



ADAMA

Q1 2021 Review

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Financial Performance Overview

General Market Update

- In Q1, **crop prices continued to increase** as crop demand recovered, fueled by:
 - Pandemic-related food security concerns
 - Recovery in biofuel demand
 - Higher feed demand, especially in China
 - Weather-related agriculture supply challenges
- The positive crop price environment, along with associated expectations of higher planted areas, are combining to drive global demand for **crop protection products**
- **Prices of intermediates and active ingredients sourced from China have increased** vs. Q1 2020, driving up procurement costs. This was due in part to:
 - Recovery of oil prices
 - Higher raw material costs
 - Stronger demand
- As global economies start to reopen following pandemic-related shutdowns over the past year, global trade markets are experiencing scarcity of transportation resources leading to **higher freight costs**
 - Situation has been further exacerbated by the recent Suez Canal incident and other port congestions all over the globe

Q1 record-high sales driven by robust volume growth

Adj. \$ million	Q1 2021	Q1 2020	%▲ USD
Sales	1,109	973	+14%
Gross Profit	322	296	+9%
<i>% of Sales</i>	29.0%	30.5%	
Operating Expenses	223	199	+12%
<i>% of Sales</i>	20.1%	20.5%	
EBITDA	157	153	+2%
<i>% of Sales</i>	14.2%	15.8%	
Adjusted Net Income	52	42	+25%
<i>% of Sales</i>	4.7%	4.3%	
Adjustments	(29)	(44)	
Reported Net Income	23	-2	
<i>% of Sales</i>	2.1%	-0.2%	

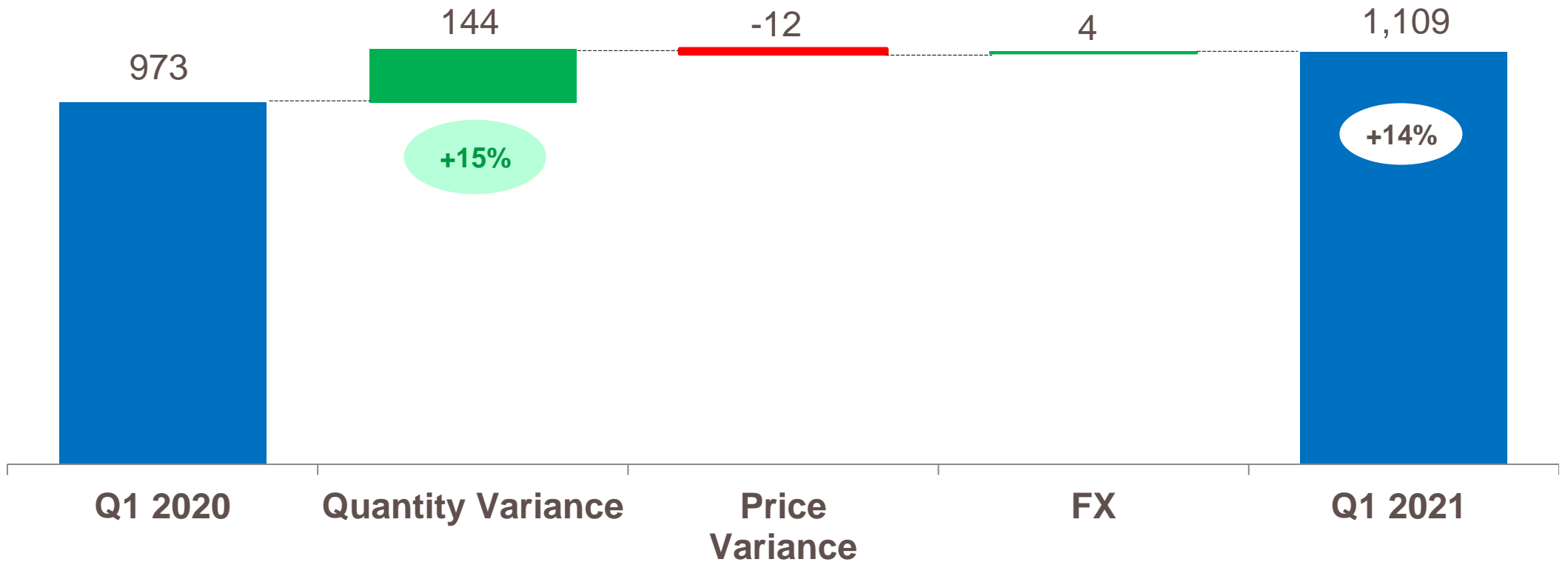
Q1 Highlights

- **Sales**
 - Sales up 14% driven by robust 15% volume growth
- **Gross Profit**
 - Volume growth alongside positive mix, more than offset softer pricing, and higher procurement and logistics costs
- **Operating Expenses**
 - Higher Opex vs. Q1 2020, accommodating significantly higher sales and inclusion of recent acquisitions
 - Improvement in Opex/Sales ratio:
 - 20.1% vs. 20.5% in Q1 2020
- **EBITDA**
 - Moderate increase reflecting strong growth
 - Margin diluted by higher costs
- **Net income**
 - Higher operating income and lower taxes more than offset higher financial expenses

Robust business growth yields increased profits in Q1

Q1 Sales +14% driven by robust volume growth

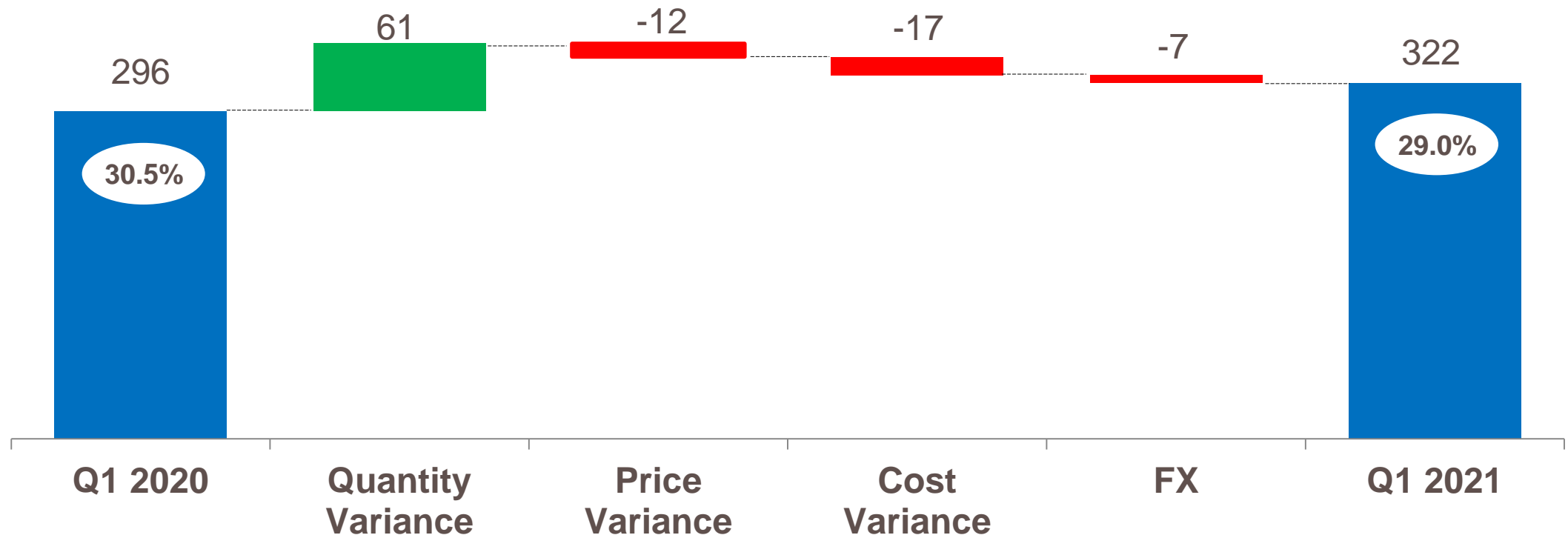
Sales bridge analysis (\$m)



NOTE: FX includes currency effect on sales and hedging

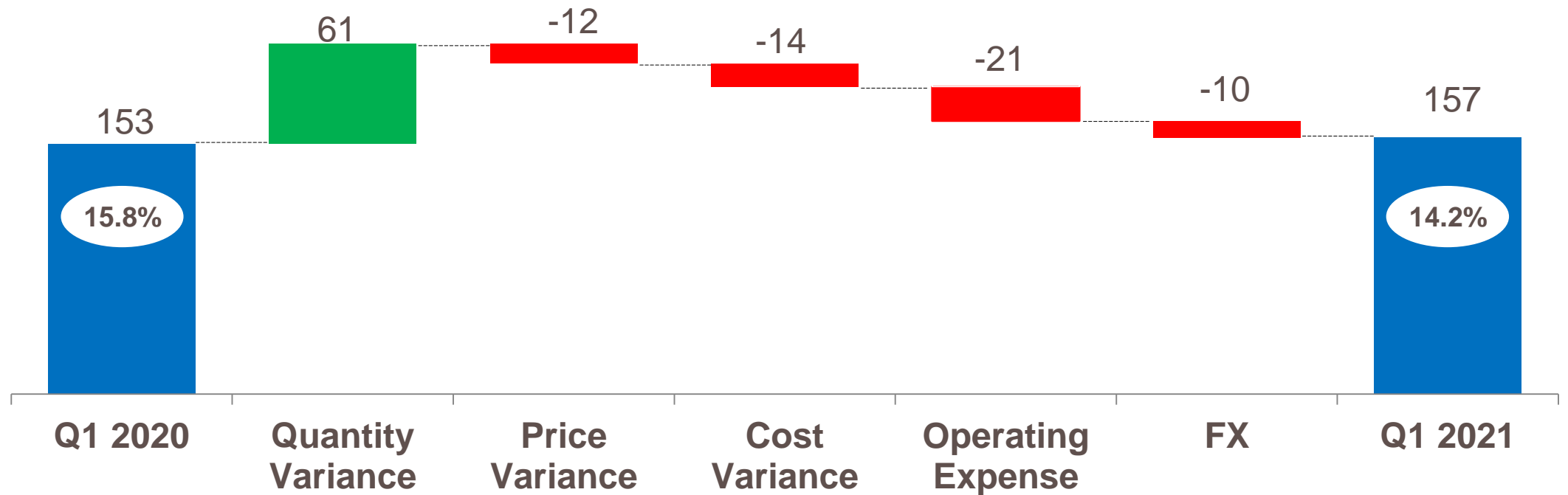
Q1 Gross Profit: Volume growth and positive mix diluted by price, cost and FX pressures

GP bridge analysis (\$m)



Q1 EBITDA

Bridge analysis (\$m)



Adjusted vs. Reported Financial Results

The financial results in this presentation are presented on an “Adjusted” basis, and differ to some extent from the “Reported” financials contained in the formal financial statements of the Company.

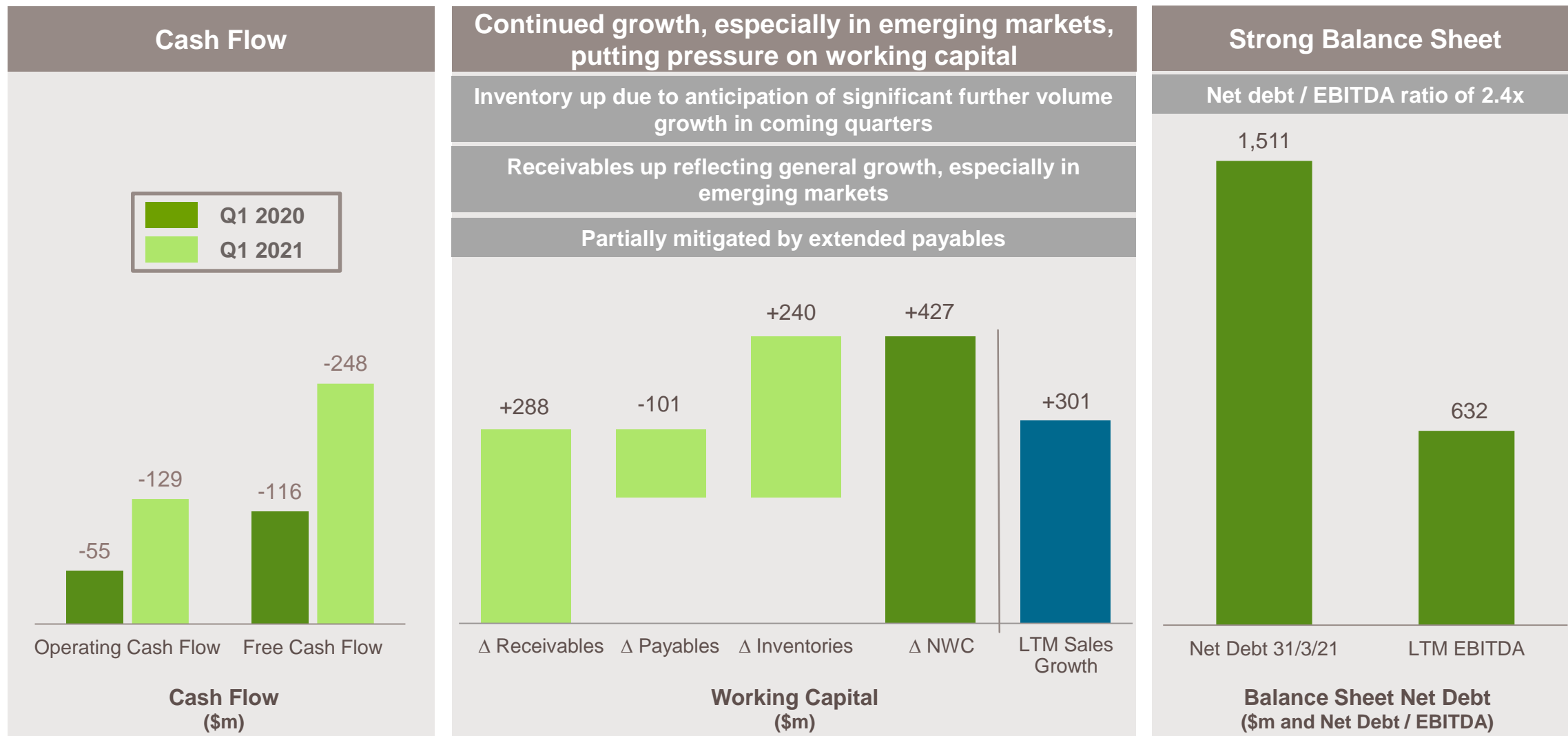
ADAMA’s approach on the use of adjustments:

- Adjusted results:
 - Exclude items that are of a one-time or non-cash/non-operational nature that do not impact the ongoing performance of the business
 - Reflect the way the Company’s management and the Board of Directors view the performance of the Company internally
- The Company believes that **excluding the effects of these items from its operating results allows management and investors to effectively compare the true underlying financial performance of its business from period to period and against its global peers**

<i>\$ million</i>	Q1’21 USD	Q1’20 USD	Q1’21 RMB	Q1’20 RMB
Net Income (Reported)	23.3	-2.4	150.8	-16.7
Amortization of Legacy PPA of 2011 acquisition of Solutions, net (non-cash)	0.3	11.5	1.6	79.9
Syngenta Divestments & Transfers (D&T) amortization (non-cash)	7.8	7.9	50.8	54.9
Upgrade & Relocation-related costs	15.4	15.4	99.8	107.5
Incentive plans (non-cash)	4.1	0.7	26.8	5.1
Others	1.9	8.4	12.5	58.5
Total adjustments to net income	29.5	43.9	191.5	305.8
Net Income (Adjusted)	52.8	41.5	342.3	289.2

Note: “Others” include: amortization of acquisition-related PPA (non-cash) and other acquisition-related costs, provisions in tax expenses related to prior years’ activities. Please see appendix to Q1 press release for more details

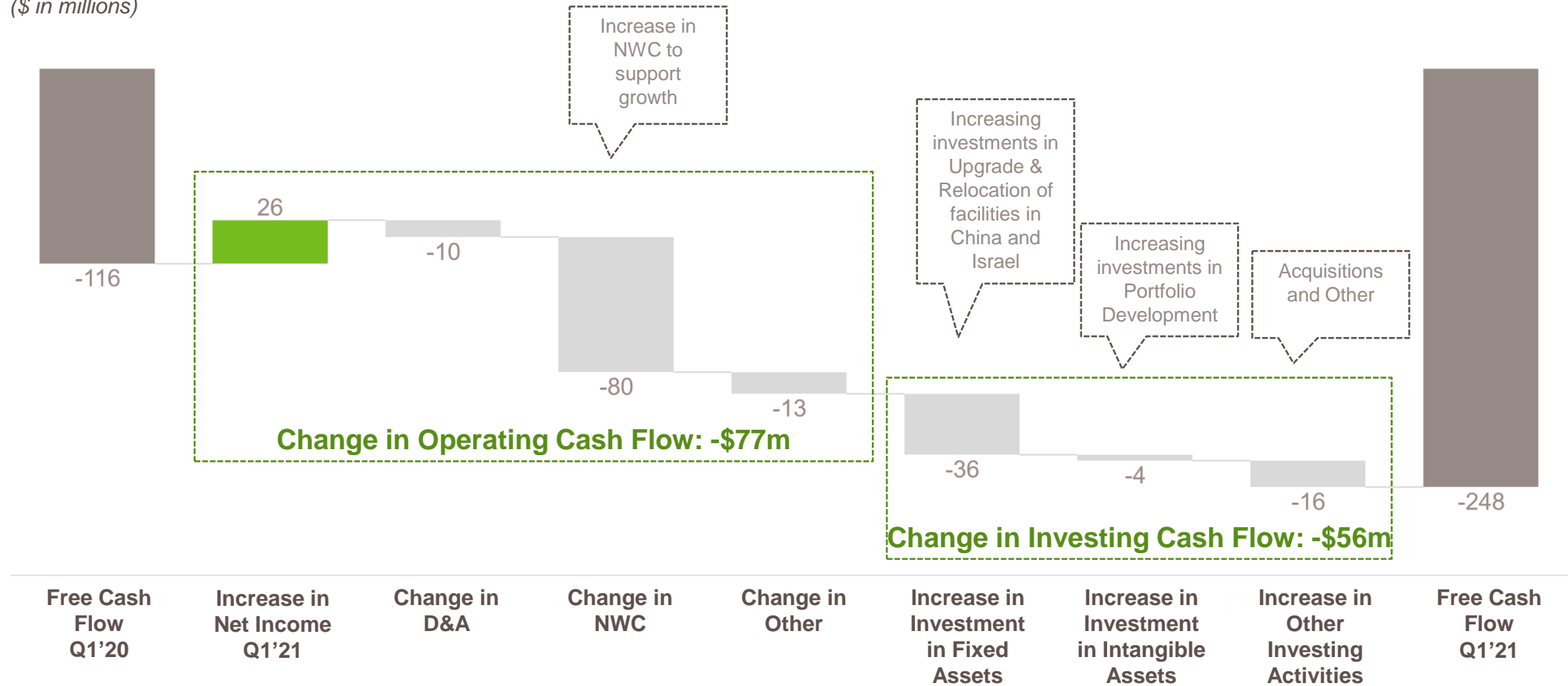
Working capital build-up driven by strong growth momentum



Note: Operating Cash Flow excluding cash interest paid

Free Cash Flow: funding growth

(\$ in millions)



Higher consumption of Free Cash Flow reflects higher build-up of working capital alongside relocation investments, portfolio development and acquisitions

Note: "Other" includes cash interest paid

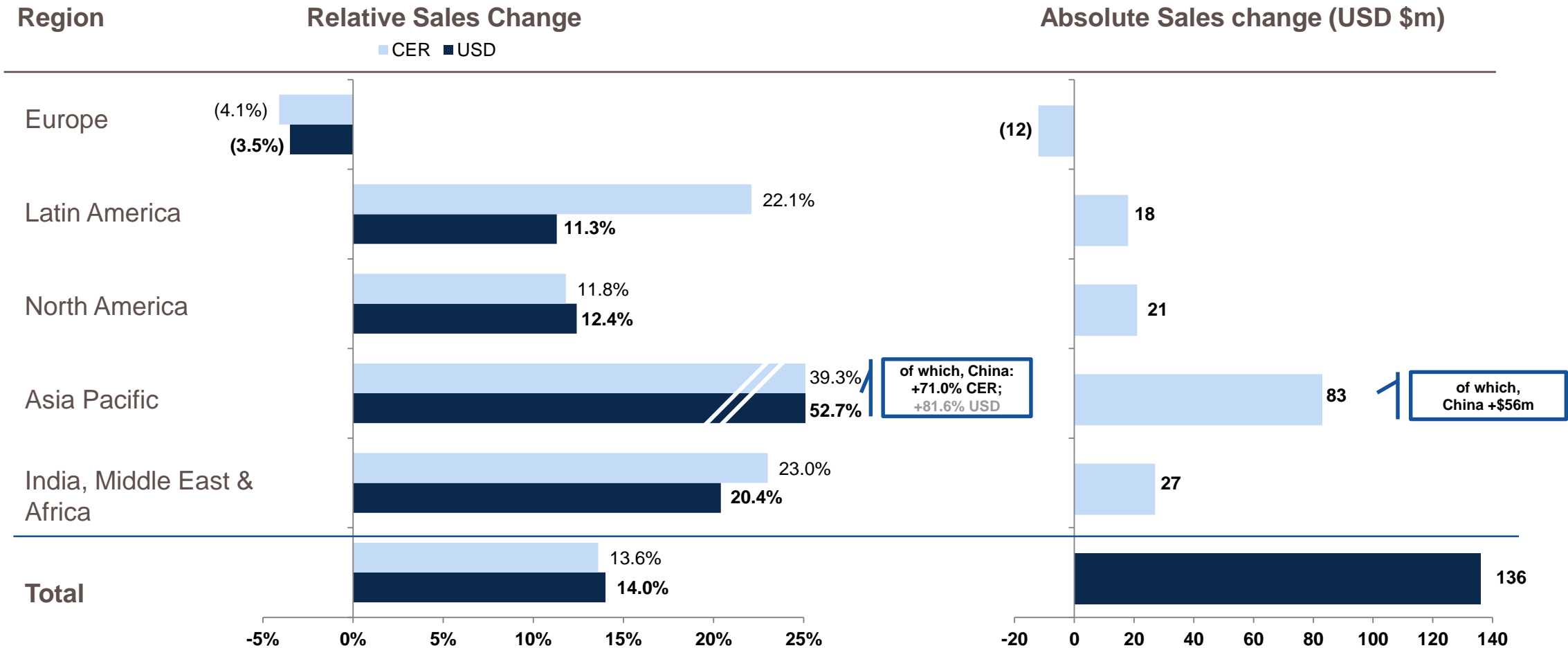


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Regional Review

Robust volume growth in most regions

Sales change by region – Q1 2021 vs. Q1 2020



Q1 2021 Regional Highlights

+12%
USD

North America

- Strong performance driven by Consumer & Professional business, benefiting from reopening of economy after COVID-19 related restrictions
- Softer performance in US CP due to competitive market environment, supply and logistics constraints

-3%
USD

Europe

- **South:** Favorable conditions drove good demand; some challenges in France with high channel inventories and low pest pressure on OSR and cereals
- **North:** Slow start to season, esp. compared to Q1'20, which benefited from buying in advance of COVID- shutdowns

+53%
USD

APAC (incl. China)

- Benefited from favorable seasonal conditions to deliver strong growth
- Slower recovery from COVID-19 challenges in Asia
- Portfolio expansion driven by new registrations of several differentiated products
- **China:**
 - Ag: Significant growth in branded, formulated sales driven by higher cereal demand and early start to Q2 season
 - Bolstered by recent Dibai (Huifeng) acquisition
 - Non-Ag: strong growth in raw materials and intermediates

+11%
USD

Latin America

- Continued growth driven by solid volume growth
- Good performance from recent acquisitions in Peru and Paraguay, and product launches
- **Brazil:** Continued volume growth offset by weaker BRL

+20%
USD

IMA

- Solid performance driven by strong volume growth amid continued positive weather conditions
- New state-of-the-art pilot formulation R&D facility in India, enabling scale-up of formulations

Portfolio development and formulation R&D driving growth in innovation



New pilot formulation R&D plant facility India
Bridging R&D lab to commercial stage production

2021 Outlook

- ❖ Crop prices expected to remain elevated vs. 2020, driving robust demand/consumption
- ❖ Continued increases in procurement costs of raw materials, intermediates and active ingredients; expected to generally remain relatively high, with continued limited availability of raw materials
- ❖ Ongoing supply and logistics constraints, with lingering COVID-19 impacts in most markets
- ❖ Higher freight and logistics costs expected to continue as transportation resources remain in scarce supply
- ❖ The Company actively manages its procurement and supply chain activities in order to mitigate these higher procurement and logistics costs, and adjusts its pricing wherever possible to compensate
- ❖ Strength of manufacturing currencies (ILS and RMB) shows no sign of abating
- ❖ Continued regulatory challenges (especially in Europe) and delays in many regions
- ❖ Asia expecting continued recovery in seasonal and economic outlook
- ❖ Brazil FX volatility set to continue



Thank You



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Reported vs. Adjusted P&L

Adjusted vs. Reported P&L

\$ million	Q1 2021 Reported USD	Q1 2020 Reported USD	%▲	Q1 2021 Adjusted USD	Q1 2020 Adjusted USD	%▲	Q1 2021 Reported RMB	Q1 2020 Reported RMB	%▲	Q1 2021 Adjusted RMB	Q1 2020 Adjusted RMB	%▲
Sales	1,109	973	14%	1,109	973	+14%	7,187	6,782	+6%	7,187	6,782	+6%
Gross Profit	305	277	+10%	322	296	+9%	1,975	1,932	2%	2,085	2,066	+1%
<i>% of Sales</i>	27.5%	28.5%		29.0%	30.5%		27.5%	28.5%		29.0%	30.5%	
EBITDA	138	133	+3%	157	153	+3%	892	928	-4%	1,018	1,069	-5%
<i>% of Sales</i>	12.4%	13.7%		14.2%	15.8%		12.4%	13.7%		14.2%	15.8%	
Net Income	23	-2		52	42	+25%	149	-17		337	289	+17%
<i>% of Sales</i>	2.1%	-0.2%		4.7%	4.3%		2.1%	-0.2%		1.2%	1.1%	

Q1 performance trends largely similar between Adjusted and Reported