



# 2019 Half Year Results



Update to Media – 19 July 2019

Mark Patrick – Chief Financial Officer

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







<sup>\*</sup> 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

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

-14% -14% -9% -1% +19% +28% **Latin America** ACT ACT CER CER **North America CER Europe & AME ACT**  Overall positive momentum Extreme weather severely Strong early season sales in maintained from 2018 North, increased cereals delaying season, reducing demand. Q2 weakness planted area Successful mid tier penetration in Brazil with MS gain Challenging credit conditions Loss of Seedcare key account due to industry consolidation in East Volume growth in Argentina Strong growth partially offset Prior year comparative by currency impacted by LTO and adverse currency -10% -5% +11% +4% **Asia Pacific** China CER ACT ACT CER Sales growth through Drought; Australia & Indonesia successful in licensing Paraguat import restrictions Consumption increase

> Difficult market in Vietnam, channel stock correction

in Thailand

• Fall Armyworm solutions

 Leverage of Sinochem routes to market (Sinofert & MAP)

Rinskor<sup>TM</sup> launch in March



<sup>\*</sup>Variances versus PY adjusted for divestments; includes sales to Seeds

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

-17% -17% -8% +1% +9% +14% **ACT ACT** CER **Latin America** CER **CER ACT North America Europe & AME**  Increased MIR 162 royalty Extreme weather; reduced Sales growth offset non-repeat of 2018 tailwinds income acreage • "Safrinha" area growth Challenging market and credit Enogen® fuel economics and conditions in East corn product performance Sunflower area reduction in issues Argentina Unfavorable currency impact Unfavorable currency impact Aggressive pricing competition -2% +20% -8% +16% **Asia Pacific Global Veg CER** ACT CER ACT Strong performance in EAME Corn continued strong and APAC momentum Americas downsides; high New product launches channel inventory; US import tariffs impacting MX sales Pricing/mix gain Currency headwind \*Variances versus PY adjusted for divestments and change of control royalty income

Regional sales excluding Vegetables and Flowers

syngenta

# Accelerating innovation in a changing world to address farmers' challenges



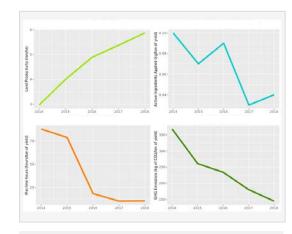
Accelerating our innovation for farmers, society and nature



**Louise Fresco joins the Syngenta Board** 



Teaming up with The Nature Conservancy to innovate for nature



Metrics for 'Accelerating innovation' to be announced in Q4

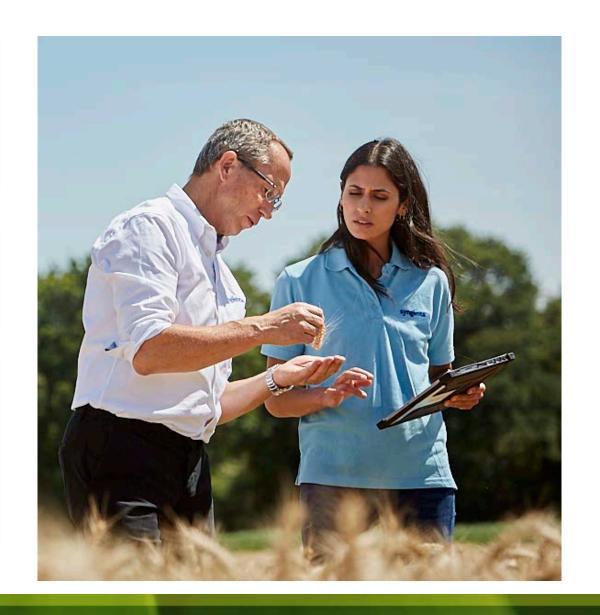


# 2019 Update

- 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