

16 May 2019 | News | Isagro | Financial Results

Isagro agrochemicals down 15% in first quarter

by Robert Birkett

Italian agrochemical company Isagro (Milan) posted an 15.4% fall in agrochemical sales to some €34.7 million (\$38.7 million at the current rate) in the first quarter of 2019.



Italian agrochemical company Isagro (Milan) posted an 15.4% fall in agrochemical sales to some €34.7 million (\$38.7 million at the current rate) in the first quarter of 2019. Sales on all business was down by 8.4% at €38.7 million (\$43.2 million).

The fall in sales was again down to the drop in proprietary sales of agrochemical products. They lost 12.8% to some €29 million. Third-party business fell from €7 million to €6 million.

Earnings before interest, tax, depreciation and amortisation (EBITDA) on all business fell by 7.1% to €4.7 million. EBIT dropped far more steeply, losing some 54.5% to €1 million.

Isagro's results (€ 000)

1st qtr ended March 31st	2018 (\$ 000) ¹	% change	2019 (\$000) ¹
Sales	42,208 (47,135)	-8.4	38,651 (43,163)
Agrochemicals	40,993 (45,778)	-15.4	34,682 (38,730)
EBITDA ²	4,496 (5,021)	-7.1	4,176 (4,663)
EBIT ³	2,225 (2,485)	-54.5	1,013 (1,131)

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

Regional sales

The main hit to sales came in Europe, particularly the domestic Italian market. Agrochemical sales fell by 7% in Europe, not including Italy. Business in the domestic market crashed by 29%. The wider region accounted for 48% of total sales compared with 44% in the same period last year. The Italian market made up 18% (21% in the same period last year).

Agrochemical sales in Asia fell by a quarter and made up 16% (18%) of the company's business in the sector. Sales of agrochemicals in the Americas fell by almost a quarter (-24%) and accounted for 10% (11%) of the business.

Revenues in the rest of the world bucked the downward trend, rising 8% and accounting for 8% (6%) of business.

Outlook

On a like-for-like basis, Isagro expects a “substantial consolidation” of full-year agrochemical sales. It anticipates significant growth in the mid-term particularly due to its fungicide, fluindapyr.

The company reiterates its goal of hitting €200 million turnover “in the mid-term”, citing opportunities from “external growth, with a better definition of its asset allocation”.

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STK/ Agricenter distribution deal for Regev and T Gold in Central America

by Robert Birkett

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Israeli biopesticide company STK Bio-ag Technologies (formerly Stockton) has agreed a deal for US company American Vanguard’s subsidiary, Agricenter, to distribute its products in Central America. The company will market STK products with immediate effect in Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and Belize. They include the *Melaleuca alternifolia* extract-

based biofungicide, Timorex Gold, and the combined biological and chemical fungicide, Regev (*M alternifolia* extract + difenoconazole), on crops such as bananas, rice, coffee, vegetables, cocoa, tobacco, citrus, melons, peanuts and pineapples.

STK chief executive officer Arye Tennebaum welcomes the deal in a region in which he claims STK enjoys “a long history” of success. “To achieve the next level of distribution success in this region we have selected the top distributor in the region.” Agricenter is a subsidiary of Amvac’s Dutch business, Amvac Netherlands.

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EU restrictions on cyflumetofen in force

by Jackie Bird

EU member states have been given until November 30th to implement new restrictions on Japanese company Otsuka Chemical’s acaricide, cyflumetofen, so that it can only be used where the level of a metabolite, B3, in ground water is