

News Release

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FMC Corporation announces second quarter results and confirms full-year outlook

Abrupt and unprecedented reductions in inventory by growers and the distribution channel led to significant volume decline despite steady on-the-ground consumption

Second Quarter 2023 Highlights

- Revenue of \$1.01 billion, down 30 percent versus Q2 2022 and down 28 percent organically¹
- Consolidated GAAP net income of \$32.4 million, down 75 percent versus Q2 2022
- Adjusted EBITDA of \$187.6 million, down 48 percent versus Q2 2022
- Consolidated GAAP earnings of \$0.24 per diluted share, down 77 percent versus Q2 2022
- Adjusted earnings per diluted share of \$0.50, down 74 percent versus Q2 2022
- Returned approximately \$123 million to shareholders, including \$50 million in share repurchases

Full-Year Outlook²

- Revenue of \$5.20 to \$5.40 billion, reflecting a 9 percent decline at the midpoint versus 2022
- Adjusted EBITDA of \$1.30 to \$1.40 billion, reflecting a 4 percent decline at the midpoint versus 2022
- Lowers adjusted earnings per diluted share outlook to \$5.86 to \$6.80, reflecting 15 percent decrease at the midpoint versus 2022
- Lowers free cash flow outlook to a midpoint of break even

PHILADELPHIA, August 2, 2023 – FMC Corporation (NYSE:FMC) today reported second quarter 2023 revenue of \$1.01 billion, down 30 percent versus second quarter 2022, and down 28 percent organically. On a GAAP basis, the company reported earnings of \$0.24 per diluted share in the second quarter, a decrease of 77 percent versus second quarter 2022. Second quarter adjusted earnings were \$0.50 per diluted share, down 74 percent versus second quarter 2022.

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Second Quarter Adjusted EPS versus Q2 2022	-143 cents
Adjusted EBITDA	-116 cents
Interest Expense	-20 cents
Depreciation & Amortization	-4 cents
Minority Interest	-3 cents

“FMC delivered second quarter results in-line with recently adjusted guidance expectations. Active inventory management by growers and the distribution channel drove unprecedented volume declines and as a result we now expect the overall crop protection market to contract high-single-digits to low-double-digits percent this year despite steady on-the-ground usage by growers,” said Mark Douglas, FMC president and chief executive officer.

Revenue in the quarter was driven by a 31 percent decline from volume. Price was up 3 percent, partially offset by a 2 percent foreign currency headwind. Demand for the company’s innovative products remained resilient as sales from new products launched in the last five years were essentially flat to the prior-year period despite the overall sales drop. Branded diamides performed better than the rest of the portfolio, with reduced partner sales the main driver of volume decline in diamides.

North America revenue was down 25 percent (down 24 percent organically) versus the prior-year period as partners, the distribution channel and growers reduced inventory. Branded diamides in the region showed strong growth largely due to high insect pressure in Canada. Sales in EMEA declined 26 percent (down 24 percent organically) compared to second quarter 2022 due to channel and grower destocking as well as adverse weather conditions across Europe. Volume headwinds were partially offset by strong pricing gains in the region. In Latin America, revenue was down 38 percent versus the prior-year period driven by significantly lower volumes as destocking was amplified by a historic drought in southern Brazil and Argentina. Sales in Asia declined 29 percent (down 23 percent organically) year-over-year. As expected, India continued to manage high channel inventory and was impacted by challenged growing conditions in most of the country. Globally, Plant Health revenue was down 31 percent (down 25 percent organically) versus prior year driven by similar channel dynamics as the rest of the crop protection portfolio.

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FMC Revenue	Q2 2023
Total Revenue Change (GAAP)	(30%)
Less FX Impact	2%
Organic¹ Revenue Change (Non-GAAP)	(28%)

FMC second quarter adjusted EBITDA was \$187.6 million, a decrease of 48 percent from the prior-year period. The negative impact of volume more than offset the gains from better year-over-year prices and costs. Cost was a positive driver of adjusted EBITDA for the first time since 2020. FX was a headwind to adjusted EBITDA.

Full Year 2023 Outlook²

Consistent with the company's release on July 10, FMC is forecasting full-year 2023 revenue to be in the range of \$5.20 billion to \$5.40 billion, reflecting a 9 percent decline at the midpoint versus 2022 and full-year adjusted EBITDA is expected to be in the range of \$1.30 billion to \$1.40 billion, representing 4 percent decline year-over-year at the midpoint. The forecast for the 2023 adjusted earnings range is lowered to \$5.86 to \$6.80 per diluted share, representing a year-over-year decrease of 15 percent at the midpoint. The company is lowering full-year free cash flow guidance to a range of negative \$175 million to positive \$175 million due to the lower revenue generated in the first half of the year, lowered adjusted EBITDA guidance and expected lower payables at year end.

Second Half Outlook²

Sales in the second half of 2023 are expected to be in the range of \$2.84 billion to \$3.04 billion, representing a 2 percent decrease at the midpoint compared to the same period last year. Adjusted EBITDA is forecasted to be \$751 million to \$851 million, representing 16 percent growth at the midpoint versus second half 2022. Forecasted input cost tailwinds, operating expense discipline, anticipated growth of new products and projected pricing gains are expected to more than offset the adjusted EBITDA impact from anticipated volume decline in the second half. The split of earnings and revenue between the third and fourth quarter is forecasted to be more heavily weighted to the end of the year as growers and the distribution channel purchase closer to application.

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Third quarter revenue is expected to be in the range of \$1.19 billion to \$1.27 billion, representing an 11 percent decrease at the midpoint compared to third quarter 2022 as inventory destocking dynamics in the channel are expected to continue and ‘hand-to-mouth’ purchasing behavior is expected to shift some orders closer to the application timeframe in the fourth quarter. Adjusted EBITDA is forecasted to be in the range of \$240 million to \$290 million, representing a 2 percent increase at the midpoint versus third quarter 2022 as the impact from lower volume is more than offset by favorable input costs and pricing. FMC expects third quarter adjusted earnings per diluted share to be in the range of \$0.90 to \$1.32, a 10 percent decrease at the midpoint mainly due to projected higher interest expense.

Fourth quarter revenue is expected to be in the range of \$1.66 billion to \$1.78 billion, representing a 6 percent increase at the midpoint compared to prior year aided by channel and grower purchase timing, expectations for increased planted acreage in Brazil, forecasted product launches and continued pricing actions. Adjusted EBITDA in the fourth quarter is expected to be in the range of \$511 million to \$561 million, a 24 percent increase at the midpoint versus fourth quarter 2022 due to forecasts of higher revenue and lower input costs. FMC expects adjusted earnings per diluted share to be in the range of \$2.71 to \$3.17, which represents a 24 percent increase versus fourth quarter 2022.

“The crop protection market is in the midst of a global resetting of inventory levels. We anticipate volume pressure at the start of the second half and have adjusted our outlook accordingly. However, we continue to observe steady consumption of product by growers along with acreage increases for key crops. As a result, we expect to grow adjusted EBITDA in the second half due to lower costs, price increases and improved mix from new products as demand for our innovative portfolio remains strong,” said Douglas.

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	Full-Year 2023 Outlook ²	Second-Half Outlook ²	Q3 2023 Outlook	Q4 2023 Outlook
Revenue	\$5.20 to \$5.40 billion	\$2.84 to \$3.04 billion*	\$1.19 to \$1.27 billion	\$1.66 to \$1.78 billion
<i>Variance at midpoint vs. 2022</i>	-9%	-2%	-11%	+6%
Adjusted EBITDA	\$1.30 to \$1.40 billion	\$751 to \$851 million	\$240 to \$290 million	\$511 to \$561 million
<i>Variance at midpoint vs. 2022</i>	-4%	+16%	+2%	+24%
Adjusted EPS[^]	\$5.86 to \$6.80	\$3.61 to \$4.49	\$0.90 to \$1.32	\$2.71 to \$3.17
<i>Variance at midpoint vs. 2022</i>	-15%	+13%	-10%	+24%

[^] EPS estimates assume 125.8 million diluted shares for full year and 125.8 million diluted shares for Q3.

* Q3 and Q4 ranges do not sum to H2 range due to rounding.

Supplemental Information

The company will post supplemental information on the web at <https://investors.fmc.com>, including its webcast slides for tomorrow's earnings call, definitions of non-GAAP terms and reconciliations of non-GAAP figures to the nearest available GAAP term.

About FMC

FMC Corporation is a global agricultural sciences company dedicated to helping growers produce food, feed, fiber and fuel for an expanding world population while adapting to a changing environment. FMC's innovative crop protection solutions – including biologicals, crop nutrition, digital and precision agriculture – enable growers, crop advisers and turf and pest management professionals to address their toughest challenges economically while protecting the environment. With approximately 6,600 employees at more than 100 sites worldwide, FMC is committed to discovering new herbicide, insecticide and fungicide active ingredients, product formulations and pioneering technologies that are consistently better for the planet. Visit fmc.com to learn more and follow us on LinkedIn[®] and Twitter[®].

Statement under the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995:

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FMC and its representatives may from time to time make written or oral statements that are “forward-looking” and provide other than historical information, including statements contained in this press release, in FMC’s other filings with the SEC, and in reports or letters to FMC stockholders.

In some cases, FMC has identified these forward-looking statements by such words or phrases as "will likely result," "is confident that," "expect," "expects," "should," "could," "may," "will continue to," "believe," "believes," "anticipates," "predicts," "forecasts," "estimates," "projects," "potential," "intends" or similar expressions identifying "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including the negative of those words or phrases. Such forward-looking statements are based on our current views and assumptions regarding future events, future business conditions and the outlook for the company based on currently available information. The forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any results, levels of activity, performance or achievements expressed or implied by any forward-looking statement. These statements are qualified by reference to the risk factors included in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022 (the "2022 Form 10-K"), the section captioned "Forward-Looking Information" in Part II of the 2022 Form 10-K and to similar risk factors and cautionary statements in all other reports and forms filed with the Securities and Exchange Commission ("SEC"). Moreover, investors are cautioned to interpret many of these factors as being impacted as a result of the residual adverse impacts of COVID and governmental, business, and societal responses to COVID. We wish to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Forward-looking statements are qualified in their entirety by the above cautionary statement.

We specifically decline to undertake any obligation, and specifically disclaims any duty, to publicly update or revise any forward-looking statements that have been made to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events, except as may be required by law.

This press release contains certain “non-GAAP financial terms” which are defined on our website www.fmc.com/investors. Such terms include adjusted EBITDA, adjusted earnings, free cash flow and organic revenue growth. In addition, we have also provided on our website reconciliations of non-GAAP terms to the most directly comparable GAAP term.

- 1. Organic revenue growth (non-GAAP) excludes the impact of foreign currency changes.*
- 2. Although we provide forecasts for adjusted earnings per share, adjusted EBITDA and free cash flow (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. As a result, no GAAP outlook is provided.*

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