



**invivo**

ANNUAL REPORT  
2016-2017

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InVivo is fully determined  
to help agriculture and agricultural  
cooperation regain their rightful place  
in the global food value chain,  
with respect for the planet and people.

## 3 strategic directions

- **Become a world reference** in innovative and digital solutions which improve the competitiveness, safety and quality of plant and animal productions, while preserving the planet
- **Invest in agricultural and food businesses of the future** to create critically sized champions and global brands
- **Contribute to the economic growth and influence** of French agriculture and agri-food in the world

## 5 performance drivers

- **Accelerate** the digital transformation of the company and its businesses
- **Invest** in innovation
- **Enlarge**, diversify and internationalise the group's activities
- **Foster** our performance in human capital
- **Implement** a social and environmental responsibility policy

## 5 fields of expertise

**Agriculture:** Union InVivo,  
Bioline by InVivo

**Animal Nutrition and Health:** Neovia

**Consumer Retail:** InVivo Retail

**Wine:** InVivo Wine

**Innovation Incubator:**  
InVivo Food&Tech

**No.1**  
French agricultural  
cooperative group

**206**  
member  
cooperatives

**10,200**  
employees

**€5.5**  
billion in revenue

Present  
in **34** countries



MESSAGE  
FROM THE CHAIRMAN  
AND THE CEO



**Thierry  
Blandinières,**  
InVivo CEO

**Philippe  
Mangin,**  
InVivo Chairman

**Philippe Mangin:** The evolution in world demographics and the impact of climate change require the mobilisation of all types of agriculture to meet the demand for food.

**Thierry Blandinières:** The growth in food demand arises principally from emerging countries and requires us to have a global vision of the competition and an ability to enter local and transnational markets. This is the ambition of our 2025 by InVivo strategic plan.

**P. M.:** Agricultural production must adapt in order to respond to these challenges. French agriculture has numerous assets that enable it to take its place in this new environment whilst accelerating its transformation. As a result of the research and innovation works carried out through the LEADER digital farms network and the Farm of the future, InVivo and the cooperatives are mobilised to support them in this transition towards agro-digital and agro-ecological agriculture.



*InVivo is committed to meeting challenges in agriculture and food by investing in innovation and the globalisation of its activities.*



**T. B.:** InVivo invests in innovation and the digital transformation of its businesses to build the agriculture and food of the future and to take a position in new markets. InVivo's ambition also aims to promote French agri-food businesses around the world.

**P. M.:** InVivo's member cooperatives fully share this ambition. Farmers are ready to commit to it as long as they can carry out their business with dignity. The fair distribution of value requires legislative adjustments to put the stakeholders in a virtuous position and create a climate of trust.

**T. B.:** The developments initiated by InVivo in its various businesses aim to gain competitiveness in order to create value for the various stakeholders and meet the expectations of consumers in France and internationally. We pay close attention to the traceability of raw materials and ingredients at the origin of products. We have also introduced developments in the distribution of local, regional and organic food products.

**P. M.:** By mobilising all types of agriculture and diversified production patterns, we will be able to offer everyone in France and in the world a healthy, safe and sustainable diet that is also a source of enjoyment.



*Let's invest in the trades of the future  
to create French champions and strengthen  
the competitiveness of our country's industries.  
Let's innovate to invent the agriculture of  
the future and offer quality food to everybody.*

Meeting with **Thierry Blandinières**,  
InVivo CEO



**The 2016-2017 financial year was marked by a historic harvest crisis in France. Your group has a major presence in the cereals sectors as a grain exporter. Given this situation, how were InVivo's profits?**

**Thierry Blandinières:** This historic harvest crisis affected all cereal cooperatives, particularly the wheat sector. The French harvest was down 30%, the volumes available for export fell by 50%. Business in the port silos and InVivo Trading therefore suffered a sharp fall. In response to this crisis, the InVivo Group, which is active in several business areas, demonstrated the resilience of its model and improved its profitability. Ebitda before dividends to member cooperatives rose by 5.5% to 225 million euros.

Turnover was 5.5 billion euros. We continue to invest in innovation and internationalisation. We are pursuing an ambitious international growth strategy in our various business areas.

**What were the five highlights of the fiscal year?**

**T. B.:** Major initiatives have been launched in each of our business

areas. In grain, one of our traditional fields of expertise, the creation of the InGrains digital export platform and the new procurement policy together with the cooperatives, who entrust us with marketing part of their harvest, will enable us to give a new boost to this area.

The advent of Bioline by InVivo through the integration of new activities in Brazil, in particular the acquisition of a stake in CCAB Agro, a company specializing in the distribution of crop protection products. CCAB Agro is a subsidiary of a union of highly dynamic cooperatives and will open up new opportunities for us. Brazil has great potential in the production of soya and maize, it is one of the countries that will respond to the challenge of developing a world food system

able to feed a growing population. InVivo Trading has also opened a branch in Sao Paulo. Our animal nutrition subsidiary, Neovia is also highly active in Brazil.

The global deployment of the Neovia brand was a key feature of the fiscal year and will make this initiative more visible. Neovia is one of the most dynamic global leaders in animal nutrition. This year it conducted its highest number of external growth operations with six acquisitions. 2016-2017 was also a year of growth and transformation for InVivo Retail. We took over 90 Gamm vert (Green range) shops that we will manage as branches. This major transaction changes the economic profile of InVivo Retail, which will now manage two networks, one through franchises and the other through branches. In our 4<sup>th</sup> business area, wine, an important step was taken this year with the acquisition of Baarsma Wine, one of Europe's leading distributors, and the ongoing takeover of the Vinadeis Asian and United States networks. InVivo Wine now has the means to become a global player in international wine distribution, in order to develop French wine exports.

**This year, you have created a 5<sup>th</sup> business unit, InVivo Food&Tech. Is this a key initiative for the future of your group?**

**T. B.:** InVivo Food&Tech is a think tank, a collaborative workplace, a project incubator where we will devise and build the future of our businesses. Agriculture is undergoing a profound transformation, with new challenges ahead. Food habits and consumption patterns are changing all over the world.

InVivo Food&Tech will work in four directions: the digitization of all the group's business lines, B to C and B to B. This is how we plan to expand Ouifield's range of services, our digital pooling platform, purchases of goods and services for agriculture, and to develop multi-channel distribution at InVivo Retail. We are also working on urban agriculture and new protein sources, in order to meet the food needs and expectations of populations increasingly concentrated in urban areas and to reduce the pressure on the volume of cereals to be produced to meet protein requirements. The development of new food retail concepts to satisfy expectations in terms of local, fresh and organic products, but also to promote French food and cuisine in the capitals of the world.

**Three years after the launch of the 2025 by InVivo strategic plan, you wanted to revisit your project. What are its key elements?**

**T. B.:** The Union InVivo Board of Directors met in a seminar to produce a status report on the project. It re-validated the strategic priorities defined in 2014 by giving even stronger emphasis to the digital transformation plan of the group and its business areas, which will promote our growth. The outcome of these discussions, held jointly with our senior executives, are published in *2025 by InVivo*, which will now be the reference framework set by the Board of Directors to drive components of group growth: innovation, internationalization and diversification into promising new growth drives for the group and its member cooperatives.

**What are InVivo's strengths in preparing for the agriculture of the future that will address food and environmental challenges and improve farmers' incomes?**

**T. B.:** Our Agriculture division is fully involved in the development of the agriculture of the future. By investing in precision farming and new technologies, we will show that it is possible to produce more and better, to meet consumer expectations for traceability and food safety, and to offer new opportunities to farmers. Through the LEADER digital farms network we want to show that this agriculture is possible. We are working with the cooperatives to deploy this new agricultural model and to inspire all forms of agriculture more widely. Neovia is also working on the Farm of the future with the aim of making the breeder the focus of decision-making. All of these projects are driven by a strong CSR (social and environmental responsibility) intention. The shift in the corporate culture towards an entrepreneurial spirit emphasizing innovation, flexibility and responsiveness should allow us to seize the opportunities to grow InVivo.

## The Board of Directors

### Representative of all member cooperatives, the Board of Directors determines the strategic direction of the group.

The Bureau consists of seven members who work closely with senior management.

The Directors are heavily involved in the strategies of the businesses and participate in their work.

Two to four Directors sit on each of the five monitoring committees: AgroSciences, Grains, Animal Nutrition France, Retail and Wine. They review the key points of the activity concerned, its economic and financial performance, and areas requiring further investigation. They report to the entire Board

of Directors on the work of their committee.

Three cross-sector committees assist the Board of Directors in its duties. The Audit and Risks Committee is in charge of monitoring the development processes and the effectiveness of the financial reporting, internal control and risk management systems. The Appointments and Remuneration Committee reviews the remuneration policy for senior executives and members of the executive committee proposed by senior management. The Ethics Committee ensures the respect of ethics within the group and the application of the regulations and statutes of Union InVivo.



Philippe Mangin

Jérôme Calteau

### Composition of the Board of Directors

#### CHAIRMAN

**Philippe Mangin\***  
EMC2 (55)

#### DEPUTY CHAIRMAN

**Jérôme Calteau\***  
CAVAC (85)

#### THE COOPERATIVES

**Patrick Aps\***,  
CAP SEINE (76)

**Alex Bertrand**,  
AXEREAL (45)

**Éric Brault**,  
SCAEL (28)

**Christoph Buren**,  
VIVESCIA (51)

**Cédric Carpene**,  
VAL DE GASCOGNE (32)

**Joël Castany**,  
LES VIGNERONS  
DU VAL D'ORBIEU (11)

**Franck Clavier**,  
VIVADOUR (32)

**Jean-Yves Colomb**,  
LA DAUPHINOISE (38)

**Arnaud Degoulet**,  
AGRIAL (14)

**Gérard Delagneau**,  
I10 BOURGOGNE (89)

**Thierry Dupont**,  
AGORA (60)

**Dominique Farail**,  
ENTREPRISES ET  
VIGNOBLES OUEST  
CARCASSONNE (11)

**Jean-François Gaffet**,  
NORIAP (80)

**Hubert Garaud**,  
TERRENA (44)

**Patrick Grizou**,  
TERRES DU SUD (47)

**Antoine Hacard**,  
ACOLYANCE (51)

**Bertrand Henu\***,  
UNEAL (62)

**Jacques Hilaire**,  
CAPL (84)

**Thierry Lafaye**,  
OCEALIA (16)

**Serge Le Bartz**,  
CECAB (56)

**Marc Patriat\***,  
DIJON CÉRÉALES (21)

**Michel Prugue\***,  
MAISADOUR (40)

**Bertrand Relave**,  
EUREA (42)

**Régis Serres\***,  
ARTERRIS (11)

**Christian Sondag**,  
LORCA (57)

**Thomas Thuét**,  
CAC (68)

**Christian Veyrier**,  
DROMOISE  
DE CÉRÉALES (26)

#### SPECIALLY QUALIFIED INDIVIDUALS

**Michel Duvernois**,  
BOURGOGNE DU SUD (71)

**Denis Fend**,  
COMPOIR ACHAT  
& VENTE (67)

#### NON-COOPERATIVE ASSOCIATE

**Jérôme Duchalais** (75)

#### HONORARY CHAIRMAN

**Michel Fosseprez**

#### STATUTORY AUDITORS

**SCP Montiel** (75)

**SAS Ernst & Young** (92)

\* Members of the bureau.



# The Executive Committee

**The Executive Committee is made up of seven members.** It establishes and implements the group's strategy. It tracks the performance and results of the different divisions and leads strategic projects.



**1\_ Thierry Blandinières,**  
Chief Executive Officer

**2\_ Hubert de Roquefeuil,**  
Deputy CEO and Chairman  
of Neovia by InVivo

**3\_ Laurent Martel,**  
Director of Bioline by InVivo

**4\_ Jean-Pierre Dassieu,**  
Director of InVivo Retail

**5\_ Bertrand Girard,**  
Director of InVivo Wine

**6\_ Maha Fournier,**  
Chief Financial Officer

**7\_ Sébastien Graff,**  
Director of Human Resources,  
Communications and CSR

HIGHLIGHTS



Neovia acquires Nutrizon (Brazil)



Neovia acquires Pennville (South Africa)

July 2016

InVivo Tech 2020, accelerator of the strategic plan

inVIVO TECH 2020

September 2016

Creation of Neovia Venture, the Neovia seed fund

October 2016



Agrosolutions, contracting authority for the Parisian Happy Vallée

April 2017

Presentation of the So France project



March 2017

Presentation of the Fermes LEADER project

Neovia acquires Apligén (Mexico)



Apligén by WISIUM

Fermes LEADER  
Les Exploitations Agricoles Digitales En Réseau

May 2017

Magasin 2020: a new development stage for Gamm vert

Inauguration of the agro-digital studio in Montpellier





**Creation of InVivo Invest, InVivo Agriculture and B to C businesses (Retail, Wine) seed funds**

**November 2016**

**Neovia's additive and ingredients subsidiary acquires Keybio (China)**



**Creation of the InVivo Foundation endowment fund**

**December 2016**

**InVivo AgroSciences takes on a majority stake in CCAB Agro (Brazil)**



**Creation of be Api to accelerate the deployment of precision agriculture**



**February 2017**

**Creation of Oufield: digital platform for the purchase of goods and services for agriculture**



**Neovia acquires Sanpo (China)**

**January 2017**

**Neovia acquires Agratrix (France)**



**InVivo Wine acquires Baarsma Wine (Holland)**



**InVivo Retail acquires Terrena Grand Public and Agralys Distribution**

**June 2017**

**Creation of InVivo Food&Tech**



**Launch of the digital export platform InGrains**



**InVivo Labs becomes Upscience**



# On course for digital transformation

The digital revolution impacts on all areas of economic and social activities. More than just a technological revolution, it is a cultural revolution. The digital transformation of the InVivo group is due to the commitment of all its teams, through its ability to drive an ecosystem of innovation, within which you find all the cooperative members of the Union and all those group members who bring their expertise and skills to the businesses.

The digital transformation is a major challenge in the success of the *2025 by InVivo* strategic plan. It is built around two main areas of action:

- the development of a collaborative business culture; encouraging cross-functionality and an entrepreneurial spirit to promote the emergence of new activities and start-ups, dissemination of new practices in collaborative and remote work, and a focus on becoming paperless;

- the digitalisation of activities: creation of an ecosystem for monitoring and identification of innovative projects, support for the development of new activities from start-ups, intrapreneurship or cooperatives, thanks to a financing ecosystem centred around two seed funds (InVivo Invest for agri-tech and food-tech, and Neovia Venture for feedtech) and equity investments in development funds.



*InVivo's transformation and development rests on the commitment its men and women. With its Smart HR programme, InVivo supports all its employees on the route to a collective intelligence for sustainable growth.*

Sébastien Graff,  
Director of Human Resources,  
Communication and CSR



**Smart HR stimulates the group's transformation**

**T**he HRD is mobilised to support this cultural revolution through digital transformation and the establishment of a new corporate culture. It plays a central role of driving and uniting thanks to its *Smart HR*

programme which has been developed around eight levers:

- disseminating a digital culture;
- fostering new collaborative and remote working methods;
- supporting international communication;

- managing talent;
- supporting intrapreneurship;
- fostering start-up access to the ecosystem;
- integrating new business and their employees;
- developing a company social network.

# Our innovation ecosystem

“We are only just starting. Technology twinned with scientific knowledge opens up new possibilities for innovation and creativity, for the agriculture and food of the future.”

Thierry Blandinières

## InVivo Invest

seed funds dedicated to financing start-ups in agriculture and B to C businesses: Retail and Wine.

## AGTECH

the Agro-digital Studio, the Maison du végétal:

precision agriculture, farming big data, digitalisation of farmers, urban agriculture, biosolutions.

## Cooperatives

The Board of Directors is continuing to reflect on three topics: digital opportunities, new modes of consumption, and globalisation of supply and demand.



3 PILLARS OF INNOVATION TO MEET THE NEEDS OF THE FARMERS AND CONSUMERS



INNOVATIVE COOPERATION



2 SEED FUNDS

## Start-ups

Equisense, Pitpatpet,  
Il était un fruit, IO-Vins.



## FEEDTECH

We'Nov  
world centre  
of innovation:

smart farming, intensive aquaculture,  
optimisation of resources, interactive  
petline, functional ingredients.

## FOOD LAB

InVivo Food&Tech

new foods, e-commerce,  
new concepts in distribution.

## Intrapreneurship

The business culture promotes  
the emergence of talent  
and new ideas. Promising initiatives  
are supported.

## Neovia Venture

seed funds for animal  
health and nutrition  
businesses.

# Using digital to enhance agri-food industry

## AGROSOLUTIONS INSURANCES

### Intrapreneurship in action

Initiated by Antoine Poupart, one of the group's managers, Agrosolutions Insurance has arrived. This project has received the support of several insurers. Today, they lack the skills and agronomic data to create new insurance products that meet the new expectations of agricultural risk management. Indeed, in France, only 25% of land is insured, compared with 80% in the USA. Agrosolutions will use and fund the agricultural and digital data and skills from InVivo and volunteer cooperatives to create new insurance products.

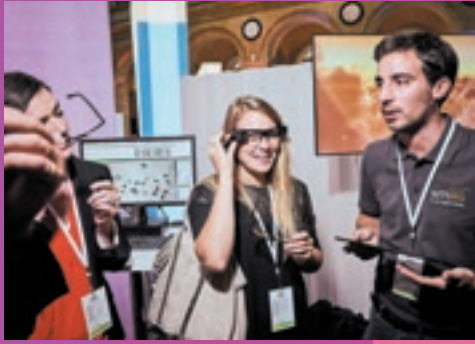


## INVIVO QUEST

### The Tour de France for innovation

Open to students in top universities, startup-ers and group employees, InVivo Quest is a programme to identify new talents and innovative projects in agriculture and food. It visited five big cities: Montpellier, Nantes, Bordeaux, Lyon and Paris. Following a pre-selection of the projects by region, thirteen teams pitched their project before a jury of international experts. The three laureates were invited to present their project at InVivo's annual convention on December 20, 2017.





## BE A START-UPEUR

### The entrepreneurial spirit

**T**he awareness program, *Be a start-upieur*, allows employees to meet InVivo start-up creators and entrepreneurs. A dozen meetings have been organised at the group's headquarters and broadcast via Periscope, allowing all employees and web users to ask the presenters questions. By increasing the opportunities for internal and external meetings and exchanges to share digital skills and good practices, *Be a start-upieur* also aims to inspire new ideas and the spirit of entrepreneurship among everyone at InVivo.



## NEOVIA

### Using digital to enhance performance

**N**eovia has changed and has increased its investments in new technologies and digital. These investments aim to reinforce the link between customers, offer innovative services, improve the company's visibility and digitalise its industrial activities.

For example, the decision-making tools developed by the service-firms subsidiaries are evolving strongly, relying on the possibilities offered by new technologies and mobility tools. With this in mind, Neovia's teams are working with its customers to develop a second generation of diagnostic and performance monitoring tools in livestock, allowing the gradual implementation of a structured approach to management and enhancement of the data. The big data challenge is key in animal nutrition. Neovia has chosen to combine its skills with those of different partners to create Applifarm, the platform for big data services in ruminants.

# CSR Inside

Launched as the group's 5<sup>th</sup> performance pillar, the social and environmental responsibility policy has taken on a new dimension with the creation of the InVivo Foundation at the end of 2016.

In its first year, InVivo Foundation has chosen to support various initiatives to allow producers, particularly in Africa, to live better by helping them to produce more and better, and to structure channels to market their produce. With the motto of "source the future", it also participates in much more forward-looking research programmes that explore new ways of producing dietary protein. To respond to environmental challenges, InVivo wants to bring all its skills and expertise to help the agroecological transition of farms, and promote the bioeconomy.

With a focus on People, Planet, Profit, the group CSR policy is built around three main commitments: producing more and better, fostering access to a better diet, and placing people at the heart of our actions. CSR is the nerve centre of each of our businesses, driving innovation and growth.

In each of its businesses, paths have been laid that the teams continue to strengthen; the use of renewable energies in Neovia's food manufacturing plants, initiatives to promote short circuits and self-production at Gamm vert, research on precision agriculture and biosolutions

in the Agriculture division. New initiatives are also emerging, particularly in social policy, where InVivo strives to offer each of its employees the means to fully participate in the company's development.





**Help improve farmers' livelihoods**



**Bring about new sustainable food solutions**



**Take care of natural resources**



**1\_ Developing an agro-ecological farm in Togo**



**2\_ Helping a women's association in Mali**



**3\_ Supporting agricultural policy in Ogun State, Nigeria**



**4\_ Supporting the pork sector in Cameroon**



**5\_ Improving milk supply to boost the dairy sector in Senegal**



**6\_ Bringing Franco-African partnerships**



**7\_ Building a permaculture model farm with Fermes d'Avenir**



**8\_ Supporting research into cellular agriculture**



# Results in line with ambitions

In a particularly unfavourable economic context, the consolidated 2016-2017 results, including rebates, demonstrate the resilience of InVivo's global business model and encourage the acceleration of the *Skyline* growth plan.

The impact of the historic crisis of the French 2016 summer wheat harvests – which were counter-cyclical compared to all the other world production zones – was estimated at nearly 5 million euros (M€) for InVivo Agriculture and nearly €15 million for InVivo Grains, and recognised in the extraordinary result for the period.

Despite this exceptional situation, despite the health and economic crises in the animal sectors in France (milk, beef and poultry) and in the world (aquaculture in Brazil, pork in Vietnam), and despite the complex economic and political situations in geographical areas for several InVivo businesses (Brazil, Mexico, Asia), operating performance increased with an EBITDA before rebates paid to cooperatives of €225 million, compared with €213 million the previous year, and an EBITDA net of rebates of €133 million compared with €116 million last year.

## Initiatives on different fronts

This performance was achieved as a result of the actions undertaken by the businesses and the group on various fronts:

- the pursuit of external growth and integration processes (changes in the scope of the financial year represent an investment flow of €133 million, compared with €165 million in 2015-2016, and contributed more than €10 million to the group's EBITDA – in fact, almost double that of the full-year pro forma);
- acceleration of restructuring (two key examples of the transformation of InVivo under the Corporate 2025 plan consisted of moving the operational headquarters to the Carpe Diem tower at La Défense and of the new Trading business model with the InGrains web-platform);

- the group's growing investments in innovation, digital transformation and the modernisation of industrial and IT tools (tangible and intangible capex for the period amounted to €77 million compared to €55 million in the previous year).

## Financial strength

These results show the relevance of the development strategy targeted at:

- revisiting historical models of InVivo Union member service activities and their contribution to the group's results;
- developing the growth of the key pillars, which are Bioline by InVivo, InVivo Retail, InVivo Wine and Neovia;
- diversifying in terms of geographical regions and activity, product and species portfolios;
- investing in brands, innovation and digital.

The balance sheet indicators of 30 June 2017 also demonstrate the financial strength of the group. Equity continues to strengthen at €734 million, compared with €715 million as of 30 June 2016. Net financial debt amounted to €399 million. It has made it possible to finance, in particular, development and investments. Its increase remains moderate, as the group's debt ratios are in line with the thresholds below which the group wants to control its activity: leverage is 2.99 below the limit of 3.5 to 4, gearing is 0.49 under the limit of 1. The profitability ratios are also good. For example, the return on capital employed measured by the ratio of Ebitda to the sum of fixed net assets and working capital; this ratio has been steadily improving over the last five years to reach 11.1%. The group therefore has a financial capacity in line with its ambition.



*Investment decisions favour projects with a quick return of less than two years.*



Interview  
with **Maha Fournier**,  
Chief Financial  
Officer

#### **Considering InVivo's 2016-17 results, what are your prospects for 2020?**

**Maha Fournier:** As in every year, the budgetary process took place during the first half of 2017, with the substantial involvement of the operational and financial teams. It made it possible to track and consolidate the forecasts of each business and each zone at the level of the period and the group, while taking the necessary precautions.

On a like-for-like basis – that is to say with all the entities present on 30 June 2017, as well as all the acquisitions undertaken since – the 2017-2018 budget aims at a target of €160 million Ebitda. This 20% growth may seem ambitious, but it remains realistic if we consider the full-year effect of the companies acquired during the 2016-2017 financial year, such

as CCAB Agro, Novasem, Billaud Grains, Nutrizon and Apligén, and the contribution of the external growth initiated from the beginning of the 2017-2018 financial year, namely Baarsma, Phyteurop, and the 90 Gamm vert, Sanpo, Labtec and Keybio branches.

The budgetary process is also an opportunity to look towards a five-year time horizon. On a like-for-like basis, the Group's consolidated Ebitda is expected to reach €230 million in 2020 and €300 million in 2022.

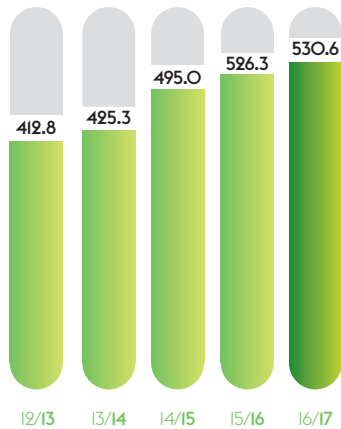
#### **How are you going to finance the Group's very ambitious development plan?**

**M. F.:** Funding for the *Skyline* Plan is based on several actions. Firstly, we remain focused on organic growth, the integration of acquisitions and the transformation of historical business models that are already well underway. Operational control also involves controlling the WCR, the reduction of which contributes to clearing the group's

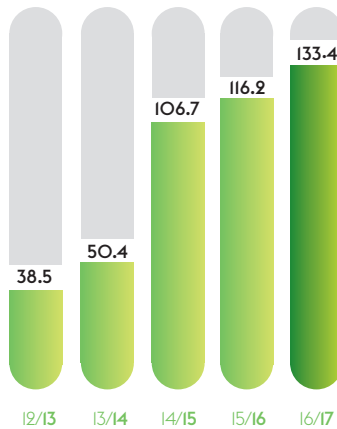
debt. Investment decisions favour projects with a quick return of less than two years. Non-strategic assets are identified and subject to specific action plans. Lastly, InVivo must continue to reinforce its permanent capital, which makes it possible to finance development over time. This involves raising equity and quasi-equity, such as the opening of Neovia's capital to minority investors. It also involves working on medium-long term debt, which must always be extended and cost-controlled.

# Objectives achieved

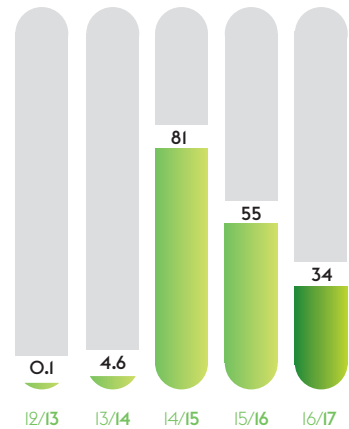
Equity attributable to the Group (€M)



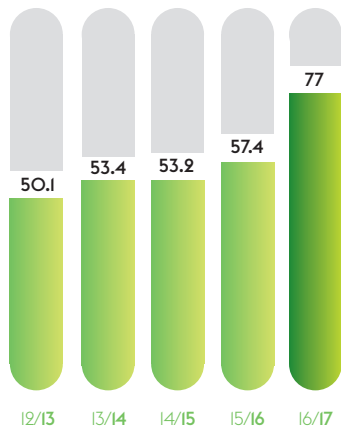
Ebitda (€M)



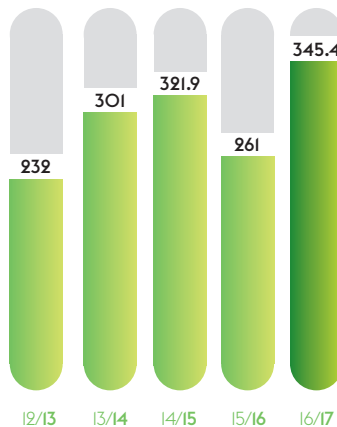
Total consolidated net income (€M)



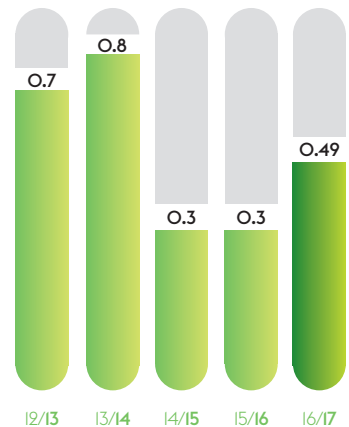
Intangible & tangible assets (€M)



Working capital requirement (€M)



Gearing



## Assets

<i>In millions of euros</i>	<i>30 June 2015</i>	<i>30 June 2016</i>
Intangible assets	233.4	337.9
Tangible assets	359.4	371.1
Financial assets	219.5	152.5
<b>Net fixed assets</b>	<b>812.3</b>	<b>861.5</b>
Working capital requirement (WCR)	261.0	345.4
<b>Capital employed</b>	<b>1,073.3</b>	<b>1,206.9</b>

## Liabilities and equity

<i>In millions of euros</i>	<i>30 June 2015</i>	<i>30 June 2016</i>
<b>Equity attributable to the Group</b>	<b>526.3</b>	<b>530.6</b>
Non-controlling interests	189.2	203.1
Provisions	81.0	73.8
Net debt*	276.6	399.3
<b>Invested capital</b>	<b>1,073.3</b>	<b>1,206.9</b>
(*) including medium- and long-term debt	403.3	505.6
Gearing ( <i>net debt/equity</i> )	0.3	0.49
Working capital	387.6	451.7

## Consolidated financial statement indicators

<i>In millions of euros</i>	<i>2015/2016</i>	<i>2016/2017</i>
Revenue	6,400.9	5,497.0
Value added	424.3	453.1
‰ revenue	6.6‰	8.2‰
EBITDA	116.2	133.4
<b>Net operating income</b>	<b>66.8</b>	<b>78.9</b>
Net income from ordinary activities	59.1	60.8
<b>Total consolidated net income</b>	<b>55.0</b>	<b>34.0</b>
Cash flow from operating activities	61.1	47.6

# The fields of expertise

On each business unit,  
InVivo invest to create critically sized champions  
and global brands.

## invivo food&tech

The Innovation Incubator

p. 60

## bioline by invivo

Seeds,  
Plant Health,  
Biocontrol,  
Agro-digital,  
Agricultural Consultancy

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## Union invivo

Purchasing Center  
for Agricultural Supplies,  
Logistics & Storage,  
InVivo Trading

p. 24

## invivo wine

Grands Crus,  
Premium Brands,  
Sales & Distribution

p. 56

## neovia

Complete Feed,  
Pet Care,  
Premix/Firm-services,  
Additives & Ingredients,  
Animal Health,  
Analysis Laboratory

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## invivo retail

Garden Centres,  
Food Distribution,  
Marketing

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1  
union  
of cooperatives

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4  
fields  
of expertise

- Bioline by InVivo
- Neovia
- InVivo Retail
- InVivo Wine

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1  
innovation  
incubator

- InVivo Food&Teck

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# Union inVivo

Agriculture is experiencing a new revolution. Union InVivo is moving ahead strongly to open new avenues that meet the expectations of French farmers and its cooperative members in terms of competitiveness of farms and sectors, to build a new grain and agricultural supplies cooperative model.



## Union InVivo: competitive services for buying inputs and exporting cereals.

Interview with **Jérôme Calleau**,  
Deputy Chairman of Union InVivo



### **Cereal cooperatives have been greatly affected by the historic harvest crisis. How was this crisis experienced by Union InVivo?**

**Jérôme Calleau:** The grain trades, namely the activities of logistics, storage and trading, had a very difficult year. Their results have been affected. Faced with these difficulties, the InVivo teams and the Board of Directors acted strongly to accelerate the change in the economic model of InVivo Trading.



### **How was this work done?**

**J. C.:** Two years ago, in co-construction with the regional unions, we built the PPA (Agricultural Supply Partners division). It responds to the changes expected by cooperatives in the purchase of inputs. The trading activity has been in trouble for a few years. The co-construction of a similar approach is underway, because we want the cooperatives to maintain a strong position in the export of grain of French origin. The creation of the InGrains digital export platform is the shared tool that will enable us to achieve this. Its success will depend on it being adopted by the cooperatives, as they did with the PPA.

### **What other projects does the Union have?**

**J. C.:** With the cooperatives, the Union is planning for the future. The LEADER digital farms network aims to open new avenues to farmers. Digital innovation should also allow us to support developments in the collection-supply model, which is currently being challenged by new players and start-ups, like other sectors of activity. Our goal is to meet these challenges by maintaining a strong relationship with our members. This relationship is one of the strengths of the cooperatives in providing for rural areas.

# Agricultural Supplies

## PPA: a second, very fertile year

Most of the actions included in the 2016-2017 calendar for the PPA (Agricultural Supply Partners division) have been completed or initiated.

For the 2016-2017 financial year, PPA had a turnover of 950 million euros in plant health and 160 million euros in hybrid seeds (corn, rapeseed, sunflower). Sales of plant protection products were down slightly due to lower pressure from disease in the spring and a change in the operating area of the partners. Turnover in hybrid seeds showed a larger decline, accentuated by the decrease in corn and rapeseed areas, price erosion following the harvest crisis and high stock levels with the seed merchants.

### Galaxy: a success

Created at the end of 2016, the central listing and negotiating body for off-patent plant protection products, Galaxy, has been an organisational and economic success. The seven regional cooperative groups belonging to the PPA buy together in a spirit of trust and sharing. Galaxy turnover represents more than 15% of the plant health turnover of the PPA.

During this financial year, the PPA has concentrated its efforts on optimising the operating costs of the buying group and restructuring administrative services and information systems to improve expertise and reduce management costs, with a focus on dematerialisation.

The PPA strategy committee has also drafted the rules of procedure laying down the commitments of the PPA to its partners and vice-versa, and the ways in which the PPA interacts with suppliers and third parties.

Over the next financial year, the focus will be on improving regulatory monitoring, organising the network on regulatory aspects, and negotiating framework agreements with suppliers. Discussions are also underway on expanding the scope of negotiation for biocontrol products and new forms of distribution.

7

cooperative groups are members of the PPA: Alliance Atlantique Appro, Area, Axéreal, Centrale Convergence, Sicapa, Union Terres de France, Unisud

120

cooperatives, 350 agronomists, 2,850 crop consultants

7

million hectares under control

46.9

million euros of discounts redistributed to the cooperatives

## FOCUS

### FermeS LEADER: the digital farms network

Faced with the accelerated development of agtech (new technologies applied to agriculture) and thanks to the dynamic from the digitisation of its businesses, InVivo has proposed that the cooperatives set up a network of 1,000 digital farms by 2020. This network will facilitate the application of new technologies, primarily digital services, to meet the economic,

environmental and societal challenges of farmers. 18 cooperatives and 300 farms are committed to this innovative and participative approach. Designed as a living lab, the FermeS LEADER network meets two requirements: putting the farmer centre stage, complementing the skills of the agricultural sector in order to enhance the farmer's data for the farmer.

## Fertilisers: a decline in sales

Despite a difficult context following the harvest crisis, farmers have not missed out on base fertilisation as much as had been expected. The volumes of urea and nitrogen solution marketed by the import buying groups decreased by 38% and amounted to 663,000 tonnes.

NP/NPK-type fertiliser consumption is also declining, as is very often the case during agricultural crises. At the Loudéac site, this decline was offset by a rise in fertiliser sales to certain customers and sales of logistics services. In the face of aggressive competition from ammonitrate, sales of stabilised urea marketed under InVivo brands, including Novius, declined slightly to 55,000 tonnes.

In the end, the fertiliser turnover of 136 million euros is down 25% due to the decline in activity and above all the decline in prices.

The fertiliser department continues its research and development activity in the development of new fertiliser products that combine economic, agronomic and environmental performance. Constrained by regulatory changes, the work on nitrogen fertilisers is mainly focused on limiting the volatilisation of ammonia. Research is also being carried out on phosphate fertilisers, to improve their soil absorption through the addition of biostimulants.

To meet its objective, the network has set itself three priorities: to evaluate the performance of digital services; to support the development of technicians' and

farmers' skills in these technologies; and to bring out new innovative and even disruptive algorithms by involving all partner skills.



## Grain Businesses

### Logistics & Storage: a team geared up to manage a difficult year

The Logistics and Storage activity was strongly impacted by the poor harvests of 2016, both for straw cereals and for corn. Loading of marine and river silos fell by 34%, or 4.1 million tonnes of grain loaded, and grain drying by 18%. In addition, the low winter rainfall did not sustain the courses of the eastern rivers (Rhine and Meuse), further restricting loading of the river silos of Metz, Ottmarsheim and Huningue during the first months of 2017.

Magestiv, a rail freight forwarder specialising in the movement of grain to export ports, is also experiencing a sharp drop in activity.

In this very complicated context, the Logistics and Storage teams have concentrated on the rigorous control of all operating costs, while maintaining the permanent objective of operational excellence in the services to the cooperatives, so as not to further degrade the competitiveness of the sectors in exports.

### InVivo Trading reviews its business model

InVivo Trading was hit hard by the harvest crisis in France. The volume of grain handled by the two offices in Paris and Singapore was down to 10 million tonnes compared with 13.8 million tonnes in 2015-2016. Turnover is also much lower than in the previous financial year, 1.6 billion euros compared with 2.3 billion euros in 2015-2016.

#### A transformation plan

Engaged for two years in a plan to transform its business model with the ambition of becoming a global niche player in grain trading, diversifying the portfolio of species handled and developing new recurring margin activities, InVivo Trading has mobilised its teams to accelerate this review and build new tools for cooperatives and the sector in France.

#### Four strategic pillars

InVivo Trading is implementing a strategy based on four complementary approaches:

- maintaining its historic role as a provider of liquidity on wheat export markets, to the benefit of the cooperatives, while reducing the proven risk of negative margins on this activity. To this end, Union InVivo created the first digital wheat export platform at the end of 2017, InGrains;
- balancing the portfolio by diversifying the raw materials handled (soybeans, corn) to ensure diversification of risks and sources of revenue. InVivo Trading is thus developing a soybean trading activity from its office in Sao Paulo;
- developing international grain and oleaginous seed collection and distribution activities, to generate recurring margins. The agreement signed by Bioline by InVivo with the Brazilian cooperatives of the CCAB Union gives InVivo Trading the opportunity to offer them logistical collection services for corn and soybeans. In parallel, a corn and soybean distribution activity for the Middle East will be operated from the Singapore office with players having dominant positions in certain ports in the region;
- monetising the expertise in consulting and risk management (as a service provider) with partners. InVivo Trading has developed first-rate know-how in risk management related to speculative trading, in order to transform uncertainty into controlled risk. Value will be extracted from this expertise through service contracts, partnerships or alliances.

#### New commitment policy

InVivo Trading operates as a profit centre and buys grain of all origins FOB; its results do not affect the cooperatives involved. InGrains and InVivo Trading work in parallel. InVivo Trading will give preference to the InGrains export platform when giving its buying interests.

The cooperatives involved have access to all the tools of Union InVivo and in particular the InGrains platform.

The historical fixed-price commitment contracts with cooperatives are being converted into preferential-rate trading contracts, with the flows processed by InVivo Trading France via the InGrains platform.

Union InVivo's results within this activity will be redistributed to the cooperatives proportionally to the volumes brought to the platform.

Subscription to the platform varies according to the volume committed; its amount corresponds to the

management fees. With this new mechanism, the cooperatives involved are masters of their choice of marketing (average price, firm price) on all the volumes of wheat, barley, corn and oleaginous they entrust to Union InVivo.

The new commitment policy and the platform were presented to the cooperatives in spring 2017. At the end of June, 28 cooperatives contracted for an overall volume of nearly 1.3 million tonnes, thus showing their willingness to build a common policy for export to third countries. In its first year of operation, InGrains should generate a turnover of 600 million euros.

28

cooperatives have already chosen to sell part of the crop through InGrains

## FOCUS

### [www.ingrains.com](http://www.ingrains.com): the digital export platform

The first digital platform dedicated to grain exports, InGrains is a resource-sharing tool open to all the cooperatives involved, with a mission to seek out added value for the sector in France, thanks to better optimisation of export logistics. The platform has three interfaces:

- Offer bids (buying interest) for which InVivo offers calls for tenders to the cooperatives (buying interest FOB, pricer) and closes the offers if they are competitive. The cooperative can respond to the buying interest by declaring a volume and a price per port. A cooperative

cannot offer above the price declared by InVivo.

- Free market offer (selling interest) for

which the cooperatives make their delivered offers to InVivo, and InVivo responds with an FOB offer if it has

an outlet for these offers.

- Information exchange: market and price information.



# bioline by invivo

Bioline by InVivo, by its presence throughout the agricultural value chain, has the wealth of assets and know-how needed to build the agriculture of the future, which will produce more and better and meet the challenges of sustainable development.





## *A set of unique and complementary solutions for building the agriculture of the future.*

Interview with **Laurent Martel**,  
Director of Bioline by InVivo



### **The activities of the Agriculture division, outside the grain trades, which are business oriented, have been brought together in Bioline by InVivo. For what purpose?**

**Laurent Martel:** Bioline by InVivo brings together four activities with high added value: seeds with Semences de France, plant health with Life Scientific, CCAB Agro and In-Ou, biosolutions with Bioline, agrodigital with Smag and be Api, and to these are added agricultural expertise and advice with Agrosolutions. This combination enables us to build a digital and sustainable agriculture of the future, and to offer global solutions to farmers.

### **What are the outlines of the five-year growth plan?**

**L. M.:** We are relying on digitalisation and internationalisation to accelerate the growth of Bioline by InVivo. The initial consolidated turnover of Bioline by InVivo was 150 million euros in 2015-2016. This year, with organic growth and the external growth operations carried out, in particular the acquisition of 55% of the shares of CCAB Agro in Brazil, the consolidated turnover exceeds 210 million euros. The Ebitda for Bioline by InVivo is in line with forecasts. To pursue this ambitious growth strategy, the decision was made to open the capital of Bioline by InVivo to minority



investors. This project has been very well received by both our member cooperatives and our financial partners.

### **So you are confident about the future?**

**L. M.:** We are confident, because the world expects a lot from agriculture. We have many challenges to take up. By investing in biosolutions, digital agriculture and precision farming, we are opening up fields of possibilities for all types of agriculture, conventional and organic, rural and urban.

## Seeds

### **Semences de France: progress on the four strategic priorities**

Organic growth, development of decision-making tools for agricultural distribution and seed products, internationalisation, in all four main approaches of its strategic plan, Semences de France has achieved success.

Once again this year, its network has been strengthened with the addition of the Bonneval Beauce et Perche cooperative.

In a difficult context in France, the bad weather conditions in June 2016 having affected seed production, the organisation of the market for straw cereals and protein crops, put in place by Semences de France since its creation, allowed it to meet the needs of all its partner cooperatives and its customers. Its sales and market share are growing, confirming its leadership in the straw cereal market.

In fodder crops and grass, it has consolidated its market share in the various species thanks to the genetic contribution from Carneau Recherche. The signing of an agreement on professional turf grass with ICL will allow it to optimise its production tool. In the field of hybrids, where the consequences of the agricultural crisis have been more marked, Semences de France is doing well, managing to gain market share in corn, sunflower and hybrid cereals thanks to the richness of its varietal flow. While the seed treatment activity has started well, the upcoming ban on neonicotinoids will lead to a profound calling into question of certain farming practices and seed protection.

#### **Internationalisation is going on**

The implementation of a digitalisation plan is well under way. Two new decision-making tools have been launched: Iscope, for the choice of intermediate crops, and Visualiz, for the processing of data from varietal trials.

On its 4<sup>th</sup> strategic priority, internationalisation, the acquisition in November of the Italian company Novasem and the creation in February 2017 of the joint venture with Agrosol in Brazil show the ability of Semences de France to engage in a new growth dynamic after the successful integration of Carneau in France.

Based in Genola, Piedmont, Novasem generated turnover of 3.5 million euros in 2016 in seed sales, mainly in the north of Italy. Its acquisition will accelerate growth in Italy through the development of sales of straw cereal seeds and diversification into new species.

The creation of a joint venture with Agrosol, one of the leaders in soybean seeds in Mato Grosso, shows the willingness of Semences de France to invest in countries with strong agricultural potential. To take advantage of the very great market needs, the joint venture, from its creation, carried out a first investment in a soybean production plant.

Semences de France continues to make progress thanks to its dynamic, and generated a turnover of 165 million euros, of which 32 outside France.

## Plant Health

### **Life Scientific performs well**

An expert in post-patent plant protection products, Life Scientific's business is progressing very satisfactorily, reaching a turnover of 26 million euros.

New offers have been developed in Europe, particularly in France with the approval of a new corn herbicide and the marketing of a cereal fungicide solution intended for the cooperative members of the Agricultural Supply Partners division (PPA), following an agreement with a leading third-party supplier. Relations with the PPA are getting stronger, leading to an increase in market share for Life Scientific products in this network and the co-construction of numerous projects for the protection of field crops and vines.

In Germany, the second-largest plant-protection market in Europe, two new approvals were obtained for sale from the 2017-2018 season.

## CCAB Agro: a strategic player in distribution in Brazil

In December 2016, Bioline by InVivo carried out its first major operation outside Europe by becoming the majority shareholder in the Brazilian company CCAB Agro, of which it holds 55% of the share capital.

An important Brazilian player in the approval and distribution of plant-protection products, CCAB Agro is present in eight States and has a solid position in those of Mato Grosso, Bahia and Sao Paulo. With an annual turnover of 102 million US dollars and excellent sales performance, CCAB Agro has delivered the expected results for the first six months after integration.

## In-Ou: the Chinese joint venture

In another continent, in Asia, InVivo AgroSciences has also initiated new developments in plant health. Continuing its international expansion strategy, by relying on a local partner, it has created a joint venture with HVH in China called In-Ou (a name which in Chinese means “green pastures coming from Europe”).

The first results of tests for the approval of plant protection products in China make it possible to expect sales to start in 2020-2021.

### FOCUS

#### **CCAB – InVivo: a promising partnership**

According to the FAO, Brazil will be the world's leading agri-food power by 2025 and the leading world market for plant protection. By investing in this country where agriculture is already highly modernised and competitive, InVivo aims

to participate in its further development.

CCAB Participacoes (Consortio Cooperativo Agropecuario Brasileiro) brings together 20 shareholder cooperatives with 55,000 farmers, of which 250 represent 50% of its turnover. CCAB Participacoes member cooperatives represent 15% and 13% of Brazilian production of soybean and corn respectively, and 87% of cotton. Their buying potential for plant protection

products is valued at 2 billion US dollars.

The investment by InVivo AgroSciences in CCAB Agro alongside CCAB Participacoes opens up prospects for plant health development and will enable operational synergies with other InVivo AgroSciences businesses, including seeds, agrodigital and biocontrol, as well as with InVivo Trading and Neovia.



## Biocontrol

### **Bioline Biosolutions: up and running**

The integration of Biotop within Bioline Biosolutions, acquired in early 2016, is complete. There are synergies between the two entities at all levels: R&D, industrial engineering and marketing are now enabling the growth phase that will make Bioline Biosolutions, a leading player in the biocontrol market. In 2016-2017, Bioline Biosolutions posted a turnover of 25 million euros.

Beyond growth in the current markets (Northern Europe, Southern Europe), a business plan has been launched for the North American market with the consolidation of the organisation of the subsidiary in California and the creation of a company in Canada.

#### **Innovating in plant protection**

Bioline Biosolutions, which has solid expertise in macro-organisms, has initiated the associated sale of predatory mites, auxiliary insects and trichogramma, with particular success in market gardening under glass in France, where the range has been extended and improved.

After the successful launch of Trichotop buxus, a trichogramma used against the box-tree moth, and the development of Bioline App, an application for the construction of a crop protection programme incorporating biosolutions, Bioline Biosolutions has again made its mark this year with Geolnsecta: a participatory mobile application to geolocate the presence of crop pests.

## Agro-digital

### **Smag, at the heart of the digital transformation of our campaigns**

With a turnover of 12 million euros for the 2016-2017 financial year, up by 13%, Smag is doing well. The software offering has been expanded following the acquisition of the LEA solution intended for the management of agricultural work companies and the EuroSemences software developed by Gfi Group. The latter now allows Smag to offer seed breeders and multipliers a complete management solution for the entire production chain.

## FOCUS

### **Agro-digital Studio, the accelerator of Agtech projects**

InVivo Agriculture inaugurated the Agro-digital Studio in Montpellier on 17 May. Located in Smag's premises, it integrates well into the "French Tech" research ecosystem of Montpellier. With a high-tech area of 600 m<sup>2</sup> conducive to creativity, the studio is dedicated to the detection, co-development and production of digitally intensive projects for agriculture. Open to the 206 agricultural

cooperative members of Union InVivo, the Studio can support up to fifteen projects a year. The first, the IoT mobile application, which allows farmers to geolocate all the connected objects on their farms and manage their plot data, the fruit of a collaboration between Smag and several start-ups specialised in agricultural IoT, received a prize at Sima (the International Agricultural Machinery Show) in March 2017.

New technical and commercial partnerships have enabled Smag to be listed on the IoT (Internet of Things) market and to strengthen its expertise in agricultural big data. Its new range of connected objects (weather stations and pest traps) integrate with Agreo and Atland plot management software, making it possible to collect very precise data at the scale of the individual plot. Smag has also participated alongside Acta – the agricultural technical institutes – in the development of the mobile application Index Acta by Smag, the first catalogue of plant health products available in a digital version.

Smag has strengthened its position on the wine and spirits market. New sales to prestigious companies have brought additional awareness of the Agreo Vigne & Vin software offering, which is becoming a reference tool for the profession. In the Occitanie-Pyrénées-Méditerranée region, Smag is participating in the project

launched by Montpellier SupAgro, the Mas numérique, a laboratory unique in the French wine sector, which will test new digital solutions for the sector under real-life conditions.

### **Mobile solutions rewarded**

The digital transition instilled by the group also facilitates transversality between the businesses of the Agriculture division. Smag is working closely with be Api by computerising some of its tools (taking orders for be Api services, calculating the intra-plot advice, returning advice) as well as with the Agro-digital Studio. Together, they have developed IoTa, a mobile app for connected device management that was honoured at the 2017 Sima Awards, as well as another mobile solution for a company specialising in the manufacture of winemaking machinery and vinification equipment.



## Agro-digital

### Be Api: precision farming has arrived

Created in December 2016 to accelerate the deployment of precision farming in the field, be Api has structured itself at all levels.

Twenty-four cooperatives groups have joined be Api as shareholders, giving it a share capital of 5 million euros. Its Management Board includes thirteen members from the cooperatives. It is chaired by Jérôme Calleau, Deputy Chairman of Union InVivo. It has adopted an operating agreement.

DéfiSol, which was the company behind the creation of be Api, is now its research and development subsidiary, while continuing to provide its services to its historic customers, the farmers of the Eure. This network of 250 farmers also plays the role of innovation incubator for be Api.

A study of more than 5,000 farmers helped to gauge farmers' interest in this agriculture of the future and to identify the barriers to be lifted to facilitate its implementation regardless of the profile of the farms. A training programme with different modules for managers, consultants and farmers has been developed. Work to rationalise advice on plots is being undertaken by Smag, which should result in the creation of suitable software in 2017-2018.

An agreement has been signed with the bank Crédit Agricole to support financing of investments by farmers, including the purchase of diagnosis of within-plot heterogeneity.

With this backing, three pilot cooperatives, Capseine, Val de Gascogne and Sèvre et Belle are testing the be Api offer with some 250 farmers. In total, therefore, 500 farmers from different regions, with different types of farms including field crops, mixed farming and livestock, are implementing the be Api concept over 80,000 hectares.

## FOCUS

### Agrosolutions, contracting authority for the Parisian Happy Vallée

In proposing to establish an agricultural valley that is a showcase for French agriculture in all its diversity and multi-functionality, the Happy Vallée project led by Agrosolutions met with a very favorable response from the Paris Île-de-France Capitale Economique association, which wants to enhance

the Paris-Roissy axis to make it the international showcase for France. Wheat, rapeseed, sunflowers and agroforestry would occupy the fields located near the airport. Moving towards urban areas and Paris, vegetable greenhouses, orchards and plant walls would be installed. This agricultural valley

will be built following the principles of agro-ecology. The project was presented to Parisians in early June 2017, during the BiodiversiTerre event.



# Agricultural Consultancy

## Agrosolutions: a winning positioning

The 2016-2017 financial year has confirmed the pertinence of Agrosolutions' positioning. Operating in three areas – agriculture, sector and territory – the consulting firm is broadening its skills, in particular legal and marketing, raising its profile and becoming a partner of choice for many economic and institutional players. Agrosolutions supports them in improving their purchasing, production methods, sales of agricultural products and services and in the management of their agricultural risks. Increasingly, it is also being invited to participate in research programmes. Agrosolutions has posted a turnover of 5 million euros. With players in the agri-food sector, Agrosolutions has

developed its position by going beyond the implementation of their CSR strategy, since it also accompanies them in the definition of this strategy. Agrosolutions has thus supported the Mondelēz teams in their LU'Harmony progress strategy, going from technical advice through to strategic consultancy.

### Safeguarding natural resources

With the territorial players, the investment by Agrosolutions in legal expertise is bearing fruit. Its client base is growing and diversifying. Whether they are motorway companies, wind energy producers or collective water management bodies, more and more land developers are calling on Agrosolutions to secure their ecological compensation, pollution risk management and natural resource conservation approaches, to secure their projects with regard to regulatory obligations in terms of the environment and the agricultural sectors. This year, Agrosolutions has notably been working with the OUGC (Single collective water management body) in Saintonge, offering new services in legal training and the quantitative management of water.

To respond to players in agricultural production, Agrosolutions continues to invest in innovation. With Agrinovex, it is testing the use of drones to collect agronomic readings from experimental plots. With seven cooperatives, it is also testing Daticrop, a model for forecasting crop yields and quality.



# neovia

Neovia's strategy allows for steady growth and a gradual rebalancing of its revenues: seven business lines, five geographical zones, a multi-species dimension. Its investment strategy effectively combines targeted acquisitions and investments reflected in the digitalisation of its practices, the modernisation of its industrial tools and innovation.





## *A dynamic driven by strong investment in innovation and new technologies.*

Interview with **Hubert de Roquefeuil**,  
Neovia Chairman



### **What are your key points from the 2016-2017 financial year?**

**Hubert de Roquefeuil:** The year's balance sheet is positive. The results are better than last year and we completed eight acquisition projects and two equity investments. These projects were conducted in what were at times difficult contexts. More than ever, this complex environment validates our diversification and service orientation strategy. Creating a sustainable competitive advantage is essential in ensuring the longevity and growth of the whole business.

### **Can you detail what Neovia is putting in place to create this sustainable competitive advantage?**

**H. de R.:** A sustainable competitive advantage is based first of all on a medium-term strategy, coherent organisation and investments, as well as the achievement of targeted acquisitions in areas of activity or geographical areas with potential. A sustainable competitive advantage also requires a strong, rational and globally readable brand structure. We created the Neovia corporate brand with this in mind. The creation of our master brands, Wisium and Upscience, or our international brands follow this same logic. Neovia's sustainable competitive advantage also includes an even stronger customer focus and investments in the digitalisation of our practices and

innovation. This ambition is illustrated by the Farm of the future project.

### **What are the objectives for the upcoming year?**

**H. de R.:** Our brand strategy, combined with investments in innovation, services and operational excellence over the past several years, is now expected to accelerate our organic growth and increase our global sales and economic performance. This objective will be achieved by further strengthening our links with our customers, particularly cooperatives, to develop and create new services and solutions together.



75

production sites

11

research centres

€1.7

billion in consolidated turnover

8,300

employees

## Brands

### A strong brand policy for commercial performance

During the year, Neovia structured its brand architecture globally to make it an effective and powerful tool for the development of its business.

The change of identity (name and image/colour universe) and the emergence of a real corporate brand, has allowed Neovia to clearly embody its orientation in the development of innovative and technological services and solutions with high added value for its customers on a global level.

The Neovia corporate brand is based on a partially redesigned brand architecture that allows its core businesses to have a commercial identity and their own channels at the service of their customers. The recent creation of the master brands, Wisium in the international firm-services and Upscience in the analysis laboratories business, responds to this logic. It is completed by a global (Royal Horse, Eivalis, Bernaqua, Presence, Ganador) or national (Inzo°, Socil,...) commercial brand strategy, well known for certain product or service lines.



## Innovation

### Open and collaborative innovation at the heart of Neovia's strategy

Neovia is now one of the most innovative companies in its sector and has chosen to place innovation at the heart of its strategy for many years with, for example, the inauguration of a state-of-the-art analysis laboratory in 2013 and its global innovation centre in 2016, investment in data analysis and connected objects.

In this context, Neovia is continuously investing in innovation and new technologies in order to equip its seven activities with a sustainable global competitive advantage. This strategy is reflected in open and collaborative projects serving its five priority areas of innovation: smart farming, interactive petline, resource optimisation, intensive aquaculture and functional ingredients. These are fields of research and innovation with high potential, given the market challenges.

#### Neovia Venture, an investment fund dedicated to innovation

Launched in July 2016, the Neovia Venture investment fund is dedicated to innovative projects and companies. With a fund of €5 million, Neovia Venture aims to take minority stakes in innovative companies in connection with its five priority areas of innovation. During the financial year, Neovia Venture made two equity investments: Equisense in July 2016, a French start-up specialised in connected objects for the horse market and Pitpatpet Ltd (PitPat) in January 2017, a British company that is one of the leading players in the growing market for pet activity trackers.

## Applifarm, a big data services platform for the ruminant sector

In France, Neovia has joined forces with various partners from the ruminant sector (Innovaal, Eilyps, Cogedis, Ceva and Adisseo) to create the start-up Applifarm. This platform uses various data sources (management, food, dairy, breeding advice, reproduction, performance monitoring, health advice) that will allow companies in the ruminant sector to create new services for breeders.

Applifarm's ambition is to become the leading platform in the French ruminant industry, with the aim of connecting 10,000 breeders by the end of 2018. In the future, Applifarm will be able to open up internationally as well as to other species. This open and collaborative project is firmly in line with Neovia's open innovation approach, which has been running for several years.

## FOCUS

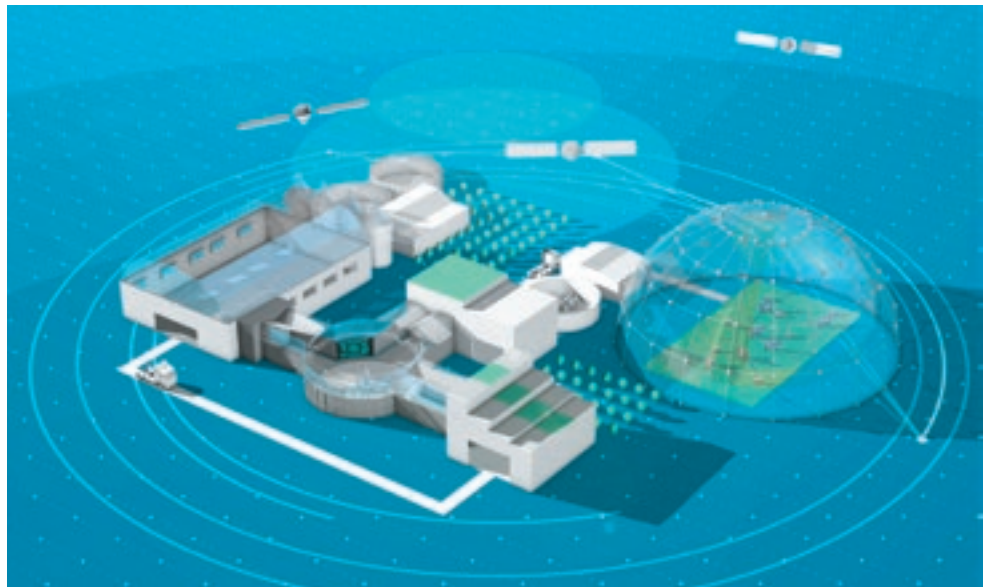
### The Farm of the future revolutionises R&D

In July 2016, Neovia announced the creation of a Farm of the future. This project, which will come to fruition by 2020, is as much an innovation project as a company project. Through the creation of a network of globally connected farms, it is about meeting the food challenge and innovating with stakeholders to work together to build the sustainable farming of tomorrow. Focused initially on three major species (pork, poultry, ruminants) with pet food and aquaculture later, the Farm of the future is an open and

collaborative project with a global vocation that pursues three objectives: to revolutionise and plan

R&D for the future, fostering interactions between breeders and consumers and offering a technological

showcase for the sustainable farming of tomorrow.



## Western Europe

### A mixed market environment

The market environment in Western Europe remains quite mixed this year. Despite the steady decline of the French market, the services-based businesses maintained their leading position, although their market share was slightly eroded. In Spain, the good positions of the premix/firm-services subsidiary have remained. In addition, Italy's results, notably due to the launch of the Wisium brand, as well as those in Portugal, are broadly in line with expectations.

#### Digitalisation of the service offer

In the context of a mixed, competitive market, Neovia has confirmed its investment policy in services, innovation and digitalisation, including modernising

and digitalising its service offering in Spain where Setna is developing new tools for decision-making support dedicated to the monitoring of pig farms. This is an approach that should allow it to strengthen its competitive advantage in the market.

In the same way, during the year, the premix/firm-services activity in France conceived and developed several innovative applications allowing breeders to monitor their farms and evaluate their performance according to criteria established by the Neovia experts. Thus, this year, Inzo° launched Porcing pocket, and Evalis now offers an application for the Royal Horse brand and a feed monitoring application for beef cattle, Profit4beef. In addition, a new interactive service catalogue dedicated to dairy cooperatives, e-pack lait, presents dairy farmers with the InVivo group's entire offer and that of certain cooperative partners (food, animal health and building hygiene, seeds, specific services). These initiatives demonstrate and confirm the company's investment in services, digitalisation and innovation.

#### Strengthen the relationship with the customer

Neovia intends to continue to multiply partnerships in France and further strengthen its proximity with the customer in order to create a relationship of trust and exchange that is sustainable and profitable for both parties. With this in mind, the French firm-services companies (Inzo°, Prisma, Nutrilac,...) regularly organise meetings or technical seminars with their customers. These meetings allow species experts to respond to issues in the sectors, but also to detect the evolving needs of customers to co-innovate with them and offer new services which are ever more appropriate.



## Targeted acquisitions

European animal nutrition markets are mature markets with a high demand for innovative products, technologies and services. To meet these needs, Neovia invests in digitalisation and innovation, but also carries out targeted acquisitions. In January 2017, Neovia acquired Agranix, a French manufacturer specialising in the production of boluses and premium

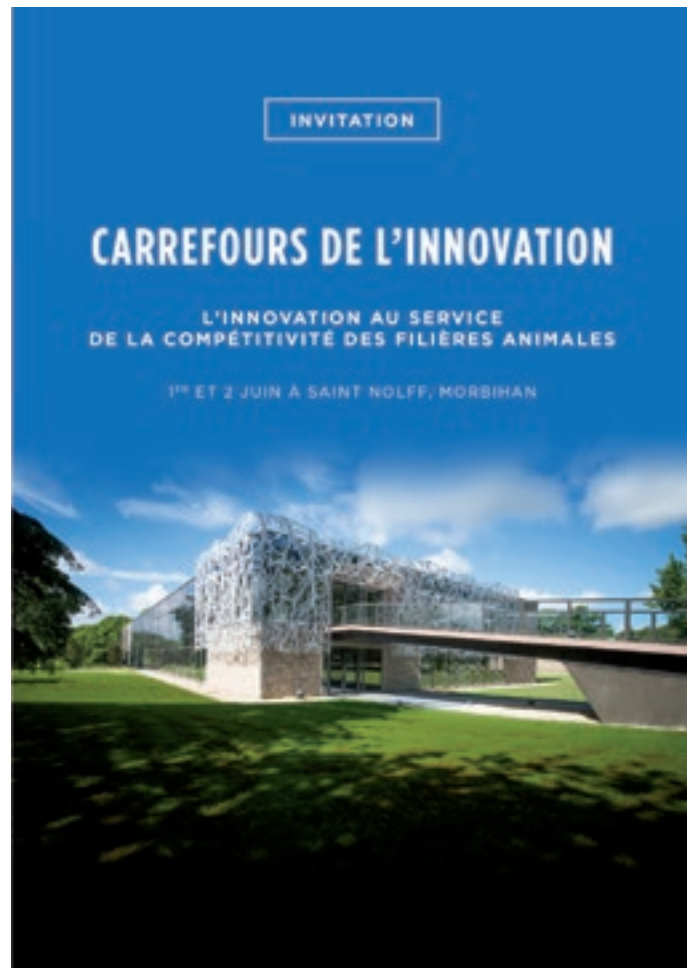
dietary products for ruminants and horses. This acquisition enables Neovia to strengthen its portfolio of products and solutions, consolidate its position in the growing market for nutritional specialities, and complete its expertise in supporting French farms.

## FOCUS

### First edition of the Innovation Centres

On 1 and 2 June 2017, Neovia organised the first Innovation Centres and played host to several leaders of French agricultural cooperatives at the site of its world headquarters in Brittany. Over a two-day period, 70 cooperatives from all over France, participated in these meetings. In order to identify concrete lines of work and reinforce the existing links with its cooperative partners, Neovia organised a dozen interactive workshops. These workshops allowed us to work together on several major livestock themes that will support

collaborative innovation projects: modelling evolving markets, pathogen tests and predictive analyses, alternative biotech solutions, digital breeding, animal welfare. The Innovation Centres have been a real success. They strongly illustrate Neovia's desire to identify and co-develop concrete and innovative solutions with its cooperative partners. This approach aims to ensure the competitiveness of the French livestock sector and to meet the challenges of sustainable farming in the years to come.



FOCUS



**Neovia accelerates its growth in Africa**

Neovia has been present in Africa for more than 20 years, either directly (South Africa, Algeria), or via partnerships (Nigeria, Côte d'Ivoire) or by its export activity (Angola, Ivory Coast, Mali, Morocco, Cameroon, Senegal). The African continent is expected to experience strong population growth by 2050, with over 1.3 billion additional inhabitants. This increase will combine with an improvement in living

standards and will lead to increased demand for nutrition and animal health. However, the African situation remains mixed and the political or economic situations of the different countries appear heterogeneous. For this reason, Neovia is not pursuing one, but several growth strategies in different African countries which will allow it to strengthen its presence on the continent over the next five years.

EEMEA

**A multi-faceted zone**

The EEMEA zone appears very mixed in terms of both markets and activities. Also, although the Czech subsidiary is doing well in a sluggish market environment, the Romanian subsidiary is experiencing difficulties, while Belgium, through the Bernaqua company specialising in larval feed for aquaculture, has had a very good year, with results exceeding expectations. The export business (particularly in Africa and the Middle East) achieved its objectives due to good cost control and the signing of major new contracts, such as a contract to provide services to a major Singaporean customer in aquaculture.

**Reinforced position in South Africa**

South Africa has had good results during the year. This performance was largely driven by the launch of Wisium, Neovia's international premix/firm-service brand, and the acquisition of the Pennville premix company in November 2016. Pennville is strengthening Neovia's firm-service offering in South Africa. The company, founded in 1999, has around 50 employees and experts. The year was also marked by the inauguration of a new storage and distribution centre with an area of over 1,000 m<sup>2</sup>. This centre facilitates the distribution of different products and services in South Africa and in ten neighbouring African countries. Through its developments in South Africa, Neovia clearly shows its willingness to accelerate its development in Africa. A strategy is now in place and should materialise with significant developments in Africa in the year to come.

# Central America

## A positive commercial momentum

Neovia's Mexican subsidiary has exceeded targets and has achieved very good results in the pet food and premix/firm-service businesses. The pet food business confirms its growth due to a strengthening of its market share in a global context of a growing activity. In terms of complete foods and speciality foods, they have demonstrated resilience in a difficult Mexican market. The premix activity, in particular, performed well over the year as a result of the combined effect of deploying the Wisium brand within the country as well as the acquisition of Apligén in April 2017, a Mexican company which specialises in premix activities, speciality foods and additives.

The region's good performance is supported by a process of accelerated structuring of the subsidiary's organisation, which includes strengthening the management committees, recruiting experts and implementing major transformation projects (information systems and supply chain). In addition, Mexico's good results once again show the relevance of the strategy of developing and investing in high value-added solutions in a context of more moderate growth and market consolidation.

In this context, the acquisition of Apligén allows Neovia to strengthen its positions in the Mexican premix and firm-services market through a better geographical coverage and an expansion of the company's product and service offerings: ruminants and pork. This acquisition also illustrates the growing maturity of the South American and Central American markets.

## FOCUS

### Apligén strengthens premix/firm services activities in Mexico

Neovia continues to invest in a Mexican nutrition market characterised by strong growth and a need for high-technology

services and products. It has led to Mexico now being ranked among the world's leading producers in several species: 6<sup>th</sup> in beef, 5<sup>th</sup> in poultry, 6<sup>th</sup> in egg production. The acquisition of Apligén meets the technical and quality needs of the Mexican nutrition market and complements Wisium's international premix/firm-service offer. Apligén is a family business that is recognised in the market for the quality of its products and services. The

company has a turnover of approximately 30 million euros and has strong positions in ruminants and pork. It is now ranked 7<sup>th</sup> among the country's premix/firm-service stakeholders. Based in Mexico State, it has 84 employees, a production site, four warehouses across the country and an excellent logistics and distribution network. As a result of this acquisition, Neovia has become one of the country's top five premix/firm-services providers and Wisium's offer in Mexico has been strengthened.



## South America

### Brazil is weathering in a context of turmoil

Brazil's macroeconomic environment was extremely turbulent during the year. However, the economic situation seems to show early signs of improvement in a political and social context that remains uncertain.

In this context, and despite a slow-moving national ruminant market (milk and meat) combined with a major health crisis (shrimp), Brazil performed better than last year, although slightly below expectations. The first half of 2017 shows encouraging signs of recovery that need to be confirmed in the coming year.

This year of transition was also an opportunity for the Brazilian subsidiary to launch major industrial investment programmes aimed at optimising and modernising its production tools with a view to increasing productivity.

In addition, the development of the pet food activity in Brazil continued during the year in a context of economic crisis that led some consumers to look for cheaper options in terms of purchases: pet food purchases increased in standard segments and decreased in premium or super premium segments. This effect has also had a negative effect of export activity.

#### Two strategic acquisitions

The Brazilian subsidiary made two acquisitions in areas of activity with high potential: Nutrizon in September 2016 in the aquaculture, pet food and ruminants sector, and Labtec in July 2017 in the field of analysis laboratories.

The acquisition of Nutrizon strengthens Neovia's geographical coverage in Brazil and strengthens its position in aquaculture, pet food and ruminants. A true pioneer of animal nutrition in the North of Brazil, Nutrizon allows Neovia to take a position in a growing strategic region, by acquiring a major player in aquaculture and pet food, and strengthening its export business (Peru, Bolivia, Ecuador), due to the proximity of its facilities to major regional roads and rivers. Nutrizon has a strong skillset in aquaculture and enjoys a rare expertise in the feeding of regional tropical species. This expertise is a useful complement

to Neovia's global aquaculture knowledge and strengthens its offer in the context of rapidly accelerating demand in Latin America.

## Asia

### Strong performance

Neovia's results in Asia are mixed but are generally in line with expectations. The Philippines and China have had a good year whereas Vietnam and Indonesia experienced significant health crises that impacted the region's good performance during the year.

Neovia's subsidiary in the Philippines experienced steady growth during the year. This performance confirms the relevance of the acquisition of Popular Feedmill in May 2016 and its growth potential in a region in strong development. The integration of Popular Feedmill was carried out under good conditions, with important work for the optimisation of the commercial organisation, combined with strong advances in formulation, carried out by Neovia experts in close collaboration with local teams.

China also achieved a good operating performance this year, as a result of the combined effects of the growth of its premix sales and the good start of major service contracts.

Vietnam benefited this year from good momentum, but the second half was marked by a health crisis affecting pig farms in the country. The performance therefore appears to vary according to the country's regions, with a loss in pork volumes partially offset by good growth in the duck, chicken and aquaculture (fish and shrimp) segments.

#### A diversified offer is bearing fruit

A major strategic project was also launched during the year. It aims to continue the policy of diversifying the subsidiary's offer in this country with high potential. Backed by the Vietnamese subsidiary, activity in Cambodia is gradually developing as a



result of an active and effective commercial policy. Indonesia maintains its position in a difficult local poultry market. This phenomenon has been partially offset by a strategy of increasing diversification in its product and service offering (quail, duck). A project for structuring of the organisation in the country was also implemented during the year and is beginning to bear fruit.

India faced difficulties during the financial year, including a currency crisis that had a negative effect on the country's results. The subsidiary is nevertheless continuing to develop its premix/firm-service offering with the gradual roll-out of the Wisium brand throughout the country.

### **Rapid development in pet food**

Neovia strengthened its presence in the Chinese market during the year by entering into exclusive negotiations for the acquisition of Sanpo in January 2017. This majority stake confirms the strategy of developing a real pet food offer in Asia (Vietnam, Philippines, China) and illustrates Neovia's dual desire to strengthen its position in this high potential sector and accelerate its development in Asia.

## FOCUS

### **Neovia positions itself in the high potential Chinese pet food market**

Since 2014, Neovia has been developing its pet food business in Asia (Vietnam and the Philippines in particular). With the acquisition of a majority stake in the Chinese company Sanpo, the 5<sup>th</sup> largest player in the Chinese pet food market, it is positioning itself in one of the key pet food markets of the future: the Chinese market.

Today China has nearly 28 million dogs and 12 million cats. It has one of the highest potentials

in the sector with a national market of almost 132,000 tonnes at national level and an expected increase of almost 65% between 2015 and 2020, according to Eurostat. Founded in 1991, Sanpo is a family-owned company employing 270 people, with a (dry and wet food) production plant located in Tianjin and commercial offices in the ten major cities of the country. The company is characterised by a strong investment in R&D as well as a high level



of quality and traceability of its products. It also has an analysis laboratory equipped with state-of-the-art technology and a reference kennel.

In addition, Sanpo enjoys a good brand image in the Chinese market.

## Additives & Ingredients

### Good performance

Neovia's additives & ingredients subsidiary performed very well during the year, with strong growth in most of its product lines: bioactives, flavours and minerals.

In a growing market, the subsidiary has developed its distribution networks while controlling costs overall. The business thus experienced strong growth in North America and South-East Asia and less growth in ex EMEA and Central America.

In order to make the most of a dynamic global market, the Neovia subsidiary decided to strengthen its organisation and launched several major structuring projects during the year (information systems, supply chain). The company also continued to grow through the acquisition of Keybio in China. This operation allows the company to accelerate its development in China, the world's largest animal nutrition market, and strengthen the power of its distribution networks.



## Analysis Laboratory

### A global network is being built

Leader in France in the animal feed analysis market, Neovia's analysis laboratory activity has gradually extended its analytical know-how to other areas. It now offers a wide range of analyses in physicochemistry, microbiology and molecular biology, targeted at stakeholders in the animal and human nutrition, agri-food, environment and nutraceutical sectors. Neovia's independent laboratory analysis activity has been operating since July 2017 under the Upscience brand.

The three French laboratories confirmed their growth momentum in comparison with the previous year, particularly in the last quarter. This good momentum was notably supported by commercial conquest actions and work to optimise the organisation and important processes.

Since 2014, Neovia has accelerated the international development of its analysis laboratories. The company is now established in France, Brazil, Vietnam and Italy (with the acquisition of Agrindustria in 2016). At the end of the year, Neovia also announced the acquisition of Labtec, a state-of-the-art Brazilian analysis laboratory located in the state of Sao Paulo. This acquisition enables the company to strengthen its operations in Brazil, expand its analysis portfolio, and position itself as one of the country's key players in food safety and traceability.

## Animal Health

### A rich marketing authorisation portfolio

The market has confirmed its interest in hygiene and nutrition activities as well as good growth in medical solutions in emerging countries. In this context, the repositioning of the animal health activity should enable it to fully benefit from future growth due to a rich marketing authorisation portfolio, an efficient export organisation and innovative hygiene and nutrition solutions that have been awarded numerous prizes: Pink Step.

## FOCUS

### Upscience, a new ambition

InVivo Labs has become Upscience. This new brand embodies the dynamic of international development, led by the network of analysis laboratories since 2014. It positions the company as an expert in its field through a broad analytical, innovative and tailored offer. The Upscience identity embodies the values of innovation, proximity and customer care that make the company

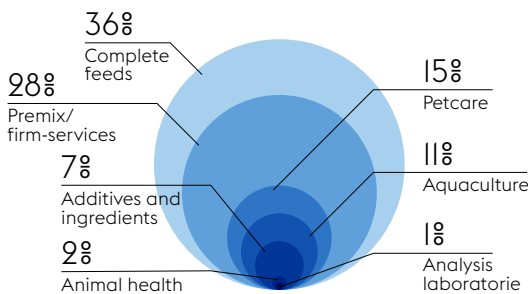
stand out in the analysis laboratory market. Its organisation consists of 300 experts, engineers and technicians worldwide. This network allows it to efficiently support its local or international customers. Through listening to customers and recognising their changing needs, Upscience laboratories have developed state-of-the-art technologies and a R&D structure to develop

standardised or personalised solutions to meet market challenges: food safety, increased traceability requirements, demand for faster analyses (PCR and infrared technologies),

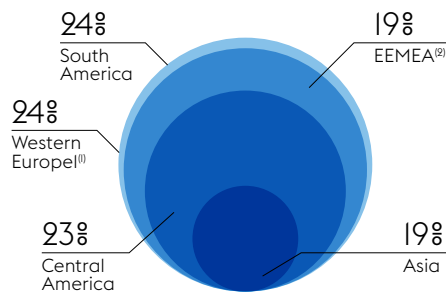
development of tailor-made analyses, guaranteed reliability of results through consistent methodologies, and analysis standards at global level.



**Distribution of turnover by activity**



**Distribution of turnover by geographical region**



(1) France, Spain, Italy, Portugal and Animal Health.

(2) Eastern Europe, Middle East, Africa and Additives and Ingredients.

# invivo retail

InVivo Retail continues its development in three business sectors: garden centres, food distribution, marketing through green channels. These three activities are complementary, each one generating added value for the other two.



## Creating value with one driving force and two boosters.

Interview with **Jean-Pierre Dassieu**,  
Director of InVivo Retail



90 stores, will allow us to include a new distribution model, the retail branch network. In addition, we continue to recruit independent franchisees, particularly under the Delbard banner. Thanks to these different possibilities, we are the only network of garden centres to have seen sustained growth of our points of sale. We also want to improve the attractiveness of Gamm vert with the Magasin 2O2O concept which will focus on self-production. Finally, improvement of the economic model is a constant concern. We are working on lowering the logistics cost. The concentration of platforms and the dematerialisation of flows are two major themes in this project.

### **InVivo Retail is active in three sectors, what is your overall strategy?**

**Jean-Pierre Dassieu:** The garden centre is the driving force behind the development of InVivo Retail. Food distribution and marketing through green channels are the two boosters that provide growth drivers for our franchisees in a mature garden market.

### **What are you working on in garden centres?**

**J.-P. D.:** We want to develop our leadership of the gardening market. The acquisition at the end of June of two franchised networks of Axéreal and Terrena, bringing together

### **By creating Frais d'Ici two years ago, you have shown your willingness to significantly increase your presence in food distribution. How is that coming along?**

**J.-P. D.:** We are continuing the development of Frais d'Ici with around twenty projects under way. More broadly, we are strengthening the role of food in the Gamm vert and Delbard networks, but taking care to occupy two very distinct positions. Our regional presence enables us to offer local products, fresh, and soon organic, which correspond to consumers' new expectations. In addition, we have been working on a grocery and bistronomy concept, So France, that we are going to set up in Singapore.

Distribution  
of turnover 2016-2017

Total: €1.45 billion

€1.19

billion  
Gamm vert network

€217

million  
Delbard – Jardinerie  
du Terroir network

## Garden Centres

### Gamm vert makes progress in plants and gardens

Gamm vert is giving satisfactory results in a mature and stable market. Sales are up 3% on the year. Growth this year has been driven by plants and gardens, which increased by 6% in the spring; weather conditions were favourable for gardening. These good results reward the efforts made on the nursery and greenhouse offer.

The network has adapted remarkably well to new regulations on the sale of plant-protection products to individuals, with presentation of products in the showcase since January 2017. This department has shown good dynamism driven by the widening of the range of UAB products (suitable for organic farming) and the development of advice to customers.

#### Food: a strong driver of growth

The financial year was more difficult in the animal sector because of very aggressive competition, from online sales in particular. The results for the private brand pet food Pure, developed by Néodis for Gamm vert, confirm the private label strategy for products with strong nutritional claims.

The food offer, regardless of the size of the “Les Sens

## FOCUS

### “Growing it yourself changes everything.”

With its results in the food section, its undisputed leadership in kitchen garden, beekeeping and cooking utensils, and its roots in the rural world, Gamm vert now focuses on self-production with its new slogan “Growing it yourself changes everything”.

This new brand identity is part of the Magasin 2020 change programme aimed at increasing the

operational excellence and attractiveness of Gamm vert by strengthening all ranges where the brand is leader. This model has been tested at a pilot store in Ormoy (91).



€47

million  
Néodis

€5

million  
Frais d'Ici

du Terroir” section, is once again enjoying excellent progress, up 8%. Many stores have reviewed their terroir section to include the new offers: fresh products, frozen and cooking utensils. The test phase for Igloo frozen products offered in around fifty stores was very convincing, and they will now be offered to all stores with a food section. All the results confirm that food distribution is a very interesting driver for growth for garden centres, provided it is part of an approach built around short supply chains and self-production. On the other identity section of Gamm vert, clothing footwear, after a period of range expansion the brand has chosen to focus its offer on the essentials: clothing and footwear for agricultural work, gardening and nature.

## Delbard: a very good year

Very plant focused, the Delbard-Jardinerie du Terroir networks benefited this year from a favourable context. In addition, with more than fifty additional stores having joined the networks in the past two years, a new dynamic has emerged at all levels: purchasing and logistics, marketing and communication.

A very good dynamic has gained momentum in the Delbard network, around the renewal of its offer. The new concept of “La boutique de la rose” is being rolled out. It anchors the image and the very great fame of this network, which was built around the rose. Under test since last year, the development of a food product offering based on local specialties is well under way. Made up of five regional ranges (South-East, South-West, West, North, East), it is not a short supply chain but rather an offering in which the best products of each region are made available in the same section.

The 2016-2017 financial year also saw the deployment of new private-label offers. The initial results are positive, especially in pet supplies and pet food, where the private label is boosting growth of these sections.

## From Plantes et Jardins towards Gamm vert online

The integration of Plantes et Jardins into the omni-channel strategy for Gamm vert is well under way, with the goal of becoming the online sales site of the Gamm vert network.

With more than 900 stores already offering click and collect, Gamm vert now wants to allow franchisees to make specific commercial offers by connecting the site to the stock in stores. The first tests will start at the end of 2017. The main objective is to offer all possibilities to all clients: online ordering, home delivery, possibly buying from in-store stocks, store pick-up.



## Food Distribution

### Frais d'Ici: twenty associated-store projects

Major work has been undertaken on the Frais d'Ici – Gamm vert associated-store model. This model has two advantages: a relatively low break-even point, and a lower level of investment. In addition, it contributes to the revitalisation of garden centres. Around twenty projects are under way in the Rhône-Alpes region, in Burgundy around the Dijon store, and in Anjou.

The development of Frais d'Ici is part of the overall InVivo Retail strategy in food distribution, which aims to enable each network and store to put forward an essentially local offer.

Gamm vert is working on a regional logistics approach unique in fresh products, structured around a stand-alone Frais d'Ici store, a few associated stores and ten Gamm vert stores. Based on this, it will become possible to organise weekly delivery circuits that can supply stores with fresh products at reasonable prices.



### Food service as an extension of food distribution

With its experience in the distribution of foods from local terroirs and fresh products, InVivo Retail will also use food-service solutions to offer new outlets for the food products that make the reputation of French gastronomy.

## FOCUS

### So France Singapore: So gourmet

A concept-store project combining food service and the sale of groceries and drinks that are emblematic of French gastronomy, So France Singapore is being developed in partnership with the ANAA (Nouvelle-Aquitaine Food Agency). With a surface area of 250 m<sup>2</sup>, So France offers breakfast, lunchtime and evening bistro food, a wine bar, and a takeaway service. All the products come from French terroirs, and 50% of them from the Nouvelle-Aquitaine region. So France is also a place for communication, activity, tasting and experiencing the French art of living.





In France, a first test of food service will start in September 2017 at Frais d'Ici in Dijon.

InVivo Retail also hopes to gain an international foothold with So France, a new grocery and bistronomy concept that is emblematic of the richness of French terroirs and French gastronomy. The So France Singapore project, which will start at the end of 2017, will allow for testing of this concept, designed to be developed in major world cities as a franchise and master franchise.



## Marketing

### Néodis strengthens and renews its ranges

Néodis is strengthening its consumer offers in its three major product lines: pet food, biodiversity and pest control.

In pet food, the launch of the Pure Complicity range of cat food has been welcomed by distributors. Sales of the super premium Pure Origine range of dog food, launched at the end of 2015, have been better than expected, due in particular to in-store merchandising and events. Néodis has also reviewed the formulations and packaging of its Canicaf range and developed a new range of dog foods based on French organic chicken.

The ranges developed around the concept “La Nature à la Maison” and the Plume & Compagnie brand, dedicated to barnyard poultry and small wild animals in the garden, are progressing. With the takeover in January 2017 of Billaud Grains, which has a plant for the production of seed mixture and fat balls for wild birds, and the Pictou brand, Néodis is broadening its position in the flourishing sector of biodiversity in the garden.

### Meet the new European regulations

In the pest control market, following the end of the Myriad SAS joint venture and the purchase of the Myriad brand, Néodis is aiming to modernise its offer by working with new European producers to make products available to the public that meet the new European regulations on usage restrictions.

In B to B, sales of insecticides for the protection of stored grains have suffered from the harvest crisis and changes in the regulations governing disinfestation of stored foodstuffs. In spite of this, active prospecting by Néodis has helped it to increase its market share with storage operators. New organic solutions for disinfestation are in the development phase.

Similarly, the new organic range offered by Néodis for control of the red mite shows that it is possible to provide innovative responses for the rearing of laying hens.

# invivo wine

InVivo Wine has the ambition to become a global player in the distribution of wine internationally, to make France shine in all major consumer regions by highlighting the quality of its wines in all their diversity through strong brands.



*InVivo Wine is on the right course.  
In Europe, America and Asia,  
InVivo Wine is marking out  
its wine routes.*

Interview with **Bertrand Girard**,  
Director of InVivo Wine



**The creation of InVivo Wine raised many questions. Two years later, what is your assessment?**

**Bertrand Girard:** When InVivo Wine was created two years ago, we had three objectives: to develop a French cooperative player on the international wine market, to build the largest controlled vineyard in France by welcoming wine cooperatives to Union InVivo, and to offer new outlets for French

wines and support their marketing. To do this, we want to control the value chain, in particular by having effective distribution channels that will serve strong brands. In two years, InVivo Wine has successfully completed the first steps that should enable us to achieve these objectives. We have created our upstream structure around the wine division of Union InVivo to which 23 cooperatives belong, carried out major repositioning work at Mestrezat and Cordier, and sealed an agreement and a partnership with Vinadeis.



**With the acquisition of Baarsma, InVivo Wine has put itself in the spotlight again this year. What are your future plans?**

**B. G.:** The acquisition of the Dutch Baarsma Wine group in June 2017 gives us the critical mass to deploy our strategy. It allows us to speed up international development by ramping up the sales and marketing network, marking out wine routes to bring growth and value. As both producer and marketer, InVivo Wine aims to be a global player, carrying out 80% of its business internationally and reaching a turnover of 500 million euros by 2020.

€270  
million  
turnover

330  
employees

19  
countries  
accommodation

9  
industrial sites  
(Netherlands, Switzerland)

## Production

### Union InVivo consolidates its viticultural base

With 23 cooperatives belonging to the Union InVivo wine division, InVivo has a solid base in viticulture. Rooted in the different wine-growing regions (Bordeaux, Rhône, South-West, Languedoc, Roussillon, Beaujolais), it brings together some 3,800 winegrowers and 25,000 hectares of vineyard.

The first supply contracts have been signed this year. 215,000 hectolitres have been contracted and partly pre-financed. InVivo Wine is the only player in the market to make this commitment. To make progress on the quality of the wine supply, InVivo Wine will work with the cooperatives on technical aspects and the profiles of the wines.

## Grands Crus

### Mestrezat Grands Crus back on track

The demerger of the two companies Mestrezat Grands Crus and Cordier has allowed each of them to have its own strategy adapted to its positioning. After a cautious welcome, Mestrezat Grands Crus had a good primeur campaign for the 2015 and 2016 vintages and has activated a new sales network. Mestrezat is present in more than 130 countries and participates in the momentum of value creation to lead other InVivo Wine projects.

## Premium Brands

### Cordier: a new brand identity

Flagship of InVivo Wine's French offer, the brand Cordier – Enjoy la Vie, resolutely premium, reassuring with simple pointers on the label, made from wines produced according to very rigorous protocols, has entered the commercial development phase. It will be distributed exclusively in France in the

## FOCUS

### Baarsma Wine: a European leader

With a turnover of 220 million euros and more than ten subsidiaries in Europe, the Dutch Baarsma Wine group is one of the European leaders in wine distribution. This acquisition will enable InVivo Wine to build a distribution platform with the critical size to go international. Present throughout the value chain from sourcing to the consumer, Baarsma is very well known in the Netherlands where it

generates 63% of its turnover and in Belgium-Luxembourg. It also has solid positions in Great Britain, where its subsidiary Armit Wine is one of the principal distributors of premium wines and grands crus, in Switzerland and Scandinavia, and also in South Africa and in Asia (China and Japan). Its presence in different distribution channels: off-trade (48% of turnover), specialist



national Monoprix network. It is also present in China, where InVivo Wine has signed a listing agreement with the agri-food giant Cofco for national distribution in its Cofco Wine network, in Japan with Sapporo and in the United States with the New York distributor Vintners Alliance.

By positioning Cordier – Enjoy la Vie in the premium brand segment, InVivo Wine has brought real added value to producers. For this campaign, the price paid to producers contracted to the Union InVivo Wine division is 25% higher than the price of a generic Bordeaux.

## Sales & Distribution

### InVivo Wine marks out its route

InVivo Wine is gaining momentum. Progress has been made on the four strategic priorities: developing an offer with strong brands, finding a position in distribution, investing in innovation, seeking operational excellence.

At the end of June 2017, following the revision of the shareholders' agreement with Vinadeis, Mestrezat Grands Crus and Cordier are held 100% by InVivo Wine, which has also taken control of the management of the Vinadeis networks in Asia and North America.

InVivo Wine is now made up of Cordier and Mestrezat, the partnership with Vinadeis, the Dutch Baarsma Wine group acquired in June 2017, and the subsidiaries InVivo Asia and InVivo America which are under construction. It represents an overall turnover of 270 million euros. InVivo Wine already has a strong footprint in the regions of high consumption, Europe, North America and Asia, and is bringing together resources to build wine routes by the implementation of specific development plans for each of them.

With these different entities, InVivo Wine already has a portfolio of well-known brands – Cordier, La Tulipe, Canei, Slurp and Mestrezat Grands Crus – which it will now expand.



shops, hotels, bars and restaurants with already-established leading brands, is an additional asset for

the development of InVivo Wine.

# invivo food&tech

InVivo Food&Tech focuses on innovation in agri-food business and digital technologies. Against this backdrop of improved opportunities and integration for the agricultural production value chain, and enhanced digitalized services, new avenues will be opened up responding to new consumer trends.



## *InVivo Food&Tech: the group's innovation laboratory, feeding the future.*

Interview with **Yves Christol**,  
Director of InVivo Food&Tech



### **In July 2017, InVivo announced the creation of InVivo Food&Tech. What is its purpose?**

**Yves Christol:** The creation of InVivo Food&Tech responds to two major trends: the emergence of new consumption habits and production methods, and the development of innovation ecosystems that put major emphasis on digital tools. The group's ambitions in the area of agri-food and its digital transformation developments within its business areas have encouraged us to create this new unit which focuses on both food and digital innovation. InVivo Food&Tech will work in close collaboration with InVivo Invest, one of the group's two seed funds and the business areas' innovation platforms, namely the Agro-digital studio in Montpellier, We'Nov, Neovia's world centre of innovation centre and the future Maison du végétal to be set up in Reims.

### **What are your plans, what avenues do you hope to explore?**

**Y. C.:** InVivo Food&Tech will work on four types of project. The digital market will share good practices and will develop the digital marketing skills of the group's business areas.



The second project incubator, New Food – which as its name suggests – will explore new food trends. Likewise, Retail4Food will devise new distribution concepts. Finally, at a time when urban agriculture is emerging around the world, the Urban Food division will take part in the creation of new agricultural activities to feed urban populations by prioritizing short and local channels.

## Digital Market

### Deploying digital technologies in the group's business areas

By combining know-how in digital marketing and e-business, by pooling technological choices within the DigitalMarket unit, InVivo Food&Tech wishes to accelerate the digitalization of the group's businesses and services for its member cooperatives. The creation of Ouifield, the goods and services digital platform for cooperatives and their farmer members, which took over from the Giga Services purchasing unit, is a prime example of the type of project that InVivo wishes to undertake. Other discussions are underway to integrate even more digital tools throughout the production, processing and marketing chain from the farm to cooperative tools and agribusiness producers.



## New Food

### Responding to new food trends

New Food's projects focus on new ingredients and foods, new modes of production, and consumption. InVivo Food&Tech wishes to use New Food to create new sources of income for producers that are compatible

with world food demand. The development of new sources of protein from insects, algae and plants is one of the avenues being explored. These research activities are conducted in partnership with research centres and start-ups innovating in agri-food to satisfy consumers who are increasingly more discerning and demanding in their choices.

Concerning this issue of food innovation, the InVivo investment fund has acquired a stake in Il était un fruit (It was a fruit), a start-up that manufactures dried fruit petals made from low grade fruit. It is already offering 100% fruit nibbles for children and a snack range. In another sector, wine, InVivo Invest supports IO-Vins, a start-up that has developed La Divine, the first wine tasting machine that aerates and tempers bottles selected by a sommelier.

## Retail4Food

### Deploying new concepts of food distribution

Retail4Food will support the local and international distribution of food products, adding value through new concepts responding to demanding CSR (social and environmental responsibilities) requirements: enhancing short and local channels, participation in the circular economy, improved product life cycle management to maintain taste quality and avoid waste. InVivo Retail's creation in France of Frais d'Ici, a food distribution outlet for fresh and local products, is part of this initiative. As is the forthcoming opening of a So France concept store in Singapore that will highlight French foods and cuisine.



# Urban Food

## Bringing agriculture closer to consumers

Around the world, urban agriculture is on the rise, for practical or strategic reasons. Urban Food initiatives are very diverse: vertical farms, production in containers, shared vegetable gardens. InVivo Food&Tech will contribute to greater availability of fresh produce in urban areas, by researching production solutions in the heart of large cities and

enabling the joint distribution of the traditional produce of local cooperatives. Urban Food's ambition is to reconnect agriculture with urban consumers by offering them fresh, varied and ripe-harvested products which have been produced by climate-controlled cultivation methods adapted for urban production (aromatic plants, microgreens, rare or fragile fruits and vegetables) and traditional agricultural resources.

### FOCUS

## Ouifield: digital platform for the purchase of goods and services for agriculture



The creation of Ouifield in February 2017 implemented the digital transformation of the InVivo group's B to B activities. It is made available to cooperatives, and farmers can access it through their cooperative on the Ouifield site ([www.ouifield.fr](http://www.ouifield.fr)) or their cooperative's extranet. The initiative already includes several types of goods and services: vehicles, car rental, equipment rental, tyres, energy, office equipment, telephony and collaborative services. Tested by seven pilot cooperatives: Axérial, Cavac, Scael, Triskallia, Unéal, Vivadour and Cap Seine, the platform is

entering its deployment phase, with member cooperatives that have joined the purchasing unit and is expanding

its services based on the priorities of the cooperatives and their members.



# Our other publications



## CSR Report

Our sustainable development strategy,  
a driving force for innovation and growth.



## InVivo Foundation, Source the future

We support projects that help farmers to earn a better living  
from their profession, bring new sustainable food solutions  
and take care of natural resources.



## 2025 by InVivo

The roll-out of our strategic project for agriculture  
and food, while respecting the planet  
and human beings.

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