



ADAMA PROVIDES NET INCOME ESTIMATE FOR THE THIRD QUARTER AND FIRST NINE MONTHS OF 2019

TEL AVIV, ISRAEL and BEIJING, CHINA, October 13, 2019 – Leading global crop protection company ADAMA Ltd. (the “Company”) (SZSE 000553), today provided an estimate regarding its expected net income for the third quarter and first nine months of 2019.

The Company is expecting to deliver record third quarter sales, with high-single digit growth in USD terms and above 10% growth in RMB terms, compared to the same period last year. This strong top-line performance is expected to drive the Company to report sales growth to a nine-month record-high, overcoming the significant headwinds seen throughout the year.

In the third quarter, the robust performance was driven by strong business growth in almost all geographies, together with continued increased prices, which were countered to some extent by adverse currency movements. The Company continues to grow strongly in Brazil and the rest of Latin America, where its portfolio of differentiated products is driving increasing market penetration. The Company delivered a strong performance in Europe, despite the drought throughout the region. The third quarter saw a partial recovery in North America late in the season following the severe weather challenges seen in the first half of the year, with noteworthy performance recorded in both the US and Canada. In China, ADAMA continues to record significant double-digit sales growth of its differentiated, formulated and branded products. This strong overall growth comes despite the headwinds from the lack of high-demand products in many geographies due to the disruption at the Jingzhou old site, which is gradually ramping up its operations.

The strong sales growth in the quarter was complemented by an improvement in portfolio mix, partially offset by the impact of higher procurement costs. EBITDA is expected to be higher compared to the same period last year, despite the lost profit from missing sales of products of the Jingzhou old site as well as the recording of related idleness cost, albeit at a lower level as the site continues its incremental ramp-up of production. Financial expenses are expected to be higher, partially offset by lower taxes.

Over the nine-month period, the Company expects to deliver top-line growth reaching a record-high, overcoming the significant market and supply headwinds encountered throughout the year. Leading contributors to the growth are Latin America, led by Brazil, and North America, as well as the impact of the strong, double-digit growth of the Company’s branded, formulated portfolio in China. The Company continues to raise its prices in all regions and contain its manufacturing and other operating costs to mitigate the higher procurement costs and supply-constrained environment.

Reported (2018 as previously reported)	Estimated 9M 2019	9M 2018	Estimated Q3 2019	Q3 2018
Net income attributable to shareholders (USD millions)	109 – 117	398	22 – 30	26
Earnings per share (USD)	0.0445 – 0.0477	0.1626	0.0089 – 0.0122	0.0108
Net income attributable to shareholders (RMB millions)	741 – 797	2,542	153 – 209	180
Earnings per share (RMB)	0.3030 – 0.3259	1.0392	0.0624 – 0.0853	0.0734



The higher reported net income in the first nine months 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 the first nine months of 2018 resulted in the recognition of an approximately \$245 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 in Q2 2018. Excluding the impact of the products' divestiture and transfer, net income in the first nine months of 2018 would have been lower by \$227 million, while in the nine-month period of 2019 net income would have been higher by \$27 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, results in the following adjusted net income:

Adjusted	Estimated 9M 2019	9M 2018	Estimated Q3 2019	Q3 2018
Net income attributable to shareholders (USD millions)	166 – 173	197	35 – 43	40
Earnings per share (USD)	0.0677 – 0.0710	0.0806	0.0142 – 0.0174	0.0164
Net income attributable to shareholders (RMB millions)	1,130 – 1,186	1,272	243 – 298	273
Earnings per share (RMB)	0.4618 – 0.4846	0.5200	0.0991 – 0.1220	0.1117

Adjusted EBITDA is expected to increase to between \$140 and \$148 million (RMB 981 – 1,037 million) in the third quarter, while in the nine-months it is expected to be between \$505 and \$513 million, in line with last year in USD terms, and to increase in RMB terms to RMB 3,453 – 3,509 million.

These estimations are preliminary and have not been audited or reviewed by the Company's auditors. These estimations may change as a result, amongst other factors, 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 October 31, 2019.

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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 and follow us on Twitter® at [@ADAMAAgri](https://twitter.com/ADAMAAgri).

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