

FMC's first-quarter results reflect continued stress in agrochemical markets

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FMC Corporation reported first-quarter 2026 revenue of \$759 million, down 4 per cent from the same period last year, as lower pricing and continued weakness in parts of the global crop protection market weighed on earnings.

Revenue excluding the company's India business stood at \$762 million during the quarter, also down 4 per cent year-on-year. Organic revenue declined 9 per cent.

The company reported a GAAP net loss of \$281 million for the quarter ended March 31, 2026, compared with a significantly smaller loss in the corresponding period last year. Adjusted EBITDA declined 40 per cent to \$72 million. Adjusted loss per diluted share came in at \$0.23, compared with adjusted earnings in the year-ago period, while GAAP loss per diluted share widened to \$2.25.

FMC attributed the weaker quarterly performance to lower pricing, higher restructuring expenses, rising interest costs, and increased raw material and tariff-related expenses.

Volume Growth Offsets Part of Pricing Decline

The company said first-quarter sales were slightly above the midpoint of its guidance, supported by higher volumes in Europe, the Middle East, Africa, and North America.

Volume increased 2 per cent during the quarter, while foreign exchange movements provided a 5 per cent tailwind. However, prices declined 6 per cent, reflecting lower pricing to diamide partners, pricing actions linked to branded Rynaxypyr products, and intense competition in legacy crop protection products, particularly in Latin America.

FMC said sales of new active ingredients doubled year-on-year during the quarter, while its Plant Health business recorded 6 per cent growth.

Latin America and Pricing Pressure Continue to Impact Business

The company said competitive pressure remained particularly intense in Latin America, where lower farmer profitability and aggressive pricing affected sales performance. FMC also pointed to continued pressure on legacy products across global markets, although stronger sales of newer active ingredients helped partly offset the decline.

The company expects pricing pressure to continue through 2026, particularly as it advances its post-patent strategy for Rynaxypyr active.

Company Maintains Full-Year 2026 Guidance

Despite weaker first-quarter results, FMC reaffirmed its full-year outlook for 2026.

The company expects full-year revenue excluding India to be between \$3.60 billion and \$3.80 billion, representing a decline of about 5 per cent at the midpoint compared with 2025.

Adjusted EBITDA is projected in the range of \$670 million to \$730 million, while adjusted earnings per share are expected between \$1.63 and \$1.89. FMC expects free cash flow for the year to range from negative \$65 million to positive \$65 million. The company said sales of new active ingredients are expected to reach between \$300 million and \$400 million during 2026, representing growth of more than 75 per cent at the midpoint.

Focus on Debt Reduction and Portfolio Transition

FMC said its operational priorities for 2026 include reducing debt by approximately \$1 billion, improving competitiveness in its core portfolio, and managing the post-patent transition of Rynaxypyr. The company is also focusing on expanding sales of newer active ingredients including Isoflex, fluindapyr, and Dodhylex.

In parallel, FMC said its board-authorized review of strategic alternatives, announced earlier this year, remains ongoing, with multiple options under evaluation. The company stated that there is no assurance the process will result in a transaction.

Cash Flow Remains Under Pressure

Cash flow remained weak during the quarter, with cash from operations at negative \$601 million, compared with negative \$545 million in the same period last year. Free cash flow stood at negative \$628 million, reflecting lower operating cash generation despite reduced capital expenditure.

FMC said the decline was mainly driven by lower EBITDA and continued market pressures.

Second Quarter Outlook Remains Weak

For the second quarter, FMC expects revenue between \$850 million and \$900 million, representing a decline of about 17 per cent at the midpoint compared with the same period last year. The company expects lower volume to diamide partners, continued pricing pressure, and the absence of contributions from the India business to weigh on performance.

Second-quarter adjusted EBITDA is projected between \$130 million and \$150 million, while adjusted earnings per share are expected in the range of \$0.16 to \$0.26. FMC expects a gradual recovery in the second half of the year, supported by higher volumes and growth in products based on new active ingredients. However, pricing pressure in core portfolio products and higher financing costs are expected to continue affecting profitability through the remainder of 2026.