

Nippon Soda's agchem sales by category ¹ (¥ million)			
Year ended March 31st	2015 (\$ million) ²	% change	2016 (\$ million) ²
Fungicides	20,693 (205)	-0.3	20,623 (204)
Insecticides	18,812 (186)	-11.4	16,674 (165)
Herbicides	5,644 (56)	+16.6	6,582 (65)
Others	2,116 (21)	-	0 (0)
Total	47,030 (465)	-6.7	43,878 (434)

¹ calculated from reported percentages; ² at the current rate.

Isagro Q2 agchem sales down 10%

BY ROBERT BIRKETT

Italian agrochemical company Isagro (Milan) posted a 9.8% fall in agrochemical sales to some €32 million (\$35.9 million at the current rate) in the second quarter of 2016. Sales of all products including non-pesticides fell by 5.6% to €35.3 million (\$39.5 million).

In contrast, earnings were sharply up. Second-quarter earnings before interest, tax, depreciation and amortisation (EBITDA) almost doubled to €3.8 million, while EBIT turned positive at almost €1.5 million.

Half year

Buoyed by growth during the first quarter, six-month agrochemical sales rose by 4% to €81.7 million, and all sales by 6.2% to €87.1 million. The company is encouraged by the six-month results compared with strategic guidelines.

Higher revenues were driven by sales of the fungicide, tetraconazole, pyrethroid insecticides and biostimulants, as well as by licensing deals worth €1 million that were absent in last year's first half. Those more than offset lower copper-based product sales following the fall in copper prices. However, the company reports no impact on margins.

EBITDA on all business jumped 52% to €11.5 million, while EBIT more than doubled to €7 million. Net profit for the six months soared from €21,000 to some €4.5 million.

Isagro results (€ 000)			
2nd qtr ended June 30th	2015 (\$ 000) ¹	% change	2016 (\$ 000) ¹
Sales	37,369 (41,856)	-5.6	35,264 (39,498)
Agrochemicals	35,535 (39,802)	-9.8	32,046 (35,894)
EBITDA ²	1,916 (2,146)	+97.6	3,786 (4,241)
EBIT ³ [loss]	[292 (-327)]	na	1,474 (1,651)
Six months			
Sales	82,068 (91,922)	+6.2	87,125 (97,586)
Agrochemicals	78,588 (88,024)	+4.0	81,698 (91,508)
EBITDA ²	7,526 (8,430)	+52.9	11,510 (12,892)
EBIT ³	3,246 (3,636)	+115.9	7,008 (7,849)

¹ at the current rate; ² earnings before interest, tax, depreciation and amortisation;
³ earnings before interest and tax.

Outlook

Isagro warns that lower sales in Brazil will impact the company's second half results. It also cites higher fixed costs, and expects 2016 to become a "year of consolidation" compared with 2015.

The company confirms its 2020 target sales of €200 million on a consolidated basis, supported by: its own active ingredient discovery pipeline; development of new ais to be granted to a "main developer", while retaining rights on selected segments and markets; intellectual property and licensing deals; higher biosolutions revenues; and expansion of its global reach.

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