

ADAMA



H1 and Q2 2016 Business Update

August 16, 2016

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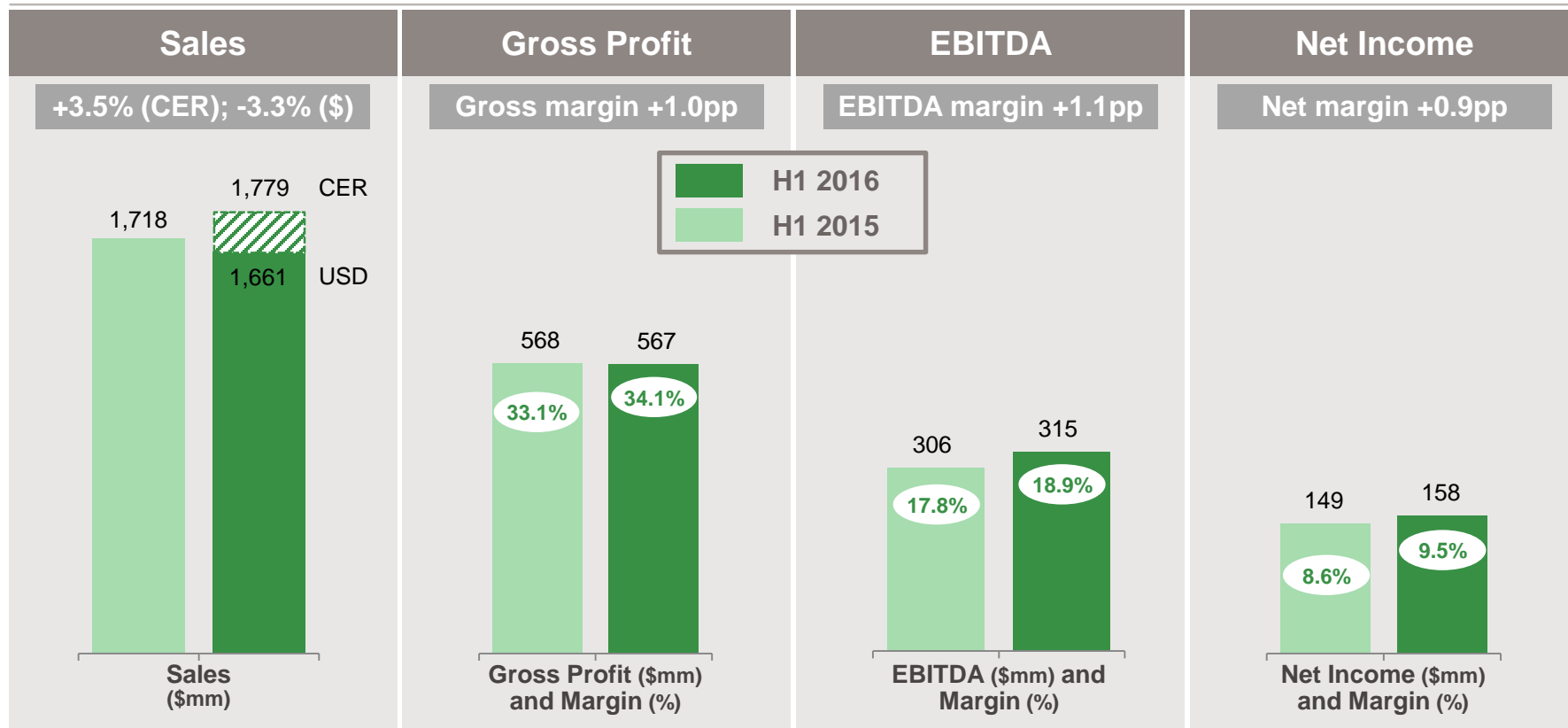
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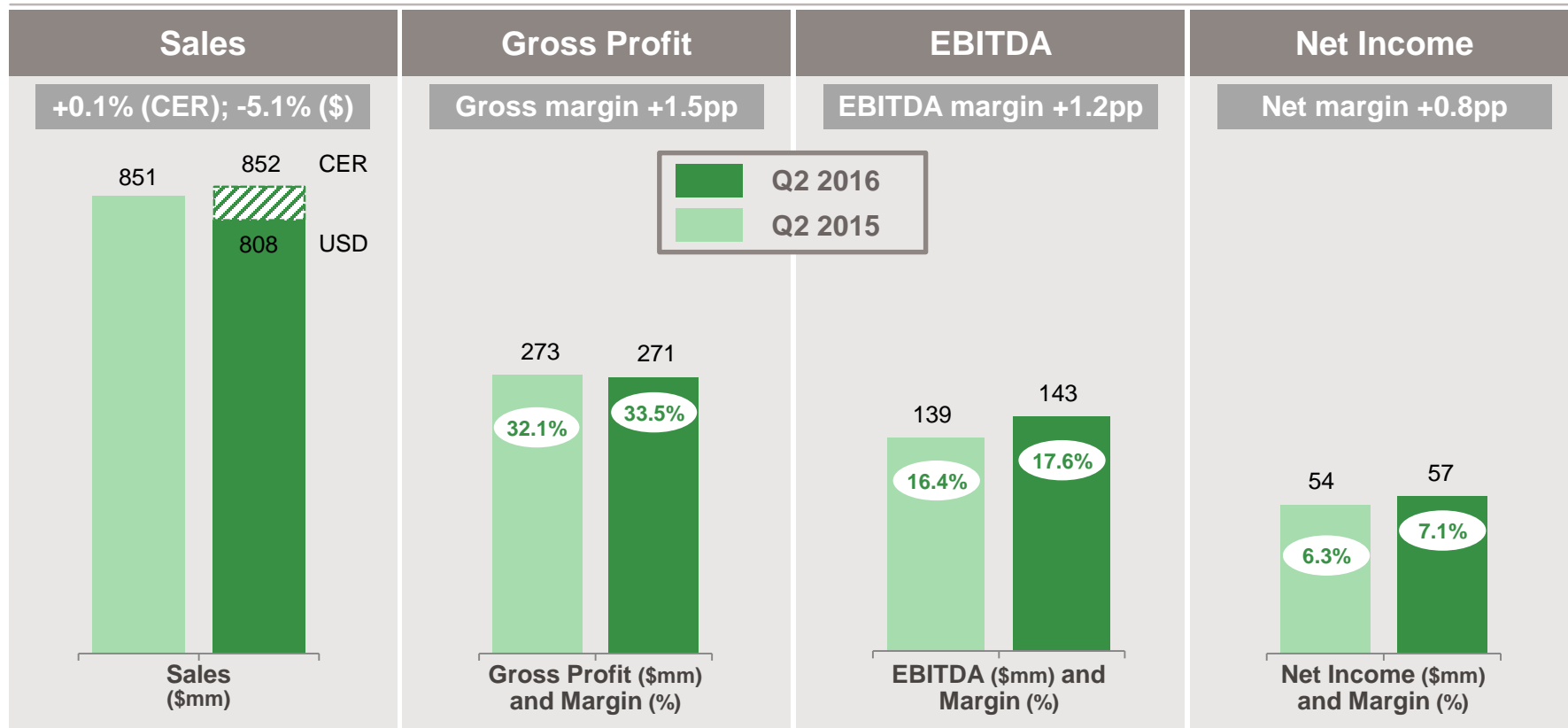
Clear business growth, strong increase in profit and profitability against a tough market H1 2016



Portfolio improvement together with reduction in manufacturing, procurement, operating costs drive growth in profits and profitability

Clear business growth, strong increase in profit and profitability against a tough market

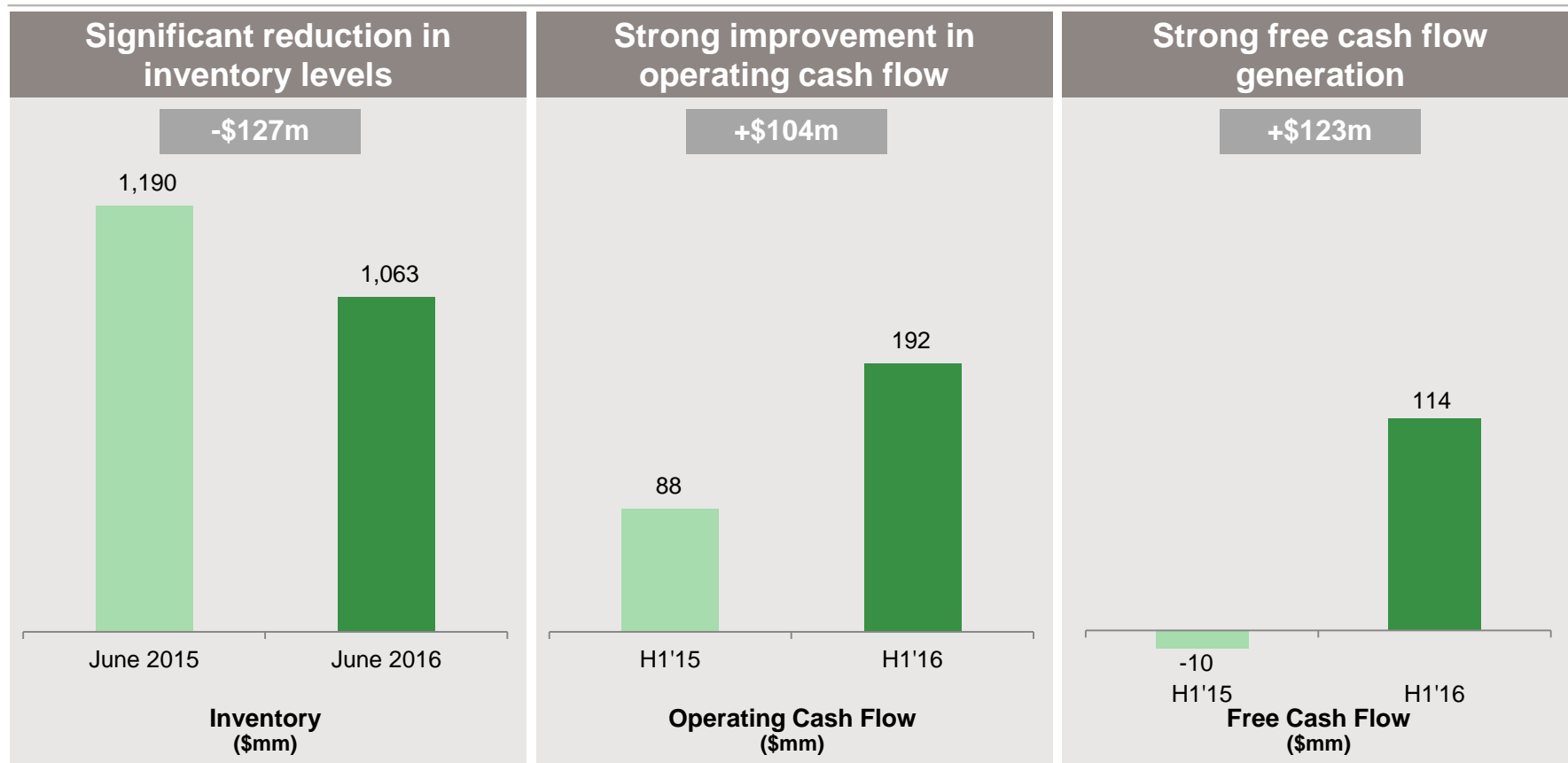
Q2 2016



Portfolio improvement together with reduction in manufacturing, procurement, operating costs drive growth in profits and profitability

Continued improvement in inventory management and collection focus drive strong cash flow generation

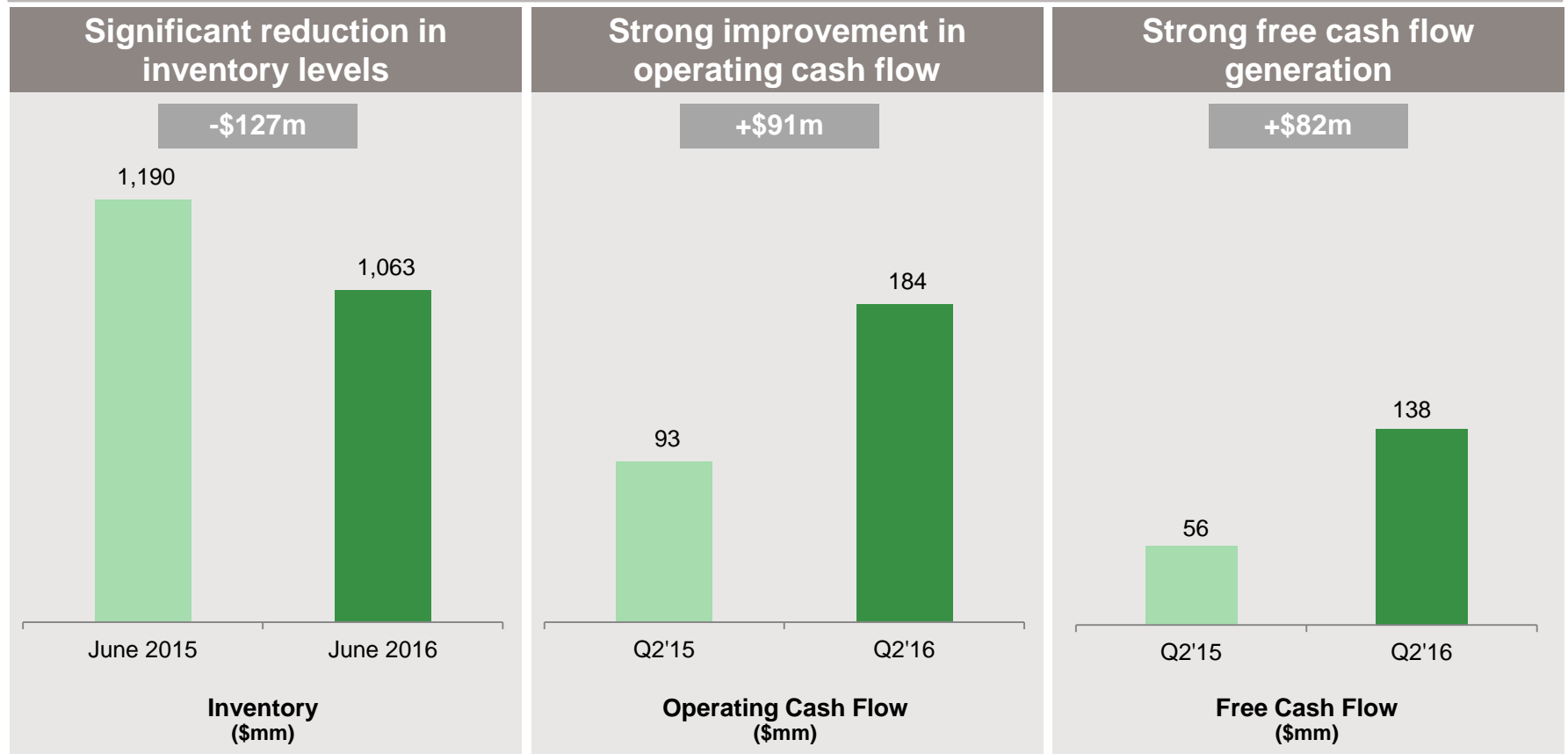
H1 2016



Note: To aid comparability, cash flow figures for H1 2015 are shown adjusted for the amendment to the Receivables Financing Facility Program which occurred on March 31, 2015 as if the amendment had occurred on January 1, 2015.

Continued improvement in inventory management and collection focus drive strong cash flow generation

Q2 2016



Financial highlights

| <i>Adjusted, (\$ million)</i> | H1 2016 | H1 2015 | % Change CER | %Change USD | Q2 2016 | Q2 2015 | % Change CER | %Change USD |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sales | 1,661 | 1,718 | +3.5% | -3.3% | 808 | 851 | +0.1% | -5.1% |
| Gross Profit | 567 | 568 | | -0.2% | 271 | 273 | | -0.9% |
| <i>As % of Sales</i> | <i>34.1%</i> | <i>33.1%</i> | | | <i>33.5%</i> | <i>32.1%</i> | | |
| Operating Expenses | 339 | 345 | | -1.9% | 172 | 176 | | -2.5% |
| Operating Income (EBIT) | 228 | 223 | | +2.3% | 99 | 97 | | +1.9% |
| <i>As % of Sales</i> | <i>13.7%</i> | <i>13.0%</i> | | | <i>12.2%</i> | <i>11.4%</i> | | |
| Net Income | 158 | 149 | | +6.2% | 57 | 54 | | +5.6% |
| <i>As % of Sales</i> | <i>9.5%</i> | <i>8.6%</i> | | | <i>7.1%</i> | <i>6.3%</i> | | |
| EBITDA | 315 | 306 | | +2.8% | 143 | 139 | | +2.4% |
| <i>As % of Sales</i> | <i>18.9%</i> | <i>17.8%</i> | | | <i>17.6%</i> | <i>16.4%</i> | | |

Note:

CER: Change in Constant Exchange Rate terms, estimated
 Net income and EBITDA have been adjusted for certain one-time expenses

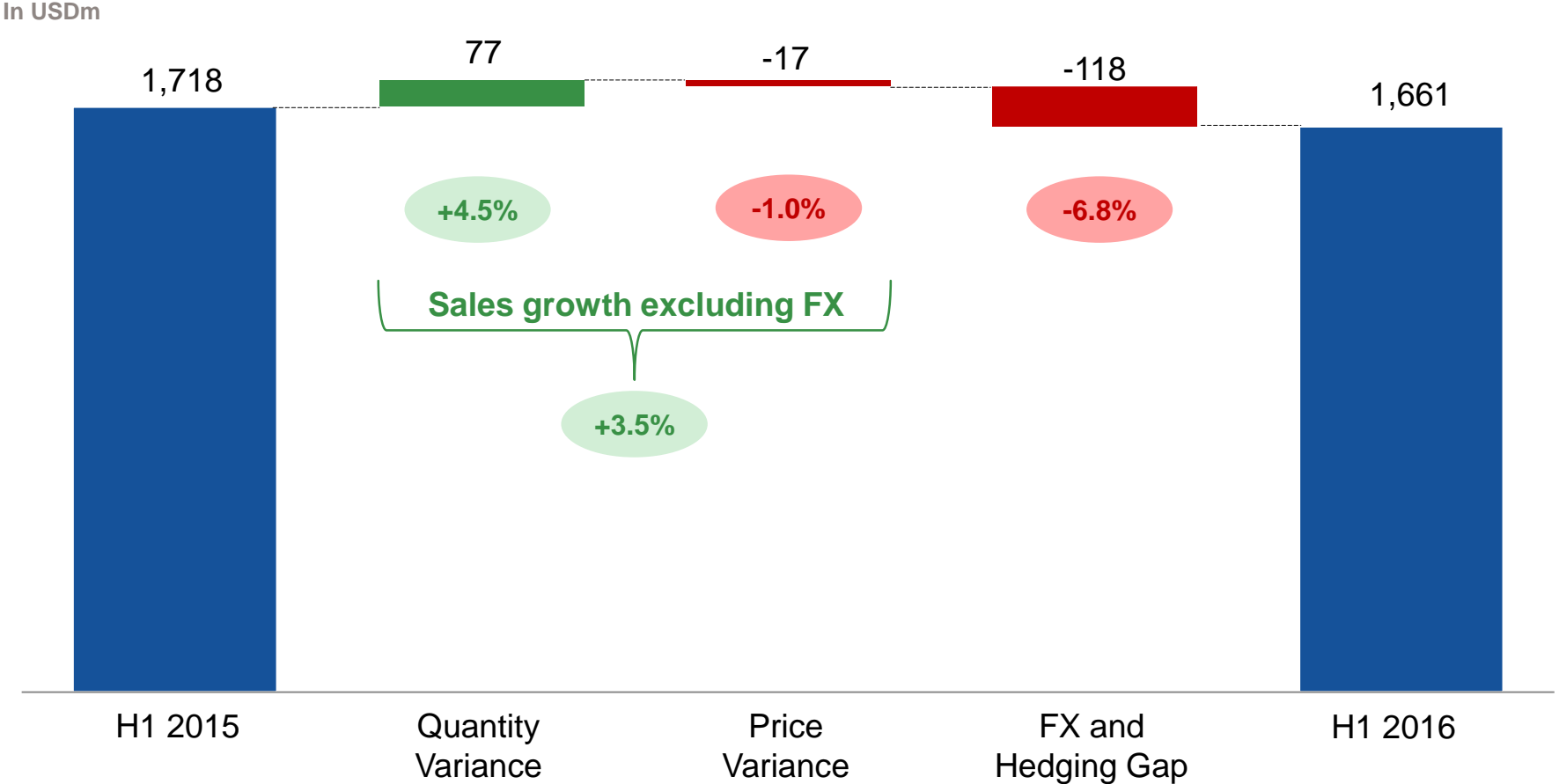
H1 2016 business summary

Continued volume growth and increased profits and profitability, in face of tough AgChem and currency conditions, due to improved product offering mix and cost reduction, coupled with OPEX containment

- Sales growth in the half-year of 3.5% at constant exchange rates
 - Second quarter sales stable in constant currencies
 - Reported USD sales of \$1,661 million in the half-year, lower by 3.3%, and \$808 million in the quarter, lower by 5.1%, due to US dollar strength and lower contribution of currency hedging
- Robust volume growth of 4.6% in the half-year and 2.3% in the quarter driven by continuing portfolio differentiation and improved customer access
- Marked reduction of manufacturing, procurement and other operating costs
- All resulting in strong growth in profits and profitability
 - Q2 gross margin up by 1.4 percentage points to 33.5%; H1 gross margin up by a full percentage point to 34.1%
 - Q2 EBITDA up 2.4% to \$143 million, an increase of 1.2 percentage points in margin; H1 EBITDA up 2.8% to \$315 million, an increase of 1.1 percentage points in margin
 - Q2 net income up 5.6% to \$57 million, an increase of 0.8 percentage points in margin; H1 net income up 6.2% to \$158 million, an increase of 0.9 percentage points in margin
- Strong cash flow generation driven by significant reduction in inventory levels, and continued collection focus
 - Inventory levels down \$127m year-on-year
 - H1 free cash flow of \$114m, improvement of \$123m over H1 2015

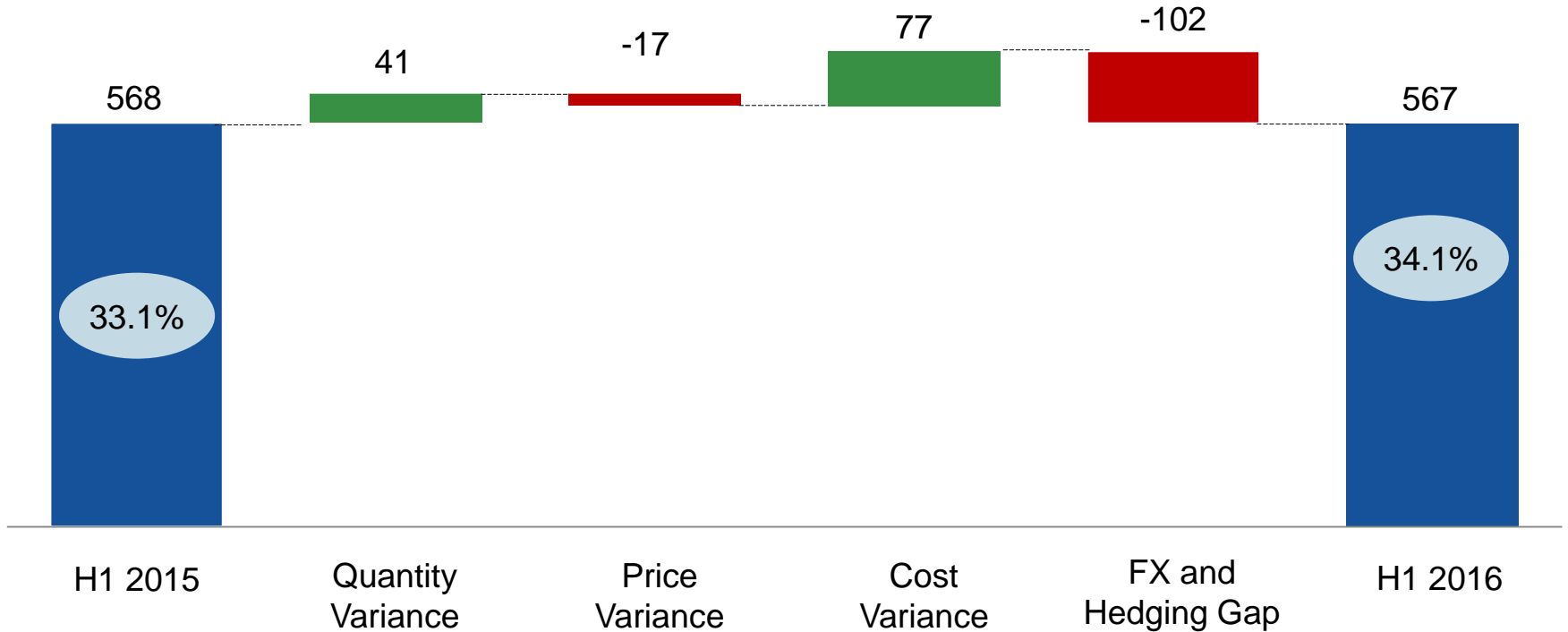
Results reflect Adama's continued sector outperformance

H1 sales bridge analysis



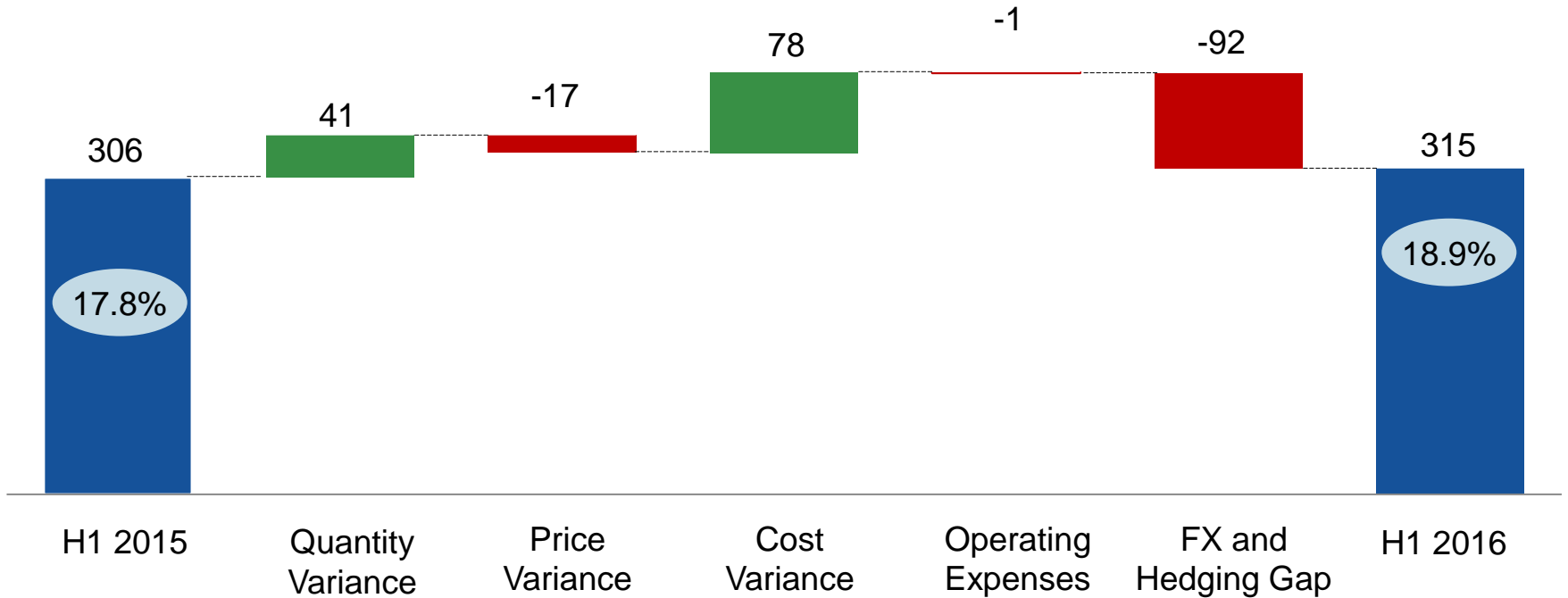
H1 gross profit bridge analysis

In USDm

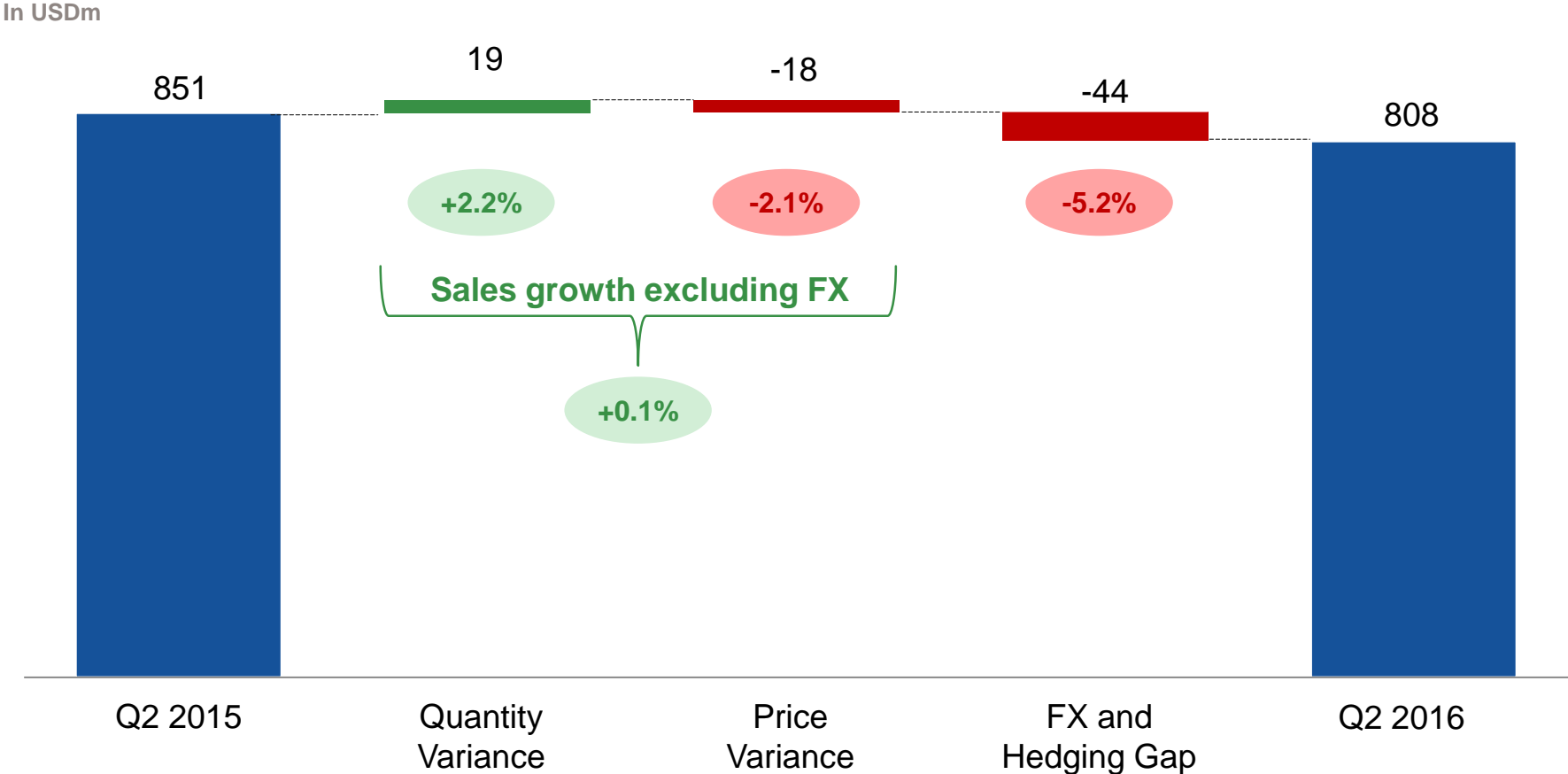


H1 EBITDA bridge analysis

In USDm

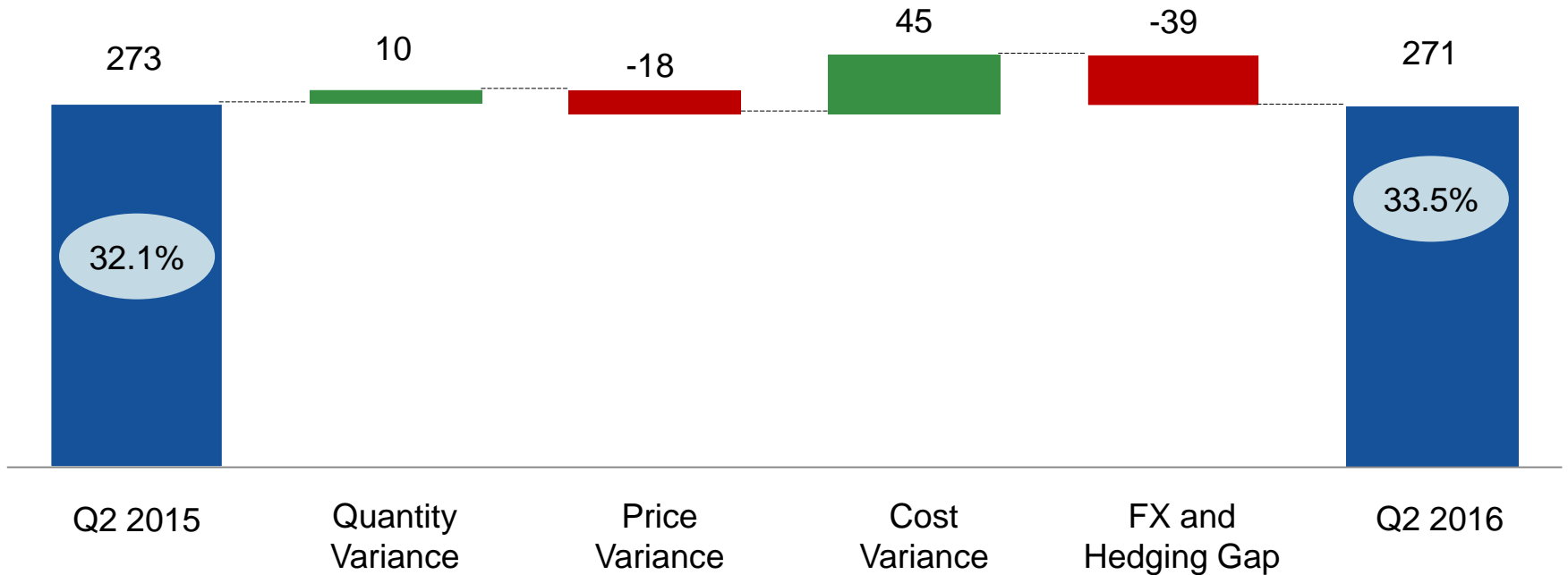


Q2 sales bridge analysis



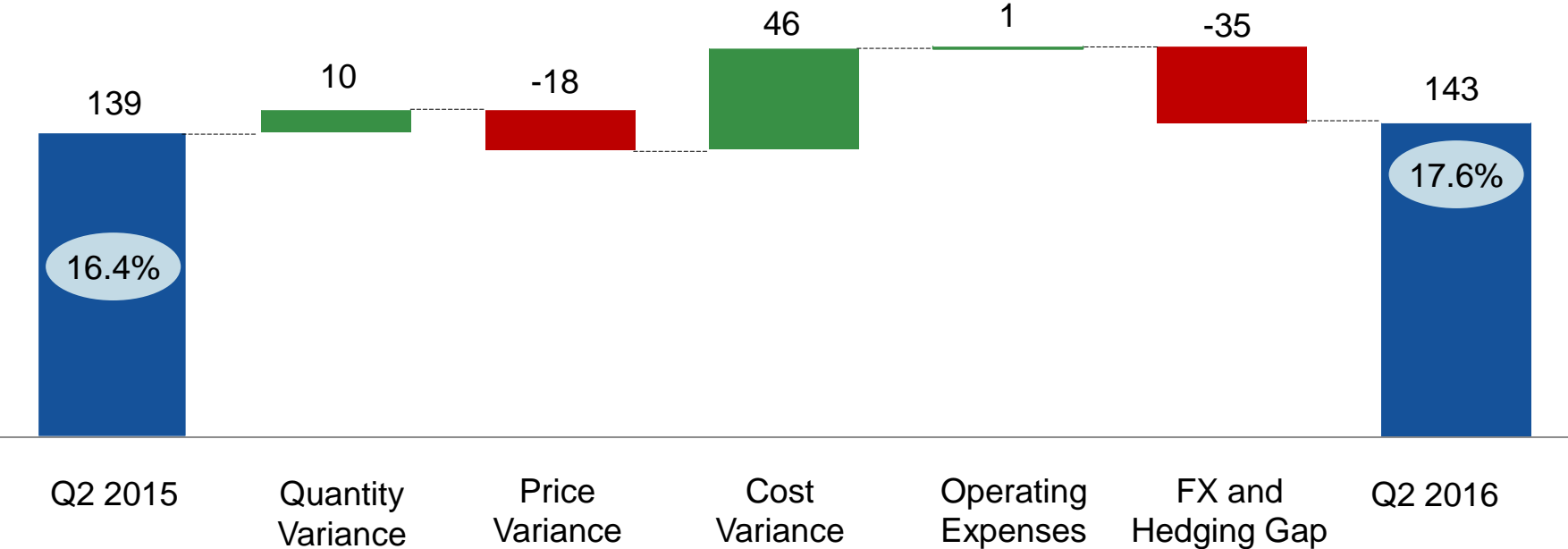
Q2 gross profit bridge analysis

In USDm



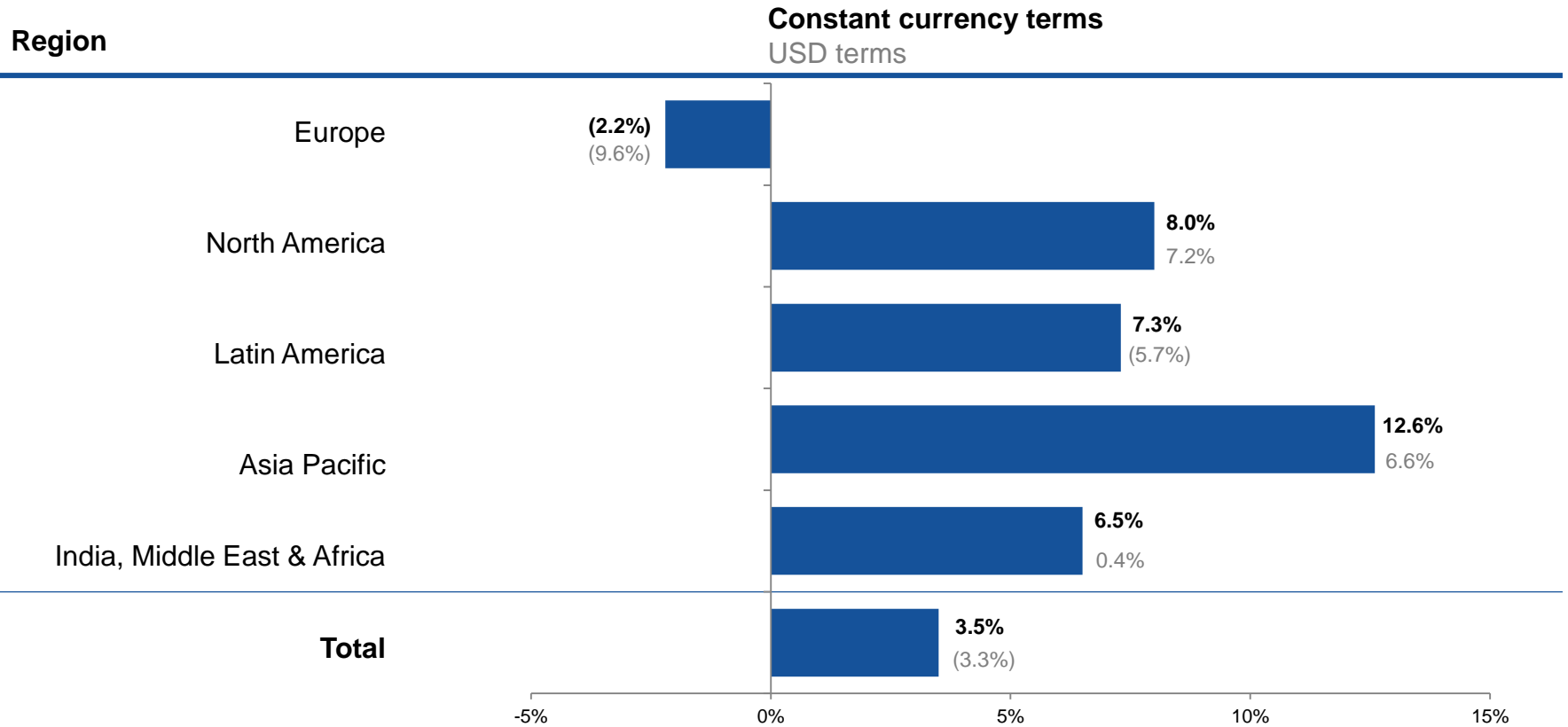
Q2 EBITDA bridge analysis

In USDm



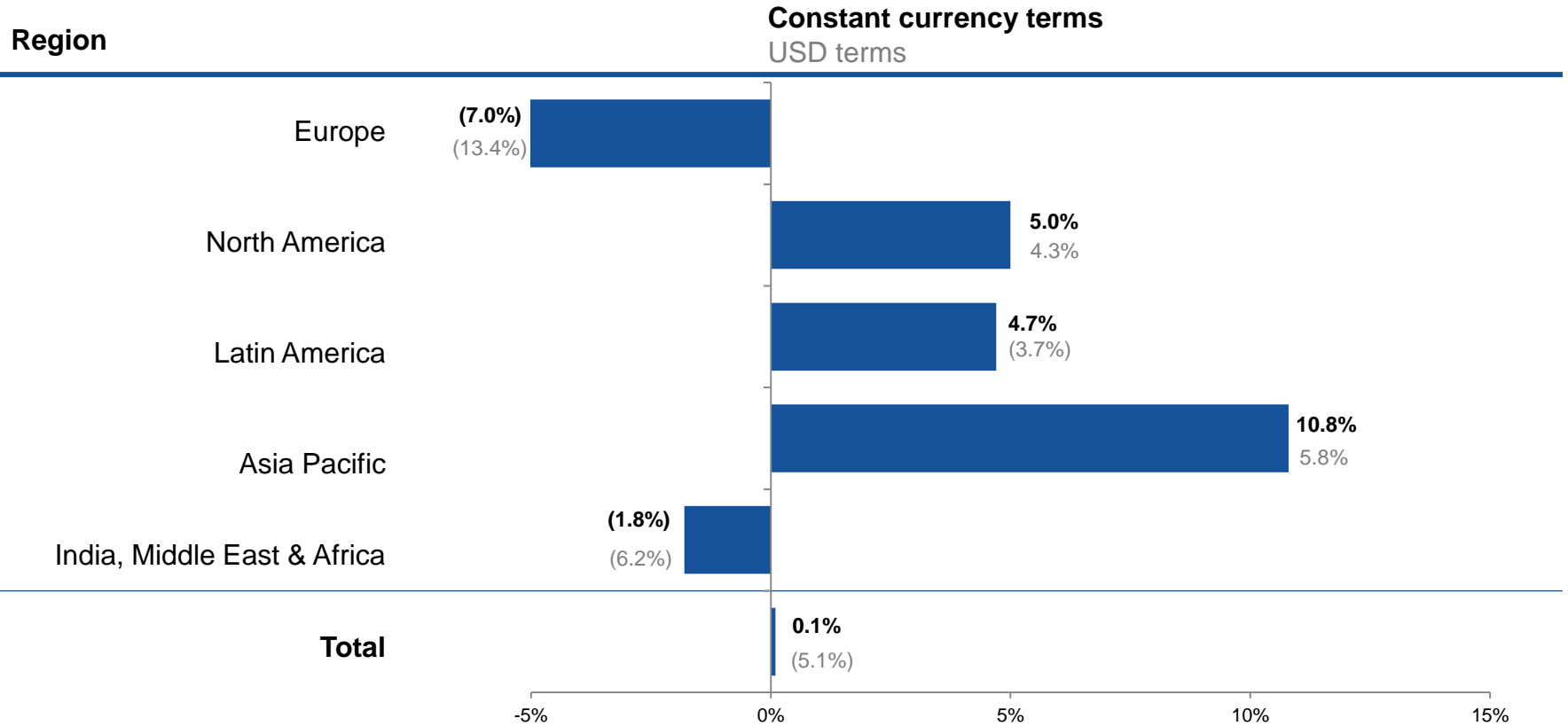
Regional sales performance

H1 2016 vs. H1 2015



Regional sales performance

Q2 2016 vs. Q2 2015



Regional highlights

Europe

- Sales lower by 2.2% in H1 and by 7.0% in Q2, at CER, with reduced volumes, mainly in the quarter, as a result of extended cold and rainy weather and a decrease in selling prices in several countries, partly passing on to customers some of the benefit of the products' significantly reduced cost
- Adama continues to drive the improvement of its portfolio through the introduction of new, differentiated products
- Launches include the sugar beet herbicide GOLTIX TITAN® in Poland; the innovative, proprietary fruit-thinner BREVIS™ in Spain, and the selective pre-emergent herbicide for multiple crops ORDAGO® also in Spain



North America

- Growth of 8.0% in H1 and 5.0% in Q2, at CER, due to strong volume growth, both in crop protection products as well as in the Consumer and Professional Solutions (non-crop) segment, despite the challenging market conditions and the slowdown in demand for crop protection products
- In the US, Adama's focus on marketing and improved customer access have contributed to good performance in a number of crops, most notably in the cotton-related offering
- Adama continues to advance its collaboration with its affiliates in the ChemChina group, and significantly increased its sales of products sourced from them, with continuing strong performance in the US particularly of PARAZONE® and ETHEPHON
- Positive momentum continues in Canada, with strong demand for fungicides and insecticides in Western Canada. Adama significantly increased its investment in field research and development, improving its Canadian portfolio towards differentiated products that provide increased value to farmers



Regional highlights (cont'd.)

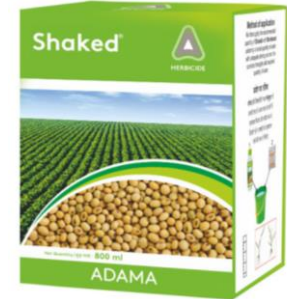
Latin America

- Growth of 7.3% in H1 and 4.7% in Q2, at CER, due to increased prices and volume growth, despite extreme weather conditions in Brazil (drought in the north, floods in the south), high inventory levels in the distribution channels, and continuing challenging economic conditions in the main countries in the region, including a shortage of credit available to farmers and customers
- Strong results in Brazil, driven by a more differentiated product offering and increased customer proximity, and supported by positive movements of the exchange rate. Adama continues in its policy of aligning sales in Brazil with customers' demonstrated ability to meet their credit terms on an ongoing basis
- Adama's business in the Andean countries delivered strong performance in the quarter, with the Company advancing a unique go-to-market approach and various digital initiatives aimed at increasing customer proximity
- Adama's proprietary nematicide, NIMITZ®, is performing well in Mexico, where it was launched last year



India, Middle East & Africa

- Growth of 6.5% in H1 achieved despite a slight decrease of 1.8% in Q2, at CER, with volume growth notwithstanding the continuing drought and the late start of the Monsoon season in India
- In India, Adama launched three new differentiated herbicides: SHAKED®, a broad-spectrum herbicide for soybean and pulses, DEKEL™, a broad-spectrum herbicide for onion and garlic, and TAMAR®, a selective herbicide for sugarcane. New registrations for ACEPHATE, to be sourced from a CNAC affiliate, to be introduced to the Indian market in H2 2016
- Adama's business in Turkey continues to perform well and exceeds expectations, driven by a strong focus on increasing customer proximity, as well as the entry into the sugar beet market, with the launch of differentiated products: GOLTIX® PLUS and BELVEDERE FORTE®, broad-spectrum herbicides for post-emergent broadleaf weed control



Regional highlights (cont'd.)

Asia Pacific

- Growth of 12.6% in H1 and 10.8% in Q2, at CER, driven by significant volume growth, especially in the countries of the Pacific and in North East Asia, achieved through focus on customer proximity, improved product portfolio and focus on key customers and crops
- Growth somewhat offset by a decrease in sales in other countries in Asia, which stemmed from the continued severe drought in Thailand, Vietnam and other countries, as well as high inventories in the distribution channels
- New registrations for differentiated products:
 - In Australia, VERITAS™, a unique, broad-spectrum cereal fungicide, and VORTEX®, a unique mixture for broadleaf weed control in cereals
 - In New Zealand, ARROW® 360EC, a selective post-emergent herbicide for grass weed control in broadleaf crops and forestry
- Adama continues to drive the roll-out of its commercial platform in China and to recruit experienced sales teams in selected key provinces, while achieving significantly improved results compared to last year





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