

## Outlook

With a full season's experience in integrating its new businesses, Amvac has a positive outlook for 2019. "Despite early season wet weather conditions in the US, we expect our global revenues for 2019 will exceed \$500 million, our gross profit margins should remain in the 38% to 40% range, and our operating expenses are targeted at 31% of sales," Mr Wintemute says.

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## Isagro Q4 agchem sales up 2%

by Robert Birkett

Italian company Isagro (Milan) posted a 2.3% rise in fourth-quarter 2018 agrochemical sales of some €36.6 million (\$41.3 million at the current rate).



Italian company Isagro (Milan) posted a 2.3% rise in fourth-quarter 2018 agrochemical sales of some €36.6 million (\$41.3 million at the current rate). Revenues from all products barely inched higher, up 0.3% at €37.6 million (\$42.4 million). Profitability on all business nosedived. Earnings before interest, tax, depreciation and amortisation (EBITDA) fell by 35.8% to under €1.3 million.

EBIT remained negative, falling further to a loss of €1.1 million.

### Annual sales

Annual crop protection sales fell by 1.8% to €141 million. Revenues on all business were up 2.1% to €141 million. Increased revenues from marketing and licensing compensated for reduced business from agrochemicals and services. Currency impacts weighed on results. The company notes that at constant rates, total revenues would have reached €159.8 million, a rise of nearly 6%.

Profitability rose for the full year. EBITDA added 11.7% at €14 million, while EBIT jumped by over half (+54.9%) at €4.4 million. M&L also boosted profitability, while profitability fell at the company's Indian subsidiary, Isagro Asia Agrochemicals. At constant exchange rates, EBITDA would have increased by a third to nearly €17 million.

### Isagro's results (€ 000)

| Year ended Dec 31st   | 2017 (\$ 000)1    | % change | 2018 (\$ 000)1    |
|-----------------------|-------------------|----------|-------------------|
| Sales                 | 149,580 (169,025) | +2.1     | 152,771 (172,631) |
| Agchems               | 144,230 (162,980) | -1.8     | 141,565 (159,969) |
| EBITDA2               | 12,557 (14,189)   | +11.7    | 14,024 (15,487)   |
| EBIT3                 | 2,869 (3,242)     | +54.9    | 4,443 (5,021)     |
| <b>Fourth quarter</b> |                   |          |                   |
| Sales                 | 37,450 (42,319)   | +0.3     | 37,562 (42,445)   |
| Agchems               | 35,741 (40,387)   | +2.3     | 36,578 (41,333)   |
| EBITDA2               | 2,089 (2,361)     | -35.8    | 1,341 (1,515)     |

|              |             |    |                 |
|--------------|-------------|----|-----------------|
| EBIT3 [loss] | [642 (725)] | na | [1,114 (1,259)] |
|--------------|-------------|----|-----------------|

1 at the current rate; 2 earnings before interest, tax, depreciation and amortisation; 3 earnings before interest and tax. Agrochemical sales fell in all regions bar Europe (not including Italy). Business fell most heavily in Asia, where sales were down 7%. The region accounted for 25% of business, compared with 28% the previous year. Sales fell in the Americas by 4%, and by a similar proportion in the company's domestic market. Those markets accounted for 21% (22% in 2017) and 18% (18%), respectively. Agrochemical business in the rest of Europe rose by 7% and made up 31% (29%) of the business. Sales were flat in the rest of the world accounting for some 5% (5%) of Isagro's agrochemical revenues.

### Outlook

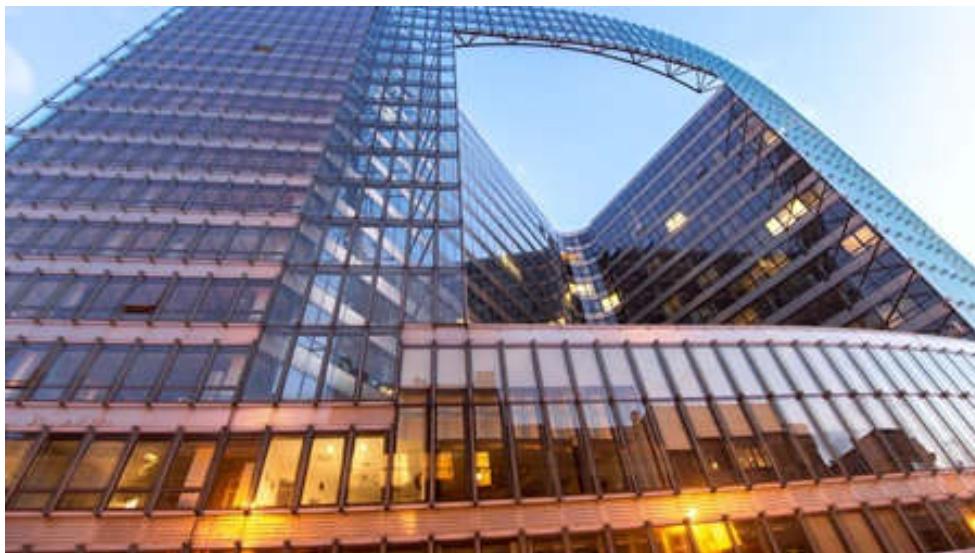
Isagro confirms its aim of returning to sales of around €200 million "in the medium term". The company anticipates organic growth and through acquisition opportunities. It expects an incremental contribution to turnover and margins from the new fungicide, fluindapyr, from 2021, with significant impacts in the following years. The company emphasises a commitment to research and development of new active ingredients, but within "the frame of the changed conditions of regulatory and competitive systems". Namely, it will exit from developing products of "organic chemical origin", offering development and commercial rights to third parties. The company commits to "intensify" its commitment to developing biological solutions.

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## Ombudsman to investigate EU approvals of five ais

by Jackie Bird

European Ombudsman Emily O'Reilly has opened an inquiry into the EU approval process for five agrochemical active ingredients, and the use of the confirmatory data procedure (CDP), following two complaints from environmentalist group Pesticide Action Network (PAN) Europe.



European Ombudsman Emily O'Reilly has opened an inquiry into the EU approval process for five agrochemical active ingredients, and the use of the confirmatory data procedure (CDP), following two complaints from environmentalist group Pesticide Action Network (PAN) Europe. The first complaint charges that the European Commission did not take sufficient account of safety concerns for the fungicides,

benzovindiflupyr, epoxiconazole and isofetamid. and the herbicides, flazasulfuron and picolinafen. The second complaint alleges that the Commission has still not acted upon an earlier Ombudsman recommendation that it should reduce use of the CDP to approve ais while simultaneously asking applicants to submit further information confirming certain safety aspects.

For the five ais, PAN Europe contends that the Commission "distorts science" because it does not draw the appropriate conclusions from the European Food Safety Authority's (EFSA) identification of critical areas of concern in its peer review of the EU risk assessment. The Commission "could not legitimately consider the ais as safe" and it "altered" the