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Sichuan Hebang forecasts more than sevenfold jump in H1 2026 profit as Methionine, Glyphosate markets strengthen

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Stronger pricing, supply disruptions and improving industry fundamentals are expected to lift the Chinese chemicals producer's first-half earnings to their highest level in years

Sichuan Hebang Biotechnology Co., Ltd. expects a dramatic turnaround in earnings for the first half of 2026, forecasting that net profit attributable to shareholders will increase more than sevenfold year-on-year, driven by a sharp improvement in market conditions for methionine and glyphosate and stronger profitability across its core operations.

According to the company's preliminary performance forecast for the January-June 2026 period, net profit attributable to shareholders is projected to reach 370 million-430 million yuan, compared with 51.77 million yuan in the corresponding period of 2025, representing year-on-year growth of approximately 615 per cent to 731 per cent. Net profit excluding non-recurring gains and losses is expected at 365 million-425 million yuan, up from 46.98 million yuan a year earlier, translating into an increase of roughly 677 per cent to 805 per cent. The company indicated that the earnings improvement is primarily attributable to stronger core business operations rather than one-off gains.

The projected results mark a significant recovery from the first half of 2025, when profitability remained subdued with total profit of 54.98 million yuan and earnings per share of 0.0065 yuan. The company said the industry's operating environment improved substantially during the first six months of 2026, enabling a sharp rebound in earnings.

Hebang attributed the stronger performance to simultaneous improvements across its two principal business segments. Rising prices for methionine and glyphosate, supported by tightening global supply, higher raw material costs and evolving geopolitical dynamics, significantly boosted margins during the reporting period.

In the methionine business, prolonged geopolitical disruptions constrained overseas production as manufacturers grappled with raw material shortages and lower operating rates, tightening global supply. At the same time, increasing costs for key feedstocks, including natural gas and methanol, lifted production costs across the industry and supported higher market prices. Hebang's 70,000-tonne-per-year liquid methionine production capacity enabled the company to capitalize on the favourable pricing environment, resulting in substantially improved segment profitability.

The glyphosate and PMIDA herbicide segment also benefited from robust market fundamentals. Higher procurement costs for critical raw materials such as yellow phosphorus, coupled with the inclusion of elemental phosphorus and glyphosate on the United States' list of critical strategic materials, strengthened global demand expectations and encouraged overseas stockpiling. These developments supported continued price increases for both glyphosate and PMIDA, providing an additional boost to the company's earnings.

The performance outlook highlights how improving supply-demand fundamentals and sustained strength in specialty chemical markets are reshaping profitability for integrated producers. With favourable pricing trends in its flagship product portfolio and limited reliance on non-recurring income, Sichuan Hebang appears well positioned to sustain stronger operating performance as global agricultural and industrial chemical markets continue to rebalance.