

# ISAGRO AS OF JUNE 30<sup>TH</sup>, 2020

Conference Call

*Milan, September 11<sup>th</sup>, 2020*



# Executive summary

- First “full semester» with the new business model
- Strong improvement in 1H 2020 results vs. 2019 thanks to:
  - Actions of commercial and business development  
(+19% sales of Agropharma & Services with +5€m margins)
  - Revision of organizational structure  
(-45 people with 1.8€m of net savings)
  - Re-focused R,I&D activities  
(3.7€m lower costs, out of which 1.2€m expensed at P&L)
- Net result 1H 2020: 1€m vs. -3.6€m of 1H 2019 re-stated (the latter including 2.5€m proceeds from M/L Agreements, absent in 2020)
- NFP as of June 30<sup>th</sup>, 2020: 34€m vs. 58€m of June 30<sup>th</sup>, 2019, stable vs. December 31<sup>st</sup>, 2019  
(against around 48€m of NWC)

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## FACTS & FIGURES

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## BACK-UP

RESULTS AS OF JUNE 30<sup>TH</sup>, 2020

ISAGRO IN THE STOCK MARKET

## Towards a new Isagro

- Isagro started the redefinition of its business model, which foresees the corporate **development in Bio-Copper** also through acquisitions, financed by the **divestment of selected organic chemical assets**, the book values of which are estimated to be lower than their market values
- In coherence with this objective, Isagro:
  - in December 2019, completed the **sale of Isagro Asia Private Limited** at a net price of around 52 Euro million, out of which **around 46 million** cashed-in on December 27<sup>th</sup>, 2019 and **further 3.3 million** between April and July 2020
  - during 2Q 2020, accepted a Binding Offer from FMC Corporation for the purchase of the fungicide **Fluindapyr** at the price of **55 Euro million** (against a book value for Isagro of around 25 million). In July 2020, moreover, it was **signed the related Asset Purchase Agreement**, which **Closing** (with simultaneous payment of the Price), subject to some conditions precedent, is expected to take place **by the end of 3Q 2020** and in any case by the end of the current year

# 1H 2020 for Isagro: growing Revenues

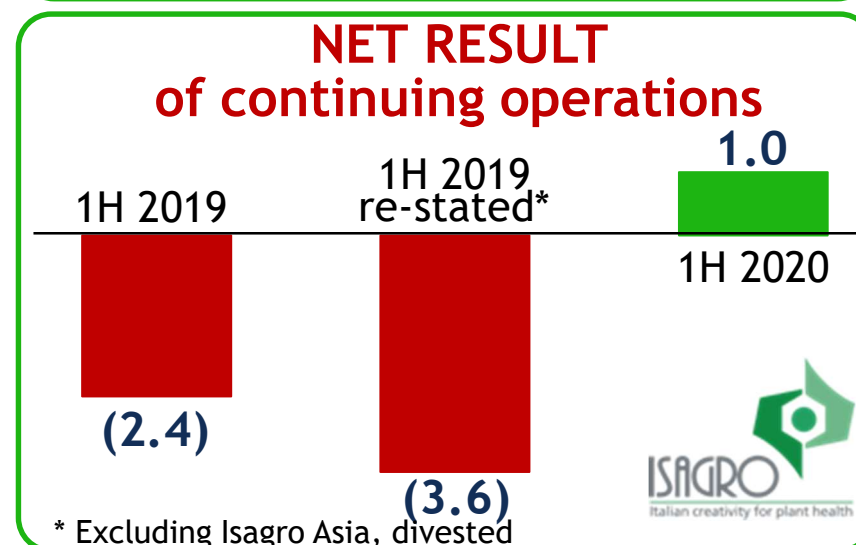
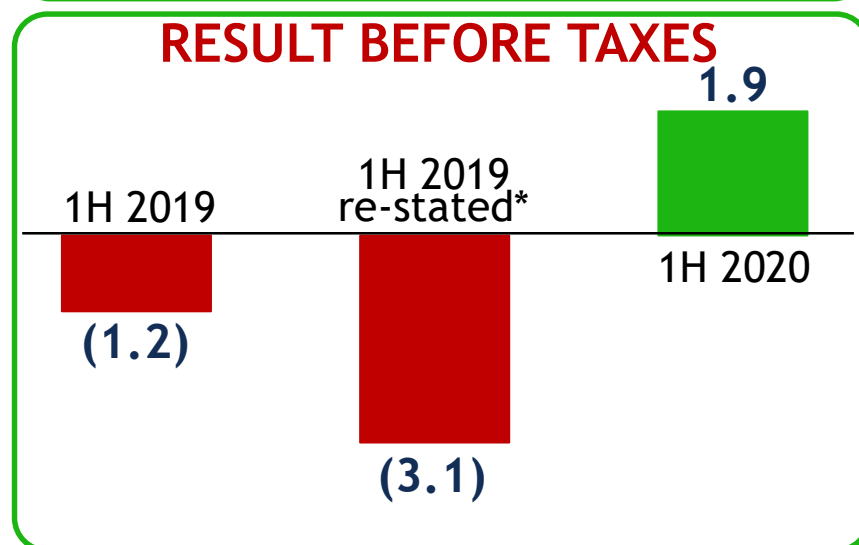
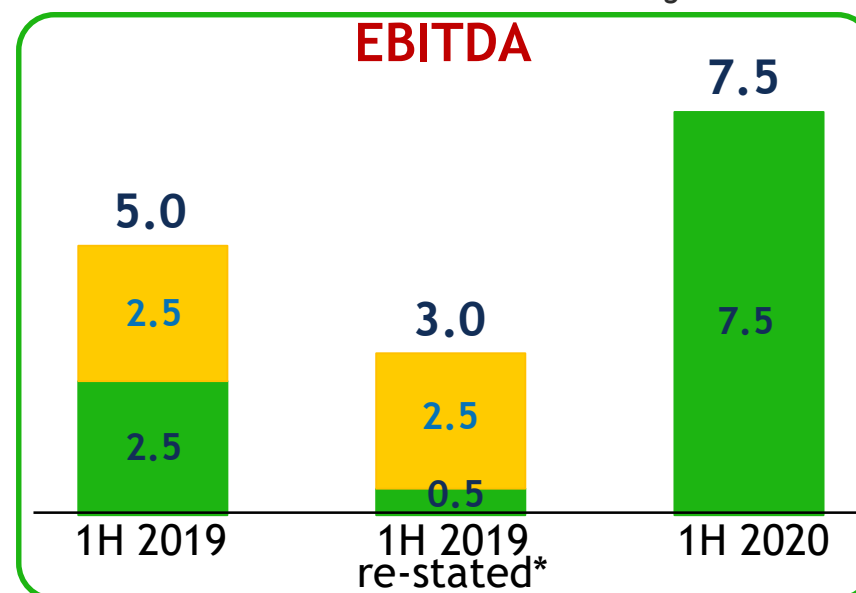
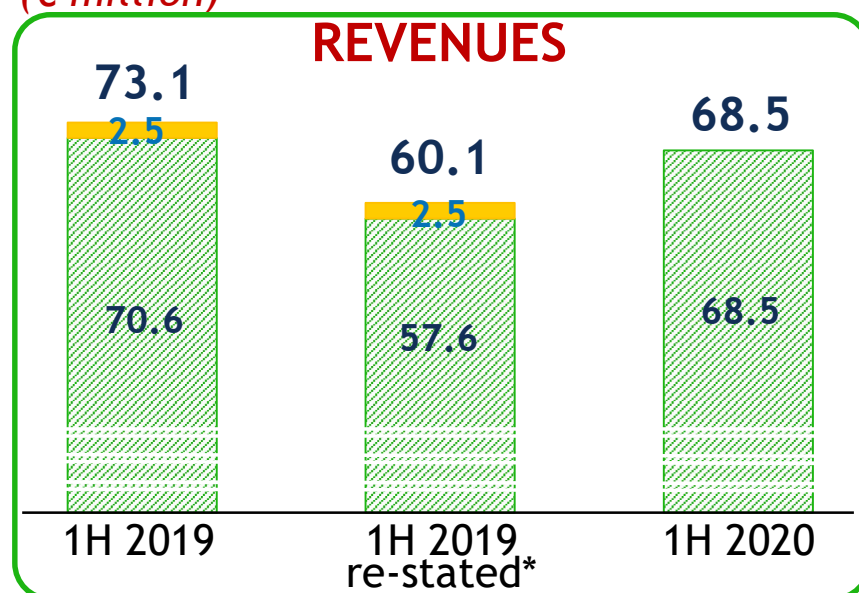
- In a **recovering market** vs. 1H 2019, key Industry player show, at a global level, an **increase of sales of around 2%** in local currencies
- In such frame, **Isagro** registered in 1H 2020 vs. 1H 2019\*:
  - a **19% growth in sales** of Agropharma and Services (+10.9€M), mainly attributable to copper-based products in the important markets of **United States and Europe**
  - absence of revenues from M/L Agreements vs. 2.5€M of 1H 2019
- The positive performance of Agropharma and Services is partially attributable (i) to the shifting to the beginning of 2020 of some 2019-end orders by the customer Gowan USA, as well as (ii) to the tendency by some clients to anticipate orders from 2H, based on fears about a possible block of the global supply chain due to the effects of Covid-19 pandemic, the latter ones only partially manifested

\* 1H 2019 data were re-stated in order to consider the economic results of Isagro Asia Private Limited, divested on December 27<sup>th</sup>, 2019, within the «discontinued operations»

# Key economic results

Consolidated data  
(€ million)

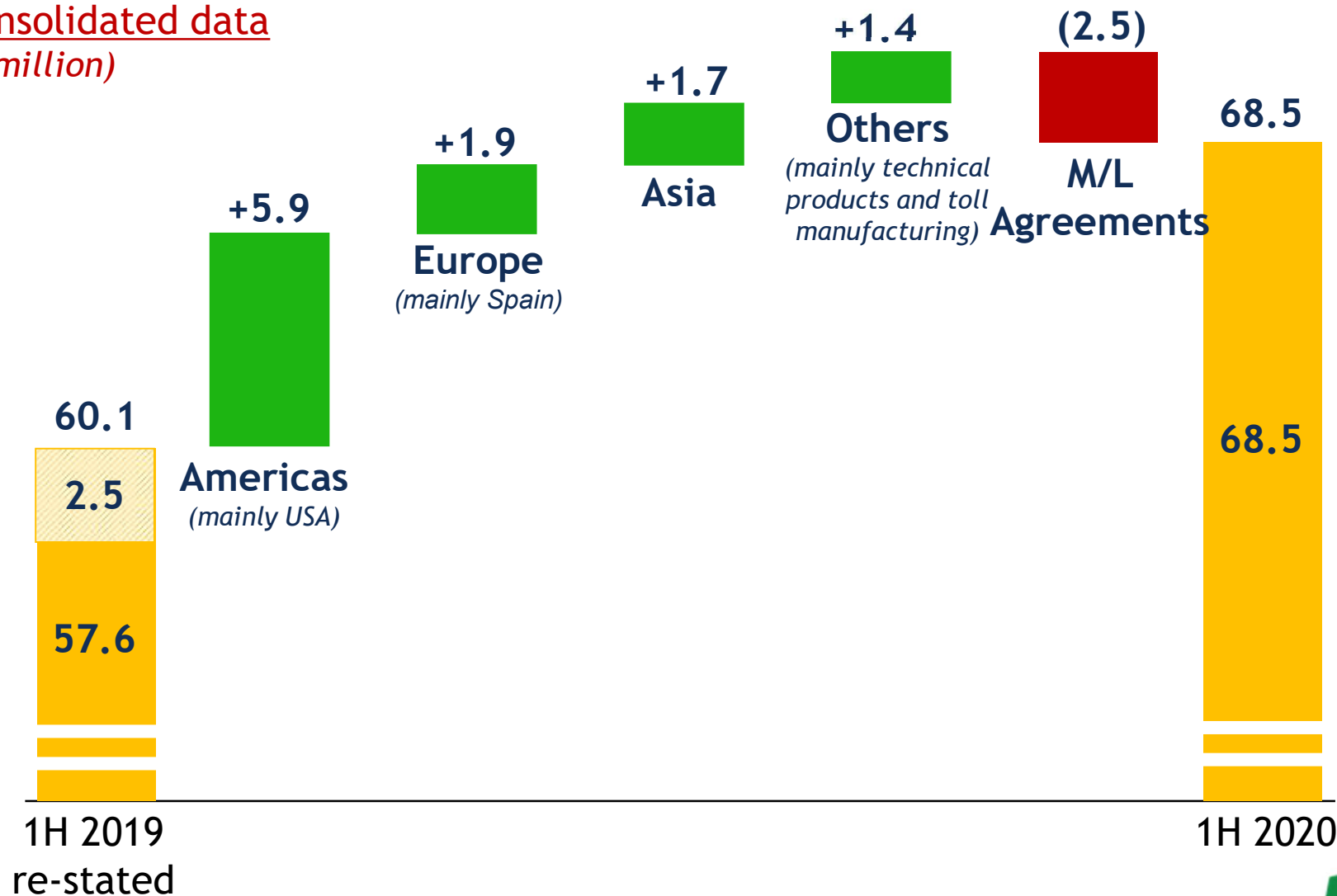
Agropharma & Services  
M/L Agreements



\* Excluding Isagro Asia, divested

# Revenues variation

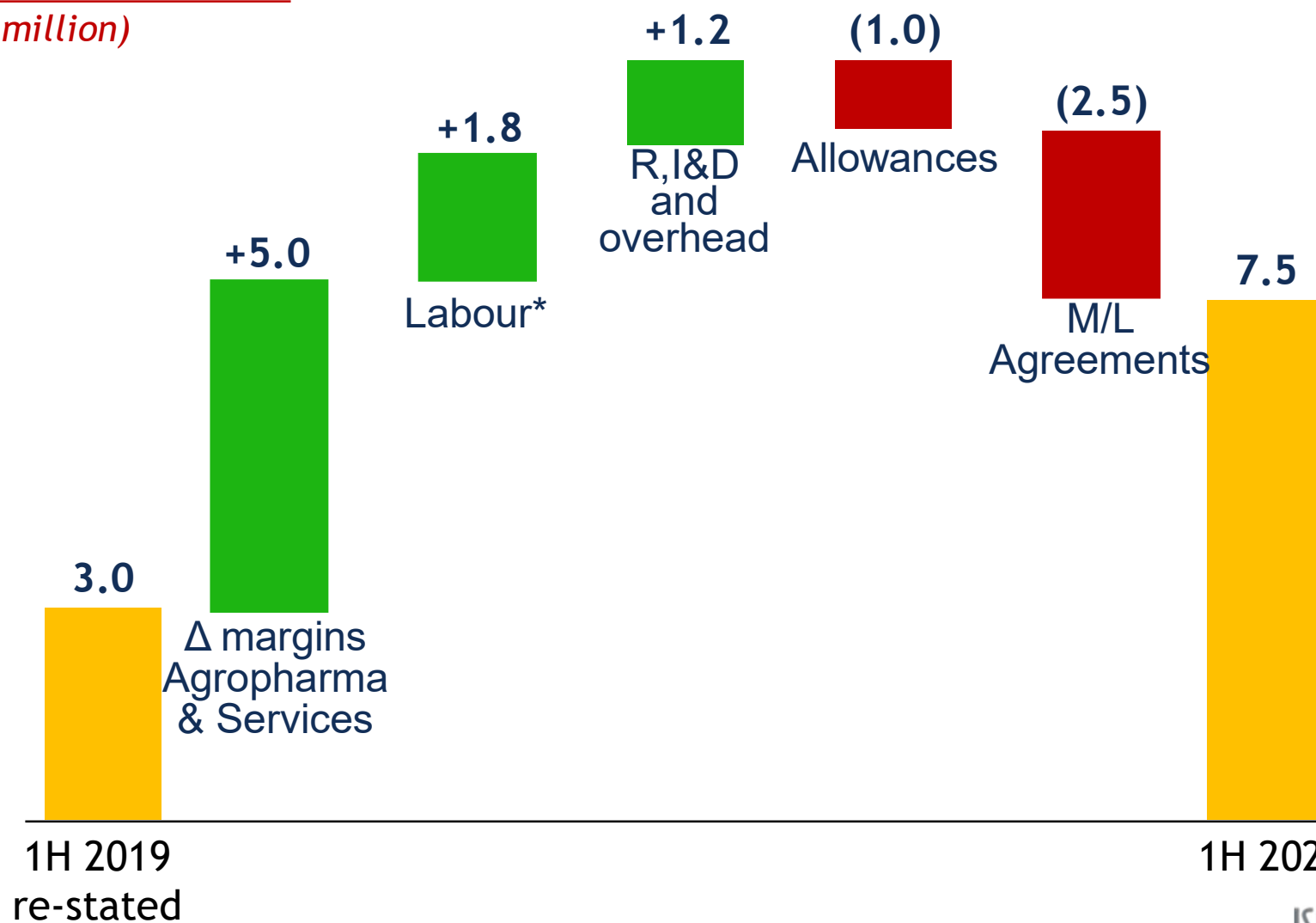
Consolidated data  
(€ million)



- REVENUES FROM AGROPHARMA & SERVICES
- REVENUES FROM M/L AGREEMENTS

## EBITDA variation

Consolidated data  
(€ million)



\*Including wages, salaries, contributions, fiscal charges, allowances for bonuses and fixed costs related to personnel



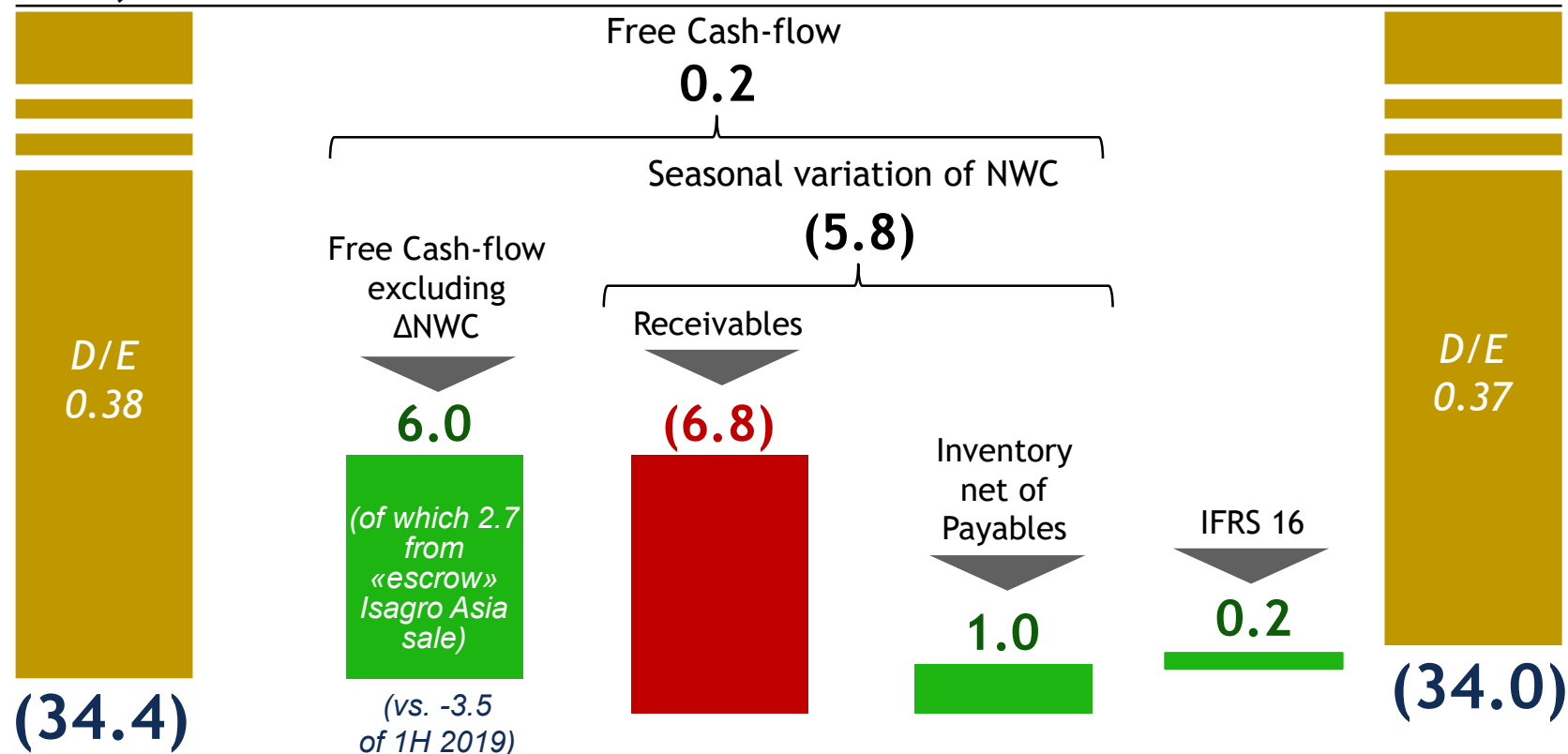
# Free cash flow 1H 2020

## Consolidated data

(€ million)

Net Fin. Debt  
Dec. 31, 2019

Net Fin. Debt  
June 30, 2020

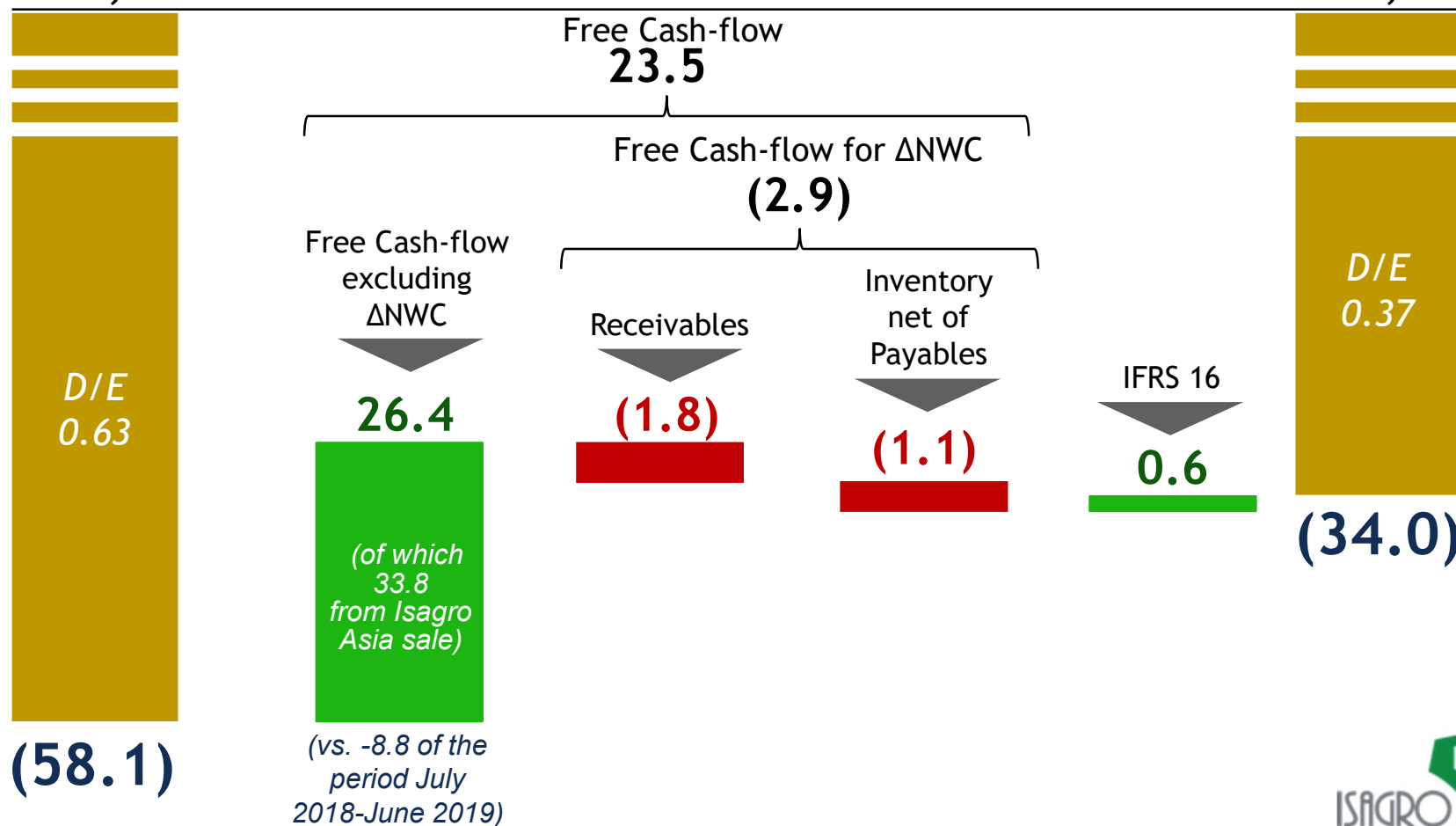


# Free cash flow 12-month “rolling”

## Consolidated data (€ million)

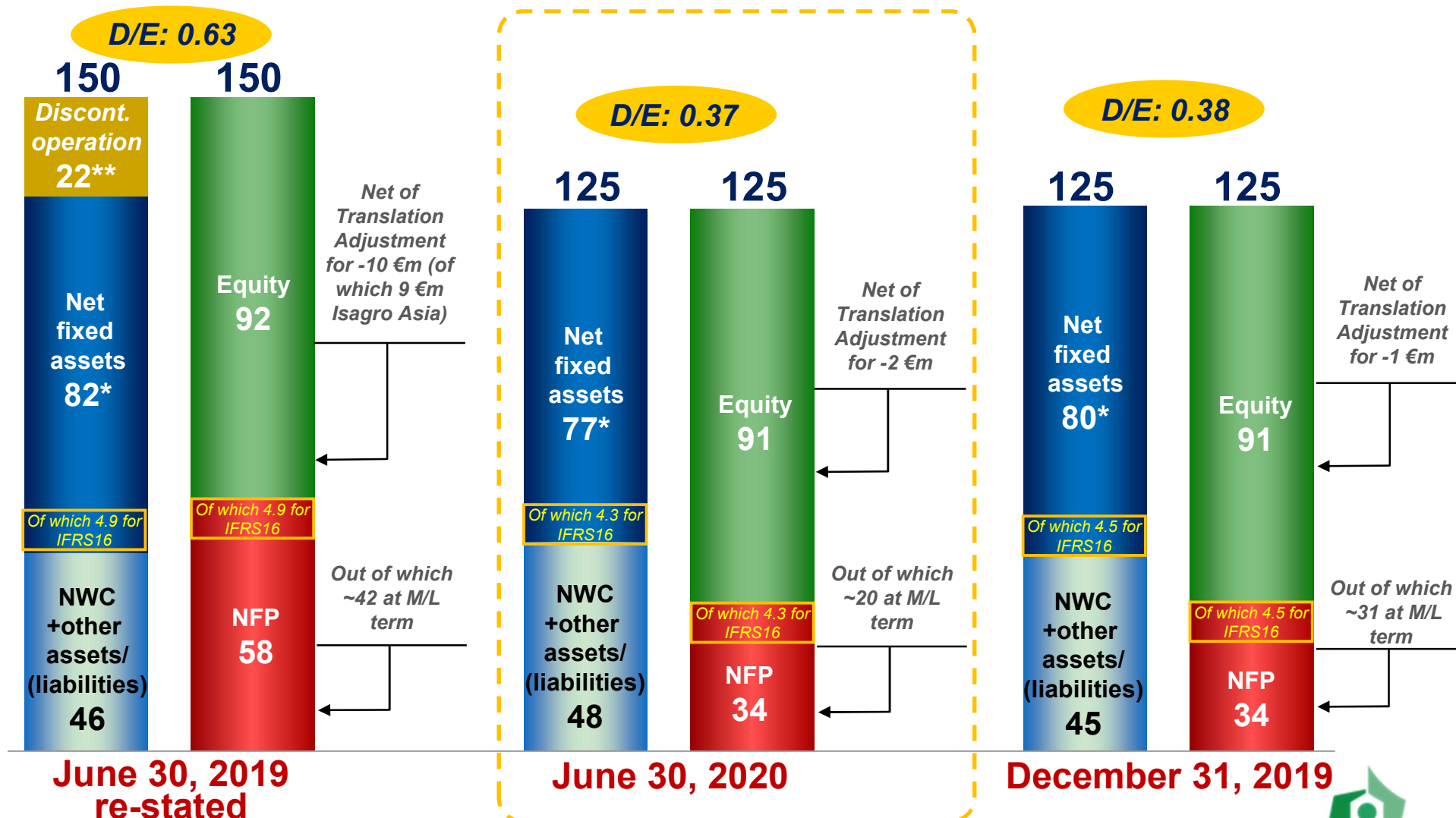
Net Fin. Debt  
June 30, 2019

Net Fin. Debt  
June 30, 2020



# Consolidated balance sheet

€ million



\* Net of Severance Indemnity Fund

\*\* It refers to Isagro Asia assets represented as discontinued operations

The NFP of Isagro Asia as of June 30<sup>th</sup>, 2019 was at credit and equal to (15.1) €m

## Perspectives

With reference to the economic results expected for the full year, Isagro forecasts a level of sales moderately higher than 2019, due to a second semester awaited to be affected by the phase-out of some formulations in Europe.

The Net result expected in 2020 will depend in a decisive way upon extraordinary operations consistent with the redefinition of the business model.

Moreover, the actions of commercial development and of organizational redefinition, which are underway and have already positively contributed to the first semester results, will express a wider impact in the next year.

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RESULTS AS OF JUNE 30<sup>TH</sup>, 2020

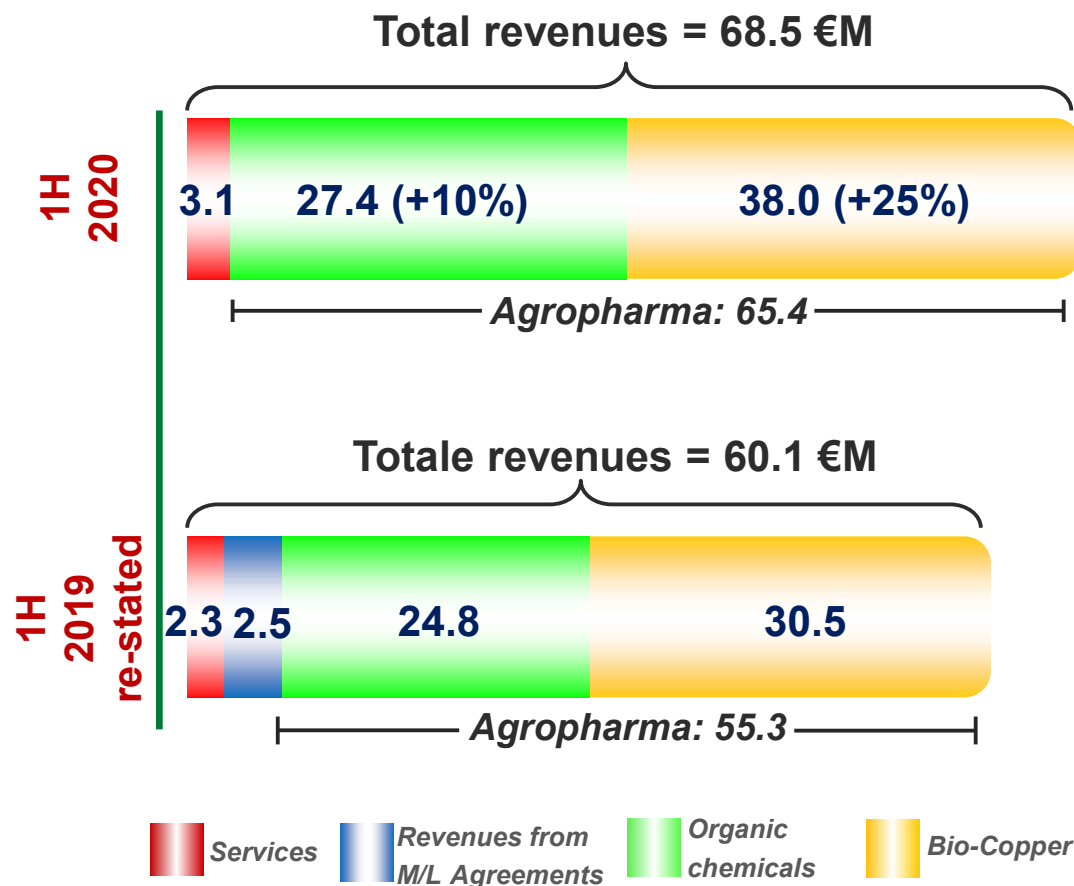
ISAGRO IN THE STOCK MARKET

# Consolidated revenues

€ million

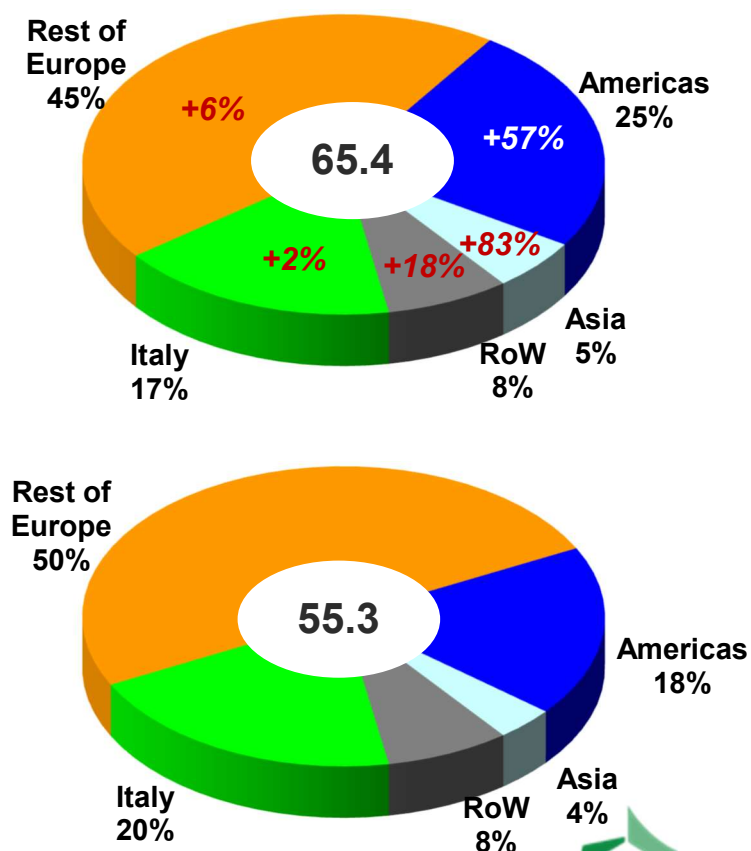
Isagro as of June 30<sup>th</sup>, 2020

## REVENUES BREAKDOWN BY PRODUCT CATEGORY



## REVENUES BREAKDOWN BY REGION

(ONLY AGROPHARMA)



Note 1: Revenues breakdown by region excludes in the pie chart DCS (Domestic Currency Swap) effect as per IFRS 9, equal to (0.4)€M as of June 30<sup>th</sup>, 2020

Note 2: Revenues breakdown here reported is based on the nationality of clients

# Consolidated Profit & loss

€ million

	1H 2020	1H 2019 <i>re-stated</i>	<b>Variations</b>		<b><u>Memo</u></b> <b>1H 2019</b>
<b>REVENUES</b>	<b>68.5</b>	<b>60.1</b>	<b>+8.4</b>	<b>+14%</b>	<b>73.1</b>
<i>Of which: initial revenues from M/L Agreements</i>	-	2.5	-2.5		2.5
<b>EBITDA</b>	<b>7.5</b>	<b>3.0</b>	<b>+4.5</b>	<b>n/s</b>	<b>5.0</b>
<b>% ON REVENUES</b>	<b>10.9%</b>	<b>5.0%</b>			<b>6.8%</b>
Depreciation & amortization	(4.3)	(5.2)	+0.9		(5.5)
Right-of-use of assets (IFRS 16)	(0.4)	(0.5)	+0.1		(0.6)
<b>EBIT</b>	<b>2.8</b>	<b>(2.7)</b>	<b>+5.5</b>	<b>n/s</b>	<b>(1.1)</b>
Financial items	(0.5)	(0.5)	+0.0		(0.2)
Exchange profits/(losses) and derivatives	(0.4)	0.1	-0.5		0.1
<b>RESULT BEFORE TAXES</b>	<b>1.9</b>	<b>(3.1)</b>	<b>+5.0</b>	<b>n/s</b>	<b>(1.2)</b>
Current and deferred taxes	(0.9)	(0.5)	-0.4		(1.2)
<b>NET RESULT CONTINUING OPERATIONS</b>	<b>1.0</b>	<b>(3.6)</b>	<b>+4.6</b>	<b>n/s</b>	<b>(2.4)</b>
<i>Net result of discontinued operations (Isagro Asia)</i>	-	1.2	-1.2		-
<b>NET RESULT</b>	<b>1.0</b>	<b>(2.4)</b>	<b>+3.4</b>	<b>n/s</b>	<b>(2.4)</b>

# Profit & loss of operating companies

€ million

ISAGRO GROUP (consolidated)		Isagro S.p.A. (holding Co.)	Isagro Brasil (at 100%)	Isagro Colombia (at 100%)	Isagro España (at 100%)	Isagro USA (at 100%)
68.5 60.1	<b>REVENUES</b> <i>Memo: 1H 2019 re-stated</i>	56.0 55.0	2.6 1.4	2.8 2.4	9.3 8.9	3.9 1.3
7.5 3.0	<b>EBITDA</b> <i>Memo: 1H 2019 re-stated</i>	3.9 2.7	0.4 0.1	0.4 0.6	1.4 1.2	0.5 (0.8)
1.0 (3.6)	<b>NET RESULT CONT. OPERAT.</b> <i>Memo: 1H 2019 re-stated</i>	(1.3) (2.1)	0.2 (0.1)	0.2 0.1	1.0 0.9	0.4 (1.0)



# Balance sheet of operating companies

€ million

ISAGRO GROUP (consolidated)	Isagro S.p.A. (holding Co.)	Isagro Brasil (at 100%)	Isagro Colombia (at 100%)	Isagro España (at 100%)	Isagro USA (at 100%)
48	45.9	0.0	1.3	0.2	3.1
77*	81.3	0.2	0.4	0.2	0.1
125	127.2	0.2	1.7	0.4	3.2
of which → 150 → 22	140.0	0.5	1.9	1.0	6.9
91	92.1	0.6	1.7	2.8	1.0
96	72.9	0.8	1.7	1.6	0.0
34	35.0	(0.4)	(0.1)	(2.3)	2.2
of which → 58 → (15)	67.0	(0.2)	0.3	(0.7)	6.9

\* Includes Fluindapyr assets "held for sale" for 25 €M

\*\*Net of Severance Indemnity Fund

Note: IFRS 16 effect in 1H2020 was equal to 4.3 €M (vs. 4.9 €M of 1H2019 re-stated)

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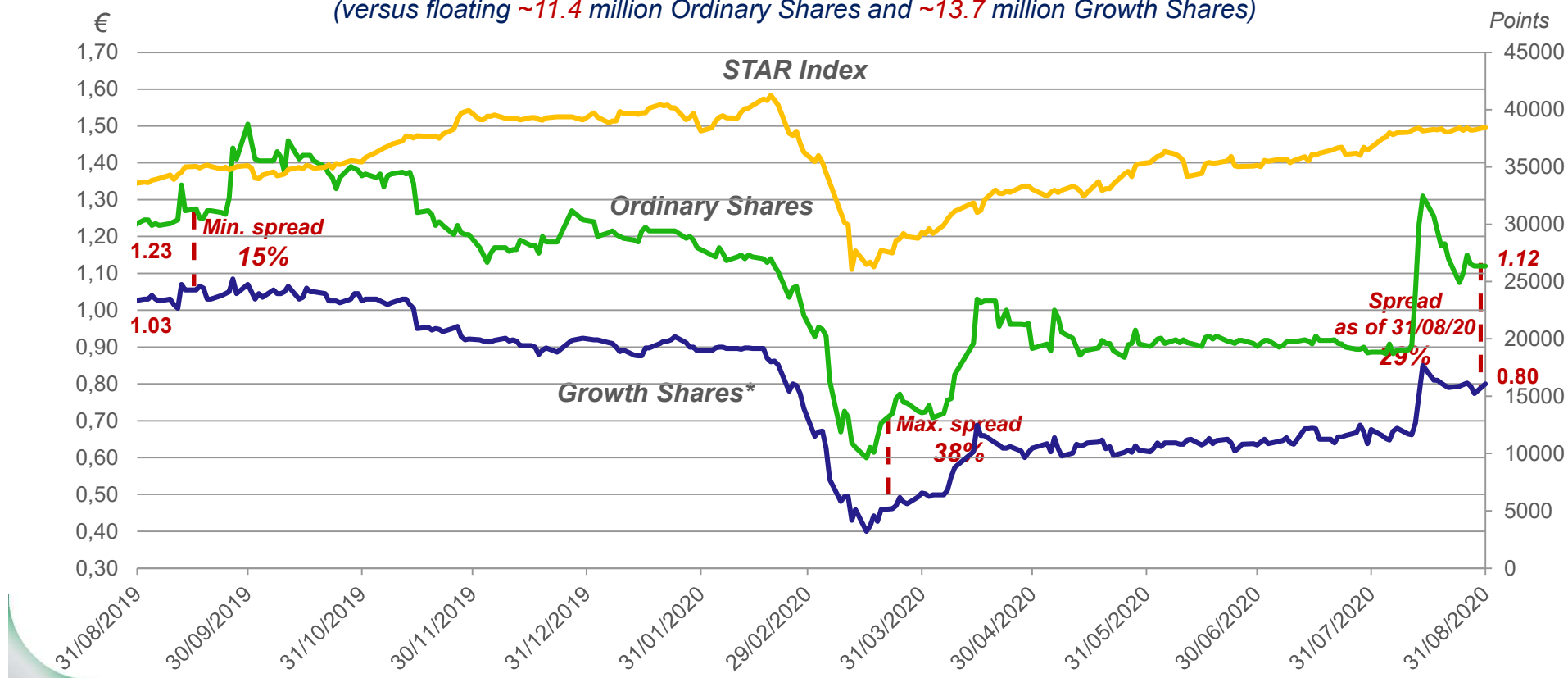
RESULTS AS OF JUNE 30<sup>TH</sup>, 2020

ISAGRO IN THE STOCK MARKET

# Growth Shares and Ordinary Shares: unjustified spread

In the last 12-month period: **~18.3 million Ordinary Shares** and **~9.4 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 of Equity

	Prices as of August 31 <sup>st</sup> , 2020 (Euro per share)	Market Capitalization (Euro/million)
ORDINARY SHARES	1.12	27.5
GROWTH SHARES	0.80	11.3
MARKET CAP		38.8
EQUITY BOOK VALUE		90.8
Market Capitalization < Book Value		

**Note:** the book value of net fixed assets is estimated to be significantly lower than their realizable market value

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