



Syngenta Bond Investor Thesis and 2018 Issue

September, 2018



Curriculum Vitae

James Halliwell

Head of Group Finance and Treasury at Syngenta

Appointed Head Group Finance and Treasury in 2018 and previously Group Financial Controller from 2007, James has worked in several Finance roles of increasing seniority in Syngenta and predecessor companies, Zeneca and ICI.

James originally qualified as a UK Chartered Accountant working with Coopers & Lybrand, now PwC, in London and is also a Member of the Association of Corporate Treasurers in the UK.

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Agenda



1.

Industry and
Syngenta
overview



2.

Market and
Trends



3.

Key results /
business and
financial
update



4.

China –
Strategic
context



5.

Syngenta
credit profile



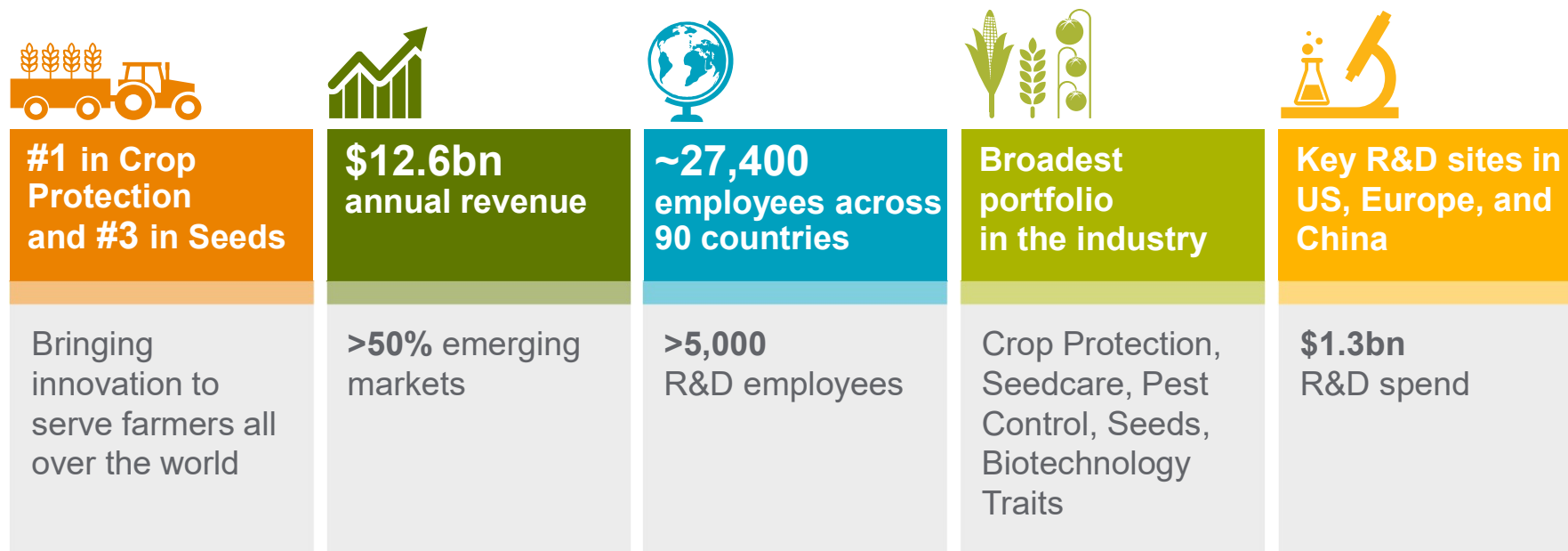
6.

Syngenta
2018 Bond
issue



1. Syngenta Overview

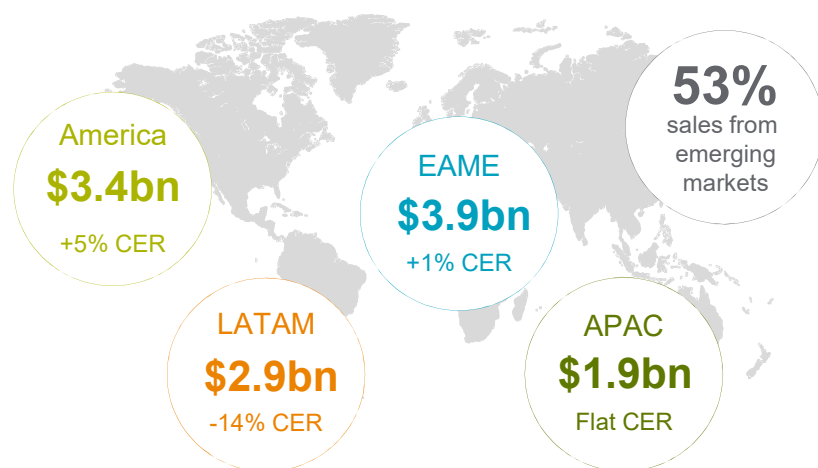
Syngenta – a leading agriculture technology company



Note: figures and rankings as of Dec 2017

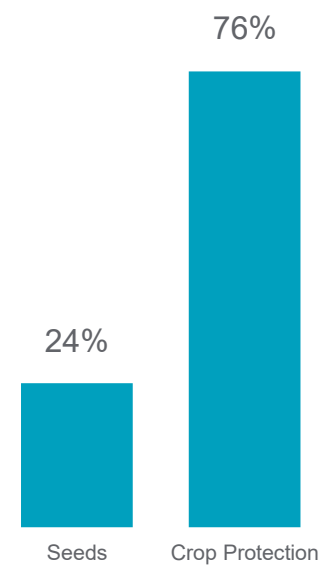
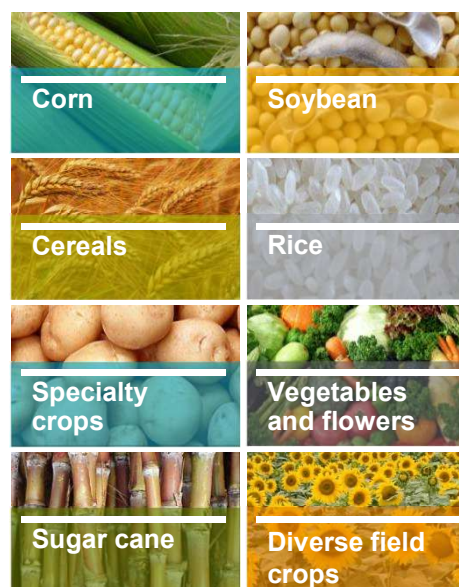
Truly global player with diversified crop and geographic presence

2017 regional sales Total: \$12.0bn⁽¹⁾



Present in 90+ countries

Broad crop presence



⁽¹⁾ Excluding Flowers and Controls: \$681m in 2017

Our strategies - growth through customer-focused innovation

Crop protection

Increased innovation: accelerate introduction of new active ingredients

Intensified marketing and aggressive go-to-market strategies to realise the full potential of our portfolio

Deploy expertise in regulatory and stewardship as a competitive advantage: greater product acceptance

Maintain and strengthen global leadership position

Seeds

Customer focus

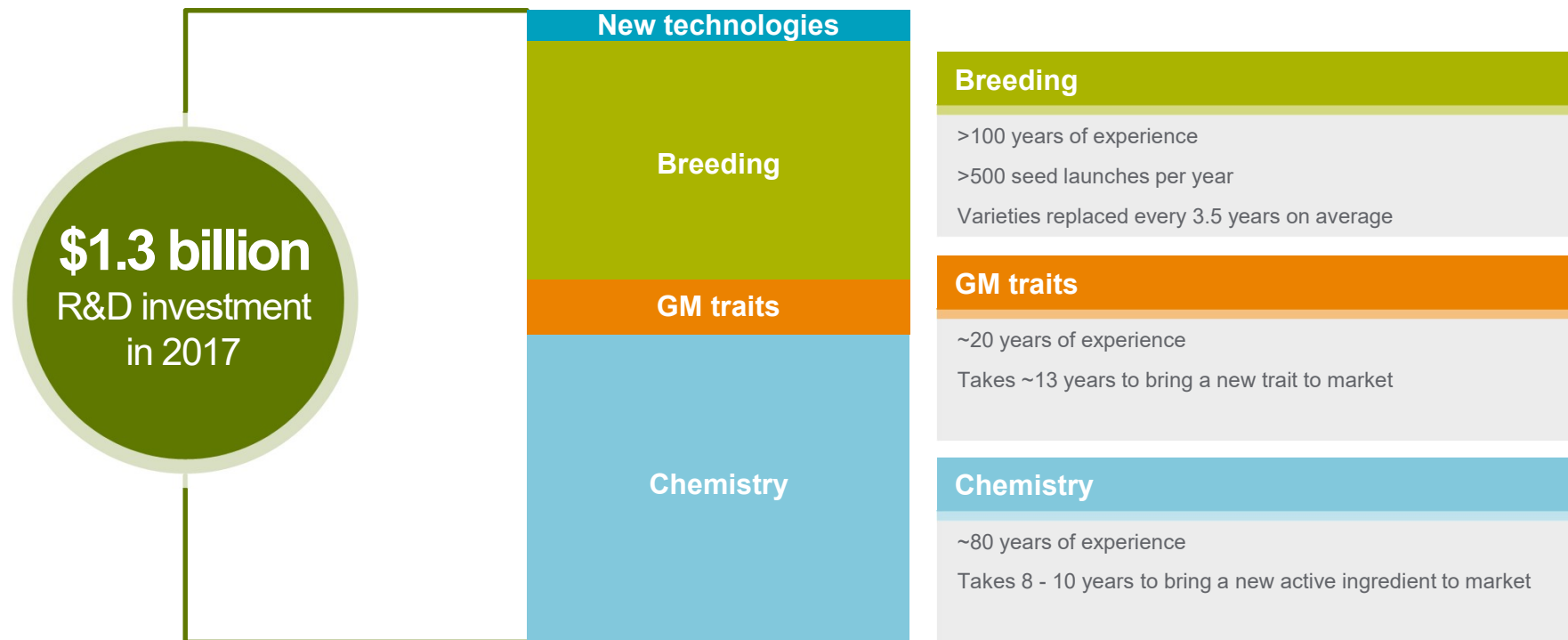
Match resources to largest growth opportunities: corn and soybean in US & Brazil, all crops in China and global vegetables

Invest in innovative R&D: data analytics, computational science, genome editing

Pursue M&A / collaboration opportunities

Improve to become a strong number 3, targeting >15% global market share

R&D capability across Crop Protection and Seeds



Investing for growth

Investing across CP and Seeds R&D, Seeds sales and agronomy expertise

Targeted bolt-on M&A and collaboration

Building digital capability



AgriEdge - Farm Management System

Precision Ag - satellite images / targeted sprays

Data Analytics - R&D, Product Positioning

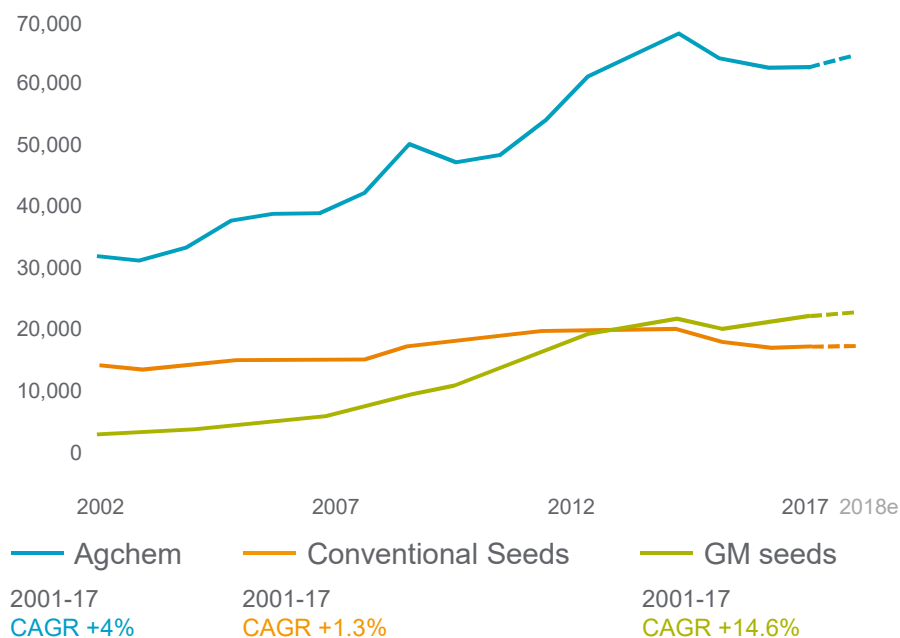
Acquisitions and collaborations – Stryder & FarmShots in 2018



2. Market and trends

Agricultural market historical growth

Market size



Source: Phillips McDougall. Excluding public seeds,

2002 - 2014: expansion based on technology progress

GM introduction
 Crop protection intensification
 Crop production increases
 - corn & soy ~ 60 to 70%
 - wheat & rice ~ 25% to 30%

2015-2017: major crops in over-supply

Robust output for major crops, creating over-supply
 Difficult farm economy
 Weak crop commodity prices
 Negative FX impact

Market expected to grow in 2018 - however significant tension remains

Regulatory environment remains tough
 High crop stocks and low commodity prices => continued poor farm profits
 Trade tension between US and CN
 High generic pressure

Global agribusiness market in 2017

Global
agribusiness
market
\$92.1bn

NAFTA 29%
US\$27bn

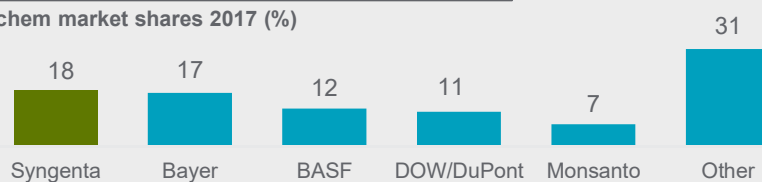
LATAM 23%
US\$21bn

EAME 23%
US\$21.6bn

APAC 24%
US\$22.5bn

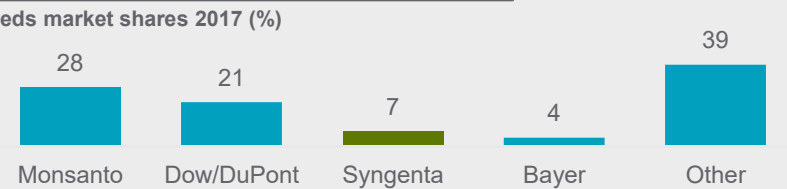
Syngenta #1 in Agchem**

Agchem market shares 2017 (%)



Syngenta #3 in Seeds

Seeds market shares 2017 (%)



* Source: Phillips McDougall; preliminary 2017 market size, ** Before Bayer Monsanto transaction

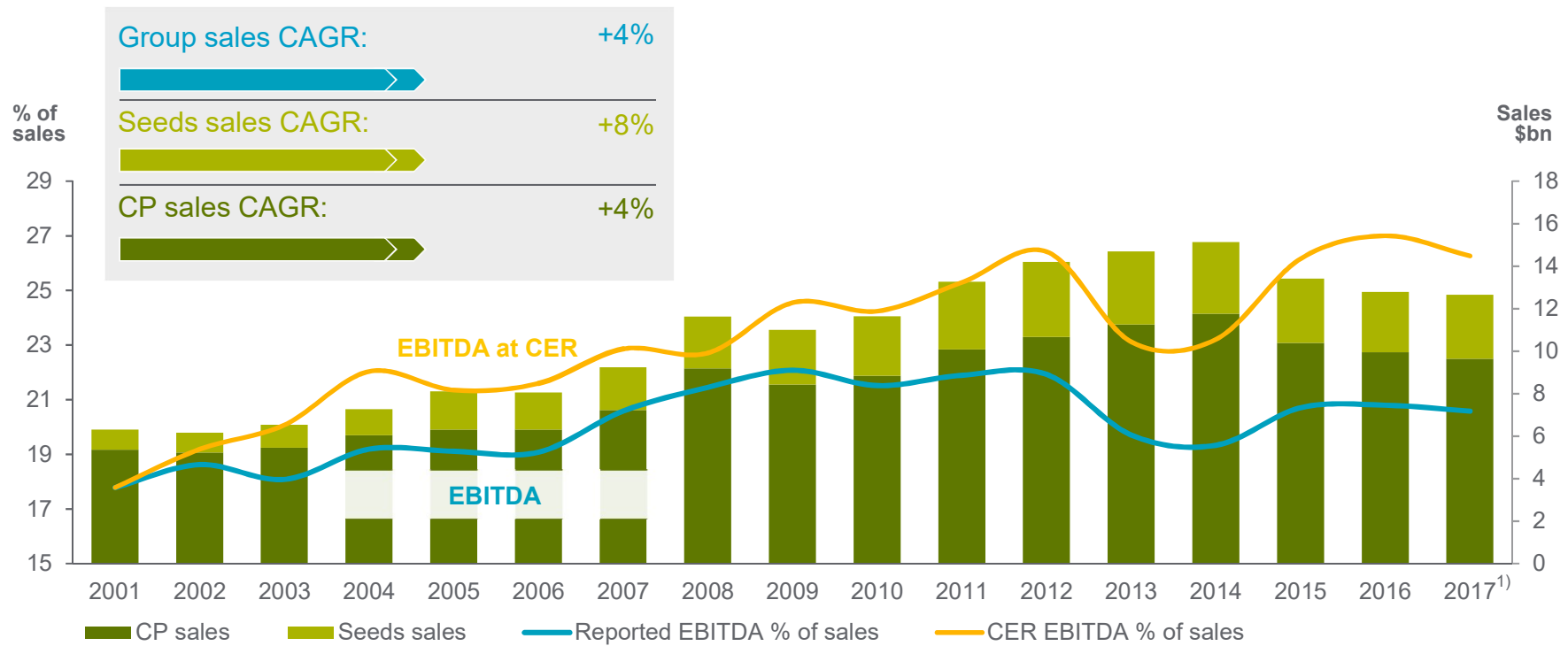
Key medium to long-term trends in Ag market

#1 Economic situation in our core business to remain tensioned	#2 CP regulatory pressure to continue to grow	#3 Development of new tech with potential to control pests	#4 Next wave of innovation in seeds	#5 Digital technologies to get traction
<p>No fundamental improvement in commodity prices</p> <p>Crop production expected to be sufficient to cover demand growth</p> <p>Low grower profitability in mature markets; impact on farm incomes</p>	<p>EU most extreme while NA more risk-based</p> <p>Countries in LATAM and APAC developing quickly</p> <p>Key concerns:</p> <ul style="list-style-type: none"> - Human health: chemical residues in food and water - Environmental: soil and non-target impact 	<p>Precision application of chemicals: largest potential in weed control</p> <p>BioControl including RNAi: largest potential in insect control</p> <p>Genome editing: largest potential in disease control</p>	<p>Wheat hybridization: market opportunity > \$6bn</p> <p>Expansion of rice hybridization: market opportunity > \$1-2bn</p> <p>GM corn introduction in China: market to grow from \$2bn to ~ \$5bn</p> <p>Genome editing: opportunity for abiotic stress tolerance, yield improvement and quality traits</p>	<p>Digitalization of R&D: advances in data science and computational power will speed up companies innovation</p> <p>Digital Agronomy: will improve growers decision making to improving yields and sustainability while decreasing cost</p> <p>Online transparency and e-commerce of Ag inputs</p>



3. Key results / business and financial update

Delivering a strong long term financial profile



1) 2017 EBITDA before US litigation settlement provision

CER – constant exchange rates

CAGR – compound annual growth rate



4. China - strategic context

Priorities for High Quality Agricultural Development in China

Safeguard China's
Food Security



Upgrade Ag Industry
and Agriculture
Supply-side Reform



Enhance Ecological
and Environmental
Governance



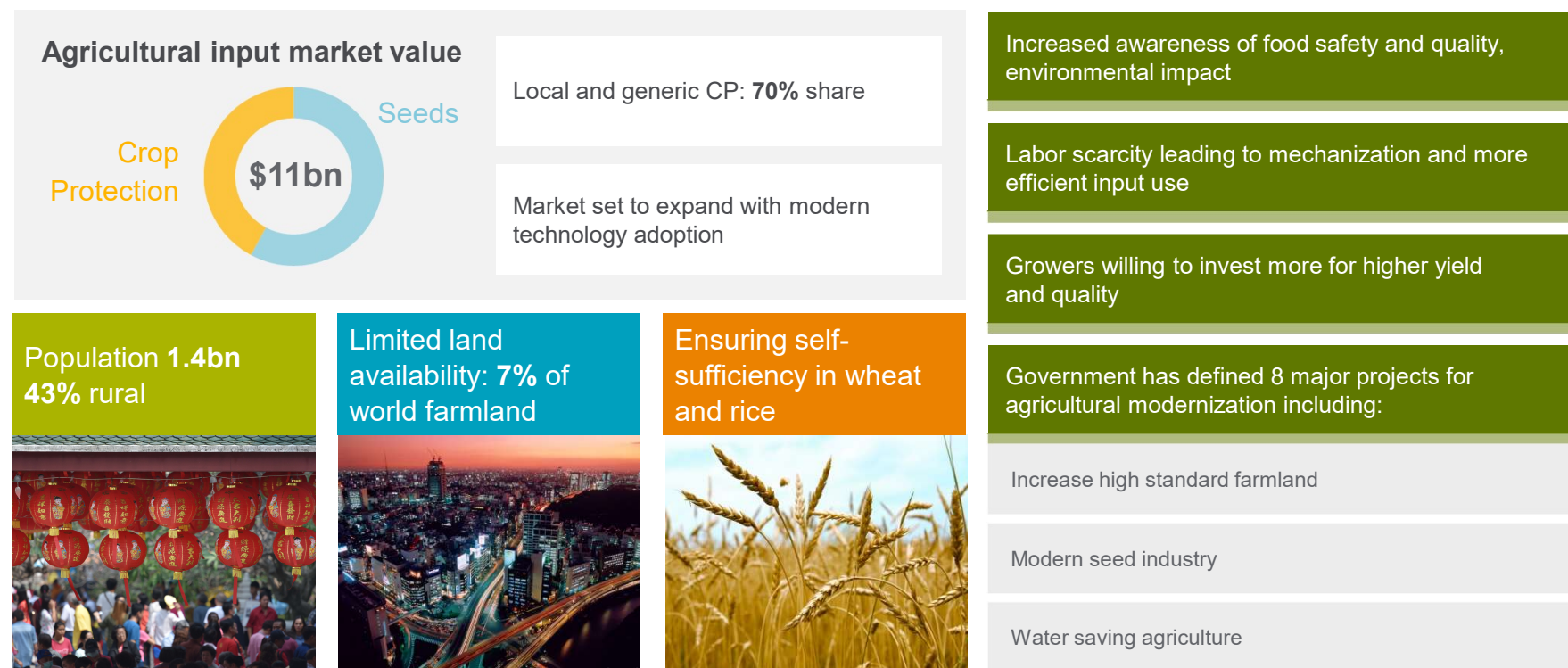
Promote
Development of
China's Rural Areas
and Support Poverty
Alleviation



Support Chinese
Companies going
Global and the Belt
and Road Initiative





Agriculture in China: expanding opportunity



China: Syngenta strongly positioned

>2000 employees, investments exceeding \$360m

<p>Production assets for local and global markets</p>	<div>   </div> <p>Nantong: global AI production site Two crop protection formulation assets in Nantong, Kunshan Vegetables processing site</p>
<p>Research assets and partnerships</p>	<p>Syngenta Beijing Innovation Center: > 100 researchers Extensive network of collaborations with > 10 research institutes and universities</p> <p>Cooperation with Chinese Ministry of Agriculture and the National Agro-Tech Extension and Service Center Sponsor rural talents in career launch and development More than 500'000 growers trained</p>
<p>Benefits of government support for ChemChina transaction</p>	<p>ChemChina has strengthened relationship with Ministry of Agriculture since acquisition of Adama in 2011 SASAC (State-owned Assets Supervision and Administration Commission of the State Council) ready to promote co-operation with state-owned grain wholesalers Better access to state-owned farms and national agricultural demonstration zones Co-operations in distribution and financing</p>

The Syngenta logo, featuring the word "syngenta" in a white, lowercase, sans-serif font. A small, stylized leaf icon is positioned above the letter 'g'. The logo is centered within a dark green horizontal bar.

syngenta

5. Syngenta credit profile

Recent developments



ChemChina public support statement & capital injection

On January 8, 2018, ChemChina issued a public support statement to maintain Syngenta's investment grade credit ratings.

As tangible evidence of such support, ChemChina, through one of its subsidiaries, subscribed for a perpetual bond amounting to **\$2bn** issued by CNAC¹⁾ to partially repay its bridge loan



Successful Bond Offer

\$4.75bn raised in April 2018.
More details later (section #6)



Ratings confirmation

Fitch affirmed Syngenta's BBB rating, outlook stable and S&P affirmed Syngenta's BBB- rating, outlook stable

Moody's rating remains unchanged at Ba2, outlook stable



Nidera Seeds acquisition

Purchase price **\$1.4bn** on a cash-free, debt-free basis, subject to a final purchase price adjustment



US Litigation Settlement

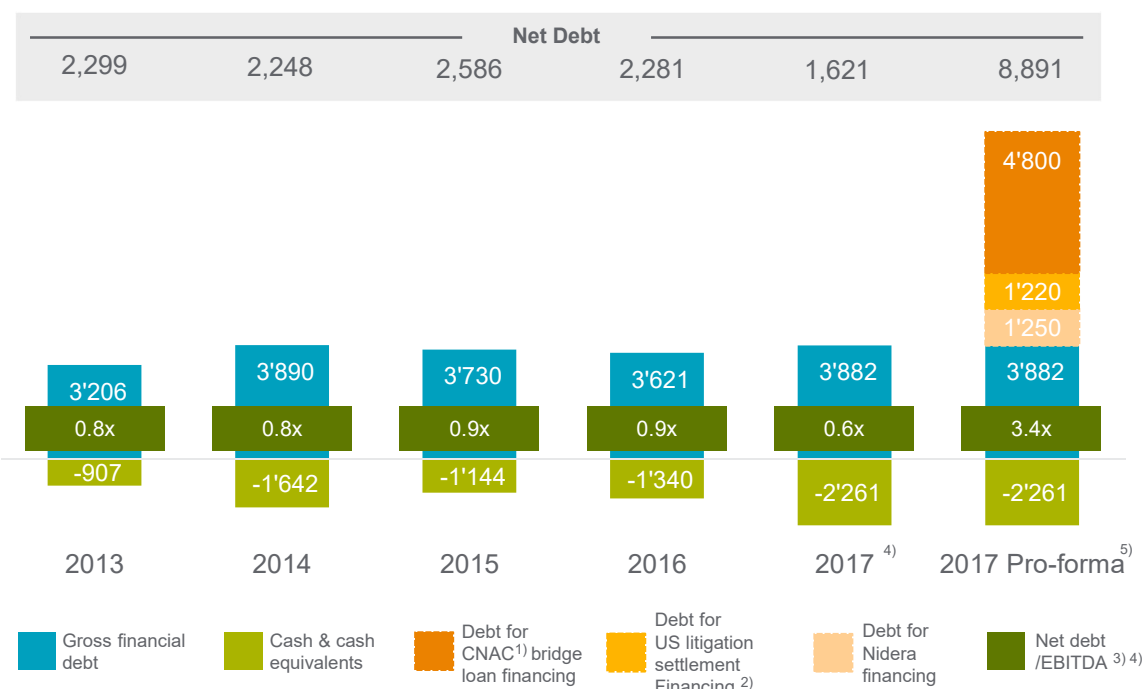
Syngenta and plaintiffs have executed settlement agreements with US growers and ADM for a total of **\$1.55bn³⁾**

1) CNAC Saturn (NL) B.V. ("CNAC")

2) Excluding Adama's applicable taxes

3) Does not cover other individual grain exporter plaintiffs, other than ADM

Net debt development (US\$m)



Target deleveraging to **<2.5x** reported Net debt /EBITDA in the mid-term

Residual cash left will be used
to deleverage further

Record **\$1.7bn** free cash flow (excluding acquisitions and one off ChemChina acquisition related outflows) in 2017

1) CNAC Saturn (NL) B.V. ("CNAC")

2) Net of expected taxation

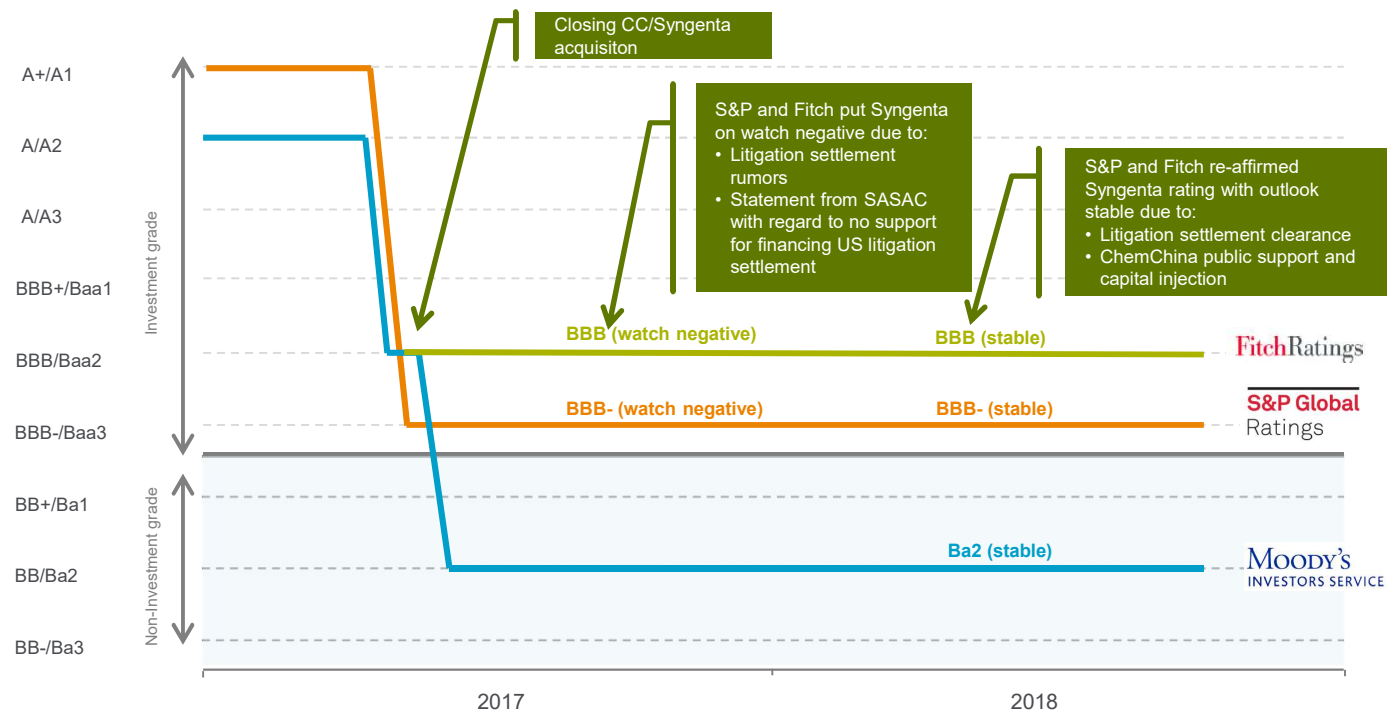
3) EBITDA defined as earnings before interest, tax, non-controlling interests, depreciation, amortization, restructuring and impairment

4) 2017 EBITDA before US litigation settlement

5) 2017 EBITDA before US litigation settlement provision applied for the purpose of 2017 pro-forma Net debt/EBITDA calculation

Rating and financial policy

Maintaining an investment grade rating



Retaining appropriate cash flow to comply with credit metrics commensurate with an investment grade rating is central to our financing policy

Key credit highlights



Leading agriculture technology company

#1 in Crop Protection and **#3** in Seeds with broadest portfolio in the industry

In 2017, \$12.65bn annual revenue; \$1.3bn annual R&D spend

Strong free cash generation



Syngenta will remain a global company headquartered in Switzerland

Operating as a standalone company under the ownership of ChemChina

Existing high-quality management team will continue to run Syngenta's business



Syngenta is strategic for ChemChina and People's Republic of China

Capitalizing on growth opportunities in China and other emerging markets through M&A and collaborations



ChemChina committed to maintain Syngenta's investment grade rating

Syngenta's future dividend aligned with rating objective

Excess capital reinvested for growth or returned to shareholders



Deleveraging through strong cash generation

Retaining appropriate cash flow to comply with credit metrics commensurate with an investment grade rating

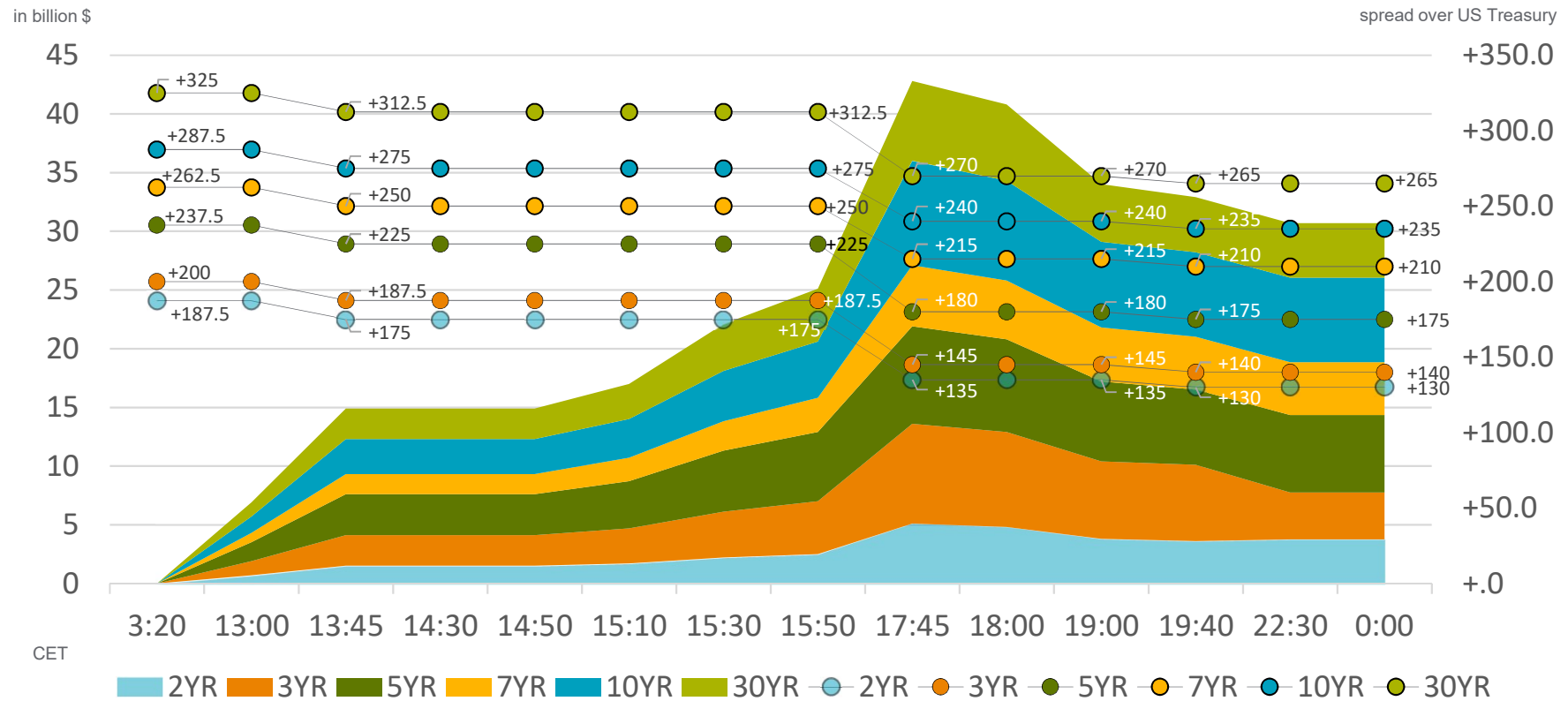


6. Syngenta 2018 bond issue

Key highlights

- Largest US bond orderbook of a European issuer ever
- Highest ratio between orderbook and take-out amount – 12x in the peak / 8x after tightening
- Tightening from initial to final pricing
- SYT priced below higher rated parent company
- SYT priced 'where SYT should' - bond prices in the secondary market largely unchanged after issue
- Timing – Jan good / Feb ok / March poor / April good again

Orderbook and price development



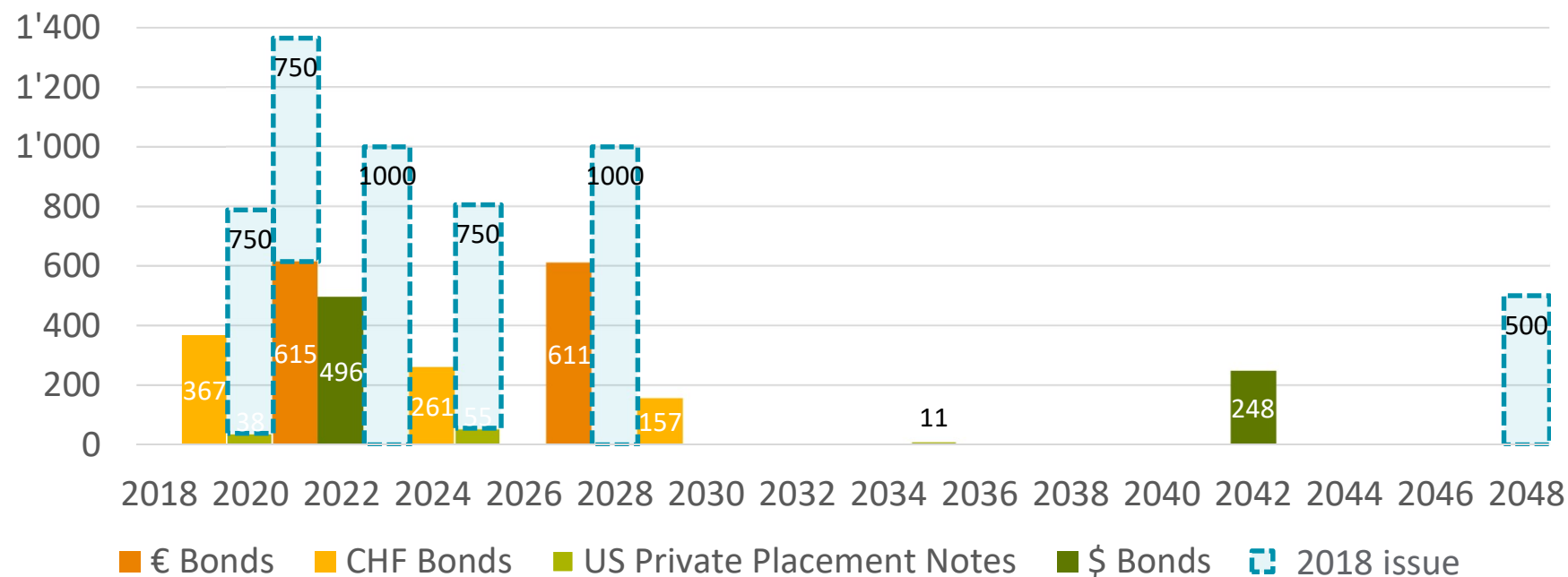
Bond pricing – 17 April

- Pricing 42.5 to 10bps inside ChemChina parent in the short end of the curve; flat in 10yrs; wider in 30yr

Tenor	Syngenta pricing	Parent company pricing 18 March
2 yr	T + 130 bps	
3 yr	T + 140 bps	T + 182.5 bps
5 yr	T + 175 bps	T + 202.5 bps
7 yr	T + 210 bps	T + 220 bps
10 yr	T + 235 bps	T + 235 bps
30 yr	T + 265 bps	T + 236.5 bps

Debt Maturity Profile

in million \$



Target

- Smooth maturity profile
- Diversified funding portfolio (instrument, currency and investor base)

Bringing plant potential to life