

PRESS RELEASE

Paris, 13th December 2016

InVivo announces turnover of €6.4 billion, an increase of 13%, expected financial results and an ambitious digital transformation plan: “InVivo Tech 2020”.

InVivo, leading French agricultural cooperative group, announces increased turnover once again this year. Driven over the past two years by its "2025 by InVivo" strategic plan and a resilient economic model around four major areas of activity, InVivo continues its value-creating development for cooperatives, farmers and French agriculture.

Convinced that agriculture of the future will be digital and sustainable, InVivo is accelerating its digital transformation and unveils the challenges and initiatives in its “InVivo Tech 2020” report.

Expected financial results

Despite an overall unfavourable economic environment in France for livestock and crop production, and sluggish consumption in the garden and wine markets, the InVivo group achieved a turnover of €6.4 billion in 2015-2016, up 13% on the previous year (€5.7 billion). This development was due both to organic and external growth, which made it possible to offset currency depreciation in countries where the group has a strong presence (particularly Brazil and Mexico). This performance once again demonstrates the resilience of the multi-sector, multi-country economic model that characterises InVivo.

The group posted an EBITDA before rebates of €213 million, up 5% on the previous year. Returns to the cooperatives, in terms of rebates on the central trade activities (Agricultural Supplies, Gamm vert and Giga Services) amounted to €97 million, before closing. The consolidated overall operating result amounted to €74 million, an increase of 11%.

In January 2016, the InVivo group completed a debt refinancing operation in the form of a syndicated credit facility of €680 million and a Euro-denominated bond issue of €120 million. This strengthened the financial structure of the balance sheet and contributed to the financing of the group’s growth project.

“Our economic performance and our very healthy financial ratios mean we can calmly continue our development in France and abroad. The time has come for us to accelerate our growth, particularly in terms of digital transformation. This is the objective of the “InVivo Tech 2020” process, which we have committed to in order to meet the challenges of the digitalisation of agriculture and the food industry,” says Thierry Blandinières, Chief Executive Officer of InVivo

Digital transformation to create value

During this financial year InVivo structured its innovation ecosystem around redesigned internal processes to accelerate its transformation and growth and to fund the development of innovative projects. The transformational and innovative approach of "InVivo Tech 2020" is the expression of a new corporate culture that promotes the emergence of talent, new ideas and promising initiatives. The group is determined to open up new avenues to meet the challenges in Farming and Food 4.0.

“Investing in our divisions and in our future work methods confirms our confidence in the ability of French agriculture to produce more and better, and to take its place on the world stage,” remarks Thierry Blandinières.

- **Innovation as corporate culture...**

In Spring 2016, Neovia (formerly InVivo NSA) opened its global innovation centre dedicated to animal nutrition and health. Situated in Vannes, Brittany, **We'nov** is a demonstration of open and jointly created innovation, together with cooperatives and all other stakeholders, from farmer to consumer.

To accelerate its expansion into digital agriculture, next spring, InVivo Agriculture will inaugurate its **Agrodigital Studio** in Montpellier, a pioneering city in technological incubators in France and Europe.

The upcoming creation of a Plant Centre in the Grand Est region of France will complete this offering.

- **... and growth accelerator**

Two seed funds with €5 million are now dedicated to financing start-ups which create value for the agricultural and retail businesses within the group:

- **Neovia Venture** for animal health and nutrition businesses,
- **InVivo Invest** for InVivo Agriculture, InVivo Retail and InVivo Wine.

For the digital, sustainable agriculture of the future

Between now and 2025, InVivo Agriculture aims to become a major player in biosolutions and a leader in precision agriculture, two future ways to aid farmers to produce more and better.

With the acquisition of Bioline (biocontrol) and the distribution and joint development agreement with Valagro (biostimulants), the group confirms its determination to become a leader in the biosolutions market in France, Europe and the United States.

At the same time, the creation of Be Api, in association with 31 cooperatives, aims to accelerate the deployment of precision farming to the largest number of farmers in France. The different devices proposed by Be Api will, above all, make it possible to refine the intra-cell knowledge of the soil in order to make the best use of it, and to optimise cultivation practices and the use of inputs.

Finally, in order to test all these new techniques and solutions, InVivo Agriculture will set up a national network of 1,000 digital farms by 2020, which will serve as a demonstrator and accelerator for the large-scale deployment of "Smart agriculture".

"The time has come to rethink the agricultural model, to strengthen the competitiveness of the sectors and to provide farmers with the tools and solutions to build the agriculture of the future. Agriculture that creates value and progress for farmers, but also for society as a whole," concludes Thierry Blandinières.

About InVivo

The InVivo group unites 220 cooperatives, which themselves include 300,000 farmers. The group employs 9,200 people in 31 countries. InVivo is involved in four main fields of business: Agriculture (seeds, agricultural supplies, international grain trade), Animal Nutrition and Health, Retail Distribution, Wine. For 2015-2016, revenue came out at €6.4 billion. To find out more: www.invivo-group.com or www.twitter.com/InVivoGroup

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Addendum to Press release

Paris, 13th December 2016



The 2015-2016 financial year is marked by the success of the new **InVivo Agriculture** and its business model. An important step was taken during the year with the structuring of the ASP (Agri-Supply Partners), co-built and co-operated with seven regional cooperative groups.

The other businesses represented by Semences de France (seeds), Life Scientific (post-patent crop protection products), Biotop and Bioline (biosolutions), Smag (agricultural data), AgroSolutions (agricultural consultancy), focus on upstream added-value research, innovation and internationalisation to accelerate growth.

The **ASP** (Agri-Supply Partners), trading group in crop health products and hybrid seeds, created a year ago, has encouraged new growth and increases its scope to generic products.

The new operational organisation, with the very strong involvement of the regional cooperative partner groups' leaders and a total transparency of exchanges with suppliers, shows its effectiveness. All the processes have been analysed, allowing for optimisation of operational costs and value-added gains for the site.

For InVivo Agriculture, which aims to become a major player in biocontrol and a leader in precision agriculture between now and 2025, growth is increasing with the acquisition of **Bioline**, the creation of **Be Api**, a company dedicated to precision farming, and the opening of the **Agrodigital Studio** in Montpellier.

InVivo Trading and Sigma Term are also undergoing significant changes. For **InVivo Trading**, its new office in Singapore is the first stage of the company's international deployment. **Sigma Terme** is also going through transformation, with its partnership with Caceis, subsidiary of the Crédit Agricole group.

For the 2015-2016 financial year, InVivo Agriculture's revenue was €4.3 billion, including €1.6 billion for the seeds and agricultural supply businesses and €2.7 billion for the Grain business.



2016 marks a turning point in the history of InVivo NSA with the adoption of a new identity: **Neovia**. This new name is evidence of the accelerated development of the company since 2010 and emphasises its entrepreneurial ambition.

During this financial year, Neovia's businesses increased from five to seven. This choice makes it possible to structure and accelerate the development of its offering of services at a global level in two business areas with strong potential figuring among its priority fields of innovation: aquaculture and petcare.

Aquaculture production will increase by 450% by 2040 and it represents a major challenge for the years to come. Neovia captures this market through a holistic approach going from larva food to controlling the breeding ponds. It is intended to ensure quality production that is respectful of the environment. The company already has leading positions in several key markets: Brazil, Mexico and Vietnam.

Similarly, the world petfood market (\$73 billion), and more widely petcare (more than \$100 billion) displays steady and rapid growth. It is a dynamic counter-cyclical business in which Neovia is accelerating its development. Neovia already enjoys solid positions depending on strong brands and recognised know-how in Brazil and Mexico.

In 2015-2016, Neovia posted revenue of €1.6 billion, an increase of 8%.



Multi-brand, multi-format and multi-channel, **InVivo Retail** is consolidating its position as leader in gardening. The division is also developing a strong food business with Frais d'Ici. The marketing activity carried out by Néodis is also pursuing a growth strategy based on capturing added value upstream by acquiring companies which produce or deal in products for the green sector.

In a national market which has slowed down by 2-3%, the **Gamm vert** network has shown stable revenue. Plant sales have continued to progress, particularly driven by new offerings. The new nursery concept proposed two years ago is progressing steadily: 100 shops were renovated by autumn 2015, 200 by spring 2016. After the nursery concept, the brand is looking again at its hothouse.

Two years after its launch, the **Frais d'Ici** food retail franchise has been established. Its positioning around the "Eat fresh, buy local" promise is popular among customers. With 70% of its product range from local and regional farmers, Frais d'Ici is now the only network that guarantees regional sourcing and traceability from the producer. To accelerate the brand's establishment, the Group wants to set up Frais d'Ici within suitable Gamm vert sites, by reducing the size of garden centres. This would be like the shop at Auch, opened during spring of 2016, which is alongside a Gamm vert, and shares the check outs. 70 shops could open using this model within 5 years.

The marketing activity carried out by **Néodis** is pursuing a growth strategy. Launched at the end of 2015, the Pure Origine super premium dog food range has met highly favourable reception. A Pure Complicity cat food range is under preparation. Petfood is the main activity for Néodis and accounts for two thirds of its revenue.

The 2015-2016 InVivo Retail turnover is €543 million, an increase of 3%.



In July 2015, InVivo created **InVivo Wine** with the aim of developing French wine export, uniting wine cooperatives around a value creating project.

In addition, at the end of the year, a wine division was created within Union InVivo, allowing wine cooperatives to become members. During the first six months of 2016, 21 cooperatives from different wine regions (Bordeaux, Rhône, Sud-Ouest, Languedoc, Roussillon, and Beaujolais) became members of the Wine section of the Union InVivo. With this strong base in wine, the InVivo wine division is controlling the quality of its wines to broaden its brand portfolio.

With a 22% stake in Vinadeis, InVivo Wine aims to accelerate its development in countries where wine consumption is growing, especially in North America and Asia but also in major European countries and in France, the home of its brands.

Consideration is being given to the development of a French offering together with other strong brands, complementary to Cordier: Mythique (Mediterranean), Le Val (Languedoc-Roussillon), La Bastide (Sout West), Louis Tête (Beaujolais, Bourgogne), Terre des templiers (Collioure, Banyuls).

Stronger links between InVivo and Vinadeis reinforce the objective of establishing a global development platform that will enable the supply chain to be controlled in France and abroad, to accelerate external growth, particularly in distribution, to create brands and to develop segments with high added value (grands crus, grands vins, organic).

During this financial year, InVivo Wine's turnover was €28 million.