



ADAMA posts nearly threefold rise in reported net profit in Q1 2026

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ADAMA Ltd. reported a 4 per cent increase in first-quarter sales for 2026, with revenue reaching \$1.04 billion, supported by higher volumes, new product launches, and improved portfolio quality despite continued pricing pressure across the global crop protection market.

The agrochemical company reported adjusted net profit of \$59 million for the quarter ended March 31, 2026, up 35 per cent from \$44 million a year earlier. Reported net profit rose nearly threefold to \$82 million from \$21 million in the corresponding quarter last year.

The company said revenue growth was primarily driven by a 3 per cent increase in volumes and positive foreign exchange movements, partly offset by a 4 per cent decline in prices amid continued oversupply and intense competition in active ingredients.

Adjusted gross profit increased 5 per cent to \$318 million, while adjusted gross margin improved to 30.6 per cent from 30.3 per cent a year ago. Reported gross profit rose 6 per cent to \$287 million.

However, adjusted EBITDA declined 6 per cent to \$150 million from \$160 million last year as higher operating expenses offset gains from stronger sales and improved business quality.

Operating cash flow remained under pressure during the quarter, with cash outflow widening to \$141 million compared with \$29 million in the same period last year. Free cash outflow stood at \$139 million versus \$86 million a year earlier.

ADAMA said the weaker cash position reflected seasonal first-quarter trends, higher working capital requirements, inventory build-up, and lower collections due to timing differences.

Market Recovery Continues Amid Pricing Pressure

The company said global crop protection markets continued to recover in early 2026, with channel demand improving and inventory levels largely returning to pre-pandemic norms. However, pricing pressure remained elevated because of persistent oversupply and production overcapacity in active ingredients.

Lower crop commodity prices and geopolitical uncertainty continued to weigh on farmer profitability, resulting in cautious purchasing behaviour and just-in-time buying patterns across several markets.

ADAMA said rising oil prices and geopolitical developments could increase inflationary pressure on agricultural markets and further impact farmer income.

Growth Driven by Europe and New Product Launches

The Europe, Africa and Middle East region delivered strong sales growth during the quarter, driven by higher volumes and improved market positioning, particularly in off-patent products.

In North America, higher agricultural sales volumes were supported by product launches and pre-seed demand, while the company's consumer business benefited from favourable spring weather and lower retailer inventories.

In Brazil, sales were slightly lower due to weaker pricing and intense competition, although higher volumes partially offset the decline as the company capitalised on opportunities in soybean and winter corn markets.

India reported stronger sales supported by favourable weather conditions, while sales in China declined due to the company's decision to reduce manufacturing and sale of certain low-margin products and basic chemicals.

Company Advances Next Phase of 'Fight Forward' Strategy

ADAMA said it has entered the next phase of its 'Fight Forward' transformation programme, focusing on profitable growth after restructuring its cost base and improving operational efficiency.

The company said future growth will be driven by stronger commercial capabilities, differentiated product innovation, portfolio optimisation, and development of a more competitive global manufacturing and supply network.

During the quarter, ADAMA launched several new products across key global markets, including insecticides, herbicides, fungicides, and plant growth regulators.

Among the major launches were FORABAZ in India for caterpillar control in fruits and vegetables, BREVIS SC in Canada for fruit thinning in apples and pears, MARATHON in Australia for herbicide-resistant weed management, and ATEKA in the United States for insect control in fruit and vegetable crops.

The company also expanded its Prothioconazole-based fungicide portfolio across Europe and other major markets.

ADAMA additionally secured registrations for several products in Brazil, Germany, Belgium, India, Israel, Hungary, Argentina, and other markets during the quarter.

ESG Targets and Sustainability Focus

ADAMA also released its 2025 ESG report, highlighting a 21 per cent reduction in Scope 1 and Scope 2 greenhouse gas emissions.

The company said it trained more than 680,000 farmers and agricultural workers globally on the safe and responsible use of crop protection products as part of its sustainability and stewardship initiatives.

Israeli Operations Resume After Regional Disruptions

ADAMA said its operations in Israel continued largely uninterrupted despite escalating regional tensions earlier this year.

The company's Neot Hovav production site suffered limited damage from falling debris following missile interceptions in southern Israel during March and early April 2026.

According to the company, the damage was confined mainly to a finished goods warehouse, ancillary equipment, and open storage areas, with no injuries reported.

ADAMA said the site has largely returned to normal operations and the overall financial impact is expected to be non-material.

The company has also formed a dedicated task force to monitor potential impacts from changing global tariff policies and trade developments.

Profitability Improves Despite Cost Pressures

Reported operating income rose 57 per cent to \$110 million during the quarter, while adjusted operating income declined 8 per cent to \$88 million because of higher employee compensation, foreign exchange impacts, and increased spending to support growth.

Adjusted financial expenses fell to \$50 million from \$54 million last year due to improved debt structure and favourable inflation-related adjustments.

Trade working capital increased to \$2.30 billion as of March 31, 2026, reflecting higher receivables linked to sales growth and increased inventory levels.

ADAMA said it continues to prioritise investments in infrastructure, innovation, and portfolio expansion while optimising assets and improving operational efficiency.