at the same time local presences for marketing and regulatory support.*

*Isagro operates with a unique business model in the agrochemical Industry, proposing itself as a supplier of innovative products originated by its own Research. Isagro, in fact, associates to the direct exploitation of its Intellectual Property also an indirect exploitation, through agreements with Third Parties attributing to them rights on a territorial basis and/or for mixtures with their active ingredients.*

*Isagro S.p.A., listed on the Milan Stock Exchange since 2003 and on the STAR – High Requirements Stock Segment – since 2004, in 2014 has issued Growth Shares, an innovative category of special shares specifically conceived for companies having a Controlling Subject. Their main characteristics are the absence of voting rights, an extra-dividend vs. Ordinary Shares (20% in the case of Isagro) and the automatic conversion into Ordinary Shares in the ratio 1:1 in any case of loss of controlling stake and/or of Compulsory Public Offer.*

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## CONSOLIDATED PROFIT & LOSS STATEMENT AS OF MARCH 31<sup>ST</sup>, 2018

(€ 000)	1 <sup>st</sup> Quarter 2018	1 <sup>st</sup> Quarter 2017	Differences		Year 2017
<b>Revenues from sales and services</b>	<b>42,208</b>	<b>47,222</b>	<b>-5,014</b>	<b>-10.6%</b>	<b>149,580</b>
Other revenues and income	737	534	+203		3,299
Consumption of materials and external services	(32,376)	(31,890)	-486		(107,953)
Variations in inventories of products	1,497	(897)	+2,394		(2,316)
Costs capitalized for internal works	601	629	-28		2,204
Allowances and provisions	(523)	(397)	-126		(1,000)
Labor costs	(7,269)	(7,258)	-11		(29,427)
Bonus accruals	(379)	(532)	+153		(1,830)
<b>EBITDA</b>	<b>4,496</b>	<b>7,411</b>	<b>-2,915</b>	<b>-39.3%</b>	<b>12,557</b>
<i>% on Revenues</i>	<i>10.7%</i>	<i>15.7%</i>			<i>8.4%</i>
Depreciation/amortisation and write-downs:					
- tangible assets	(933)	(956)	+23		(3,882)
- intangible assets	(1,338)	(1,256)	-82		(5,316)
- write-down of tangible and intangible assets	-	-	-		(490)
<b>EBIT</b>	<b>2,225</b>	<b>5,199</b>	<b>-2,974</b>	<b>-57.2%</b>	<b>2,869</b>
<i>% on Revenues</i>	<i>5.3%</i>	<i>11.0%</i>			<i>1.9%</i>
Interest, fees and financial discounts	(31)	(91)	+60		(863)
Exchange gains/(losses) and derivatives	74	(82)	+156		154
Revaluations of equity investments	48	27	+21		135
<b>Result before taxes</b>	<b>2,316</b>	<b>5,053</b>	<b>-2,737</b>	<b>-54.2%</b>	<b>2,295</b>
Current and deferred taxes	(1,019)	(1,732)	+713		(1,882)
<b>Net result from continuing operations</b>	<b>1,297</b>	<b>3,321</b>	<b>-2,024</b>	<b>N/S</b>	<b>413</b>
Net result of discontinued operations	-	-	-		(200)
<b>Net result</b>	<b>1,297</b>	<b>3,321</b>	<b>-2,024</b>	<b>N/S</b>	<b>213</b>

## CONSOLIDATED BALANCE SHEET AS OF MARCH 31<sup>ST</sup>, 2018

(€ 000)	Mar. 31, 2018	Jan. 1, 2018 as per IFRS 9	Differences	Mar. 31, 2017	Dec. 31, 2017
<b>Net fixed assets</b>					
Goodwill	3,435	3,377	+58	3,654	3,377
Other intangible assets	50,181	49,774	+407	48,971	49,774
Tangible assets	19,856	20,553	-697	21,855	20,553
Investments valued with the equity method	485	437	+48	339	437
Other medium/long term assets and liabilities	13,207	13,478	-271	14,219	12,693
<b>Total net fixed assets</b>	<b>87,164</b>	<b>87,619</b>	<b>-455</b>	<b>89,038</b>	<b>86,834</b>
<b>Net current assets</b>					
Inventories	48,142	45,040	+3,102	48,721	45,040
Trade receivables	52,192	41,480	+10,712	60,952	44,502
Trade payables	(38,184)	(30,998)	-7,186	(37,358)	(30,998)
<b>Subtotal Net working capital</b>	<b>62,150</b>	<b>55,522</b>	<b>+6,628</b>	<b>72,315</b>	<b>58,544</b>
Risk funds	(2,418)	(2,055)	-363	(2,554)	(2,055)
Other current assets and liabilities	3,221	4,795	-1,574	2,382	4,795
<b>Subtotal Other current assets and liabilities</b>	<b>803</b>	<b>2,740</b>	<b>-1,937</b>	<b>(172)</b>	<b>2,740</b>
<b>Total net current assets</b>	<b>62,953</b>	<b>58,262</b>	<b>+4,691</b>	<b>72,143</b>	<b>61,284</b>
<b>Invested capital</b>	<b>150,117</b>	<b>145,881</b>	<b>+4,236</b>	<b>161,181</b>	<b>148,118</b>
<b>Severance Indemnity Fund (S.I.F)</b>	<b>(2,481)</b>	<b>(2,591)</b>	<b>+110</b>	<b>(2,650)</b>	<b>(2,591)</b>
<b>Net invested capital</b>	<b>147,636</b>	<b>143,290</b>	<b>+4,346</b>	<b>158,531</b>	<b>145,527</b>
<b>Held for sale non-financial assets and liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>147,636</b>	<b>143,290</b>	<b>+4,346</b>	<b>158,531</b>	<b>145,527</b>
<i>financed by:</i>					
<b>Equity</b>					
Capital stock	24,961	24,961	-	24,961	24,961
Reserves and retained earnings	80,803	80,877	-74	82,938	82,901
Translation reserve	(10,303)	(8,769)	-1,534	(4,604)	(8,769)
Net profit of the Group	1,297	-	+1,297	3,321	213
<b>Total equity</b>	<b>96,758</b>	<b>97,069</b>	<b>-311</b>	<b>106,616</b>	<b>99,306</b>
<b>Net financial position</b>					
<i>Medium/long term debts:</i>					
- due to banks	42,444	43,728	-1,284	33,502	43,728
- due to other lenders	1,567	1,581	-14	1,916	1,581
- other financial liabilities/(assets) and derivatives	6	26	-20	-	26
<b>Total medium/long term financial debts</b>	<b>44,017</b>	<b>45,335</b>	<b>-1,318</b>	<b>35,418</b>	<b>45,335</b>
<i>Short-term debts:</i>					
- due to banks	42,284	32,541	+9,743	31,965	32,541
- due to other lenders	1,391	348	+1,043	2,119	348
- other financial liabilities/(assets) and derivatives	(193)	(302)	+109	27	(302)
<b>Total short-term financial debts</b>	<b>43,482</b>	<b>32,587</b>	<b>+10,895</b>	<b>34,111</b>	<b>32,587</b>
<b>Cash and cash equivalents</b>	<b>(36,621)</b>	<b>(31,701)</b>	<b>-4,920</b>	<b>(17,614)</b>	<b>(31,701)</b>
<b>Total net financial position</b>	<b>50,878</b>	<b>46,221</b>	<b>+4,657</b>	<b>51,915</b>	<b>46,221</b>
<b>Total</b>	<b>147,636</b>	<b>143,290</b>	<b>+4,346</b>	<b>158,531</b>	<b>145,527</b>

## CONSOLIDATED CASH-FLOW STATEMENT OF JANUARY-MARCH 2018

(€ 000)	31.03.2018	31.03.2017
<b>Cash and cash equivalents (as of January 1<sup>st</sup>)</b>	<b>31,701</b>	<b>16,459</b>
<i>Operating activities</i>		
<b>Net profit of continuing operation</b>	<b>1,297</b>	<b>3,321</b>
- Depreciation and amortisation of tangible and intangible assets	2,271	2,212
- Provision to reserves (including employee indemnity)	432	592
<b>Subtotal Cash - Flow</b>	<b>4,000</b>	<b>6,125</b>
- Write-up of investments and other financial assets	(48)	(26)
- Net change in net current assets	(7,536)	(5,804)
- Net change in other assets and liabilities	1,691	2,348
- Use of funds (including employee indemnity)	(167)	(141)
<b>Cash Flow from/(for) operations</b>	<b>(2,060)</b>	<b>2,502</b>
<i>Investment activities</i>		
- Investments in intangible assets	(1,746)	(2,008)
- Investments in tangible assets	(389)	(79)
<b>Cash Flow for investments</b>	<b>(2,135)</b>	<b>(2,087)</b>
<i>Financing activities</i>		
- Increase in financial debts (current and non-current)	9,627	444
- Increase in financial receivable derivatives and other financial assets (current and non-current)	(7)	(43)
<b>Cash flow from financing activities</b>	<b>9,620</b>	<b>401</b>
<b>Translation adjustment changes</b>	<b>(505)</b>	<b>339</b>
<b>Cash flow of the period</b>	<b>4,920</b>	<b>1,155</b>
<b>Cash-closing balance (as of March 31<sup>st</sup>)</b>	<b>36,621</b>	<b>17,614</b>