

Kumai's non-consolidated sales by category (¥ million)			
Year ended Oct 31st	2013 (\$ million) ¹	% change	2014 (\$ million) ¹
Herbicides	23,423 (195.6)	19.1	27,898 (232.9)
Fungicides	8,740 (73.0)	6.2	9,281 (77.5)
Insecticides	4,531 (37.8)	16.9	5,298 (44.2)
Insecticides/fungicides	4,104 (34.3)	0.1	4,108 (34.3)
Others	2,190 (18.3)	6.3	2,328 (19.4)
Total	42,988 (358.9)	13.8	48,913 (408.4)

¹ at the current rate.

Isagro agchems drop 6% in Q4

BY ROBERT BIRKETT

Italian company Isagro (Milan) saw its agrochemical sales fall 6% in the fourth quarter of 2014 to €39.7 million (\$44.4 million at the current rate). Revenues from all products dropped much further, losing over 20% to €43.6 million (\$48.7 million).

Recovery in the previous quarters more than made up for the retreat of the final three months. Annual crop protection sales grew by 10.5% to €135.8 million, while sales of all "basic business", defined as "agropharma and services" and excluding licensing revenues, were up 10.9% at €143.9 million. That puts revenues "in line with the 2014-18 business plan", Isagro says.

Revenues from licensing agreements of €2 million were well down on the €10 million in 2013, and on the anticipated €8 million of the business plan. However, the company notes that licensing revenues for the 2014-18 period remain on track on an accumulative basis, but with different timing. It expects to meet its target of €13 million over 2014-18.

Annual sales from all company business rose by 4.4% to just shy of €145.9 million. Earnings before interest, tax, depreciation and amortisation (EBITDA) on all business fell by 16% to €12.5 million. Isagro notes a huge improvement in operating results from "basic business".

Company financials improved. Result before taxes almost trebled to €880,000, while the net loss dropped from €4.3 million to €878,000. The debt to earnings ratio fell from 0.8 to 0.3, while net working capital exceeded net financial debt at the end of the reporting period by €17 million. That amounts to a "radical improvement" and a "renewed financial soundness", the company comments.

Isagro's results (€ 000)			
Year ended Dec 31	2013 ¹	% change	2014 ¹
Sales	139,777 (156,145)	4.4	145,939 (163,029)
Agrochemicals	122,873 (137,261)	10.5	135,783 (151,683)
EBITDA ²	14,840 (16,578)	-16	12,467 (13,927)
EBIT ³	3,520 (3,932)	50.3	5,291 (5,911)
Fourth quarter			
Sales	55,060 (61,508)	-20.7	43,636 (48,746)
Agrochemicals	42,272 (47,222)	-6	39,737 (44,390)
EBITDA ^{2,4}	13,575 (15,165)	-64.9	4,769 (5,327)
EBIT ^{3,4}	9,809 (10,958)	-58.5	4,071 (4,548)

¹ at the current rate; ² earnings before interest, tax, depreciation and amortisation;
³ earnings before interest and tax; ⁴ figures calculated from annual and nine month figures.

Isagro claims a "marked discontinuity" with previous years, noting: "success" with the raising of a €29 million capital increase; a "huge improvement" in operating results from "basic business" in 2014; the launch of the biofumigant, Dominus (allyl isothiocyanate) in the US under a distribution agreement with US agrochemical company Gowan; and evidence regarding the technical validity of a succinate dehydrogenase inhibitor (SDHI) fungicide under development.

Outlook

The company has projections for further growth in the current quarter, "confirming evidence for the start of a cycle of structural growth in operating results". It views developments as moving as anticipated in its 2014-18 plan.

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