

**Syngenta International AG**

Media Office  
 CH-4002 Basel  
 Switzerland  
 Tel: +41 61 323 2323  
 Fax: +41 61 323 2424

[www.syngenta.com](http://www.syngenta.com)

**Media contacts:**

Andrew McConville  
 Switzerland +41 61 323 0618  
 Paul Minehart  
 USA +1 202 737 8913

[media.relations@syngenta.com](mailto:media.relations@syngenta.com)

**Analyst/Investor contacts:**

Lukasz Feliks  
 Switzerland +41 61 323 5558



media release

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## 2018 Half Year Results

### Customer focus, productivity and innovation gaining momentum

- **Sales \$7.25 billion: 5 percent higher, up 7 percent adjusted for the sugar beet seed and mandated crop protection antitrust divestments**
  - **Crop protection: sales up 6 percent, 8 percent excluding divestments**
  - **Seeds: sales flat, 5 percent higher excluding the sugar beet divestment**
- **EBITDA \$1.7 billion: up 1 percent, 8 percent excluding divestments; margin 23.4 percent (H1 2017: 24.2 percent)**
- **Free cash flow before acquisitions \$178 million (H1 2017: \$21 million)**

#### Reported Financial Highlights

	<b>1<sup>st</sup> Half 2018</b>	1 <sup>st</sup> Half 2017	Actual	CER <sup>1</sup>
	<b>\$m</b>	\$m	%	%
Sales	<b>7,249</b>	6,920	5	2
Net income	<b>1,229</b>	928	32	
<b>EBITDA</b>	<b>1,700</b>	1,675	1	-1

<sup>1</sup> Constant Exchange Rates

## **Erik Fyrwald, Chief Executive Officer, said:**

“In the first half of this year we delivered sales growth of 5 percent compared to H1 2017, 7 percent when adjusted for antitrust and sugar beet divestments. The result is an encouraging outcome given difficult market conditions and we continue to focus on serving customers to help improve their profitability and sustainability.

It is pleasing that we have returned to growth, on an adjusted basis, in all regions, particularly in Brazil where a solid performance was achieved after several years of declining sales. Global productivity programs helped off-set higher raw material and logistics costs, limiting the impact on EBITDA margin.

Looking ahead, we will continue to strive to serve customers with quality crop protection and seeds products reliably delivered and with new technology that enhances performance for farmers everywhere. We continue to aggressively drive productivity, thereby minimizing the margin impact, despite the continued pressure from higher oil prices, short supply of many key chemical ingredients and increased logistics costs.”

## **Financial highlights 1<sup>st</sup> Half 2018**

### **Sales \$7.2 billion**

Sales of \$7.25 billion were up 5 percent, 2 percent at constant exchange rates (CER) versus H1 2017. Divestments reduced reported growth by 2 percent. Crop protection sales of \$5.50 billion increased 6 percent against H1 2017, 3 percent at CER despite antitrust divestments reducing sales by 2 percent. Seeds sales of \$1.75 billion were flat against the first half of 2017 but 5 percent higher when adjusted for the 2017 sugar beet divestment.

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

EBITDA was 1 percent higher than 2017, up 8% excluding divestments. The EBITDA margin was 23.4 percent (H1 2017: 24.2 percent) with reported margin reduced by the divestments.

### **Net income \$1.2 billion**

Net income was \$1,229 million (H1 2017: \$928 million) with higher interest costs after the recent bond issue and an increased tax rate following the US tax reform being more than offset by lower restructuring and impairment costs and the gain from antitrust divestments.

### **Free Cash Flow \$178 million**

Free cash flow before acquisitions was \$178 million (2017: \$21 million). Free cash flow in the first half of 2018 included divestment proceeds of \$408 million related to antitrust divestments and initial payments under the US litigation settlement agreements of \$450 million; in 2017, free cash flow was net of \$276 million one-off payments for the cash settlement of employee share plans following the ChemChina transaction.

## Business highlights 1<sup>st</sup> Half 2018

	Half Year		Growth		Adjusted <sup>2</sup>	Growth
	2018 \$m	2017 \$m	Actual %	CER %	Actual %	CER %
Europe, Africa, Middle East	2,655	2,675	-1	-8	7	-2
North America	2,234	2,188	2	1	4	3
Latin America	1,000	897	12	16	12	17
Asia Pacific	835	774	8	6	8	6
China	201	177	14	5	16	8
Other	201	98	-	-	-	-
Flowers	123	111	11	1	11	1
<b>Group sales</b>	<b>7,249</b>	<b>6,920</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>4</b>

### Regional sales performance

Sales in **Europe, Africa and the Middle East** were down 1 percent against last year but up 7 percent on an adjusted basis, despite adverse spring weather.

In **North America** crop protection sales were up 4 percent against adjusted 2017, with solid sales in the United States more than off-setting a slow start in Canada due to cold weather. Seeds sales were 2 percent higher on an adjusted basis, despite reduced corn and soybean acres.

In **Latin America** sales volumes in crop protection improved, particularly in Brazil, resulting in first half sales being up 12 percent against the first half of 2017. Solid growth in crop protection more than offset reduced seed sales which were impacted by reduced second season corn acres. The integration of Nidera Seeds is progressing well.

In **Asia Pacific** sales were up 8 percent against H1 2017 driven by strong performances across both the crop protection and seeds portfolios.

Stronger first half sales of crop protection and vegetable seeds in **China**, helped drive growth of 16 percent adjusted for the divestments.

<sup>2</sup> Excluding mandated Crop Protection divestments and the disposal of the Sugar Beet Seeds business

More detailed financial information can be accessed via our website: [www.financial-results.syngenta.com](http://www.financial-results.syngenta.com)

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