

Q1 2019 Business Update

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Q1 Sales crossing the $1bn mark for second year in a row

Overcoming North America delayed season and Jingzhou shutdown

Adjusted, ($ million)		Q1 2019	Q1 2018	% Change CER	% Change
Sales		**1,006**	**1,022**	**+1.0%**	**-1.6%**
Gross Profit		**344**	**352**		**-2.3%**
% of Sales		*34.2%*	*34.4%*		
Operating Expenses		218	217		
Operating Income (EBIT)		**127**	**136**		**-6.7%**
% of Sales		*12.6%*	*13.3%*		
Net Income		**80**	**84**		**-4.5%**
% of Sales		*8.0%*	*8.2%*		
EBITDA		**187**	**190**		**-1.4%**
% of Sales		*18.6%*	*18.6%*		
Earnings per Share	– USD	0.0327	0.0343		
	– RMB	0.2207	0.2178		

All income statement items contained in this release are presented on an adjusted basis. For a detailed description and analysis of the differences between the adjusted income statement items and the items as reported in the financial statements, see "Analysis of Gaps between Adjusted Income Statement and Income Statement in Financial Statements" in the appendix to this release.
Earnings per share are the same for basic and diluted. The number of shares used to calculate earnings per share is 2,446.6 million shares. Q1 2019 includes the results of Bonide and Anpon following the completion of their acquisition by the Company during the quarter.

CER: Constant Exchange Rate

In RMB terms, profit metrics up across the board

Adjusted, (RMB million)	Q1 2019	Q1 2018	% Change
Sales	**6,788**	**6,500**	**+4.4%**
Gross Profit	**2,321**	**2,239**	**+3.7%**
% of Sales	*34.2%*	*34.4%*	
Operating Expenses	1,468	1,377	
Operating Income (EBIT)	**853**	**862**	**-1.0%**
% of Sales	*12.6%*	*13.3%*	
Net Income	**540**	**533**	**+1.4%**
% of Sales	*8.0%*	*8.2%*	
EBITDA	**1,264**	**1,208**	**+4.6%**
% of Sales	*18.6%*	*18.6%*	

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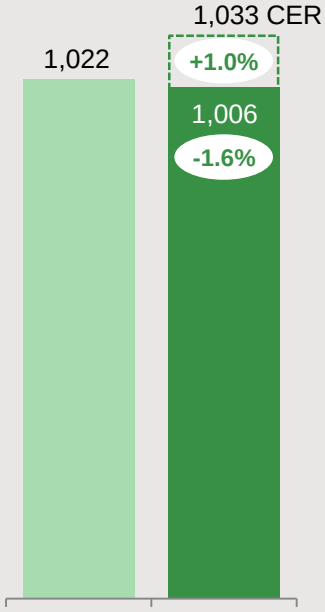
Q1 Sales crossing the $1bn mark for second year in a row

Q1 2019

Sales

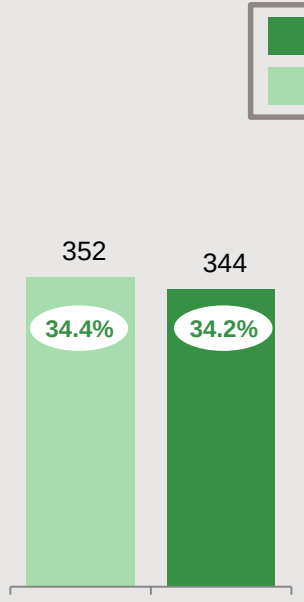
Sales +1.0% in CER

Prices +5%



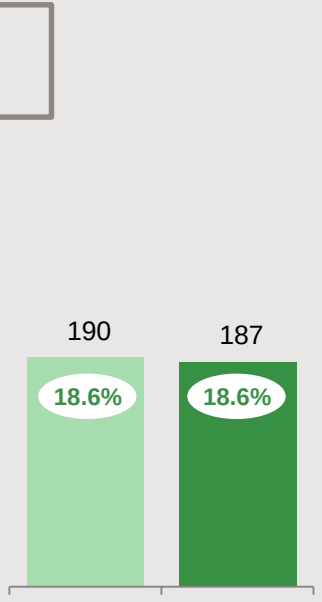
Gross Profit

Gross margin in-line



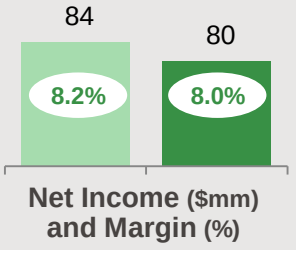
EBITDA

EBITDA margin in-line



Net Income

Net margin in-line



CER: Constant Exchange Rate

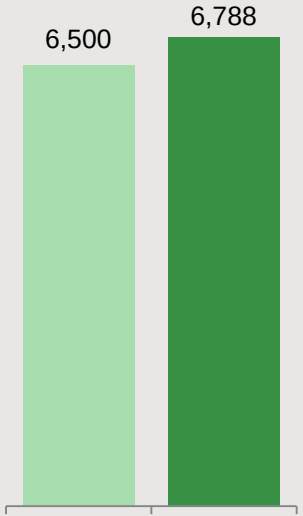
In RMB terms, profit metrics up across the board

Q1 2019

Sales

Sales +4%

Prices +5%

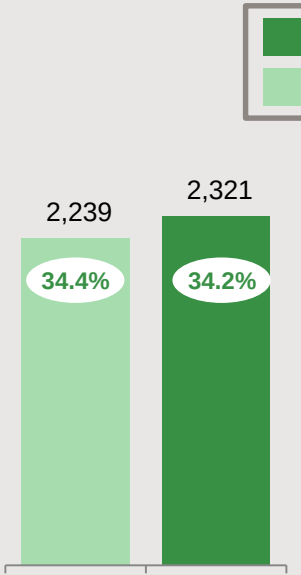


Sales
(RMB mm)

Gross Profit

Gross profit +4%

Gross margin in-line

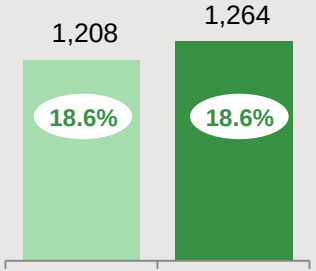


Gross Profit ($RMB mm)
and Margin (%)

EBITDA

EBITDA +5%

EBITDA margin in-line

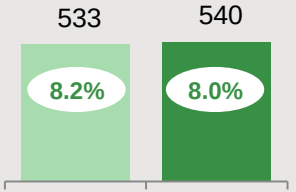


EBITDA (RMB mm)
and Margin (%)

Net Income

Net income +1%

Net margin in-line



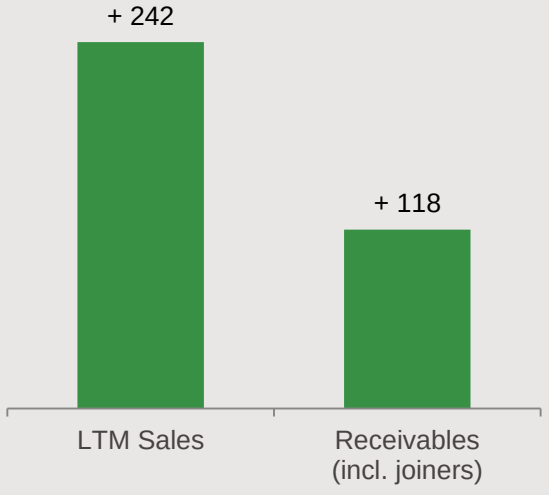
Net Income ($RMB mm)
and Margin (%)

Working capital build-up to accommodate growth momentum

2018 double-digit growth, with Q4 adding 15%

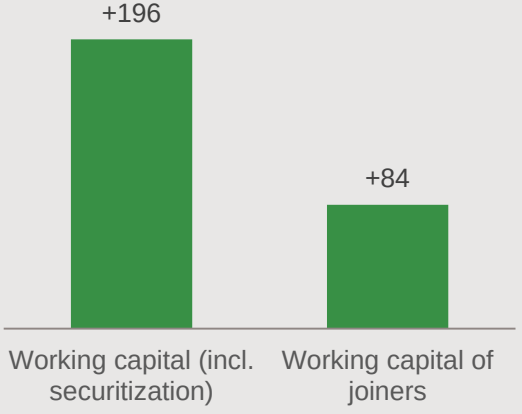
Best-ever Collection

Record-low DSO



Growth in Sales and Receivables
($mm)

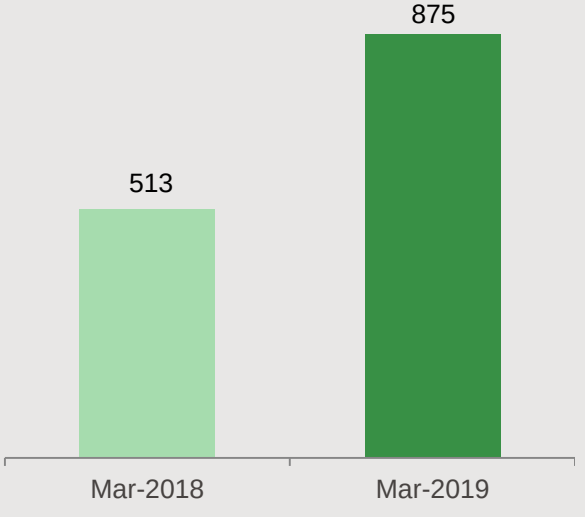
Preparing for 2019 growth at higher procurement cost



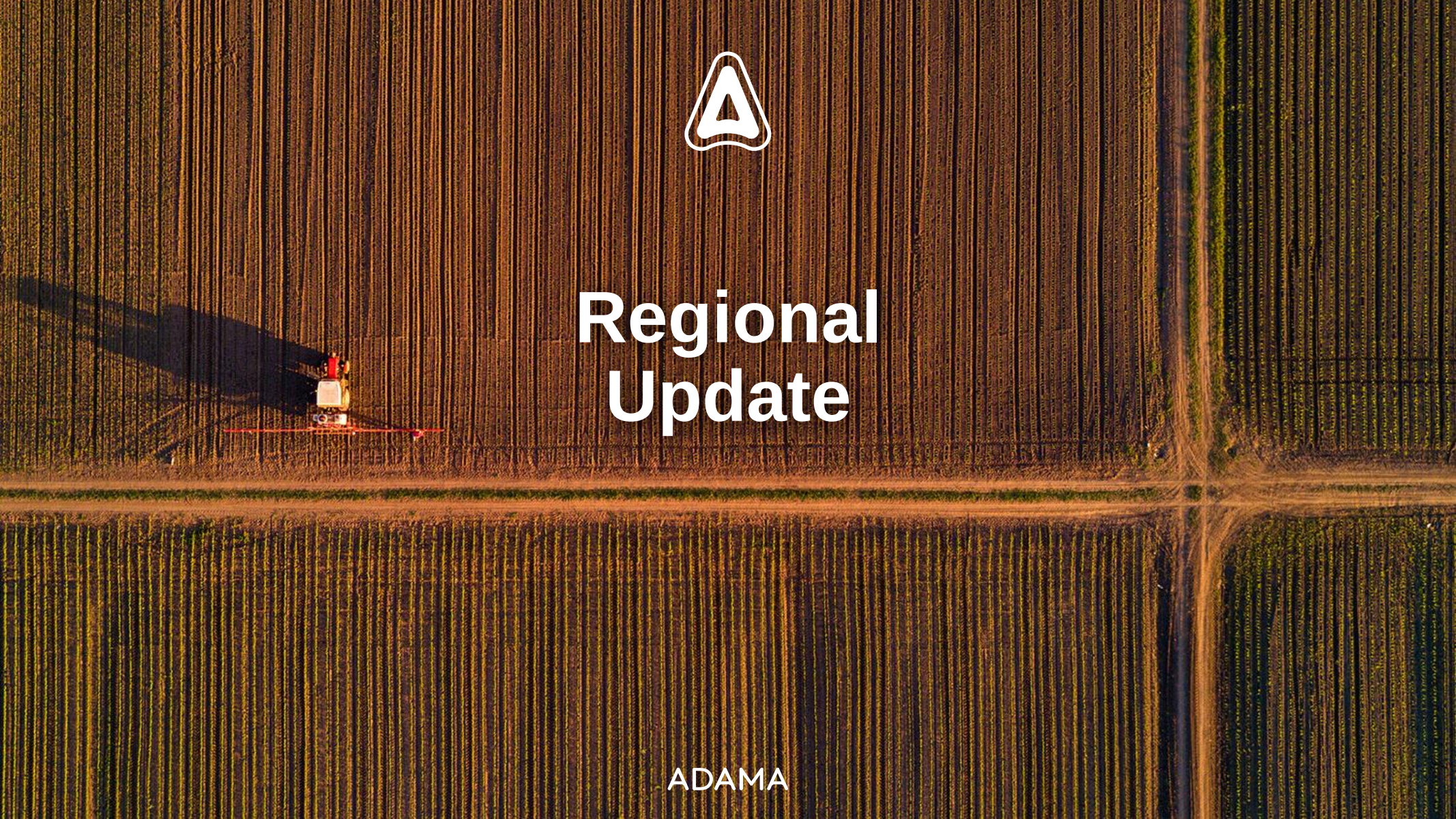
Working Capital

Net debt / EBITDA ratio of 1.3x

Increase mostly due to Bonide payment, assumption of Anpon debt and 2018 dividend



Balance Sheet Net Debt
($mm and Net Debt / EBITDA)

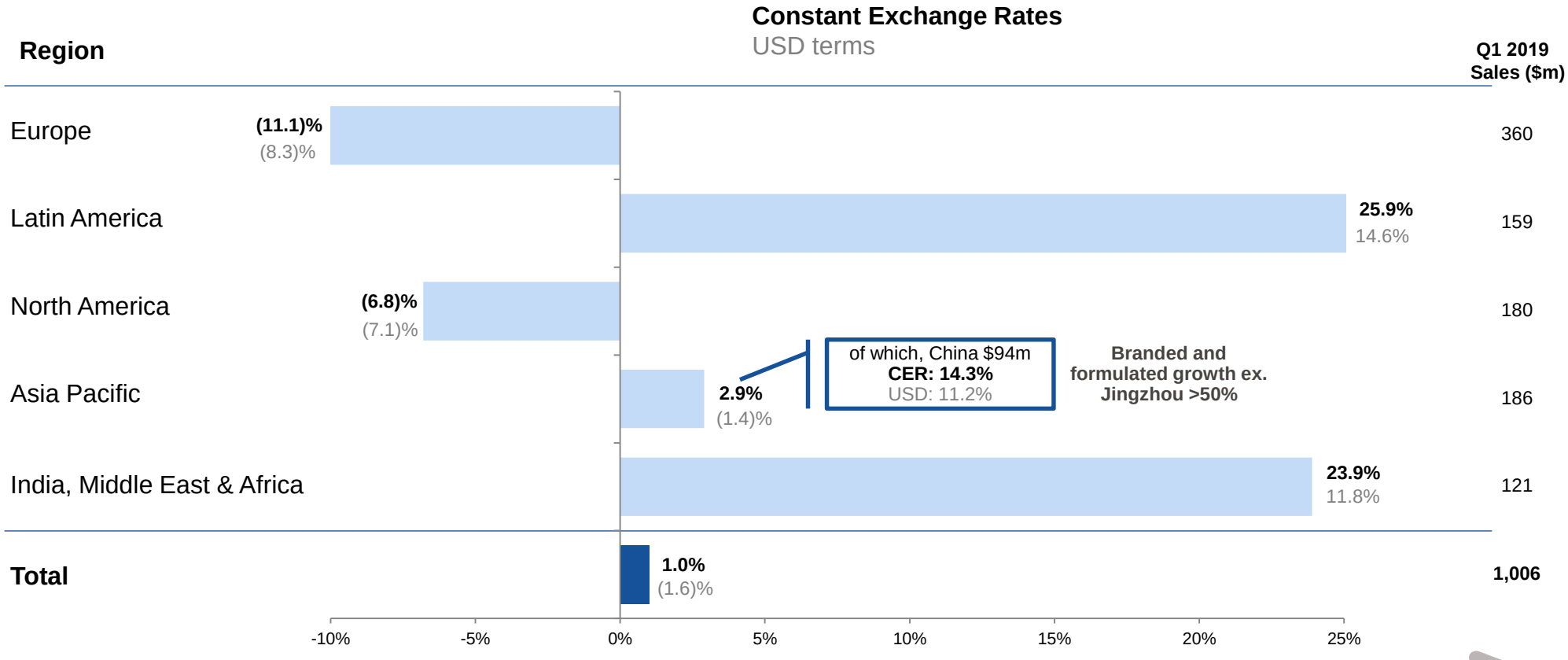


Regional Update

ADAMA

Strong performance in LatAm, China and India, Middle East, Africa compensates for weather- and supply-related delays in North America, Europe and APAC

Sales change by region - Q1 2019 vs. Q1 2018



Regional highlights

Europe

- Sales of $360m, lower by 11.1% in CER and 8.3% in USD terms, primarily due to tight supply conditions, especially in intermediates procured from China
- Partially offset by price increases

Northern Europe

- Tight credit conditions in Ukraine; proactively limiting sales only to customers with a proven ability to pay
- Launch in Germany of GIGANT®, a distinctive fungicide mixture in wheat and barley

Southern Europe

- Strong performance of **Romania** and **Kollant**
- Lower oilseed rape planting areas impacted application of herbicides
- Key registrations obtained including MAVRIK JET®, insecticide for the control of aphids in cereals, pollen beetle, cabbage seed weevil and aphids in oilseed rape

Multiple new product launches and registrations



Regional highlights

Latin America

- Robust business growth across the region, with revenues up 25.9% in CER and 14.6% in USD terms
- Higher prices in the face of continued constrained supply

Brazil

- Robust business growth led by continued strong demand for differentiated portfolio including CRONNOS®, as well as NIMITZ® and ExpertGrow®
- Strong performance of cotton portfolio benefiting from increase in acreage
- Sales constrained by drought in key regions
- Launched TRIVOR®, differentiated insecticide combination obtained registration for COMISSARIO® insecticide

LATAM

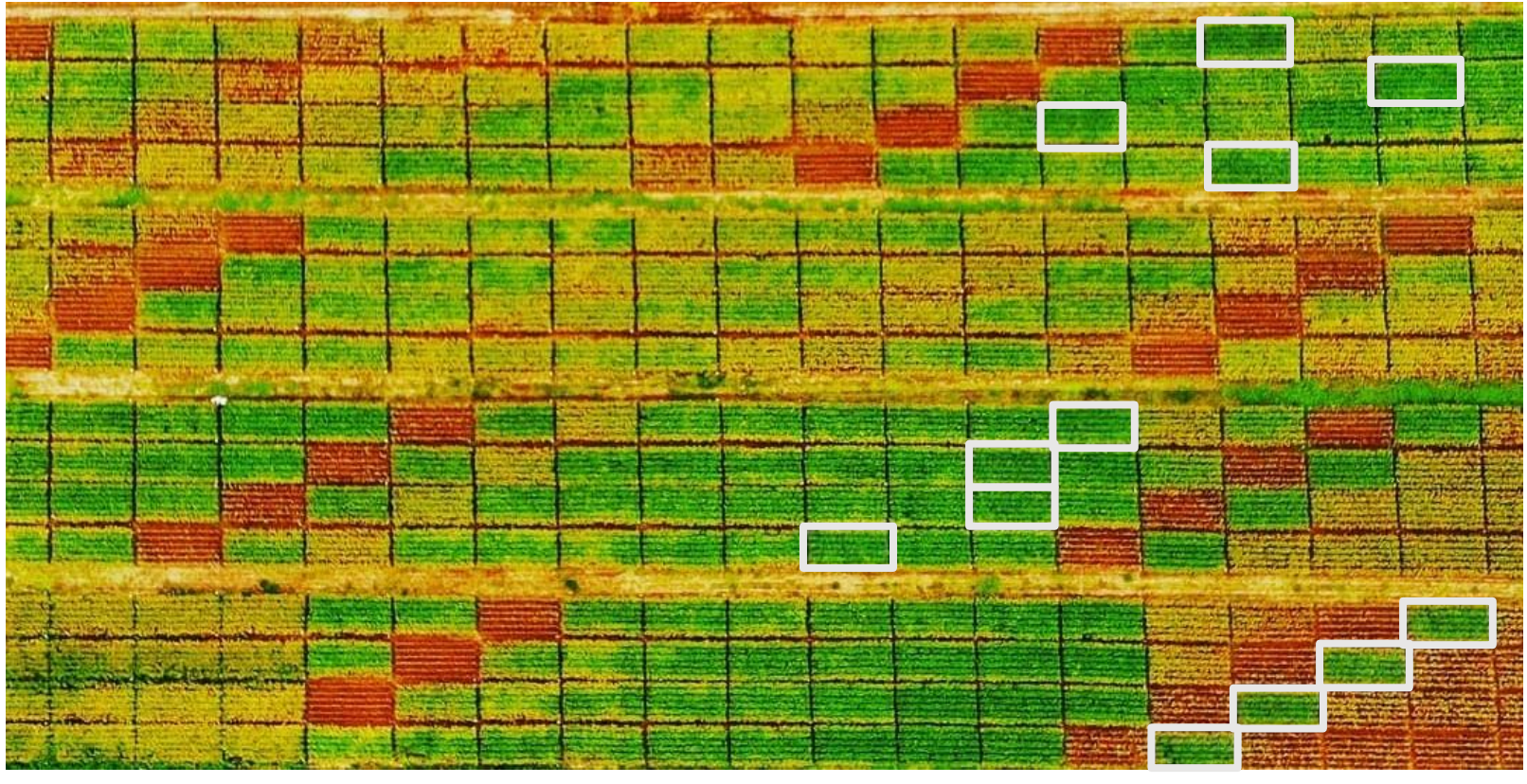
- Strong business growth across region despite constrained supply
- Double-digit growth in **Argentina**
- CRONNOS® launched in Bolivia; NIMITZ® suite of products registered in Peru
- Achieved #1 position in **Costa Rica**, #2 in both **Colombia** and **Ecuador**

COMISSARIO®
insecticide to control sucking pests in cotton



CRONNOS acknowledged as the leading market solution

Brazilian Agricultural Research Corporation (EMBRAPA) formal field trial results



Treated with CRONNOS

ADAMA

NIMITZ continues to deliver exceptional performance in the field



Cotton in Brazil: Nimitz vs. untreated

Regional highlights

North America

- Sales of $180m, lower by 6.8% in CER and 7.1% in USD, due to extremely cold and wet conditions delayed planting season and disrupted transportation lines, impacting sales in both crop and non-crop markets

US Ag and Canada

- Continued increased pricing
- Launched BRAZEN®, a selective herbicide for grass control in spring wheat and barley

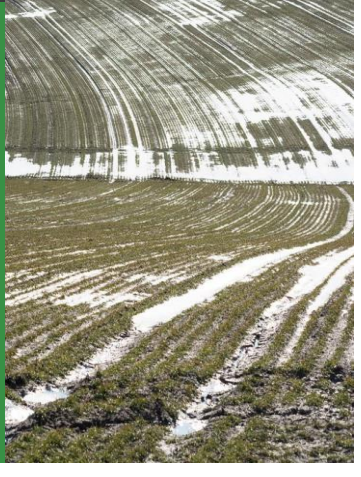
Consumer & Professional Solutions

- Solid performance from Bonide in its first quarter since acquisition



"US disaster aid won't cover lost crops in Midwest floods, farmers out millions of dollars"
AccuWeather Apr. 2019

"The nearly 30 million acres of winter wheat grown in the Midwest could be impacted by this season's extreme cold"
Forbes Feb. 2019



Regional highlights

Asia-Pacific

- Sales of $186m, up 2.9% in CER, lower by 1.4% in USD terms , with growth in the wider region more than offset the continued severe drought in Australia

APAC

- Continued severe drought in Australia reducing summer crop production by 33%
- **Thailand** and **Philippines** performing strongly
- New several product registrations:
  - **New Zealand:** AGROSY®, a herbicide for ryegrass and seed clover; APHIDEX®, an insecticide for aphid control in fruit, cereal and vegetable
  - **Australia:** MANDATE XTRA®, a selective grass herbicide for cereals and QUADRANT® a four-way combination herbicide for broadleaf weeds in winter cereals

China

- Strong growth of 14% while continuing shifting of sales from unformulated, technical products to differentiated, formulated and branded products
- Excluding Jingzhou, domestic branded and formulated product sales up more than 50% vs. last year
- Anpon non-Ag and other sales offsetting lack of Jingzhou site non-Ag products
- Significant portfolio advances, launching flagship ADAMA global brands
  - Launches of GALIL® and AGIL® the first registration in China for a grass weed control herbicide on broadleaf crops in two decades

AGIL® launch





Quadrant

Regional highlights

India, Middle East & Africa

- Sales of $121m, up 23.9% in CER and 11.8% in USD terms, strong performance resulted from a combination of strong, double-digit business growth, alongside higher prices
- Significant growth achieved in spite of lack of Jingzhou site products

India

- Continued strong growth in India, despite the lingering impact of the late 2018 drought conditions

Middle East and Africa

- High growth in Turkey in spite of currency volatility
- Dry conditions in South Africa impacted sales in the country

Trapview® launching in Turkey




AgTech Drive
ADAMA

AgTech Drive

JOHN DEERE



FARM DOG

First-ever Variable Rate Application (VRA) on commercial JD machines to optimize weed control in the leading rice farm in the US





TACTICAL ROBOTICS LTD

Unmanned Aerial Vehicle (UAV) for aerial spraying with a payload of more than 500 KG





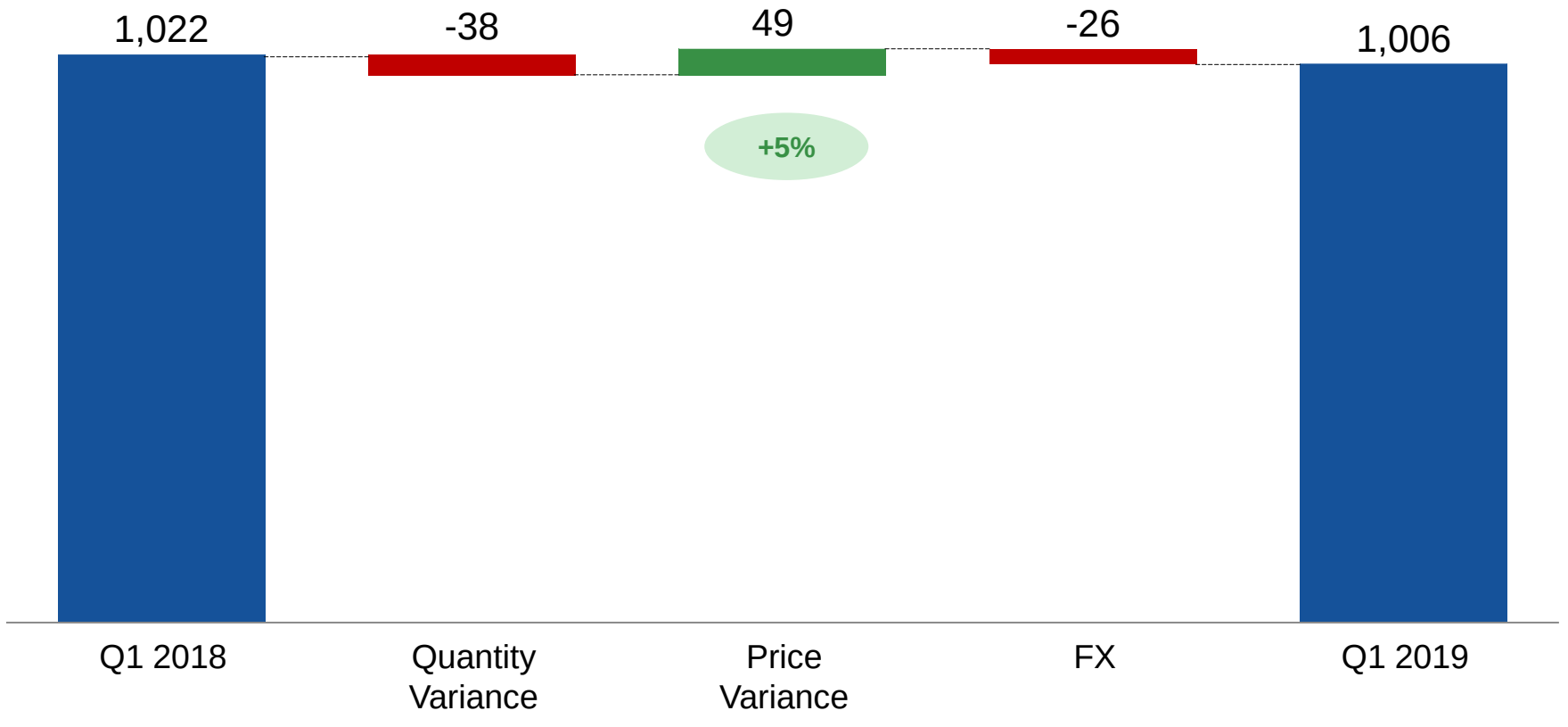
Positioning our open-architecture prescription and traceability engine with smart application providers



Bridge Analysis

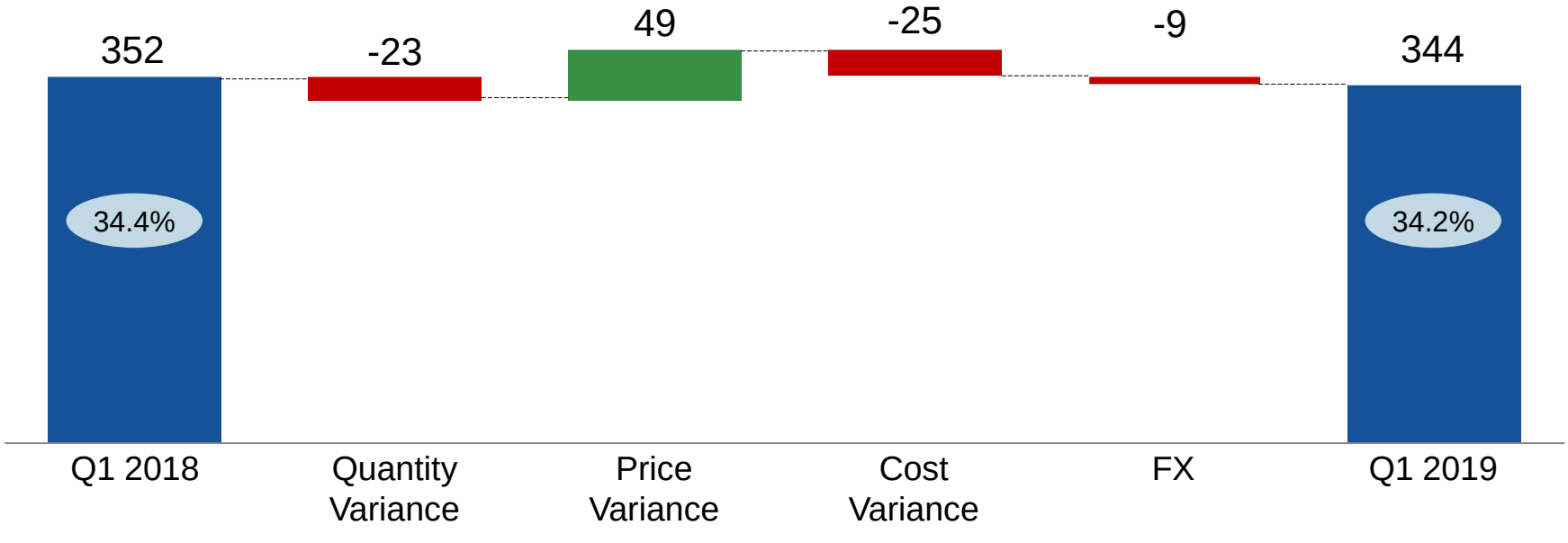
ADAMA

Sales ($m)
Q1 Bridge Analysis

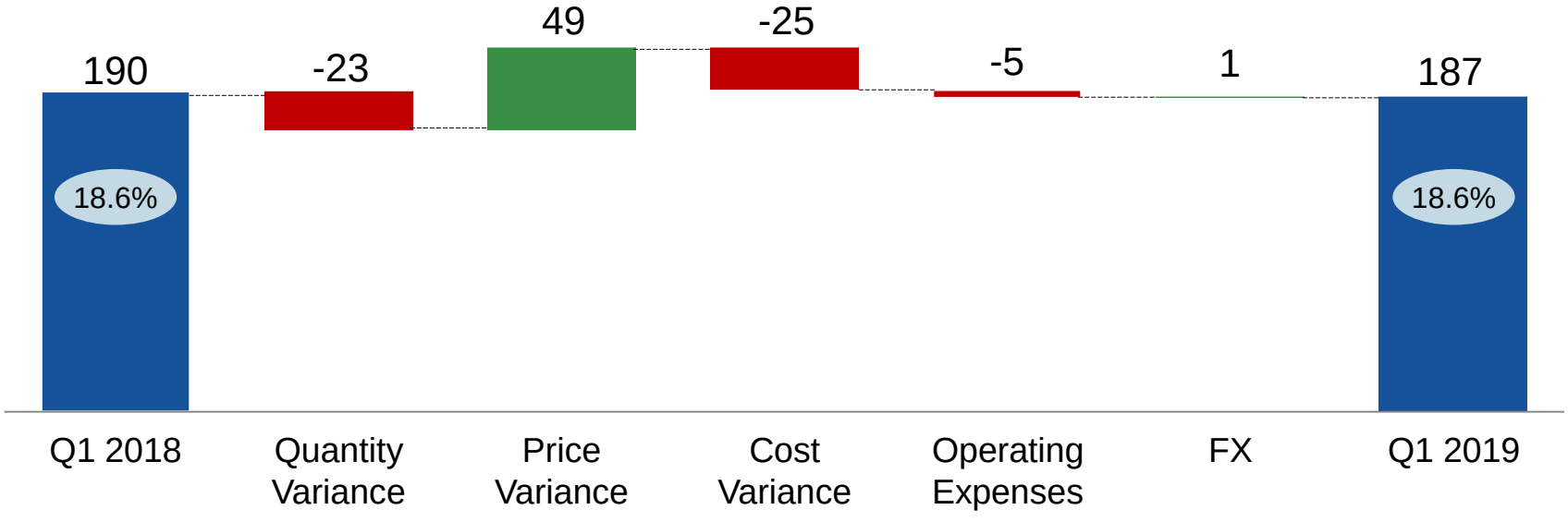


NOTE: FX includes currency effect on sales and hedging.

Gross Profit ($m)
Q1 Bridge Analysis



EBITDA ($m)
Q1 Bridge Analysis

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