

Supplementary financial information

The following supplementary financial information includes non-GAAP measures. Syngenta uses non-GAAP measures where they are regarded by management as important for the investor to fully understand Syngenta's performance. Non-GAAP measures do not present a complete picture of financial performance and these measures should be seen only as supplementary financial information.

Financial summary

For the year ended December 31, (\$m)	Excluding restructuring and impairment ¹		Restructuring and impairment		As reported under IFRS	
	2021	2020	2021	2020	2021	2020
Sales	16,733	14,287	-	-	16,733	14,287
Gross profit/(loss)	7,127	6,180	(17)	(6)	7,110	6,174
Marketing and distribution	(2,431)	(2,210)	-	-	(2,431)	(2,210)
Research and development	(1,112)	(969)	-	-	(1,112)	(969)
General and administrative:						
Restructuring	-	-	(223)	(291)	(223)	(291)
Gains on acquisitions and divestments	-	-	-	109	-	109
Other general and administrative	(1,216)	(706)	-	-	(1,216)	(706)
Operating income/(loss)	2,368	2,295	(240)	(188)	2,128	2,107
Income/(loss) before taxes	1,928	1,798	(240)	(188)	1,688	1,610
Income tax benefit/(expense)	(286)	(236)	40	48	(246)	(188)
Net income/(loss)	1,642	1,562	(200)	(140)	1,442	1,422
Attributable to non-controlling interests	1	(1)	-	-	1	(1)
Attributable to Syngenta AG shareholder	1,643	1,561	(200)	(140)	1,443	1,421
			2021	2020	2021 CER²	
EBITDA³			3,100	2,988		
EBITDA margin			18.5%	20.9%		19.9%
Tax rate on results excluding restructuring and impairment			15%	13%		
Free cash flow⁴			657	986		
Debt/equity gearing⁵			137%	177%		
Net debt⁵			7,571	7,897		

1 Net income excluding restructuring and impairment is provided as additional information and not as an alternative to net income determined in accordance with IFRS.

2 For a description of CER see Appendix A.

3 EBITDA is defined in Appendix B.

4 For a description of free cash flow, see Appendix C.

5 For a description of net debt and the calculation of debt/equity gearing, see Appendix D.

Supplementary financial information

Appendix A: Constant exchange rates (CER)

Results in this report from one period to another period are, where appropriate, compared using constant exchange rates (CER). To present that information, current period results for entities reporting in currencies other than US dollars are converted into US dollars at the prior period's exchange rates, rather than at the exchange rates for the current year. CER margin percentages for EBITDA are calculated by the ratio of these measures to sales after restating the measures and sales at prior period exchange rates. The CER presentation indicates the underlying business performance before taking into account currency exchange fluctuations.

Appendix B: Reconciliation of EBITDA to net income

EBITDA is defined as earnings before interest, tax, non-controlling interests, depreciation, amortization, restructuring and impairment. Information concerning EBITDA has been included as it is used by management and by investors as a supplementary measure of operating performance. Management excludes restructuring and impairment from EBITDA in order to focus on results excluding items affecting comparability from one period to the next. EBITDA is not a measure of cash liquidity or financial performance under generally accepted accounting principles and the EBITDA measures used by Syngenta may not be comparable to other similarly titled measures of other companies. EBITDA should not be construed as an alternative to operating income or cash flow as determined in accordance with generally accepted accounting principles.

For the year ended December 31,
(\$m)

	2021	2020
Net income attributable to Syngenta AG shareholder	1,443	1,421
Non-controlling interests	(1)	1
Income tax (benefit)/expense	246	188
Financial expense, net	440	497
Restructuring and impairment	240	188
Depreciation, amortization and other impairment	732	693
EBITDA	3,100	2,988

Appendix C: Free cash flow

Free cash flow comprises cash flow from operating and investing activities:

- excluding investments in and proceeds from marketable securities, which are included in investing activities;
- excluding cash flows from and used for foreign exchange movements and settlement of related hedges on inter-company loans, which are included in operating activities; and
- including cash flows from acquisitions of non-controlling interests, which are included in financing activities.

Free cash flow is not a measure of financial performance under generally accepted accounting principles and the free cash flow measure used by Syngenta may not be identical to similarly titled measures in other companies. Free cash flow has been included as many investors consider it to be a useful supplementary measure of cash generation.

For the years ended December 31,

(\$m)	2021	2020
Cash flow from operating activities	2,060	2,050
Cash flow used for investing activities	(1,455)	(1,337)
Cash flow (from)/used for marketable securities	116	27
Cash flow used for acquisition of non-controlling interests	-	(39)
Cash flow from foreign exchange movements and settlement of hedges of inter-company loans	(64)	285
Free cash flow	657	986

Appendix D: Net debt reconciliation

Net debt comprises total debt net of cash and cash equivalents and marketable securities. Net debt is not a measure of financial position under generally accepted accounting principles and the net debt measure used by Syngenta may not be comparable to the similarly titled measure of other companies. Net debt has been included as many investors consider it to be a useful measure of financial position and risk. The following table provides a reconciliation of movements in net debt during the period:

For the years ended December 31,

(\$m)	2021	2020
Opening balance at January 1	7,897	7,572
New leases entered into during the year	231	69
Other non-cash items	35	46
Cash paid on financing-related derivatives	75	-
Cash (received)/paid under Credit Support Annex agreements, net	(97)	(84)
Foreign exchange effect on net debt	(313)	579
Dividends paid	400	701
Free cash flow	(657)	(986)
Closing balance at December 31	7,571	7,897
Components of closing balance:		
Cash and cash equivalents	(1,523)	(2,517)
Marketable securities ¹	(182)	(67)
Current financial debt ²	1,528	2,063
Non-current financial debt ³	7,748	8,418
Closing balance at December 31	7,571	7,897

1 Long-term marketable securities are included in Financial and other non-current assets. Short-term marketable securities are included in Derivative and other financial assets.

2 Included in Current financial debt and other financial liabilities.

3 Included in Financial debt and other non-current liabilities.

The following table presents the derivation of the debt/equity gearing ratio at December 31, 2021 and 2020:

(\$m)	2021	2020
Net debt	7,571	7,897
Shareholder's equity	5,529	4,434
Debt/Equity gearing ratio (%)	137	177