

18 May 2023

ASX Release – Company Announcement

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Nufarm 1H23 results presentation

Attached is Nufarm Limited's (ASX: NUF) (Nufarm) 1H23 results presentation which will be delivered by Nufarm Executives today at 10:00am AEST.

CEO, Greg Hunt, CFO, Paul Townsend, Brent Zacharias, Group Executive Nuseed and Rico Christensen, Group Executive Portfolio Solutions will provide an overview of the half year financial results for analysts and investors via webcast and teleconference.

Participants looking to join the teleconference must pre-register at:

<https://registrations.events/direct/OCP61199>

Participants will receive a calendar invite and a unique code which should be quoted when dialling into the call.

The webcast of the results announcement will also be available live at:

<https://webcast.openbriefing.com/nuf-hyr-2023/>

If you wish to view the presentation live via the webcast it is recommended that you log in 10 to 15 minutes prior to start time. An archived version will be available at the same link on demand and on the Nufarm website later that day.

- ends -

Authorised by

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Company Secretary

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Nufarm 1H23 Results

18 May 2023



Disclaimer

General

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Forward looking statements

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Before making an investment decision, you should consider, with or without the assistance of a financial advisor, whether an investment is appropriate in light of your particular investment needs, objectives & financial circumstances. Past performance is no guarantee of future performance.

Non-IFRS information

Nufarm Limited results are reported under International Financial Reporting Standards (IFRS) including Underlying EBIT & Underlying EBITDA which are used to measure segment performance. The presentation also includes certain non-IFRS measures including Underlying net profit after tax & Gross profit margin. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources & assess operational management. Non-IFRS measures have not been subject to audit or review. Certain figures may be subject to rounding differences. Refer to Appendices for the definitions of non-IFRS information & a reconciliation of Underlying EBIT & Underlying EBITDA to Operating profit. All market share information in this presentation is based on management estimates based on internally available information unless otherwise indicated. All amounts are in Australian dollars unless otherwise stated.

Financial performance

Revenue
\$2.0b

Down 1%¹

Underlying gross profit
\$609m

Up 3%

uEBIT
\$228m

Up 3%

uEBITDA
\$316m

Down 4%

uNPAT
\$142m

Up 7%

Underlying gross
profit margin

31%

Improved
>120bps²

aNWC/Sales

33%

Below target
range

Interim dividend

5cps

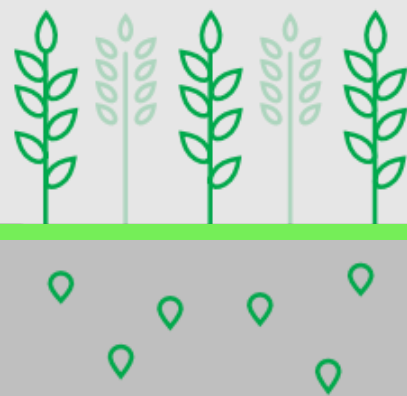
Up 25%

1. Change measured between 31 March 2023 and 31 March 2022 is based upon Revenue excluding corporate revenue of which corporate revenue is defined as sales to Sumitomo under the Transitional Services Agreement at zero margin which ceased in FY22
2. Change measured between 31 March 2023 and 31 March 2022 is based upon underlying gross profit margin excluding corporate revenue
- All comparisons to 6 months ended 31 March 2022 unless otherwise stated

Strong performance delivers \$316m uEBITDA

**1H23 uEBITDA
\$316m**

**Earnings outlook for FY23
remains unchanged**



Revenue \$2.0b down 1%¹, uEBITDA down 4% uEBIT up 3%

Product/portfolio mix drives improved underlying gross margin for 1H23 - 31% vs 30%² for 1H22. Geographic & portfolio diversity provides resilience

Strong growth in Seed Technologies contribution;

- Revenue up 25% vs pcp
- uEBITDA up 34% vs pcp

Seasonal build & phasing of sales from 1H23 to 2H23 leads to higher net working capital levels – expected to unwind in 2H23

Global grain & oilseeds stocks remain tight. Agricultural commodity prices remain at or above 5-year average driving demand for seeds & crop protection products

Unchanged positive outlook for FY23 - remain on track for modest underlying earnings growth in constant currency, assuming normal seasonal conditions³ for FY23

1. Change measured between 31 March 2023 and 31 March 2022 is based upon revenue excluding corporate revenue of which corporate revenue is defined as sales to Sumitomo under the Transitional Services Agreement at zero margin which ceased in FY22

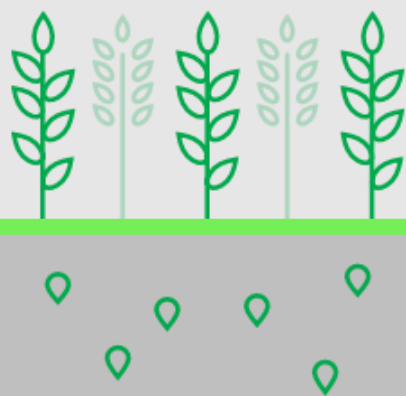
2. Change measured between 31 March 2023 and 31 March 2022 is based upon underlying gross profit margin excluding corporate revenue

3. Assuming normal seasonal conditions & on a constant currency basis. Constant currency financial information seeks to remove the impact of movements in monthly exchange rates that impact on the translation of foreign currency earnings & balances into Australian Dollars to facilitate the comparability of operational performance. The current financial reporting period EBITDA has been translated, from subsidiary functional currency into Australian Dollars, at the corresponding monthly exchange rates from the prior comparable financial reporting period. All comparisons to year ended 31 March 2022 unless otherwise stated

1H23 significant strategic milestones achieved

**Continued progress
advancing long-term
growth agenda**

**On track to meet or
exceed FY26 revenue
aspirations**



Crop protection & seeds

- Successful new crop protection product launches deliver diversification at higher margins
- Exclusive distribution agreements provide growth platforms & margin expansion
- Sumitomo distribution agreements extended
- Introduction of new hybrid seed varieties in canola, sorghum & sunflower delivered volume & market expansion



Omega-3

- On track to produce 16.5k MT of oil from CY23 crop plantings
- Nutriterra® – downstream momentum building in higher value nutraceuticals and food ingredient segments
- Norwegian Scientific Committee for Food & Environment recommends allowing canola oil enriched with omega 3 for fish feed¹



Bioenergy

- Pursuing target to double carinata hectares contracted in CY23
- Growth in geographic footprint – carinata plantings in Argentina, Uruguay & US
- First shipment of carinata grain to Saipol for bp completed in January 2023
- Energy cane acquisition integration complete



On track to meet or exceed FY26 revenue aspirations

All statements in relation to future revenue aspirations are based on management estimates & reflect management's internal goals & should not be taken as forecasts or guidance.

Full details of Nufarm's growth aspirations announced 3 February 2022 are available at <https://cdn.nufarm.com/wp-content/uploads/2022/02/04091436/220202-Investor-Day-ASX-003-Final2.pdf>, increased 16 November 2022 and affirmed in this presentation.

All comparisons to year ended 31 March 2022 unless otherwise stated

1. [https://vkm.no/download/18.5b3ecc1c186fe1f94274c195/1679643077409/Risk%20assessment%20of%20Aquaterra%C2%AE%20oil%20for%20its%20intended%20use%20as%20ingredient%20in%20fish%20feed%20\(1\).pdf](https://vkm.no/download/18.5b3ecc1c186fe1f94274c195/1679643077409/Risk%20assessment%20of%20Aquaterra%C2%AE%20oil%20for%20its%20intended%20use%20as%20ingredient%20in%20fish%20feed%20(1).pdf)

Segment Performance

CEO, Greg Hunt



 Nufarm

Geographic footprint & segment diversification

Underlying EBITDA by segment

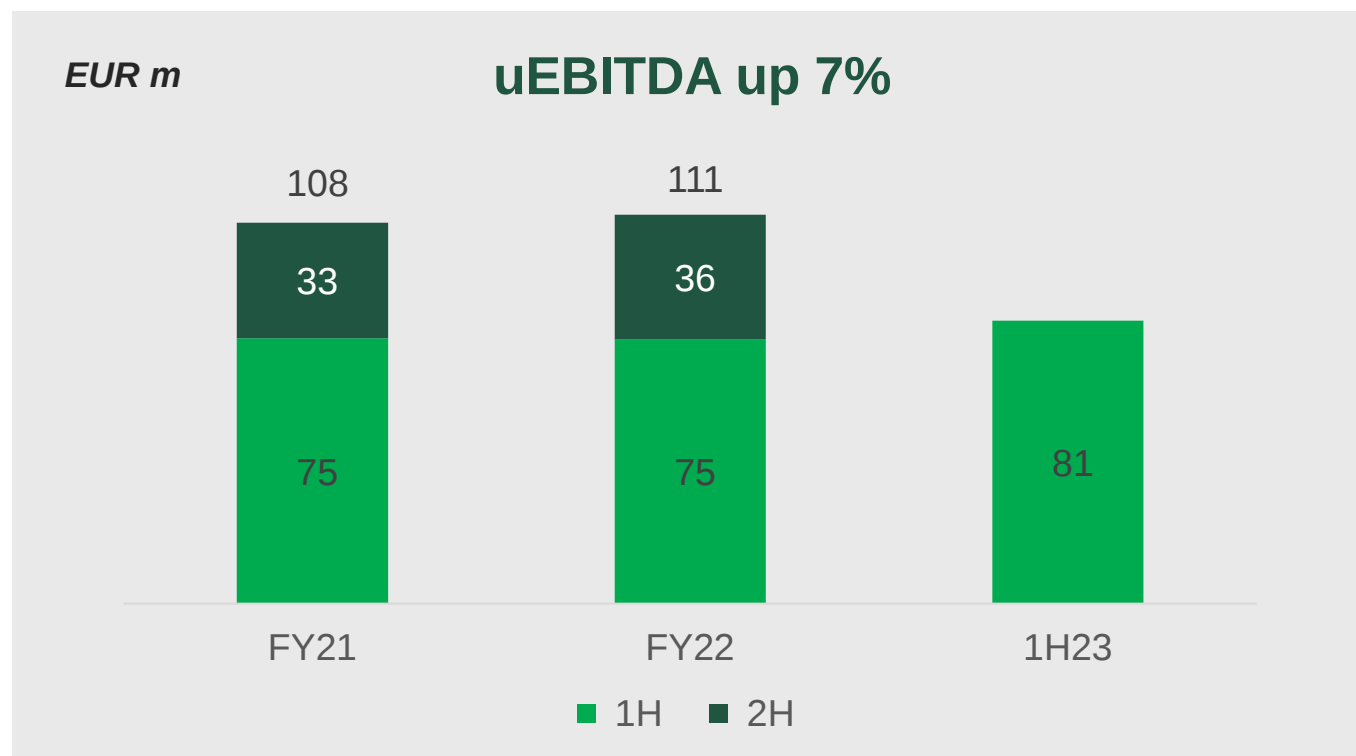
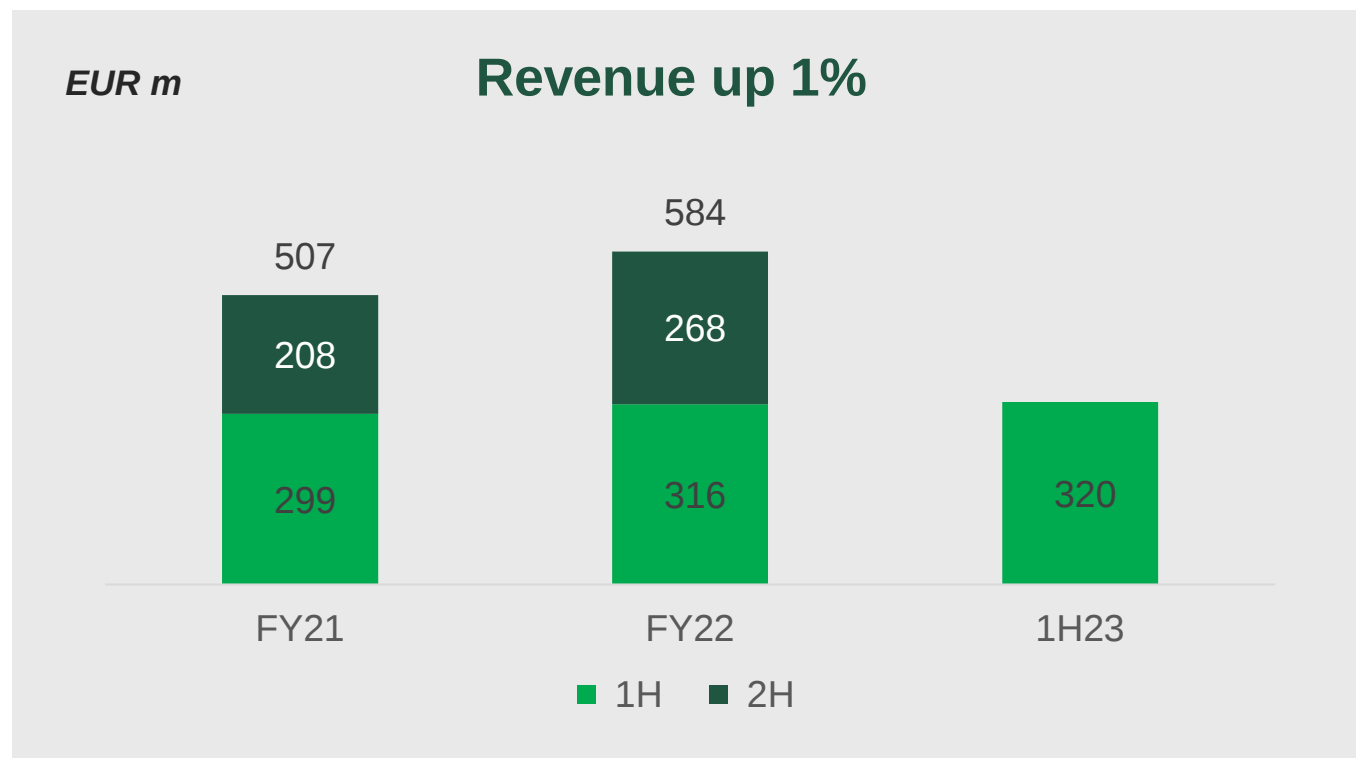
(AUD)	1H23	1H22	% Improvement	
Europe	\$126m	\$118m	▲	6%
North America	\$86m	\$93m	▼	(8)%
APAC	\$71m	\$99m	▼	(28)%
Seed Technologies - Global	\$62m	\$46m	▲	34%
Corporate	(\$28m)	(\$27m)	▼	(5)%
Nufarm Group uEBITDA	\$316m	\$330m	▼	(4)%

In local currency

Europe	EUR 81m	EUR 75m	▲	7%
North America	USD 57m	USD 67m	▼	(16)%

Europe (Euro)

Acquired portfolio & new product introductions support growth

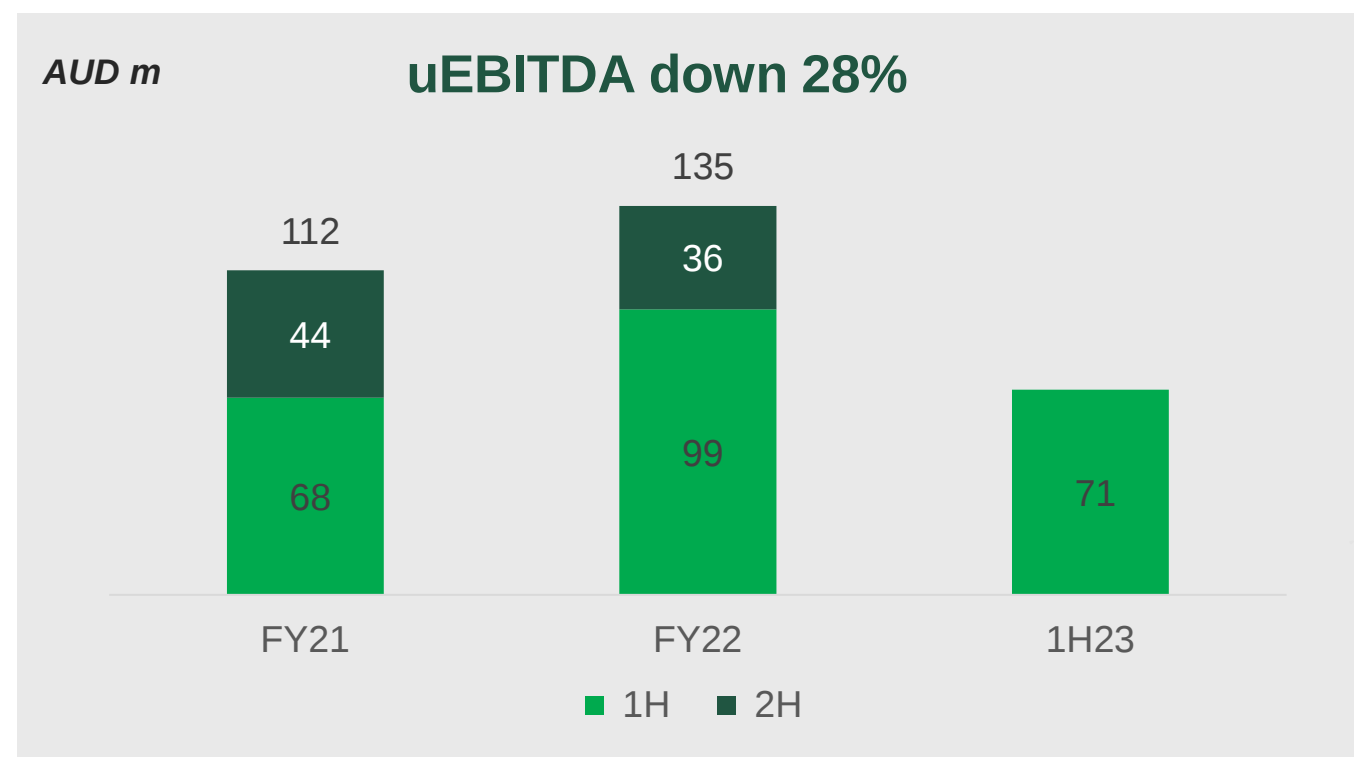
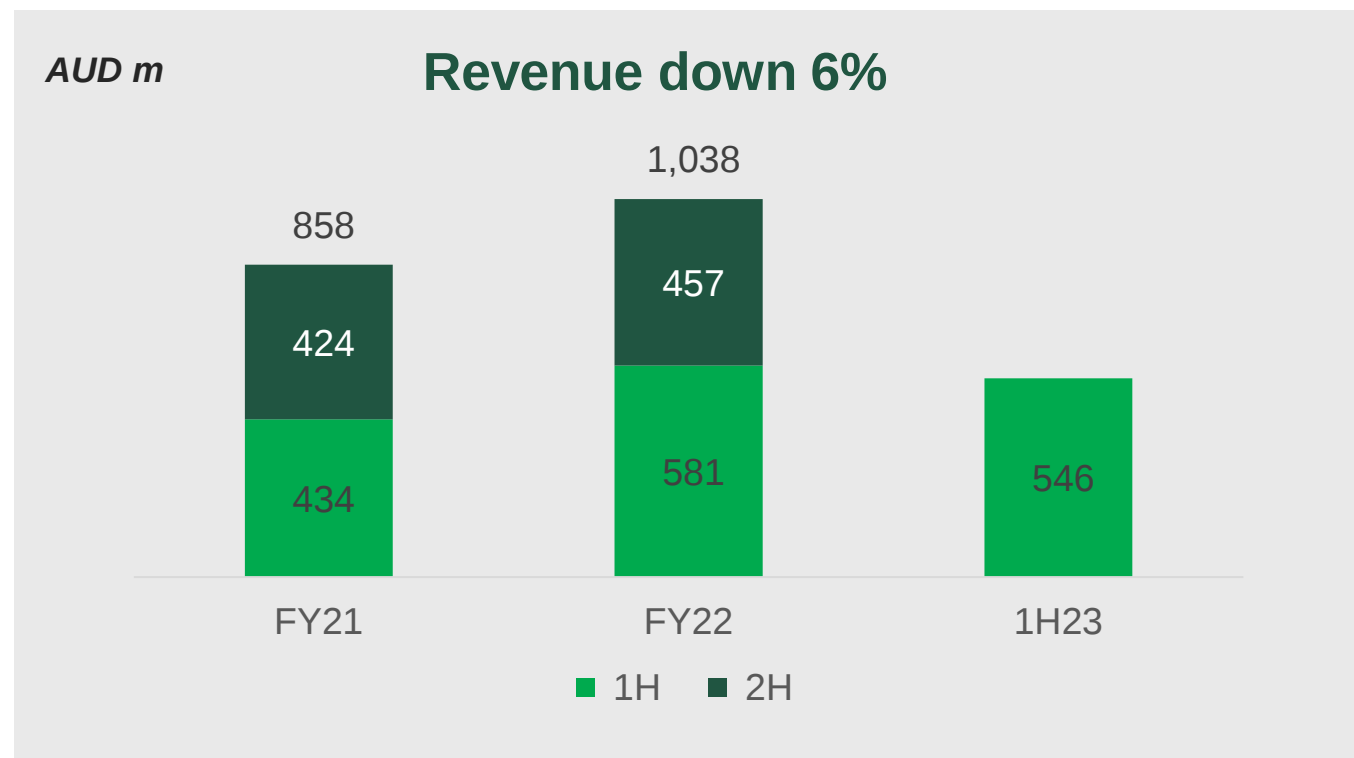


Highlights

- Very positive result in challenging environment
- Revenue & earnings increased with new product introductions & favourable product mix
- Earnings impacted by product de-registrations, input costs & manufacturing costs
 - Product de-registrations - revenue impact of €17 million in 1H23. Expect €4m in 2H23. €21m total impact for FY23 as previously advised
 - Tebuconazole phase out has been delayed until end FY25. Prothioconazole expected to replace revenues & margin
 - Increase in manufacturing costs & interruptions resulted in an increase in under recoveries of €7m vs pcg
- 2H23 expected to benefit from delayed season in North & Central Europe due to cold/wet March and sales moving to 2H23, however, drought conditions continue in the Iberian Peninsula

APAC (AUD)

Portfolio provides future growth platform



Highlights

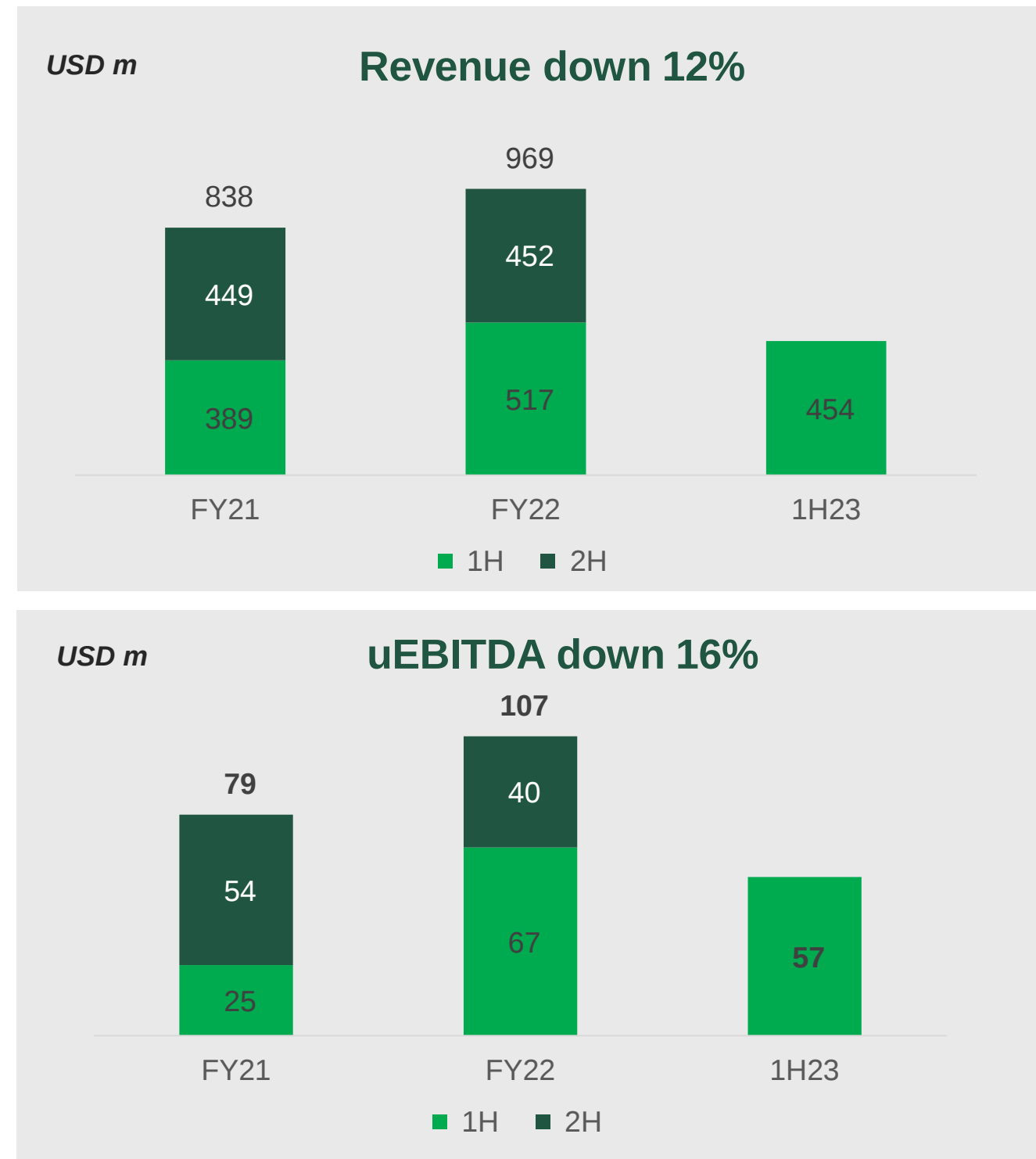
- New higher margin product introductions have improved product mix & provide a platform for future growth
 - Long term agreement for distribution of Terrad'or[®] signed with Farm Hannong
 - Successful launch of Dropzone[®] in Australia – proprietary new technology. Initial launch volumes sold out & uptake continues to exceed expectations
 - Successful launch of Intervene[®] in Australia – a new mode of action with positive grower feedback
- Record glyphosate earnings contribution in 1H22 normalised in 1H23
- Average to above average rainfall¹ in key regions in March and April alongside healthy grain prices supporting demand for seed & crop protection products
- Pre-season indications from ABARES² that 2023 is likely to normalise following near-record planted area in 2022
- Inventory levels normalised & Active Ingredient (AI) prices have stabilised - no additional provisions taken

1: Bureau of Meteorology Rainfall Decile Maps, [March](#) & [April](#)

2: ABARES Agricultural Commodities: [March Quarter 2023 Statistical Tables, Table 14](#)

North America (USD)

Supply chain investments build supply capability



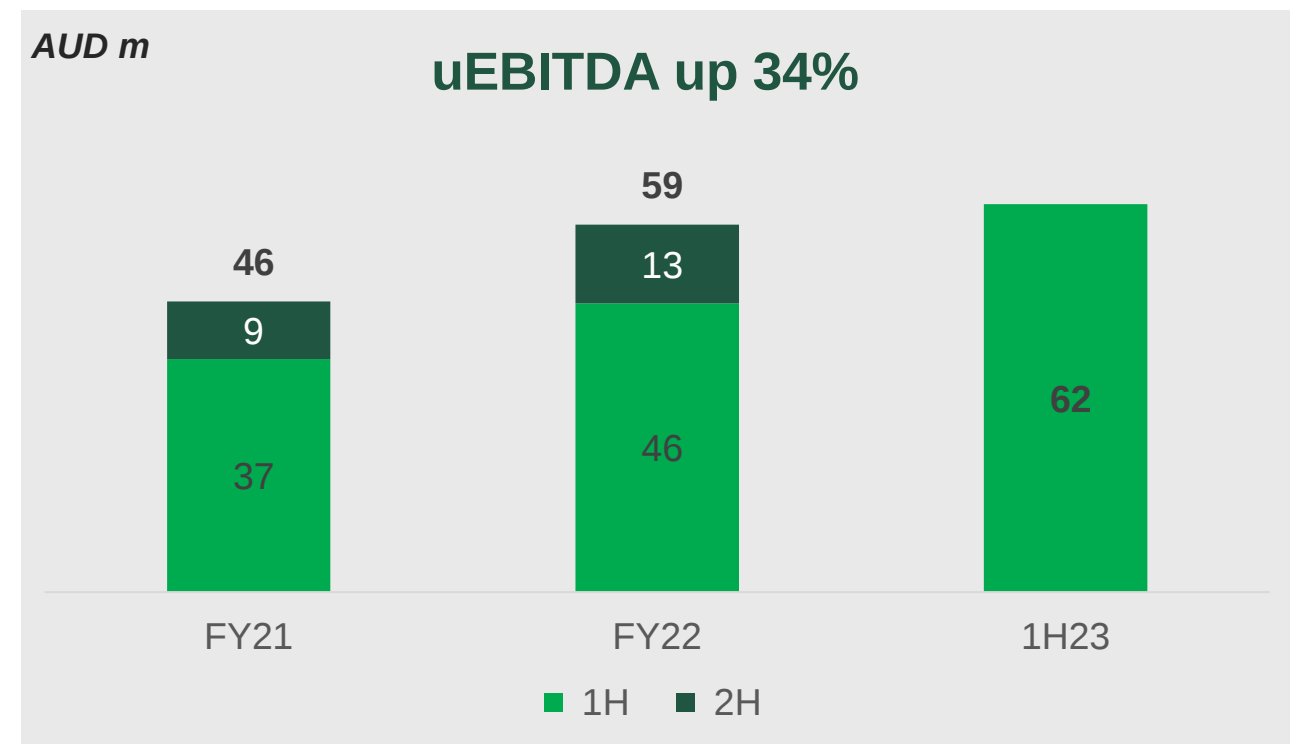
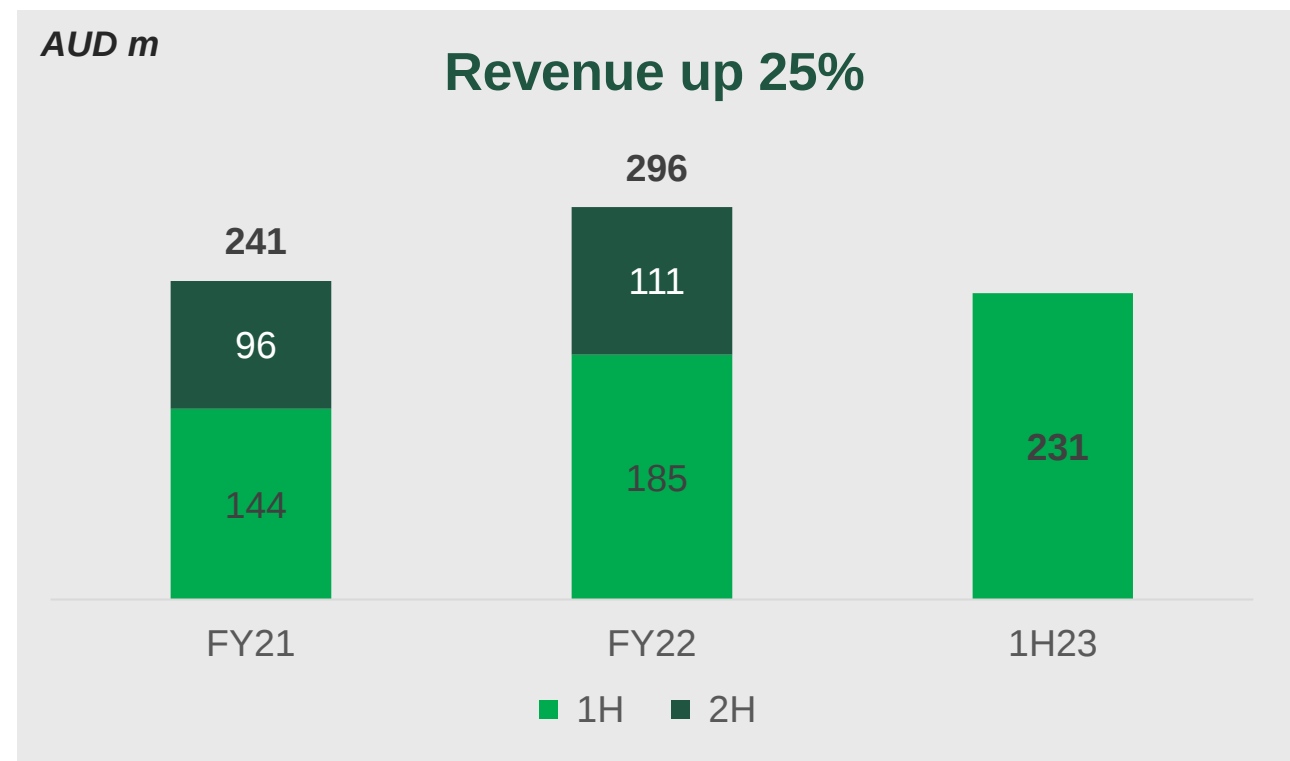
Highlights

- Revenue decreased as customers shift to an in-season buying strategy – sales phasing from 1H23 to 2H23
- Re-stocking post COVID supply chain disruptions & phasing of sales have driven increase in inventory & higher warehousing costs
- Growth in higher margin products resulted in improved gross profit margin for 1H23, which offset volume decreases
- Sumitomo agreement for T&O products extended to 2026, Canadian distribution agreement to 2027
- Increased crop plantings & seasonal conditions supporting demand for in-season purchase in 2H23¹ – USDA forecast corn acres to expand by 4%, soybean 1% & wheat 9%
 - 65% of corn, 49% of soybean, 35% of cotton has been planted to 14 May
 - 2H23 has started well for both revenue & earnings
- Anticipate some margin pressure in 2H23, however margins are holding on early 2H23 sales. Combined with procurement agreements in place, not expecting material margin impact in 2H23

1: [USDA Prospective Plantings March 31 2023](#)
2: [USDA Crop Progress Report May 14 2023](#)

Seed Technologies (AUD)

Core seeds platform underpins excellent result



Highlights

Core seeds portfolio

- Strong growth achieved for hybrid canola, sorghum & sunflower in multiple markets

Omega-3 - Aquaterra®

- On track to produce 16.5k MT of oil from CY23 crop plantings
- Increased sales as industry recovers & demand for salmon increases
- Norwegian Scientific Committee for Food & Environment recommended allowing canola oil enriched with omega 3 for fish feed¹

Omega-3 - Nutriterra®

- Market opportunity for enriched concentrations of plant-based DHA/EPA
- Progress in food ingredient applications & partnerships

Bioenergy - Carinata

- First shipment of carinata to Saipol in January 2023 under the 10-year offtake and market development agreement with bp
- Growth in geographic footprint CY23 – carinata plantings in US and Uruguay, diversifying from Argentina
- Pursuing target to double carinata hectares planted in CY23

Bioenergy - Energy Cane

- Acquisition integration completed
- Focus on next generation hybrid development and farm & industrial customer expansion

Financial Performance

CFO, Paul Townsend



Financial highlights

Results Summary

\$AUD'm	1H23	1H22		Change %
Revenue ¹	1,955	1,982	▼	(1%)
Underlying gross profit	609	594	▲	3%
Underlying gross profit margin ¹	31%	30%	▲	122bps
uEBITDA	316	330	▼	(4%)
uEBIT	228	222	▲	3%
uNPAT	142	133	▲	7%
Underlying net financing costs ²	(36)	(30)	▼	(20%)
Underlying effective tax rate ³	26%	31%	▲	5%pts
Ave net working capital / sales	33%	27%	▼	6%pts
Net debt	1,040	494	▲	111%
Leverage	2.4x	1.1x	▼	1.3x
Basic earnings per share ⁴	36cps	34cps	▲	2cps
Dividend per share	5cps	4cps	▲	25%

1. Excluding corporate revenue under the Transitional Services Agreement with Sumitomo at zero margin which ceased in FY22.

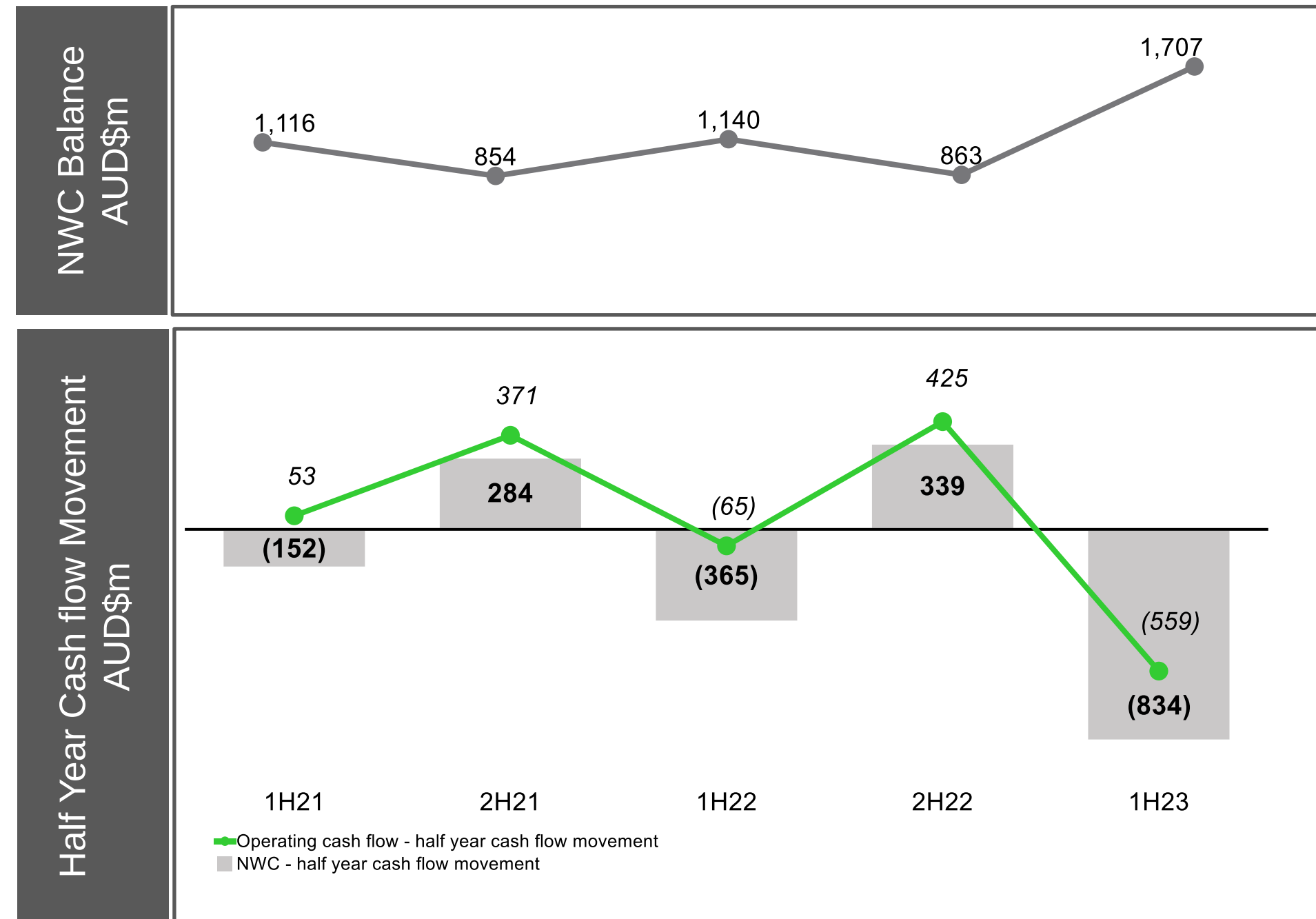
2. Underlying Net financing costs includes foreign exchange losses of \$4m (prior proforma comparative \$2m losses)

3. Underlying income tax benefit/(expense) divided by underlying net profit after tax

4. Excluding material items

Operating Cash Flow – impacted by net working capital movement

Net working capital & cash flow



- NWC balances relatively low over the past two years principally driven by lower levels of inventory experienced during the peak COVID period, where supply chains were disrupted
- Operating cash flows reflects seasonality & is highly correlated with movements in NWC
- Increase in NWC driven principally by seasonal build, & increased inventory levels due to re-stocking & phasing of North American sales from 1H23 into 2H23
- NWC expected to unwind through normal seasonal profile through receivables reduction, inventory reduction & continued focus on customer terms, supplier negotiations & effective stock management

Average NWC/Sales at 33%, below target

Net working capital movement impacted by receivables & inventory



NWC movement impacted by receivables (\$635m), inventory (\$186m) & payables (\$23m)

Receivables

- The movement between 2H22 & 1H23 of \$635m reflects normal seasonal sales & collections profile together with higher than normal customer pre-payments and improved collections in 2H22 as customers sought to shore up supply

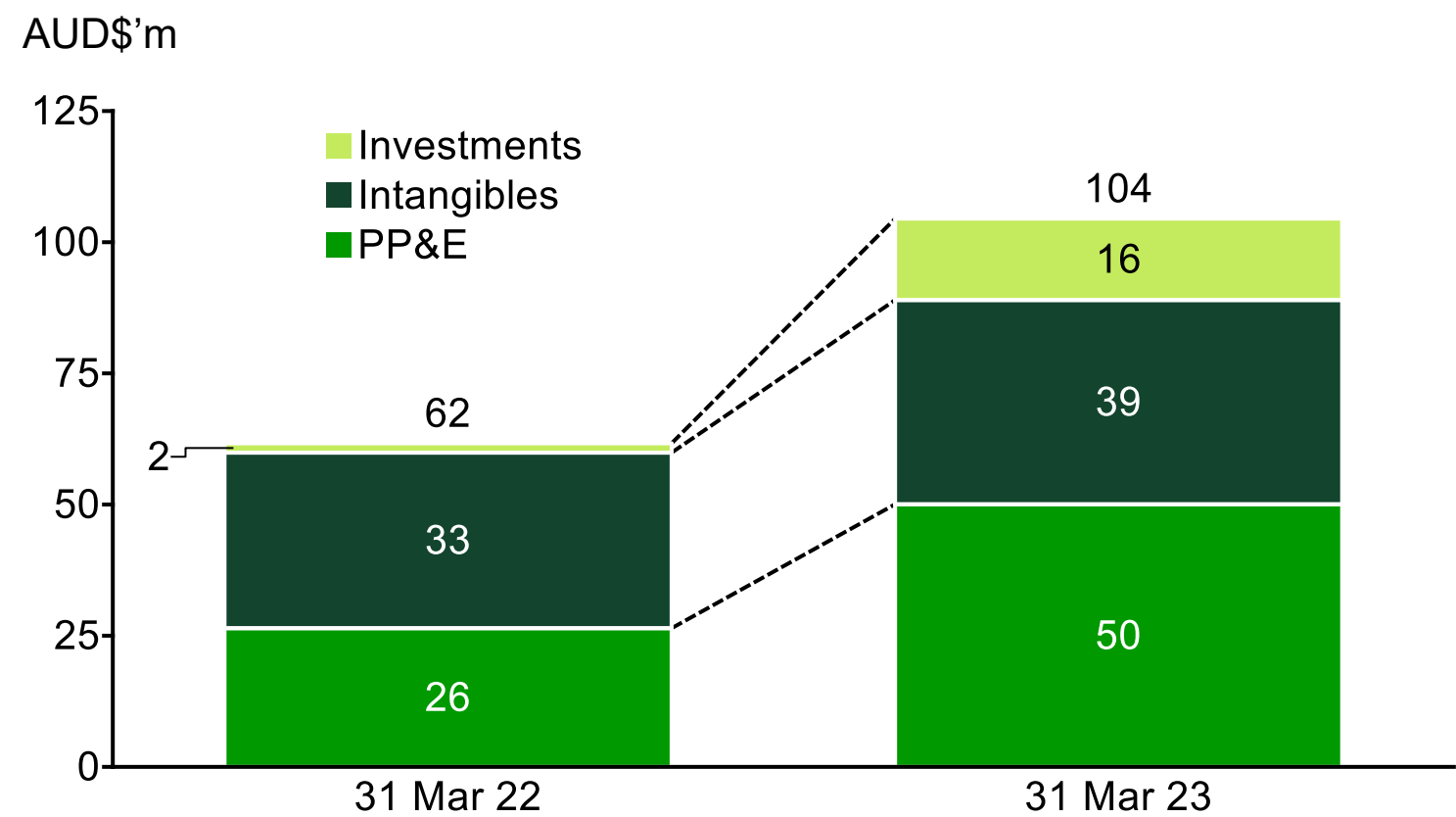
Inventory

- 1H22 compared to 1H23 highlights inventory change driven largely by re-stocking, in particular North America, & phasing of sales from 1H23 into 2H23 in North America
- Largest % of North American inventory is herbicide products - typically higher stock turns
- North America crop plantings & seasonal conditions support demand for in-season purchase in 2H23
- Procurement agreements in place that result in components of inventory less exposed to price volatility that supports margin in 2H23

aNWC/Sales ratio at 33% - expected to be below or within target range by 2H23

CAPEX management

Capital expenditure summary



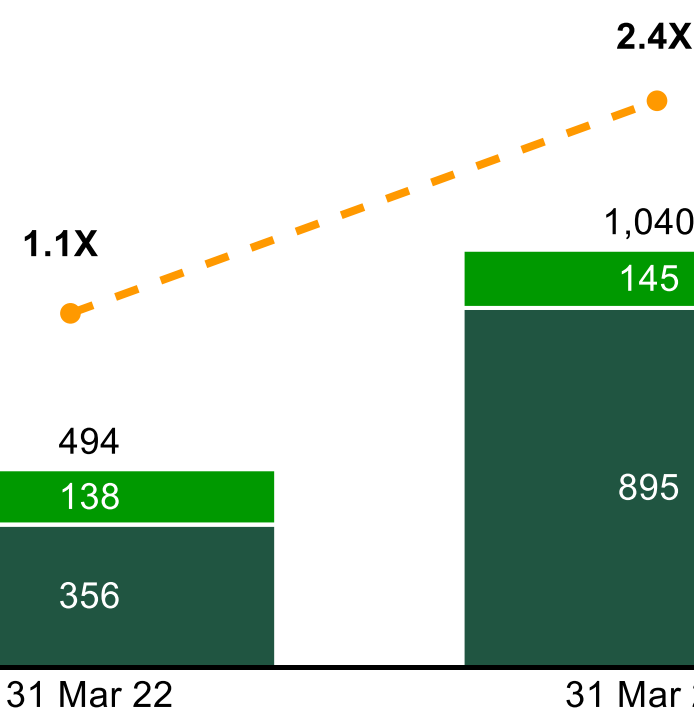
	CAPEX allocation type
Investments	Growth
Intangibles	Maintenance & some growth
PP&E	Primarily maintenance

- Investment CAPEX includes the acquisition of Western Australian owned & operated sprayer manufacturer Sonic Boomsprays, & further investment in ENKO
- Intangible spend includes an element of growth with an increase in crop protection R&D & in seed technologies vs pcp
- PP&E capex includes HSE and asset integrity investment across all sites but in particular at Wyke, Phenoxo capacity increase at Wyke and plant efficiency investment at Chicago Heights
- Full year outlook of \$200-220m which includes carry-over of ~ \$30m from 2022
- PP&E capex - while materially higher than 1H22, progress impacted by:
 - labour shortages in supporting execution of projects
 - raw material availability & inflation which has required re-quoting of & re-configuration of capex plans to mitigate pricing pressures
- Growth opportunities assessed with regards to return on funds employed - Target ROFE > Nufarm WACC

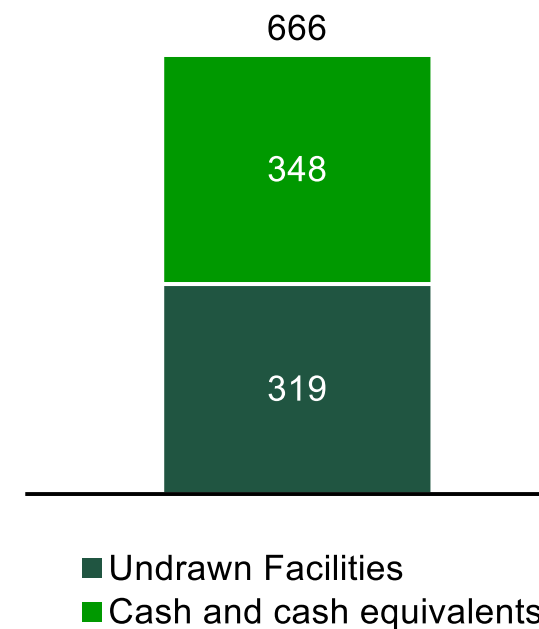
Robust balance sheet - leverage anticipated to return to within or below the targeted range of 1.5x – 2.0x

Net debt, leverage & liquidity

AUD\$m



-- Net debt : uEBITDA ■ Net debt (excl lease lia) ■ Lease liabilities



Summary debt profile

A\$m	31-Mar-23	31-Mar-22
Bank loans – secured	675	337
Bank loans – unsecured	63	13
Senior unsecured notes	523	468
Deferred debt establishment costs	(28)	(10)
Lease liabilities	145	138
Other loans - unsecured	9	8
Total loans & borrowings	1,388	954
Net cash & cash equivalents	(348)	(461)
Net debt	1,040	494

- The Asset Based Lending credit facility (ABL facility), together with the 2030 US\$350m unsecured notes, has created a flexible & durable capital structure that accommodates funding requirements for the Group's net working capital cycle, as experienced in 1H23 - no near to medium term refinancing required
- The Group retains access to substantial amounts of cash & committed bank liquidity
- The net working capital build in 1H23 has resulted in March leverage of 2.4x exceeding the target leverage range of 1.5x – 2.0x Net debt to uEBITDA
- Leverage is anticipated to return to within or below the targeted range in 2H23
- Interest expense expected to increase in 2H23 vs 1H23, due to increased leverage & base rates

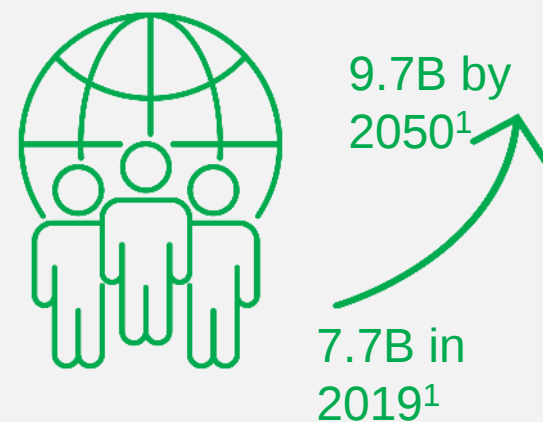
Strategy Execution

CEO, Greg Hunt



Attractive industry fundamentals

1 Global Nutrition



A growing population creates demand for more food

Higher disposable incomes create demand for increased quality of food

2 Land Productivity



No new land



Increased yields

Increased demand will largely be met with increased yields and reduced waste

Improved innovation & technology will drive additional yield increases

3 Sustainable Agricultural Practices



Water



Carbon



Soil health



Eco-systems

How we grow foods will increasingly be scrutinised

Biologicals, bio-stimulants, mechanical, electric & other novel technologies will create additional solutions for farmers

4 The Rise of Sustainable Crops



Plant grown jet fuel

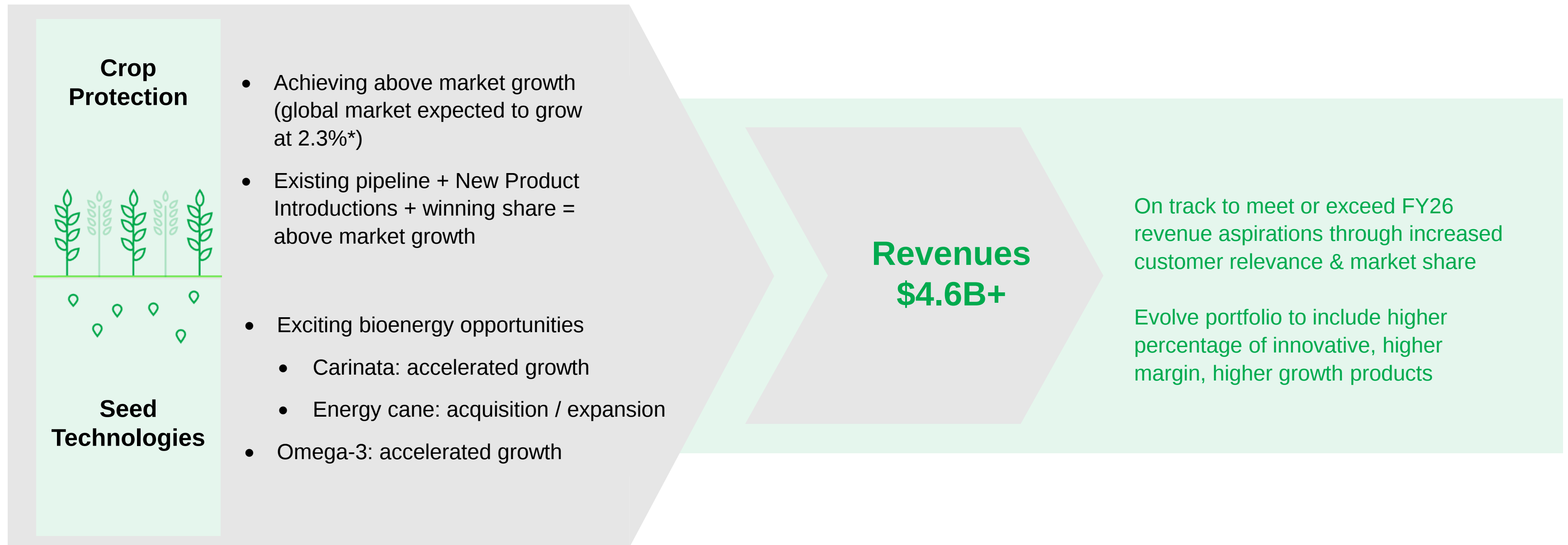


Plant grown Omega 3

Crops with value beyond yield can create new markets and provide more sustainable solutions

Health, food safety and security of supply important factors in feeding a growing population sustainably

Industry fundamentals support our FY26 revenue aspirations



On track to meet or exceed FY26 revenue aspirations

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* Market growth has been estimated at 2.3% based on Agbioinvestor forecasts for the Global Crop Protection Market

Crop Protection Strategy Execution

Group Executive Portfolio Solutions
Rico Christensen



Global crop protection product development pipeline

Our crop protection pipeline TAM has evolved from \$6.6b¹ to \$6.65b. The pipeline delivers across multiple years, crops, segments and geographies

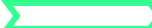
	Regions			Crops						Project Stage Evolution					Estimated Launch Year ²	Estimated Global Market Value (US\$m)		
	APAC	NA	EUMEA	Cereal	Corn	Soy	TNVV	Pasture T&O	Regional Crops	Project Description	Business Case	Development POC	Dossier Preparation	Registration & TTM				Launch & Review
Herbicide									IVM	1. 2,4-D Formulation Lifecycle Extend 2. Dichlorprop-p & Mixture Formulation 3. SU Broadleaf Cereal Herbicide 4. HPPD & Mixture Cereal Herbicide 5. Graminicide & Mixture Formulation* 6. Grass & Broadleaf Herbicide* 7. Residual Corn Herbicide (Cornado) 8. NuCrop Electrical Weeding Control	EU			NA	AU in Launch	2023	\$650m	★ ★
								IVM					EU & NA		2024-25	\$200m		
									Florasulam			NA	EU	AU Launched 22	2022	\$200m		
									Pyrasulfotole		USA	CAN		AU in Launch	2023	\$50m		
											CAN	USA		2025-26	\$50m			
								Pulse	NA				AU		2024-28	\$250m		
											EU				2027	\$500m		
								IVM						Proof of Concept Field Testing		2023-26	\$900m	
Fungicide									Canola	1. Joust Triazole Straight & Mixtures 2. Triazole & Multi-site Mixture* 3. Copper & Triazole Mixture 4. Biological Fungicide 5. Mixed Seed Treatment Fungicide* 6. Carbamate & Mixtures in T&O*	Prothioconazole	USA		EU & CAN	CAN	2023	\$1000m	★ ★ ★
							T&O					CAN		2024	\$TBA			
												CHINA		2026	\$100m			
						Potato	OSR	ASIA				EU		2025	\$10m			
									NA		CHINA			2024-26	\$250m			
							T&O		NA T&O					2026	\$100m			
Insecticide										1. Chewing Insect Control & Mixtures. 2. Carnadine Geographic & Label Ext 3. Biological Insecticide 4. Systemic & Mixture Formulations* 5. Diamide (Patented 3 rd party)*	ASIA		USA	EU & CHINA		2024-27	\$1200m	★ ★
									Acetamiprid		ANZ	EU LEX	EU		2024-25	\$200m		
							T&O					ANZ & USA	EU		2024-25	\$550m		
								Rice				NZ LEX	INDONESIA		2024-26	\$100m		
								Rice				ASIA			2026	\$20m		
Other									Cotton	1. Trunemco & Mixture Formulation 2. Sealicit Biostimulant Pod Shatter R. 3. Fruit Colouration PGR*			CHINA		CAN, USA, BR	2022	\$300m	★
								Canola					CAN	EU Launched 22	2022	\$20m		
												NZ		2025	\$TBA			

23

1. As advised to market at Nufarm investor day on 3 February 2022 - Full details available at <https://cdn.nufarm.com/wp-content/uploads/2022/02/04091436/220202-Investor-Day-ASX-003-Final2.pdf>.

2. Estimated launch year indicated is for first country. For products launched in more than one country, the estimated launch date may fall in different years.

TAM is Total Addressable Market

Note: */★ Denotes New Entrants to Product Development Pipeline and  denotes progress made since investor day 2022. Project Description in **Green Text** are Biological Projects

1H23 Portfolio Solutions Key Milestones & Updates

Foundational Solutions

Joust®

- ✓ Fungicide containing prothioconazole
- ✓ Registration achieved in Greece (first EU market).
- ✓ Registration achieved in Canada

Galaxy®

- ✓ Herbicide containing pyrosulfutole
- ✓ Registered & launched in Australia in late 2022

Terrain Flow®

- ✓ Herbicide containing flumioxazin
- ✓ Registered & launched in Australia in late 2022

Innovative Solutions

Dropzone®

- ✓ Successful launch of Dropzone® in Australia – proprietary new technology containing 2,4-D. Initial launch volumes sold out & uptake continues to exceed expectations

Terrad'or®

- ✓ An IP protected herbicide containing tiafenacil
- ✓ Extension of agreement with Farm Hannong

Anuew®

- ✓ An IP protected herbicide
- ✓ Launched in Canada in late 2022 & Anuew EZ launched in US

Biological Solutions

Trunemco®

- ✓ A proprietary bionematicide containing bacillus amyloliquefaciens & CIS jasmone
- ✓ Appointed & secured three distribution partners in Brazil through long term agreements. Launched in Brazil in 2022
- ✓ Registration granted in Canada with launch in 2023. Already sold in US

Intervene®

- ✓ A partner discovered, bacteria-based fungicide containing polyoxin
- ✓ Launched in Australia in the period – having previously been launched in the US

Adjacent Solutions

Croplands

- ✓ Acquisition of Sonic Boomsprays in late 2022

Crop.zone

- ✓ Distribution partners secured in the Netherlands, Belgium & Germany
- ✓ New equipment versions ready for testing in Europe in 2023 together with a new & improved version of Volt.Fuel Bio

Integrated Solutions

Sealicit®

- ✓ Sealicit is a partner discovered bio-stimulant & works to physiologically increase pod shattering resistance in brassica crops (such as oilseed rape & Carinata) & aid in uniform ripening prior to harvesting
- ✓ Registrations granted & product launched in first EU markets

Seed Technologies Strategy Execution

Group Executive Nuseed
Brent Zacharias



Seed Technologies: 1H23 performance & milestones



Core seeds

Grower adoption

Canola

- ✓ Volume & market share growth in Australia & South America
- ✓ North American expansion

Sorghum

- ✓ Significant volume growth in Brazil, USA & export markets

Sunflower

- ✓ Growth in SW/Central Europe, USA & South America more than offset reduced volumes in Eastern Europe



Omega-3

Technology adoption

Aquaterra®

- ✓ Sales & margin growth contribute to stronger contribution
- ✓ Customer adoption & support in Chile continues to strengthen
- ✓ Initial sales to North American customers
- ✓ Positive planting trial in Texas
- ✓ Positive risk assessment by VKM¹ advances Norway approval program

Nutriterra®

- ✓ Market opportunity improves in both food ingredient & nutraceutical segments
- ✓ Supplement market opportunity develops for concentrated oils



Bioenergy

Market adoption

Nuseed Carinata

- ✓ First dedicated vessel ships to Saipol in Europe for crushing under offtake & market development agreement with bp
- ✓ Successful large-scale harvest of new hybrid in Argentina - strong genetic performance
- ✓ Successful geographic expansion into USA

Energy Cane

- ✓ Energy cane platform integrated into Nuseed Brazilian operations
- ✓ Expanded customer base

Seed Technologies: Outlook & strategic growth drivers



Core seeds

Grower adoption

Canola

- ✓ New hybrids will consolidate leading market position in Australia & support expansion into Americas

Sorghum

- ✓ New hybrids & energy trait improvements result in expanded opportunities across all markets

Sunflower

- ✓ Strong pipeline of new products & recently acquired Syngenta genetics to strengthen Nuseed Latin America portfolio



Omega-3

Technology adoption

Aquaterra®

- ✓ Volume expansion on track with strong grower support
- ✓ New hybrids supporting stronger farm economics & margin expansion
- ✓ North American market acceptance
- ✓ Anticipate decision from Norwegian Food Safety Authority in CY23

Nutriterra®

- ✓ Positive trials achieve concentrated DHA/EPA levels
- ✓ Advancing contract negotiations with strategic players in high-value segments



Bioenergy

Market adoption

Nuseed Carinata

- ✓ Production expansion expected to meet medium-term targets despite short term seasonal impacts
- ✓ New hybrids demonstrating improved agronomic performance, including yield gains
- ✓ Successful USA launch supports further expansion
- ✓ Brazil, Europe & Australia in the pipeline
- ✓ Biofuel value indicators remain strong

Energy Cane

- ✓ Next-generation hybrids to deliver improvement in energy production

On track to meet or exceed FY26 aspiration of \$600-\$700M revenues @ 20-25% EBITDA

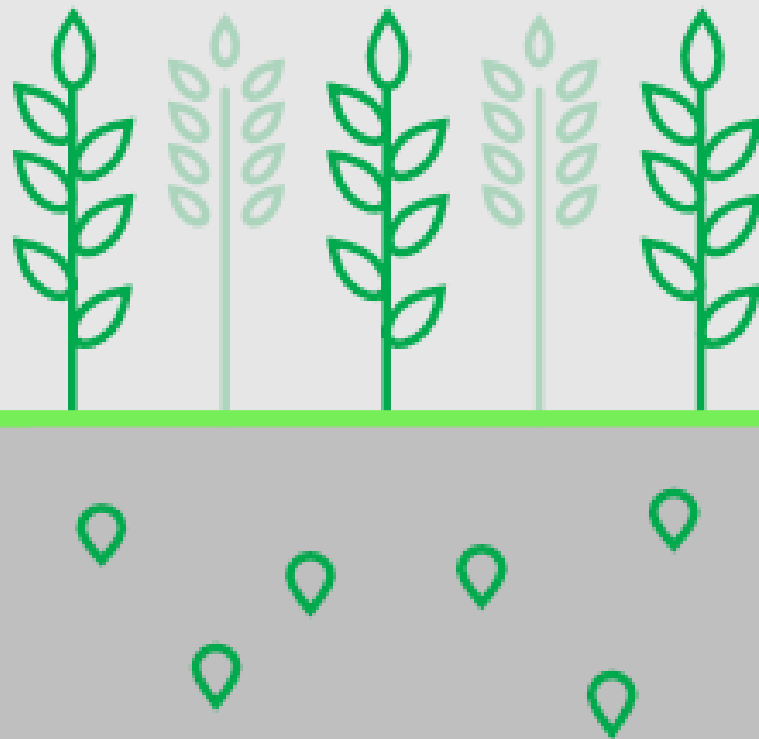
Outlook

CEO, Greg Hunt



Positive outlook

Nufarm has a clear strategy for growth & is executing on key milestones



- ✓ Assuming normal seasonal conditions & on a constant currency¹ basis, on track for modest underlying EBITDA growth in FY23
- ✓ Full year earnings expected to be weighted to 1H23, however moderately less skewed than FY22
- ✓ Working capital unwind anticipated in 2H23
- ✓ Robust balance sheet with **leverage** impacted by NWC - anticipated to return **within or below targeted range of 1.5x to 2.0x by 2H23**
- ✓ Crop Protection business expected to deliver steady above market growth
- ✓ Seed technologies generating revenues from Value Beyond Yield® platforms & poised for growth
- ✓ Agriculture 'mega trends' support growth of crop protection, seeds & Beyond Yield seed technologies
- ✓ **On track to meet or exceed FY26 revenue aspirations**

1. Constant currency financial information seeks to remove the impact of movements in monthly exchange rates that impact on the translation of foreign currency earnings & balances into Australian Dollars to facilitate the comparability of operational performance. The current financial reporting period EBITDA has been translated, from subsidiary functional currency into Australian Dollars, at the corresponding monthly exchange rates from the prior comparable financial reporting period.

All statements in relation to future revenue aspirations are based on management estimates & reflect management's internal goals & should not be taken as forecasts or guidance

Full details of Nufarm's growth aspirations announced 3 February 2022 are available at <https://cdn.nufarm.com/wp-content/uploads/2022/02/04091436/220202-Investor-Day-ASX-003-Final2.pdf>, increased 16 November 2022 and affirmed in this presentation.

Q&A



Appendices

Appendix 1: Non-IFRS disclosures & definitions¹

Term	Definition
Corporate revenue	Sales made to Sumitomo under the Transitional Services Agreement at zero margin
Revenue excluding corporate revenue	Total revenue less corporate revenue
Gross profit margin	Gross profit as a percentage of revenue
Underlying gross profit	Gross profit less material items
Underlying gross profit margin	Underlying gross profit as a percentage of revenue
Underlying SG&A	Sales, marketing & distribution expenses excluding material items plus General & administrative expenses excluding material items
Underlying EBIT	Earnings before net financing costs, taxation less material items
Underlying EBITDA	Underlying EBIT before depreciation & amortisation less material items
Underlying net external interest	Financial income, plus interest expense – external, plus interest expense - amortisation of debt establishment transaction costs, plus lease liability – interest expense, less material items.
Underlying net financing costs	Net financing costs less material items
Underlying net profit after tax	Profit/(loss) for the period attributable to the equity holders of Nufarm Limited less material items
Underlying income tax benefit/(expense)	Income tax benefit/(expense) excluding material items
Underlying effective tax rate	Underlying income tax benefit/(expense) divided by underlying net profit after tax
Net debt	Current loans & borrowings, plus non-current loans & borrowings, plus cash & cash equivalents
Net working capital	Current trade & other receivables, plus inventories less current trade & other payables
Free cash flow available for growth & capital management	Net operating cash flow less capital expenditures relating to property, plant & equipment, intangibles & lease payments
Average net working capital	Net working capital measured at each month end as an average
ANWC/sales (%)	Average net working capital as a percentage of rolling 12 months revenue
ANWC/sales excluding external corporate (%)	Average net working capital as a percentage of rolling 12 months revenue excluding non-operating corporate revenue
Leverage	Net debt / rolling 12 months underlying EBITDA
Interest coverage ratio	Rolling 12 months underlying EBITDA / rolling 12 months net external interest
Growth SG&A	Sales, marketing & distribution expenses excluding material items plus General & administrative expenses excluding material items related to new growth opportunities
Constant currency	Constant Currency financial information seeks to remove the impact of movements in monthly exchange rates that impact on the translation of foreign currency earnings & balances into Australian Dollars to facilitate the comparability of operational performance. The current financial reporting period profit or loss, & balance sheet, has been translated, from subsidiary functional currency into Australian Dollars, at the corresponding monthly exchange rates from the prior comparable financial reporting period

Appendix 2: Financial Summary

	6 months ending 31 Mar 2023			6 months ending 31 Mar 2022		
	Underlying \$000	Material items \$000	Total \$000	Underlying \$000	Material items \$000	Total \$000
Revenue	1,954,578	-	1,954,578	2,165,553	-	2,165,553
Cost of sales	(1,345,403)	4,265	(1,341,138)	(1,572,021)	(20,041)	(1,592,062)
Gross profit	609,175	4,265	613,440	593,532	(20,041)	573,491
Sales, marketing and distribution expenses	(258,774)	-	(258,774)	(263,009)	-	(263,009)
General and administrative expenses	(105,398)	2,976	(102,422)	(94,789)	(16,984)	(111,773)
Research and development expenses	(20,840)	-	(20,840)	(17,115)	-	(17,115)
Operating expenses	(385,012)	2,976	(382,036)	(374,913)	(16,984)	(391,897)
Other income	4,166	-	4,166	3,184	-	3,184
Share of net profits/(losses) of associates	(439)	-	(439)	(119)	-	(119)
Operating profit	227,890	7,241	235,131	221,684	(37,025)	184,659
D&A	(88,087)	-	(88,087)	(108,089)	(3,811)	(111,900)
EBITDA	315,977	7,241	323,218	329,773	(33,214)	296,559
Net interest expenses	(32,330)	-	(32,330)	(28,189)	(25,772)	(53,961)
Net foreign exchange gains/(losses)	(3,557)	-	(3,557)	(1,669)	-	(1,669)
Net financing costs	(35,887)	-	(35,887)	(29,858)	(25,772)	(55,630)
Profit before tax	192,003	7,241	199,244	191,826	(62,797)	129,029
Income tax benefit/(expense)	(49,693)	(509)	(50,202)	(58,648)	28,336	(30,312)
Profit for the period	142,310	6,732	149,042	133,178	(34,461)	98,717

Appendix 3: Material items

	Consolidated		Consolidated	
	6 months ended 31 Mar 2023 \$000 pre-tax	6 months ended 31 Mar 2023 \$000 after-tax	6 months ended 31 Mar 2022 \$000 pre-tax	6 months ended 31 Mar 2022 \$000 after-tax
<i>Material items by category:</i>				
Deferred tax asset recognition	-	-	-	20,119
Debt refinancing costs	-	-	(25,772)	(18,767)
Transactions related to South American business disposal	-	-	1,080	1,080
Transactions related to Russia and Ukraine	7,241	6,732	(38,105)	(36,893)
Total	7,241	6,732	(62,797)	(34,461)

31 March 2023 Material items

Transactions related to Russia/Ukraine

During the 6 months ended 31 March 2023, the group has continued to assess the recoverability of assets, primarily receivables and inventories, in respect of the group's operations in Russia and Ukraine. The group was able to recover certain outstanding receivables which had not been previously anticipated during the 6 months ended 31 March 2023 and has continued to operate in Ukraine to support growers in this country. In balancing these factors, together with the continued operational risks due to the ongoing war between Russia and Ukraine, the group reversed a pre-tax expense of \$7.2 million of previously recognised expenses pertaining to receivables and inventories.

31 March 2022 Material items

Deferred tax adjustments

Recognition of previously unrecognised tax losses as a result of improved financial performance and outlook for the group

Debt refinancing costs

During the period the group refinanced its high yield bond and incurred costs related to early redemption call premium and accelerated amortisation of deferred debt establishment transaction costs.

Transactions related to South American business disposal – onerous contract provision reversal

During the period ended 31 July 2020 the group entered into a supply agreement contract signed as part of the disposal of the South American business that subsequently became onerous, as disclosed in material items for that period. During the 6 months ended 31 March 2022 market conditions in relation to the terms of the contract have improved. The group has assessed that the full provision will no longer be required and it has therefore been fully reversed. The contract has expired as at March 2022.

Transactions related to Russia and Ukraine

During the 6 months ended 31 March 2022, the group has assessed the recoverability of assets, primarily trade receivables and inventories, in respect of the group's operations in Russia and Ukraine and has recognised a pre tax expense of \$38.1 million following this assessment.

Appendix 4: Cash flow

Material items impacting cash flows are as follows:

6 months ended 31 March 2023

	Underlying \$000	Material items \$000	Total group \$000
Cash flows from operating activities			
Net operating cash flows	(557,592)	(926)	(558,518)
Cash flows from investing activities			
Net investing cash flows	(104,488)	-	(104,488)
Cash flows from financing activities			
Net financing cash flows	418,826	-	418,826
Net operating, investing and financing cash flows	(243,254)	(926)	(244,180)

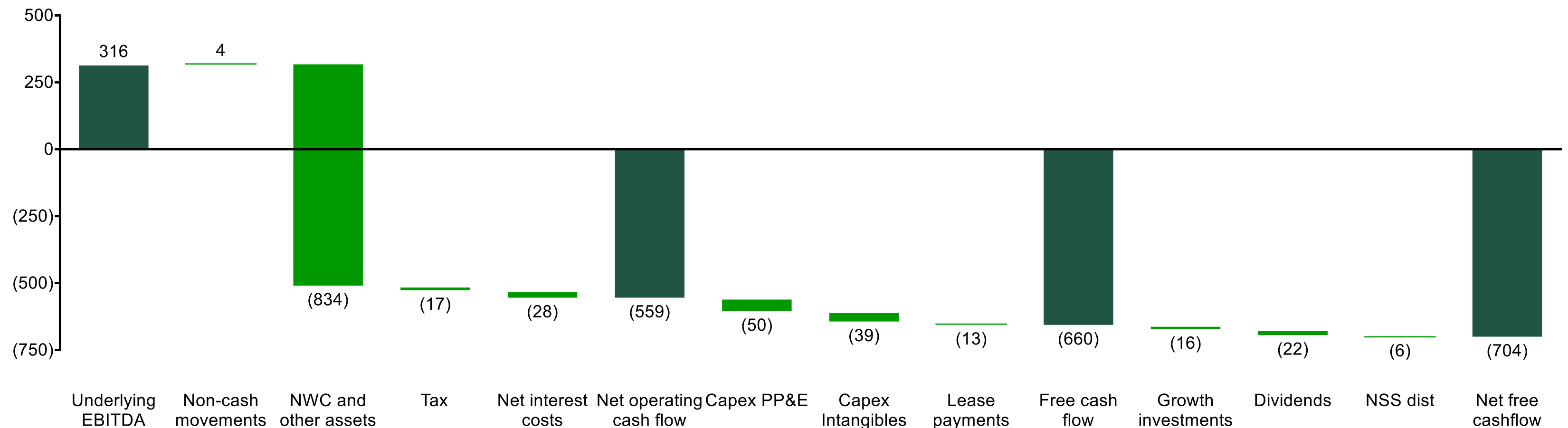
6 months ended 31 March 2022

	Underlying \$000	Material items \$000	Total group \$000
Cash flows from operating activities			
Net operating cash flows	(60,735)	(4,283)	(65,018)
Cash flows from investing activities			
Net investing cash flows	(61,663)	-	(61,663)
Cash flows from financing activities			
Net financing cash flows	(91,108)	(18,988)	(110,096)
Net operating, investing and financing cash flows	(213,506)	(23,271)	(236,777)

Appendix 5: Free cash flow

NWC outflow driven by seasonality & re-stocking/ phasing of sales

AUD\$m



- Operating cash flow generation is highly correlated with changes in Net Working Capital & underlying EBITDA
- NWC cash outflow due to stepping up from unsustainable lows experienced during the peak COVID period, seasonality, increased 2H22 customer collections and inventory balances due to re-stocking & phasing of sales
- Negative net free cash flow generated of \$(704m), post application to dividends & growth investments

Appendix 6: Segment Information & reconciliation

Revenue - Underlying

(\$000s)	Mar-23	Mar-22	Variance	Variance %
<i>Crop protection</i>				
APAC	546,076	580,713	(34,637)	-6%
North America	678,861	718,550	(39,689)	-6%
Europe	498,255	497,985	270	0%
Total Crop protection	1,723,192	1,797,248	(74,056)	-4%
Seed Technologies - global	231,386	184,899	46,487	25%
Corporate	-	183,406	(183,406)	-100%
Nufarm Group	1,954,578	2,165,553	(210,975)	-10%

EBITDA - Underlying

(\$000s)	Mar-23	Mar-22	Variance	Variance %
<i>Crop protection</i>				
APAC	71,029	98,784	(27,755)	-28%
North America	85,526	93,405	(7,879)	-8%
Europe	125,532	118,188	7,344	6%
Total Crop protection	282,087	310,377	(28,290)	-9%
Seed Technologies - global	61,848	46,024	15,824	34%
Corporate	(27,958)	(26,628)	(1,330)	5%
Nufarm Group	315,977	329,773	(13,796)	-4%

EBIT - Underlying

(\$000s)	Mar-23	Mar-22	Variance	Variance %
<i>Crop protection</i>				
APAC	63,903	90,180	(26,277)	-29%
North America	69,343	78,145	(8,802)	-11%
Europe	81,344	50,467	30,878	61%
Total Crop protection	214,591	218,792	(4,201)	-2%
Seed Technologies - global	41,772	29,957	11,815	39%
Corporate	(28,473)	(27,065)	(1,408)	5%
Nufarm Group	227,890	221,684	6,206	3%

Operating profit reconciliation (continuing operations unless specified)	6 months ended 31 Mar 2023 \$000	6 months ended 31 Mar 2022 \$000
Underlying EBITDA	315,977	329,773
add Depreciation and amortisation excluding material items	(88,087)	(108,089)
Underlying EBIT	227,890	221,684
Material items impacting operating profit	7,241	(37,025)
Operating profit	235,131	184,659

Appendix 7: Constant currency results

A\$ million	6 months ended			
	Mar 2023 Reported	Mar 2023 Constant currency ¹	Mar 2022 Proforma	Constant currency %
Revenue	1,954.6	1,928.6	2,165.6	-11%
Underlying EBITDA	316.0	314.8	329.8	-5%
Underlying EBIT	227.9	226.1	221.7	2%

A\$1 =	Average exchange rates FY23 v FY22		
	FY23	FY22	% change
USD	0.669	0.722	-7%
EUR	0.646	0.634	2%
GBP	0.564	0.535	5%

Notes:

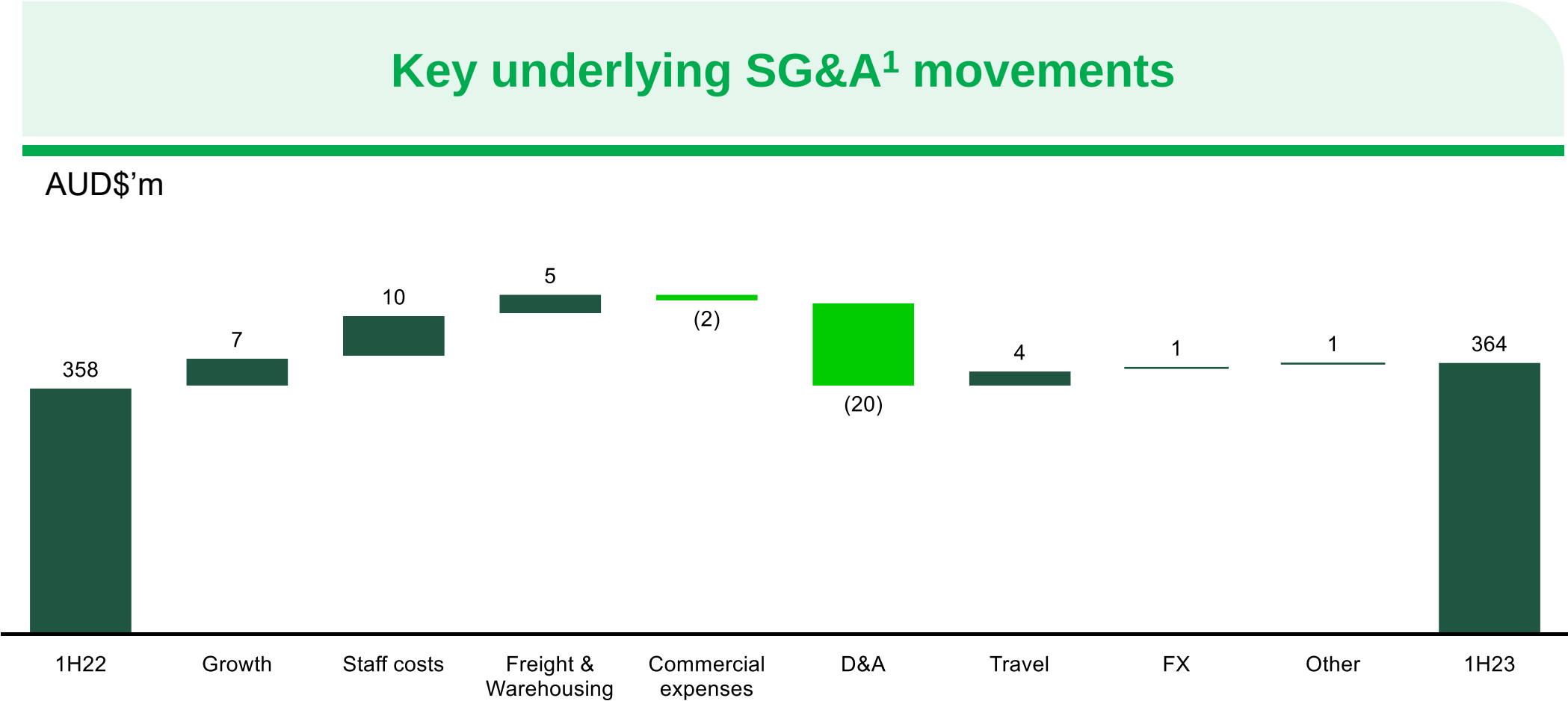
1. 6 months ended 31 March 2023 reported results converted at 6 months ended 31 March 2022 foreign currency exchange rates

Appendix 8: Capital Management Principles

Maintaining discipline while retaining flexibility

Capital Management Framework				
Sustained financial resilience throughout operating cycles to support growth & optimise returns to shareholders				
Principle	Optimising financial flexibility + Maintaining financial strength through the cycles		▶ Optimising returns Apply free cash flow to growth &/or return capital to shareholders	
Target	Core statutory leverage target 1.5x – 2x	aNWC/Sales 35-40%	Allocating funds for growth	Returns to shareholders
			Growth opportunities Target ROFE > Nufarm WACC	Return excess funds to shareholders
Considerations	Maintain leverage commensurate with a credit rating that is expected to provide cost efficient funding on favourable terms Capital structure & funding platform to be financially resilient through the cycles, which: - ensures appropriate levels of liquidity - reduces balance sheet risk	Focus on delivery of free cash flow Free cash flow generation allows optionality in terms of capital allocation & returning capital to shareholders Commitment to continuous improvement in net working capital management Targeting breakeven free cash flow at low point in cycle excluding working capital movements	Growth opportunities to maximise cash flow & profitability Disciplined capital evaluation & allocation processes to assess & optimise opportunities Excess free cash flow post consideration of identified growth options is available for distribution to shareholders	Refreshed dividend policy aligns dividends with free cash flow - previously aligned with profit Any dividend payment subject to compliance with core target leverage range of 1.5x-2.0x annualised and assessing cashflow across an appropriate cycle Consideration given to capital return mechanisms; ordinary dividend payment vs share buy-backs or other capital returns

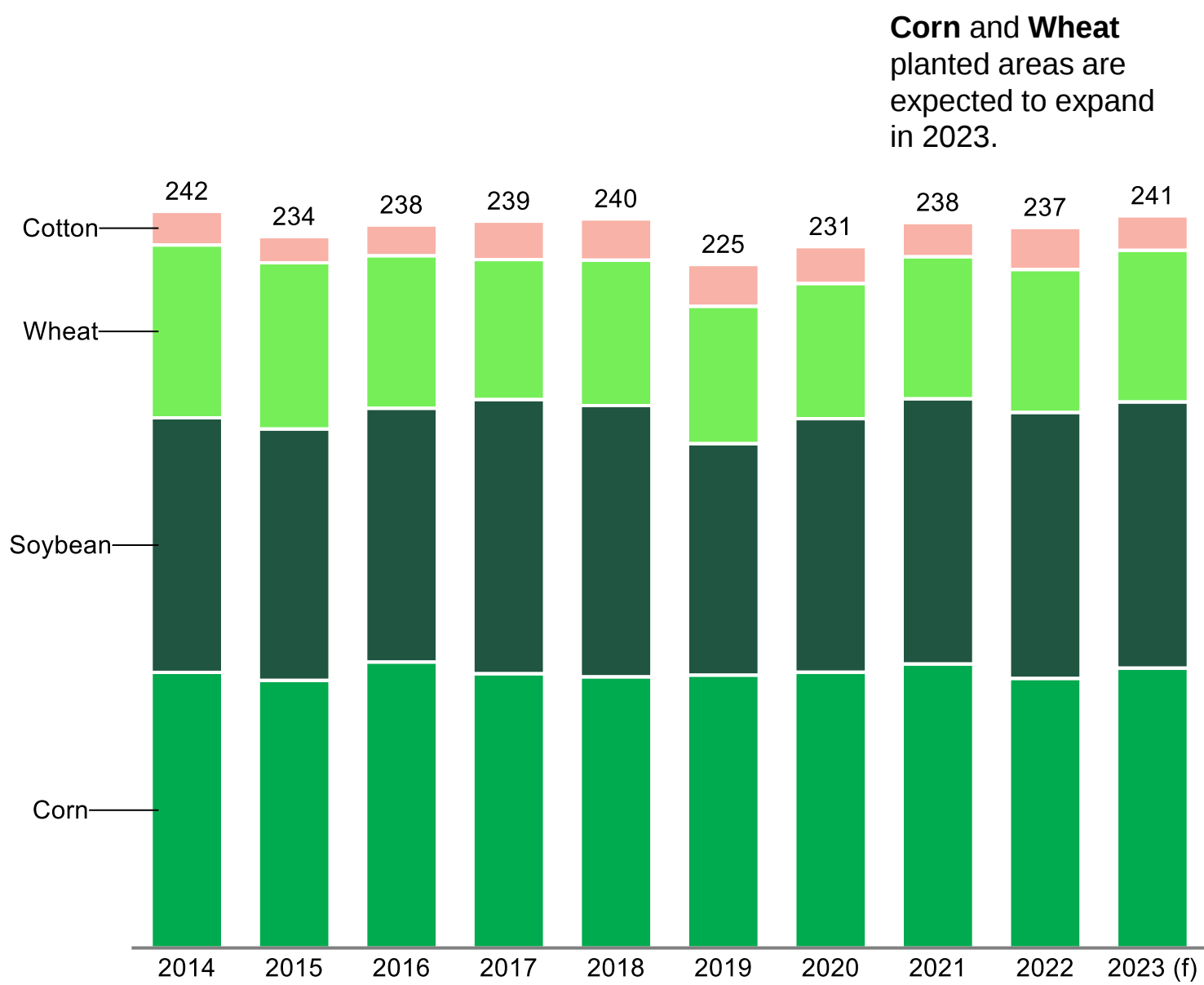
Appendix 9: Expense management to support growth



- Growth SG&A driven by increases in FTE & overheads to support growth pipeline within the seed technologies bioenergy segment
- Staff costs increased due to CPI increases & employee provisions
- Increased freight & warehousing costs primarily driven by increased costs associated with higher levels of inventory vs the pcp.
- Reduced D&A driven by regulatory exits in FY22, however partially offset by some & product life extensions.

Appendix 10: US crop planted area is expected to be greater than last year, and is progressing faster

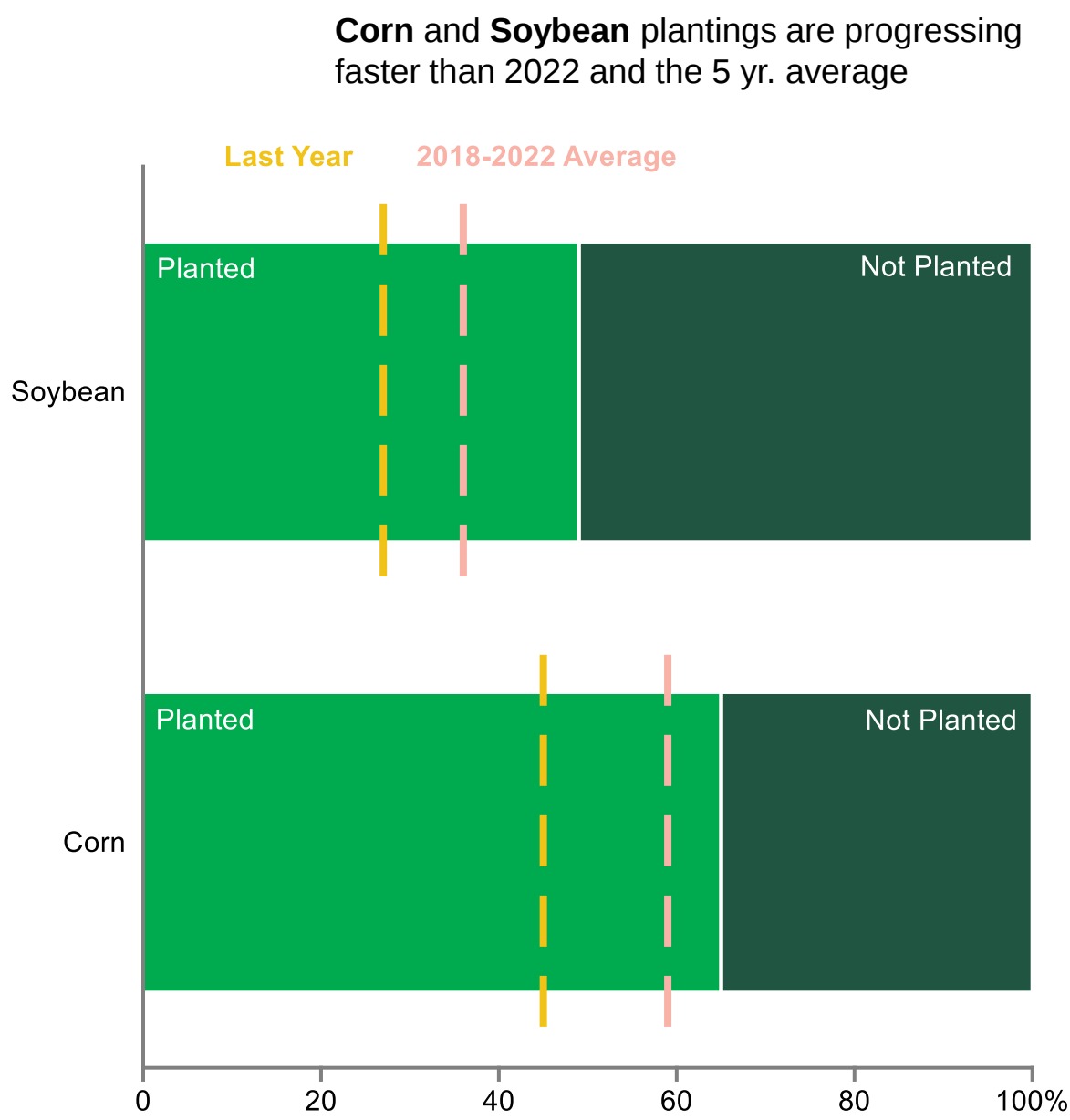
USA Crop Planted Area, 2014 – 2023



Source: Agbioinvestor, [USDA Prospective Plantings March 31 2023](#)

Doesn't include, Alfafa, Barley, Rapeseed, Rice, Sugarbeet, Sugar Cane, and Sunflower. No forecast available for 2023.

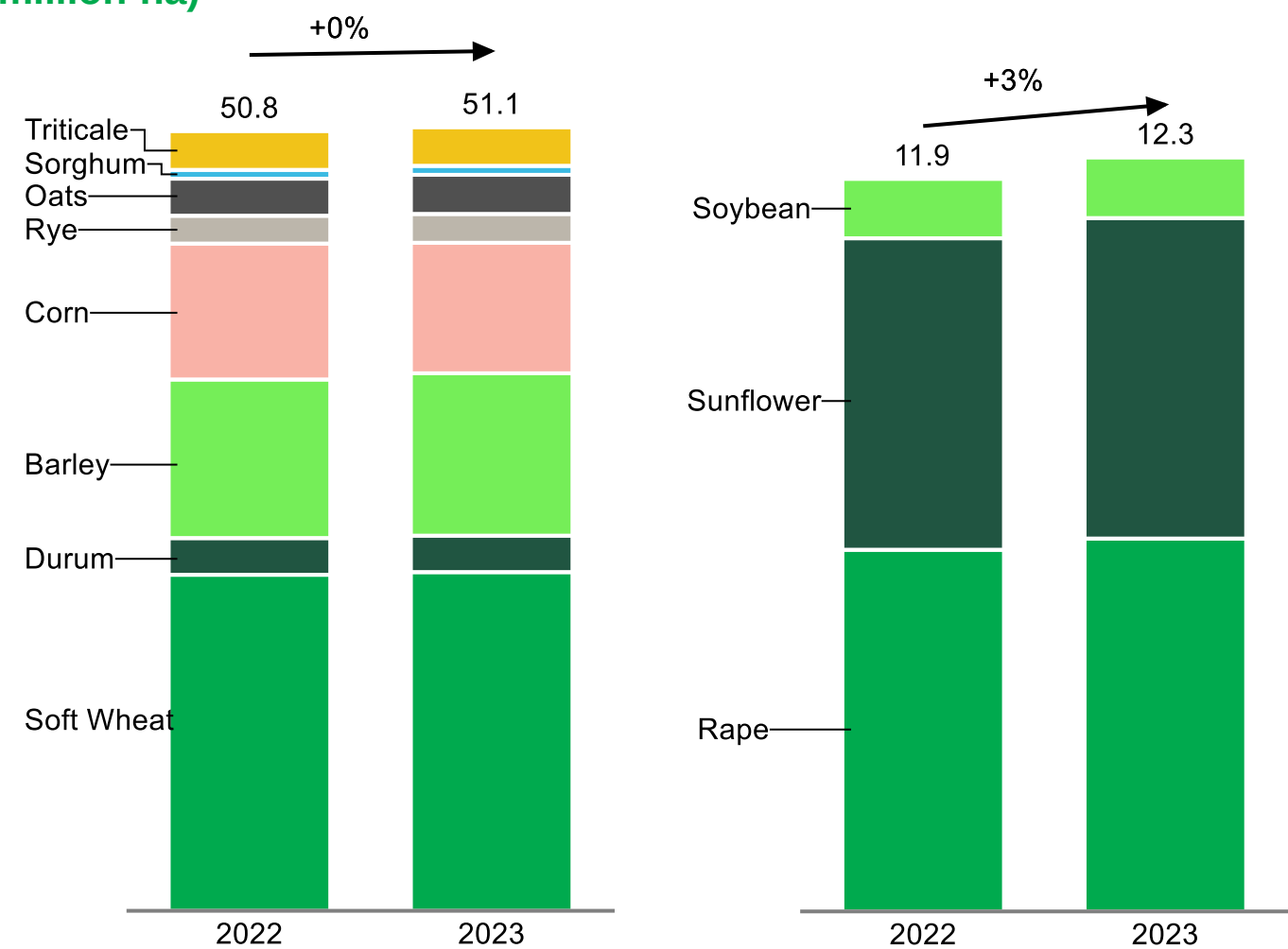
USA Crop Planting Progress, May 14 2023



Source: [USDA Crop Progress Report May 14 2023](#)

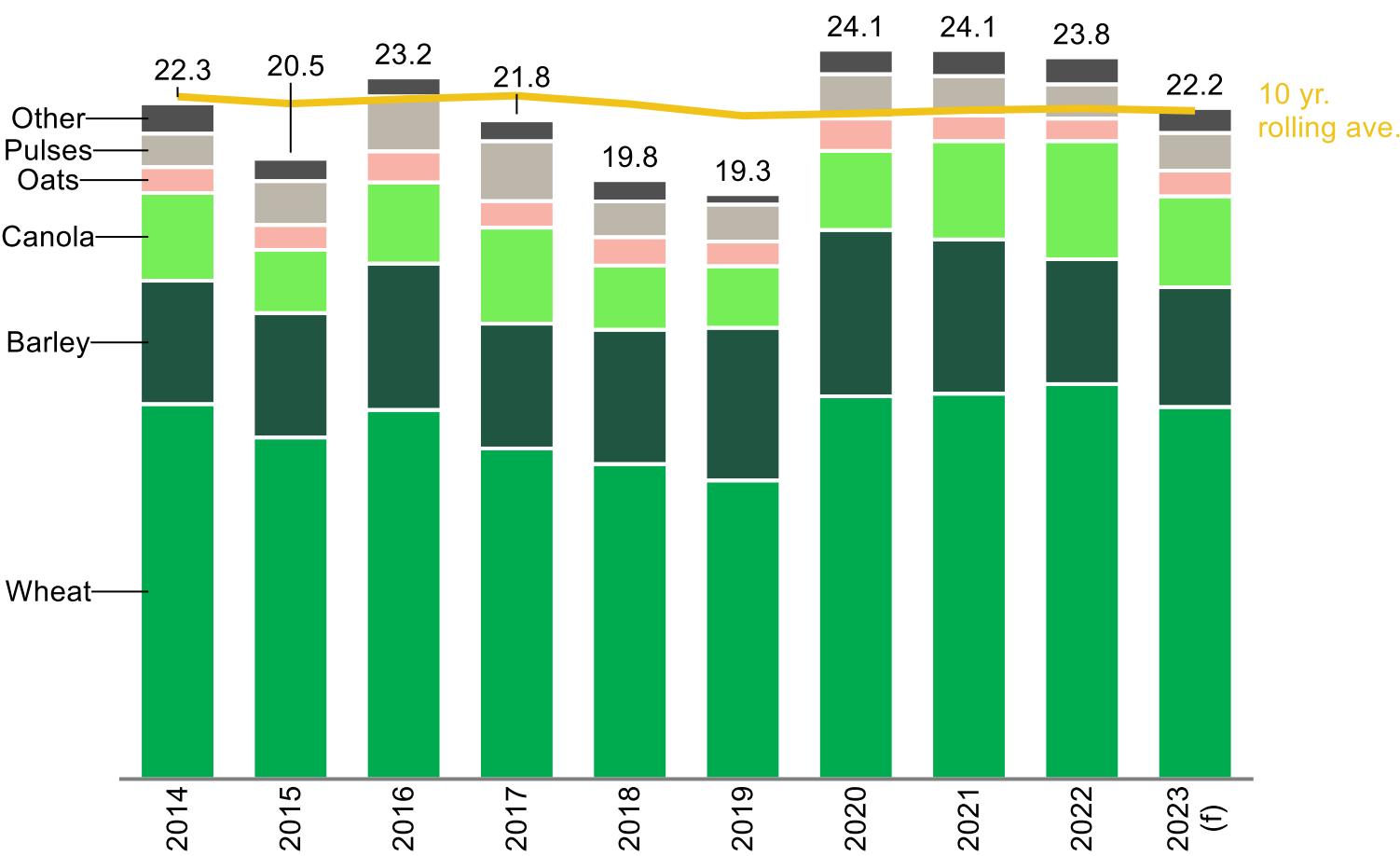
Appendix 11: Plantings are expected to expand slightly in Europe, normalise in Australia

Europe (EU-27) Crop Planting, March 2023 Forecast
Grains (Left), Oilseeds (Right)
(million ha)



Source: COCERAL, Grains & Oilseeds, 2023

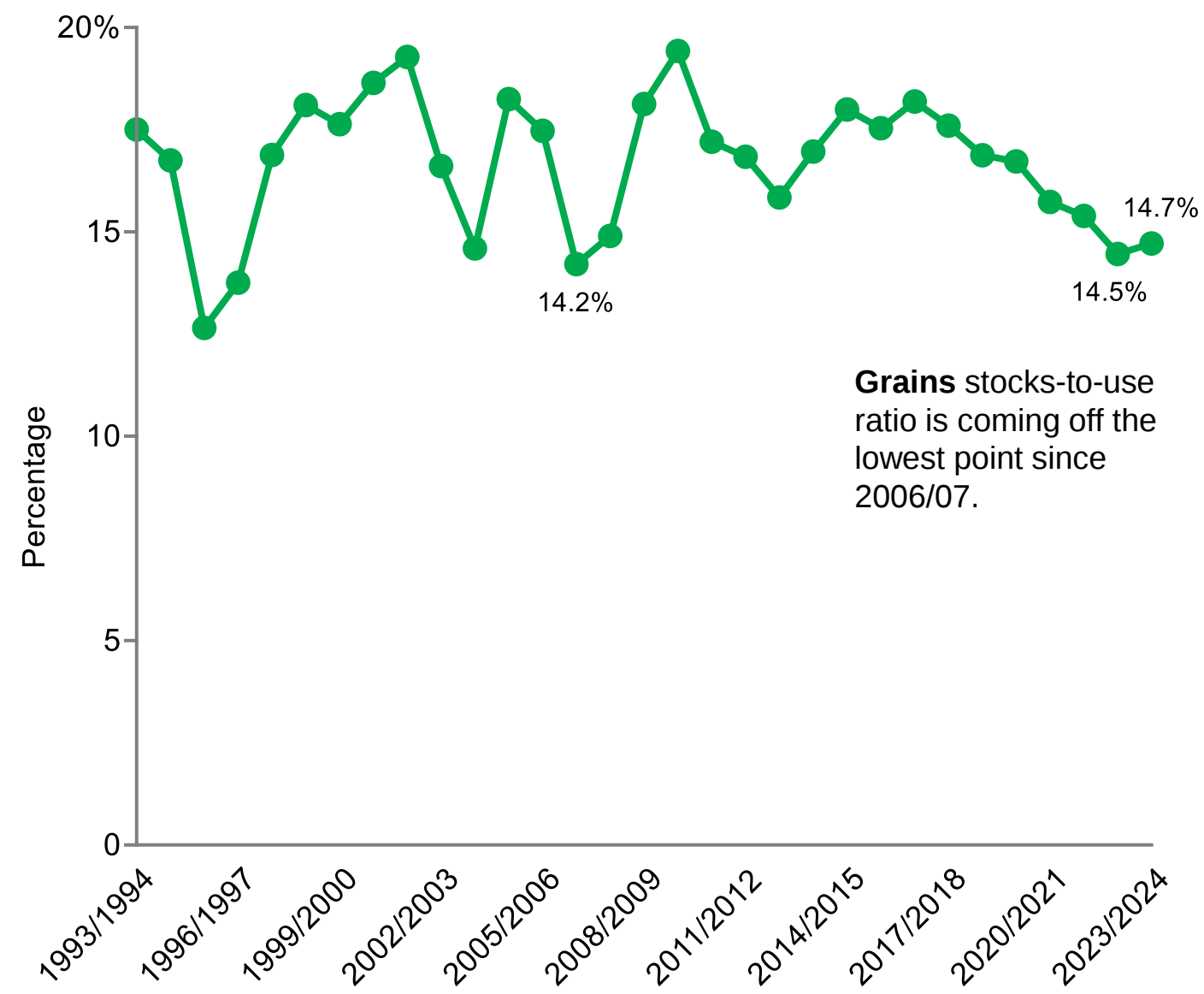
Australian Winter Planting, March 2023 Forecast
(million ha)



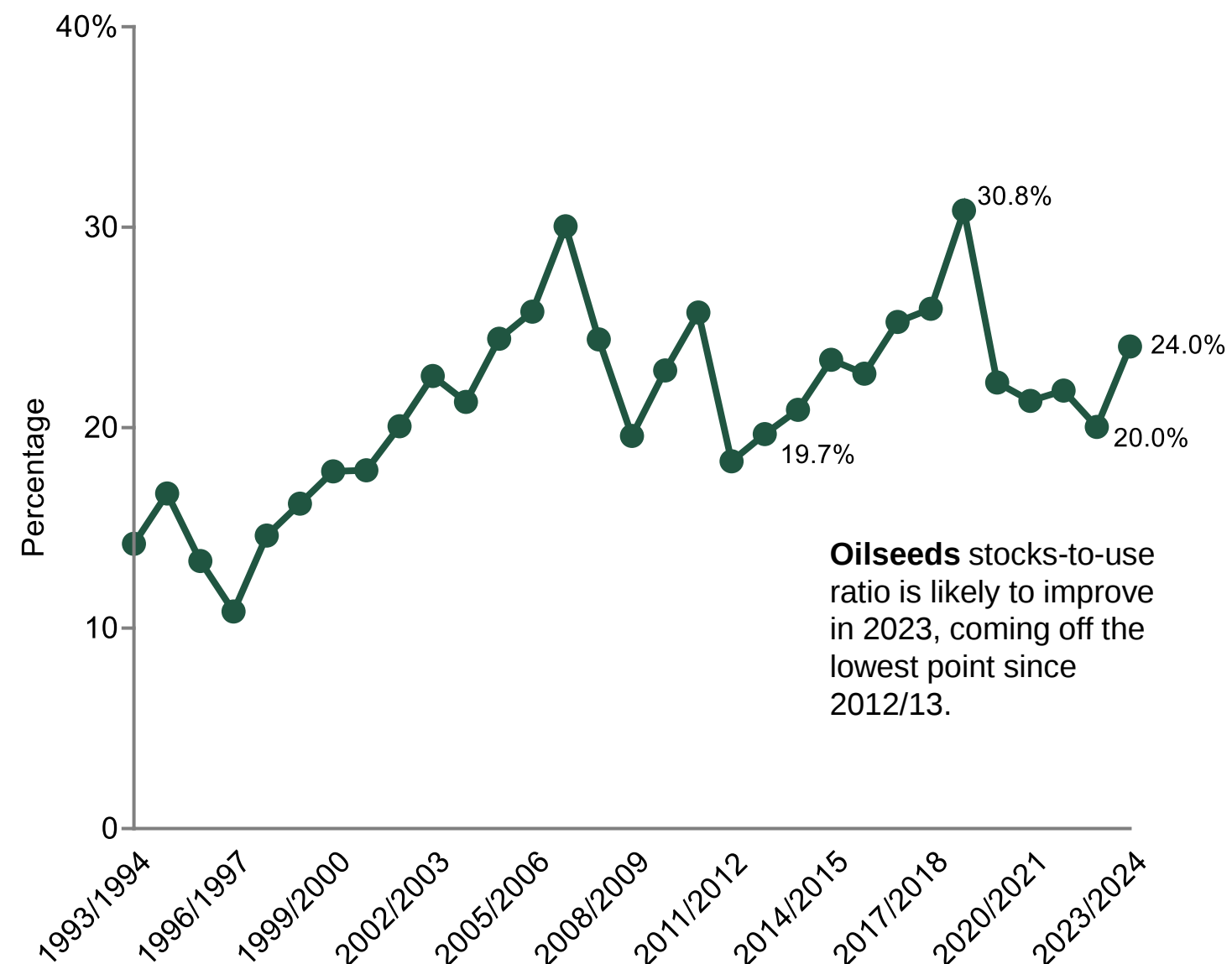
Other includes Corn (Maize), Sorghum, Rice, Triticale, soybeans, sunflower, Linseed, peanuts, and safflower seed.
Pulses include Chickpeas, Field peas and Lupins.
Source: ABARES, 2023

Appendix 12: Global stocks-to-use ratios are coming off the lowest point in over a decade

Grains Stocks to Use Ratio, World Ex. China



Oilseeds Stocks to Use Ratio, World Ex. China



World Ex China. Incl. Barley, Corn, Millet, Oats, Rice, Rye, Sorghum, Wheat
Source: [USDA PSD, 2023](#)

World Ex China. Incl. Soybean, Rapeseed, Sunflower
Source: [USDA PSD, 2023](#)