



## 2019 H1 Results

Basel, 22 July 2019

Classification: PUBLIC

## **Cautionary statement regarding forward-looking statements**

*Some of the statements contained in this document are forward-looking statements. These statements are based on current expectations, assumptions, estimates and projections, and involve known and unknown risks, uncertainties and other factors that may cause results, levels of activity, performance or achievements to be materially different from any forward-looking statements. These statements are generally identified by words or phrases such as "believe", "anticipate", "expect", "intend", "plan", "will", "may", "should", "estimate", "predict", "potential", "continue" or the negative of such terms or other similar expressions. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results and the timing of events may differ materially from the results and/or timing discussed in the forward-looking statements, and you should not place undue reliance on these statements. Syngenta disclaims any intent or obligation to update any forward-looking statements as a result of developments occurring after the period covered by this document or otherwise.*

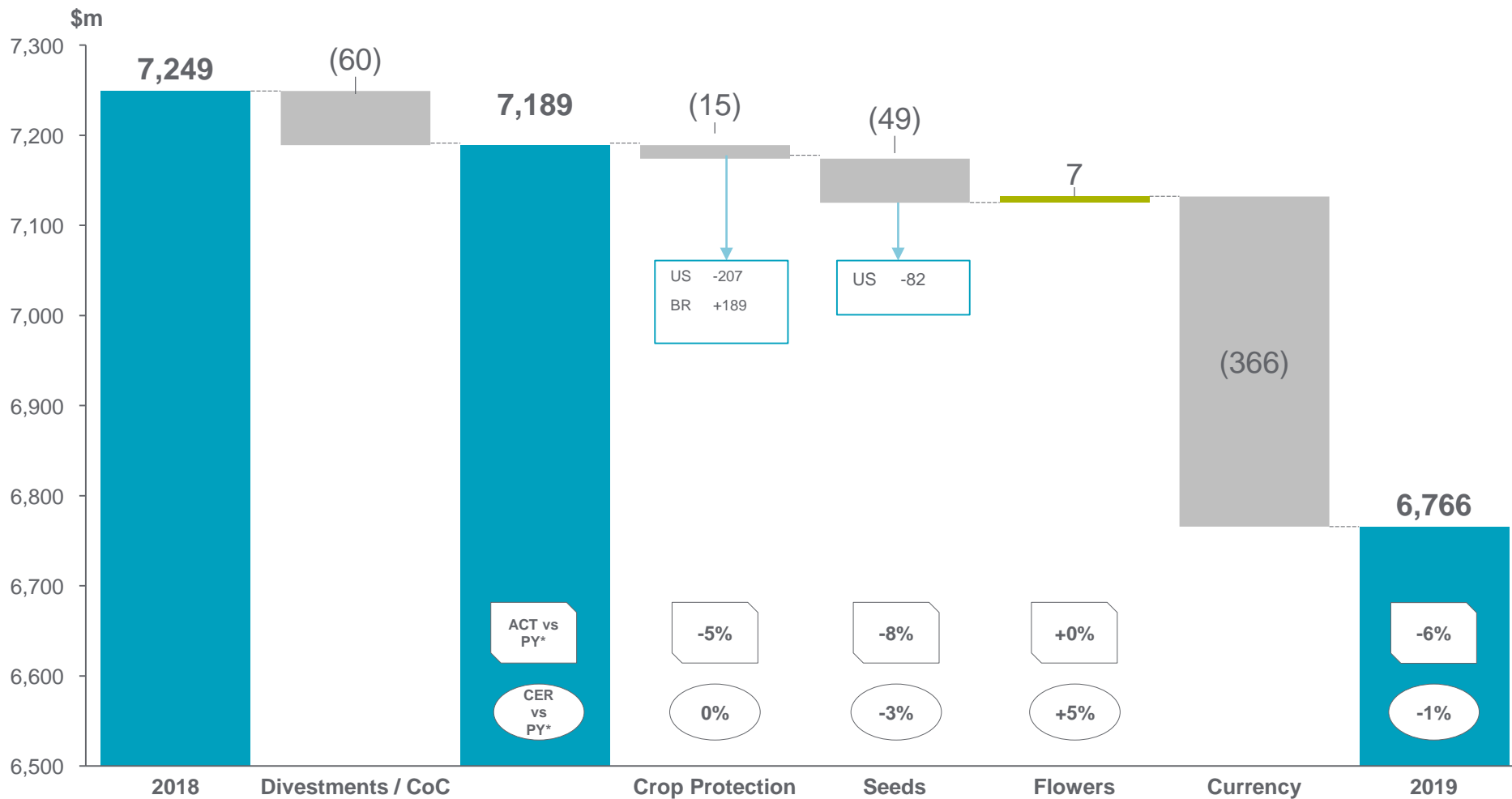
# 2019 H1 Financial Performance

- Sales \$6.8 billion: down 7%, 2% at CER\*
  - Volumes impacted by severe flooding, delayed planting and reduced acres in the US
  - Emerging market price increase mitigated FX
- EBITDA \$1.5 billion: 15% lower, 9% at CER\*
  - Margin 21.6% (2018: 23.6%): impacted by higher China raw material costs
- Net Income down 34% after 2018 divestment gains; 6% lower excluding restructuring
- Free cash flow before acquisitions and US litigation settlement -\$0.3 billion (2018: \$0.7 billion); lower US sales and 2018 divestments



\* Sales 6% lower, 1% at CER adjusted for divestments and change of control income under royalty agreements; EBITDA down 13%, 8% at CER on the same basis

# H1 2019 sales\* vs. prior year



\* Growth adjusted for divestments and change of control royalty income

# Half 1 2019 CP sales: -5%; 0% at CER\*

-14%  
ACT

## North America

- Extreme weather severely delaying season, reducing planted area
- Loss of Seedcare key account due to industry consolidation

-14%  
CER

-9%  
ACT

## Europe & AME

- Strong early season sales in North, increased cereals demand. Q2 weakness
- Challenging credit conditions in East
- Prior year comparative impacted by LTO and adverse currency

-1%  
CER

+19%  
ACT

## Latin America

- Overall positive momentum maintained from 2018
- Successful mid tier penetration in Brazil with MS gain
- Volume growth in Argentina
- Strong growth partially offset by currency

+28%  
CER

-10%  
ACT

## Asia Pacific

- Drought; Australia & Indonesia
- Paraquat import restrictions in Thailand
- Difficult market in Vietnam, channel stock correction
- Fall Armyworm solutions

-5%  
CER

+4%  
ACT

## China

- Sales growth through successful in licensing
- Consumption increase
- Rinskor launch in March
- Leverage of Sinochem routes to market (Sinofert & MAP)

+11%  
CER

\* Variances versus PY adjusted for divestments; includes sales to Seeds

# Half 1 2019 Seeds sales: -8%; -3% at CER\*

-17%  
ACT

## North America

- Extreme weather; reduced acreage
- Enogen fuel economics and corn product performance issues
- Aggressive pricing competition

-17%  
CER

-8%  
ACT

## Europe & AME

- Sales growth offset non-repeat of 2018 tailwinds
- Challenging market and credit conditions in East
- Unfavorable currency impact

+1%  
CER

+9%  
ACT

## Latin America

- Increased MIR 162 royalty income
- “Safrinha” area growth
- Sunflower area reduction in Argentina
- Unfavorable currency impact

+14%  
CER

+16%  
ACT

## Asia Pacific

- Corn continued strong momentum
- New product launches
- Pricing/mix gain

+20%  
CER

-8%  
ACT

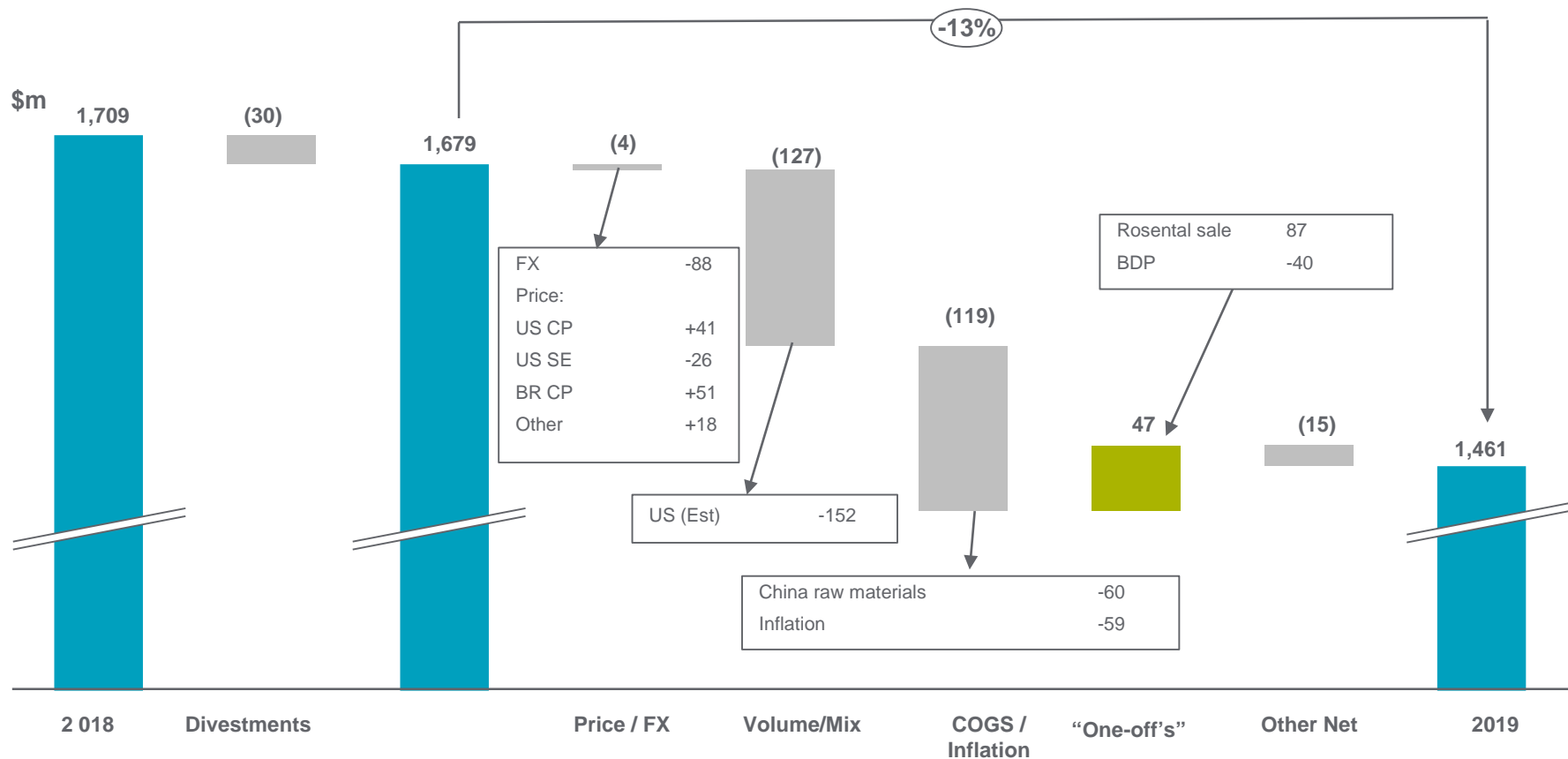
## Global Veg

- Strong performance in EAME and APAC
- Americas downsides; high channel inventory; US import tariffs impacting MX sales
- Currency headwind

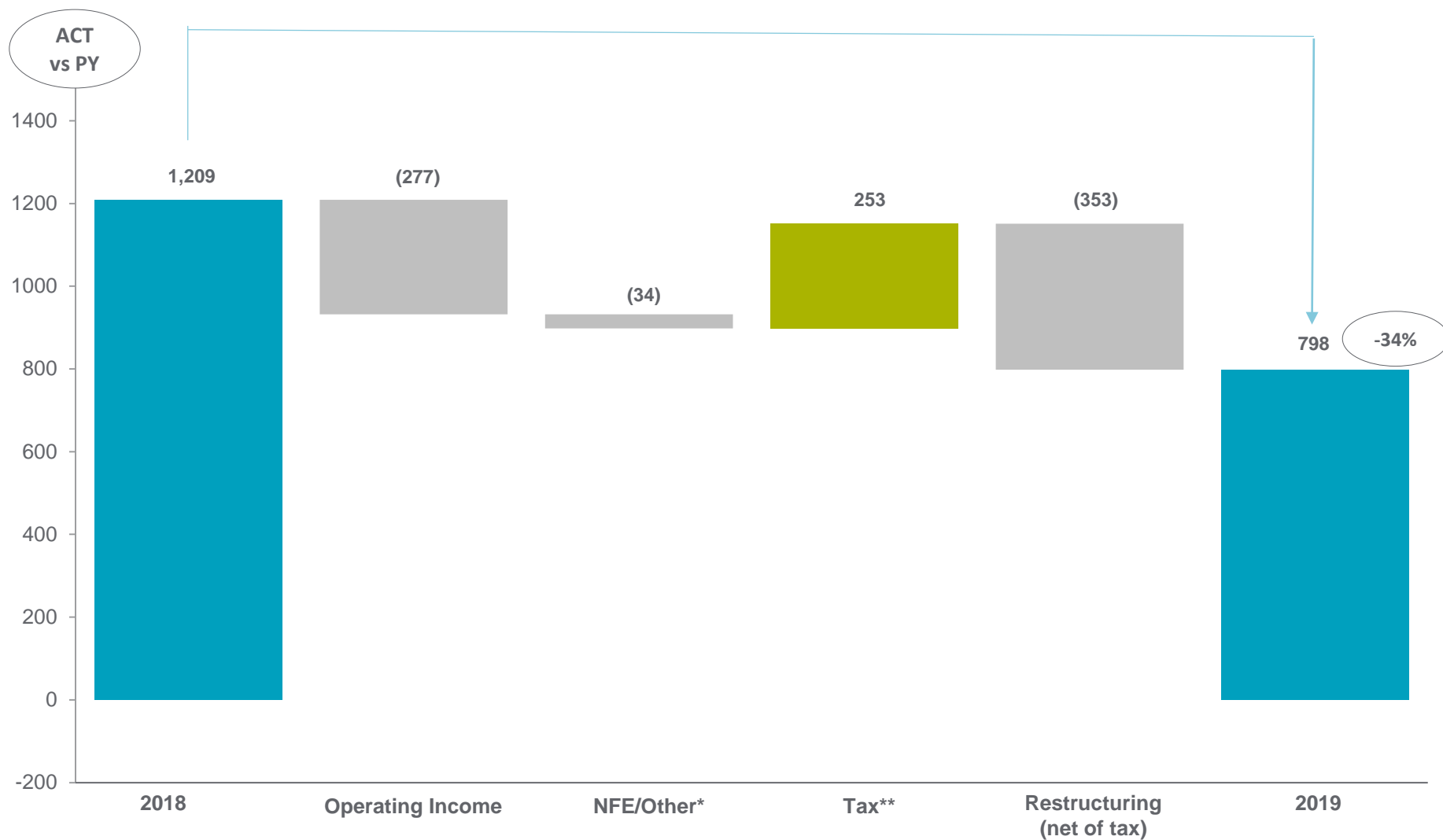
-2%  
CER

\* Variances versus PY adjusted for divestments and change of control royalty income  
Regional sales excluding Vegetables and Flowers

# H1 2019 EBITDA progression vs. prior year



# H1 2019 net income vs. 2018



\* Includes income from associates and non-controlling interests

\*\* Excludes restructuring and impairment related tax benefits



# Net Income

\$m	2019	2018 Restated
<b>Operating Income</b>	<b>1,135</b>	<b>1,412</b>
Net financial expense	(219)	(185)
Taxation*	34	(219)
<i>Tax rate</i>	-4%	18%
Restructuring**	(152)	201
<b>Net Income</b>	<b>798</b>	<b>1,209</b>

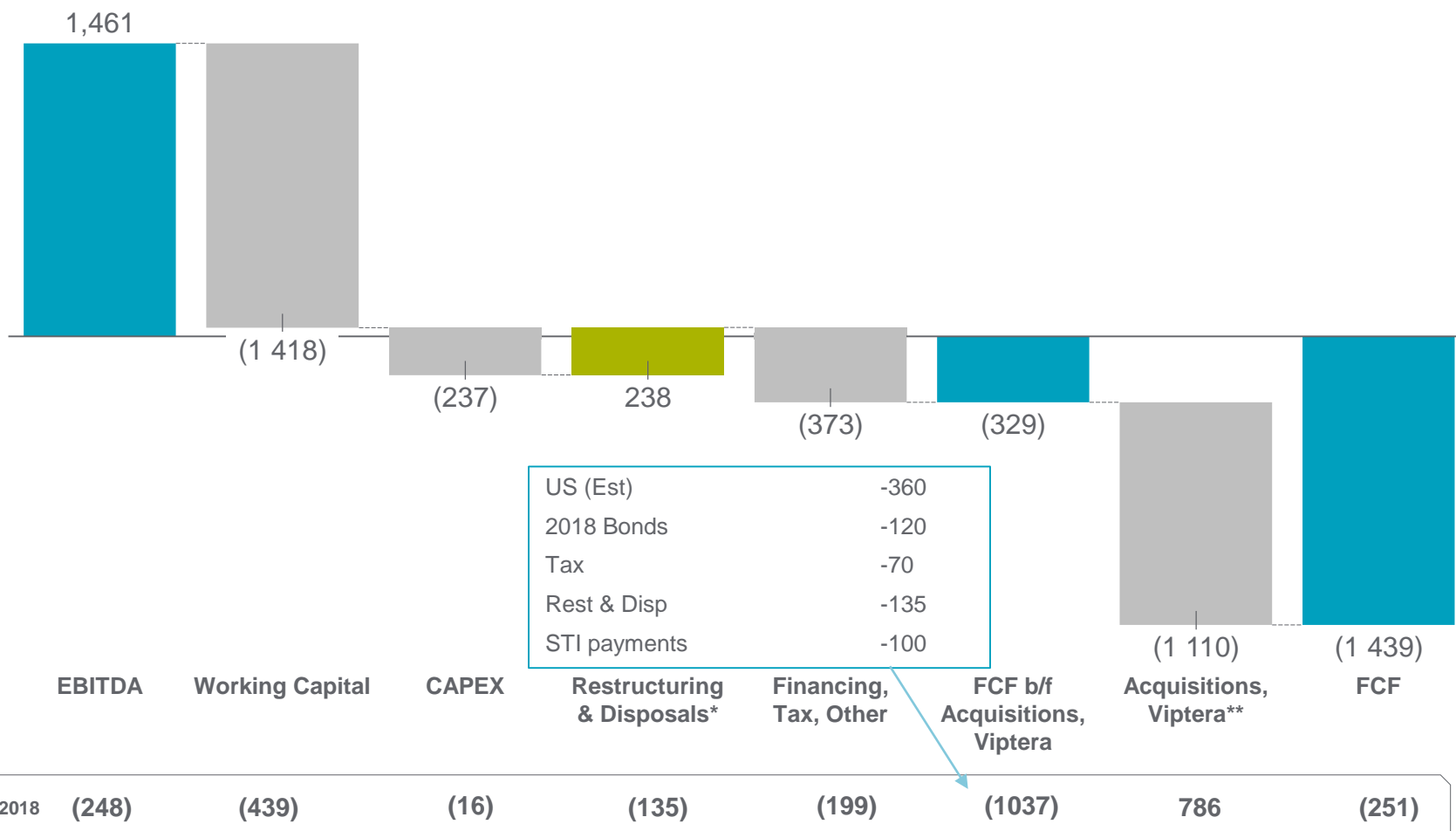
All items except restructuring and net income exclude restructuring and impairment.

Net income as attributable to Syngenta shareholders; includes income from associates of \$2m (2018: \$1m) and net of non-controlling interests of \$2m (2018: \$1m)

• Includes one-off deferred tax revaluation gain of \$195m due to Swiss tax reform

\*\* Net of tax

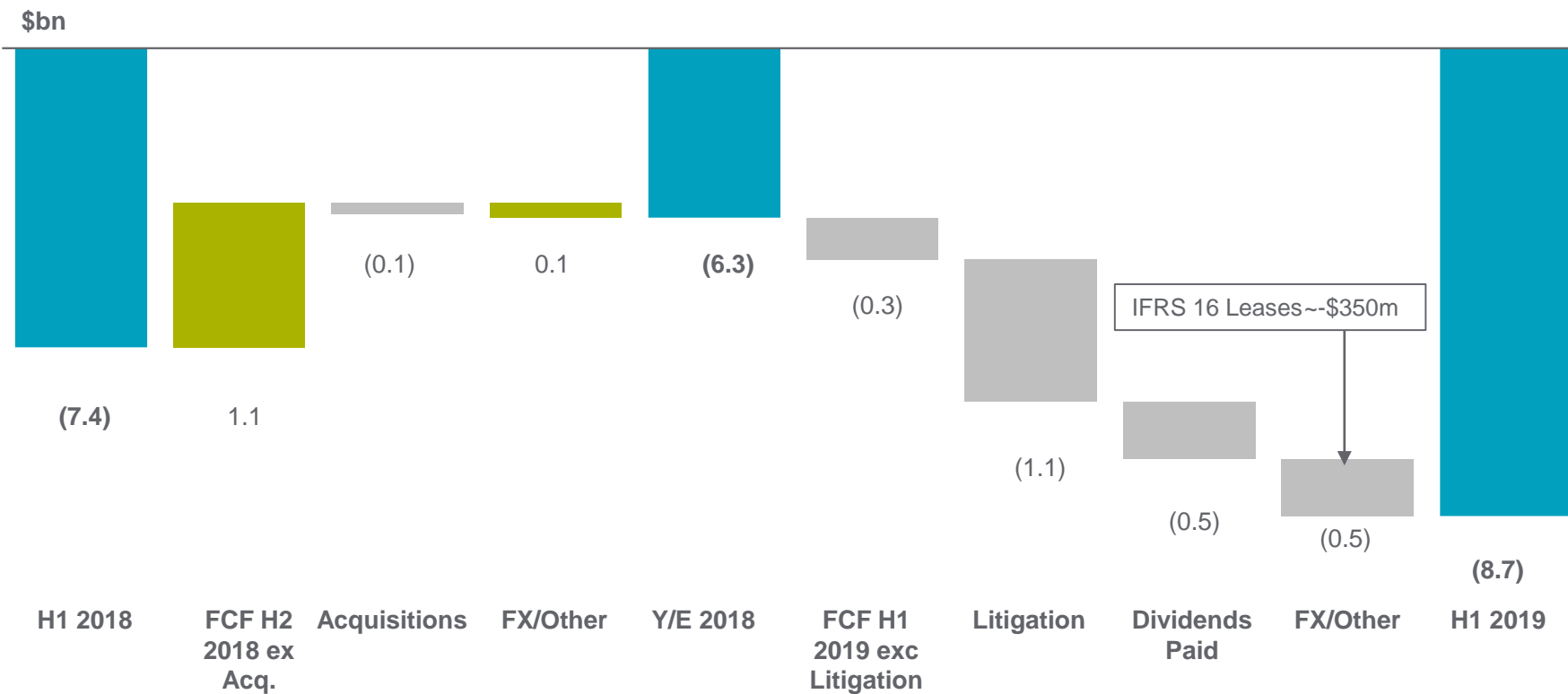
# H1 2019 free cash flow vs. prior year



\* 2018 includes \$408m receipt from antitrust divestments. 2019 includes \$267m proceeds from sale and leaseback of Basel site

\*\* 2018 includes \$450m related to US settlements and \$80m for Monsanto change of control payment

# Change in Net Debt:



# Working Capital ratios

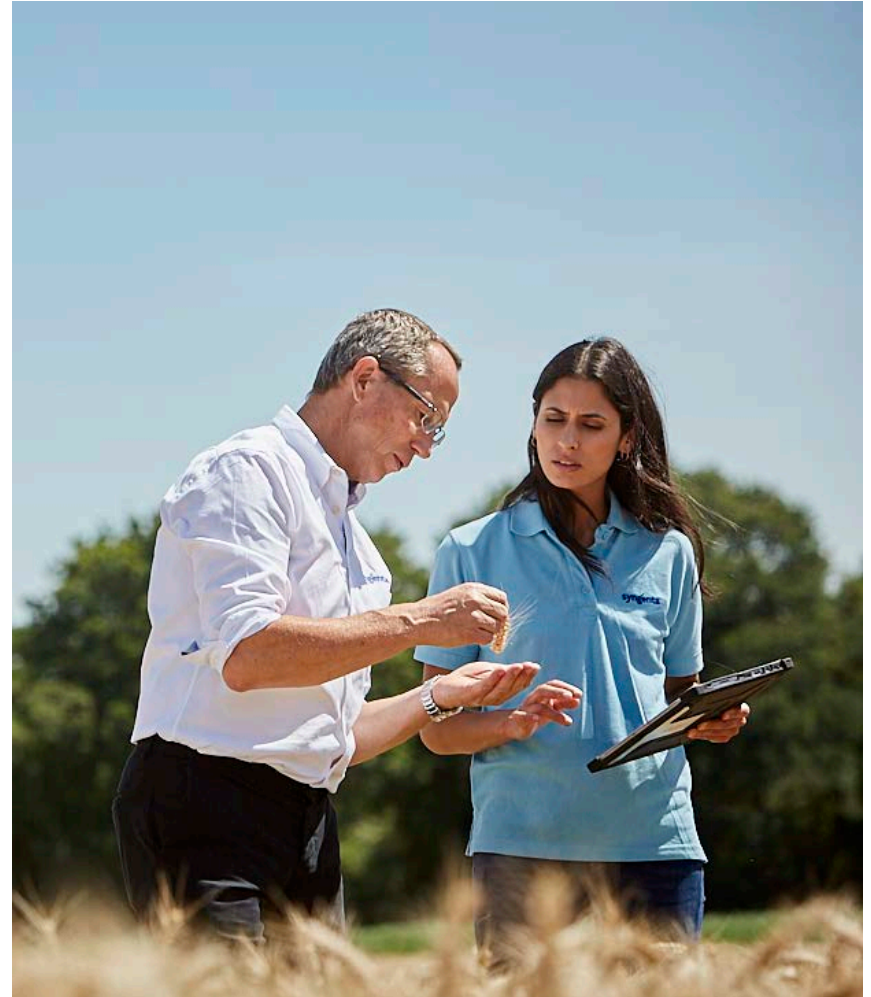
June 2017	June 2018		June 2019
48%	41%	Trade working capital as % of sales (month end)	44%
31%	32%	Inventories	37%
49%	42%	Trade Receivables	44%
32%	33%	Trade Payables	37%
47%	43%	Trade working capital as % of sales (average)	42%

# 2019 Update

- US market hit by major flooding, delayed planting and reduced acres
- Trade disputes
- Momentum maintained in Brazil

- Continued investment in innovation to drive sustainability agenda

- Expected market outperformance
- Low single digit sales growth
- Latam key to H2
- Solid free cash flow before Viptera settlement
  - \$1.1 bn paid H1 2019



*Bringing plant potential to life*