



An Agricultural  
Sciences Company



# Q1 2021 Earnings Presentation

May 6, 2021



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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 [investors.fmc.com](http://investors.fmc.com). 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 2020	Q1 2021	'21 vs. '20
Revenue	\$1,250	\$1,196	-4%
GAAP Net Income	\$206	\$183	-11%
<i>% Revenue</i>	16.5%	15.3%	
GAAP EPS	\$1.58	\$1.40	-11%
Adj. EBITDA <sup>1</sup>	\$357	\$307	-14%
<i>% Revenue</i>	28.6%	25.7%	
Adjusted EPS <sup>1</sup>	\$1.84	\$1.53	-17%

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 vs. Guidance

Revenue consistent with guidance, down 5% organically <sup>1</sup>, excluding a 1% FX tailwind

Adjusted EBITDA was \$2 million above the midpoint of guidance

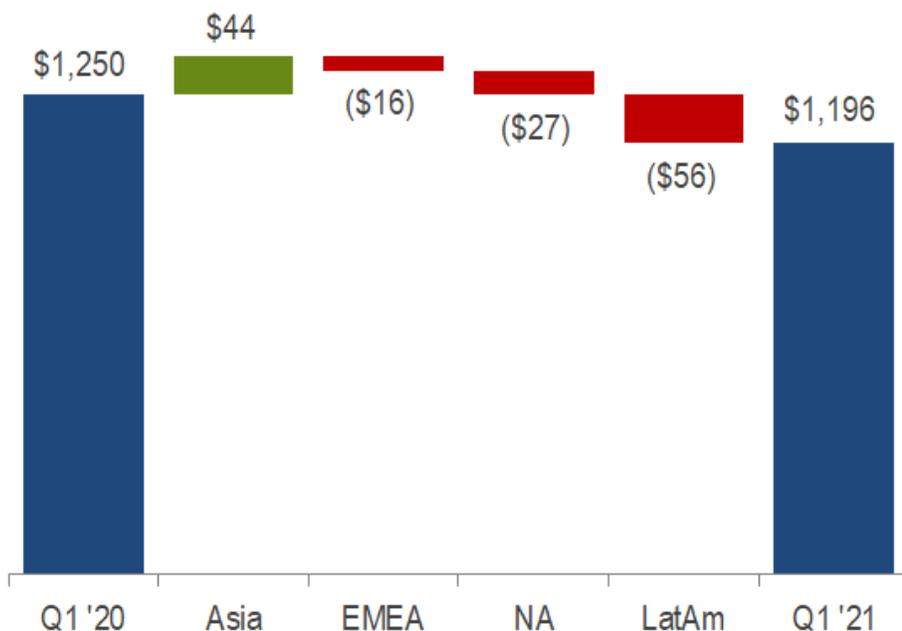
Adjusted EPS also ahead of the midpoint of guidance by \$0.03

## Adj. EPS<sup>1</sup> vs. Q1 2020

Q1 '21 vs. Q1 '20	-31 cents
EBITDA	-33 cents
D&A	-2 cents
Interest Expense	+6 cents
All other factors	-2 cents

# Q1 2021 Revenue Down 4%, Down 5% Organically<sup>1</sup>

## Regional Revenue Bridge



Note: Amounts in millions of USD

## Q1 2021 Revenue Drivers

Total: -4%	Volume	Price	F/X
	Organic <sup>1</sup> : -5%	-4%	-1%

### Asia

- Q1 '21 Revenue: \$292 million (+18% YOY, +13% ex-FX)
- Strong launch of Overwatch<sup>®</sup> herbicide in Australia
- Robust sales of diamides on F&V, rice in ASEAN, Japan and China
- Geographic expansion in Indonesia led to increased insecticide sales

### EMEA

- Q1 '21 Revenue: \$399 million (-4% YOY, -8% ex-FX)
- Strong diamide and other insecticide sales
- Brexit-related Q4 orders in UK impacted Q1
- Discontinued product registrations impacted sales

### North America

- Q1 '21 Revenue: \$301 million (-8% YOY)
- Double-digit sales growth for herbicides
- Strong demand for new Xyway<sup>™</sup> fungicide
- Shift of diamide 3<sup>rd</sup>-party partner sales from NA to LatAm

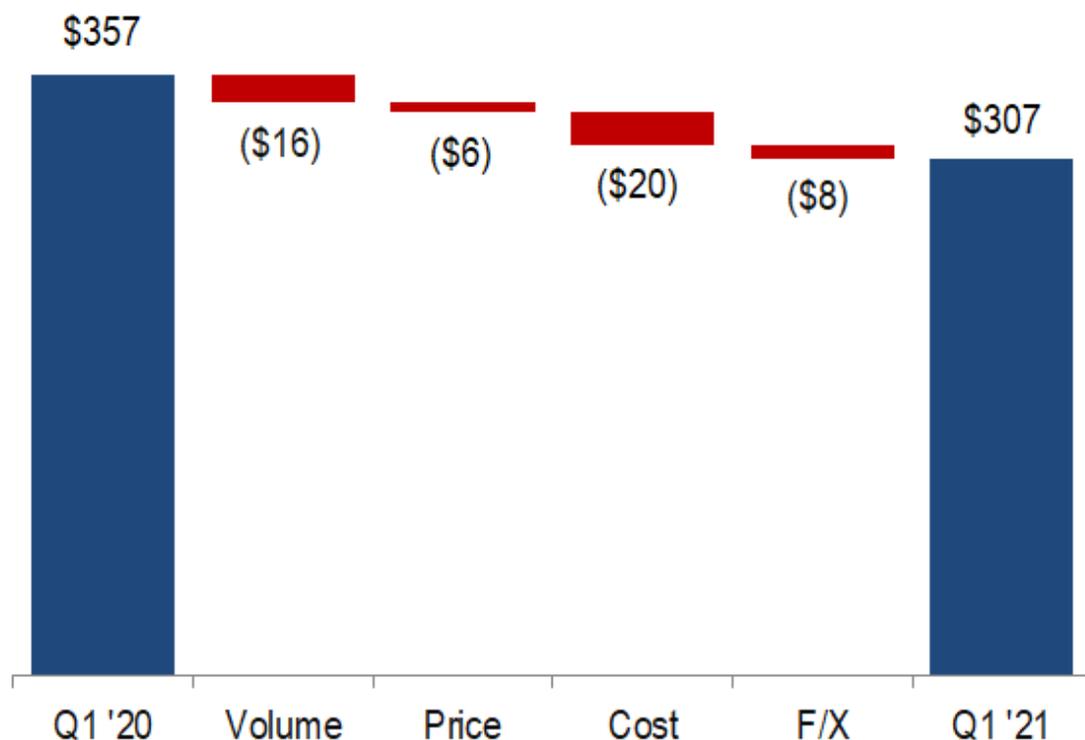
### Latin America

- Q1 '21 Revenue: \$203 million (-22% YOY, -13% ex-FX)
- Planned Brazil channel inventory correction
- Cotton acreage decline in Brazil
- Andean Zone sub-region sales up double-digits, continuing momentum from 2020

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# Q1 2021 Adjusted EBITDA<sup>1</sup> Decreased 14%

Q1 2021 Adjusted EBITDA Bridge



Note: Amounts in millions of USD

Q1 2021 Adj. EBITDA Drivers

EBITDA \$50 million below a very strong Q1 2020

Lower volume in EMEA and LatAm partially offset by new products in Asia and North America

Cost headwinds on raw materials and logistics were higher than expected

F/X headwinds much smaller than the past 4 quarters

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# FY 2021 and Q2 Earnings Outlook

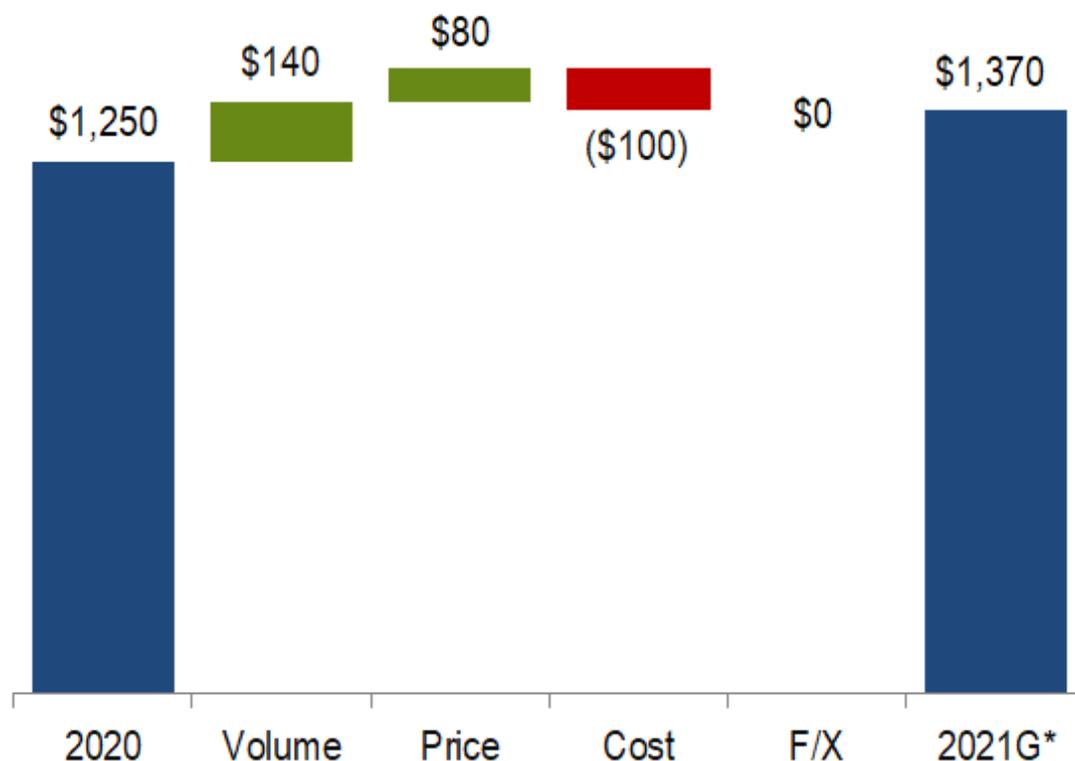
	FY 2021	Q2 2021
Adjusted EPS Ranges <sup>(1,2)</sup>	\$6.70 - \$7.40 +14% YOY at midpoint WADSO: ~130 million	\$1.68 - \$1.88 +3% YOY at midpoint WADSO: ~130 million
Revenue & Adjusted EBITDA <sup>(1)</sup> Ranges	<div style="border: 1px solid black; padding: 5px;">             Revenue: \$4.9 - \$5.1 billion              Adj. EBITDA: \$1.32 - \$1.42 billion           </div> Revenue +8% YOY at midpoint (+8% organic) Adj. EBITDA growth of +10% YOY at midpoint	<div style="border: 1px solid black; padding: 5px;">             Revenue: \$1.19 - \$1.26 billion              Adj. EBITDA: \$330 - \$360 million           </div> Revenue +6% YOY at midpoint (+5% organic) Adj. EBITDA change of +1% 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 share repurchases that are expected in Q2 to Q4 2021.

# Projected FY 2021 Adj. EBITDA<sup>1</sup> and Revenue Drivers (YOY)

## FY 2021 Adjusted EBITDA Bridge



Note: Amounts in millions of USD

\* Midpoint of guidance

## FY 2021 Adj. EBITDA Drivers

- Volume growth led by Asia, LatAm and EMEA
- Products introduced this year to contribute \$100 million in revenue
- Price increases continue to recoup 2020 FX headwind
- Cost headwinds from higher supply chain costs, increased R&D spending, and the reversal of some 2020 cost reductions

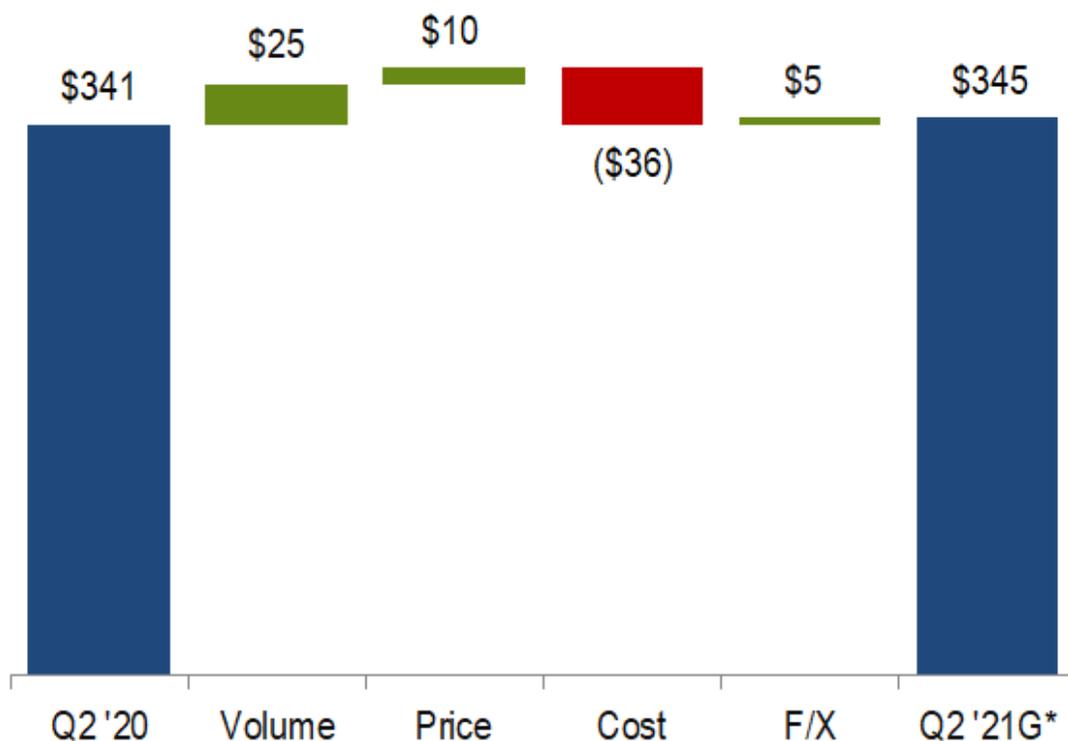
## FY 2021 Revenue Drivers

Total: +8%	Volume	Price	F/X
	+6%	+2%	0%
Organic <sup>1</sup> : +8%			

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# Projected Q2 2021 Adj. EBITDA<sup>1</sup> and Revenue Drivers (YOY)

## Q2 2021 Adjusted EBITDA Bridge



Note: Amounts in millions of USD

\* Midpoint of guidance

## Q2 2021 Adj. EBITDA Drivers

Volume growth driven by EMEA and Asia, as well as by continued benefit of new product launches

Cost headwinds primarily due to increased costs for raw materials and logistics, as well as higher spend on SG&A and R&D compared to an abnormally low Q2 2020

Modest F/X tailwind expected

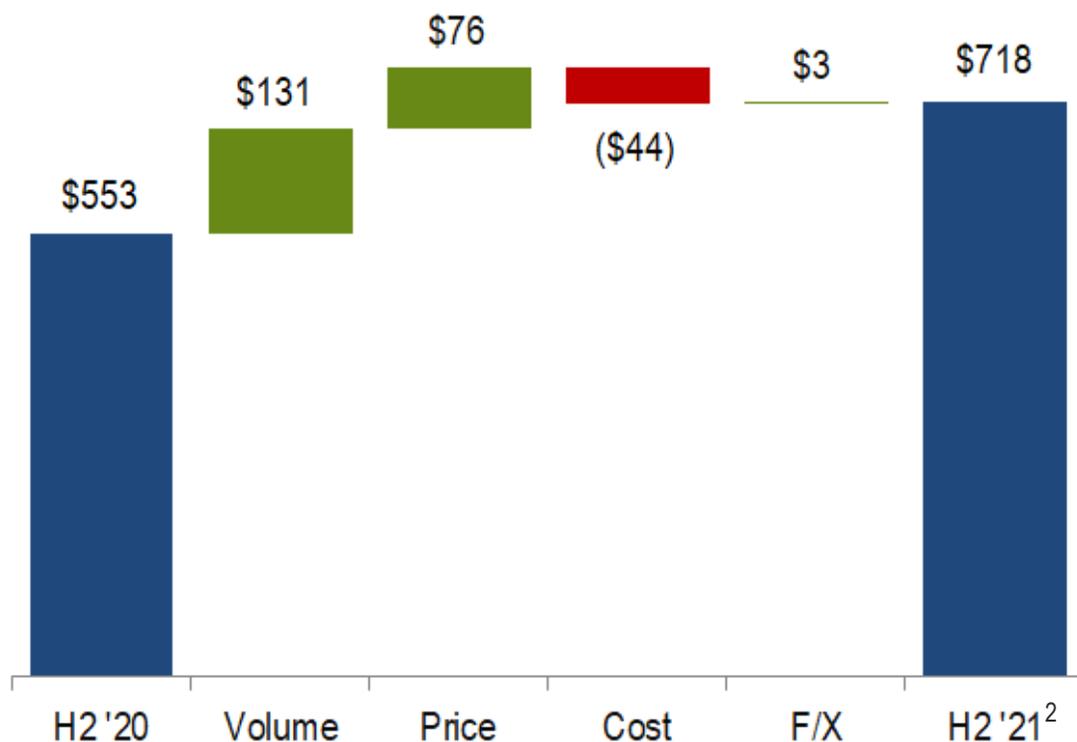
## Q2 2021 Revenue Drivers

Total: +6%	Volume	Price	F/X
	+4%	+1%	+1%
Organic <sup>1</sup> : +5%			

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# Implied H2 Adj. EBITDA<sup>1</sup> and Revenue Drivers (YOY)<sup>2</sup>

## Implied H2 2021 Adjusted EBITDA Bridge



Note: Amounts in millions of USD

## Primary Growth Drivers

- Strong growth in U.S. and Brazil, following our weak Q4 2020 in each of those countries
- Higher pricing – Primarily in Brazil, but also many other countries
- New products – Overwatch<sup>®</sup> and Authority<sup>®</sup> NXT herbicides in Asia, Xyway<sup>™</sup> fungicide, new diamide formulations (Elevest<sup>™</sup> and Vantacor<sup>™</sup> insecticides) and Fluindapyr fungicide (non-crop) in NA
- Strong crop fundamentals – Cotton in LatAm (hectares up >15%), soybean/corn in NA and LatAm, F&V and rice in Asia
- Market access initiatives in India, Indonesia, Philippines, Vietnam, share gains in insecticides and herbicides in LatAm

## H2 2021 Revenue Drivers

Total: +15%	Volume	Price	F/X
	+13%	+3%	-1%
Organic <sup>1</sup> : +16%			

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(2) Implied H2, based on Q1 actuals and midpoints of Q2 & FY guidance

# Q1 Cash Flow Results and 2021 Cash Flow Outlook

(\$ in millions)

	Q1 '20	Q1 '21	Change <sup>3</sup>	2020	2021 Outlook	Change <sup>4</sup>
Adjusted Cash from Operations <sup>1</sup>	(\$286)	(\$290)	(\$3)	\$801	\$790 - \$950	\$69
Capital Additions and Other Investing Activities	(\$25)	(\$39)	(\$14)	(\$88)	(\$160) - (\$200)	(\$92)
Legacy and Transformation <sup>2</sup>	(\$61)	(\$26)	\$35	(\$169)	(\$100) - (\$130)	\$54
FCF (before dividends, repurchases and M&A) <sup>1</sup>	(\$372)	(\$354)	\$17	\$544	\$530 - \$620	\$31
Adjusted Earnings <sup>1</sup>	\$240	\$200	(\$40)	\$809	\$870 - \$965	\$109

FCF Conversion

67%

63%

## Q1 Cash Drivers<sup>3</sup>

**Adj. cash from operations down \$3 million:** Relatively flat year-over-year; improved working capital offset by non-working capital items and lower EBITDA

**Capital additions up \$14 million:** Increase due to resumption of deferred projects from 2020 which were delayed due to COVID-19 pandemic

**Legacy and transformation down \$35 million:** Lower Transformation costs with completion of SAP program

## 2021 Outlook<sup>4</sup>

**Adj. cash from operations up \$69 million:** Higher EBITDA and working capital improvement partially offset by increases in non-working capital items

**Capital additions up \$92 million:** Catch up on deferred projects, capacity growth

**Legacy and transformation down \$54 million:** Completion of SAP program

(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 and DuPont Integration.

(3) These changes are calculated using the amounts shown in the Financial Schedules that accompany our earnings release.

(4) Relative changes noted here are based on midpoint of 2021 Outlook ranges shown in this table, relative to the 2020 actuals.

# Appendix – Other Financial Items

Interest Expense	\$130 – \$140 million
Adjusted Tax Rate <sup>(1)</sup>	12.5 – 14.5 percent
Non-Controlling Interest	~\$4 million
Full-Year Weighted Avg. Diluted Shares Outstanding (WADSO) <sup>(2)</sup>	~130 million
Depreciation & Amortization	\$165 – \$175 million
Free Cash Flow <sup>(1)</sup>	\$530 – \$620 million
Capital Additions and Other Investing Activities	\$160 – \$200 million



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(2) Outlook for weighted average diluted shares outstanding (WADSO) does not include the impact of any share repurchases that are expected in Q2 to Q4 2021.

# Appendix – Regional Growth

		FMC Q1 Sales	% Chg	% (ex-FX)
<b>2021</b>	<b>NA</b>	\$301	-8%	-8%
	<b>LatAm</b>	\$203	-22%	-13%
	<b>EMEA</b>	\$399	-4%	-8%
	<b>Asia</b>	\$292	18%	13%
	<b>Total</b>	<b>\$1,196</b>	<b>-4%</b>	<b>-5%</b>

*Note: Amounts in millions of USD*

