

FMC Corporation
1Q26 Earnings Webcast
April 30, 2026
As Prepared for Delivery

Introduction – Curt Brooks

Good morning and welcome to FMC Corporation's 2026 first quarter earnings call. Today's prepared remarks will be provided by Pierre Brondeau, Chairman, Chief Executive Officer and President, and Andrew Sandifer, Executive Vice President and Chief Financial Officer. After prepared comments, we will take questions. Our earnings release and today's slide presentation are available on the FMC Investor Relations website, and the prepared remarks from today's discussion will be made available after the call.

Let me remind you that today's presentation and discussion will include forward-looking statements that are subject to various risks and uncertainties concerning specific factors, including but not limited to those factors identified in our earnings release and in our filings with the Securities and Exchange Commission. Information presented represents our best judgment based on

today's understanding. Actual results may vary based on these risks and uncertainties.

Today's discussion and the supporting materials will include references to adjusted EPS, adjusted EBITDA, free cash flow, organic revenue growth and revenue excluding India – all of which are non-GAAP financial measures. Please note that as used in today's discussion, CTPR means "chlorantraniliprole," "earnings" means "adjusted earnings," "EBITDA" means "adjusted EBITDA" and "sales" refers to sales excluding India. A reconciliation and definition of these terms, as well as other non-GAAP financial terms to which we may refer during today's conference call, are provided on our website.

With that, I will now turn the call over to Pierre.

Operational Priorities Update – Pierre Brondeau (Slide 3)

Thank you, Curt, and good morning, everyone.

During the first quarter we delivered results that exceeded the midpoint of our guidance ranges. In addition, we made good progress on our 2026 operational priorities, which are listed on slide 3. These are strengthening the balance sheet through

targeted debt reduction of approximately \$1 billion, improving the competitiveness of our core portfolio, managing the post-patent transition for Rynaxypyr, and supporting sales growth of new active ingredients including Isoflex active, fluindapyr and Dodhylex active.

I will start by providing an update on the progress of these four operational priorities, beginning with debt reduction.

Debt Reduction

We are continuing to target approximately \$1 billion of debt paydown during 2026. The sale of our India commercial business continues to progress very well. We are in late stages with several potential buyers and expect to sign a definitive agreement in May.

In addition, we are in advanced discussions with multiple potential partners regarding the licensing of one of our new active ingredients, which we expect would include an upfront payment. We anticipate concluding talks in the coming weeks. The remainder of the debt paydown is expected to come from proceeds from the sale of non-core assets, including potential sales of non-core businesses and/or molecules, as well as

multiple, sizable real estate opportunities, some of which are in advanced negotiations.

Improve Competitiveness

Next, FMC continues to take decisive action to optimize our manufacturing cost structure and rebuild the competitiveness of our non-diamide core portfolio in a market increasingly impacted by lower-cost generic competitors. We intend to shift production from high-cost plants to lower-cost sources in Asia. We expect this transition will be completed by Q1 2027 and that this will result in a more competitive core portfolio.

Additionally, in advance of the sale of our India commercial business, we have already completed the restructuring in Asia to account for the reduced size of the business. We continue to look for opportunities to further optimize our cost structure across the company in 2026.

Post-Patent Strategy

Regarding Rynaxypyr, we continue to advance our post-patent strategy with a clear focus: driving sales growth while keeping overall branded earnings dollars flat.

Our strategy is progressing and we are seeing early signals that give us confidence. For example, we are observing positive reactions to our price repositioning with strong volume growth for our high-load formulations and differentiated mixtures. In addition, we are already seeing some small, early share gains from other classes of insecticides. On the earnings side, ongoing cost improvements are supporting margins that are in line with our expectations. We continue to pursue additional opportunities for cost reductions, which will further improve the competitiveness of our Rynaxypyr business.

We are still in the early stages of a post-patent Rynaxypyr market and believe that some customers are adopting a wait-and-see approach as they gauge the availability and efficacy of CTPR generic offerings. Our strategy will play out over the coming quarters as we implement our plan.

Growth of New AIs

And finally, regarding our new active ingredients, we are seeing solid growth. Sales of these products doubled year-over-year in the first quarter, highlighting the increasing demand from growers. The growth of these products is expected to build momentum driven in part by new launches and additional registrations. For example, we recently received regulatory approval for Isoflex active in the EU. This is a significant achievement as it is the first new herbicide approved in the EU since 2019. We expect product launches to begin in 2027, giving us new or expanded access to more than 55 million planted hectares of cereals, corn, oilseed rape and potato in the EU. In addition, many of our customers have requested pre-registration exemptions to use Isoflex in Italy, Germany, France and Spain this year. If granted, this would represent upside to our outlook for the second half.

We continue to concentrate on these four operational priorities as the basis for improved results. In parallel, the Board-authorized evaluation of strategic alternatives announced in February 2026 is progressing and multiple options are being evaluated.

Q1 2026 Results (Slide 4), Q1 2026 Regional Revenue Drivers (Slide 5) and Q1 2026 Adj. EBITDA Drivers (Slide 6)

Turning to our first quarter results, slides 4, 5 and 6 provide details on our performance.

First quarter crop protection market conditions were mostly in line with our expectations. Challenging margins and stressed liquidity for customers and growers led to cautious purchasing in most countries. Lower grower margins also increased the willingness to use generic products or skip some preventative applications. As expected, the regions with more pronounced competitive pressure were LATAM and Asia where generics are more prevalent.

First quarter sales of \$762 million were \$12 million above the midpoint of our guidance driven by better-than-expected FX and volume. While sales were 4% lower than prior year, sales were up 1% on a like-for-like basis after excluding India from both current and prior year periods. Sales made under the FMC brand grew 6% on a like-for-like basis and included strong volume growth in EMEA and North America in herbicides and Cyazypyr. This was mostly offset by lower sales to diamide partners.

These partners accounted for nearly half of our overall price decline of 6%. The remaining drivers of lower price were branded Rynaxypyr price repositioning to support our post-patent strategy, and a competitive market for our legacy core products. Volume grew 2% and FX was a 5% tailwind.

The growth portfolio significantly outperformed the core portfolio due to higher sales of branded Cyazypyr, our new active ingredients and Plant Health.

First quarter EBITDA of \$72 million was \$17 million higher than the high end of our guidance range with FX, cost and volume all favorable to expectations. Adjusted loss per share of \$0.23 was \$0.15 better than the guidance midpoint due to higher EBITDA.

Q2 2026 Financial Outlook Update (Slide 7), FY 2026

Financial Outlook (Slide 8), H2 2026 Financial Outlook (Slides 9-10)

Looking ahead to Q2, our financial outlook is listed on slide 7. We expect second quarter revenue to be between \$850 million and \$900 million. The 17% decline at the midpoint is almost entirely due to lower sales to diamide partners and the removal of India.

Excluding these two factors, our results would be similar to prior year as branded volume growth in most regions and a low-single digit FX tailwind are offset by lower branded pricing due to a competitive market for our core products, as well as our branded Rynaxypyr pricing actions.

Adjusted EBITDA is expected to be \$130 million to \$150 million, down 32% at the midpoint to prior year. Lower sales are driving the decline partially offset by favorable costs.

Adjusted earnings per share is expected to be between \$0.16 and \$0.26. This represents a decline of 70% at the midpoint to prior year due mainly to lower EBITDA and higher interest expense.

Turning to slide 8, our full year 2026 financial guidance ranges are unchanged from our last call. Sales of \$3.6 billion to \$3.8 billion represent a decline of 5% at the midpoint as a mid-single digit price decline and the removal of India sales are partially offset by volume growth, including strong contributions from new products. EBITDA is expected to be \$670 million to \$730 million. At the midpoint this is a 17% decline, mostly in the first half, as lower price and an FX headwind are partially offset by lower costs and volume growth. Adjusted EPS is expected to be \$1.63 to

\$1.89 which is a 41% decline at the midpoint mostly due to lower EBITDA and higher interest expense.

We are maintaining our full-year guidance despite the increased uncertainty related to tariffs and the conflict in Iran. We are beginning to see higher energy, transportation, and petrochemical costs flow through to product costs. At the same time, current tariffs are lower, and there is potential to recover previously paid tariffs.

At this stage, it remains difficult to forecast product costs or the magnitude and timing of future tariff impacts or recoveries, given the uncertainty around the duration of the conflict in Iran and potential additional U.S. trade actions. As a result, we are currently assuming that the Iran-related cost pressures and tariff-related benefits largely offset each other. We expect to provide an updated outlook at our next earnings call as we gain greater clarity on how these factors may affect full-year results.

Slide 9 provides our implied second half guidance using our first quarter results and our second quarter outlook. At the midpoint we are expecting sales and EBITDA to be largely consistent with last year's second half. Sales excluding India are expected to be

up 1% at the midpoint versus last year, with volume growth outpacing a mid-single digit price decline and a minor FX headwind. EBITDA is expected to decline 6% at the midpoint as lower price and minor FX headwinds are partially offset by volume growth and lower costs. Adjusted EPS is expected to be down 15% due to lower EBITDA, higher tax, and higher interest expense.

Turning to slide 10, I'll walk through the key factors bridging second-half 2025 EBITDA to 2026, and why we are confident in our expectations for the second half.

We expect volume contribution to EBITDA to grow with roughly two-thirds driven by new active ingredients, particularly in LATAM and EMEA. We anticipate a mid-single-digit price decline, which is consistent across the full year. An FX headwind is expected to be mostly offset by cost favorability.

Our expectations for second half volume growth are reinforced by positive signals we're seeing in LATAM. At the end of April, we already have orders representing 32% of our H2 direct sales in Brazil which validates our confidence in the second half outlook. By the end of June, we are expecting orders representing about

half of second half direct sales. We have a higher percentage of commitments on a higher sales number versus last year, reflecting the impact of the new direct sales organization put in place in 2025 which is now in full action.

The positive signals we are seeing in LATAM, combined with the demand for new active ingredients, give us confidence in achieving our second half targets.

By the end of Q2 we also expect to have more clarity on our review of strategic options, as well as our debt paydown progress. We anticipate communicating these updates on our next earnings call.

I will now turn the call over to Andrew.

Selected Financial Results

Thanks, Pierre.

I'll start this morning with a few income statement items:

First Quarter Sales benefitted from a 5% currency tailwind, primarily coming from strengthening of the Euro and the Brazilian Real.

As we progress through 2026, we expect FX to move from being a tailwind in the first half, to being a minor headwind in the second half, resulting in an FX impact on revenue for the full year that is roughly neutral.

First quarter interest expense of \$64.8 million was up \$14.7 million. This increase is driven by two factors: the higher rate on the subordinated debt we issued last May, and higher short-term domestic borrowing costs.

We continue to expect full-year 2026 interest expense to be in the range of \$255 million to \$275 million, up approximately \$25 million vs. the prior year at the midpoint due to higher borrowing costs of our senior and subordinated notes following the redemption of the notes maturing in October of 2026.

We continue to expect depreciation and amortization for full year 2026 to be between \$160 million and \$170 million.

The effective tax rate on adjusted earnings in Q1 was 17%, in line with our updated expected full-year effective tax rate of 16% to 18%.

Moving next to the balance sheet and leverage.

We ended the first quarter with gross debt of approximately \$4.5 billion, up \$459 million from year end. Cash on hand decreased \$194 million to \$391 million, resulting in Net Debt of approximately \$4.1 billion, up \$652 million from year-end, consistent with our normal seasonal working capital build. Gross debt to trailing twelve-month EBITDA was 5.7 times at quarter end, while net debt to EBITDA was 5.2 times.

We have continued to work with our bank group to further evolve our revolving credit facility to be more in-line with our current credit ratings. On April 16th, a further amendment to the revolver became effective. This amendment transitions the revolver to being fully secured, moving away from the springing collateral concept included in the prior amendment.

The amended agreement maintains the current capacity of \$2 billion and the current maturity of June 2028. We added a

collateral package to secure revolver lenders worth approximately \$6 billion through direct liens and up to approximately \$9 billion including subsidiary guarantees and pledges of stock of subsidiaries. As a result, we are substantially over-collateralized.

With the latest amendment, we now have two maximum leverage covenants. The first is maximum allowable total leverage, which considers all of FMC's outstanding debt. This total leverage covenant will not be measured until December 31, 2026, when it will be reinstated at 6.75 times through December 31st of 2027. The second is the newly added secured leverage covenant which limits the amount of secured borrowing allowable to 3.5 times trailing twelve-month EBITDA over the life of the credit agreement. On March 31st, our secured leverage would have been about 1.3 times, well below the new covenant.

To be clear, while the maximum total leverage covenant was technically waived for the first quarter, we were in compliance with the previous covenant. Total leverage was 5.67 times at March 31st as compared to the prior total leverage covenant limit of 6.0 times.

We are appreciative of the 100 percent support from our bank group for these changes.

We intend to go to market this quarter with a secured high-yield bond offering to redeem \$500 million of notes that mature in October, market conditions permitting. Should market conditions turn unfavorable, we have more than adequate available liquidity to redeem the maturing notes, if necessary.

As we move through the rest of 2026, we will use all proceeds from asset disposals, licensing agreements, real estate opportunities, etc. to pay down debt.

Cash Flow Results and Outlook (Slide 11)

Moving on to free cash flow and slide 11.

Free Cash Flow in the first quarter was negative \$628 million, \$32 million lower than the prior year period. Lower EBITDA drove a decline in cash from operations year-over-year, which was only partially offset by lower capital spending.

We continue to expect Free cash flow for 2026 to be in the range of negative \$65 million to positive \$65 million, or break

even at the midpoint. This includes approximately \$150 million in restructuring cash spending. Compared to the prior year, lower EBITDA, higher restructuring spending, higher cash interest expense, and modestly higher capital expense are expected to be offset by improved working capital performance in the ongoing business, the liquidation of India working capital, and lower cash taxes.

And with that, I'll hand the call back to Pierre.

Concluding Remarks – Pierre

Thank you, Andrew.

I'll close by simply saying that we remain focused on improving the business and results through the four operational priorities. I'm happy with the progress we have made so far, and I expect that starting in 2027 we will see more meaningful benefits reflected in our sales, earnings and balance sheet. Based on the actions we are taking, I believe the first half will represent an earnings trough for the business with higher sequential earnings in the second half of this year followed by improved full year results in 2027 and 2028.

With that we are happy to take your questions.