



Seed Breeding

Earnings season 2026 Q2

INTRODUCING

A streamlined approach to the earnings scramble

Every earnings seasons, major seed breeding earnings reports drop over a few short weeks. You've likely spent weekends buried in Bayer's 20-page report and Kaneko's earnings transcripts in Japanese while leadership asks "Is my competitive landscape overview ready yet?"

What you'll find in the pages ahead is a streamline approach to the earnings season scramble; 70% of the quarterly analysis work has been done for you- consolidated, validated, and reviewed by industry analysts - leaving you time for the strategic thinking about what this means for your business.



Synthesis

Seed Breeding - Vegetable Seeds Q2 2026



Climate-related cost pressure is increasingly visible as a distinct risk

Several companies flagged weather and quality risk as a direct driver of cost, not just a demand-side variable:

- Kaneko explicitly cited climate-driven seed disposal losses as the cause of its seed segment's profit decline.
- Sakata and Bayer both referenced weather variability (drought in Europe, El Niño-related uncertainty) as a factor complicating planting and harvest outcomes.
- This marks a shift from climate being discussed primarily as a market opportunity through climate-resilient varieties to being cited as a direct cost pressure on current performance.



Structural demand for vegetable seeds remains intact even where reported revenue is soft

Despite mixed top-line results, all companies in the group pointed to durable, multi-year demand growth for vegetable and specialty seeds:

- Bayer and BASF both cited rising vegetable seed demand within their broader 2026 market outlooks.
- Sakata's long-term plan names vegetables as its primary structural growth driver toward 2035.
- Kaneko guided to renewed vegetable and forage seed export growth for the coming year, framing FY2026 softness as transitional rather than structural



Regional divergence continues to shape performance across seed companies

Results across the group show growth and weakness concentrated in specific geographies rather than broad-based:

- Syngenta and Bayer both saw declines concentrated in Latin America and North America, tied to restructuring, planted-acreage cuts, and destocking.
- Sakata delivered growth across nearly every region simultaneously, including Brazil, Europe, and North America, standing out as the exception to the pattern.
- BASF's Agricultural Solutions volumes rose in all regions even as pricing and currency worked against it



Margin protection remains a key focus, supported by tighter cost control and portfolio efficiency

Rather than pure volume growth, companies are emphasizing margin protection through cost control and higher-value product mix:

- BASF is targeting a 20% capex reduction through 2028 while its Agricultural Solutions segment posted a notably strong margin.
- Kaneko is prioritizing reduced seed disposal losses and better price pass-through as its core profitability lever.
- Sakata's own guidance flags rising R&D and overhead costs as a headwind, signaling that even well-performing companies see cost management, not just growth, as the next competitive battleground.

What's the sentiment?

Seed Breeding - Vegetable Seeds Q2 2026

REVENUE GROWTH

Sentiment is mixed, the pattern suggests vegetable seed demand is currently more resilient at smaller, seed-focused pure-plays than at the vegetable seed units of larger diversified agrochemical groups. Syngenta Seeds and Bayer Vegetable Seeds both posted underlying declines, driven by weaker North America and Latin America volumes tied to restructuring, planted-acreage reductions, and softer regional demand. BASF Agricultural Solutions was roughly flat, with volume gains offset by pricing and currency headwinds. Sakata was the clear outlier, delivering broad-based growth across nearly all regions.

PROFITABILITY

Sentiment is mixed, though the limited disclosure makes this not evidence-rich metric. Kaneko's seed segment saw profit declining on rising overseas production costs and climate-driven seed disposal losses. BASF Agricultural Solutions showed a similar pattern: declining profitability on higher R&D-driven fixed cost in H1 with recovery in Q2. Syngenta, Bayer, and Sakata did not disclose standalone vegetable seed profitability, however, one consistent theme across them is rising cost pressure from seed production, R&D, or input costs, weighing on margins even where volumes held up.

MARKET DYNAMICS

Market conditions were largely described as challenging rather than favorable. Bayer and KWS pointed to geopolitical tension, generic competition, and weak sentiment in key markets. BASF similarly highlighted a volatile environment, with conflict-related supply disruption and soft construction demand partly offset by stronger demand in Europe. Syngenta and Sakata offered more neutral commentary on the broader operating environment. This indicates that disruption is being felt unevenly across the sector, with some companies more directly exposed.

GROWTH OUTLOOK

Group scope*

Sentiment is broadly positive. Sakata and Bayer both point to continued vegetable seed demand growth, with Sakata naming vegetables its primary growth driver and Bayer citing rising demand within a moderate-growth market outlook. BASF now also supports this picture, with Agricultural Solutions delivering volume growth across all regions and standing out as one of the group's stronger-performing segments. Syngenta's signal leans more on pipeline strength than explicit guidance, and Kaneko guides to a recovery in seed exports and forage growth after a soft prior year.

PROFITABILITY OUTLOOK

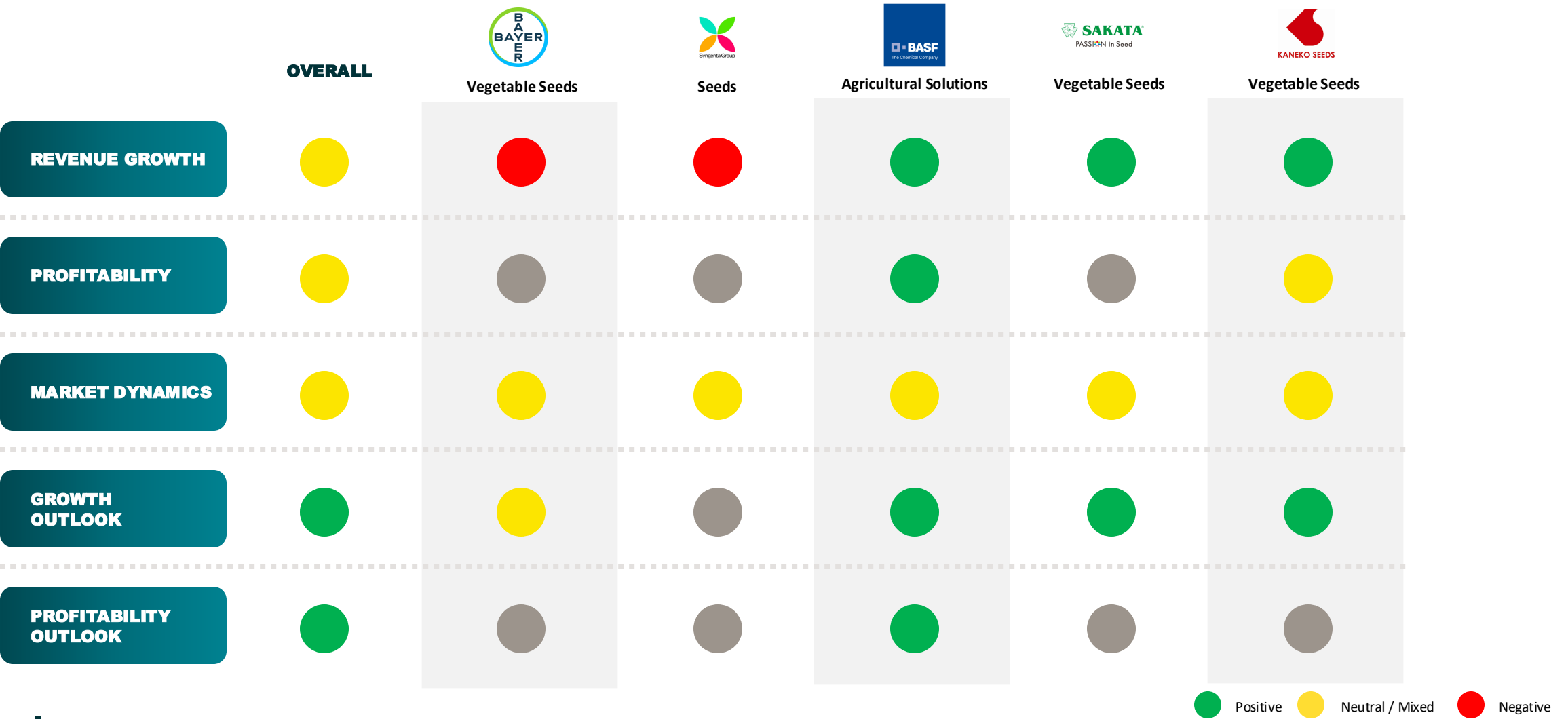
Group scope*

Overall sentiment: mixed-to-positive. Kaneko remains the clearest company-level positive, guiding to improved seed profitability through lower disposal losses and better pricing. BASF now adds a second strong positive signal, with Agricultural Solutions posting a notably healthy margin and contributing meaningfully to the group's raised earnings outlook. Sakata is the outlier, expecting slight margin pressure as R&D and overhead costs outpace sales.

*Note: All summaries except of outlooks focus on Vegetable seed industry. Prognosis and outlooks are usually not provided for the business segments, instead available for the group.

What's the sentiment?

Seed Breeding - Vegetable Seeds Q2 2026



Note: A grey bubble = not mentioned in the earnings update. Hence no sentiment can be derived from its reporting on these developments.

Overview of results (1/3)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT* (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
 Bayer	2026 - Q2 3 months 01/04/2026 - 30/06/2026	€ 10,872M (+1.2%)	7.6% (+7.5%)	+3.2% volume effect -1.0% price effect -0.6% FX effect +0.4% portfolio effect	- Revenue grew as strength in Crop Science and continued momentum in key Pharma growth products helped offset ongoing declines in older, patent-exposed medicines. - Profitability improved as litigation-related charges eased substantially, though underlying earnings remained pressured by tax normalization and softer performance in Pharma and Consumer Health. - Advanced portfolio moves including the Perfuse Therapeutics acquisition, consolidation of its U.S. glyphosate business, and a capital partnership with Apollo Global Management.
 [Bayer] Vegetable Seed	2026 - Q2 3 months	€ 193M (-3.0%)	n/a	-0.5% FX and portfolio effect -2.5% sales (excl. FX and portfolio)	- Bayer's Vegetable Seeds business saw sales decline as lower volumes in Latin America outweighed solid performance in Europe/Middle East/Africa. - Management flagged continued uncertainty tied to geopolitical developments and potential weather-related disruptions, such as El Niño, as risks to this outlook. - Looking ahead, rising demand is expected for vegetable seeds as part of a broader moderate growth outlook for the seeds and traits segment.
 Syngenta Group	2026 - Q2 3 months 01/04/2026 - 30/06/2026	€ 5,053M (-6.6%)	EBITDA* 17.5% (+1.2%)	-10.0% revenue decline at constant FX +6.7% reported revenue Crop Protection - flat ADAMA** -9.1% Seeds -28.6% Group China	- Syngenta Group's net sales edged lower, mainly reflecting the planned reduction of the low-margin grain trading business in China, while core businesses maintained resilient underlying demand. - Profitability strengthened as EBITDA margins expanded across all business units, supported by a continued shift toward higher-margin businesses, innovation, and disciplined cost management. - The Group advanced its AI agenda through new digital tools and partnerships, secured a broad set of product registrations, and transitioned to new CEO leadership during the period.
 [Syngenta Group] Seeds	2026 - Q2 3 months	€ 886M (-9.1%)	n/a	-3.0% revenue in H1 at constant FX - Reported revenue in H1: +18.0% Brazil +7.0% Europe -13.0% North America	- Syngenta Seeds' underlying momentum weakened through the first half, with second-quarter sales declining versus the prior year despite a slightly positive result for the half overall. - The business continued investing in innovation, including a new vegetable seed R&D center in Spain and expanded biotechnology adoption across Asia and Latin America. - The softness was concentrated in Latin America and North America, driven by restructuring activity and a smaller planted corn base, while Brazil and Europe continued to perform well on strong Field Crops demand.

Overview of results (2/3)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT* (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
 BASF The Chemical Company	2026 - Q2 3 months 01/04/2026 - 30/06/2026	€ 17,206M (+16.4%)	5.4% (+2.8%)	+7.3% volume effect +11.5% price effect -1.2% FX effect -1.2% portfolio effect	- Sales grew considerably on higher prices and volumes across most segments, led by Chemicals, Materials, and Industrial Solutions, although Agricultural Solutions and Nutrition & Care saw price declines. - Profitability improved, driven by stronger margins in the chemicals-related businesses on improved contribution margins. - BASF completed the sale of its Coatings business to Carlyle, retaining a 40% stake in the new entity, and finalized its acquisition of AgBiTech to expand its biological crop protection portfolio.
 [BASF] Agricultural Solutions	2026 - Q2 3 months	€ 2,210M (+0.5%)	12.4% (+2.9%)	+4.0% volume effect -2.5% price effect -1.2% FX effect +0.2% portfolio effect	- Mixed sales performance: South America, Africa, and the Middle East grew on front-loaded sales in Brazil and Argentina ahead, while Europe and Asia Pacific declined on lower prices and FX headwinds. - Margin edged higher on an improved contribution margin, though gains were partly offset by increased fixed costs from higher R&D spending, with special items tied to the division's legal separation. - Shareholders approved the legal separation of Agricultural Solutions into a standalone subsidiary, with a new leadership team in place from May 2026 ahead of a targeted 2027 Frankfurt listing.
 SAKATA PASSION in Seed	2026 - Q4 YTD 12 months 01/06/2025 - 31/05/2026	€ 618M (+12.2%)	12.6% (-0.6%)	+15.1% Overseas sales +4.2% Domestic sales -10.3% Retail	- Sakata reported strong consolidated sales growth, driven by robust vegetable seed demand and favorable currency effects from a weaker yen. - Operating margin declined as SGA expenses, particularly personnel costs and R&D spending, grew faster than sales, though operating profit still rose - Sakata guided revenue for the coming year to continue growing but at a slower pace, while profit attributable to owners is expected to decline, signaling anticipated margin pressure despite continued top-line growth.
 [Sakata] Vegetable Seed	2026 - Q4 YTD 12 months	€ 447M (+11.3%)	n/a	+13.1% Overseas sales +3.3% Domestic sales -19.0% Retail	- Sakata's vegetable seeds delivered strong growth, remaining the company's core revenue driver, with broad-based gains across nearly all regions, driven by strength in broccoli, tomato and pumpkin/squash. - The only exception was Asia, where sales declined in local currency terms due to weak market conditions, though this was offset on a reported yen basis by favorable currency effects. - Company continues prioritizing vegetable seed innovation, supported by an acquisition-driven boost in South America (Agritu Sementes) and consistent investment in breeding and R&D.

Overview of results (3/3)

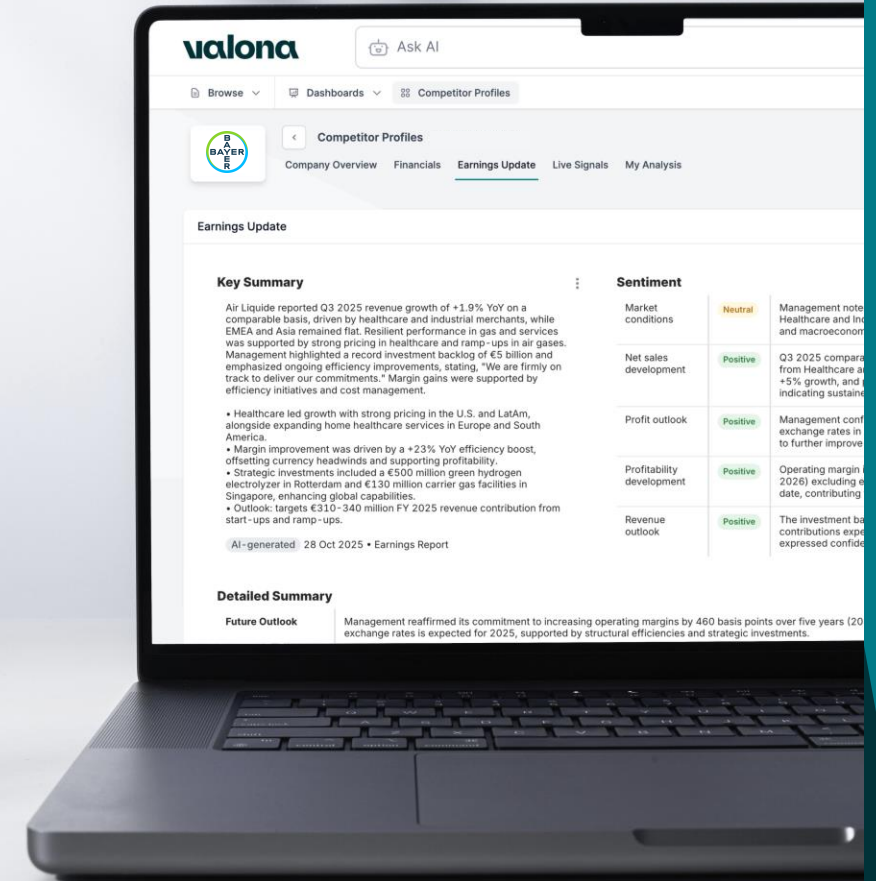
COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT* (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
 KANEKO SEEDS Kaneko Seeds	2026 - Q4 YTD 12 months 01/06/2025 - 31/05/2026	€ 401M (+5.0%)	2.6% (+0.2%)	+8.1% Agricultural materials segment +4.1% Facility materials segment +1.0% Seed & seedling segment	- Achieved sales growth, led by strong demand for agricultural materials, including herbicide equipment and paddy chemicals, alongside continued strength in facility materials driven by extreme summer heat. - Profitability improved overall on efficiency gains in agri-materials and facility materials, though the seed business saw profit decline due to rising overseas production costs and increased seed disposal losses. - Continued investment in property, plant, and equipment signals ongoing capacity-building, particularly to support demand in higher-growth segments like Crop Protection and Agricultural Materials.
 [Kaneko Seeds] Vegetable Seed	2026 - Q4 YTD 12 months	€ 57M (+1.0%)	Segment profit/loss* 5.5% (-0.2%)	- Expanded production areas for spinach and zucchini seeds - Onion seed exports and domestic sales progressed steadily	- Kaneko Vegetable Seed, posted only marginal sales growth for the year, supported by increased onion seed exports and domestic sales, and expanded production areas for spinach and zucchini. - Segment profit declined slightly, as rising overseas seed production costs and increased disposal losses from quality-degraded seed stock outweighed the revenue gain. - Looking ahead, management expects renewed growth in FY2027, driven by continued vegetable seed export expansion and higher forage and green manure crop seed sales.

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