



An Agricultural
Sciences Company

Q1 2023 Earnings Presentation

May 2, 2023

Q1

Safe Harbor Statement

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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. 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.



Q1 2023 Results

	Q1 2023	Q1 2022	2023 VS. 2022
Revenue	\$1,344	\$1,351	0%
GAAP Net Income	\$196	\$212	(7)%
Adjusted EBITDA ¹	\$362	\$355	2%
<i>% Revenue</i>	26.9%	26.3%	~60 bps
GAAP EPS	\$1.55	\$1.64	(6)%
Adjusted EPS ¹	\$1.77	\$1.88	(6)%

Note: Amounts in millions of USD except for EPS

Q1 2023 HIGHLIGHTS

- ❖ Revenue up 4% organically¹
- ❖ North America record first quarter revenue driven by new products and pricing
- ❖ EBITDA¹ margin up ~60 bps
- ❖ Prices up +7%
- ❖ 15% of sales from products launched within last five years
- ❖ FX continued to be a headwind

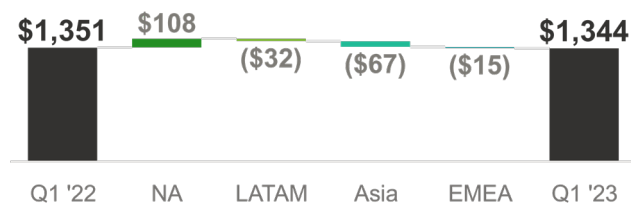
1. Denotes non-GAAP financial term. Refer to non-GAAP financial terms at the beginning of this presentation.



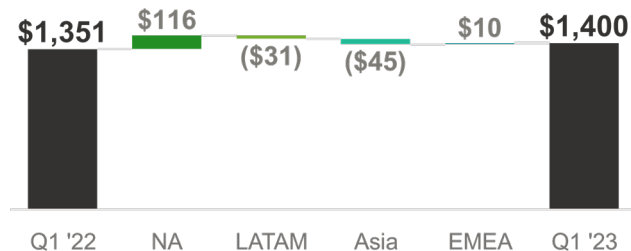
Q1 2023 Regional Revenue Drivers

Revenue up 4% organically¹

REGIONAL REVENUE BRIDGE



REGIONAL REVENUE BRIDGE (ex-FX)



Note: Amounts in millions of USD; parts don't sum due to rounding

Q1 2023 REVENUE DRIVERS

	VOLUME	PRICE	FX
Total:	-3%	+7%	-4%
Organic¹:	+4%		

Strong North America sales driven by new product contributions and record results in Canada

North America

\$497 million
(+28% YOY,
+30% ex-FX)

- Price increases in the quarter
- Record sales in Canada driven by market share gains
- Successful launch of Altacor® eVo in US for tree nuts
- Branded diamides grew 20%+
- 29% of branded sales came from products launched in last five years

Latin America

\$234 million
(-12% YOY,
-12% ex-FX)

- Price increases in the quarter
- Drought conditions in southern Brazil and Argentina
- Steady demand in Mexico and the Andean region
- Plant Health grew 10%+

Asia

\$230 million
(-22% YOY,
-15% ex-FX)

- Dry conditions in Australia
- Continued focus on channel inventory reduction in India
- Fungicides grew 20%+
- 17% of branded sales came from products launched in last five years
- FX was a headwind

EMEA

\$383 million
(-4% YOY,
+2% ex-FX)

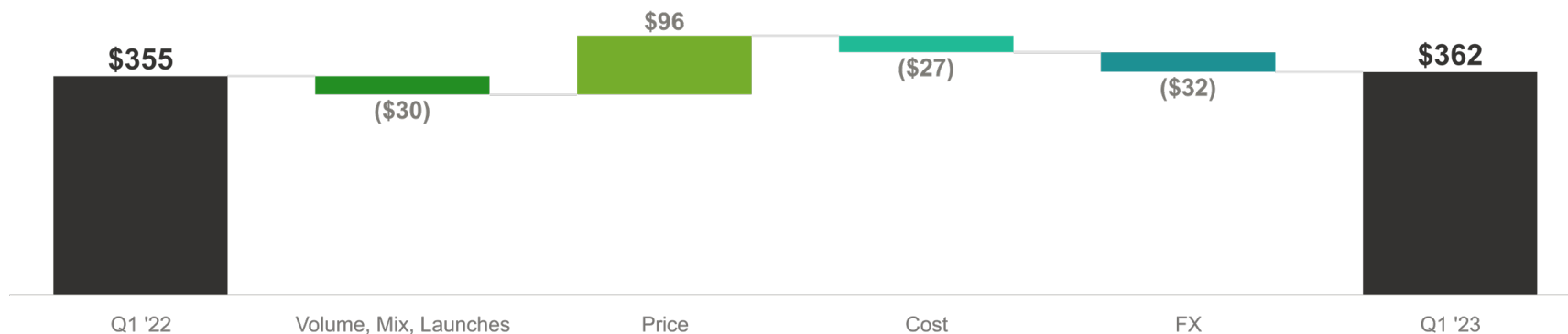
- Strong price increases
- Herbicides volumes declined
- Headwinds from anticipated registration losses and Russia exit
- Plant Health grew 30%+
- FX was a headwind

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Q1 2023 Adjusted EBITDA¹ Drivers

Adjusted EBITDA¹ up 2%

Adjusted EBITDA¹ BRIDGE



Note: Amounts in millions of USD

KEY DRIVERS AT A GLANCE

Volume, Mix, Launches

- Favorable product mix from sale of new products in North America
- Lower volume due to drought in S. Brazil and Argentina, continued channel inventory management in India and reduced demand for herbicides in EMEA
- Products launched in last five years account for 15% of sales

Price

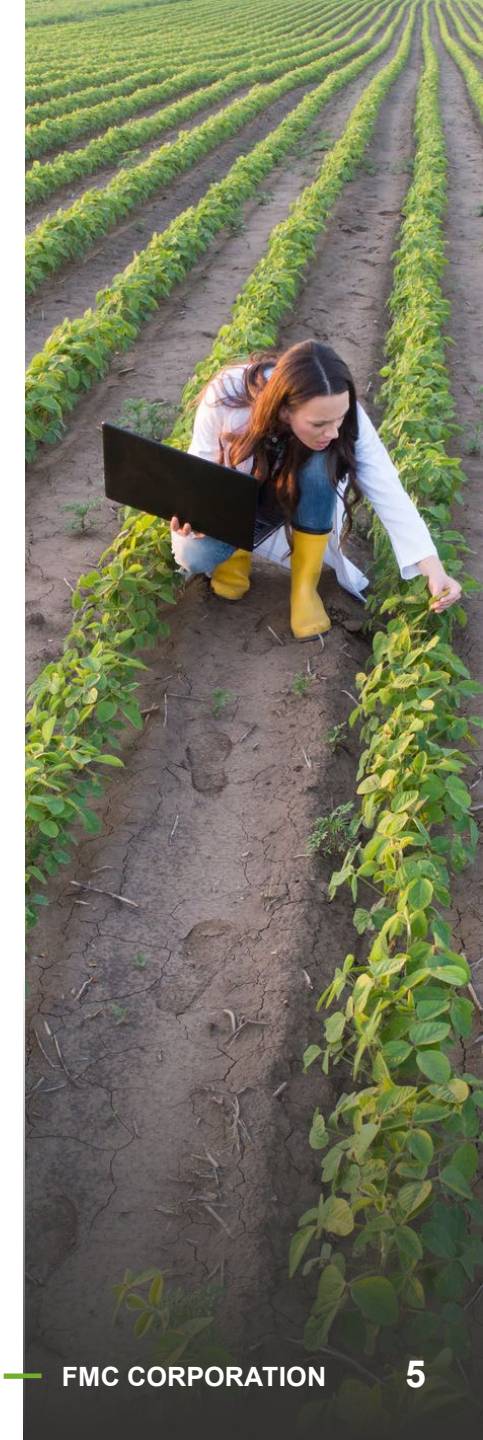
- Strong price increases, particularly in EMEA

Cost

- Input cost headwinds continued
- SG&A costs managed tightly

FX

- FX headwinds



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Q2 2023 Financial Outlook

	Q2 2022	Q2 2023 Guidance	
REVENUE	\$1,452 million	\$1,420 - \$1,480 million 0% YoY	REVENUE DRIVERS <ul style="list-style-type: none"> Higher prices more than offsets lower volumes Targeting mid-single digit price increases Channel inventory management in India continues Diamides partners adjusting inventory levels New launches and market access expansion drive volume growth FX-related headwinds
ADJ. EBITDA ¹	\$360 million	\$350 - \$370 million 0% YoY	ADJ. EBITDA DRIVERS <ul style="list-style-type: none"> Price is primary driver of EBITDA Favorable product mix as new products are prioritized in portfolio Deceleration of input costs Continued discipline on SG&A FX-related headwinds
ADJ. EPS ^{1,2}	\$1.93	\$1.66 - \$1.86 (9)% YoY	ADJ. EPS DRIVERS <ul style="list-style-type: none"> Flat EBITDA Higher interest expense Higher tax rate

Note: Year-over-Year growth noted at mid-point of guidance range.

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2. Outlook for EPS assumes weighted average diluted shares outstanding (WADSO) of 126.1 million and does not include impact of potential share repurchases.

FY 2023 Financial Outlook Update

	FY 2022	FY 2023 Guidance	
REVENUE	\$5,802 million	\$6,080 - \$6,220 million +6% YoY	REVENUE DRIVERS <ul style="list-style-type: none"> Price, new products and expanded market access expected to more than offset lower volumes in select areas Price increases weighted to H1 Continued focus on channel inventory in India Mix improving with growing contribution of new product sales Modest FX headwinds
ADJ. EBITDA ¹	\$1,407 million	\$1,500 - \$1,560 million +9% YoY	ADJ. EBITDA DRIVERS <ul style="list-style-type: none"> Expanding margins via price increases and improved product mix from new products Minor cost headwind as input costs expected to become YoY tailwind in H2, with significant benefit projected in Q3 Continued discipline on SG&A growth FX-related headwinds weighted to H1
ADJ. EPS ^{1,2}	\$7.41	\$7.34 - \$7.94 +3% YoY	ADJ. EPS DRIVERS <ul style="list-style-type: none"> EBITDA growth Higher interest expense Higher tax rate

Note: Year-over-Year growth noted at mid-point of guidance range.

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Adjusted EBITDA¹ Growth Expected to be Weighted Toward Second Half



H1 ADJ. EBITDA¹

**\$714
million**

H1 2022

+1% YoY

- Targeting mid-to-high single digit price increases
- North America strength partially offsets lower volumes in LATAM (drought) and Asia (India channel inventory)
- Input cost headwinds persist while other costs are closely managed
- FX-related headwinds

**\$722
million**

H1 2023

H2 ADJ. EBITDA¹

**\$693
million**

H2 2022

+17% YoY

- Targeting low-single digit price increases
- Volume growth driven by new products in North and Latin America
- Margin expansion
- Input costs become tailwind in H2, with significant benefit projected in Q3
- FX becomes a modest tailwind

**\$808
million**

H2 2023

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Note: Outlook numbers are mid-points of guidance ranges

Updated Drivers of Outcomes for 2023 Adjusted EBITDA¹

Legend

- ✓ Increased confidence of occurrence vs. prior guide
- × Increased confidence of non-occurrence vs. prior guide



Raised EBITDA guidance by \$10 million at midpoint

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Q1 & FY 2023 Cash Flow Generation and Deployment

CASH FROM OPERATIONS	ADJ. CASH FROM OPERATIONS ¹	CAPITAL ADDITIONS & OTHER INVESTING ACTIVITIES	LEGACY & TRANSFORMATION COSTS	FREE CASH FLOW ¹
Q1 2023 Results (\$ million)				
\$(851) million	\$(851) million	\$51 million	\$13 million	\$(915) million
<ul style="list-style-type: none"> High use of cash for working capital - price increases in receivables and cost inflation in inventory 		<ul style="list-style-type: none"> Investments in capacity expansion, including new products 	<ul style="list-style-type: none"> Flat to prior year 	<ul style="list-style-type: none"> Working capital seasonality, as expected
FY 2023 Outlook (\$ million)				
\$800 - \$920 million		\$140 - 180 million	\$60 - \$90 million	\$530 - \$720 million
<ul style="list-style-type: none"> EBITDA growth with decelerating working capital growth Higher interest Higher taxes 		<ul style="list-style-type: none"> Investments in capacity expansion, including new products 	<ul style="list-style-type: none"> Flat to prior year after adjusting for inactive site disposal in 2022 	<ul style="list-style-type: none"> Free cash flow conversion of 65% at midpoint Rolling 3-year average conversion of ~67%

Cash Deployment Balanced between Growth and Returning Value to Shareholders

- Q1 cash deployment - Dividend payments of ~\$73 million and \$25 million in share repurchases
- Remainder of the year cash deployment:
 - Dividend payments of ~\$220 million
 - Potential inorganic growth through M&A – targets focused on market access, biologicals and precision ag
 - Share repurchases weighted towards second half of the year due to seasonality of cash flow

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APPENDIX

Modeling assumptions for 2023

Appendix

**\$205 – \$215
million**

INTEREST EXPENSE

**14 – 16
percent**

ADJUSTED TAX RATE¹

**\$5 – \$7
million**

NON-CONTROLLING INTEREST

**~126.1
million**

FULL-YEAR WEIGHTED AVG. DILUTED SHARES
OUTSTANDING (WADSO)²

**\$178 – \$182
million**

DEPRECIATION &
AMORTIZATION

**\$530 – \$720
million**

FREE CASH FLOW¹

**\$140 – \$180
million**


CAPITAL ADDITIONS AND
OTHER INVESTING ACTIVITIES

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2. Potential share repurchases for 2023 are not factored into estimate for FMC weighted average diluted shares outstanding (WADSO).

Q1 2023 Adjusted EPS¹ Variance

Appendix



\$1.88	+\$0.05	-\$0.15	-\$0.02	+\$0.01	\$1.77
Q1 '22	Adj. EBITDA ¹	INT. EXPENSE	TAXES	OTHER	Q1 '23
	<ul style="list-style-type: none">• EBITDA¹ growth of 2%	<ul style="list-style-type: none">• Higher interest rate environment	<ul style="list-style-type: none">• Higher tax rate	<ul style="list-style-type: none">• Minority interest, share count and D&A	

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