

FMC Corporation

Consolidated Statements of Income (Loss)

(in Millions, Except Per Share Data)	Year Ended December 31,		
	2017	2016	2015
Revenue	\$ 2,878.6	\$ 2,538.9	\$ 2,491.0
Costs and Expenses			
Costs of sales and services	\$ 1,777.3	\$ 1,607.7	\$ 1,690.6
Gross Margin	\$ 1,101.3	\$ 931.2	\$ 800.4
Selling, general and administrative expenses	\$ 618.6	\$ 458.5	\$ 660.7
Research and development expenses	141.5	134.5	135.9
Restructuring and other charges (income)	81.4	95.0	150.3
Total costs and expenses	2,618.8	2,295.7	2,637.5
Income (loss) from continuing operations before equity in (earnings) loss of affiliates, interest income and expense and income taxes	\$ 259.8	\$ 243.2	\$ (146.5)
Equity in (earnings) loss of affiliates	(0.1)	(0.5)	—
Interest income	(0.9)	(0.6)	(1.3)
Interest expense	80.0	63.5	62.2
Income (loss) from continuing operations before income taxes	\$ 180.8	\$ 180.8	\$ (207.4)
Provision for income taxes	264.1	50.1	5.2
Income (loss) from continuing operations	\$ (83.3)	\$ 130.7	\$ (212.6)
Discontinued operations, net of income taxes	621.7	81.0	711.1
Net income	\$ 538.4	\$ 211.7	\$ 498.5
Less: Net income attributable to noncontrolling interests	2.6	2.6	9.5
Net income attributable to FMC stockholders	\$ 535.8	\$ 209.1	\$ 489.0
Amounts attributable to FMC stockholders:			
Continuing operations, net of income taxes	\$ (85.9)	\$ 128.4	\$ (222.0)
Discontinued operations, net of income taxes	621.7	80.7	711.0
NET INCOME ATTRIBUTABLE TO FMC STOCKHOLDERS	\$ 535.8	\$ 209.1	\$ 489.0
Basic earnings (loss) per common share attributable to FMC stockholders:			
Continuing operations	\$ (0.64)	\$ 0.96	\$ (1.66)
Discontinued operations	4.63	0.60	5.32
NET INCOME ATTRIBUTABLE TO FMC STOCKHOLDERS	\$ 3.99	\$ 1.56	\$ 3.66
Diluted earnings (loss) per common share attributable to FMC stockholders:			
Continuing operations	\$ (0.64)	\$ 0.96	\$ (1.66)
Discontinued operations	4.63	0.60	5.32
NET INCOME ATTRIBUTABLE TO FMC STOCKHOLDERS	\$ 3.99	\$ 1.56	\$ 3.66

The accompanying notes are an integral part of these consolidated financial statements.

FMC Corporation

Consolidated Balance Sheets

(in Millions, Except Share and Par Value Data)	December 31,	
	2017	2016
ASSETS		
Current assets		
Cash and cash equivalents	\$ 283.0	\$ 64.2
Trade receivables, net of allowance of \$38.7 in 2017 and \$17.6 in 2016	2,043.5	1,692.5
Inventories	992.5	478.9
Prepaid and other current assets	326.4	232.1
Current assets of discontinued operations held for sale	7.3	381.5
Total current assets	\$ 3,652.7	\$ 2,849.2
Investments	1.4	1.0
Property, plant and equipment, net	1,025.2	538.1
Goodwill	1,198.9	498.7
Other intangibles, net	2,631.8	719.9
Other assets including long-term receivables, net	443.6	454.7
Deferred income taxes	252.7	242.1
Noncurrent assets of discontinued operations held for sale	—	835.6
TOTAL ASSETS	\$ 9,206.3	\$ 6,139.3
LIABILITIES AND EQUITY		
Current liabilities		
Short-term debt and current portion of long-term debt	\$ 192.6	\$ 94.2
Accounts payable, trade and other	714.2	317.4
Advance payments from customers	380.6	239.8
Accrued and other liabilities	497.7	358.5
Accrued customer rebates	266.6	246.7
Guarantees of vendor financing	51.5	104.5
Accrued pension and other postretirement benefits, current	5.7	7.1
Income taxes	99.2	11.0
Current liabilities of discontinued operations held for sale	1.3	59.0
Total current liabilities	\$ 2,209.4	\$ 1,438.2
Long-term debt, less current portion	2,993.0	1,798.8
Accrued pension and other postretirement benefits, long-term	59.3	137.3
Environmental liabilities, continuing and discontinued	346.2	306.4
Deferred income taxes	173.2	130.4
Noncurrent liabilities of discontinued operations held for sale	—	67.7
Other long-term liabilities	718.1	267.5
Commitments and contingent liabilities (Note 18)		
Equity		
Preferred stock, no par value, authorized 5,000,000 shares; no shares issued in 2017 or 2016	\$ —	\$ —
Common stock, \$0.10 par value, authorized 260,000,000 shares in 2017 and 2016; 185,983,792 shares issued in 2017 and 2016	18.6	18.6
Capital in excess of par value of common stock	450.7	418.6
Retained earnings	3,952.4	3,505.5
Accumulated other comprehensive income (loss)	(240.3)	(478.4)
Treasury stock, common, at cost - 2017: 51,653,236 shares, 2016: 52,293,686 shares	(1,499.6)	(1,506.6)
Total FMC stockholders' equity	\$ 2,681.8	\$ 1,957.7
Noncontrolling interests	25.3	35.3
Total equity	\$ 2,707.1	\$ 1,993.0
TOTAL LIABILITIES AND EQUITY	\$ 9,206.3	\$ 6,139.3

The accompanying notes are an integral part of these consolidated financial statements.

FMC Corporation

Consolidated Statements of Cash Flows

(in Millions)	Year Ended December 31,		
	2017	2016	2015
Cash provided (required) by operating activities of continuing operations:			
Net income	\$ 538.4	\$ 211.7	\$ 498.5
Discontinued operations	(621.7)	(81.0)	(711.1)
Income (loss) from continuing operations	\$ (83.3)	\$ 130.7	\$ (212.6)
Adjustments from income from continuing operations to cash provided (required) by operating activities of continuing operations:			
Depreciation and amortization	\$ 113.0	\$ 100.6	\$ 76.8
Equity in (earnings) loss of affiliates	(0.1)	(0.5)	—
Restructuring and other charges (income)	81.4	95.0	150.3
Deferred income taxes	104.2	53.3	18.2
Pension and other postretirement benefits	25.9	32.5	42.5
Share-based compensation	21.1	20.2	15.4
Excess tax benefits from share-based compensation	—	(0.4)	(1.4)
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:			
Trade receivables, net	\$ (262.4)	\$ 11.8	\$ 140.6
Guarantees of vendor financing	(54.7)	55.0	11.5
Inventories	(96.8)	79.0	27.8
Accounts payable, trade and other	331.7	(29.7)	(294.4)
Advance payments from customers	140.5	(10.0)	60.6
Accrued customer rebates	16.9	(5.2)	9.5
Income taxes ⁽¹⁾	122.1	(31.9)	(265.3)
Pension and other postretirement benefit contributions	(56.5)	(65.8)	(75.4)
Environmental spending, continuing, net of recoveries	(20.5)	(28.1)	(32.2)
Restructuring and other spending	(8.2)	(18.0)	(24.7)
Acquisition-related charges ⁽²⁾	(78.9)	(23.4)	(264.8)
Change in other operating assets and liabilities, net ⁽³⁾	19.1	3.8	146.4
Cash provided (required) by operating activities of continuing operations	\$ 314.5	\$ 368.9	\$ (471.2)
Cash provided (required) by operating activities of discontinued operations:			
Environmental spending, discontinued, net of recoveries	\$ (32.3)	\$ (21.8)	\$ (17.9)
Operating activities of discontinued operations, net of divestiture costs	86.1	176.3	166.0
Other discontinued spending	(32.8)	(25.6)	(35.0)
Cash provided (required) by operating activities of discontinued operations	\$ 21.0	\$ 128.9	\$ 113.1

(1) The twelve months ended December 31, 2015 includes approximately \$340.3 million in income tax payments principally driven by the sale of our Alkali Chemicals business. See Note 9 for more details.

(2) Total cash payments during the year ended December 31, 2015 associated with the Cheminova acquisition hedges were \$264.8 million, which includes \$165.2 million that were accrued and paid within the period.

(3) Changes in all periods represent timing of payments associated with all other operating assets and liabilities.

The accompanying notes are an integral part of these consolidated financial statements.

FMC Corporation

Consolidated Statements of Cash Flows (Continued)

(in Millions)	Year Ended December 31,		
	2017	2016	2015
Cash provided (required) by investing activities of continuing operations:			
Capital expenditures	\$ (85.7)	\$ (91.2)	\$ (53.4)
Proceeds from disposal of property, plant and equipment	2.2	1.9	1.9
Acquisitions, net ⁽³⁾	(1,225.6)	—	(1,205.1)
Proceeds from sale of investments	—	—	66.4
Other investing activities	(40.4)	(11.5)	(40.2)
Cash provided (required) by investing activities of continuing operations	\$ (1,349.5)	\$ (100.8)	\$ (1,230.4)
Cash provided (required) by investing activities of discontinued operations:			
Proceeds from divestiture	\$ 38.0	\$ —	\$ 1,649.8
Other discontinued investing activities	(22.3)	(34.4)	(70.7)
Cash provided (required) by investing activities of discontinued operations	\$ 15.7	\$ (34.4)	\$ 1,579.1
Cash provided (required) by financing activities of continuing operations:			
Increase (decrease) in short-term debt	\$ (3.1)	\$ (19.4)	\$ (547.3)
Proceeds from borrowing of long-term debt	1,598.9	2.8	1,650.0
Financing fees	(11.0)	(0.7)	—
Repayments of long-term debt	(302.3)	(242.6)	(1,036.6)
Acquisitions of noncontrolling interests	—	(20.0)	—
Transactions with noncontrolling interests	(0.5)	—	—
Dividends paid ⁽⁴⁾	(88.8)	(88.6)	(86.4)
Issuances of common stock, net	22.5	4.1	5.9
Excess tax benefits from share-based compensation	—	0.4	1.4
Repurchases of common stock under publicly announced program	—	(11.2)	—
Other repurchases of common stock	(2.6)	(1.8)	(3.7)
Cash provided (required) by financing activities	\$ 1,213.1	\$ (377.0)	\$ (16.7)
Effect of exchange rate changes on cash and cash equivalents	4.0	—	(4.8)
Increase (decrease) in cash and cash equivalents	\$ 218.8	\$ (14.4)	\$ (30.9)
Cash and cash equivalents, beginning of period	64.2	78.6	109.5
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 283.0	\$ 64.2	\$ 78.6

(3) Represents the cash portion of the total purchase consideration paid for the DuPont Crop Protection Business Acquisition. See Note 3 for more information on the non-cash consideration transferred to DuPont.

(4) See Note 15 regarding quarterly cash dividend.

Cash paid for interest, net of capitalized interest was \$98.8 million, \$81.6 million and \$74.7 million, and income taxes paid, net of refunds was \$33.3 million, \$62.8 million and \$340.3 million in December 31, 2017, 2016 and 2015, respectively. Net interest payments of \$16.6 million, \$19.6 million, and \$17.9 million and tax payments, net of refunds of \$8.3 million, \$12.6 million, and \$9.2 million were allocated to discontinued operations for the year ended December 31, 2017, 2016 and 2015, respectively. Accrued additions to property, plant and equipment at December 31, 2017, 2016 and 2015 were \$11.6 million, \$3.4 million and \$19.4 million respectively.

The accompanying notes are an integral part of these consolidated financial statements.