

# Syngenta AG 2020 Half Year Results

Basel / Switzerland, July 22, 2020.

NOTE: *These results relate only to Syngenta AG. The trading statement of the newly formed Syngenta Group results will be available the week commencing 24 August.*

## Strong sales growth in first half

- Syngenta AG continues to deliver despite challenging global conditions due to Covid-19 pandemic
- Sales \$7.1 billion (2019: \$6.8 billion), 5 percent higher, 10 percent at constant exchange rates (CER)<sup>1</sup>
  - Crop Protection sales up 6 percent, 12 percent at CER
  - Seeds sales up 2 percent, 9 percent at CER<sup>2</sup>
- EBITDA \$1,675 million; \$1,503 million excluding capitalized development, 9 percent higher than 2019 adjusted for change of control royalties

	Reported Financial Highlights			
	2020 \$m	2019 \$m	Actual %	CER %
Sales	7,097	6,766	+5	+10
Net Income	855	798	+7	
EBITDA	1,675 [1,503 <sup>3</sup> ]	1,461	+15 [+9 <sup>4</sup> ]	+24 [+19 <sup>4</sup> ]

1 Constant Exchange Rates

2 Excluding change of control royalties

3 Excluding capitalized development

4 Excluding capitalized development and change of control royalties

## **Financial highlights Half Year 2020**

### **Sales \$7.1 billion**

Sales of \$7.1 billion were 5 percent above 2019, 10 percent higher at constant exchange rates driven by increased volumes. Crop Protection sales of \$5.5 billion were 6 percent higher, 12 percent at constant exchange rates, with a strong performance across all markets and segments, particularly in Brazil. Seeds sales of \$1.6 billion were 2 percent up on 2019, 4 percent at constant exchange rates, and 9 percent higher at constant exchange rates adjusted for change of control royalties.

### **EBITDA \$1.7 billion**

EBITDA of \$1.7 billion included \$172 million of development costs capitalized for the first time in the 2019 full year results and in line with other parts of Syngenta Group. Excluding these costs, EBITDA was up 3 percent compared to the first half of 2019 and 9 percent higher adjusted for change of control royalties. Excluding this, net income was 11 percent lower than 2019, which included a one-off deferred tax revaluation gain from Swiss tax reform of \$195 million; adjusted for this one-off tax, net income was 18 percent higher than 2019.

### **Net income \$855 million**

Net income of \$855 million (2019: \$798 million) included \$145 million related to the capitalized development costs. Excluding this, net income was 11 percent lower than 2019, which included a one-off deferred tax revaluation gain from Swiss tax reform of \$195 million; adjusted for this one-off tax, net income was 18 percent higher than 2019.

### **Free Cash Flow \$-0.3 billion**

Free cash flow before acquisitions and the 2019 US litigation settlement was -\$0.26 billion (2019: -\$0.33 billion). 2020 included some increased receivables factoring, while 2019 included the sale and leaseback of Syngenta's Basel headquarters. Cash collections from customers were resilient despite the impact of COVID-19 on liquidity in some countries.

## Business highlights First Half 2020

	Half Year		Growth		Adjusted <sup>2</sup>	
	2020 \$m	2019 \$m	Actual %	CER %	Actual %	CER %
<b>Total Syngenta sales</b>						
Crop Protection	5,516	5,206	+6	+12	+6	+12
Seeds	1,620	1,594	+2	+4	+7	+9
Inter-business elimination	-39	-34	n/a	n/a		
<b>Total Sales</b>	<b>7,097</b>	<b>6,766</b>	<b>+5</b>	<b>+10</b>	<b>+6</b>	<b>+11</b>

	Half Year		Growth	
	2020 \$m	2019 \$m	Actual %	CER %
<b>Crop Protection regional sales</b>				
Europe, Africa, Middle East	1,803	1,770	+2	+5
North America	1,453	1,401	+4	+4
Latin America	1,138	1,035	+10	+32
Asia Pacific	680	629	+8	+12
China	224	198	+13	+18
Other	218	173		
<b>Crop Protection Sales</b>	<b>5,516</b>	<b>5,206</b>	<b>+6</b>	<b>+12</b>

	Half Year		Growth	
	2020 \$m	2019 \$m	Actual %	CER %
<b>Crop Protection by product line</b>				
Selective herbicides	1,604	1,493	+7	+11
Non-selective herbicides	411	417	-1	+10
Fungicides	1,778	1,661	+7	+12
Insecticides	899	896	-	+9
Seedcare	498	458	+9	+16
Professional Solutions	215	219	-2	-
Other	111	62		
<b>Crop Protection Sales</b>	<b>5,516</b>	<b>5,206</b>	<b>+6</b>	<b>+12</b>

## Crop Protection regional sales performance

Sales in **Europe, Africa and the Middle East** were 5 percent higher at constant exchange rates compared with 2019. Performance was solid, particularly in South Europe, despite COVID19 and dry weather in North-West Europe. Reported sales also reflected significant unfavorable foreign exchange impacts.

In **North America**, sales for the half year were up 4 percent at constant exchange rates. However, sales were impacted by cold weather and excessive rain in Q2.

In **Latin America**, positive momentum from 2019 continued in the first half of 2020, with strong pest pressure in Brazil and higher volumes in Argentina despite difficult economic conditions. Growth was partially offset by the impact of volatile foreign exchange rates, particularly the Brazilian real.

In **Asia Pacific**, sales were up by 12 percent (CER), with strong growth in Australia due to improved weather conditions, and continued momentum from 2019 in India. Significant foreign exchange movements reduced reported sales.

**China** showed continued positive momentum, with Crop Protection sales increasing by 18 percent (CER).

	Half Year		Growth		Adjusted <sup>2</sup>	
	2020 \$m	2019 \$m	Actual %	CER %	Actual %	CER %
<b>Seeds regional sales</b>						
Europe, Africa, Middle East	660	656	+1	+2	+1	+2
North America	478	427	+12	+12	+12	+12
Latin America	166	143	+16	+25	+16	+25
Asia Pacific incl. China	192	163	+18	+22	+18	+22
Other	12	82				
Flowers	112	123	-9	-7	-9	-7
<b>Seeds Sales</b>	<b>1,620</b>	<b>1,594</b>	<b>+2</b>	<b>+4</b>	<b>+7</b>	<b>+9</b>

<b>Seeds by product line</b>	Half Year		Growth		Adjusted <sup>2</sup>	
	2020 \$m	2019 \$m	Actual %	CER %	Actual %	CER %
Corn and soybean	804	752	+7	+9	+14	+16
Diverse field crops	369	397	-7	-8	+2	+1
Vegetables	333	319	+5	+9	+5	+9
Other seeds	2	3				
Flowers	112	123	-9	-7	-9	-7
<b>Seeds Sales</b>	<b>1,620</b>	<b>1,594</b>	<b>+2</b>	<b>+4</b>	<b>+7</b>	<b>+9</b>

## Seeds regional sales performance

Seeds sales in **Europe, Africa and the Middle East** were 2 percent higher at constant exchange rates (CER) against 2019. Reported sales reflect weaker exchange rates relative to the US dollar.

In **North America** seeds sales were 12 percent higher with corn and soybean recovering from 2019 flooding.

In **Latin America**, sales rose by 25 percent (CER) with volume gains, and sunflower area recovery. A weaker Brazilian real reduced reported sales.

Sales in **Asia Pacific**, including **China** increased by 22 percent (CER) compared to 2019, driven by continued strong momentum in Indonesia and other key markets. Reported sales were impacted by adverse currency movements.