



Jiangsu Changqing Agrochemical reports profit growth as fungicide sales accelerate

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Jiangsu Changqing Agrochemical reported 4.01 per cent revenue growth and 27.62 per cent higher net profit in H1 2026, driven by a 64.63 per cent rise in fungicide sales



Jiangsu Changqing Agrochemical Co., Ltd. reported moderate revenue growth and stronger earnings in the first half of 2026, supported by a significant increase in fungicide sales and improved recurring profitability despite continued volatility in the global pesticide market.

The company, listed on the Shenzhen Stock Exchange under the code 002391, recorded revenue of RMB 2.166 billion for the six months ended June 30, 2026, representing a 4.01 per cent increase from the same period last year. Net profit attributable to shareholders rose 27.62 per cent year-on-year to RMB 53.95 million, while net profit excluding non-recurring gains and losses increased 49.16 per cent to RMB 59.01 million.

Basic and diluted earnings per share stood at RMB 0.0863, compared with RMB 0.0676 in the first half of 2025. The company's weighted average return on equity increased to 1.26 per cent from 1 per cent a year earlier.

Operating cash flow remained negative during the reporting period. Net cash generated from operating activities was RMB 184.46 million, down 46.18 per cent from RMB 342.72 million in the previous-year period. Although the cash outflow narrowed substantially compared with the figure cited in the company's previous reporting context, the difference between profit growth and operating cash generation remains an important factor for investors to monitor.

In the second quarter, revenue reached approximately RMB 1.17 billion, representing year-on-year growth of 0.6 per cent. Net profit attributable to the parent company declined 9.2 per cent to RMB 23.23 million, while net profit excluding non-recurring

items increased 6.7 per cent to RMB 22.77 million. Second-quarter earnings per share were RMB 0.0358.

As of June 30, the company's total assets stood at RMB 8.987 billion, up 3.06 per cent from the end of 2025. Net assets attributable to shareholders were RMB 4.178 billion, down 1.69 per cent from the previous year-end.

The balance sheet also reflected a rise in working-capital requirements. Accounts receivable increased to approximately RMB 1.115 billion from RMB 736.06 million at the end of 2025, while inventories rose to RMB 1.425 billion from RMB 1.321 billion. Short-term borrowings increased to RMB 2.129 billion from RMB 1.504 billion, and long-term borrowings reached RMB 991.24 million.

The company said the global pesticide industry experienced a period of adjustment from 2023 through 2025, affected by lower agricultural-commodity prices, elevated distribution inventories and changes in downstream purchasing cycles. As inventories were gradually digested, market supply and demand began to improve.

Changqing said that pesticide demand in 2026 increasingly reflected actual agricultural consumption rather than only channel restocking. The company expects long-term demand to remain supported by population growth, food-security requirements and the continuing need to improve agricultural productivity.

The company's strategic focus is on the development, manufacture and sale of efficient, low-toxicity and low-residue pesticides. It is also seeking to improve its product structure, expand higher-value offerings and strengthen its position in markets where regulatory and environmental requirements are becoming more demanding.

Fungicides were the strongest growth area in the first half. Revenue from the fungicide product series reached RMB 286.06 million, an increase of 64.63 per cent year-on-year. Fungicides accounted for 13.2 per cent of total revenue, compared with 8.34 per cent in the first half of 2025.

Herbicides remained the largest product category, generating RMB 961.33 million in revenue, down 9.29 per cent year-on-year and accounting for 44.38 per cent of total revenue. Insecticide revenue increased 10.96 per cent to RMB 872.50 million, representing 40.27 per cent of total revenue.

Revenue from plant-growth regulators declined 11.70 per cent to RMB 7.20 million. Service revenue fell 13.77 per cent to RMB 31.80 million, while other revenue declined 58.41 per cent to RMB 7.52 million.

The product mix shows that Changqing remains dependent on herbicides and insecticides, but the expansion of fungicide sales is beginning to provide an additional growth engine. Whether this momentum is sustained will depend on product competitiveness, pricing, registrations, market demand and the company's ability to manage production costs.

The company is also exploring new e-commerce sales models to support brand promotion and broaden distribution channels. The initiative reflects changes in agricultural-input distribution, although pesticide sales remain subject to registration, labelling, application, compliance and traceability requirements.

During the reporting period, Changqing increased its research and development investment to RMB 109.89 million, up 23.75 per cent from RMB 88.79 million a year earlier.

The company said it was strengthening independent innovation and promoting the development and application of green and environmentally friendly pesticide products. Its portfolio includes more than 50 active-ingredient products and more than 170 formulations across herbicides, insecticides and fungicides, according to the half-year report.

Changqing's operating model combines the production and sale of active ingredients with the manufacture and distribution of formulations. Most active ingredients are sold to other pesticide companies, including export customers, for further processing into formulations. A portion is processed by Changqing's own formulation businesses and sold through distributors.

The company said its domestic products are sold across more than 30 provinces, municipalities and autonomous regions. Its products are also exported, directly or through intermediaries, to markets across the Americas, Europe, Africa and Southeast Asia.

Export revenue remains material. Direct exports generated RMB 637.61 million in the first half, down 5.52 per cent year-on-year, while indirect exports rose 23.58 per cent to RMB 509.16 million. Together, direct and indirect exports accounted for approximately 52.93 per cent of total revenue.

Domestic regional performance was mixed. Revenue from central and southern China increased 37.08 per cent, while revenue from southwestern China rose 60.09 per cent. Revenue from eastern China was broadly stable, while northern China

recorded a decline.

The company said it continued to adjust production and pricing in response to raw-material trends and market demand. It also pursued cost reduction through process optimisation, technical improvements and management upgrades.

Research and product development remain central to Changqing's strategy. The company operates a national-level postdoctoral research station, a provincial enterprise technology centre and an industry-level quality-testing facility. It also works with research institutes and external technical advisers.

Changqing has highlighted its focus on higher-efficiency and lower-residue products as a response to stricter environmental and agricultural regulations. The company said it has invested in cleaner production, wastewater treatment, solid-waste treatment and waste-gas control, including biological treatment systems, incineration facilities and regenerative thermal oxidation equipment.

The half-year report also identifies several risks. These include price competition, capacity-expansion risk, raw-material volatility, safety and environmental compliance, changes in industry policy and fluctuations in the international trade environment.

Raw materials account for approximately 70 per cent of production costs, according to the report. As a result, price changes in petrochemical-related inputs can directly affect margins. The company said it has some ability to pass on cost changes and benefits from scale in procurement, but pricing adjustments may lag behind movements in raw-material costs.

Capacity expansion may also create pressure if new production comes online faster than demand or distribution channels can absorb it. Higher fixed assets and depreciation could weigh on profit if utilisation and market penetration do not increase as planned.

The international business creates additional exposure. Changes in pesticide residue standards, anti-dumping or countervailing investigations, import rules and registration requirements could affect export sales.

Changqing's first-half results show a company operating in a market that is stabilising but not yet free of volatility. Revenue growth was modest, but recurring profit expanded substantially, fungicide sales accelerated and research investment increased.

At the same time, the company faces pressure from negative operating cash flow, higher receivables, increased short-term borrowings, raw-material costs and uneven product demand. The improvement in recurring earnings will need to translate into stronger cash generation for the recovery to be considered durable.

For Changqing, the key performance indicators in the second half will be the sustainability of fungicide growth, the recovery of herbicide demand, the movement of product prices, inventory and receivables management, cash-flow conversion and the commissioning of new or modified capacity.

The half-year report presents a business attempting to improve its product mix while navigating a complex pesticide cycle. Fungicides are emerging as the clearest growth category, but the company's longer-term performance will depend on whether it can convert that growth into stronger margins, better working-capital discipline and more consistent operating cash flow.