



ADAMA Provides Net Income Estimate for Q1 2021

Robust business growth expected to drive higher reported net profit

TEL AVIV, ISRAEL and BEIJING, CHINA, April 14, 2021 – ADAMA Ltd. (the “Company”) (SZSE 000553), today provided an estimate regarding its financial performance for the first quarter of 2021.

Sales

ADAMA is expecting to report record-high first quarter sales, with estimated top-line growth of more than 13% (6% in RMB terms), driven by continued robust volume growth in almost all key regions.

The Company is expecting to record strong growth in Asia Pacific, both in China and beyond. In China, ADAMA saw significant growth in the quarter both from its branded, formulated portfolio, which was driven by higher cereal demand due to an increase in field crop planted areas and an early start to the Q2 season, as well as from its sales of raw materials and intermediates. Sales in the country were further bolstered by the inclusion of the Company’s recent acquisition of Jiangsu Huifeng’s domestic commercial crop protection business.

In the rest of APAC, the Company benefited from favorable seasonal conditions to deliver strong growth, despite a slower recovery from COVID-19 challenges in Asia.

Continued positive weather conditions also supported robust growth in the India, Middle-East & Africa region.

In North America, a strong performance from the Company’s Consumer and Professional business drove growth in the region, benefiting from the reopening of the economy after COVID-19 related restrictions in 2020, and more than offset a somewhat softer performance in the US crop protection business.

The Company continues its growth trajectory in Latin America, driven by solid volume growth and good performance from recent product launches in the region, and despite somewhat lower sales in Brazil following a strong end to the fourth quarter there last year.

Sales in Europe are expected to be somewhat lower in the quarter, with growth in the south, where favorable market conditions drove good demand, being outweighed by a slow start to the season in the north and east, especially when compared to Q1 2020 which saw strong orders from distribution in anticipation of the COVID-related shutdowns that soon followed.

Net Income

Reported Net Income in the quarter is expected to be significantly improved against the loss recorded in the corresponding period last year. This improvement is driven by the strong sales growth, resulting in higher reported operating income, and is expected to be achieved despite somewhat higher financial expenses expected in the quarter.

Reported Net Income	Estimated Q1 2021	Q1 2020
Net income attributable to shareholders (USD millions)	22 – 32	-2
Earnings per share (USD)	0.0094 – 0.0137	-0.0010
Net income attributable to shareholders (RMB millions)	143 – 207	-17
Earnings per share (RMB)	0.0612 – 0.0890	-0.0068



The Company's Reported Net Income in the first quarter of 2021 is expected to reflect around \$32 million (Q1 2020: \$44 million) of net expenses in respect of certain non-operational, mostly non-cash items, including mainly:

- i. Approximately \$15 million in Q1 2021 (Q1 2020: \$15 million) of Relocation & Upgrade-related costs, including mainly (a) higher procurement costs incurred as the Company continued to fulfill demand for its products in order to protect its market position, through replacement sourcing at significantly higher costs from third-party suppliers; and (b) idleness charges largely related to suspensions at the facilities being relocated;
- ii. Approximately \$8 million in Q1 2021 (Q1 2020: \$8 million) in non-cash amortization charges in respect of Transfer assets received from Syngenta related to the 2017 ChemChina-Syngenta acquisition;
- iii. Approximately \$3 million in Q1 2021 (Q1 2020: \$2 million) in charges related mainly to the non-cash amortization of intangible assets created as part of the Purchase Price Allocation (PPA) on acquisitions, with no impact on the ongoing performance of the companies acquired, as well as other M&A-related costs.

Excluding the impact of the abovementioned non-operational, mostly non-cash items, the Company is expecting to deliver the following Adjusted Net Income:

Adjusted Net Income	Estimated Q1 2021	Q1 2020
Net income attributable to shareholders (USD millions)	54 – 64	41
Earnings per share (USD)	0.0231 – 0.0274	0.0170
Net income attributable to shareholders (RMB millions)	349 – 414	289
Earnings per share (RMB)	0.1499 – 0.1777	0.1182

Note: The Q1 2020 Adjusted Net Income shown above has been amended from that presented at the time to include additional adjustments in order to consistently reflect largely the treatment of Relocation & Upgrade Program-related costs amongst other adjustments that the Company has deemed non-operational and one-time in nature.

These estimations are preliminary and have not been audited or reviewed by the Company's auditors. These estimations may change, inter alia, as a result of the further processing and analysis of the financial data that the Company will perform for the preparation of its financial statements which will be released on April 28, 2021.

Investors are reminded to exercise caution when making investment decisions.

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About ADAMA

ADAMA Ltd. (SZSE: 200553) is a global leader in crop protection, providing solutions to farmers across the world to combat weeds, insects and disease. ADAMA has one of the widest and most diverse portfolios of active ingredients in the world, state-of-the art R&D, manufacturing and formulation facilities, together with a culture that empowers our people in markets around the world to listen to farmers and ideate from the field. This uniquely positions ADAMA to offer a vast array of distinctive mixtures, formulations and high-quality differentiated products, delivering solutions that meet local farmer and customer needs in over 100 countries globally. For more information, visit us at www.ADAMA.com and follow us on Twitter® at [@ADAMAAgri](https://twitter.com/ADAMAAgri).



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