

Waiting for Recovery After the Drought

ISAGRO

Sector

Agribusiness

The strategic alliance with the Gowan Group, a US pesticide company, has strengthened Isagro's business plan and given it a long-term perspective, thanks in part to a boost in assets," said Giorgio Basile, the president and CEO. "However, for now we can only partially gauge the potential of medium/long-term synergies." The group has been listed since 2003. It operates all along the value chain of the agribusiness: research, development, production and marketing on an international level, along with selective local



Giorgio Basile, chairman and CEO

distribution of agricultural plant protection products. Thanks to a series of strategic alliances and acquisitions since 1992, Isagro has become a small global player. The chemical synthesis of its own products, which are mainly fungicides, plays a substantial role. The results in the first half were badly affected by an extended period of dry weather in the two

key markets of the USA and Italy, with turnover down 24% at €60.7 mn, Ebitda down from €7.8 mn in the first six months of 2012 to €1.5 mn and a loss of €6.6 mn (compared to a loss of €1 mn in 2012). In 2012, the consolidated turnover was €148.3 mn, with 80% of the figure coming from more than 70 different countries across the world. The company invested approximately 9% of its revenues in R&D. In the second half, Isagro expects to see a gradual improvement in turnover, thanks to positive sales trend forecasts in the Americas and agreements for distribution in Europe of a new product by Syngenta (CH), which signed a deal with the company in early September.

Financial highlights in 2012...

Market	Revenues	EBITDA	EBITDA %	Mkt Cap 24/09/2013
STAR	148.3	18.8	13	36

... and in 2013 1H (€ mn)

Revenues	EBITDA	EBITDA %
60.7	1.5	2.4

From Sun to Wind (and Geothermal)

K.R. ENERGY

Sector

Renewable

K.R. Energy is a holding company for renewable energy firms, most of which are in photovoltaics. It also intends to consolidate its presence in hydroelectric power and enter the wind and geothermal energy fields with a €44 mn investment plan. The salient figures in the first half of this year were the slight, 3% drop in turnover to €4.7 mn and the 9% increase in margins, with an Ebitda ratio bordering on 40%. "This half will be a turning point. Thanks to the deals that we recently closed, we have consolidated our investments in hydroelectric power

and we are confident that we can move towards our objectives in geothermal energy," stated Antonio Bruno, the managing director of K.R. Energy. Using an equity line of credit of a maximum of €35 mn from GEM Global Yield Fund Ltd, over the next five years the company aims to restructure its portfolio, which is still concentrated in the photovoltaic field. 90% of revenues still come from this business and, more importantly, the margins: in the first half of this year there were €1.9 mn in Ebitda (€1.7 mn in H1 2012). In 2012 the business produced revenues of €10.3 mn (compared to €9.8 mn in 2011) and Ebitda of €3.2 mn (compared to €3.4 mn in 2011).



Antonio Bruno, the managing director

"A successful conclusion to the turnaround process, the lack of write-downs for the first time and a strategy for greater cost efficiency ensured a return to profit in the first half of the year and also produced positive signs in terms of Ebitda," concluded Bruno.

Financial highlights in 2012...

Market	Revenues	EBITDA	EBITDA %	Mkt Cap 24/09/2013
MTA	10.3	1.7	31	42

... and in 2013 1H (€ mn)

Revenues	EBITDA	EBITDA %
4.7	1.9	38.2