

Business Update Q4 and FY 2019

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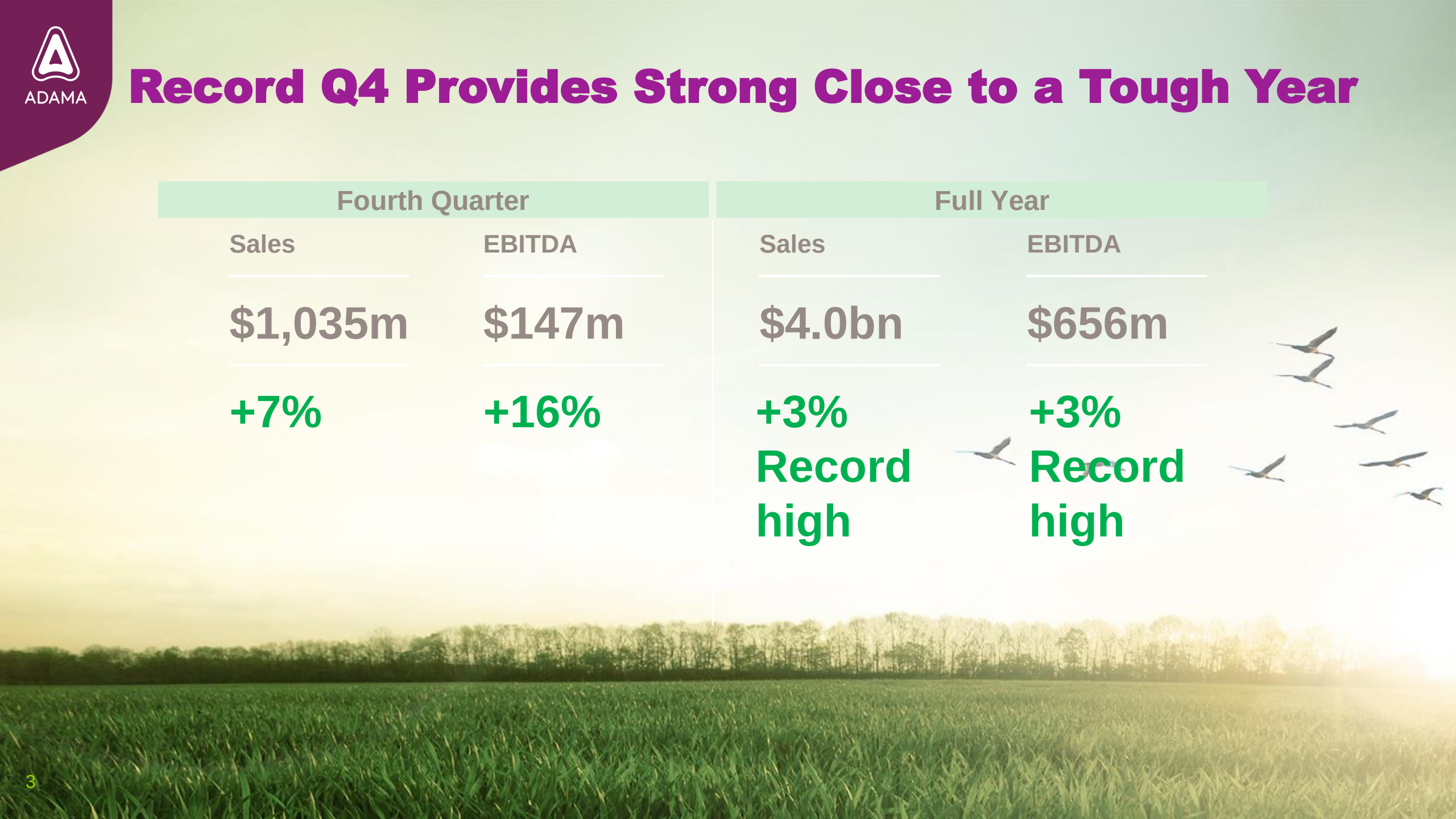
Record Q4 Provides Strong Close to a Tough Year

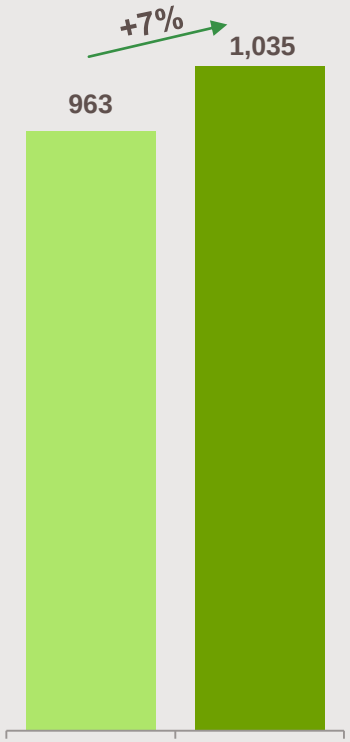
Fourth Quarter		Full Year	
Sales	EBITDA	Sales	EBITDA
$1,035m	$147m	$4.0bn	$656m
+7%	+16%	+3% Record high	+3% Record high



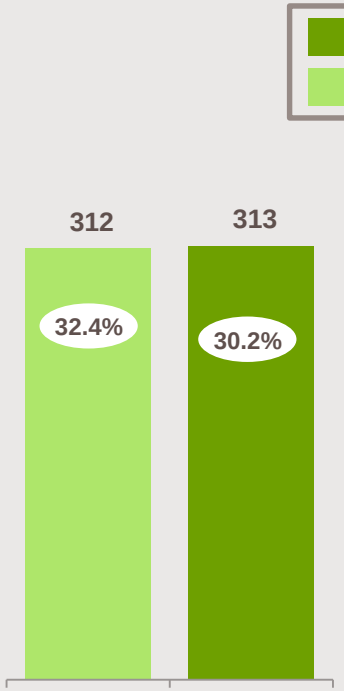
All-time Q4 record sales, gross profit and EBITDA

Executive Summary

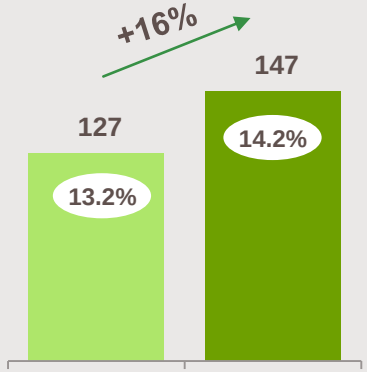
Sales	Gross Profit	EBITDA	Net Income
Volumes +10%	In line with Q4'18	EBITDA margin +1.0 p.p.	$3m below Q4'18
Jingzhou disruption: -$42m	Jingzhou disruption: -$16m	Jingzhou disruption: -$26m	Jingzhou disruption: -$20m



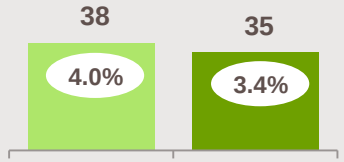
Sales
($mm)



Gross Profit
($mm) and Margin (%)



EBITDA
($mm) and Margin (%)



Net Income
($mm) and Margin (%)

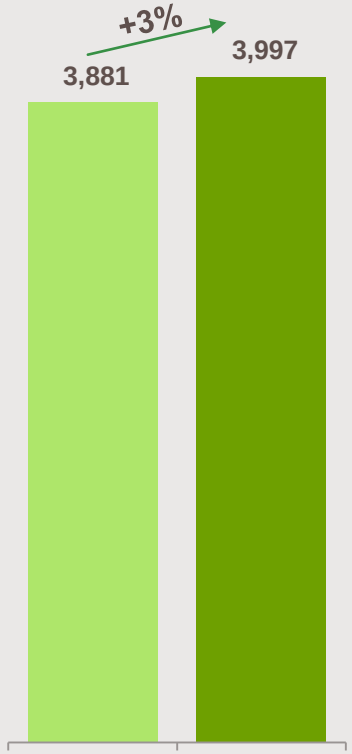
Full Year record sales and EBITDA, despite Jingzhou impact

Executive Summary

Sales

Volumes & Prices +2.5%

Jingzhou disruption: -$204m

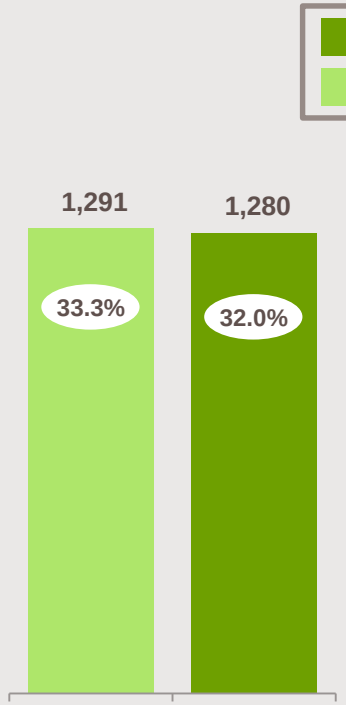


Sales
($mm)

Gross Profit

Gross margin -1.3 p.p.

Jingzhou disruption: -$80m

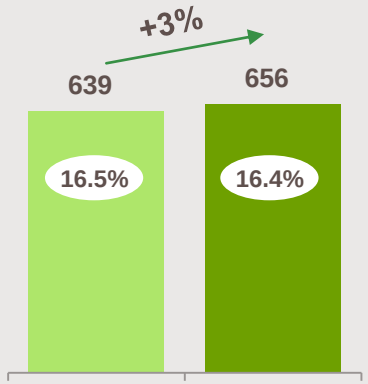


Gross Profit
($mm) and Margin (%)

EBITDA

EBITDA margin in-line with 2018

Jingzhou disruption: -$111m

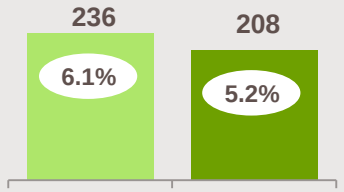


EBITDA
($mm) and Margin (%)

Net Income

Net Income margin -0.9 p.p.

Jingzhou disruption: -$89m



Net Income
($mm) and Margin (%)

Strong Q4 drives FY Sales and EBITDA +3%, despite $200m missing sales from Jingzhou old site

Adjusted, (million)	Q4 2019	Q4 2018	% Change	% Change CER	Jingzhou Old Site Disruption	FY 2019	FY 2018	% Change	% Change CER	Jingzhou Old Site Disruption
Sales	**1,035**	**963**	**+7%**	**+10%**	**-42**	**3,997**	**3,881**	**+3%**	**+5%**	**-204**
Gross Profit	313	312	-		-16	1,280	1,291	-1%		-80
% of Sales	*30.2%*	*32.4%*				*32.0%*	*33.3%*			
Operating Expenses	228	238				870	863			
Operating Income (EBIT)	85	74	+15%		-26	410	427	-4%		-111
% of Sales	*8.2%*	*7.7%*				*10.3%*	*11.0%*			
Net Income	**35**	**38**	**-9%**		**-20**	**208**	**236**	**-12%**		**-89**
% of Sales	*3.4%*	*4.0%*				*5.2%*	*6.1%*			
EBITDA	**147**	**127**	**+16%**		**-26**	**656**	**639**	**+3%**		**-111**
% of Sales	*14.2%*	*13.2%*				*16.4%*	*16.5%*			
Earnings per Share (USD)	0.0144	0.0157				0.0852	0.0963			

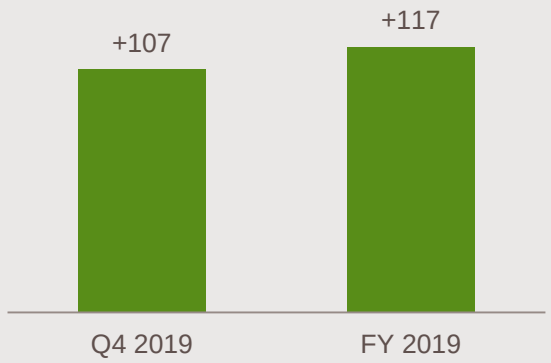
CER: Constant Exchange Rates

All income statement items contained in this presentation 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 quarterly results press release. EPS are the same for basic and diluted. Q4 and FY 2019 include the results of joiners following the completion of their acquisition. 2018 Operating Income, EBITDA and Net Income have been adjusted from those presented at the time to consistently reflect treatment of employee options on an equity-settled basis for both 2019 and 2018. 2018 results in the audited financial statements reflect the consolidation of Anpon (acquired in March 2019) as if it had been acquired prior to 1 January 2018, due to accounting for "Business Combination Under Common Control"

Working capital build-up driven by strong growth momentum

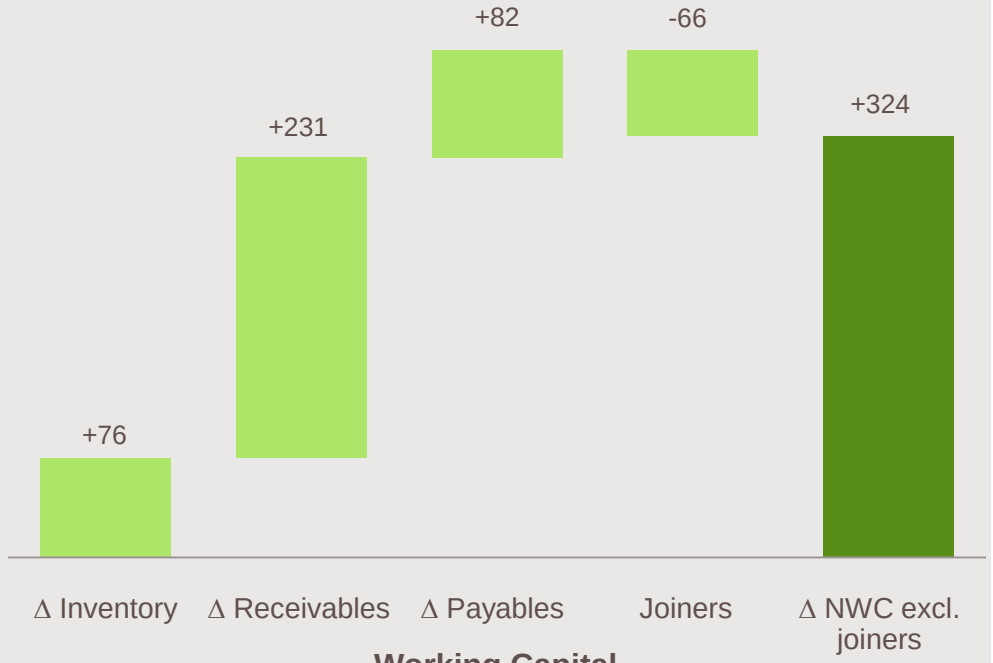
Strong Q4 Operating Cash Flow generation

Despite working capital build-up



Operating Cash Flow
($mm)

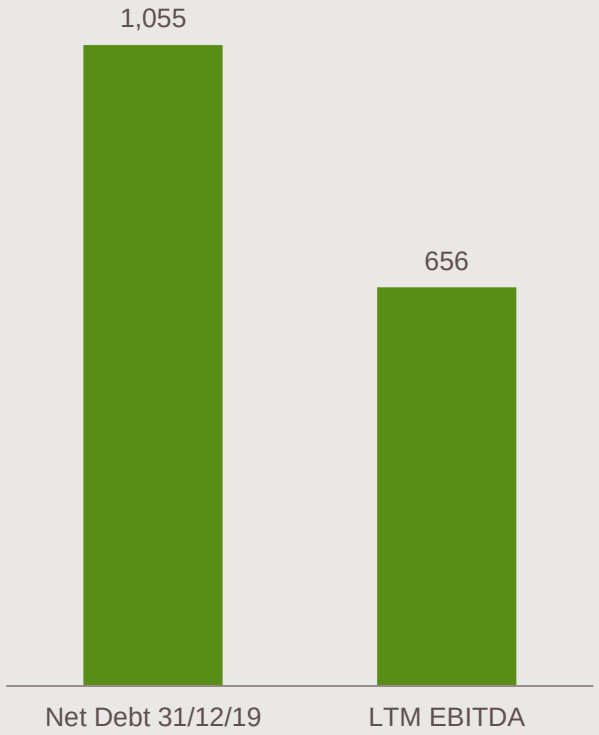
Controlled working capital build-up to accommodate growth momentum



Working Capital

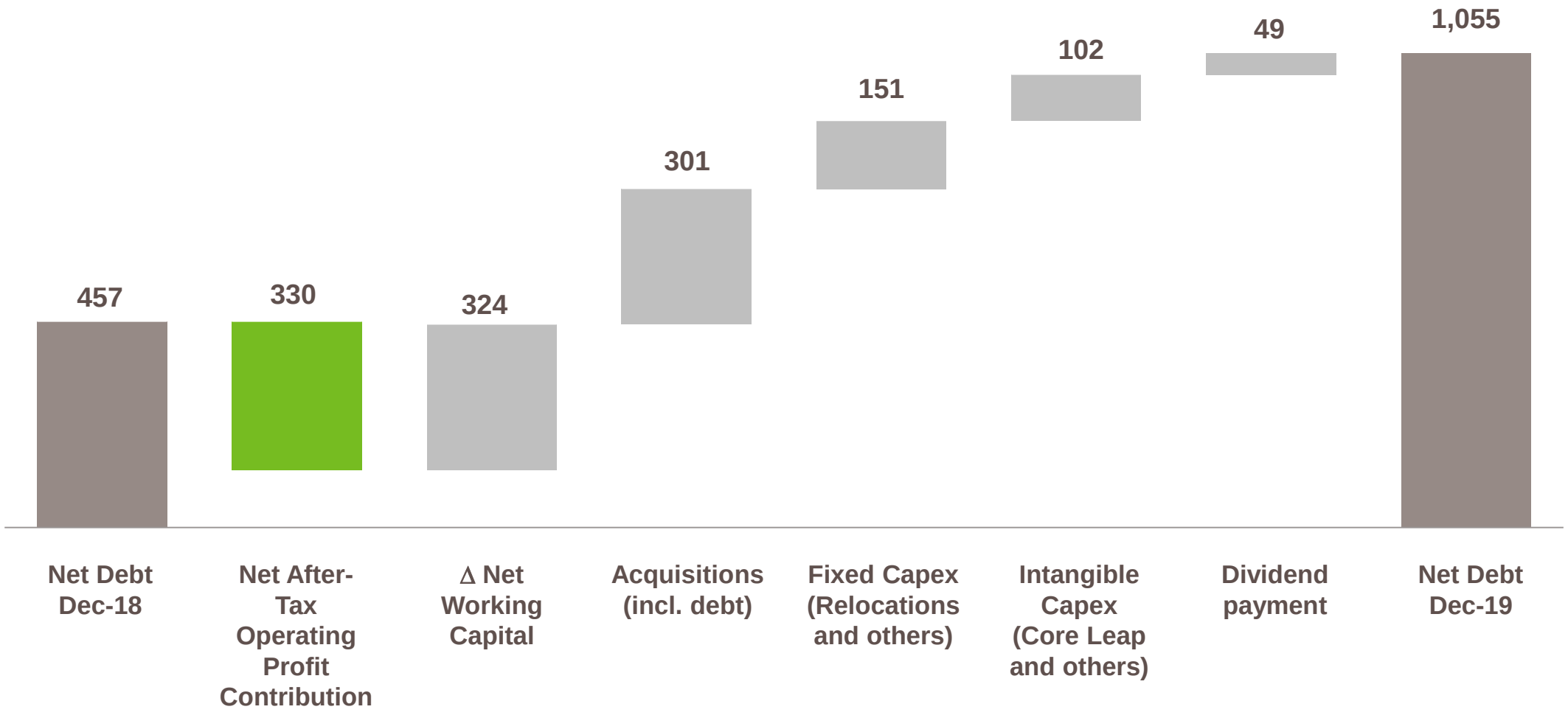
Strong Balance Sheet

Net debt / EBITDA ratio of 1.6x



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

Investments to support business growth, acquisitions and capital projects



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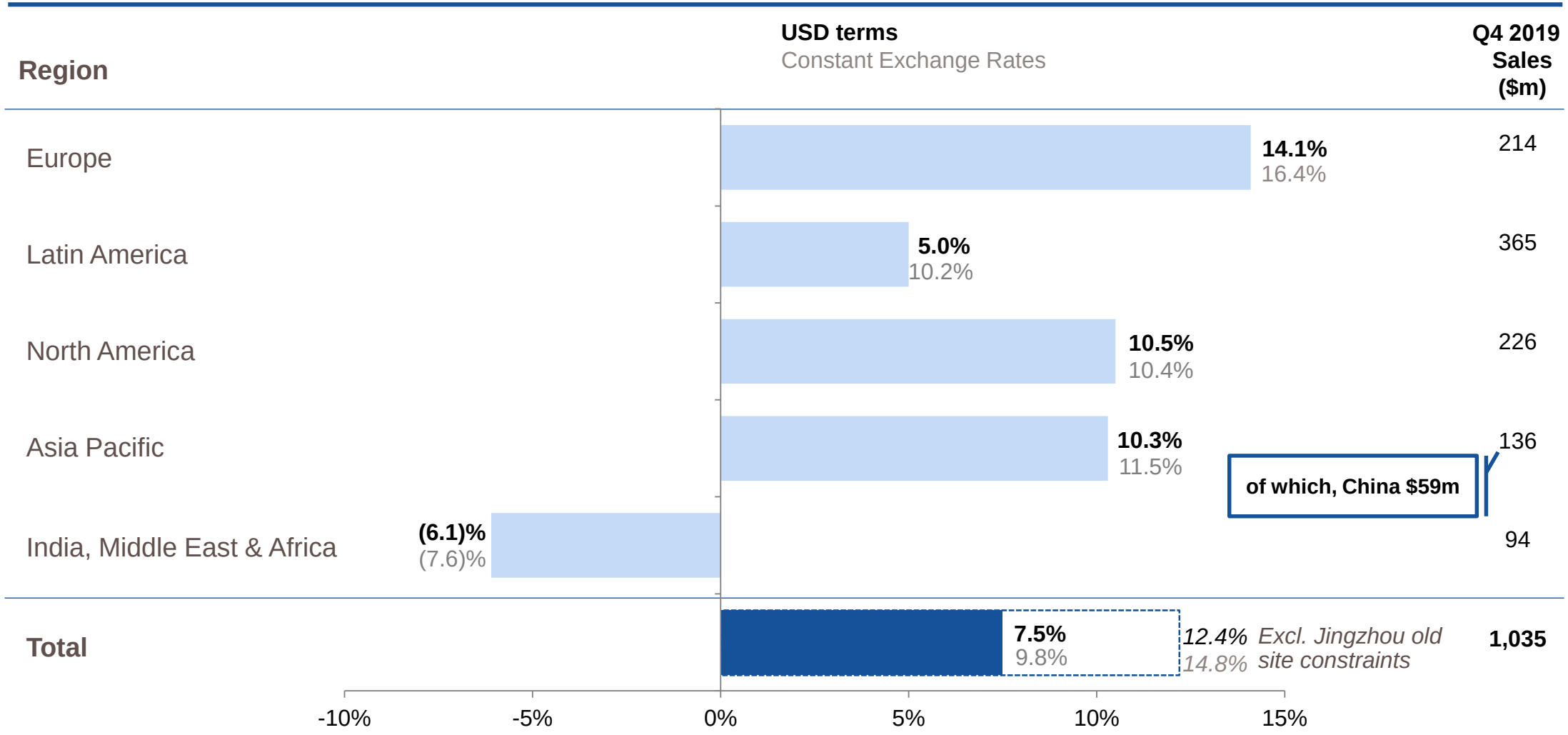
Regional Update

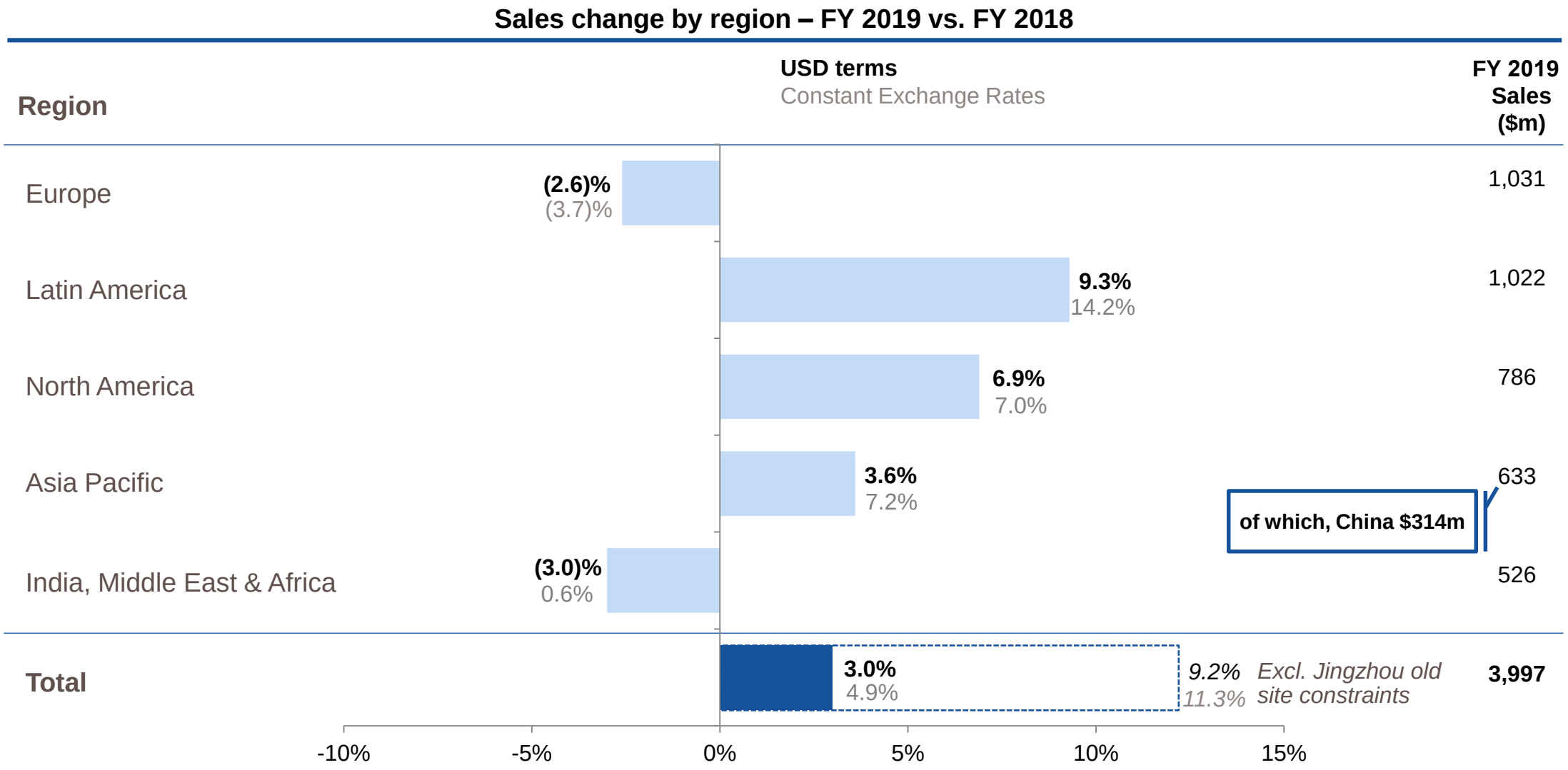
Robust Q4 Performance Across Most Regions

Sales change by region – Q4 2019 vs. Q4 2018



CER: Constant Exchange Rate

Continued Growth in a Challenging Market



CER: Constant Exchange Rate

Europe

	Q4'18	Q4'19	% Variance USD	% Variance CER	FY 18	FY 19	% Variance USD	% Variance CER
Sales ($m)	188	214	+14.1%	+16.4%	1,058	1,031	-2.6%	-3.7%

CER: Constant Exchange Rate

Highlights

- Q4 sales grew strongly driven by significant business growth, more than offsetting impact of lower prices
- FY sales lower by only 2.6% despite continued tight supply conditions; largely recovering from H1 supply-and weather-impact

Northern Europe

- Significant business growth in Q4 in most major countries including **Germany**, **Russia** and **Ukraine**
- **UK** saw robust growth in Q4 despite unfavourable rainfall impacting winter cereals
- Partially recovered from first 9-month supply-related challenges

Southern Europe

- Continued market share gains despite delayed planting season due to extremely wet conditions
- Noteworthy performances recorded in key markets **France**, **Spain** and **Portugal**
- Acquisitions:
  - **SFP**: Strengthening PGR and fungicide franchise
  - **Agricover**: Acquired 10% stake in leading Romanian distributor



Agricover

SFP

Regional Performance

Latin America

	Q4'18	Q4'19	% Variance USD	% Variance CER	FY 18	FY 19	% Variance USD	% Variance CER
Sales ($m)	347	365	+5.0%	+10.2%	935	1,022	+9.3%	+14.2%

CER: Constant Exchange Rate

Highlights

- Strong business growth in Q4 in key countries despite a severe drought across the region, alongside price increases, more than offsetting continued impact of constrained supply
- In 2019, Brazil delivered another year of stellar growth, with a robust contribution from **CRONNOS®**, complemented by strong performances throughout key markets in the region, including **Argentina**, **Colombia** and **Peru**

Brazil

- **Q4 saw continued strong performance from differentiated product portfolio:**
  - GALIL® combination insecticide
  - TRIVOR® insecticide for rapid and extended control of sucking pests
- Growth achieved despite:
  - Drought conditions which delayed the planting season in soybean and corn
  - Reduced planted areas in cotton
  - Missed sales of Jingzhou old site products

LatAm

- Launched **ARMERO™** in Paraguay, first product launch globally of Prothioconazole

New product launches:

- EXPERTGROW® unique range of biostimulants, in Ecuador
- KADABRA® insecticide controlling pests in potatoes, both in Ecuador
- CRONNOS®, unique three-way formulation addressing Asian soybean rust, in Bolivia

AgroKlinge
Profesionales en su campo



AgroKlinge acquisition in Peru

ARMERO™ launched in Paraguay, first Prothioconazole launch globally

North America

	Q4'18	Q4'19	% Variance USD	% Variance CER	FY 18	FY 19	% Variance USD	% Variance CER
Sales ($m)	204	226	+10.5%	+10.4%	735	786	+6.9%	+7.0%

CER: Constant Exchange Rate

Highlights

- Q4 growth achieved through a combination of business growth alongside higher prices, despite impact of lost sales from the Jingzhou old site
- 2019 bolstered by the acquisitions of Bonide and contribution from sales of backward-integrated products produced at newly acquired Anpon (Huai'An, Jiangsu) operations

US Ag and Canada

- Impacted by record flooding in the US in H1 and effect of US-China trade war on US agriculture

Consumer & Professional Solutions

- Strong recovery from first-half weather challenges
- Bonide provided pleasing contribution to 2019 results



Challenging year for American farmers
Record flooding, delayed harvest and US-China trade war

Asia Pacific

	Q4'18	Q4'19	% Variance USD	% Variance CER	FY 18	FY 19	% Variance USD	% Variance CER
Sales ($m)	124	136	+10.3%	+11.5%	610	633	+3.6%	+7.2%

CER: Constant Exchange Rate

Highlights

- Strong growth in Q4 driven by business growth, somewhat offset by lower prices
- FY growth driven by combination of business growth tempered by constrained supply of Jinzhou old site products, alongside continued price increases

APAC

- Robust growth in 2019 in New Zealand, Indonesia and Japan, benefitting from favorable weather conditions
- Resilient performance recorded in **Australia**, recovering from extreme weather conditions throughout the year

New product registrations in Thailand:

- FIREPOWER® broad-spectrum herbicide for use in a wide variety of crops
- HAMPER® insecticide controlling thrips in potatoes

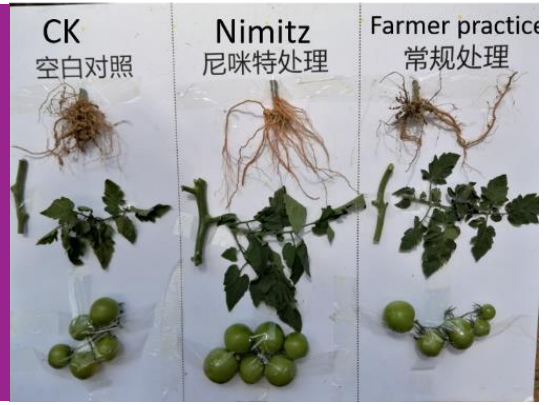
China

- Solid business growth in both Q4 and 2019, despite drought in some areas impacting consumption of wheat herbicides
- Pleasing performance of newly-acquired Anpon
- Strong demand for differentiated, formulated and branded products
  - Annual sales growth of more than 20% (excl. Jingzhou products)
- Successful second launch of NIMITZ® in significant vegetable production areas

Australian wildfires and significant drought throughout 2019



NIMITZ® delivers exceptional performance in the field



India, Middle East & Africa

	Q4'18	Q4'19	% Variance USD	% Variance CER	FY 18	FY 19	% Variance USD	% Variance CER
Sales ($m)	100	94	-6.1%	-7.6%	543	526	-3.0%	+0.6%

CER: Constant Exchange Rate

Highlights

- Sales were lower in the quarter, yet remained steady in FY in CER terms
- Impacted in both Q4 and FY by shortages of key products produced at the Jingzhou old site, as well as impact of softer currencies, most notably the Turkish Lira

India

- Robust Q4 growth in branded portfolio, benefiting from monsoon rains
- Impacted by loss of bulk unformulated sales of Jingzhou old site products
- Strong contribution from recently launched differentiated products, including:
  - NIMITZ® suite of products
  - TAKAF® and ZOHAR™, two differentiated mixture insecticides

Middle East & Africa

- **South Africa** delivered a resilient Q4 performance in face of severe drought conditions
- In the FY branded activities in **India** and **Turkey**, offsetting the impact of the missing sales of Jingzhou old site products



TAKAF® Controlling sucking pests in soybean, cotton, corn and chili



Strong contribution from new differentiated products

Regional Performance

Outlook

- Going forward, we face many challenges, both on supply and demand side, including COVID-19 related effects:
  - Suspension for most of Q1 of the facilities in Jingzhou, resulting in significant idleness costs
  - The related depreciation of many currencies against the US Dollar, most notably the Brazilian Real
- As the outbreak in China appears to be coming under control, production facilities of the Company and the vast majority of its China-based suppliers are now back on line, and logistics and supply lines within the country are opening up
- Our major production facilities globally are continuing to operate, although logistics and supply lines in many places are becoming increasingly restricted
- These impacts are likely to have a material negative effect on the performance of the business in Q1 2020, and potentially beyond
- We continue to actively monitor the evolving situation over the coming weeks/months, and will provide a further update in Q1 report
- We are actively managing response to the outbreak in order to ensure the safety of employees, and making every effort to limit the impact on the performance of the Company

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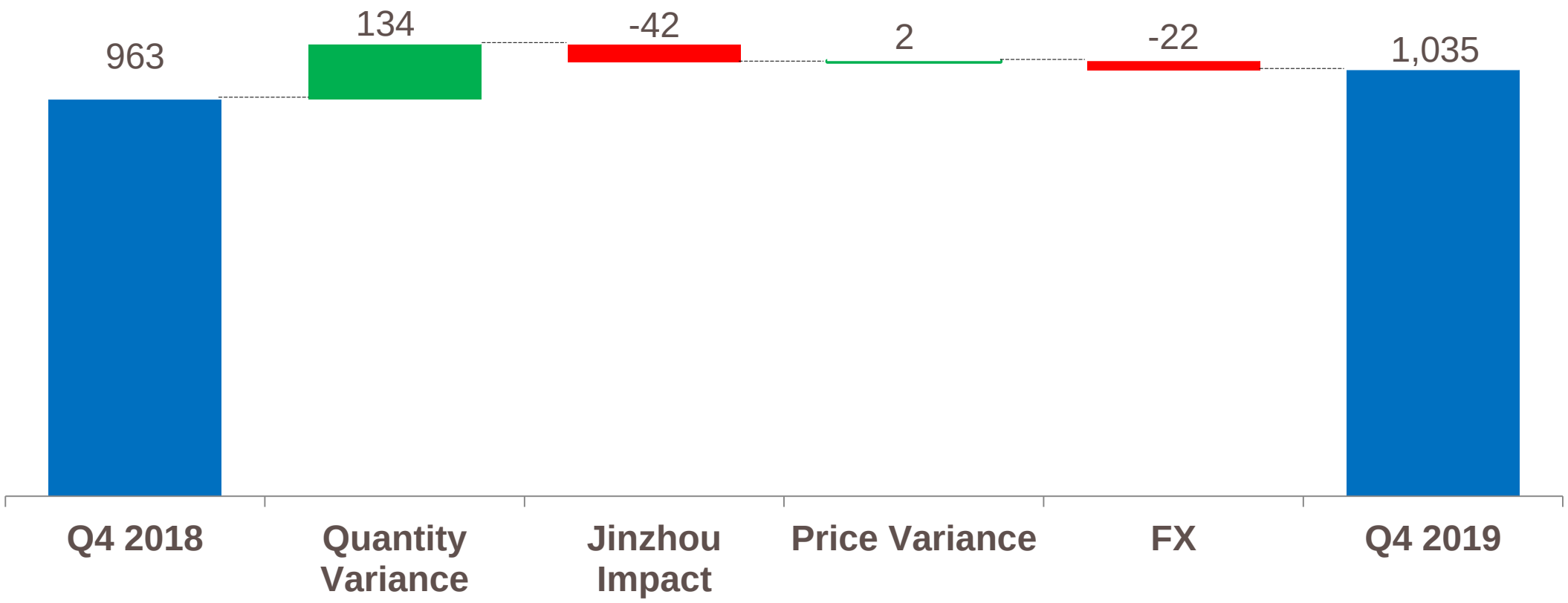
Bridge Analysis

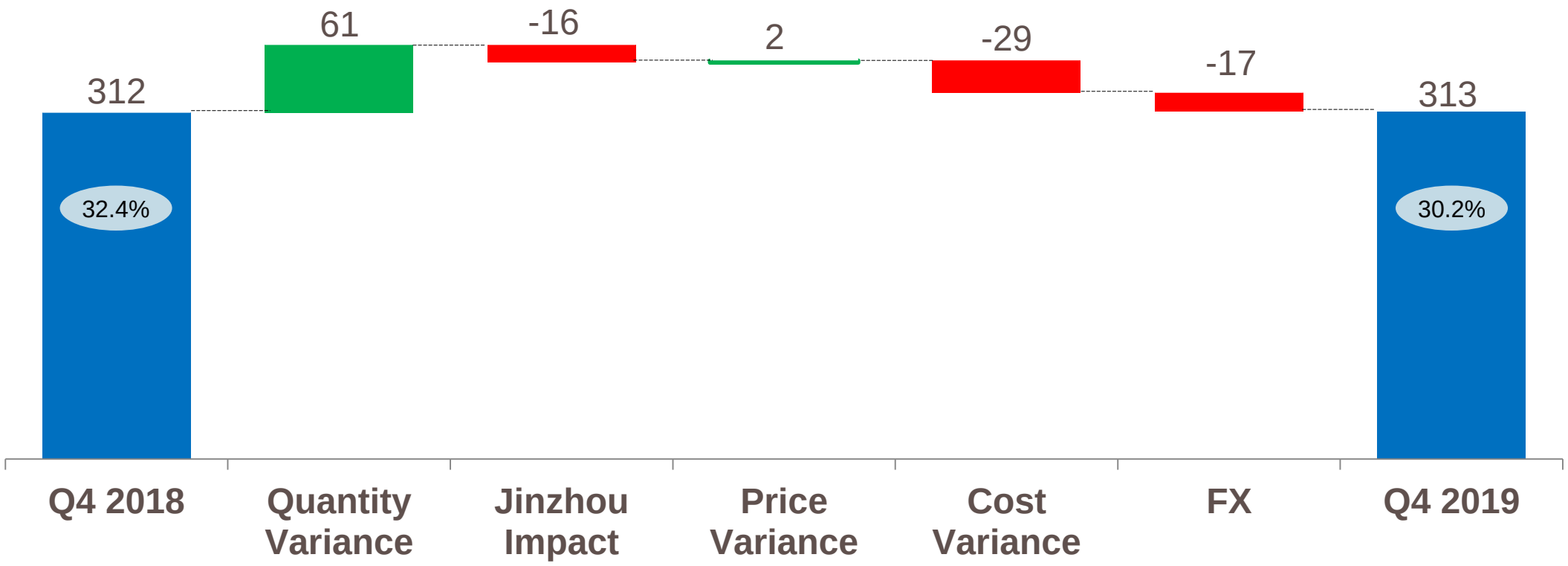
Q4 Sales – Bridge Analysis



Bridge Analysis

NOTE: FX includes currency effect on sales and hedging

Q4 Gross Profit – Bridge Analysis



Q4 EBITDA – Bridge Analysis



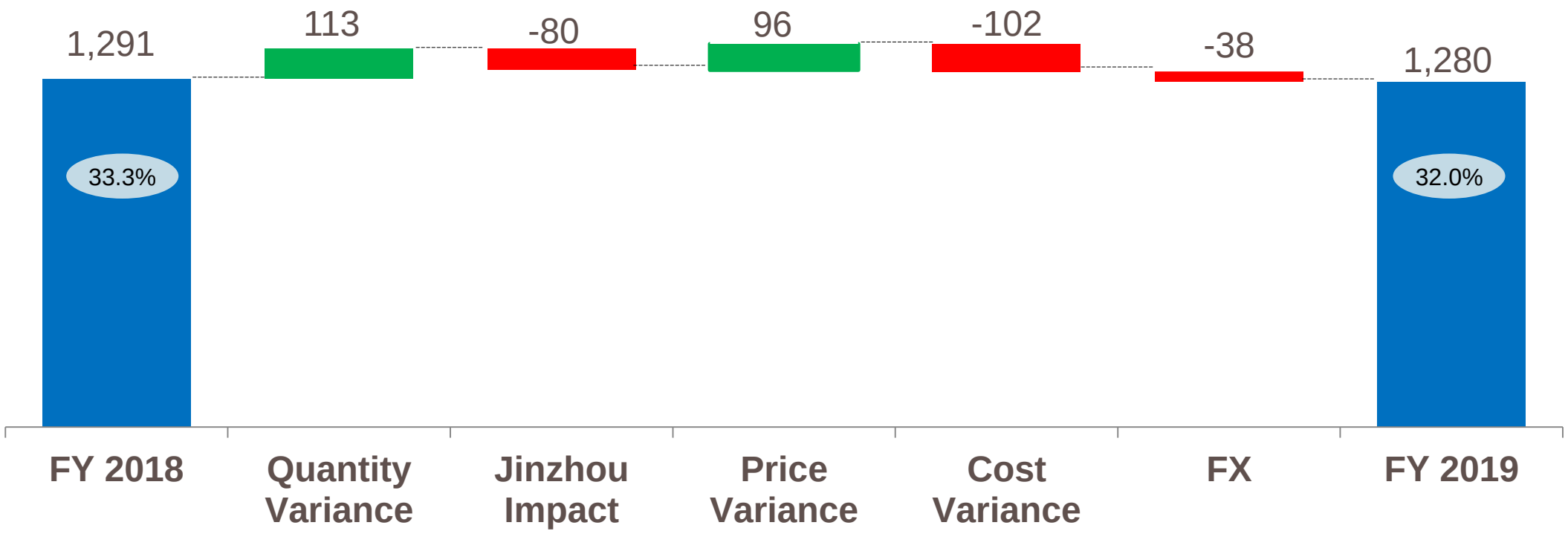
FY Sales – Bridge Analysis



Bridge Analysis

NOTE: FX includes currency effect on sales and hedging

FY Gross Profit – Bridge Analysis



FY EBITDA – Bridge Analysis





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Thank You