



ADAMA PROVIDES NET INCOME ESTIMATE FOR THE FOURTH QUARTER AND FULL YEAR 2018

Exceptionally strong growth in fourth quarter caps the best ever year for the Company

TEL AVIV, ISRAEL and BEIJING, CHINA, January 23, 2019 – Leading global crop protection company ADAMA Ltd. (the “Company”) (SZSE 000553), today provided an estimate regarding its expected net profit for the full year 2018, as required by the Shenzhen Stock Exchange.

The Company is expecting to deliver another fourth quarter of record sales, with double-digit growth in the quarter driving also double-digit growth over the full year. The extremely strong performance in the fourth quarter is expected to result in the Company significantly exceeding all of its Q4 2017 record sales and adjusted profit metrics, with some profit metrics up tens of percents while others more than double. The robust fourth quarter is also expected to drive the Company over the full year 2018 to exceed all 2017 record sales and adjusted profit metrics, other than Net Income which is expected to be somewhat lower than the record achieved in 2017, due to unusually low tax expenses in 2017 on the one hand, compared to higher tax expenses in 2018 on the other.

In the fourth quarter, the strong double-digit revenue growth was driven by a combination of significant business growth as well as higher prices, somewhat offset by adverse currency headwinds. Especially noteworthy performance was delivered in Brazil, driven by the recent launch of the Company’s distinctive three-way combination CRONNOS® fungicide, as well as in other parts of Latin America, North America and Northern Europe. The strong sales growth in the quarter was further complemented by a continued improvement in portfolio mix, somewhat offset by the impact of increased procurement costs, leading to double-digit growth in gross profit. Tight management of operating expenses ensured that the Company delivered a strong increase in adjusted Operating Profit and EBITDA in the quarter, both in absolute terms and as a percentage of sales. This strong operating performance, alongside financial expenses in line with those of the same quarter last year, drove significantly higher Pre-tax Profit and Net Income. This strong increase in Net Income was achieved despite the incurring of tax expenses in the quarter, compared to a tax income in the same quarter last year, due mainly to the creation in Q4 2017 of deferred tax assets in respect of losses carried-forward and timing differences, in anticipation of their expected utilization.

Over the full year period, the Company is expecting to deliver another year of all-time high sales, recording double-digit revenue growth. Outstanding performances achieved in Brazil, North America and the India, Middle East and Africa region, alongside strong, double-digit growth in the Company’s branded, formulated sales in China, as well as most other geographies worldwide. European revenues were in line with last year’s, despite a slow start to the season followed by extreme drought conditions in the third quarter. The Company saw robust growth of its differentiated portfolio, complemented by increased prices, which offset the increase in procurement costs and the negative impact of currencies. The Company expects to report EBITDA above last year’s all-time record high. Due to the higher tax expenses when compared to last year’s relatively low tax expenses, adjusted Net Income for the year is expected to be somewhat lower.

Full Year (Reported)	Estimated 2018	2017
Net profit attributable to shareholders (USD millions)	372.7 – 392.7	225.8
Earnings per share (USD)	0.1523 – 0.1605	0.0964
Net profit attributable to shareholders (RMB millions)	2,367.6 – 2,505.9	1,545.9
Earnings per share (RMB)	0.9677 – 1.0243	0.6601



When compared to the reported net profit in 2017, the increase in the estimated reported net profit in 2018 reflects the recognition of a one-time profit in the first quarter of 2018 on the divestiture of several crop protection products in Europe in connection with the approval by the EU Commission of the acquisition of Syngenta by ChemChina. The proceeds of this divestiture, net of taxes and transaction expenses, were paid to Syngenta in return for the transfer of a portfolio of products in Europe of similar nature and economic value. Partially offsetting this one-time profit, the Company's reported earnings will be impacted by certain one-time/non-cash items, including the legacy amortization of the 2011 PPA for the acquisition of Adama Agricultural Solutions Ltd. by ChemChina; the amortization of assets transferred from Syngenta, the value of which was written-up, related to the 2017 ChemChina acquisition of Syngenta; Sanonda facility relocation and related non-cash items; and the recording of historical tax expenses, the majority thereof already provisioned, resulting from the finalization of tax assessments relating to periods concluding in 2016.

Excluding the impact of these one-time/non-cash items:

Full Year (Adjusted)	Estimated 2018	2017
Net profit attributable to shareholders (USD millions)	234.7 – 254.7	280.1
Earnings per share (USD)	0.0959 – 0.1041	0.1196
Net profit attributable to shareholders (RMB millions)	1,531.1 – 1,669.5	1,909.3
Earnings per share (RMB)	0.6258 – 0.6824	0.8153

These estimations are preliminary and have not been audited or reviewed by the Company's auditors. These estimations may change, inter alia, as a result of the further processing and analysis of the financial data that the Company will perform for the preparation of its financial statements for the full year and fourth quarter of 2018, which will be released on March 20, 2019.

Investors are reminded to exercise caution when making investment decisions.

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About ADAMA

ADAMA Ltd. is one of the world's leading crop protection companies. We strive to Create Simplicity in Agriculture – offering farmers effective products and services that simplify their lives and help them grow. With one of the most comprehensive and diversified portfolios of differentiated, quality products, our 6,600-strong team reaches farmers in over 100 countries, providing them with solutions to control weeds, insects and disease, and improve their yields. For more information, visit us at www.ADAMA.com and follow us on Twitter® at [@ADAMAagri](https://twitter.com/ADAMAagri).

Contact

Ben Cohen
Global Investor Relations
Email: ir@adama.com

Zhujun Wang
China Investor Relations
Email: irchina@adama.com