Business Update
Q2 and H1 2019

ADAMA

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Overcoming headwinds to conclude another quarter with billion dollar sales

Crossing the $2bn mark for the first half of 2019

Adjusted, ($ million)	Q2 2019	Q2 2018	% Change	% Change CER	H1 2019	H1 2018	% Change	% Change CER	Jingzhou Old Site Disruption Constraints
Sales	**1,002**	**1,023**	**-2.1%**	**-0.6%**	**2,008**	**2,045**	**-1.8%**	**+0.2%**	**-100**
Gross Profit	327	342	-4.3%		673	694	-3.0%		-35
% of Sales	*32.6%*	*33.4%*			*33.5%*	*33.9%*			
Operating Expenses	211	205			431	421			
Operating Income (EBIT)	116	137	-15.6%		242	273	-11.2%		-50
% of Sales	*11.5%*	*13.4%*			*12.1%*	*13.3%*			
Net Income	51	73	-30.3%		131	157	-16.5%		-40
% of Sales	*5.1%*	*7.1%*			*6.5%*	*7.7%*			
EBITDA	**177**	**189**	**-6.2%**		**365**	**379**	**-3.7%**		**-50**
% of Sales	*17.7%*	*18.5%*			*18.2%*	*18.5%*			
Earnings per Share (USD)	0.0208	0.0299			0.0535	0.0641			

All income statement items contained in this release are presented on an adjusted basis. A detailed description and analysis of differences between the adjusted income statement and that reported in the financial statements is contained in the "Analysis of Gaps between Adjusted Income Statement and Income Statement in Financial Statements" in the appendix to this release. EPS are the same for basic and diluted. Q2 and H1 2019 include the results of both joiners following the completion of their acquisition.

CER: Constant Exchange Rate

Sales up 5% in both Q2 and H1 2019 in RMB terms

Despite ~RMB 680m H1 sales impact from Jingzhou old site disruption

Adjusted, (RMB million)	Q2 2019	Q2 2018	% Change	H1 2019	H1 2018	% Change	Jingzhou Old Site Disruption Constraints
Sales	**6,828**	**6,527**	**+4.6%**	**13,616**	**13,026**	**+4.5%**	**-680**
Gross Profit	2,229	2,179	+2.3%	4,560	4,418	+3.2%	-240
% of Sales	*32.6%*	*33.4%*		*33.5%*	*33.9%*		
Operating Expenses	1,441	1,305		2,919	2,682		
Operating Income (EBIT)	788	873	-9.8%	1,641	1,735	-5.4%	-340
% of Sales	*11.5%*	*13.4%*		*12.1%*	*13.3%*		
Net Income	347	466	-25.5%	887	999	-11.2%	-270
% of Sales	*5.1%*	*7.1%*		*6.5%*	*7.7%*		
EBITDA	**1,207**	**1,204**	**+0.2%**	**2,471**	**2,411**	**+2.5%**	**-340**
% of Sales	*17.7%*	*18.5%*		*18.2%*	*18.5%*		
Earnings per Share (RMB)	0.1419	0.1907		0.3626	0.4083		

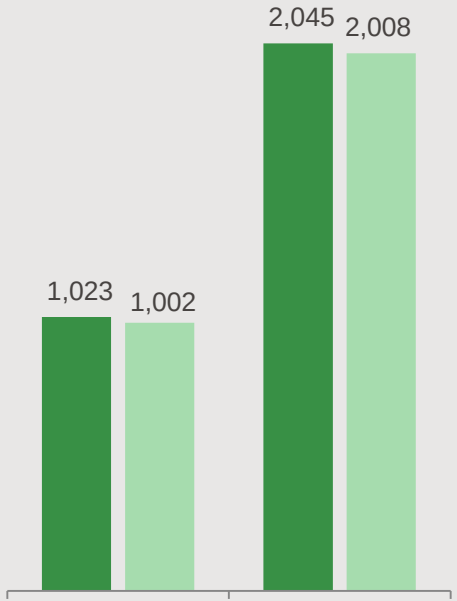
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Overcoming headwinds to conclude another quarter with billion dollar sales

USD

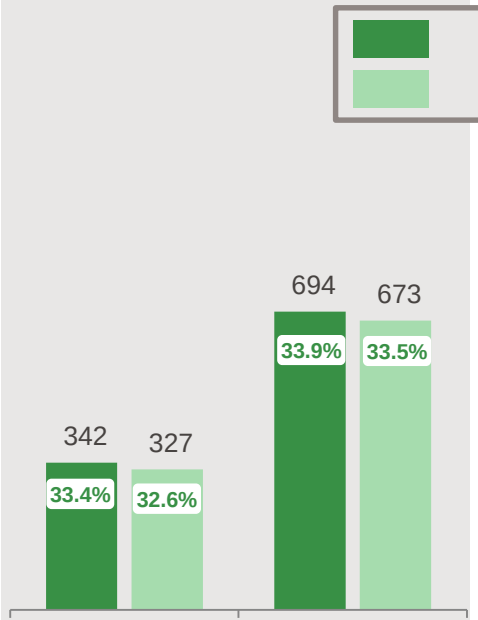
Sales

Prices up 4% in H1
Prices up >8% since Jan 2018



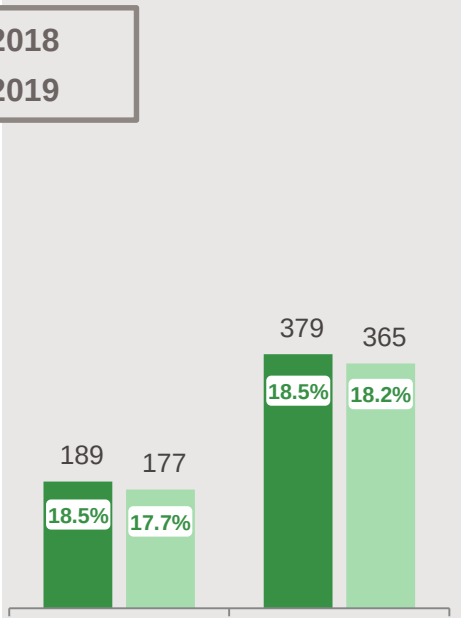
Sales ($mm)

Gross Profit



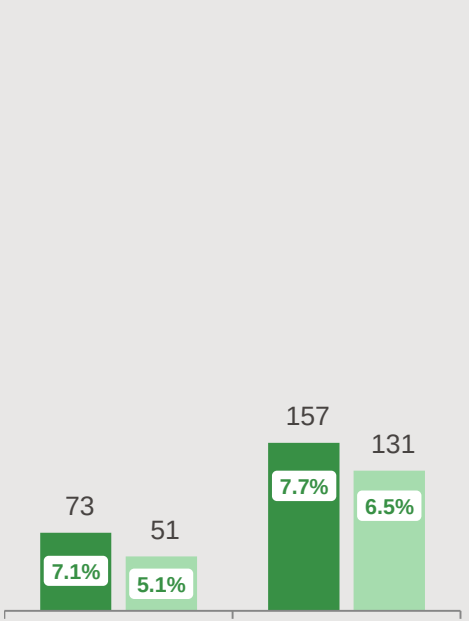
Gross Profit ($mm) and Margin (%)

EBITDA



EBITDA ($mm) and Margin (%)

Net Income

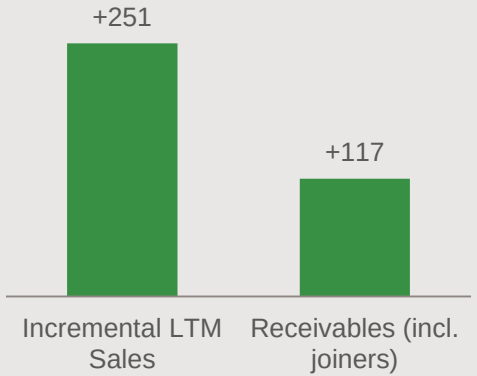


Net Income ($mm) and Margin (%)

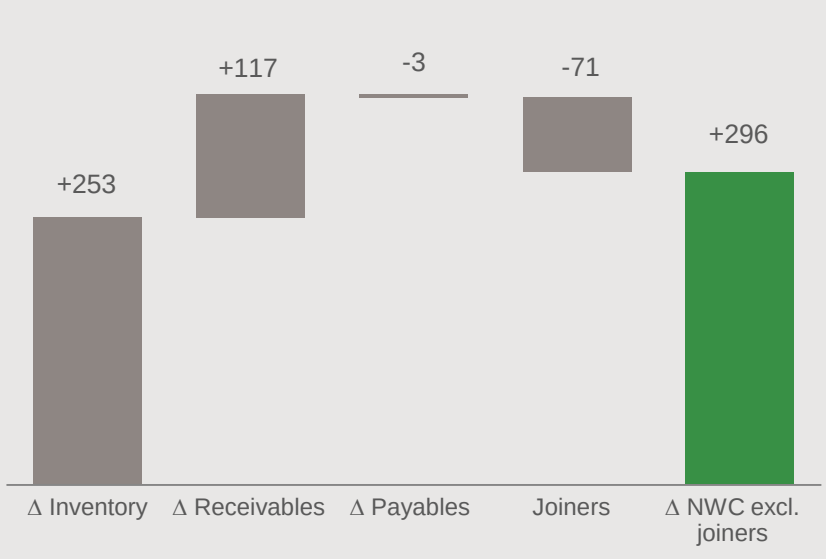
CER: Constant Exchange Rate

Controlled working capital build-up to accommodate growth momentum

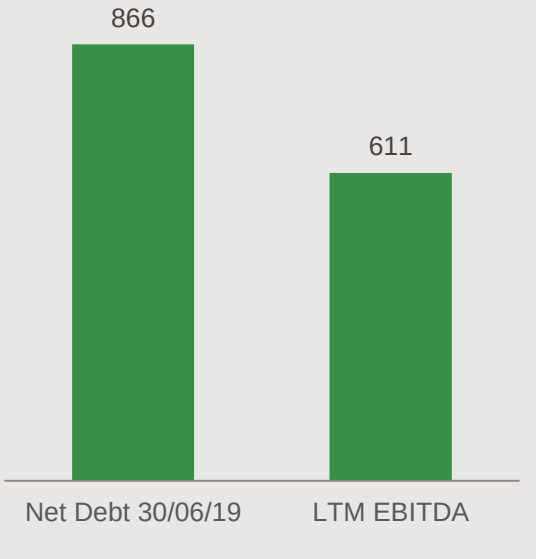
Last twelve month sales +7%	Working Capital	Net debt / EBITDA ratio of 1.4x
Strong collection; low DSO	**Preparing for H2 2019 growth**	**Increase mostly due to acquisitions outlay, assumption of their debt and 2018 dividend**



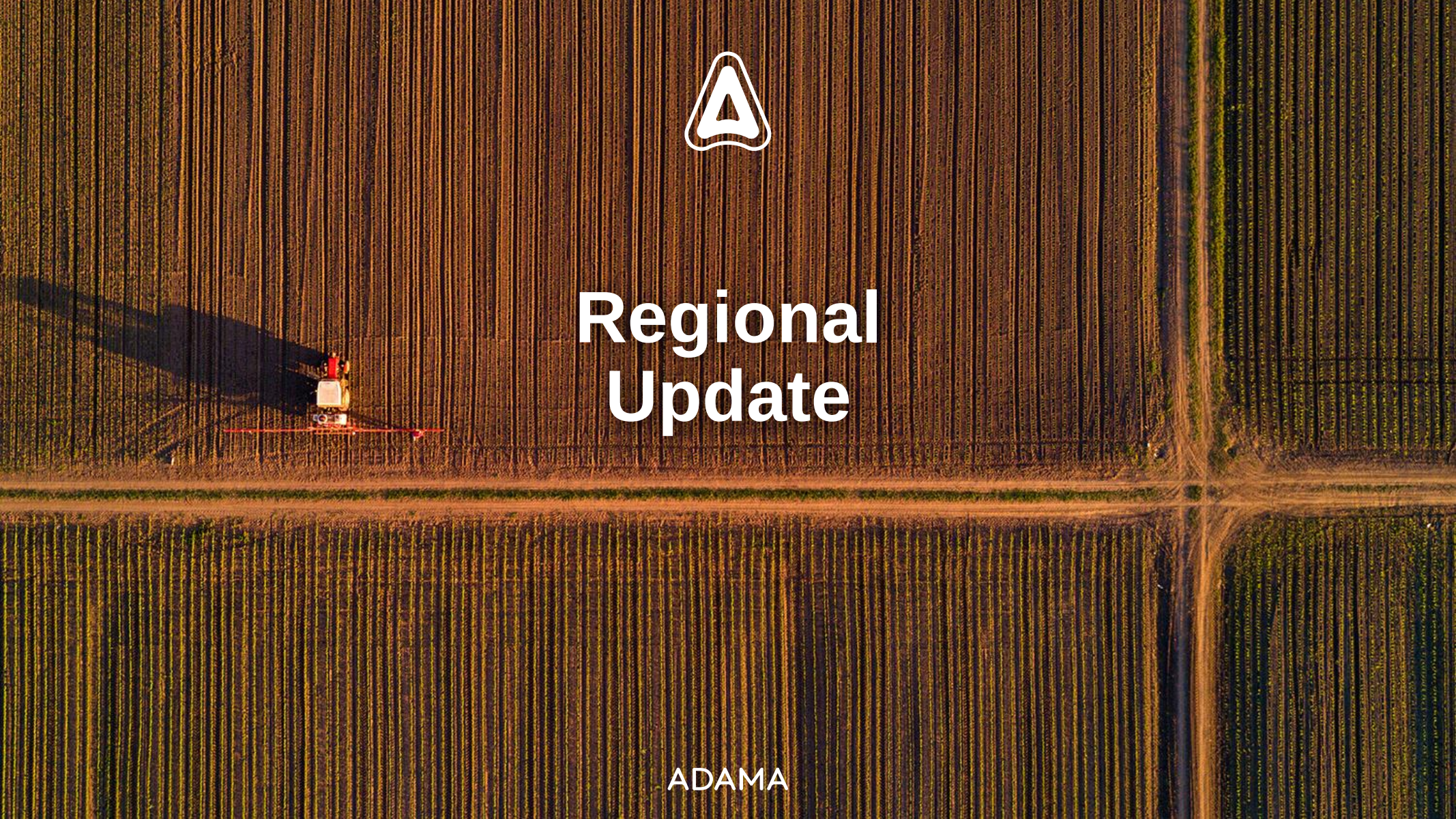
Growth in Sales and Receivables
($mm)



Working Capital



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

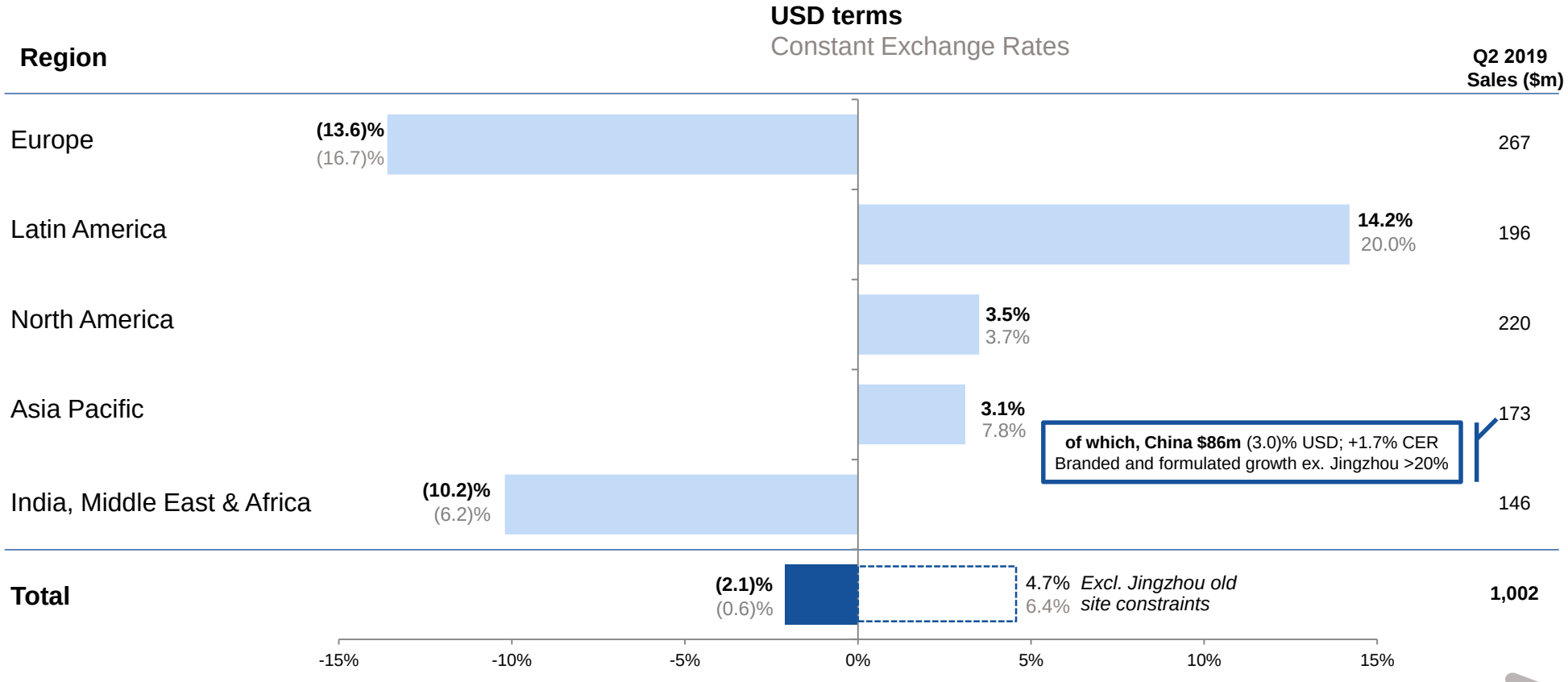


Regional Update

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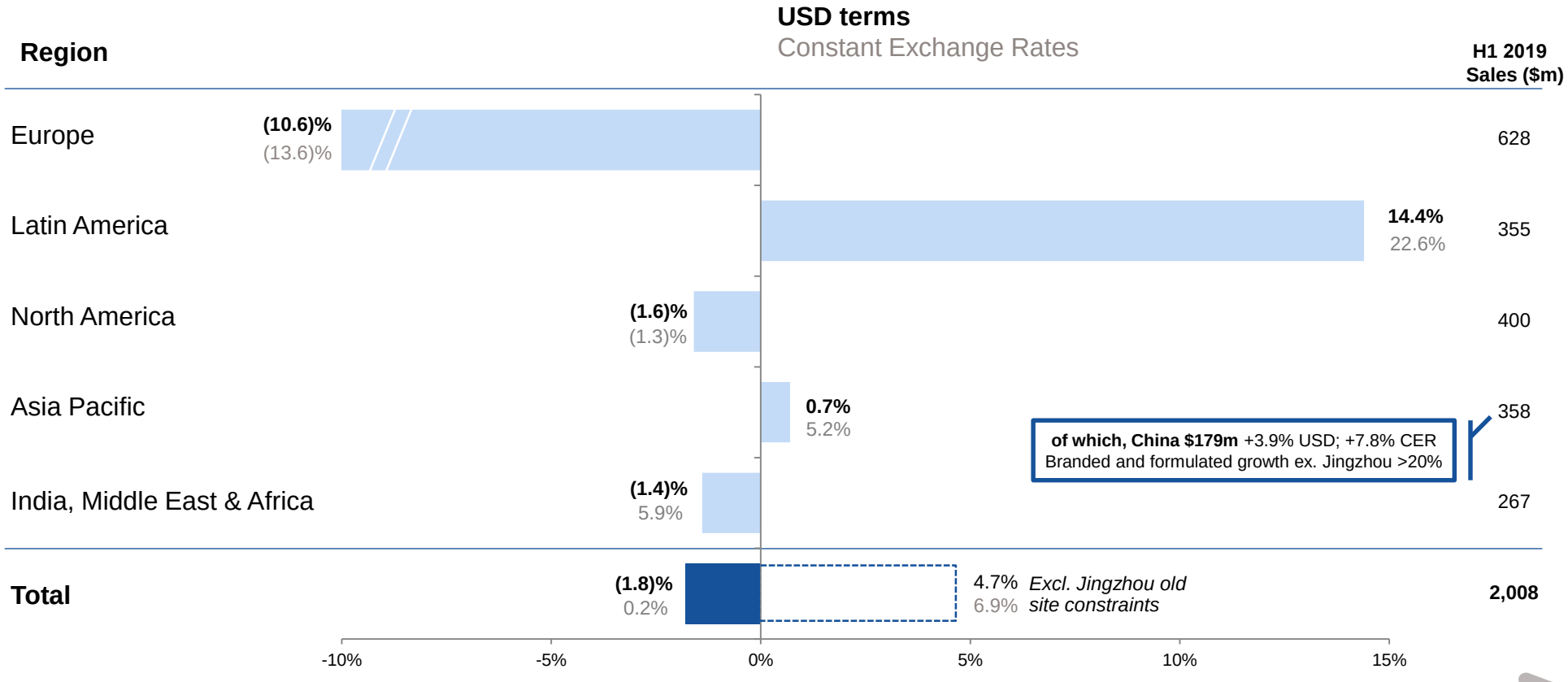
Continued robust growth in Latin America & Asia-Pacific and contribution of joiners largely offsetting weather- and supply-related delays in North America, Europe & India

Sales change by region – Q2 2019 vs. Q2 2018



Outperformance in Latin America drives resilient H1 sales performance

Sales change by region – H1 2019 vs. H1 2018



Regional highlights

Europe

- Sales of $267m in Q2 and $628m in H1, lower by 16.7% and 13.6%, respectively, in CER
- Impacted by tight supply conditions and unseasonably hot weather towards the end of Q2
- Partially offset by price increases

Northern Europe

- Continued tight credit conditions in Ukraine; proactively limiting sales only to customers with a proven ability to pay
- Adverse weather conditions in Germany reduced crop protection application in all major crops
- Registration in Russia of FLUTEPRID® , a 3-way combination mixture for seed dressing controlling both pests and diseases

Southern Europe

- Higher market share despite constrained supply environment and adverse weather conditions
- Weak disease pressure in key markets resulted in subdued demand for crop protection products, while supply-related constraints further impacted sales
- Launch in France of MERKUR®, a 3-way mixture blocking weed seed germination and seedling growth

Multiple new product launches and registrations



Regional highlights

Latin America

- Continued strong performance across the region, with sales of $196m in Q2 and $355m in H1, up 20.0% and 22.6%, respectively, in CER
- Business growth in key countries across the region, alongside higher prices, more than offset the impact of constrained supply

Brazil

- Largest market share gain in key soybean market amongst competitors, benefiting from distinctive product offering including CRONNOS®
- Robust demand for corn portfolio overcame supply shortages in some products
- Launched mixture insecticides COMISSARIO® and TRIVOR®

LATAM

- Noteworthy performance in **Argentina**
- **Several new product launches:**
  - BREVIS® in **Argentina,** differentiated post-bloom fruit thinner in apples
  - KADABRA® in **Mexico,** broad-spectrum mixture insecticide for vegetables
  - UBERTOP® in **Central America,** insecticide for a wide range of pests in tomato and cabbage
  - NIMITZ® proprietary suite of nematicide products in **Peru**



Regional highlights

North America

- Sales of $220m in Q2 and $400m in H1, up by 3.7% in Q2 and lower by 1.3% in H1, in CER terms
- Significant and extended precipitation in Q1, followed by unprecedented flooding in Q2, posed significant challenges for farmers, delaying the planting season and reducing planted acreage
- Continued price increases

US Ag and Canada

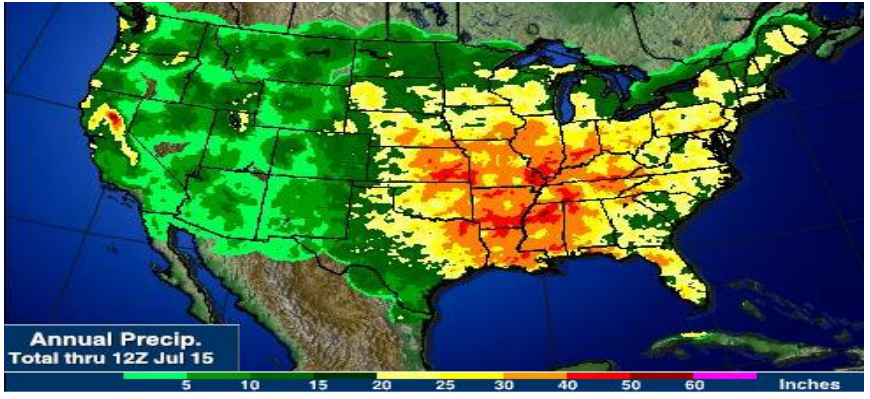
- Continued price increases
- BRAZEN® delivered a strong performance in its first quarter following recent launch

Consumer & Professional Solutions

- Pleasing contribution from **Bonide** in first full quarter since acquisition, despite challenging weather conditions

Cold and wet spring in US with major floods across Corn Belt





Regional highlights

Asia-Pacific

- Sales of $173m in Q2 and $358m in H1, up 7.8% and 5.2%, respectively, in CER
- Steady business growth alongside continued price increases

APAC

- Strong recovery in Australia, as long-awaited rain helped winter crops following severe drought in Q1
- Drought conditions continued to impact broader Asia-Pacific region in Q2, reducing crop protection application
- New differentiated product registrations:
  - LEGACY MA-X® for wide range of broadleaf weeds in **Australian** winter cereals and pasture
  - APROPO® for rice in **Philippines**
  - TOPNOTCH® fungicide for **Australian** wheat and barley

China

- Continuing shifting of sales from unformulated, technical products to differentiated, formulated, branded products
- Anpon delivered solid performance in first full quarter since joining, compensating for interruption to supply from Jingzhou old site
- Significant portfolio advances, launching LEIWANG®, combination insecticide to combat fall army worm outbreak

>+20%

Growth in domestic branded formulated sales, excluding Jingzhou products



1st place in China's Top 100 Pesticides Companies

Regional highlights

India, Middle East & Africa

- Sales of $146m in Q2 and $267m in H1, lower by 6.2% in Q2, up 5.9% in H1, in CER
- H1 growth achieved in spite of lack of Jingzhou site products

India

- Sales impacted by late Monsoon rains, reducing planting areas and delaying crop protection application
- Supply constraints in China-sourced products

Middle East & Africa

- Strong H1 performance in Turkey





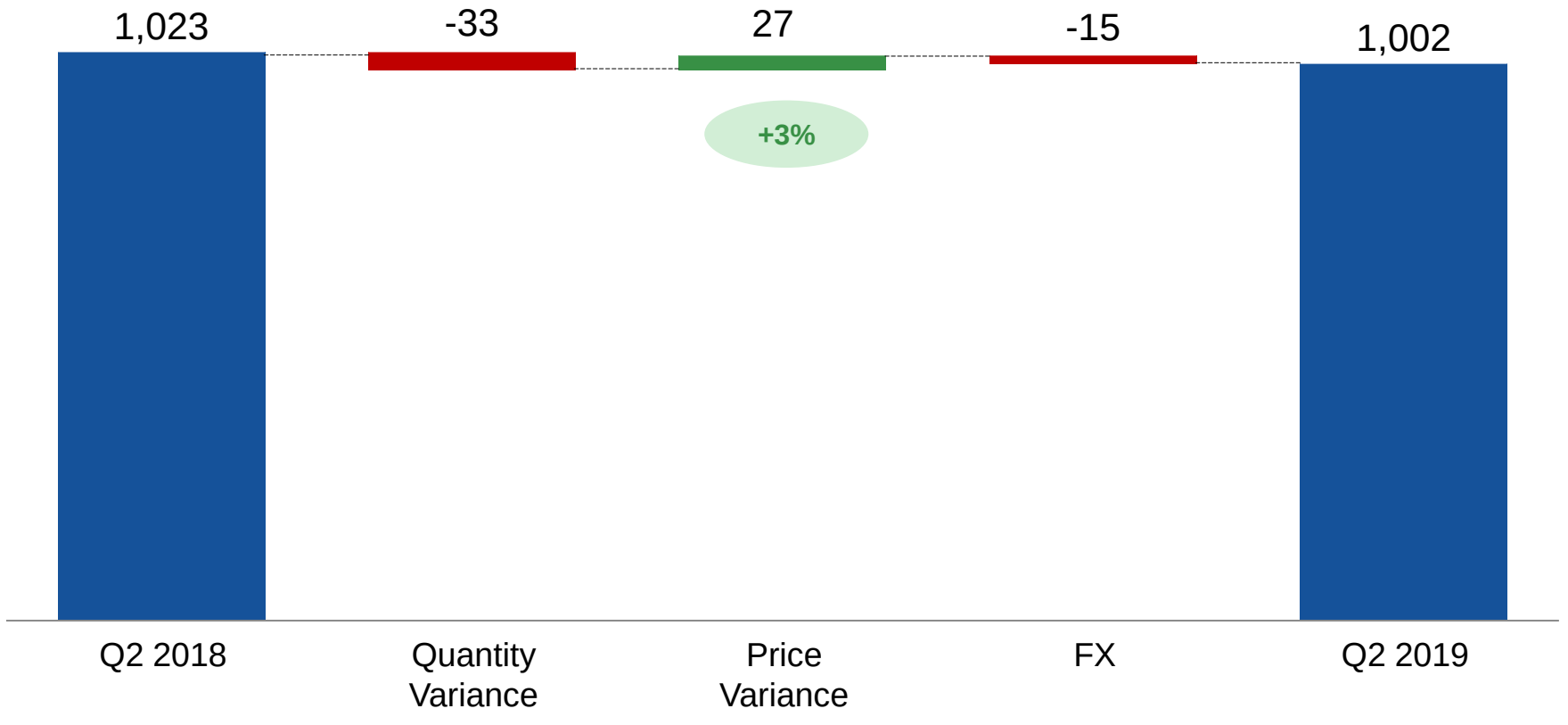
Nimitz Demo Fields in India



Bridge Analysis

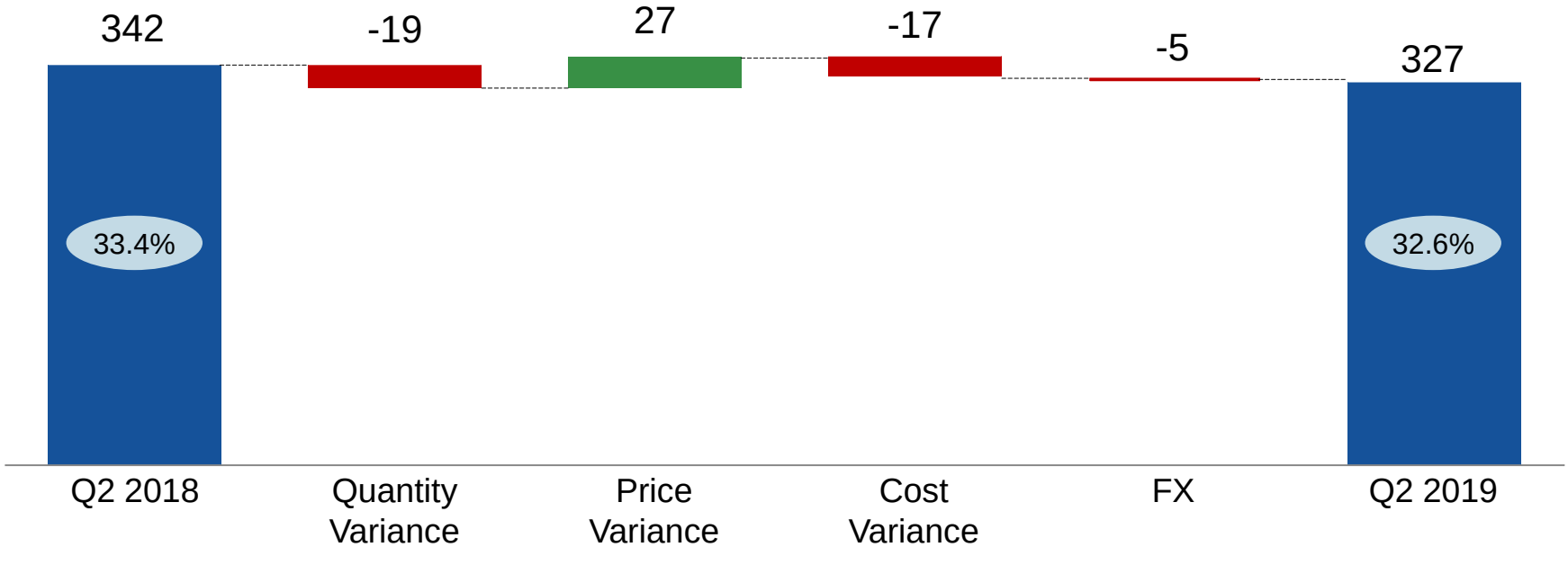
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Sales ($m)
Q2 Bridge Analysis

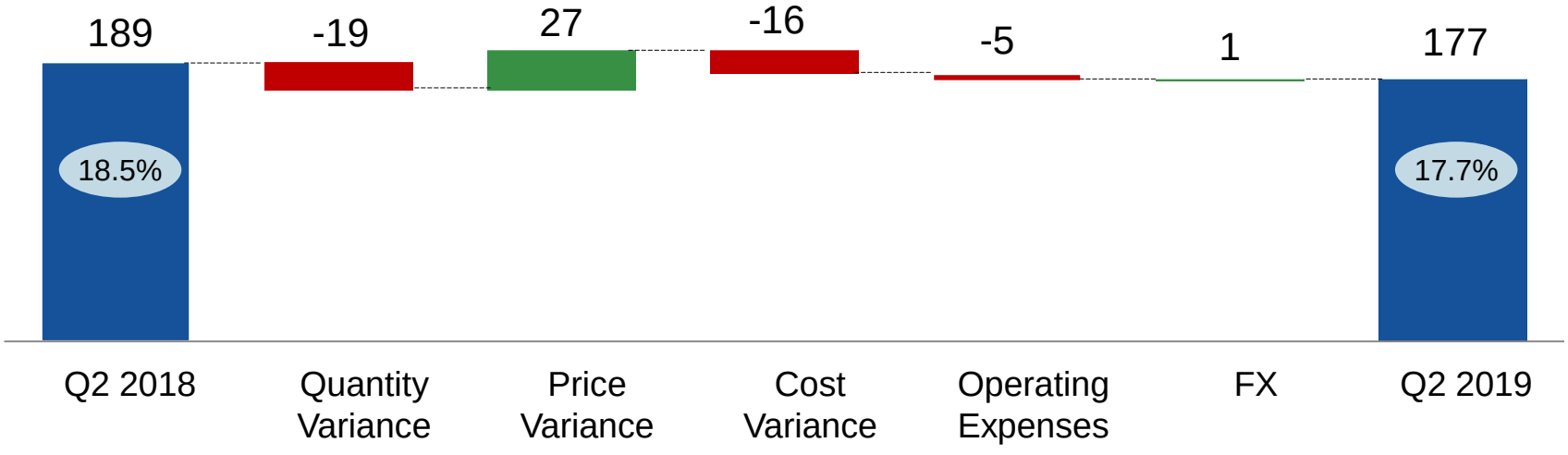


NOTE: FX includes currency effect on sales and hedging

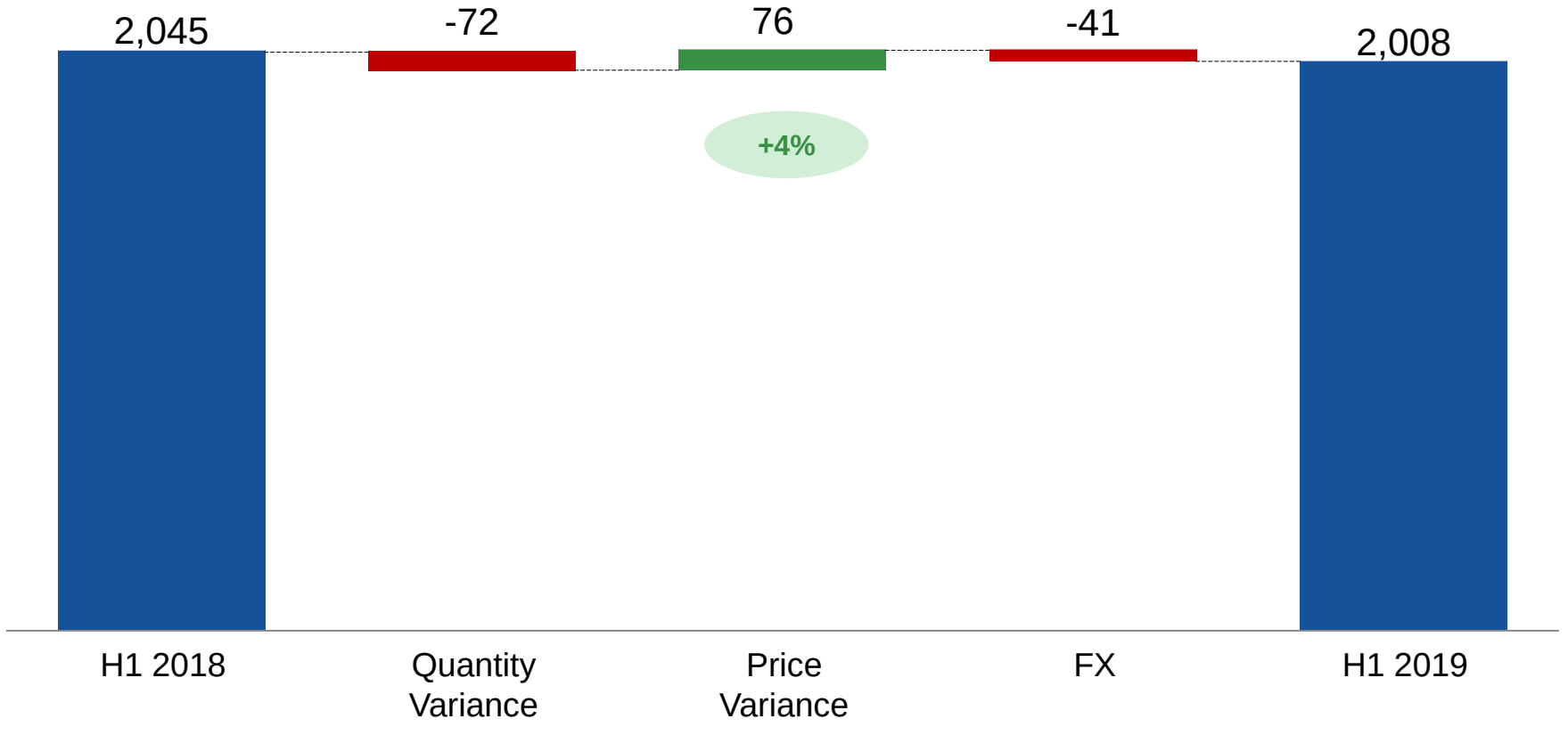
Gross Profit ($m)
Q2 Bridge Analysis



EBITDA ($m)
Q2 Bridge Analysis

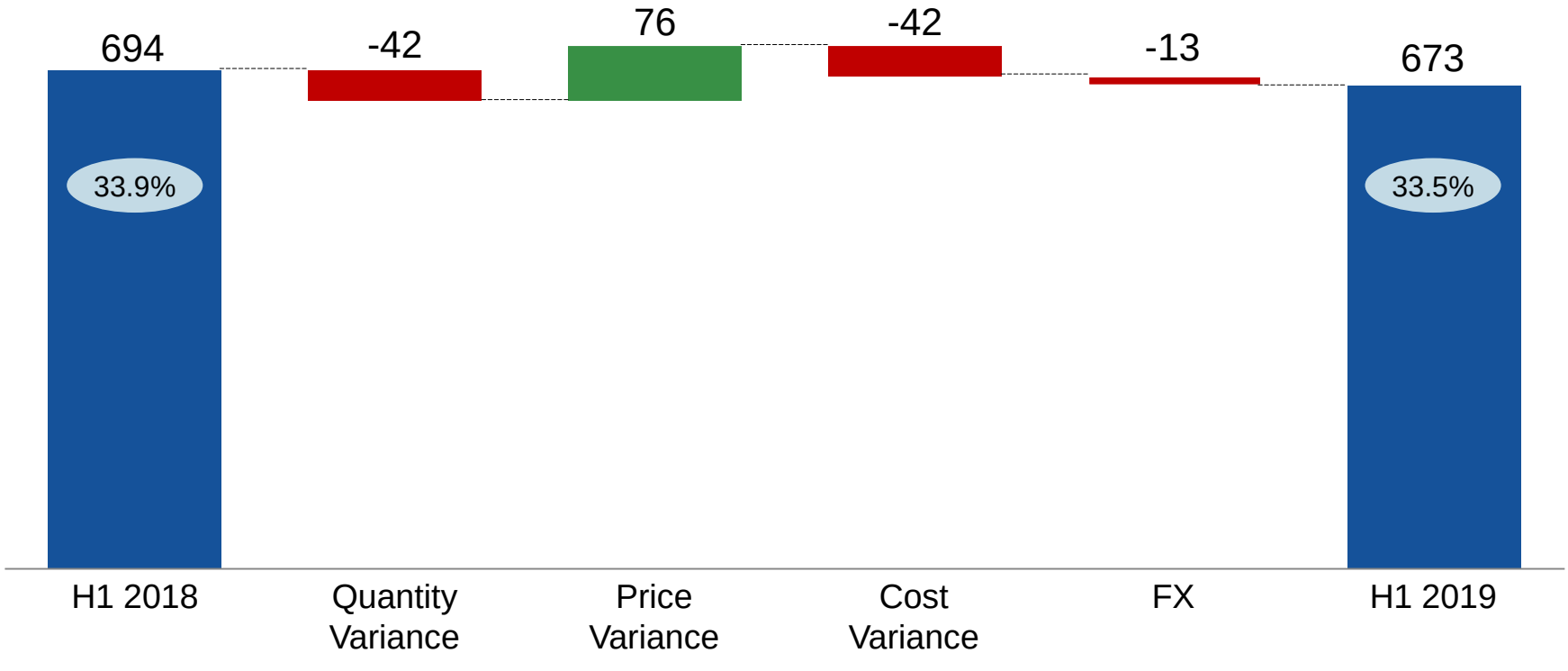


Sales ($m)
H1 Bridge Analysis

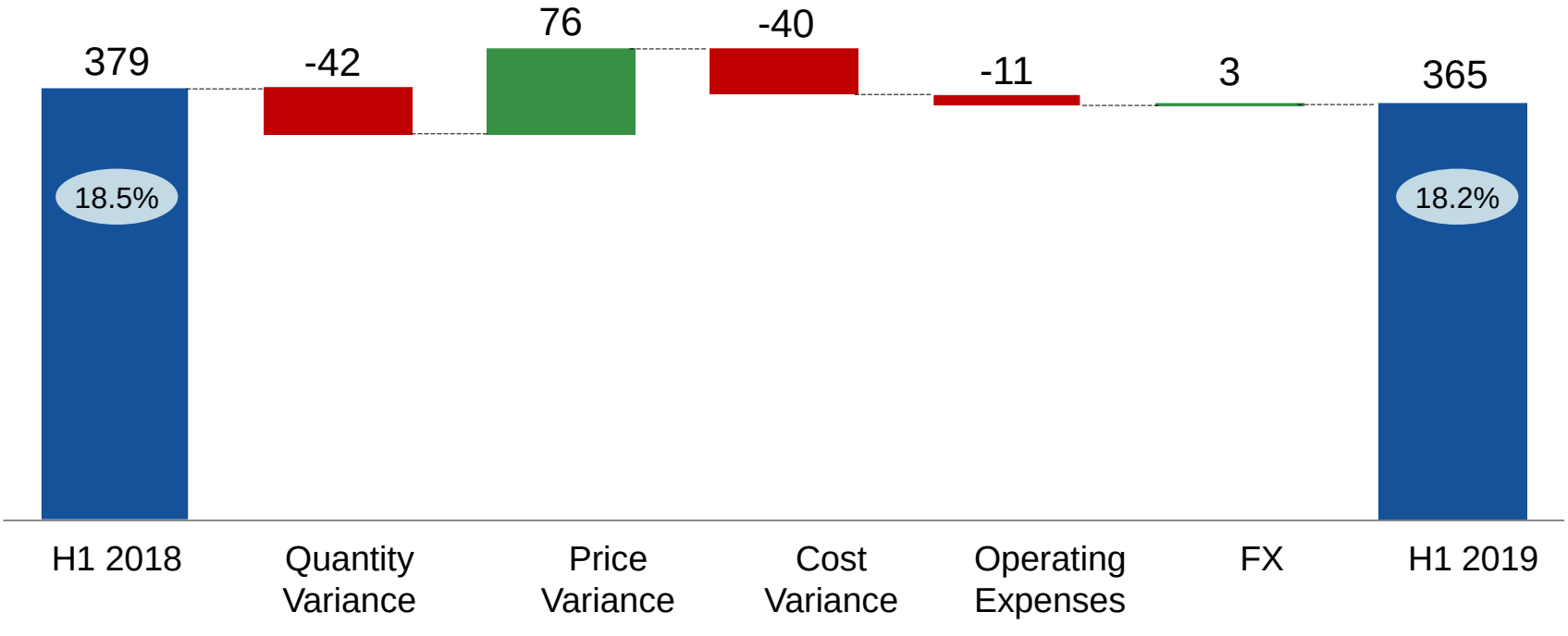


NOTE: FX includes currency effect on sales and hedging.

Gross Profit ($m)
H1 Bridge Analysis



EBITDA ($m)
H1 Bridge Analysis




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