




# Q1 2020 Earnings Presentation



May 6, 2020

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## Non-GAAP Financial Terms

These slides contain certain “non-GAAP financial terms”. Such non-GAAP financial terms include adjusted EBITDA, adjusted EPS, adjusted tax rate, adjusted cash from operations, free cash flow (“FCF”) and organic revenue growth. Definitions of these terms, as well as a reconciliation to the most directly comparable financial measure calculated and presented in accordance with GAAP, are provided on our website [www.fmc.com/investors](http://www.fmc.com/investors). Although we provide forecasts for these 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

	Q1 2019	Q1 2020	'20 vs. '19
Revenue	\$1,192	\$1,250	5%
GAAP Net Income	\$217	\$206	-5%
% Revenue	18.2%	16.5%	
GAAP EPS	\$1.62	\$1.58	-2%
Adj. EBITDA <sup>1</sup>	\$343	\$357	4%
% Revenue	28.8%	28.6%	
Adjusted EPS <sup>1</sup>	\$1.72	\$1.84	7%

Note: Amounts in millions of USD, except EPS

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

## Q1 Highlights

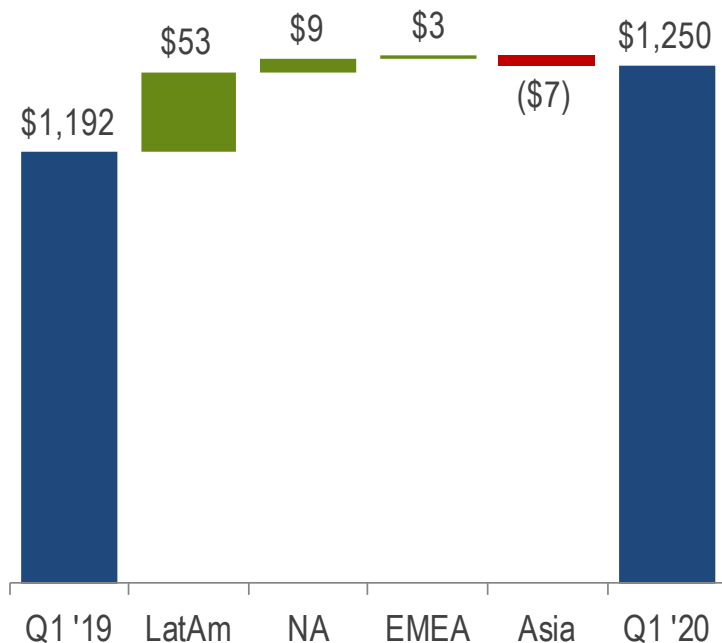
- 9% organic revenue growth<sup>1</sup>, excluding a 4% FX headwind
- Strong YOY performance on operational results and share count

## Adj. EPS vs. Q1 2019

Q1 '20 Adj. EPS vs. Q1 '19	+12 cents
EBITDA	+9 cents
D&A	-1 cent
Interest Expense	-4 cents
Tax Rate	+3 cents
Non-contr. Interest	+1 cent
Share Count	+4 cents

# Q1 2020 Revenue Increased 5%

## Regional Revenue Bridge



Note: Amounts in millions of USD

## Q1 2020 Revenue Drivers

**Total: +5%**

Volume: +7%  
Price/Mix: +2%  
F/X: -4%

### Latin America

- Q1 '20 Revenue: \$259 mil. (+26% YOY, +38% ex-FX)
- Herbicides grew ~40%, due to sugarcane replanting
- Insecticide & fungicides also grew by over 20%
- Double-digit growth in Brazil, Mexico and Argentina

### North America

- Q1 '20 Revenue: \$328 mil. (+3% YOY)
- Strong demand for Rynaxypyr<sup>®</sup> insect control
- New products gained traction led by Authority<sup>®</sup> Edge herbicide
- Double-digit growth in Canada

### EMEA

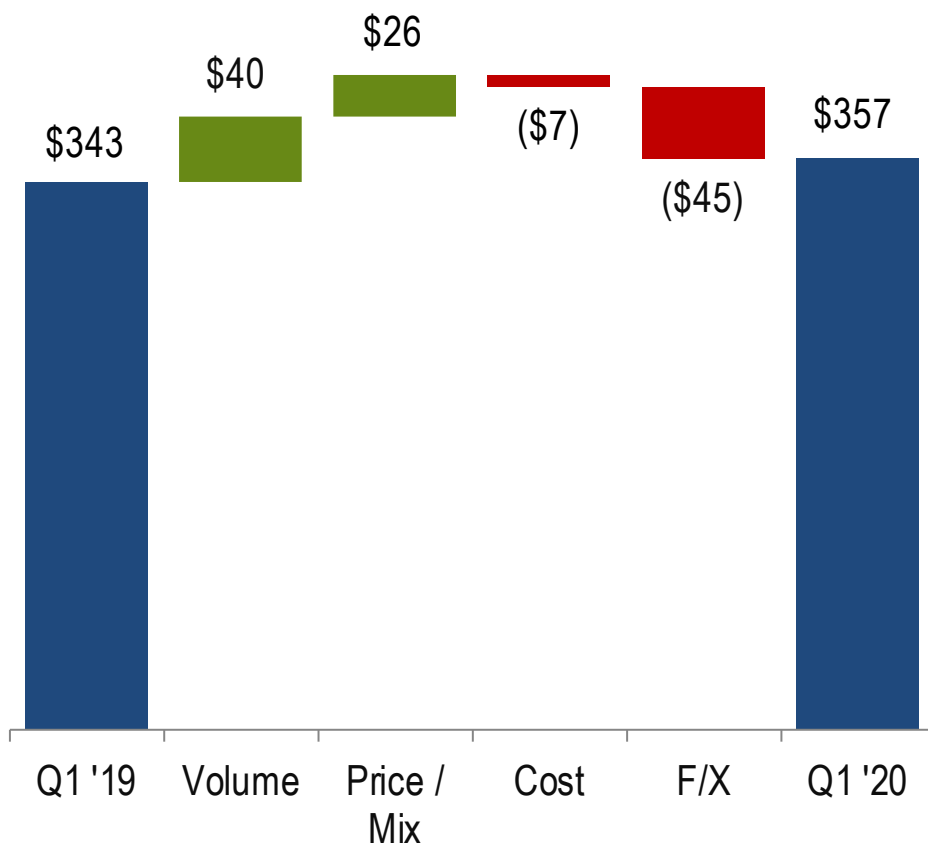
- Q1 '20 Revenue: \$415 mil. (+1% YOY, +4% ex-FX)
- Fungicides very strong
- New products drove 2% growth in quarter
- Double-digit growth in France, UK, Russia
- Registrations / rationalizations were a headwind

### ASIA

- Q1 '20 Revenue: \$248 mil. (-3% YOY, 0% ex-FX)
- Product rationalizations were a headwind
- COVID-19 impact in China
- Double-digit growth in India and Pakistan
- Australia returned to organic growth, as weather improved

# Q1 2020 Adj. EBITDA<sup>1</sup> Increased 4%

## Q1 2020 Adj. EBITDA Bridge



Note: Amounts in millions of USD

## Q1 2020 Adj. EBITDA Drivers

EBITDA \$14 million above a strong Q1 2019, mainly driven by volume

Price increases across all geographies

Significant FX headwinds

Stronger volume contribution & smaller cost headwind, relative to guidance

# 2020 Cash Flow Outlook

(\$ in millions)

	Q1 '19	Q1 '20	% Chg.	2020 Outlook	% Chg. vs. 2019
Adjusted Cash from Operations <sup>1</sup>	(\$263)	(\$286)	-9%	\$700 - \$900	26%
Capital Additions and Other Investing Activities	(\$21)	(\$25)	19%	(\$100) - (\$150)	-15%
Legacy and Transformation <sup>2</sup>	(\$18)	(\$60)	233%	(\$175) - (\$225)	9%
FCF (before dividends, repurchases and M&A) <sup>1</sup>	(\$301)	(\$371)	-23%	\$425 - \$525	57%
Adjusted Earnings <sup>1</sup>	\$229	\$240	5%	\$790 - \$880	4%

FCF Conversion

57%

## Q1 '20 Cash Drivers

Adj. cash from operations down from prior year due to higher working capital partially offset by positive cash benefit from change in other operating assets and liabilities

Capital additions up slightly but proceeding per plan

Legacy and transformation impacted by continued work to complete implementation of our SAP S/4HANA system and the absence of property disposal proceeds in the prior year period

## 2020 Outlook

Cap Ex: Reducing outlook with delay of non-essential investment, growth investment not impacted

Legacy and Transformation: On track to complete SAP program by year end

Share repurchases temporarily suspended

**Dividend maintained**

(1) Denotes non-GAAP financial term. Refer to non-GAAP financial terms 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.

# FY 2020 and Q2 Earnings Outlook

## FY 2020

## Q2 2020

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

\$6.05 - \$6.70

+5% YOY at midpoint

WADSO: ~131 million

\$1.58 - \$1.74

Flat YOY at midpoint

WADSO: ~131 million

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

Revenue: \$4.65 - \$4.85 billion

Adj. EBITDA: \$1.23 - \$1.34 billion

Revenue growth of +3% YOY at  
midpoint (+8% organic)

Adj. EBITDA growth of +5% YOY at  
midpoint

Revenue: \$1.17 - \$1.23 billion

Adj. EBITDA: \$317 - \$347 million

Revenue flat YOY at midpoint  
(+5% organic)

Adj. EBITDA -2% YOY at midpoint

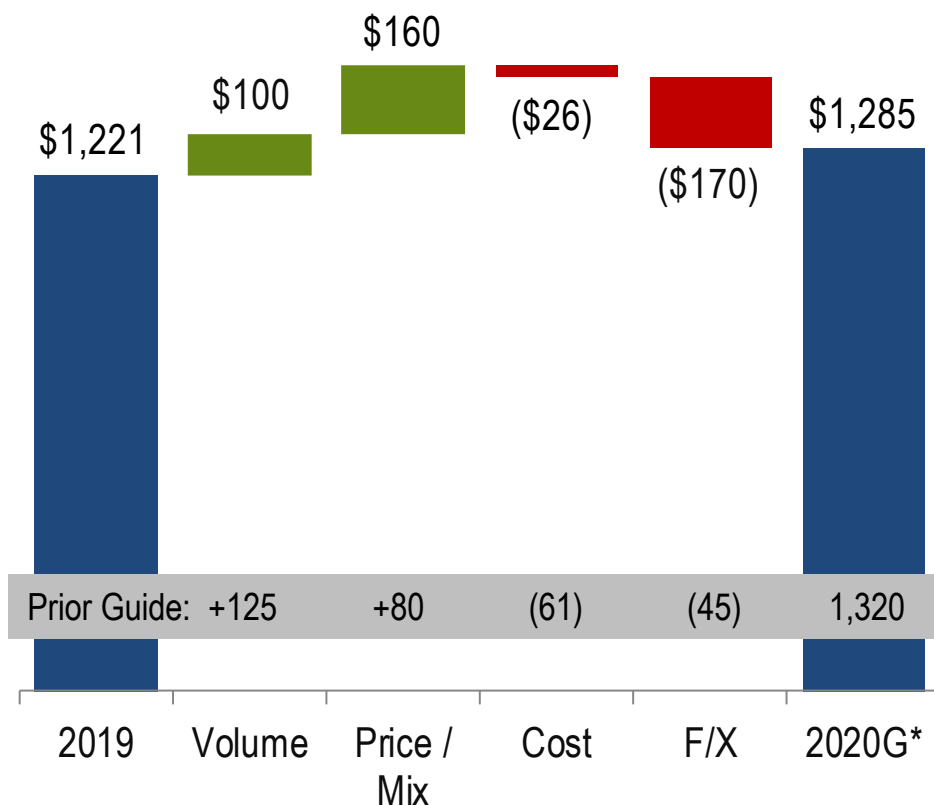
(1) Denotes non-GAAP financial term. Refer to non-GAAP financial terms at the beginning of this presentation.

(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<sup>1</sup> and Revenue Drivers (YOY)

## FY 2020 Adj. EBITDA Bridge



Note: Amounts in millions of USD

\* Midpoint of guidance

## FY 2020 Adj. EBITDA Drivers

COVID-related impacts on volume and cost more than offset by FMC cost-savings actions

Pricing is expected to recover more of the FX headwind in H2

Price coverage of Cost + FX headwinds over 80% for FY 2020

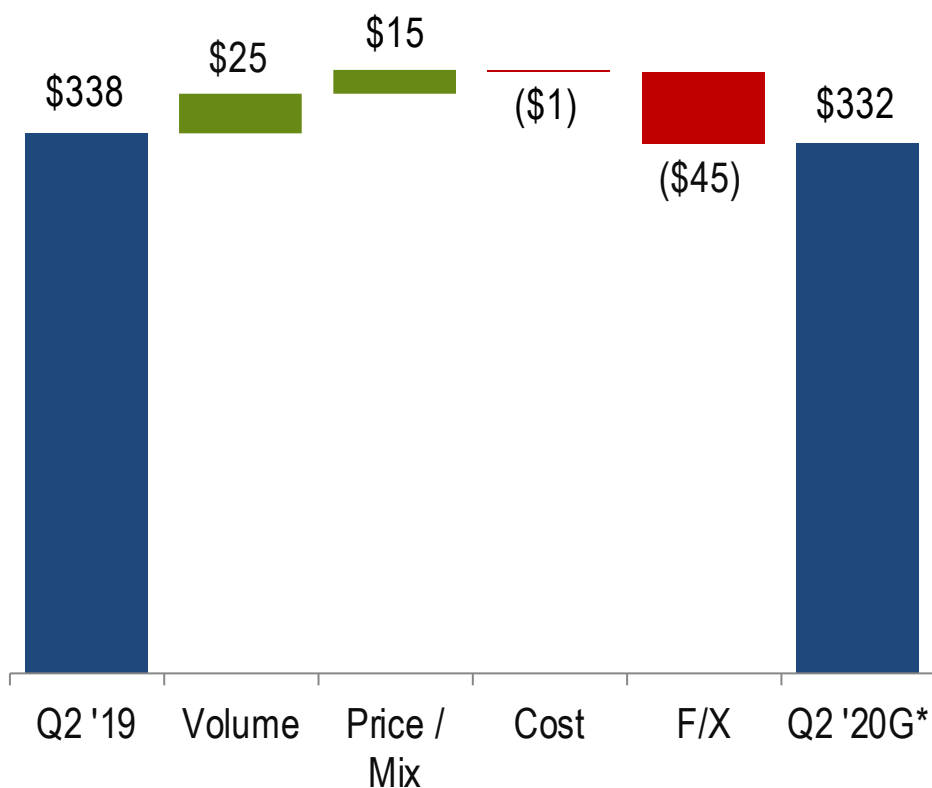
## FY 2020 Revenue Drivers

Total: +3%	Volume: +4%	Price/Mix: +4%	F/X: -5%
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# Projected Q2 2020 Adj. EBITDA<sup>1</sup> and Revenue Drivers (YOY)

## Q2 2020 Adj. EBITDA Bridge



Note: Amounts in millions of USD

\* Midpoint of guidance

## Q2 2020 Adj. EBITDA Drivers

FX headwinds due to strengthening of US dollar

Continued good volume growth

Price increases lagging FX moves, but we expect to recover most throughout the rest of 2020

Cost-savings actions benefit Q2

## Q2 2020 Revenue Drivers

Total: 0%	Volume: +4%	Price/Mix: +1%	F/X: -5%
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# FMC to Acquire All Remaining Fluindapyr Rights to Expand Key Fungicide in Pipeline

- **FMC announced a binding offer to acquire all Isagro's rights to Fluindapyr for €55 million**  
– expands on prior co-development agreement between FMC and Isagro for the novel broad-spectrum fungicide
- **Supports FMC's strategic intent to grow the fungicide portfolio**
- **Fluindapyr on track to launch in Paraguay this Fall and in the US in 2021**, followed by China (2022), Europe & Argentina (2023) and Brazil (2024)
- **Peak sales opportunity of \$350 to \$400 million**, including the incremental market access to Isagro's key European, Asian, and Latin American territories
- Acquisition includes IP, know-how, registrations, product formulations
- Fluindapyr targets a variety of important diseases in row crops, specialty crops, and turf
- **Transaction expected to close by the end of the third quarter 2020**

# Appendix – Other Financial Items

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Interest Expense	\$155 – \$165 million
Adjusted Tax Rate <sup>(1)</sup>	12.5 – 14.5 percent
Non-Controlling Interest	\$3 – \$5 million
Full-Year Weighted Avg. Diluted Shares Outstanding (WADSO) <sup>(2)</sup>	~131 million
Depreciation & Amortization	\$150 – \$160 million
Free Cash Flow <sup>(1)</sup>	\$425 – \$525 million
Capital Additions and Other Investing Activities	\$100 – \$150 million

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# Appendix – Regional Growth

	FMC Q1 Sales	% Chg	% (ex-FX)
NA	\$328	3%	3%
LA	\$259	26%	38%
EMEA	\$415	1%	4%
Asia	\$248	-3%	0%
Total	\$1,250	5%	9%