

Nufarm

**Bank of America
2020 Global Agriculture and Materials conference**
February 2020

 **Nufarm**
Grow a better tomorrow

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Nufarm Limited results are reported under international Financial Reporting Standards (IFRS) including Underlying EBIT and Underlying EBITDA which are used to measure segment performance. The presentation also includes certain non-IFRS measures including Underlying net profit after tax and 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 and assess operational management. Non-IFRS measures have not been subject to audit or review. Certain figures may be subject to rounding differences. Refer to 'Supplementary information' for the definition and calculation of non-IFRS information. 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.

We help farmers get more from their land

Our mission to

Grow a better tomorrow

reflects our ambitions for our customers, our people and communities, the environment and our financial stakeholders.



We develop and manufacture crop protection solutions and Beyond Yield™ seed technologies

Nufarm at a glance



100+
years of history



3,000+
people



200+
Active ingredients



4 product
development
centres

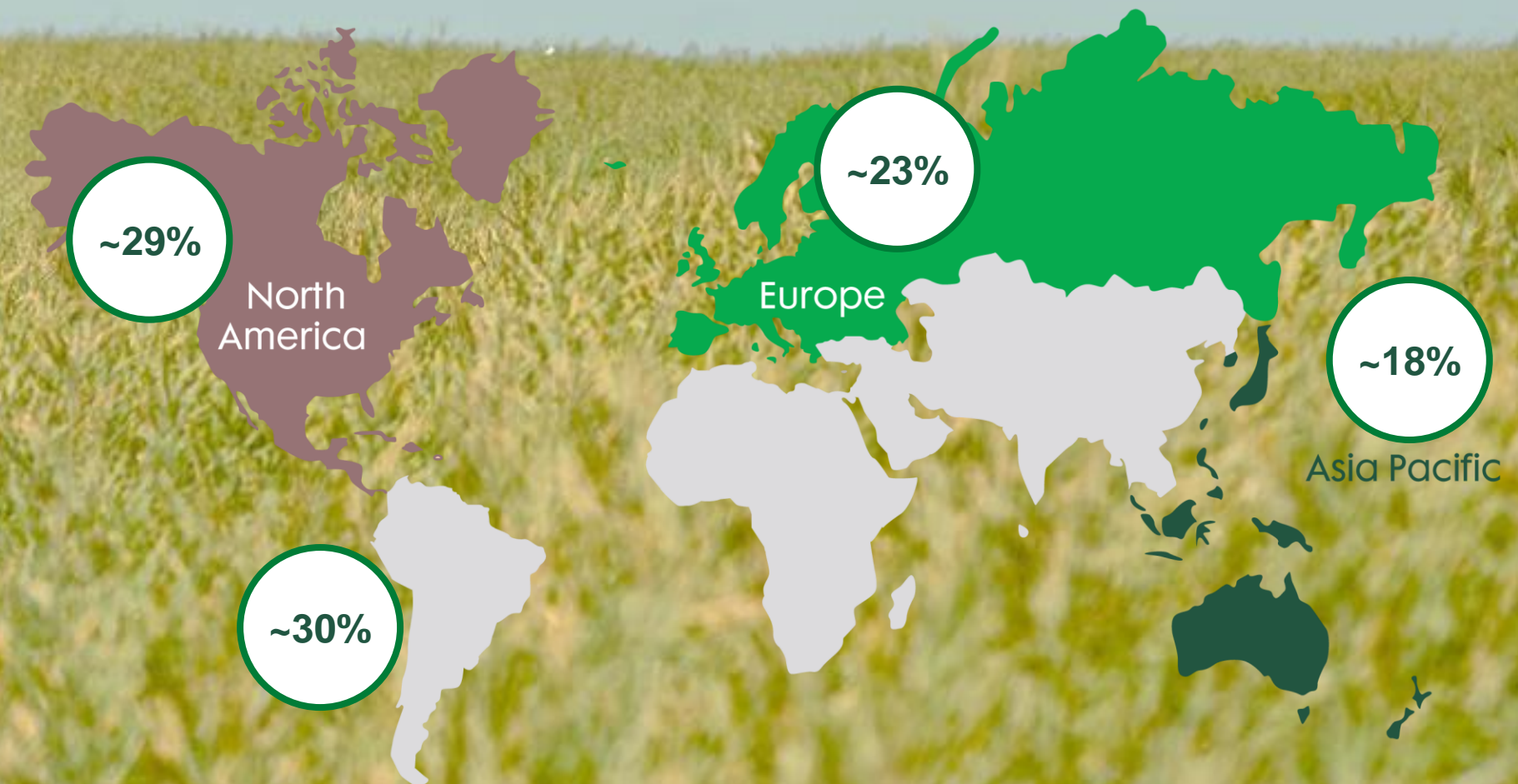


11
manufacturing
sites



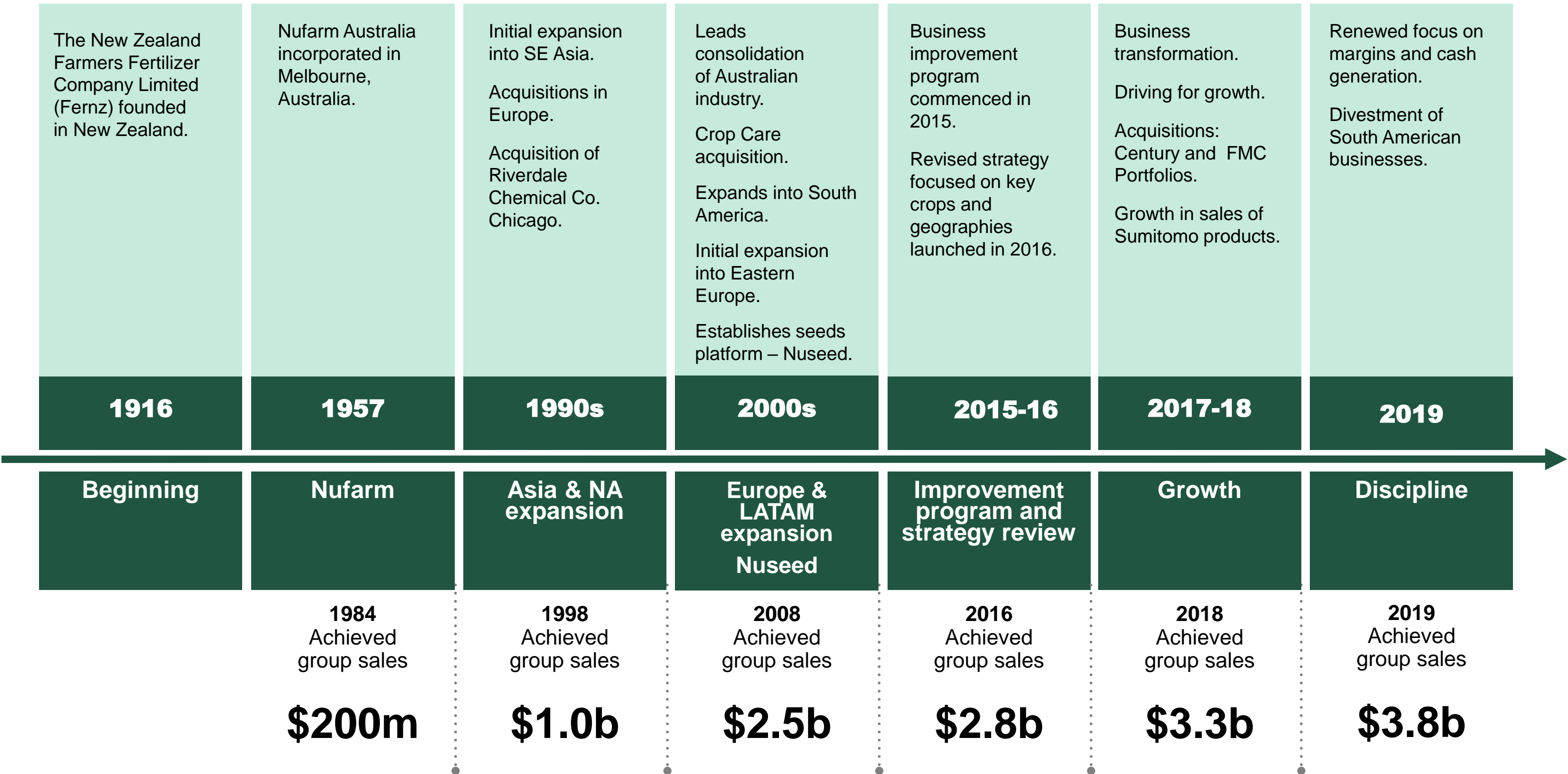
ASX:NUF
Listed on the Australian
Securities Exchange

AUD \$3.8 billion sales



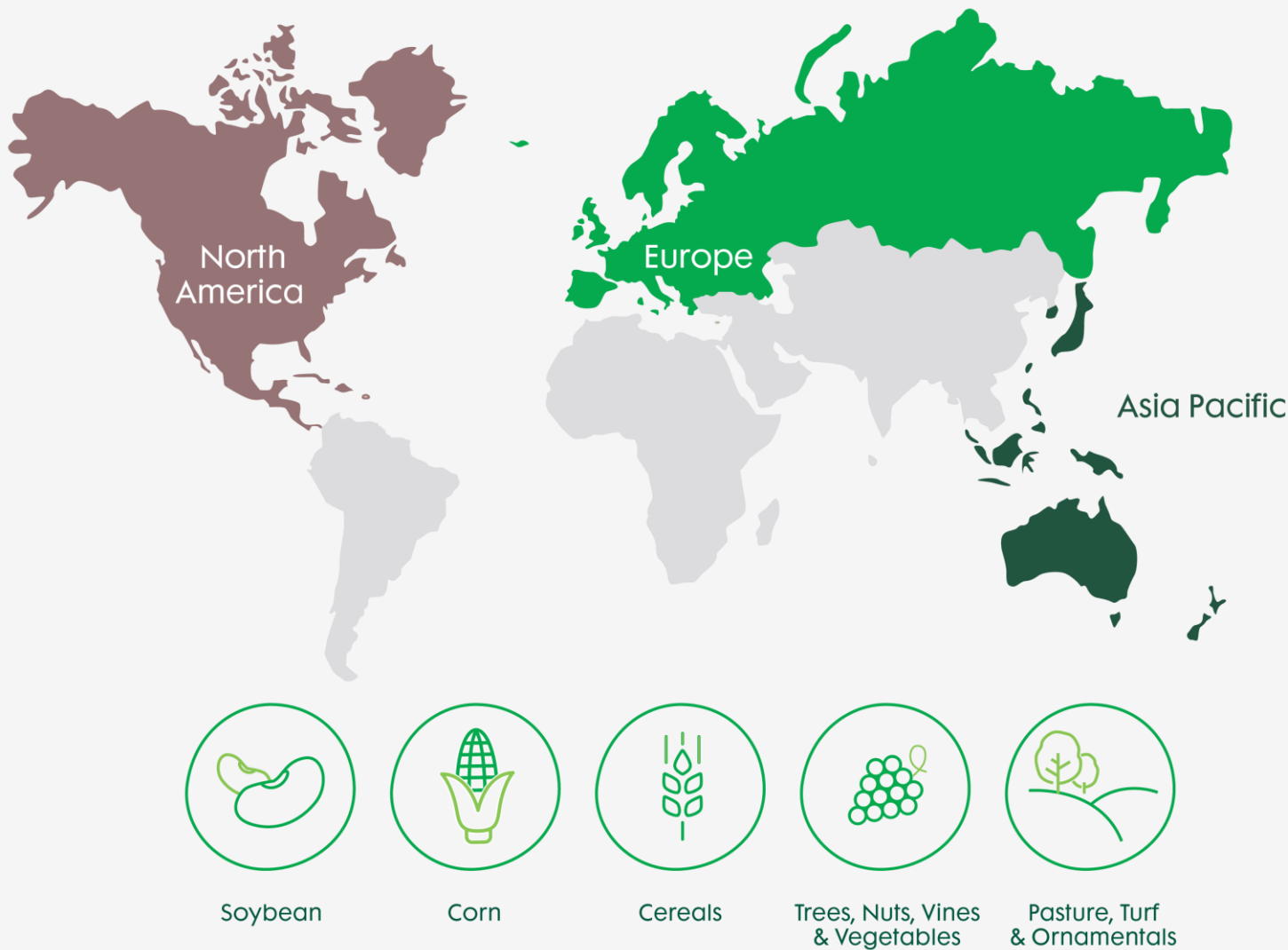
We are a leader in the off-patent
crop protection market

100+ years of expansion, change and growth

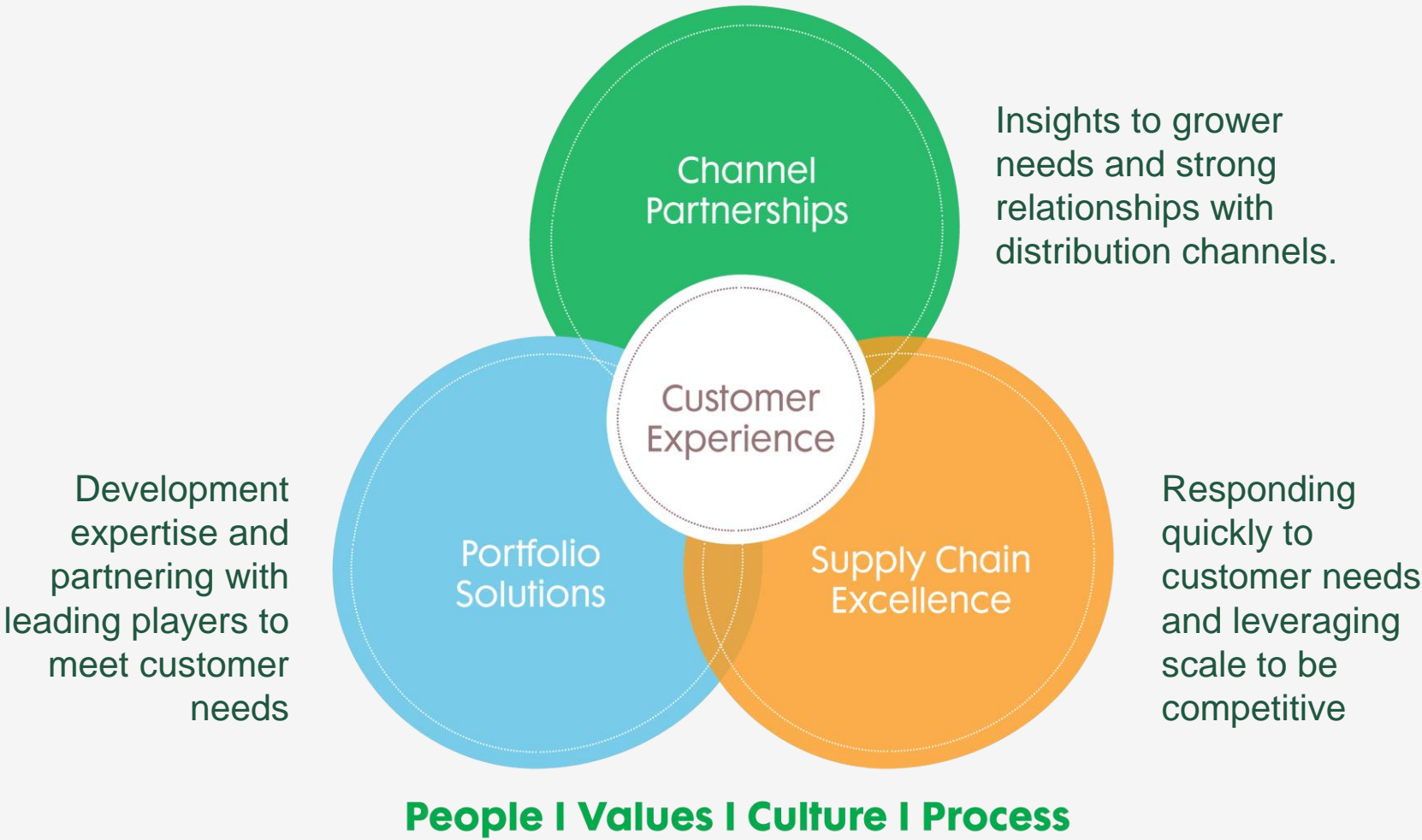


A focused strategy that builds on our strengths

Our strategic focus

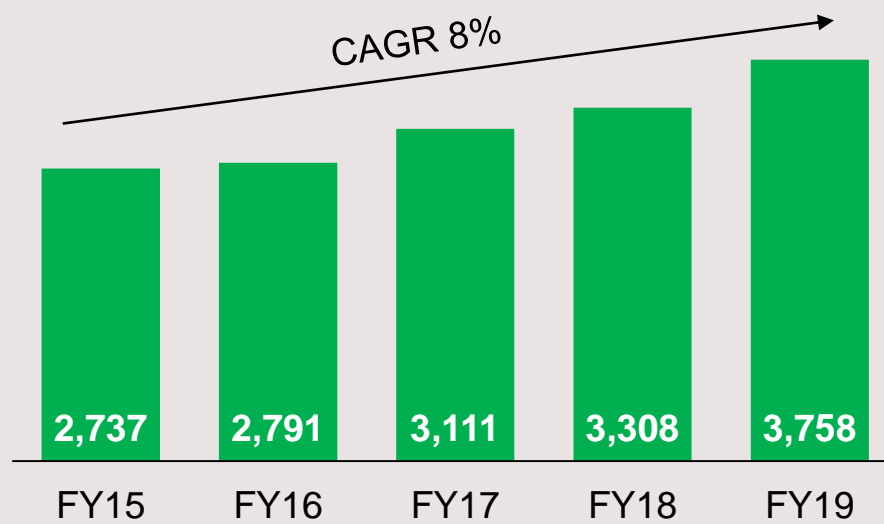


Our operating model

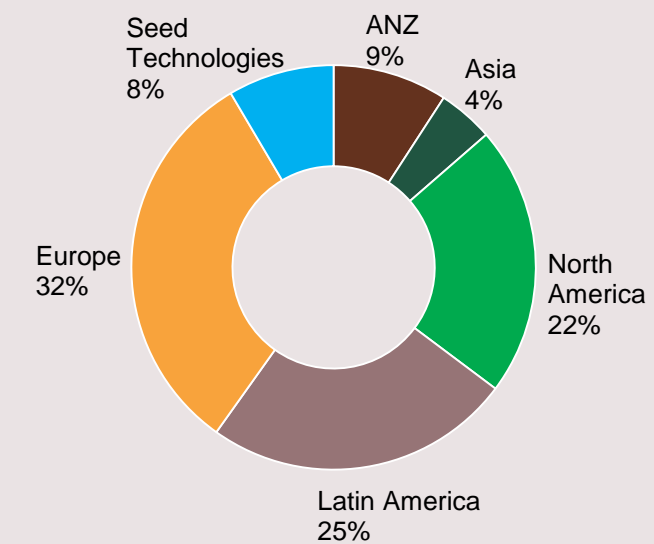


A diversified and growing earnings base

Sales A\$m

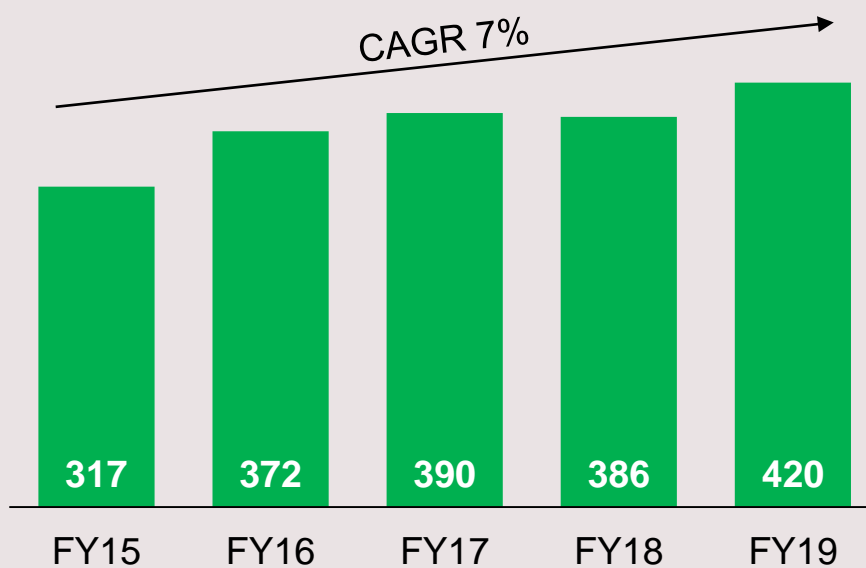


Geographic diversification

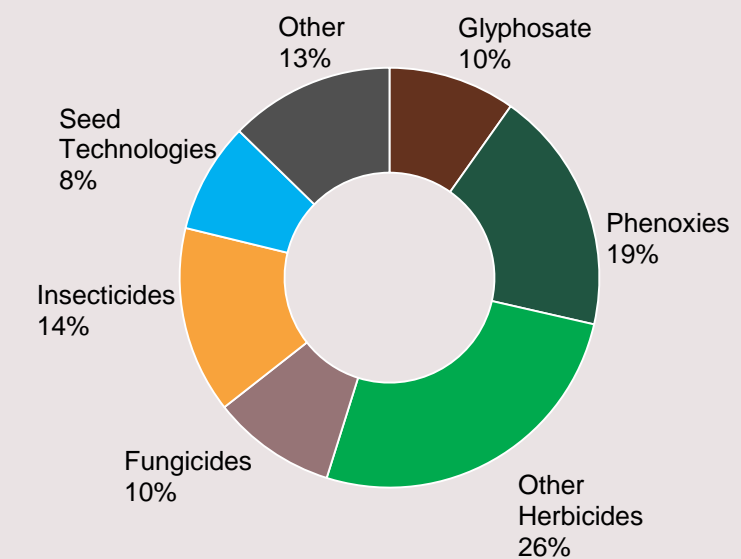


FY19 Gross Profit

Underlying EBITDA¹ A\$m



Product diversification



FY19 Gross Profit

Sale of South American businesses resets Nufarm

Attractive valuation

- Provides compelling, upfront value for shareholders:
 - c.12.3x FY19 Underlying EBITDA after adjusting for the net costs associated with working capital management and operational FX hedging¹
 - c.10x FY19 Underlying EBITDA²

Simplifies the business

- Increased focus on major agricultural markets in Europe, North America and Asia Pacific
- Capital redeployed into remaining businesses where it can generate higher margins and stronger cash flow
- Opportunity to reduce overheads
- Simplified financing structure, reduced funding costs and FX exposure

Focuses the business on higher margins and cash generation

- Market share growth in higher margin European market with further earnings contribution from acquired portfolios
- Performance improvement program in ANZ ahead of schedule with upside exposure to a recovery in weather conditions
- Organic growth in North America supported by new formulation facility
- Seed Technology earnings growth supported by new proprietary products
- Omega-3 canola expected to generate positive EBITDA from FY21
- Sumitomo relationship strengthened

Strengthens the balance sheet

- Reduced leverage: FY19 net debt / EBITDA will fall from 3.0x to 0.7x³ on a pro forma basis
- Average net working capital requirements to be reduced by c.\$500m (FY19 pro forma basis)
- Target of 1-1.5x core⁴ leverage ratio. Opportunities for capital management can be explored

Notes:

1. FY19 Underlying EBITDA adjusted for the net costs associated with working capital management and operational FX hedging of c.\$24 million
2. FY19 Underlying EBITDA of c.\$120 million
3. FY19 pro forma net debt of c.\$199 million and FY19 pro forma Underlying EBITDA of c.\$300 million
4. Core leverage defined as net debt to Underlying EBITDA, excluding seasonal debt fluctuations

Strong growth platforms

Existing portfolio

- Grow market share in core geographies
- Grow margins through commercial disciplines
- Leverage existing products into new markets

Development portfolio

- Address gaps in core crops
- Build alliances to deliver access to new chemistries
- Align with technology providers without go-to-market capabilities to develop new products, including biologicals
- Bolt-on product acquisitions e.g. Trunemco

Beyond Yield™

- Grow global market share in sunflower, canola and sorghum
- Commercialise omega-3 canola
- Commercialise carinata

A comprehensive product portfolio tailored to meet customer needs across the crop lifecycle

Foundational Products	Differentiated Solutions
<p>Dependable supply</p> <hr/> <p>Meet basic needs at competitive prices</p>	<p>Deep customer insight to define market gaps</p> <hr/> <p>Add value to growers to create value for them and us</p>
<p>Supply chain reliability and agility</p> <p>High quality products</p> <p>Quick to market with effective registrable formulations</p>	

A global leader in
phenoxy
herbicides

200+
active ingredients



A successful track record in product development and a promising pipeline of new products

	2017	2018	2019	2020	2021 →
HERBICIDE	Duplosan Panther MTZ Valent IVM Terrain ZethaMaxx	Herbicide Monitor TDT Surf herbicide portfolio	Metribuzin 4SC Diuron 4SC Sulfosulfuron Mixtures Tibet	Pinoxaden Duplosan Mixtures 2,4-D Dual Salt Crucial Thistrol Gold Goal	2nd gen pre-emergent Burn down alternate MOA Auxin resistance Graminicide mixtures Grass and broadleaf weeds Woody weeds
FUNGICIDE	Fluazinam Amicus blue	Botector Century fungicide portfolio	Soleil Intuity		Septoria control
INSECTICIDE		Kaiso Sorbie Century insecticide portfolio			Biological alternatives Chewing insects
OTHER		Abamectin Maestro Nuprid		Trunemco	

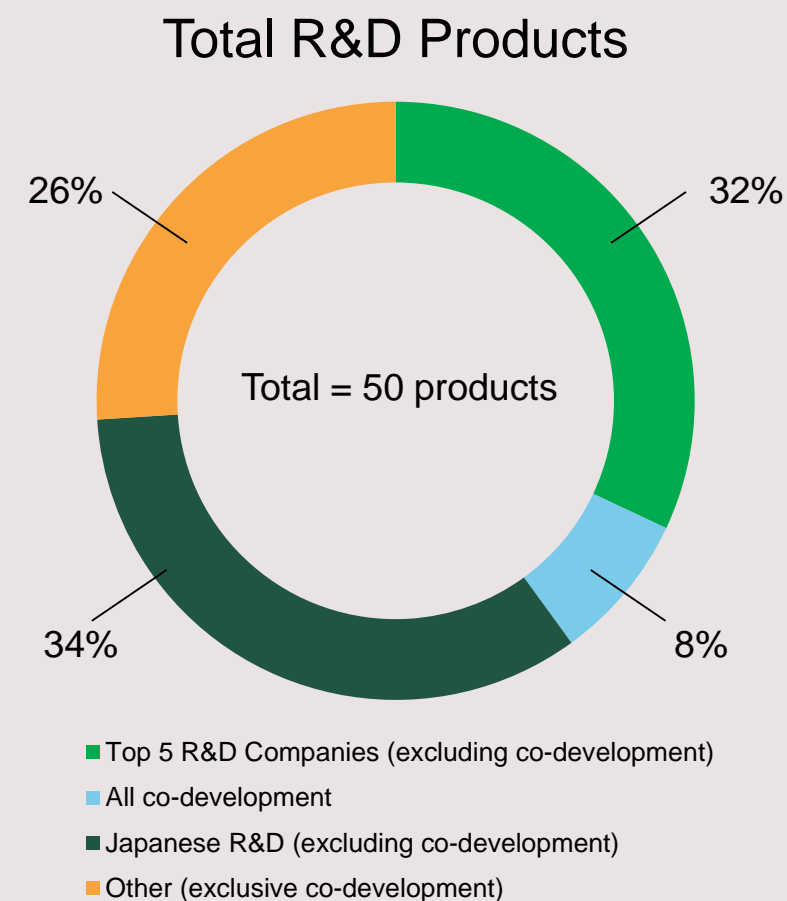
In-house portfolio and product development expertise

- Product development centres in North America, Australia and Europe
- Field based technical expertise in our core crops and markets
- Regulatory expertise and experience



Partnerships with leading industry players and research institutions

Sources of new Active Ingredients



Source: Agbioinvestor Market Insight Crop Protection Company R&D January 2020

Nufarm is an attractive partner

- No competing in-house research
- Deep customer insights
- Strong relationships with channel partners
- Global supply chain
- Development expertise



Strong track record

Distribution agreements

- Sumitomo
- Nissan
- Nihon Nohyaku
- Farm Hannong

Development alliances

- The University of California
- The University of Melbourne
- The University of Queensland
- University of Liverpool

World first omega-3 canola with CSIRO and GRDC

Nuseed delivering value Beyond Yield™

Creating new market and value chain opportunities

- Top performing varieties and hybrids + input traits with agronomic benefits + output traits for specific end-use benefits
- High growth in existing seeds business
- World class research and development
- Strong IP positions and development pipeline
- First to commercialise omega-3 canola

Sunflower



Sorghum



Canola



Carinata



Commercialising omega-3 canola



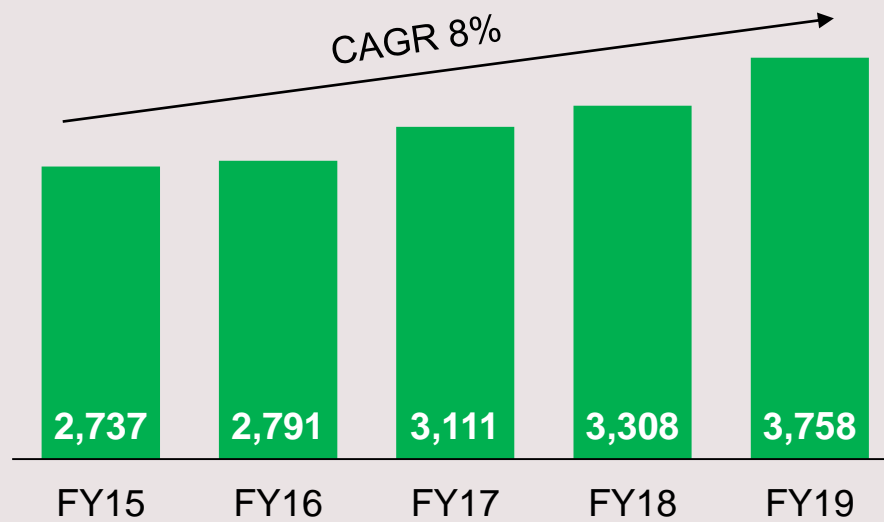
- First plant-based solution to global omega-3 nutrient demand
- A globally sustainable plant-based aquafeed source
- Relieve pressure on wild fish stocks
- Nuseed Value Chain
- US commercial production for Aquaterra™, Nuseed's proprietary aquafeed ingredient
- Nutriterra™ developed for human nutrition


aquaterra™

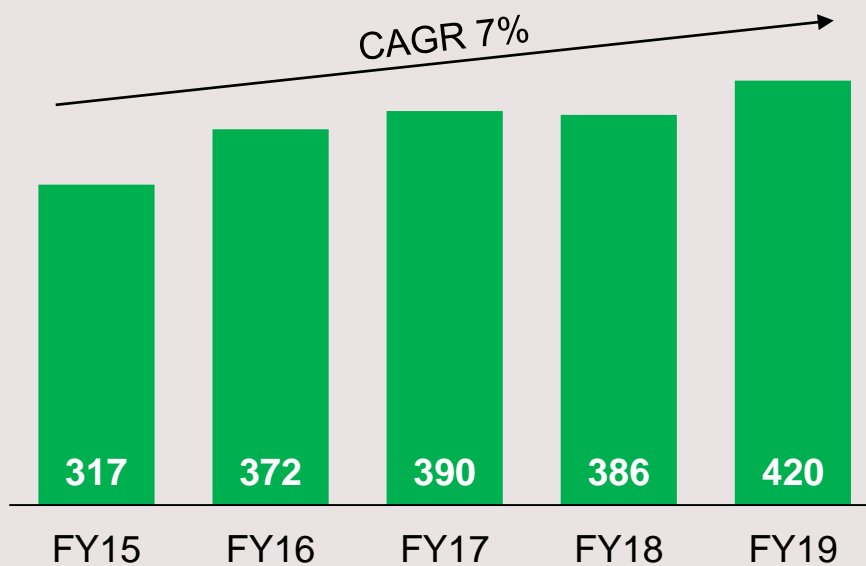


Recent performance

Sales A\$m



Underlying EBITDA¹ A\$m



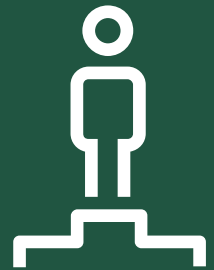
FY19 was a difficult year

- Continued extreme drought in Australia
- Unfavourable weather conditions in North America
- Supply disruptions in Europe

FY20 focus

- Safety
- Earnings recovery and margin improvement
- Working capital efficiency
- Reduction in capital expenditure

Value proposition



Strong distribution platforms and relationships in key agricultural markets that provide choice and value for customers, partners and suppliers.



A valuable, differentiated product portfolio and proven expertise in bringing new products to market. Positioned to build on our strength in core crops and countries.



Established strategic alliances and commercial relationships with major industry participants.



A diversified earnings base and strong financial position following sale of South American businesses.



Scope to strengthen margins and free up additional capital to improve returns and support the growth of the business.

Appendix


Opportunities in a growing world

Population & consumption growth in developing nations is driving growth in the global crop protection market


BY 2050

the human population
is forecast to expand to


9.7billion




50%
more fuel




70%
more crop
output




50%
more
water




Middle class will double to
5 billion people




Cereals for human consumption &
animal feed increase by 50% to
3 billion tonnes



Meat consumption up 75% to
450 million tonnes



90% of this growth will need to come
from higher yields

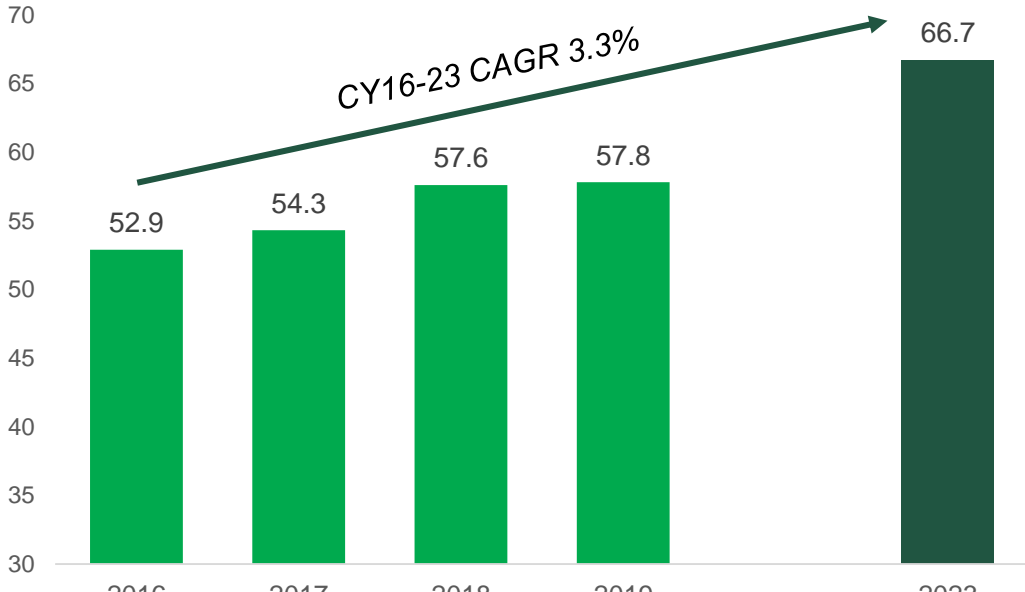


Crop land
increases by < 5%

Without crop
protection
products, farming
yields fall by
20-40%

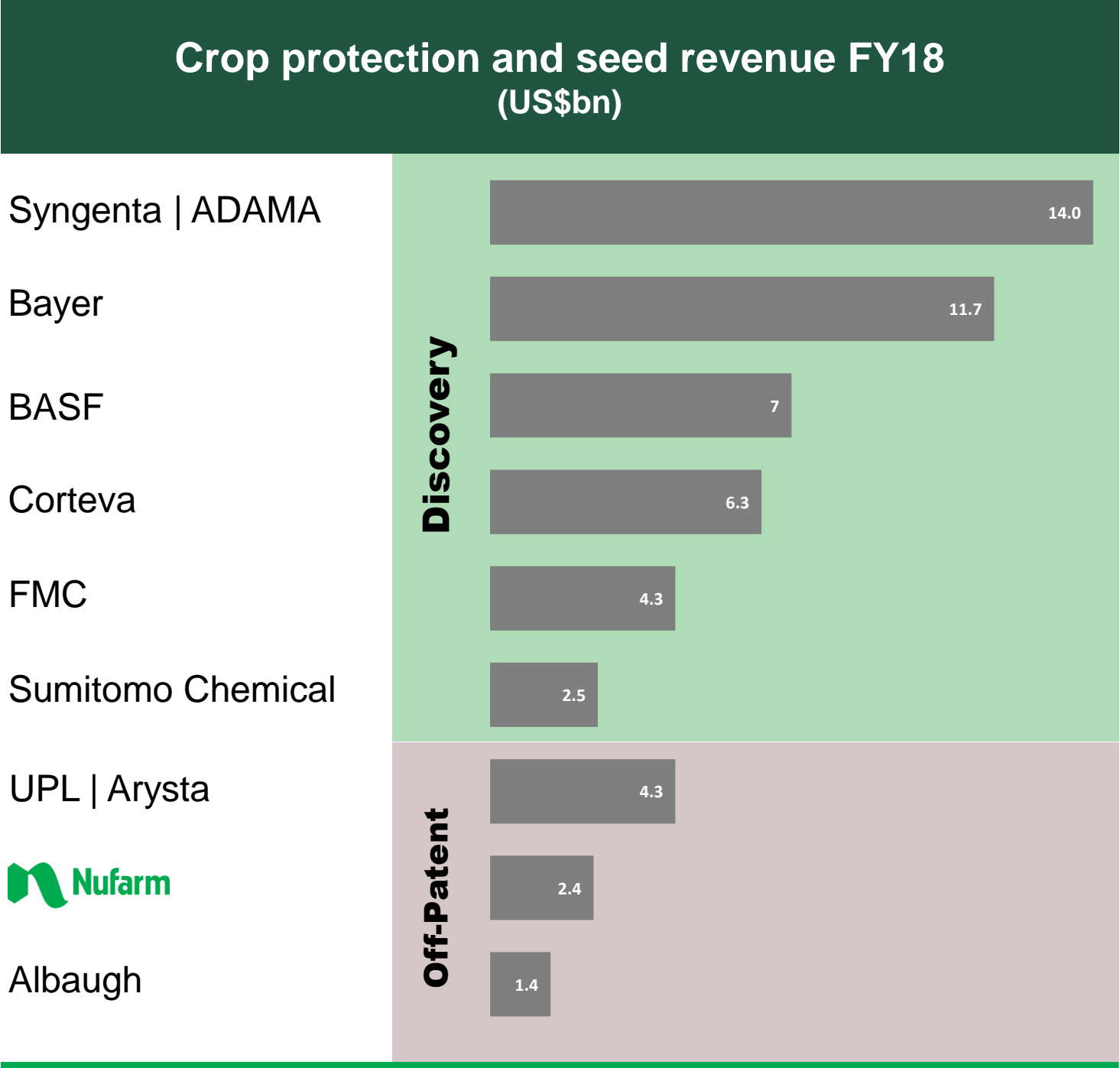
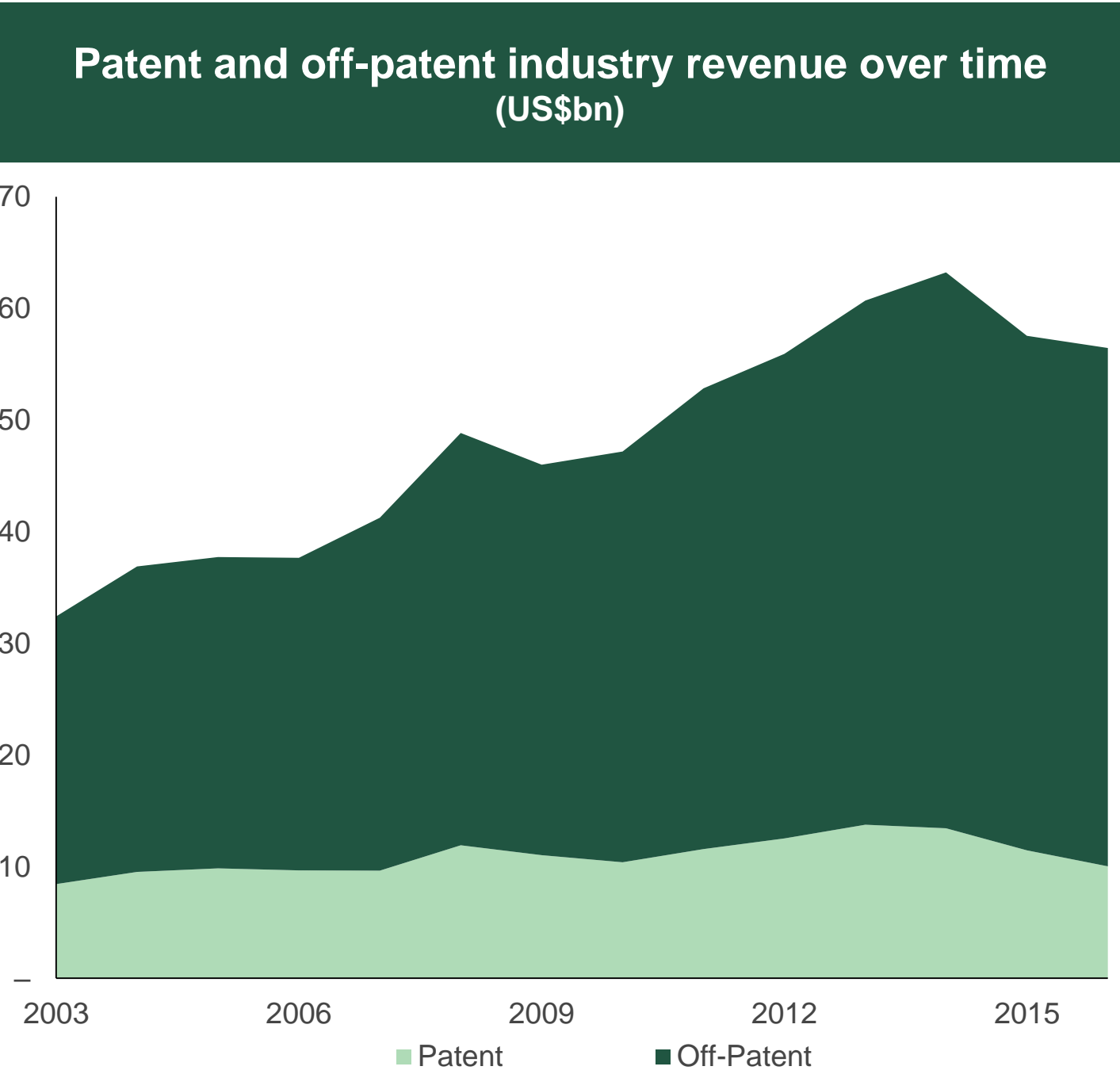
The global
crop protection
market is
forecast to reach
\$67bn by 2023

Global crop protection market (US\$bn)



Year	Market (US\$bn)
2016	52.9
2017	54.3
2018	57.6
2019	57.8
2023	66.7

We focus on the off-patent market which is the largest and fastest growing segment



Source: Phillips McDougall. Sales revenue for discovery companies also includes off-patent revenues.
Albaugh FY18 revenues are an estimate by Agbioinvestor