Hebang Biotechnology H1 profit surges sixfold as Glyphosate and DIPA drive growth

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Sichuan Hebang Biotechnology reported a 634 per cent year-on-year increase in net profit in the first half of 2026, as higher glyphosate, DIPA and methionine prices lifted margins despite a decline in overall revenue

Sichuan Hebang Biotechnology Co., Ltd. reported a sharp improvement in profitability during the first half of 2026, with its agrochemical portfolio emerging as a key growth engine amid challenging conditions across several of its other businesses.

The Chinese company recorded revenue of RMB 2.888 billion during the period, down 26.34 per cent from a year earlier. However, net profit attributable to shareholders reached RMB 380 million, representing a 634.30 per cent year-on-year increase. Net profit excluding non-recurring items rose 698.33 per cent to RMB 375 million.

The contrasting revenue and profit performance reflects a significant change in the company's product mix and pricing environment. While weaker sales of soda ash, glass and photovoltaic products weighed on overall revenue, higher prices for key agrochemical products, including glyphosate, disodium iminodiacetate (DIPA) and methionine, substantially improved profitability.

Hebang's gross margin increased from approximately 9.5 per cent in the first half of 2025 to around 28.9 per cent during the latest reporting period, an improvement of more than 19 percentage points. Total profit reached RMB 451 million, up 719.50 per centyear on year.

Agrochemical prices strengthen margins

The company attributed the increase in agrochemical prices partly to geopolitical tensions in the Middle East, which pushed crude oil prices higher and tightened the supply of certain raw materials. Seasonal demand during the traditional peak period for agrochemicals also supported pricing.

Although prices for some products moderated towards the end of the second quarter as geopolitical tensions eased, average prices during the first half remained substantially above year-earlier levels.

Glyphosate in particular gained greater strategic importance within Hebang's portfolio. Hebang Agroscience, the subsidiary responsible for the company's DIPA and glyphosate operations, generated revenue of RMB 1.084 billion and net profit of RMB 175 million during the first half.

The subsidiary consequently emerged as one of the company's principal profit contributors, highlighting the growing importance of agrochemicals to Hebang's earnings profile.

Capacity expansion advances

Hebang is also investing heavily in new agrochemical production capacity.

Its 500,000-tonne-per-year DIPA project in Guang'an had accumulated investment of RMB 1.594 billion by the end of the reporting period. At the same time, construction of its 350,000-tonne-per-year glyphosate project in Indonesia continued to progress.

Once completed, the two projects are expected to strengthen Hebang's position in the global glyphosate and related agrochemical supply chain.

The company's construction-in-progress balance reached RMB 3.251 billion at the end of June, representing a 52.20 per cent increase from the end of 2025. The increase reflects the company's continued investment in production capacity and upstream resource integration.

Phosphate resources strengthen integration

Hebang's mining business faced weaker phosphate ore prices during the reporting period. In response, the company controlled shipment volumes in an effort to maintain pricing stability, resulting in a temporary decline in mining-segment profitability.

With phosphate prices subsequently recovering, the company resumed accepting orders in July.

Hebang currently holds 54 mining rights. Its Mabian Yanfeng phosphate mine in China is already operational, while the Liujiashan phosphate mine and the Wonarah phosphate project in Australia continue to advance.

Hebang holds a 60 per cent interest in the Wonarah project, which has reported resources of approximately 533 million tonnes.

The company's upstream strategy also includes a 25,000-tonne-per-year yellow phosphorus project in Qianwei, which has received approval. Once operational, the project is expected to create additional synergies among the company's phosphate ore, DIPA and glyphosate businesses.

Integrated strategy gains importance

Hebang's first-half results illustrate how changes in commodity prices and product mix can reshape the earnings profile of a diversified chemicals and agricultural-inputs company.

Despite lower overall revenue, stronger agrochemical pricing and improved margins enabled the company to deliver a substantial increase in profitability. At the same time, its investments in DIPA and glyphosate capacity, combined with phosphate resource development, point to a strategy focused on deeper vertical integration across its agricultural and chemical businesses.

The performance also underscores the importance of supply-chain positioning in the global agrochemical market, where raw-material availability, geopolitical disruptions, seasonal demand and production capacity can have a significant impact on pricing and margins.

With major DIPA and glyphosate projects under construction and additional phosphate resources being developed, Hebang is positioning its agrochemical business for greater scale and integration in the global crop-protection market.