

## Media Release

# Syngenta Group maintained robust growth in Q3

- Syngenta Group maintained robust growth in Q3 despite challenging market conditions<sup>1</sup>
- Q3 Group sales at \$5.4 billion, 5 percent higher year-on-year (15 percent at constant exchange rate<sup>2</sup>)
- Q3 EBITDA at \$733 million, 1 percent higher than in the same quarter 2019
- All businesses delivered strong sales growth at CER
- Group sales for first nine months of the year at \$17.4 billion, up 3 percent year-on-year (9 percent at CER) despite a \$1.1 billion currency headwind
- EBITDA for first nine months amounting to \$2.95 billion, 5 percent higher year-on-year
- Syngenta Crop Protection announced acquisition of Valagro, strengthening leading position in the rapidly growing market for Biologicals
- ADAMA announced acquisition of majority stake in Huifeng's crop protection business, significantly strengthening its position in China
- Currency volatility linked to COVID-19 partially mitigated

30 October 2020, Basel / Switzerland

Syngenta Group Co., Ltd. today announces the Group's maiden Q3 results after its formation in June 2020. The Group increased sales to \$5.4 billion, which is 5 percent higher compared to the same period last year. This corresponds to a growth of 15 percent at constant exchange rates. Third-quarter EBITDA increased 1 percent to \$733 million.

Group sales for the first nine months amounted to \$17.4 billion, which corresponds to a growth of 3 percent (9 percent at CER) compared to the same period in the previous year and despite a \$1.1 billion currency headwind. The EBITDA for the first nine months of the year was at \$2.95 billion, 5 percent higher year-on-year. Group revenue synergies exceeded \$200 million, together with operational synergies resulting in more than a \$100 million EBITDA contribution.

The company also made continued strategic progress, including the acquisition of Valagro, a leading Biologicals company, by Syngenta Crop Protection in early October. The acquisition strengthens Syngenta Group’s position in the rapidly growing Biologicals market.

This month’s acquisition of a majority stake in Huifeng’s crop protection business by ADAMA enhances the company’s presence in China as well as strengthens its backward-integrated, competitive offering worldwide.

While the global macroeconomic environment remains challenging, Syngenta Group has continued to manage and mitigate the impacts of COVID-19, particularly the need for incremental inventory to ensure continued supply of higher volumes as well as currency volatility.

Erik Fyrwald, Syngenta Group CEO: “Syngenta Group has again delivered a solid performance despite the challenging conditions globally. In times where the industry is grappling with the impact of COVID-19, we remain a reliable and innovative partner for our customers resulting in this performance and further growth of the Group.”

Chen Lichtenstein, Syngenta Group CFO: “We have delivered sustainable growth in the third quarter and were able to substantially increase sales despite the challenging market and volatile currency environment. All businesses have delivered a solid performance and continued to grow.”

## Highlights

### Sales

	Q3 2020	Q3 2019	Growth	Growth (CER)	9M 2020	9M 2019	Growth	Growth (CER)	Under- lying growth <sup>3</sup>
	\$m	\$m	%	%	\$m	\$m	%	%	%
<b>Syngenta Group</b>	<b>5,356</b>	<b>5,098</b>	<b>5</b>	<b>15</b>	<b>17,397</b>	<b>16,900</b>	<b>3</b>	<b>9</b>	<b>5</b>
Syngenta Crop Protection	2,628	2,600	1	15	8,105	7,772	4	13	4
ADAMA	979	954	3	12	2,987	2,962	1	8	3
Syngenta Seeds	578	541	7	15	2,198	2,135	3	6	7
Syngenta Group China	1,300	1,127	15	15	4,650	4,533	3	6	8
Eliminations <sup>1</sup>	-129	-124	n/a	n/a	-543	-502	n/a	n/a	n/a

## EBITDA

	Q3 2020	Q3 2019	Growth	9M 2020	9M 2019	Growth	Under-lying growth <sup>3</sup>
	\$m	\$m	%	\$m	\$m	%	%
<b>Syngenta Group</b>	<b>733</b>	<b>726</b>	<b>1</b>	<b>2,948</b>	<b>2,796</b>	<b>5</b>	<b>5</b>
Syngenta Crop Protection	520	554	-6	1,947	1,877	4	1
ADAMA	130	144	-10	436	509	-14	-10
Syngenta Seeds	25	-40	n/a	273	97	181	120
Syngenta Group China	71	88	-19	410	431	-5	2
Eliminations <sup>1</sup>	-13	-20	n/a	-118	-118	n/a	n/a

### Syngenta Crop Protection

In the first nine months of 2020, Syngenta Crop Protection grew 4 percent (13 percent at CER) to \$8.1 billion.

Sales in **Europe, Africa and the Middle East** were 1 percent higher with a favorable performance in Russia and softer demand in North-West Europe due to dry weather.

In **North America**, sales were up 2 percent despite cold weather and the impact of excessive rain earlier in the year.

Sales in **Latin America** grew 5 percent, maintaining the positive momentum in the region. Argentina achieved higher sales despite difficult economic conditions. In Brazil, strong volume growth and price increases more than offset the significant BRL currency impacts.

In **Asia Pacific**, sales were up 9 percent with a strong performance in Australia following improved weather conditions and continued positive momentum in India.

In **China** sales were up 12 percent, continuing the positive momentum following the successful launch of the fungicide ADEPIDYN™.

## ADAMA

In the first nine months of 2020, ADAMA delivered total sales of nearly \$3 billion, 1 percent (8 percent at CER) higher than the previous year.

Sales in **Europe** were 3 percent lower compared to the previous year due to widespread drought conditions which reduced crop protection application as well as high inventories in distribution channels.

**India, Middle East and Africa** have seen 8 percent growth, driven mainly by a strong performance in India, which benefited from above-average monsoon rains and good cropping conditions.

Sales in **North America** declined 8 percent due to challenging weather conditions. COVID-19 posed another challenge, with a reduced demand in cotton following lower apparel sales.

In **Latin America** sales grew 9 percent. The business saw significant volume growth particularly in Brazil, driven by the strong performance from its differentiated product portfolio and despite ongoing currency volatility.

Sales in **Asia Pacific** (excluding China) were flat with a strong performance particularly in Australia and New Zealand, benefiting from favorable weather, offsetting challenging seasonal conditions in South East Asia.

**China** sales were down 2 percent. The agricultural business achieved moderate growth, with a strong performance from its branded, formulated sales being partially offset by lower prices received for its intermediates due to increased supply.

## Syngenta Seeds

Syngenta Seeds grew sales 3 percent (6 percent at CER) to \$2.2 billion in the first nine months of 2020.

Sales in **Europe, Africa and the Middle East** were in line with last year. Strong seasonal growth was constrained due to limited product availability.

In **North America**, sales were up 18 percent with recoveries in Corn and Soy following floodings in 2019, with an estimated further increase in the soy market share.

Sales in **Latin America** grew by 4 percent despite currency volatility in **Brazil**.

In **Asia Pacific**, sales grew by 6 percent across key geographies, including India and Indonesia, partially offset by exchange rate headwinds.

The global **Vegetable Seeds** business grew in all regions and outperformed its market, resulting in 5 percent higher sales.

## Syngenta Group China

Syngenta Group China, encompassing crop protection, crop nutrition, seeds, the Modern Agricultural Platform (MAP) and digital, generated sales of \$4.7 billion in the first nine months, with a growth of 3 percent (6 percent at CER) compared to the previous year.

**MAP** continued to expand nationwide to now 276 centers carrying out business over all major agricultural provinces and districts in China. With the expansion, more than 10 million acres of land are addressable with digital solutions. Revenue more than doubled.

Syngenta Group China's **Crop Protection** businesses grew sales by 12 percent driven by new product launches and growth in branded, formulated products.

**Seeds** sales were 1 percent down in comparison with the previous year. The early phasing of Rice last year, the impact of COVID-19 as well as Wheat inventory disposal impacted the results.

**Crop Nutrition** sales were lower due to the ongoing relocation of the Fuling manufacturing site and reduced selling prices. Volume increased and the product mix improved with a focus on specialty products.

## Notes

<sup>1</sup> The results presented in this release are a pro-forma sum of the business units in the Syngenta Group including Yangnong Chemical, eliminating the double count of sales in China reported in Syngenta Crop Protection, ADAMA, Syngenta Seeds and also in Syngenta Group China.

<sup>2</sup> CER –constant exchange rates.

<sup>3</sup> Underlying sales growth is adjusted for royalty income triggered by change of control clauses in Syngenta Seeds and the impacts of mandatory production site relocations in China on ADAMA and Sinofert. Underlying EBITDA growth is also adjusted for the gains and losses from significant asset disposals and the impact of capitalizing certain development costs in Syngenta Crop Protection and Syngenta Seeds for the first time from the second half of 2019. EBITDA excludes restructuring and impairment and other one-off or non-cash/non-operational nature that do not impact the ongoing performance of the business.

## About Syngenta Group

Syngenta Group is one of the world's leading agricultural technology and innovation companies, with roots going back more than 250 years. Its 49,000 people across more than 100 countries strive to transform agriculture through breakthrough products and technologies that play a vital role in enabling the food chain to feed the world safely, sustainably and with respect for our planet. Swiss-based and Chinese-owned, the group draws strength from its four business units – Syngenta Crop Protection headquartered in Switzerland, Syngenta Seeds headquartered in the United States, ADAMA<sup>®</sup> headquartered in Israel, and Syngenta Group China – that provide industry-leading ways to serve customers everywhere.

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