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Fluindapyr is a succinate dehydrogenase inhibitor effective against a range of diseases in arable and specialty crops and turf. Isagro gained the first global approval for the fungicide as Zaltus (fluindapyr 100 g/litre + tetraconazole 100 g/litre) for use on soybeans in Paraguay in December 2019. FMC expects to carry out a pre-launch of the product in Paraguay this year and an initial launch in the US in 2021. The US EPA has scheduled a registration decision for fluindapyr by the end of this month. Further launches are expected in China, Europe, Argentina, Brazil and elsewhere.

07 May 2020 | Isagro | Financial Results

Isagro like-for-like agchem business up in Q4

by Robert Birkett

Italian company Isagro (Milan) posted a 4% rise in like-for-like fourth-quarter 2019 agrochemical sales to some €31.8 million (\$34.2 million at the current rate).



Italian company Isagro (Milan) posted a 4% rise in like-for-like fourth-quarter 2019 agrochemical sales to some €31.8 million (\$34.2 million at the current rate). Revenues from all products were up 4.2% at €32.9 million (\$35.4 million). The results compare quarterly sales without revenues from the subsidiary, Isagro Asia, which was divested in December. Annual crop protection sales fell by 12.2% to €99.3 million on a

like-for-like basis. Revenues on all business were down 15.6% to €105.4 million.

Most of the €19.5 million fall in revenues came from business to business operations (-€13 million), followed by business from licensing deals, which more than halved to €3.1 million. The company's performance was impacted in its two major markets, the US and Italy, by de-stocking. Isagro saw €6.9 million lower sales of copper- and tetraconazole-based products to Sumitomo in Italy and €9.1 million to Gowan in the US. Those falls were partly offset by higher sales of copper- and kiralaxyl-based products in Europe worth €1.8 million.

Profitability on all business turned negative. Consolidated earnings before interest, tax, depreciation and amortisation (EBITDA) fell from a €9.3 million profit to a €2.6 million loss. EBIT dived from a €325,000 profit to a loss of €13.7 million.

Isagro's results (€ 000)

| Year ended Dec 31st | 20181 (\$ 000)2 | % change | 20191 (\$ 000)2 |
|-----------------------|-------------------|----------|-------------------|
| Sales | 124,838 (134,310) | -15.6 | 105,369 (113,363) |
| Agchems | 113,113 (121,695) | -12.2 | 99,302 (106,836) |
| EBITDA3 [loss] | 9,293 (9,998) | - | [2,618 (2,817)] |
| EBIT4 [loss] | 345 (371) | - | [13,736 (14,778)] |
| Fourth quarter | | | |
| Sales | 31,528 (33,920) | +4.2 | 32,867 (35,361) |
| Agchems | 30,544 (32,681) | +4.0 | 31,761 (34,171) |

1 not including the divested Isagro Asia sales; 2 at the current rate; 3 earnings before interest, tax, depreciation and

amortisation; 4 earnings before interest and tax.

Agrochemical sales fell in Italy and the Americas, but rose elsewhere. Business fell most heavily in the Americas, declining by over a third (-34%) to account for just 20% of such business compared with 27% in 2018. Sales dropped by almost a quarter in Italy to account for just 19% (22% in 2018) of agrochemical revenues.

Business rose by 4% in the rest of Europe to make up 46% of the company's agrochemical sales against 38% in the previous year. Revenues added 3% in Asia to make up 7% (6%). Sales were up 7% in the rest of the world.

Business switch

Isagro is switching its focus from agrochemicals to biological crop protection products. It reckons that it lacks scale to take advantage of developing its own chemical products, as well as citing costs of development and "strong concentration" of market power in the industry. The company says that biologicals are part of a growing sector with generally smaller "players" giving it the potential "to develop its already existing portfolio and to proceed with acquisitions.

Specific chemical products will be kept in its portfolio for use in IPM "and/or with a cash cow logic".

The new model will be financed through divestment of certain chemicals, and "corporate assets" which it rates as "not adequately expressed", as well as by organisation restructuring. Isagro sold Isagro Asia for €52 million, of which €26 million was banked last December, and a further €2.7 million in April. The company has also **accepted** a binding offer from FMC for its co-developed fungicide, fluindapyr, at a price of €55 million.

The company reports early indications of 10% growth in sales for the first quarter of this year. Isagro was forecasting flat sales for the year, prior to the coronavirus outbreak. It is setting a "maximum risk impact" from the outbreak as an €8 million drop in sales for 2020, a hit of up to €3 million to EBITDA, and up to €12 million lower sales next year.

11 May 2020 | **News** | **Deals**

Wilbur-Ellis agree peptide-based insecticide deal with Vestaron

by Robert Birkett

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The US agrochemical distributor, Wilbur-Ellis (San Francisco, California), has agreed a deal to distribute a US biopesticide company Vestaron (Durham, North Carolina) peptide-based bioinsecticide. The deal permits "semi-exclusive" distribution of Spear-Lep (GS-omega-Hxtx-Hv1a). SpearLep is a liquid concentrate formulation designed for field use and controls lepidopteran pests. It provides broad spectrum lepidopteran control on tree fruit, nuts, grapevines and vegetables. "Acting at the same receptor but different site as neonicotinoid and spinosad [insecticide] chemistries, this IRAC [Insecticide Resistance Action Committee] Group 32 biological product offers a novel mode of action and [is] an incredible resistance management tool for the stewardship of certain major synthetic chemistries", the companies say. Vestaron launched its first products based on the active ingredient including Spear-Lep last year.

05 May 2020 | **News** | **Europe** | **EU** | **European Commis ...**

EU starts planning for sixth round of ai renewals

by Jackie Bird