

ISAGRO AS OF SEPTEMBER 30TH, 2020

Conference Call

Milan, November 13th, 2020



Executive summary (1/2)

- 9 months 2020 results (being the 3^o quarter of each year a period of “saison morte» for the business of Isagro) confirming an operational “turning point”, although not reflecting yet:
 - divestment of Fluindapyr for **55€m** (against a book value of 25€m) and acquisition of Phoenix-Del for 3€m*, both finalized in October 2020
 - «full-year» effects of cost-efficiency actions (at maturity from 2022)
- 9 months 2020 consolidated results vs. 9 months 2019**:
 - **Revenues** from Agropharma and Services **+18%**
 - **EBITDA** of **4.6€m vs. -2.2€m** (the latter including 2.5€m of non-recurring Revenues from M/L Agreements, a business activity discontinued in 2020)
 - **Net result of continuing operations** of **-4.7€m vs. -12.1€m** (the latter equal to -14.6€m excluding the non-recurring Revenues)
 - **Free cash flow** (NFP variation) positive for **2.1€m**
- In October, financial “turning point”: NFP with **net cash for around 20€m**

* The value of the transaction amounts to 3.6€m, out of which 3.1€m paid at Closing and 0.5€m to be paid in 2023 subject to the achievement of certain commercial objectives

** 2019 data restated as per IFRS 5 in order to consider Isagro Asia, divested in December 2019, within the discontinued activities

Executive summary (2/2)

■ Perspectives:

- expectation of an important profit at year-end thanks to the capital gain from Fluindapyr divestment;
- the financial resources generated by the divestments of 2019 and 2020, coupled with the ongoing managerial actions deriving from the change of the business model, allow to forecast important improvements in the ordinary results.

1

FACTS & FIGURES

2

BACK-UP

RESULTS AS OF SEPTEMBER 30TH, 2020

ISAGRO IN THE STOCK MARKET

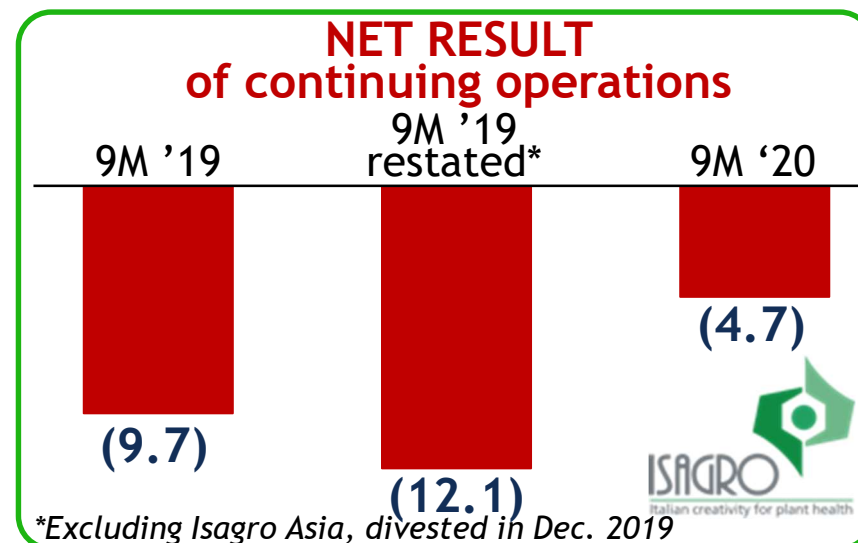
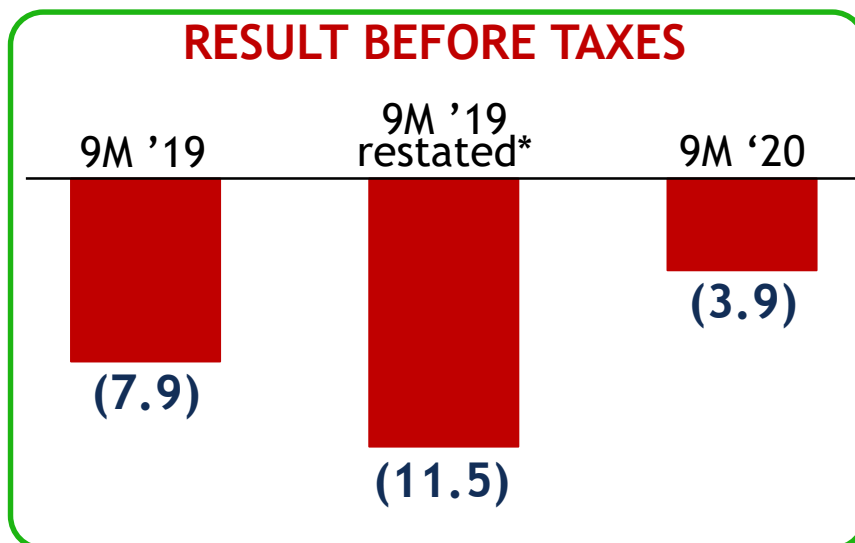
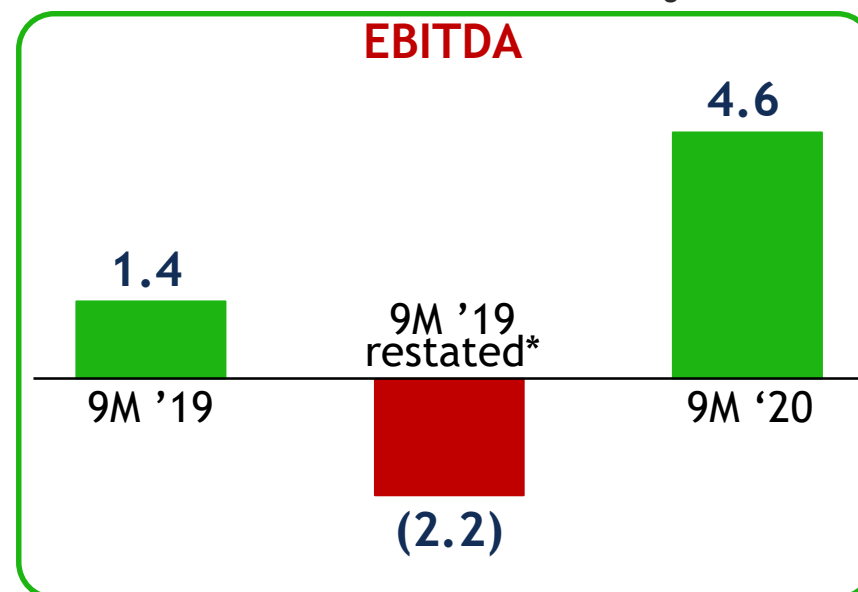
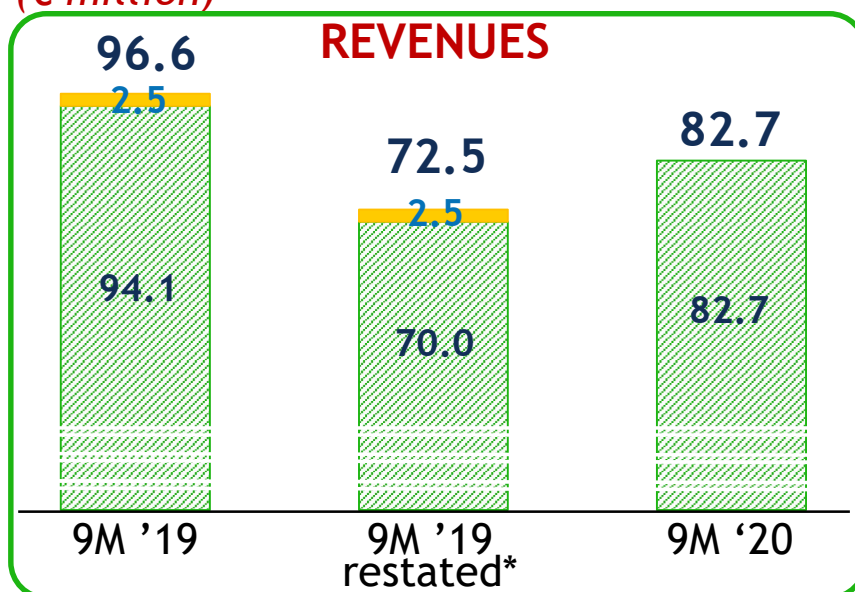
9M 2020 for Isagro: growing Revenues

- In a market marginally recovering vs. 9M 2019, key Industry players show at a global level an increase of sales of around 1% in local currencies
- In such frame, Isagro registered in 9M 2020 vs. 9M 2019:
 - a 18% growth in sales of Agropharma and Services (+12.7€M), mainly attributable to copper-based products, delthametrine and biostimulants in the important markets of United States and Europe
 - absence of revenues from M/L Agreements vs. 2.5€M of 9M 2019
- Important efficiency recoveries at the costs structure level (at maturity from 2022), with:
 - lower labour costs and fixed costs (excluding R,I&D) for 2.0€m
 - lower R,I&D costs for 4.9 €m (out of which, lower costs expensed at P&L for 2.4€m)

Key economic results

Consolidated data
(€ million)

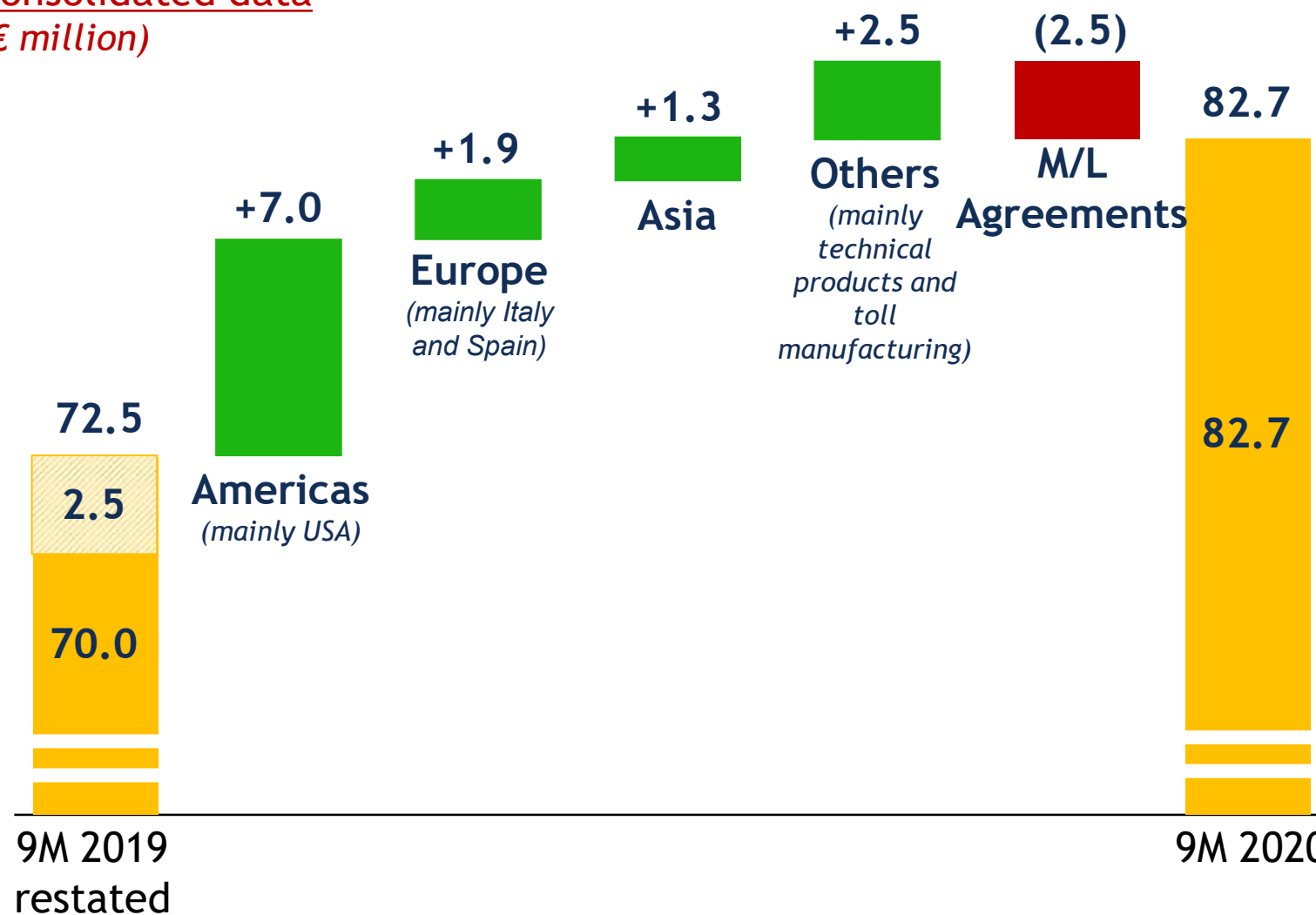
■ Agropharma & Services
■ M/L Agreements



*Excluding Isagro Asia, divested in Dec. 2019

Revenues variation

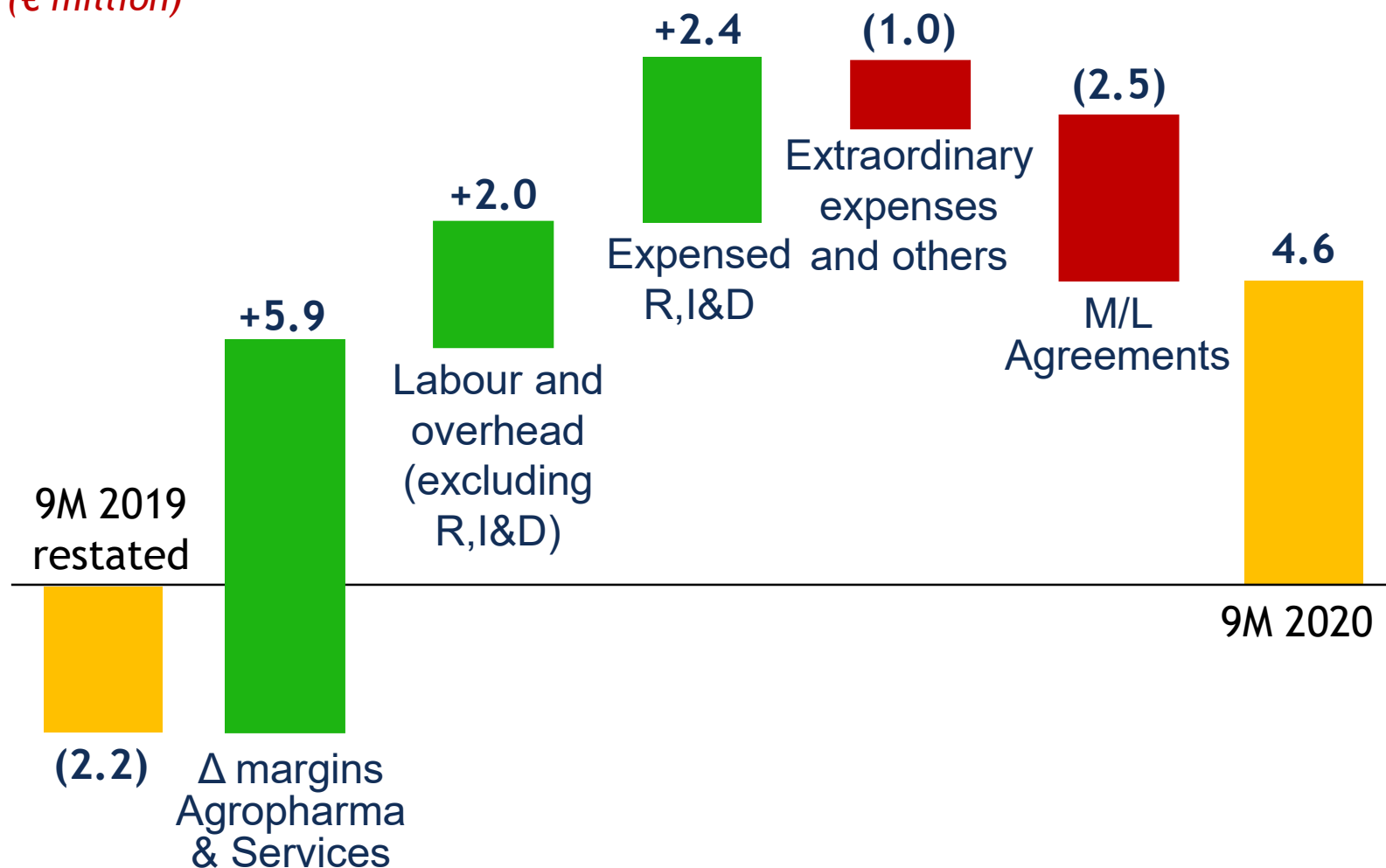
Consolidated data
(€ million)



REVENUES FROM AGROPHARMA & SERVICES
 REVENUES FROM M/L AGREEMENTS

EBITDA variation

Consolidated data
(€ million)



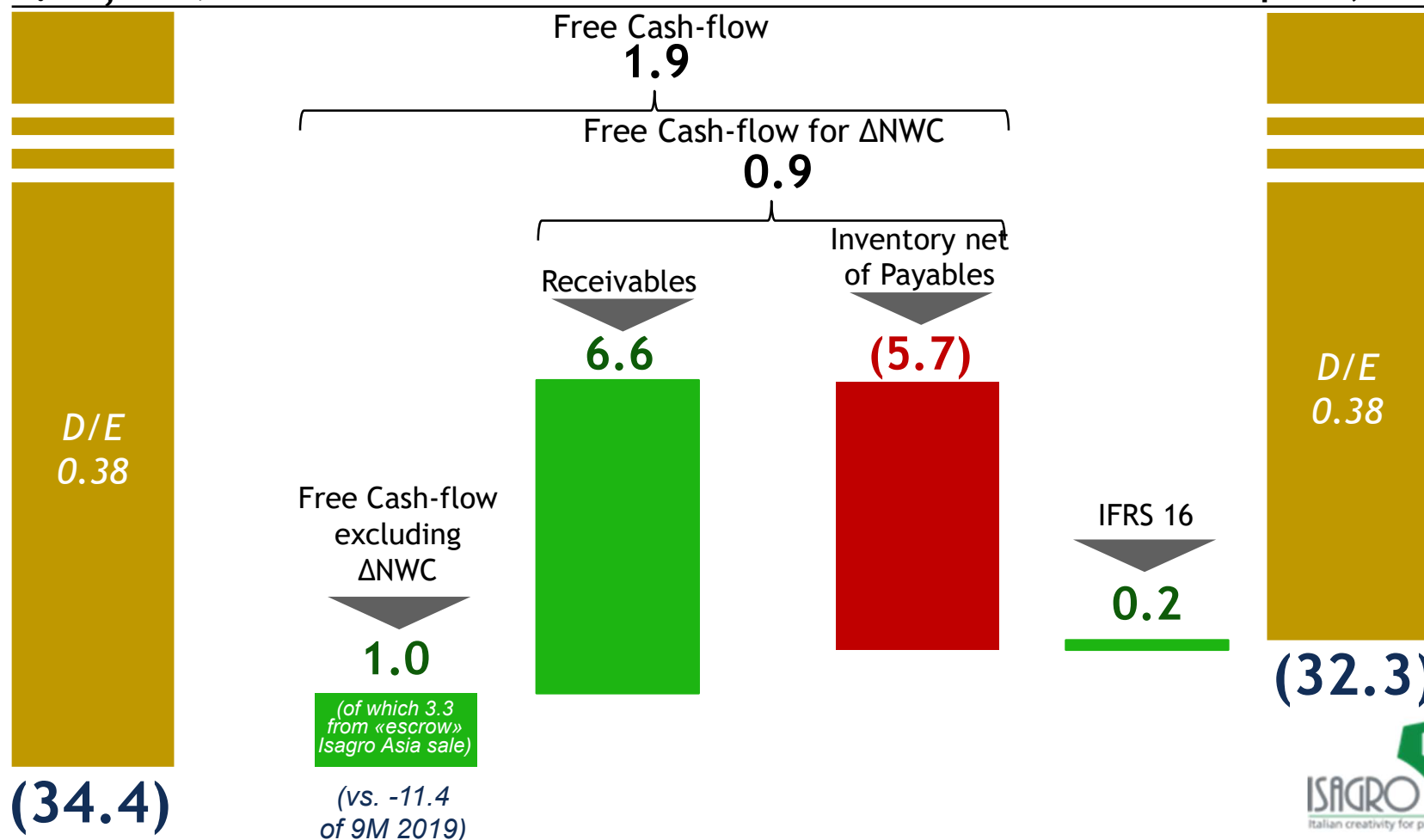
Free cash flow 9M 2020

Consolidated data

(€ million)

Net Fin. Debt
Dec. 31, 2019

Net Fin. Debt
Sep. 30, 2020

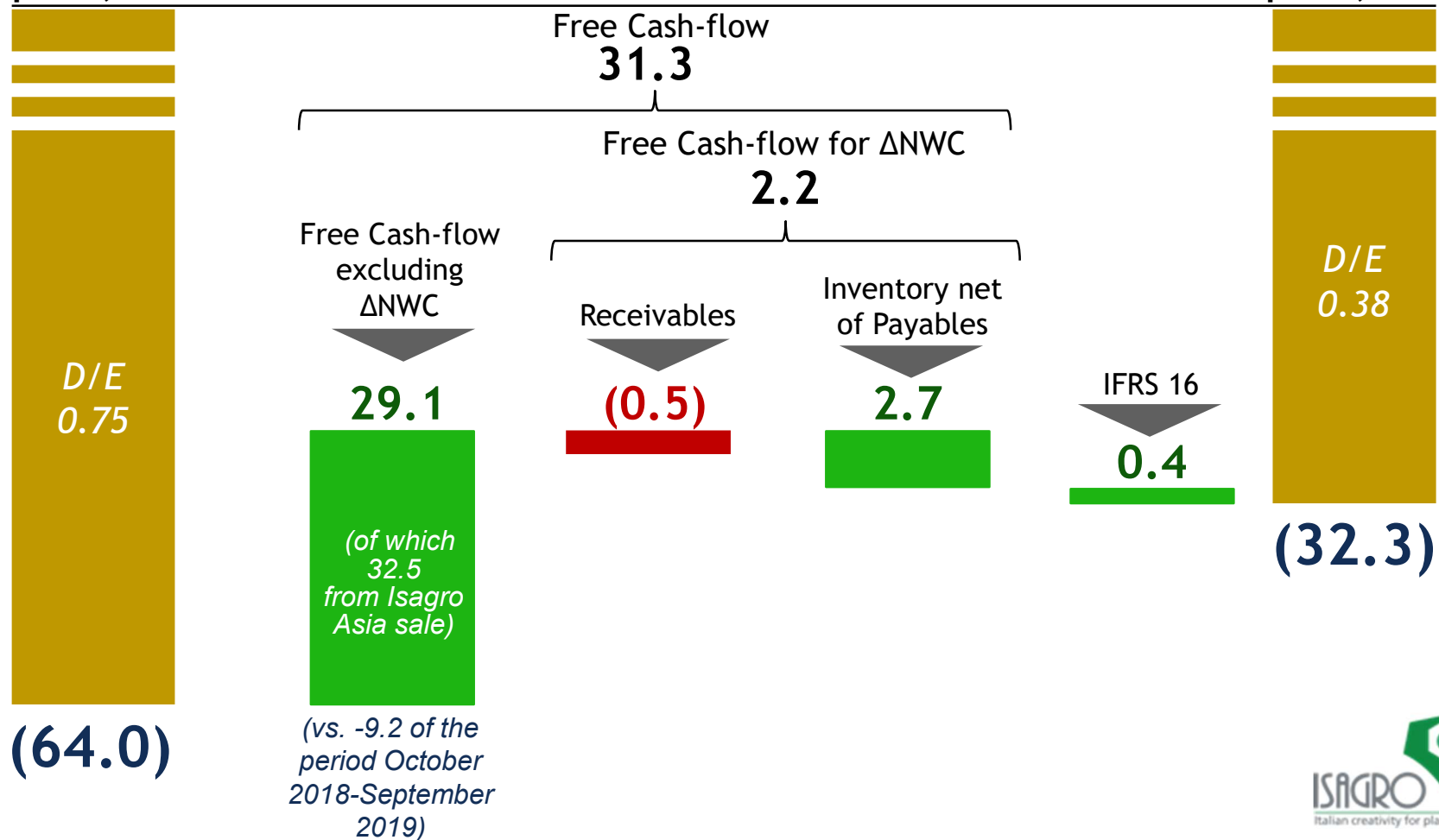


Free cash flow 12-month “rolling”

Consolidated data (€ million)

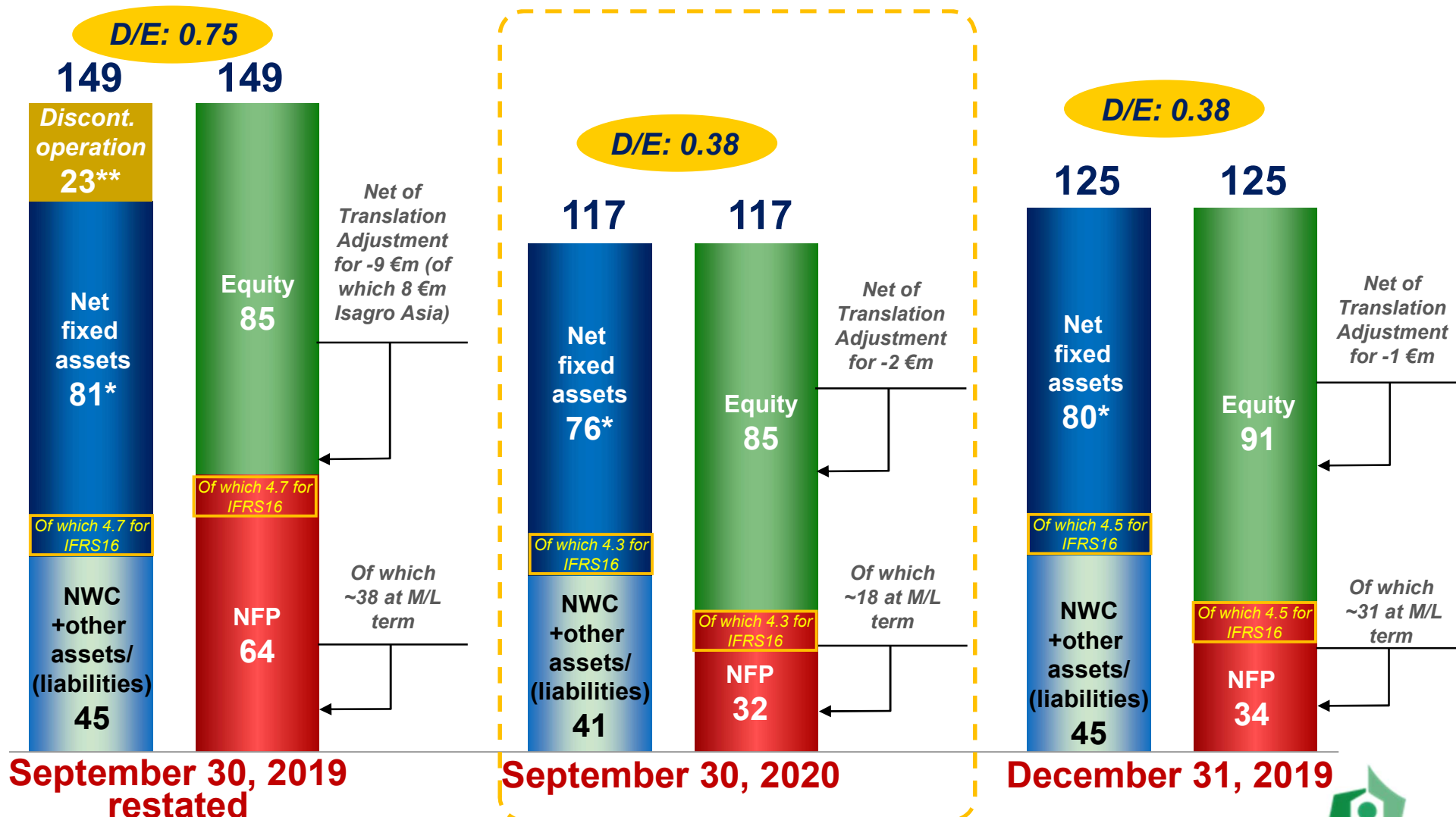
Net Fin. Debt
Sep. 30, 2019

Net Fin. Debt
Sep. 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 September 30th, 2019 was at credit and equal to (17.0) €m

Perspectives

■ For the full year 2020, Isagro forecasts a level of sales higher than 2019, albeit to a far lower extent vs. the one registered in the first nine months due to a fourth quarter awaited to be affected by the phase-out of some formulations in Europe, with a **positive EBITDA** (also excluding the net extraordinary proceeds from Fluindapyr sale) compared to the one in loss in the 12 months of 2019. The Net result expected in 2020 is estimated in strong **profit** thanks to the **capital gain** of Fluindapyr, the amount of which will also depend on the quantification of related provisions as per accounting principle IFRS 15. The **NFP** at year-end is expected **at credit between 15 and 20 Euro million**.

■ Moreover, the ongoing **actions for commercial development and organizational redefinition**, which have already positively contributed to the nine-month results, will express **a wider impact next year** and will guarantee a contribution **at maturity from 2022**.

The financial resources generated by the divestments of 2019 and 2020, coupled with the ongoing managerial actions deriving from the change of the business model, allow to forecast important improvements in the ordinary results.

1

FACTS & FIGURES

2

BACK-UP

RESULTS AS OF SEPTEMBER 30TH, 2020

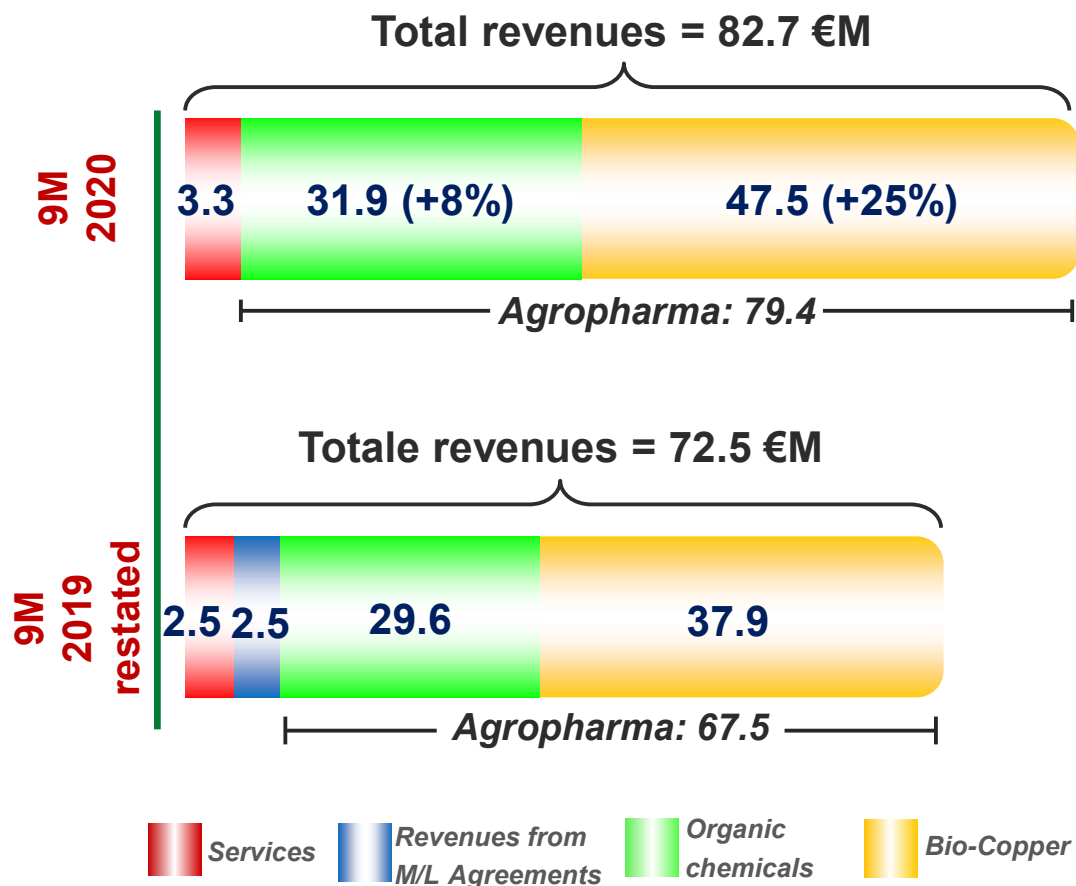
ISAGRO IN THE STOCK MARKET

Consolidated revenues

€ million

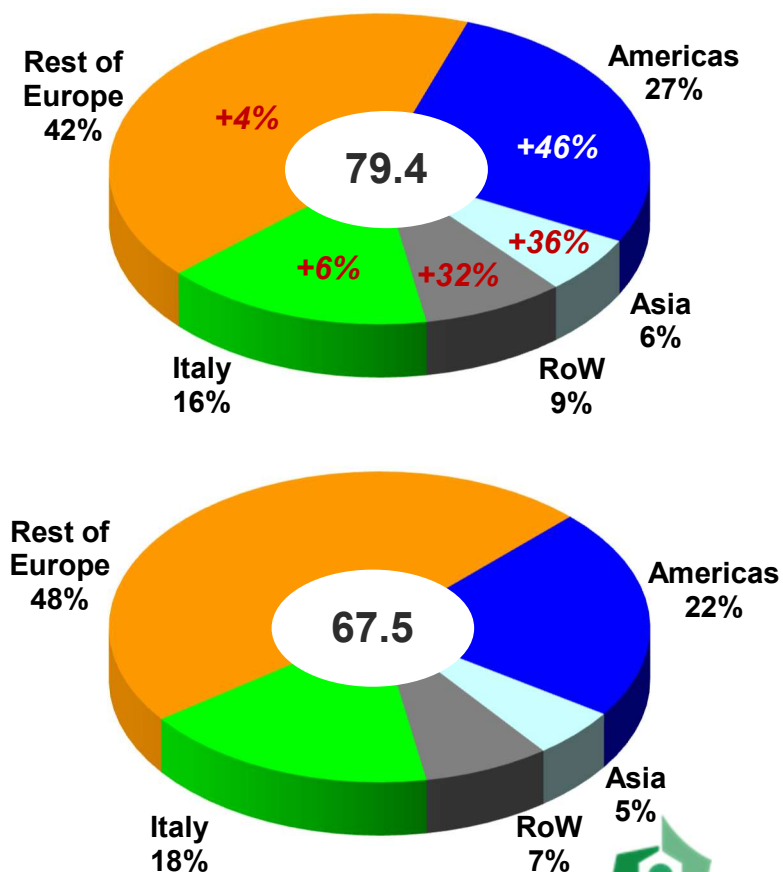
Isagro as of September 30th, 2020

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 (0.1)€M as of September 30th, 2020

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

Consolidated Profit & Loss

€ million

	9M 2020	9M 2019 <i>restated</i>	Variations		<u>Memo</u> 9M 2019
REVENUES	82.7	72.5	+10.2	+14%	96.6
<i>Of which: initial revenues from M/L Agreements</i>	-	2.5	-2.5		2.5
EBITDA	4.6	(2.2)	+6.8	n/s	1.4
% ON REVENUES	5.5%	-3.0%			1.5%
Depreciation & amortization	(6.3)	(7.5)	+1.2		(7.8)
Right-of-use of assets (IFRS 16)	(0.6)	(0.7)	+0.1		(0.9)
EBIT	(2.3)	(10.4)	+8.1	n/s	(7.3)
Financial items	(0.7)	(0.7)	+0.0		(0.2)
Exchange losses and derivatives	(0.9)	(0.4)	-0.5		(0.4)
RESULT BEFORE TAXES	(3.9)	(11.5)	+7.6	n/s	(7.9)
Current and deferred taxes	(0.8)	(0.6)	-0.2		(1.8)
NET RESULT CONTINUING OPERATIONS	(4.7)	(12.1)	+7.4	n/s	(9.7)
<i>Net result of discontinued operations (Isagro Asia)</i>	-	2.4	-2.4		-
NET RESULT	(4.7)	(9.7)	+5.0	n/s	(9.7)

Isagro as of September 30th, 2020

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%)
82.7 72.5	REVENUES <i>Memo: 9M 2019 restated</i>	66.8 63.6	4.2 2.2	3.7 3.6	11.4 11.3	5.1 2.5
4.6 (2.2)	EBITDA <i>Memo: 9M 2019 restated</i>	0.2 (3.0)	0.6 (0.0)	0.4 0.9	1.5 1.4	0.6 (1.2)
(4.7) (12.1)	NET RESULT CONT. OPERAT. <i>Memo: 9M 2019 restated</i>	(6.2) (10.6)	0.3 (0.2)	0.2 0.3	1.1 1.0	0.4 (1.5)

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%)
41	39.7	0.2	0.9	0.4	2.1
76*	81.8	0.1	0.4	0.1	0.1
117	121.5	0.3	1.3	0.5	2.2
of which → 149 → 23	141.5	(0.3)	1.6	0.8	5.7
85	87.1	0.6	1.6	2.7	1.0
85	64.5	0.6	1.8	1.8	(0.5)
32	34.4	(0.3)	(0.4)	(2.3)	1.3
of which → 64 → (17)	77.0	(0.9)	(0.1)	(1.0)	6.2

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

** Net of Severance Indemnity Fund

Note: IFRS 16 effect in 9M2020 is equal to 4.3 €M (vs. 4.7 €M of 9M2019 restated)

1

FACTS & FIGURES

2

BACK-UP

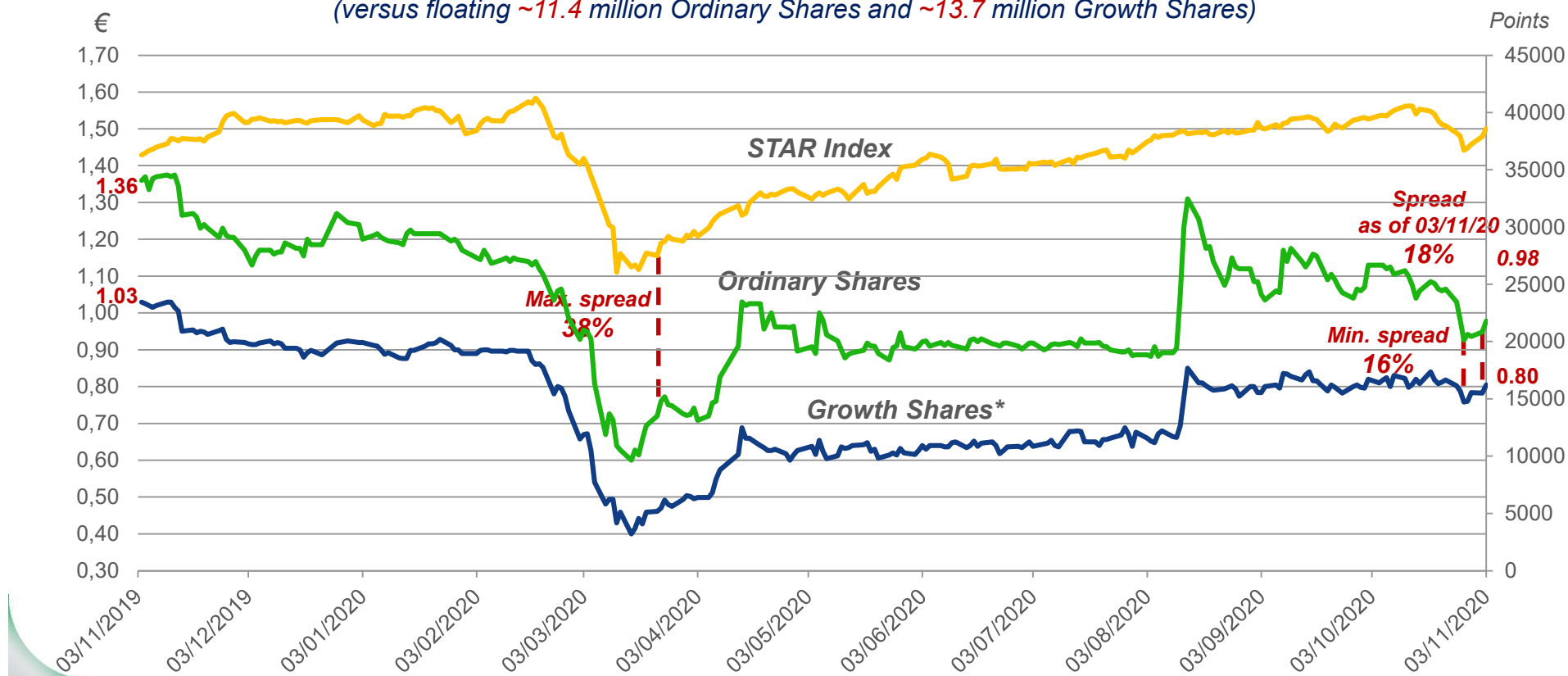
RESULTS AS OF SEPTEMBER 30TH, 2020

ISAGRO IN THE STOCK MARKET

Growth Shares and Ordinary Shares: unjustified spread

In the last 12-month period: **~18.3 million Ordinary Shares** and **~10.7 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 of Equity

	Prices as of November 3 rd , 2020 (Euro per share)	Market Capitalization (Euro/million)
ORDINARY SHARES	0.98	24.0
GROWTH SHARES	0.80	11.4
MARKET CAP		35.4
EQUITY BOOK VALUE		84.7
Market Capitalization < Book Value		

Note: the book value of I.P. is estimated to be significantly lower than its realizable market value

For information:

Ruggero Gambini

Chief Financial Officer

tel. (+39) 02.40901.280

Erjola Alushaj

***Group Financial Planning & Coordination
and Investor Relations Manager***

tel. (+39) 02.40901.340



email: ir@isagro.com

www.isagro.com



«Disclaimer»

Estimates, considerations, statements and opinion, except for what referring to actual figures, are to be considered as data, estimates, considerations, statements and opinion regarding future, and have been elaborated and stated on the basis of available information and/or on the basis of those information considered the most reliable and/or the most reasonable.

Such data, estimates, considerations, statements and opinion could prove to be incomplete and/or wrong and they incorporate elements of risk of uncertainty, beyond the company control. For such reasons, actual results may prove to differ versus data, estimates, considerations, statements and opinion contained in such presentation.

Any reference to Isagro products is to be considered exclusively as general information about the group activity and is not to be intended, under any circumstances, as invitation to employ or propose the employment of such products.

Such data, estimates, considerations, statements and opinion are not to be considered as a proposal of investment, under any circumstances, in Isagro's shares.