



# Q4 2019 Earnings Presentation



February 6, 2020

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## Non-GAAP Financial Terms

These slides contain certain “non-GAAP financial terms” which are defined on our website [www.fmc.com](http://www.fmc.com). Such non-GAAP financial terms used in this presentation focus on expected Adjusted Earnings for all EBITDA and EPS references. Although we provide forecasts for adjusted EPS, adjusted EBITDA, adjusted cash from operations and free cash flow (all of which are non-GAAP financial measures), we are not able to forecast the most directly comparable measures calculated and presented in accordance with GAAP. Certain elements of the composition of the GAAP amounts are not predictable, making it impractical for us to forecast. Such elements include, but are not limited to restructuring, acquisition charges, and discontinued operations and related cash activity. As a result, no GAAP outlook is provided.

# FMC Reported Financial Results

	Q4 2019	Q4 2018 <sup>^</sup>	'19 vs. '18
Revenue	\$1,197	\$1,099	9%
Adj. EBITDA <sup>(1)</sup>	\$320	\$273	17%
% Revenue	26.7%	24.9%	
Adjusted EPS <sup>(1)</sup>	\$1.76	\$1.46	21%
GAAP Net Income	(\$3)	\$35	
% Revenue	-0.2%	3.1%	
GAAP EPS	(\$0.02)	\$0.24	

Note: Amounts in millions of USD, except EPS

(1) Denotes non-GAAP financial term. Refer to definitions at the beginning of this presentation.

<sup>^</sup> Recast 2018 excludes the former Lithium segment.

## Q4 Highlights

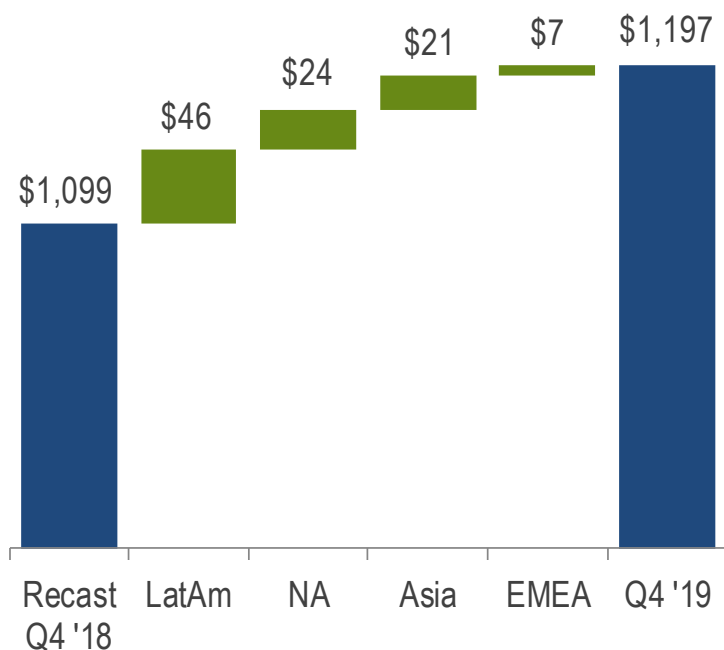
- 11% organic revenue growth, excluding a 2% FX headwind
- EBITDA margins increased 180 bps YOY
- Strong beat vs. guidance on operational results and tax rate

## EPS vs. Q4 2018

Q4 Adj. EPS <sup>1</sup> vs. Q4 2018 <sup>^</sup>	+30 cents YOY
EBITDA	+34 cents
Interest Expense	-8 cents
Non-contr. Interest	-1 cent
Share Count	+5 cents

# Q4 2019 Revenue Increased 9%

## Regional Revenue Bridge



Note: Amounts in millions of USD

## Q4 2019 Revenue Drivers

**Total: +9%**

Volume: +11%  
 Price/Mix: 0%  
 F/X: -2%

### Latin America

- Q4 '19 Revenue: \$518 mil. (+10% YOY, +13% ex-FX)
- Strong double-digit growth in Argentina, led by herbicide demand on soybeans and expanded market access
- Herbicides on sugarcane in Brazil

### North America

- Q4 '19 Revenue: \$273 mil. (+10% YOY)
- Lucento® fungicide demand strong
- Ethos® XB in-furrow insecticide / fungicide on corn
- Herbicide sales strong in Canada

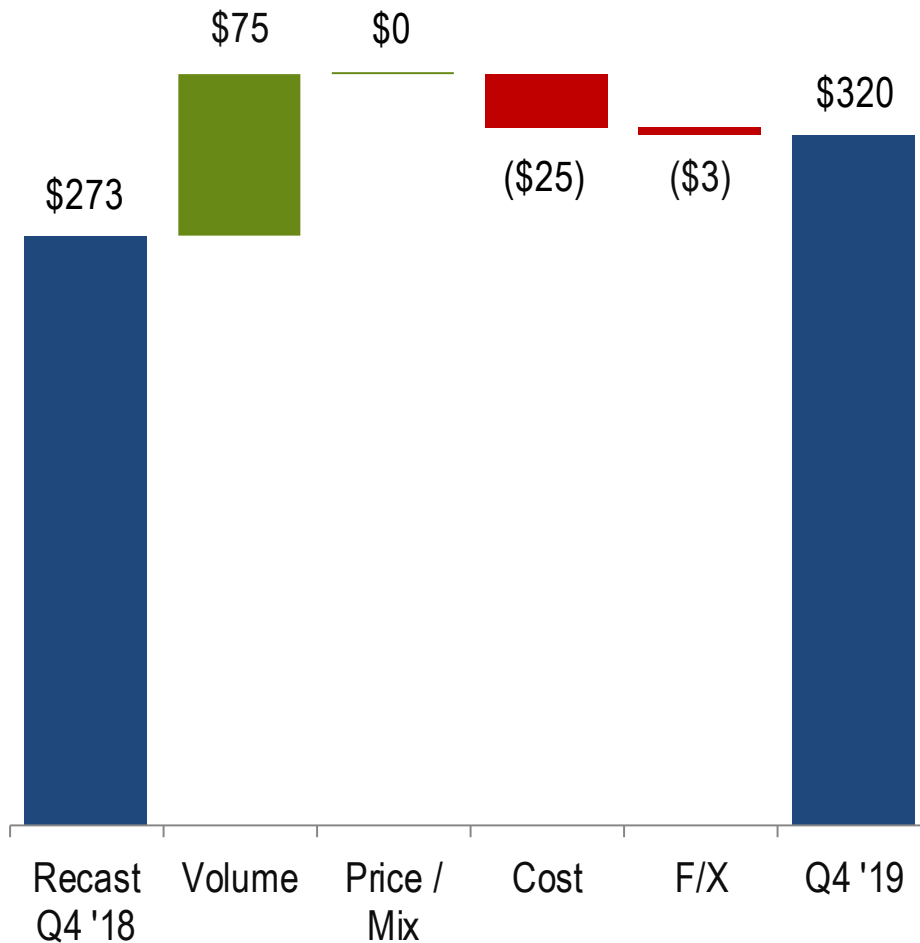
### Asia

- Q4 '19 Revenue: \$259 mil. (+9% YOY, +10% ex-FX)
- Double-digit growth in India, China, Indonesia and Pakistan
- Strong insecticides growth
- New product launches of \$7M
- Strength in biologicals in Korea and Japan

### EMEA

- Q4 '19 Revenue: \$147 mil. (+5% YOY, +7% ex-FX)
- Double-digit growth in France, UK, Russia, Italy, Romania
- Rynaxypyr® insect control led strong insecticides growth, helped by strong demand in France and Russia

# Q4 2019 Adj. EBITDA Increased 17%



Note: Amounts in millions of USD

## Q4 2019 Adj. EBITDA Drivers

EBITDA \$10 million above midpoint of guidance

Stronger volume contribution & smaller cost headwind, relative to guidance

Price increases across all geographies except North America where strong volume resulted in higher than expected rebates

# Full-Year 2019 Financial Results

	2019	2018 <sup>^</sup>	'19 vs. '18
Revenue	\$4,610	\$4,285	8%
Adj. EBITDA <sup>(1)</sup>	\$1,221	\$1,109	10%
<i>% Revenue</i>	26.5%	25.9%	
Adjusted EPS <sup>(1)</sup>	\$6.09	\$5.24	16%
GAAP Net Income	\$480	\$512	-6%
<i>% Revenue</i>	10.4%	11.9%	
GAAP EPS	\$3.62	\$3.69	-2%

Note: Amounts in millions of USD, except EPS

(1) Denotes non-GAAP financial term. Refer to definitions at the beginning of this presentation.

<sup>^</sup> Recast 2018 excludes the former Lithium segment.

## FY 2019 Highlights

- 11% organic revenue growth, excluding a 3% FX headwind
- Company EBITDA margins increased 60 bps YOY

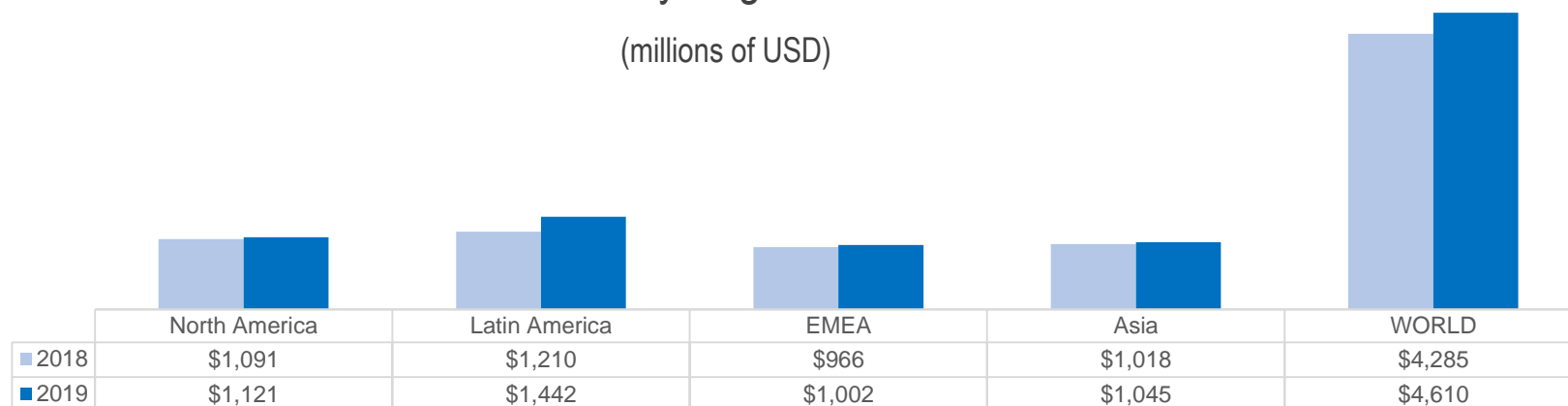
## EPS vs. 2018

<b>FY 2019 Adj. EPS<sup>1</sup> vs. FY 2018<sup>^</sup></b>	<b>+85 cents YOY</b>
EBITDA	+72 cents
Interest Expense	-16 cents
Tax Rate	+9 cents
Non-contr. Interest	+3 cents
Share Count	+17 cents

# FMC Outperforms CPC Market in All Regions in 2019

## FMC Revenue by Region – 2018 & 2019

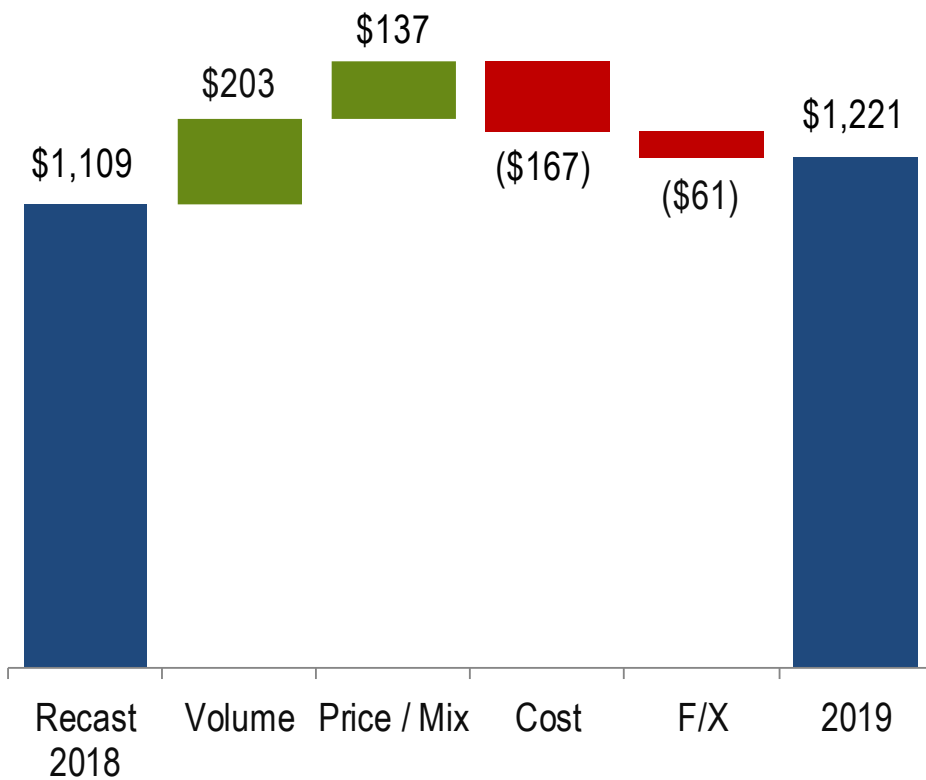
(millions of USD)



YOY %	North America	Latin America	EMEA	Asia	WORLD
<b>FMC</b>	<b>+3%</b>	<b>+19%</b>	<b>+4%</b>	<b>+3%</b>	<b>+8%</b>
2019 AGCHEM MARKET <sup>1</sup> (YOY%Δ)	<b>-6%</b>	<b>+13%</b>	<b>-3%</b>	<b>-5%</b>	<b>+0%</b>
FMC Performance vs. Market Performance	<b>FMC OUTPERFORMS MARKET</b>	<b>FMC OUTPERFORMS MARKET</b>	<b>FMC OUTPERFORMS MARKET</b>	<b>FMC OUTPERFORMS MARKET</b>	<b>FMC OUTPERFORMS MARKET</b>

# FY 2019 Adj. EBITDA and Revenue Drivers (YOY)

## FY 2019 Adj. EBITDA Bridge



Note: Amounts in millions of USD

## FY 2019 Adj. EBITDA Drivers

Double-digit EBITDA growth despite \$228M in headwinds from higher costs and FX

Strong pricing improvement across 3 of 4 geographies

Price coverage of Cost + FX headwinds ~60%

## FY 2019 Revenue Drivers

<b>Total: +8%</b>	Volume: +8%	Price/Mix: +3%	F/X: -3%
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# 2019 Cash Flow Results and 2020 Cash Flow Outlook

(\$ in millions)	2018 <sup>^</sup>	2019	% Chg.	2020 Outlook	% Chg.
Adjusted Cash from Operations <sup>1</sup>	\$464	\$633	36%	\$735 - \$935	32%
Capital Additions and Other Investing Activities	(\$97)	(\$148)	53%	(\$135) - (\$185)	8%
Legacy and Transformation <sup>2</sup>	(\$237)	(\$183)	-23%	(\$175) - (\$225)	9%
FCF (before Dividends and Repurchases) <sup>1</sup>	\$130	\$302	132%	\$425 - \$525	57%
Adjusted Earnings <sup>1</sup>	\$713	\$804	13%	\$840 - \$880	7%
FCF Conversion	18%	38%		55%	

## 2019 Cash Drivers

Adj. cash from operations up substantially versus 2018

Adj. cash from operations below targeted levels:

- Slow collection of refunds of VAT/similar taxes driven by complexity of multiple SAP systems
- Delayed collections in Pakistan & Indonesia

Capital spending in-line with forecast

Legacy & transformation lower than forecast due to timing of certain legacy items

## 2020 Outlook

**Buybacks:** Expect to repurchase \$400 to \$500 million of FMC stock in 2020

**Cap Ex:** Diamide capacity expansion and new active ingredient capacity

**Legacy and Transformation:** SAP implementation costs continue through 2020

**M&A:** Product line acquisition discussions

(1) Denotes non-GAAP financial term. Refer to definitions at the beginning of this presentation.

(2) Legacy Liabilities include liabilities from discontinued operations, net of legacy liabilities from continuing operations that are already captured in Adjusted Cash from Operations. Transformation costs include SAP implementation, DuPont Integration and Livent Separation.

<sup>^</sup> Recast 2018 excludes the former Lithium segment.

# FY 2020 and Q1 2020 Earnings Outlook

## FY 2020

## Q1 2020

### Adjusted EPS Ranges <sup>(1,2)</sup>

\$6.45 - \$6.70

+8% YOY at midpoint

WADSO: ~131 million

\$1.76 - \$1.86

+5% YOY at midpoint

WADSO: ~131 million

### Revenue & Adjusted EBITDA <sup>(1)</sup> Ranges

Revenue: \$4.8 - \$4.95 billion  
Adj. EBITDA: \$1.3 - \$1.34 billion

Revenue growth of +6% YOY at midpoint (+7% organic)

Adj. EBITDA growth of +8% YOY at midpoint

Revenue: \$1.23 - \$1.27 billion  
Adj. EBITDA: \$346 - \$366 million

Revenue growth of +5% YOY at midpoint (+7% organic)

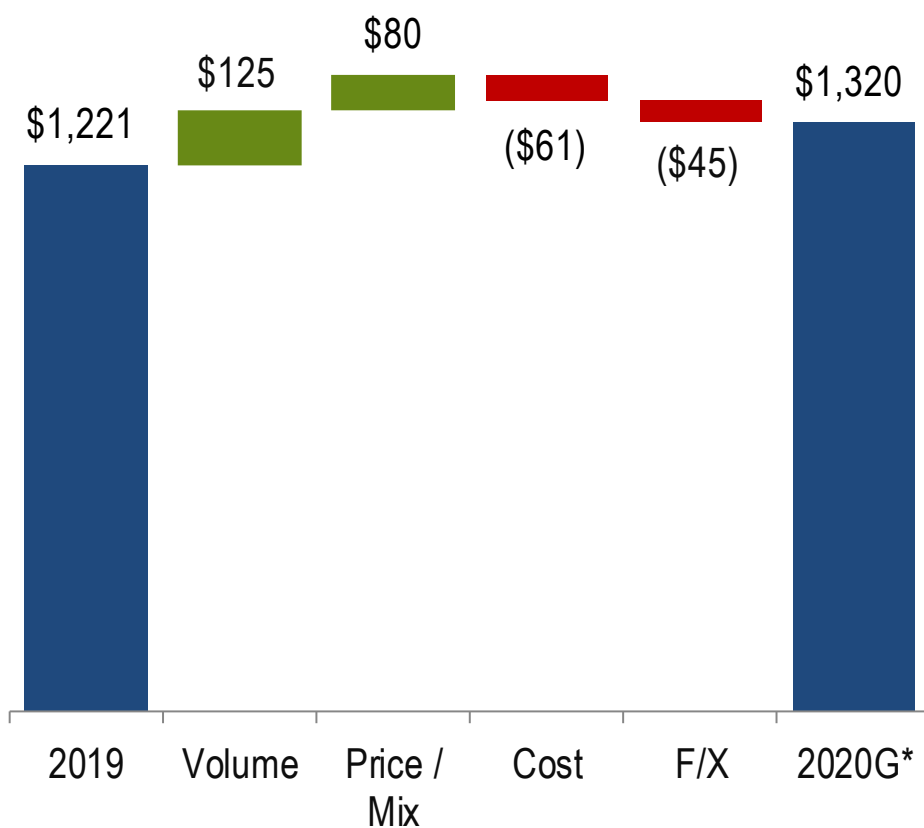
Adj. EBITDA growth of +4% YOY at midpoint

(1) Denotes non-GAAP financial term. Refer to definitions at the beginning of this presentation.

(2) Outlook for EPS and weighted average diluted shares outstanding (WADSO) does not include the impact of any 2020 share repurchases.

# Projected FY 2020 Adj. EBITDA and Revenue Drivers (YOY)

## FY 2020 Adj. EBITDA Bridge



## FY 2020 Adj. EBITDA Drivers

Volume increases +10%

\$40M of cost increase is growth in R&D spending

Price coverage of >100%  
Cost + FX headwinds (ex-incremental R&D)

## FY 2020 Revenue Drivers

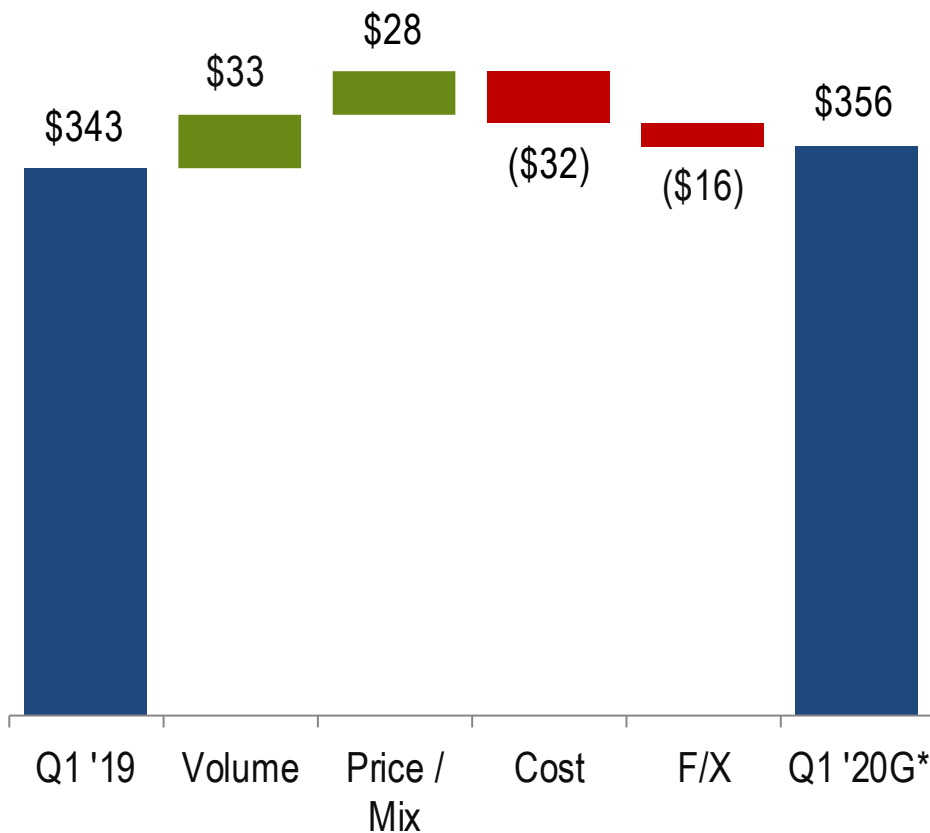
<b>Total: +6%</b>	Volume: +5%	Price/Mix: +2%	F/X: -1%
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Note: Amounts in millions of USD

\* Midpoint of guidance

# Projected Q1 2020 Adj. EBITDA and Revenue Drivers (YOY)

## Q1 2020 Adj. EBITDA Bridge



## Q1 2020 Adj. EBITDA Drivers

Volume increases +10%

Cost headwinds due to raw materials, tariffs and growth in R&D spending

Price coverage of ~65-75%  
Cost + FX headwinds (ex-incremental R&D)

## Q1 2020 Revenue Drivers

Total: +5%	Volume: +5%	Price/Mix: +2%	F/X: -2%
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Note: Amounts in millions of USD

\* Midpoint of guidance

# Appendix – Other Financial Items (1)

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Interest Expense	\$160 – \$170 million
Adjusted Tax Rate	12.5 – 14.5 percent
Non-Controlling Interest	\$3 – \$5 million
Full-Year Weighted Avg. Diluted Shares Outstanding (WADSO) (2)	~131 million
Depreciation & Amortization	\$150 – \$160 million
Capital Additions and Other Investing Activities	\$135 – \$185 million

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(1) As posted in 2020 Outlook Statement on February 5, 2020

(2) Outlook for weighted average diluted shares outstanding (WADSO) does not include the impact of any 2020 share repurchases.

# Appendix – Regional Growth

	<b>FMC Q4 Sales</b>	<b>% Chg (USD)</b>	<b>% (ex-FX)</b>	<b>FMC 2019 Sales</b>	<b>% Chg (USD)</b>	<b>% (ex-FX)</b>
<b>NA</b>	\$273	10%	10%	\$1,121	3%	3%
<b>LA</b>	\$518	10%	13%	\$1,442	19%	23%
<b>EMEA</b>	\$147	5%	7%	\$1,002	4%	10%
<b>Asia</b>	\$259	9%	10%	\$1,045	3%	8%
<b>Total</b>	<b>\$1,197</b>	<b>9%</b>	<b>11%</b>	<b>\$4,610</b>	<b>8%</b>	<b>11%</b>

# Appendix – Summary of 2018 Recast Financials (1)

	1Q '18	2Q '18	3Q '18	4Q '18	FY 2018
<b>Revenue</b>	<b>\$ 1,107.9</b>	<b>\$ 1,154.4</b>	<b>\$ 923.6</b>	<b>\$ 1,099.4</b>	<b>\$ 4,285.3</b>
<b>Adj. EBITDA (2)</b>	<b>\$ 329.5</b>	<b>\$ 319.6</b>	<b>\$ 186.5</b>	<b>\$ 273.3</b>	<b>\$ 1,108.9</b>
D&A	(\$ 34.8)	(\$ 38.8)	(\$ 37.8)	(\$ 38.8)	(\$ 150.2)
Interest Expense	(\$ 33.9)	(\$ 34.4)	(\$ 33.4)	(\$ 31.4)	(\$ 133.1)
Taxes	(\$ 43.5)	(\$ 39.9)	(\$ 16.6)	(\$ 6.3)	(\$ 106.3)
Non-controlling interest	(\$ 2.4)	(\$ 2.8)	(\$ 2.0)	\$ 0.5	(\$ 6.7)
<b>Adj. Earnings (2)</b>	<b>\$ 214.9</b>	<b>\$ 203.7</b>	<b>\$ 96.7</b>	<b>\$ 197.3</b>	<b>\$ 712.6</b>
Share Count	136.2	136.2	136.4	135.1	135.9
<b>Adjusted EPS (2)</b>	<b>\$ 1.58</b>	<b>\$ 1.50</b>	<b>\$ 0.71</b>	<b>\$ 1.46</b>	<b>\$ 5.24</b>

(1) As filed in 8-K on March 22, 2019. Recast financials exclude the former Lithium segment. GAAP financials filed separately in 8-K on March 7, 2019.

(2) Denotes non-GAAP financial term. Refer to definitions at the beginning of this presentation.