

Syngenta Group records strong first half year performance

Media Release

- Newly formed Syngenta Group delivers a strong first half year despite challenging market conditions¹
- Group sales \$12.0 billion, 2 percent higher than H1 2019 (6 percent at CER²) despite a \$0.5 billion currency headwind
- EBITDA of \$2.2 billion, 7 percent higher than H1 2019, (20 percent at CER)
- All four business units recorded underlying sales growth
- COVID-19 impacts well managed; supply maintained throughout
- Conditions still challenging in H2 2020, but Group stays committed to achieve growth in 2020

27 August 2020, Basel / Switzerland

Syngenta Group Co., Ltd. today announced the Group's first half year results after its formation on June 18, 2020. The Group increased sales by 2 percent to more than \$12 billion compared to the same period last year. This corresponds to growth of 5 percent on an underlying basis adjusted for one-off change of control royalty income in Seeds and the impact of mandatory ADAMA and Sinofert production site relocations in China. All four business units, Syngenta Crop Protection, ADAMA, Syngenta Seeds and Syngenta Group China, increased their underlying sales in comparison to the previous year. Syngenta Group managed the impacts of COVID-19 well in the first half of 2020, maintaining supply throughout despite the challenging market environment and the need for innovative solutions to overcome logistical difficulties.

Erik Fyrwald, Syngenta Group CEO: "The last few months have been a very challenging time for everybody on this planet. I am pleased that our team delivered strong performance across all of Syngenta Group's business units despite the COVID-19 pandemic, low grain prices and significant currency headwind. This demonstrates that our strategy to deliver the broadest range of sustainable, innovative, and competitive products and services to farmers worldwide is robust, even in these extraordinary times. Our goal is to be a supplier that our customers can always rely on despite any challenges."

Chen Lichtenstein, Syngenta Group CFO: "We achieved a robust first half with strong sales performance supported by cost discipline. For the second half of the year, we will continue to build on our positive momentum."

¹ 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.

² CER – at constant exchange rates

The sector full year outlook remains challenging, with low grain prices and currency headwinds in developing markets. Further impacts of the COVID-19 pandemic add to second half uncertainty. The Syngenta Group remains committed to achieving underlying growth and leadership in sustainable agricultural innovation.

Highlights

Sales

	H1 2020	H1 2019	Growth	Underlying ³ Growth
	\$m	\$m	%	%
Syngenta Crop Protection	5,477	5,172	6	6
ADAMA	2,008	2,008	-	3
Syngenta Seeds	1,620	1,594	2	7
Syngenta Group China	3,350	3,406	-2	3
Eliminations	(414)	(378)		
Syngenta Group	12,041	11,802	2	5

EBITDA

	H1 2020	H1 2019	Growth	Underlying Growth
	\$m	\$m	%	%
Syngenta Crop Protection	1,427	1,323	8	7
ADAMA	306	365	-16	-10
Syngenta Seeds	248	137	81	94
Syngenta Group China	339	343	-1	5
Eliminations	(105)	(98)		
Syngenta Group	2,215	2,070	7	9

Syngenta Crop Protection

³ 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.

Total sales in Syngenta's Crop Protection business grew 6 percent (12 percent CER) to \$5.5 billion, with growth in all regions.

Sales in **Europe, Africa and the Middle East** were 5 percent higher CER with a solid performance in the region despite dry weather in North-West Europe. Reported sales were reduced by exchange rate impact.

In **North America**, sales were up 4 percent constrained by cold weather and excessive rain in the second quarter.

Sales in **Latin America** grew 10 percent, maintaining the positive momentum in the region. Pest pressure in Brazil remains strong. The growth was partly offset by the negative impact of exchange rates.

In **Asia Pacific**, sales were up 12 percent CER with a strong performance in Australia following improved weather conditions and continued momentum in India. Exchange rate headwinds reduced reported sales to 8 percent. In **China** we continued positive momentum, increasing sales by 18 percent CER, driven by the successful launch of Adepidyn™.

ADAMA

In the first half of 2020, ADAMA delivered total sales of \$2 billion, in line with the prior year but 7 percent higher CER.

Sales in **Europe** were in line with last year CER, with higher inventories in distribution channels remaining from the poor season last year alongside COVID-19 concerns, both constraining demand and increasing pricing pressure.

India, Middle East and Africa has seen 18 percent growth CER, driven mainly by favorable weather particularly in India and South Africa. Foreign exchange weaknesses with the Indian Rupee, Turkish Lira and the South African Rand were partially offset by price increases.

Sales in **North America** declined 6 percent CER challenged by weather conditions, primarily in the South, which delayed planting and reduced cotton acreage alongside a reduction in cotton demand due to lower retail apparel sales as a result of COVID-19.

In **Latin America** sales grew 28 percent CER due to strong performance in Brazil, Argentina, Paraguay and Peru and despite the significant regional exchange rate headwinds, most notably seen in the volatility and weakness in the BRL.

Sales in **Asia Pacific** (excluding China) grew 9 percent CER with positive seasonal conditions in Australia largely offset by poor conditions in Southeast Asia and exchange rate headwinds.

China sales were 3 percent lower than prior year CER, with a 15 percent increase in branded, formulated sales challenged by disruption in the Hubei manufacturing base.

Syngenta Seeds

Syngenta Seeds business unit grew sales 2 percent (4 percent at CER) to \$1.6 billion. Underlying growth was 7 percent.

Sales in **Europe, Africa and the Middle East** were in line with last year. Strong seasonal growth was impacted by Corn supply challenges.

In **North America**, sales were up 13 percent with an increase in Soy market share. Sales were supported by a recovery of both Corn and Soy growing areas which were flooded in 2019.

Sales in **Latin America** grew by 27 percent CER. Currency headwinds in **Brazil** were more than offset by higher royalty incomes and strong orders across the region.

In **Asia Pacific**, sales continued to grow across all geographies, partially offset by exchange rate headwinds.

The global **Vegetable** business grew in all regions, resulting in 9 percent higher sales CER.

Syngenta Group China

Syngenta Group China, encompassing crop protection, crop nutrition, seeds, MAP and Digital business, generated sales of \$3.4 billion, with an underlying growth of 3 percent compared to the previous year despite lower selling prices of crop nutrition.

The Modern Agricultural Platform (MAP) continued to expand nationwide adding 81 new locations in H1 to reach a total of 234 sites. Sales nearly tripled to \$271 million. The MAP service area expanded to a total of 2.72 million hectares with 265,000 users and strategic cooperation with Alibaba's HEMA "Freshippo" network and Wilmar. MAP is a key contributor to synergies with other Syngenta Group China businesses.

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

Seeds sales were up 7 percent CER, profiting from the acquisition of a new corn hybrid.

Crop Nutrition (Sinofert) sales were 15 percent lower (11 percent CER) due to reduced selling prices. Volume increased by 5 percent and product mix improved with focus on specialty fertilizer products. Profit margin was maintained through cost reduction and mix improvement.

About Syngenta Group

[Syngenta Group](#) is one of the world's leading agriculture innovation companies, with roots going back more than 250 years. Its 48,000 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-headquartered 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](#) headquartered in Israel, and Syngenta Group China – that provide industry-leading ways to serve customers everywhere.

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