



## **ADAMA adds another quarter with billion dollar sales to cross the \$2bn mark for the first half of 2019, in the face of challenging market conditions**

**TEL AVIV, ISRAEL and BEIJING, CHINA, July 15, 2019** – Leading global crop protection company ADAMA Ltd. (the “Company”) (SZSE 000553), today provided an estimate regarding its expected net income for the first half of 2019.

The Company is expecting to deliver more than \$2 billion in sales in the first half of 2019, in line with last year in constant currency terms, and somewhat below last year in US dollar terms. Significant snow, followed by unprecedented floodings in North America, alongside extreme dry weather in Europe and Asia-Pacific, delayed and reduced application of crop protection products, while continued tight supply conditions prevented the Company from fulfilling strong demand for certain key products. Continued strong contribution from Latin America, India and Middle East, as well as new joiners Bonide and Anpon, together with further significant price increases across all regions, partially offset these weather- and supply-related delays and allowed the Company to maintain a stable gross margin. In China, ADAMA continues to see strong demand for its differentiated, formulated and branded products, as it continues to prioritize these sales through its own channels by shifting away from sales of unformulated, technical active ingredients to intermediaries.

Following resumption of operations at the Jingzhou old site in late March, the Company is advancing the gradual ramp-up of production. The new state-of-the-art wastewater treatment facility is operational, and the upgraded biological-decomposition systems are being acclimated to the improved wastewater quality. As this progressed, the Company was nevertheless still impacted by constrained supply in certain key products manufactured at the site, and recorded approximately \$21 million of related idleness cost during the half-year.

Looking toward the second half of the year, the Company expects its performance to strengthen as the southern hemisphere regions, which are performing strongly, move into their peak season, and as output increases from the Jingzhou old site.

<b>Reported (2018 as previously reported)</b>	<b>Estimated H1 2019</b>	<b>H1 2018</b>
Net income attributable to shareholders (USD millions)	80 - 90	372
Earnings per share (USD)	0.0327 - 0.0368	0.1518
Net income attributable to shareholders (RMB millions)	542 - 610	2,363
Earnings per share (RMB)	0.2215 - 0.2494	0.9658

The significantly higher reported net income in the first half of 2018 is due to the divestiture of several products in Europe in connection with the approval by the EU Commission of the acquisition of Syngenta by ChemChina last year, and other related impacts, which in H1 2018 resulted in the recognition of an approximately \$247 million one-time net income. The proceeds of this divestiture, net of taxes and transaction expenses, were paid to Syngenta in return for the transfer of a portfolio of products in Europe of similar nature and economic value, which in turn, resulted in the recording in the reported financials of each quarter of non-cash amortization expenses with no economic impact, in respect of these written-up assets of approximately \$10 million starting Q2 2018. Excluding the impact of the products’ divestiture and transfer, net income in H1 2018 would have been lower by \$237 million, while in H1 2019 net income would have been higher by \$20 million.



Excluding also the impact of certain one-time/non-cash items, including mainly the legacy amortization of the 2011 PPA for the acquisition of Adama Agricultural Solutions Ltd. by ChemChina, and reflecting the long-term incentive plan on an equity-settled basis, results in the following adjusted net income:

<b>Adjusted</b>	<b>Estimated H1 2019</b>	<b>H1 2018</b>
Net income attributable to shareholders (USD millions)	123 - 133	157
Earnings per share (USD)	0.0504 - 0.0545	0.0642
Net income attributable to shareholders (RMB millions)	835 - 903	1,000
Earnings per share (RMB)	0.3412 - 0.3690	0.4086

Adjusted EBITDA in the half year is expected to be only \$9-19 million lower than the \$379 million recorded in the same period last year.

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 quarterly financial statements, which will be released on August 22, 2019.

*This release includes forward-looking statements that may not be realized or be realized in a different manner than the Company estimates, inter alia, due to factors that are not in the Company's control, amongst which are developments in the crop protection market, changes in demand for the Company's products, in currencies and other macroeconomic trends as well as decisions of regulatory authorities. The forward-looking statements do not constitute in any manner whatsoever a substantial commitment of the Company to investors. Investors are reminded to exercise caution when making investment decisions.*

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#### **About ADAMA**

ADAMA Ltd. is one of the world's leading crop protection companies. We strive to Create Simplicity in Agriculture – offering farmers effective products and services that simplify their lives and help them grow. With one of the most comprehensive and diversified portfolios of differentiated, quality products, more than 7,000-strong team reaches farmers in over 100 countries, providing them with solutions to control weeds, insects and disease, and improve their yields. For more information, visit us at [www.ADAMA.com](http://www.ADAMA.com) and follow us on Twitter® at [@ADAMAAgri](https://twitter.com/ADAMAAgri).

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