syngenta

Syngenta AG H1 2020 Financial Results

July 22, 2020

Classification: PUBLIC

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Some of the statements contained in this document are forward-looking statements. These statements are based on current expectations, assumptions, estimates and projections, and involve known and unknown risks, uncertainties and other factors that may cause results, levels of activity, performance or achievements to be materially different from any forward-looking statements. These statements are generally identified by words or phrases such as "believe", "anticipate", "expect", "intend", "plan", "will", "may", "should", "estimate", "predict", "potential", "continue" or the negative of such terms or other similar expressions. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results and the timing of events may differ materially from the results and/or timing discussed in the forward-looking statements, and you should not place undue reliance on these statements. Syngenta disclaims any intent or obligation to update any forward-looking statements as a result of developments occurring after the period covered by this document or otherwise.



Syngenta AG 2020 H1 Financial Performance

- Sales \$7.1 billion: 5% higher, 10% at CER*
 - Strong volume growth in Crop Protection; some \$ sales price erosion in Brazil from very volatile BRL
 - Seeds sales 9% higher adjusted for change of control royalties
 - Strong US dollar reduced reported sales by 5%
- EBITDA \$1.7 billion, \$1.5 billion excluding capitalized development costs, 9% higher adjusted for change of control royalties; lower operating costs
 - Margin 0.5 percentage points higher adjusted for change of control royalties
- Excluding capitalized development, net income 11% lower from 2019 one-off deferred tax gain, otherwise 18% higher
- Free cash flow -\$0.3 billion (2019: -\$0.3 billion before US litigation settlement)

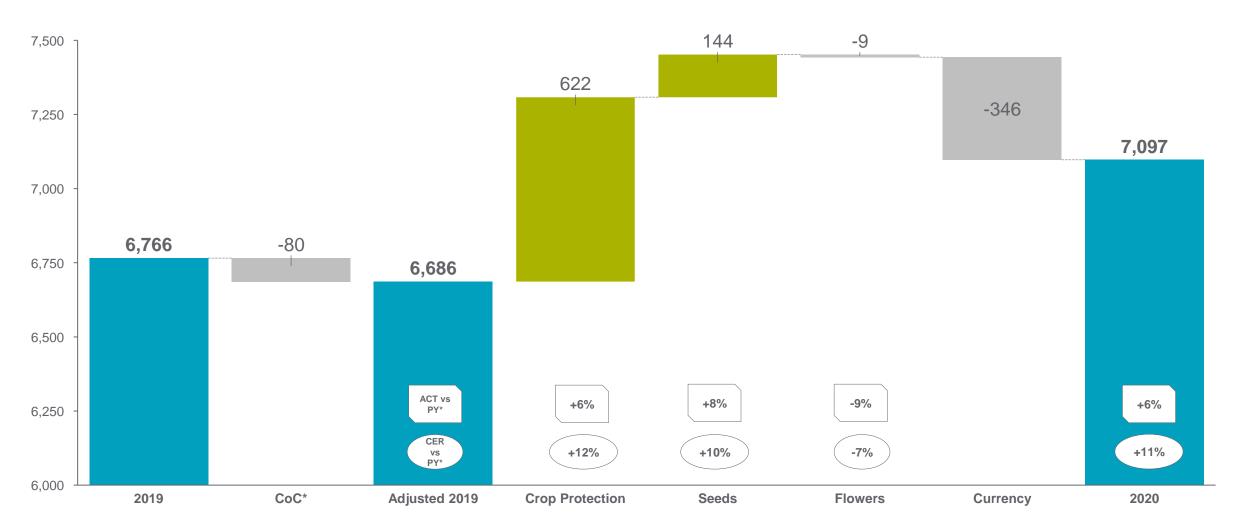






^{*} Sales 6% higher, 11% at constant exchange rates (CER) excluding change of control royalties

H1 2020 sales vs. prior year



^{*} Growth % vs PY adjusted for change of control



H1 2020 Syngenta CP sales: +6%; +12% at CER vs. PY*

+4% ACT

North America

 Recovery in the US limited by delayed planting as a result of cold weather and excessive rain in Q2 +4% CER

+12%

CER

+2% ACT

Europe & AME

Significant unfavorable FX impact

- Favorable business climate in Russia
- Soft demand in North West Europe cereals due to dry weather
- Strong performance in South despite COVID-19

+5% CER

+10% ACT

Latin America

- High pest pressure in Brazil.
 Some sales anticipation due to volatile FX
- Significant BRL volatility, some \$ price erosion
- Argentina higher volumes despite difficult economic conditions

+8% ACT

Asia Pacific

- Strong performance in Australia due to improved weather conditions
- Continued momentum from last year in India
- Significant unfavorable FX impact

+13% ACT

China

- New fungicide strong demand
- Seedcare channel growth
- Continued momentum with MAP/Sinofert and 3rd party products

+18% CER -2% ACT

Professional Solutions

- Resilient performance across regions despite COVID-19
- Adverse FX impact



+32%

CER

flat

CER

^{*} Includes SPS and Sales to Seeds

H1 2020 Syngenta Seeds sales: +7%; +9% at CER vs PY*

+13% **ACT**

North America

- Corn and Soy area recovery (2019 flooding)
- Estimated Soy share gain; strong portfolio
- Corn pricing and mix improvement

+13% CER

+8%

CER

flat **ACT**

Europe & AME

- Strong seasonal growth limited by Corn supply challenges
- Sales impacted by strong Q4 2019 sell-in
- Currency headwinds

flat CER

n/a

+19% **Latin America ACT**

- Royalty income upside
- LAS Sunflower area recovery and expected share gain
- Strong order position for upcoming season
- Unfavorable BRL currency impact

+5% **ACT**

Asia Pacific

- Continued growth momentum across key geographies
- Strong growth in Indonesia
- Adverse currency impact

n/a

China

- Sanbei consolidation
- Some supply impacts earlier in the year

ACT

Global Veg

CER

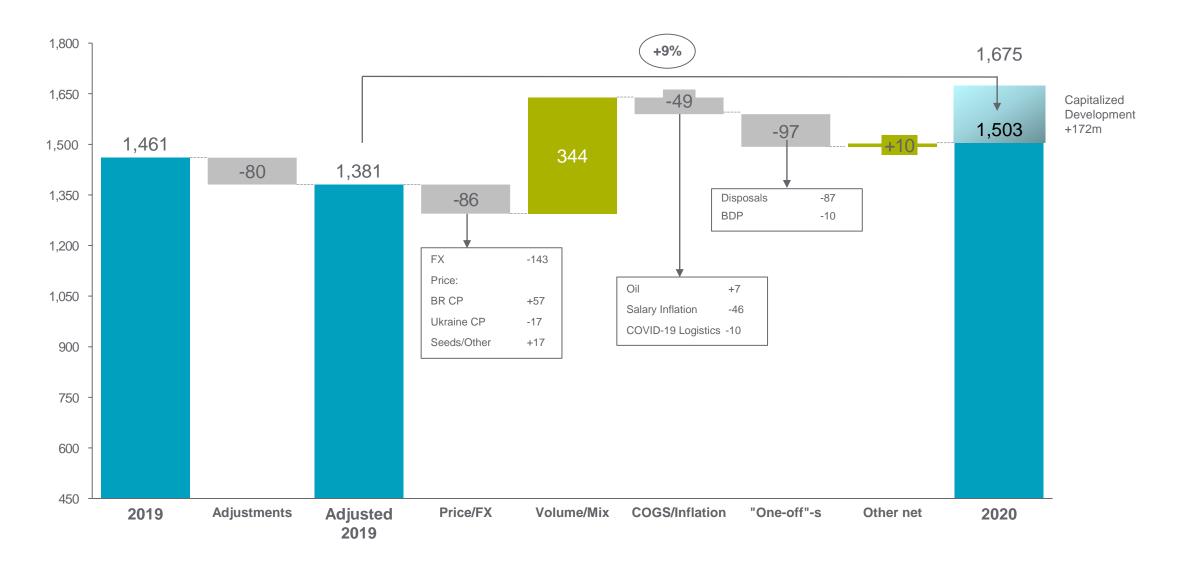
CER

- Strong growth across all regions; some early phasing (COVID-19 mitigation)
- Currency headwinds



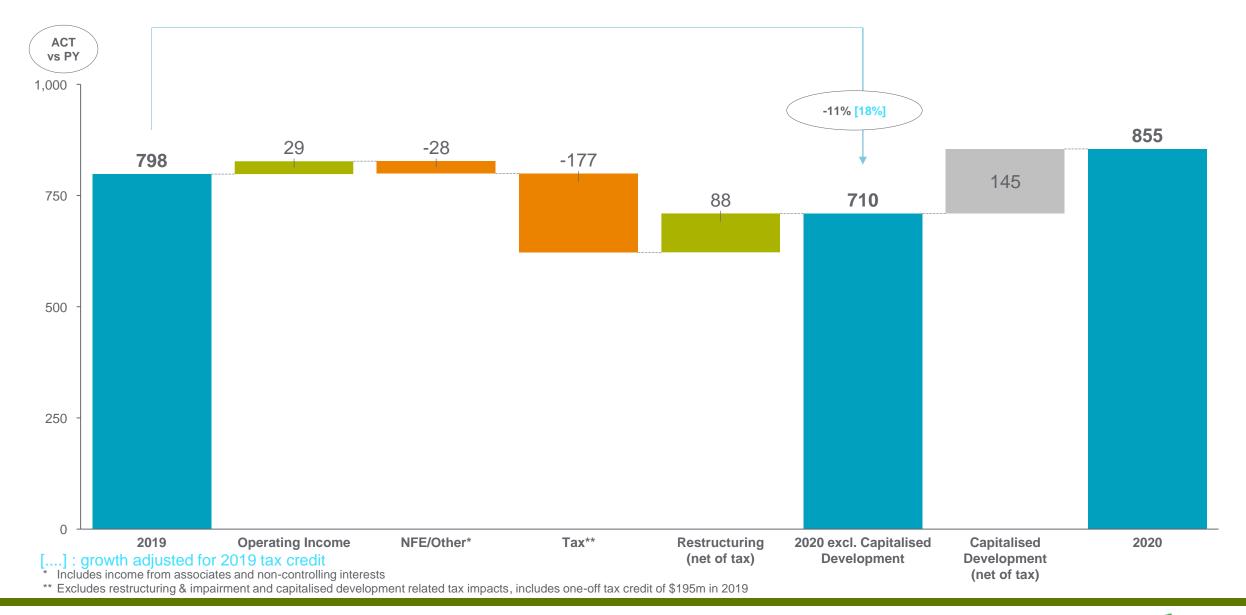
^{*} Includes Flowers; Regional Sales exclude Vegetables & Flowers; Variances vs. PY adjusted for change of control

2020 EBITDA progression vs. prior year



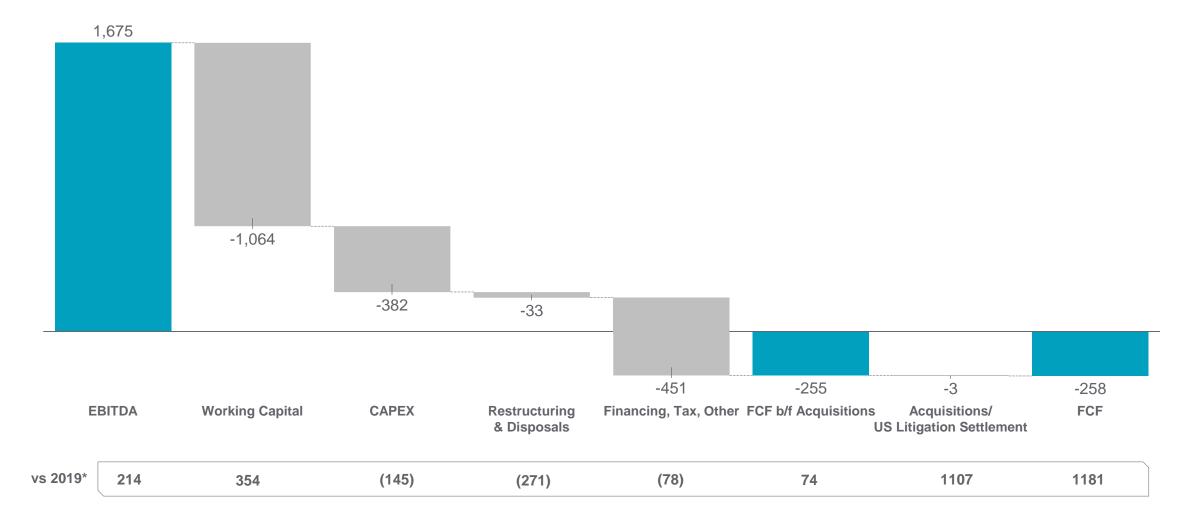


2020 Net Income vs. 2019





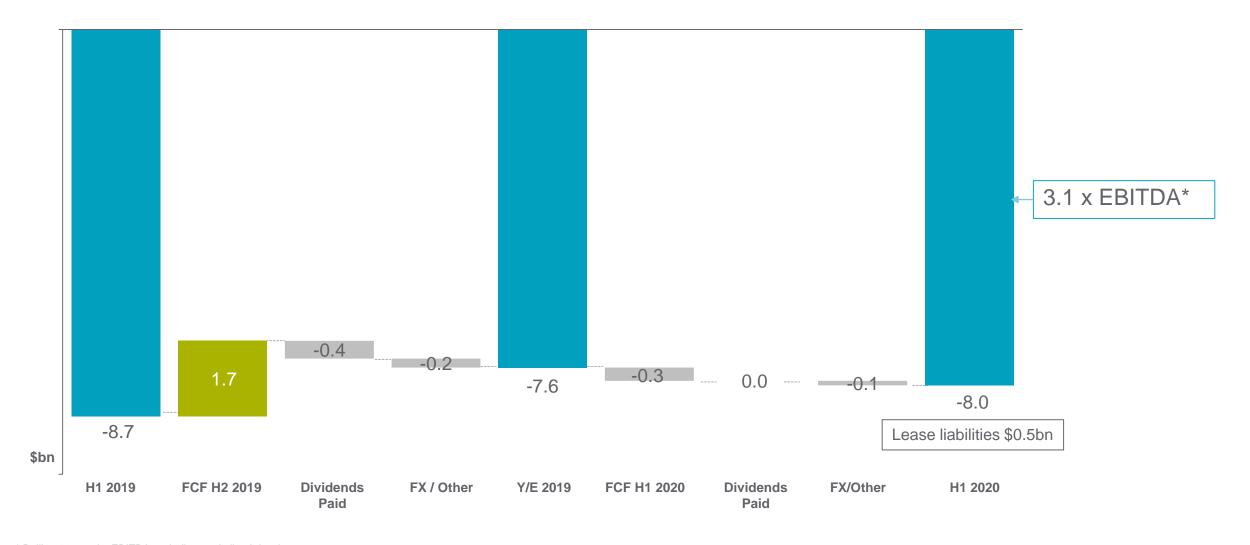
H1 2020 free cash flow vs. prior year



^{*} US Litigation Settlement in \$1,110m 2019



Change in Net Debt



^{*} Rolling 12 months EBITDA excluding capitalized development



Working Capital ratios

June 2018	June 2019		June 2020
41%	44%	Trade Working Capital as % of sales (month end)	39%
32%	37%	- Inventories	37%
42%	44%	- Trade Receivables	38%
33%	37%	- Trade Payables	36%
43%	42%	Trade Working Capital as % of sales (average)	40%



2020 Update

- Volume growth in Brazil; BRL volatility and weakness contributing to some erosion in US dollar sales prices
- Momentum building in China
- COVID-19 resilience; some continued LATAM risk;
 "second wave"
- Retain first half cost savings
- Maintaining investment in innovation and marketing; sustainability agenda
- LATAM key to H2
- Low to mid single digit sales growth
- Cost savings to underpin margin
- Continued free cash flow generation





Bringing plant potential to life