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ADAMAâ??s Q3 2026 revenue falls 4% as European weather disruptions and pricing pressure hit performance

30 October 2026 | News

Crop protection company reports lower sales, shrinking margins and a wider quarterly net loss, even as India and other Asia-Pacific markets support regional growth

ADAMA’s financial performance weakened in the third quarter of 2026 as extreme weather across European markets, subdued crop protection demand and continued pricing pressure weighed on sales and profitability. Revenue fell 4 per cent to $897 million, while adjusted EBITDA declined 22 per cent, reflecting lower volumes, weaker prices and cost pressures. The China-based crop protection company reported adjusted EBITDA of $93 million for the quarter, compared with $120 million in the corresponding period last year. Its adjusted EBITDA margin contracted to 10.4 per cent from 12.9 per cent.

Adjusted gross profit declined 11 per cent to $228 million, with the margin falling to 25.4 per cent from 27.6 per cent a year earlier. ADAMA reported a net loss of $115 million, against $48 million in the third quarter of 2025. Its adjusted net loss widened to $74 million from $20 million.

The decline came despite improved cash generation during the quarter. Operating cash inflow increased to $94 million from $89 million, while free cash inflow rose to $33 million from $22 million.

European weakness offsets growth in selected markets

ADAMA attributed the quarterly revenue decline primarily to a 4 per cent reduction in sales volumes and a 2 per cent fall in prices, partly offset by favourable foreign exchange movements. In renminbi terms, revenue declined 9 per cent to $897 million.

Europe, the Middle East and Africa (EAME) experienced weaker market consumption and reduced crop protection applications across several European markets. Adverse weather conditions contributed to inventory accumulation in distribution channels, while elevated farmer input costs constrained purchasing. Market-share gains provided some relief, although competitive pressure and lower prices for off-patent active ingredients continued to weigh on performance.

North American sales increased, supported by growth in professional solutions, consumer products and Canada. The US agricultural business, however, faced lower prices in commodity product categories, elevated inventories and continued pricing pressure, even as selected products and customer segments recorded growth.

In Latin America, sales in Brazil declined despite stronger commercial activity ahead of the soybean season, particularly in fungicides and insecticides. Farmer liquidity constraints, intense competition and pricing pressure offset those efforts. Other Latin American markets recorded growth, led by higher volumes in Argentina as the company pursued its regional growth priorities.

Asia-Pacific excluding China also delivered higher sales, supported by growth in India and the Pacific region. Demand for fungicides in southern and western Australia, alongside new product introductions, contributed to the improvement. However, parts of Southeast Asia experienced weaker demand associated with El Niño-related conditions.

In China, nine-month sales were affected by ADAMA's decision to reduce production and sales of certain basic chemicals and low-margin products. Third-quarter sales were on a comparable basis and increased, supported by new launches of branded formulations and improved utilisation rates in non-agricultural products.

Nine-month revenue nearly stable, but profitability remains under pressure

For the first nine months of 2026, ADAMA reported revenue of $2.997 billion, down 1 per cent from the same period last year. The decline reflected a 3 per cent reduction in prices and a 1 per cent fall in volumes, partly moderated by favourable currency movements. Adjusted gross profit decreased 2 per cent to $860 million, while adjusted EBITDA fell 8 per cent to $395 million. The adjusted EBITDA margin narrowed to 13.2 per cent from 14.2 per cent.

The company reported a nine-month net loss of $53 million, an improvement from the $59 million loss recorded in the corresponding period of 2025. However, adjusted net performance moved into a loss of $11 million, compared with a profit of $29 million a year earlier.

Cash generation was weaker over the nine-month period. Operating cash inflow declined to $194 million from $331 million, while free cash inflow fell to $87 million from $112 million. ADAMA said lower collections from basic chemicals and timing differences, particularly those affecting the first quarter of 2025, contributed to the reduction in operating cash flow. Lower procurement partly offset the impact.

Crop protection market faces weak pricing and cautious purchasing

The company described global crop protection market growth during the first nine months as weaker than anticipated. Although low channel inventories supported underlying demand, higher costs for farmers and just-in-time purchasing patterns restrained market volumes.

Pricing remained under pressure, particularly in off-patent products. ADAMA attributed this to weaker farmer profitability and persistently low active ingredient prices, which it linked to structural production overcapacity in China. Higher borrowing costs, fertiliser and fuel expenses continued to squeeze farm margins in several markets. Geopolitical tensions and weather-related disruptions added uncertainty across crop production, input costs and grower profitability.

Product launches and registrations support portfolio differentiation

Against this backdrop, ADAMA continued to expand its differentiated crop protection portfolio. During the first nine months of 2026, the company launched 31 new products and secured 70 product registrations across global markets. Key third-quarter launches included REXARO, a fungicide introduced in India combining fluopicolide and cymoxanil for preventive and early curative control of oomycete diseases in fruits and vegetables.

The company also launched ACTAGON in India, a ready-mix pre-emergence wheat herbicide combining pyroxasulfone and metribuzin to control Phalaris minor and other weeds. The formulation is designed to eliminate on-farm tank mixing and simplify herbicide applications.

In Mexico, RAVARI combined novaluron and CTPR in a formulation targeting lepidopteran larvae in avocado and vegetable crops. In Germany, the PORAFAM Titan kit was introduced for broad-spectrum control of broad-leaved weeds and grasses in oilseed rape. New registrations included SPARTA in Brazil, a three-way fungicide mixture for soybean rust and broader disease control; PARAMER SC in Argentina, a high-load pyroxasulfone herbicide for soybean, corn and cereals; and FERRABAIT in Latvia, a molluscicide based on the active ingredient Feralla for slug and snail management.

CEO transition accompanies strategic reset

ADAMA is pursuing a strategy centred on converting business stabilisation into profitable growth. Its priorities include strengthening product differentiation, improving commercial capabilities, developing a more flexible and competitive supply and manufacturing network, and streamlining organisational processes and systems. The company said it would continue to focus on margin improvement, cash generation, cost discipline and investments in areas offering stronger returns.

Gaël Hili, President and CEO of ADAMA, said pricing pressure across regions and more challenging market conditions in the third quarter had affected performance. However, he pointed to volume growth in differentiated products in key markets and the company's efforts to control operating costs. Hili also confirmed that he would step down as CEO in November and continue supporting the company as Chairman of the Board. Dr Zhigang Hao will take over the leadership role.

The transition comes as ADAMA seeks to strengthen its market positioning amid a difficult global crop protection environment. Its ability to improve product mix, protect margins and translate new registrations into profitable sales will be central to its next phase of growth.