2021 Full Year Results

11 NOVEMBER 2021

Sanjeev Gandhi | Managing Director & CEO
Christopher Davis | Chief Financial Officer

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Disclaimer

Forward looking statements

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Non-International Financial Reporting Standards (Non-IFRS) information

This presentation makes reference to certain non-IFRS financial information. This information is used by management to measure the operating performance of the business and has been presented as this may be useful for investors. This information has not been reviewed by the Group's auditor. Refer to slide 54 for a reconciliation of IFRS compliant statutory net profit/(loss) after tax to EBITDA. Forecast information has been estimated on the same measurement basis as actual results.

Note: numbers in this document are subject to rounding and stated in Australian dollars unless otherwise noted.

AGENDA

2021 Full Year Results

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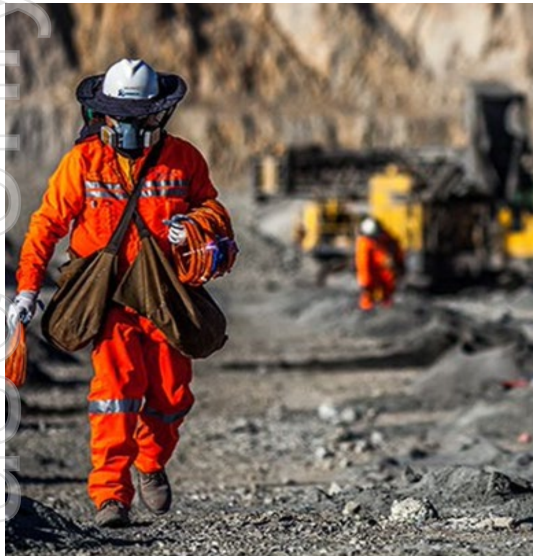
2021 in review

SANJEEV GANDHI, MANAGING DIRECTOR & CEO

Sustainably mobilising the earth's resources



Leading on-mine blasting and detonator supplier and services provider

Leading quarry and construction blasting and services provider

Leading provider of blasting and orebody intelligence software, fragmentation measurement and stability monitoring

Leading provider of mining chemicals

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Safety is our top priority, and our sustainability focus is pivotal to our strategy

Safety and our people

- Fatality free year
- Serious Injury Case Rate at 0.19, coming off historic lows
- Focus on Major Hazards Management program and AN storage
- Supporting our people’s health and mental wellbeing
- Valuing diversity; women represent 28% of senior management

Caring for the community and environment

- Focus on LOC[1] lowering risk of impacts to the environment
- $2.4 million invested in local communities
- Supporting critical community needs during COVID-19 pandemic
- Modern slavery supply chain risk mitigation strengthened

Climate change

- Reducing our emissions; 13% reduction since 2019[2]
- Pathway to reduce Scope 1 and Scope 2 emissions by at least 40% by 2030
- Ambition to achieve net zero emissions by 2050[3]
- Announced Kooragang Island Decarbonisation Project in partnership with NSW Government and Clean Energy Finance Corporation
- Awarded optional Carbon Abatement Contract for purchase of 3.4 million Australian Carbon Credit Units
- Low-emissions technology deployed at Carseland, Canada
- Executive remuneration linked to climate change
- Climate Action Report aligned to TCFD[4] framework

1. A loss of containment (LOC) is any unplanned or uncontrolled release event
2. Scope 1 and Scope 2 greenhouse gas (GHG) emissions
3. Covers global Scope 1 & Scope 2 emissions under Orica’s direct control, and material Scope 3 emission sources. Material means the GHG emissions embodied in purchased ammonia and ammonium nitrate included in the Scope 3 reporting category of purchased goods and services. These comprise around two-thirds of Orica’s Scope 3 emissions footprint
4. Task Force on Climate-Related Financial Disclosures framework

Second half 2021 focused on stabilising the core and positioning us for future growth

We spoke about five priorities…	…and have achieved key milestones in 2H21, setting a strong base for our refreshed strategy	
Technology	Delivered to plan in FY21; mainly from strong digital technology adoption	✓
Exsa integration	Exsa successfully integrated, tracking in line with plan	✓
Continuous manufacturing optimisation	Burrup running in line with plan; fully operational, producing good quality product	✓
IS network optimisation	74% reduction in the number of SKUs since FY18; Hallowell, Minden and Tappen plants in North America now closed	✓
Operating model	Global restructuring project executed; further activity continuing as part of sustainable cost reduction and alignment with SAP stabilisation	✓

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Our refreshed strategy will be supported by continuous efforts to drive profitable growth and reduce the cost base

		Progress to date	Go forward
Improving profitability	Pricing discipline	Greater focus on pricing and sustainable margin improvement	Capture fair share of value including pricing for security of supply
	Ongoing cost reduction	Significant reduction in functional headcount	Continuous cost reduction focus going forward
	Leveraging SAP to drive improved margins	Phase one stabilisation complete	Leveraging the system to enhance operational efficiencies and commercial outcomes
Strengthening the balance sheet	Review of geographic footprint	Plan to exit up to ten countries commenced	Ongoing review of countries which are not strategically aligned or could be better serviced through alternative channels
	Continuing non-core land sales	Land sales; Villawood NSW in H1 and Lot 1 (formerly Lot 9), Botany NSW in H2	Further non-core land sales over the next three years, including Deer Park

Challenging first half with momentum building from second half recovery

- Sales revenue and AN volumes up on the pcp, with Exsa included in Group for full FY21
- 14% increase in Electronic Blasting Systems (EBS) on the pcp and 8% increase in premium emulsion
- Performance impacted by challenging market conditions, including:
  - Unfavourable foreign exchange (FX)
  - Geopolitical issues
  - Rising input costs
  - High supply chain costs
- Cash proceeds totalling $140 million from sale of non-core land
- Strong net operating cash flow and cash conversion
- Gearing within target range of 30% to 40%
- Significant headroom to gearing and interest cover debt covenants
- Final unfranked dividend of 16.5 cents per ordinary share. Total dividend per share for the year of 24.0 cents per share, within target payout ratio at 47%

Underlying EBIT[1,2]
$427m
DOWN 30% vs pcp

AN volume
4.09mt
UP 4% vs pcp

Underlying NPAT[3]
$208m
DOWN 30% vs pcp

Sales revenue[1]
$5.7b
UP 1% vs pcp

Gearing[4]
34.6%
within target range

Final dividend
16.5cps
50% payout ratio [5]

1. Includes discontinued operation (Minova) which is held for sale
2. Equivalent to profit/(loss) before financing costs and income tax as disclosed in Note 1(b) within the Appendix 4E – Preliminary Final Report, before individually significant items
3. Equivalent to profit after income tax expense before individually significant items attributable to shareholders of Orica Limited as disclosed in Note 1(b) within Appendix 4E – Preliminary Final Report. Statutory net loss after tax was $174 million
4. Excludes the impact of leases which, under AASB 16 Leases, are treated as debt with effect from 1 October 2019
5. Dividend amount / Underlying NPAT before individually significant items

Improved performance in second half across all regions

Australia Pacific & Asia

- Improvement in H2 following softness in Australian East Coast demand in H1 from trade tensions with China
- Growing demand from customers in the Metals business
- EBIT impacted by lag in recovery of rising ammonia costs which increased ~85% in 2H21 on the pcp
- Burrup depreciation commenced in FY21

North America

- Improved business sentiment in H2
- Soft demand in the USA in H1, partially offset by increased mining activity in Canada on the pcp
- Lower EBIT from non-repeat of carbon credits in H1 and unfavourable FX
- Higher sourcing costs following incident at La Portada plant in H1 and Carseland turnaround in H2

Latin America

- Business stabilisation in H2
- Exsa performing in line with plan
- Significantly reduced coal production in Colombia
- Demand in Chile impacted by strikes
- Increased demand in Peru - largely entry level products
- Higher sea freight costs and unfavourable FX

Europe, Middle East & Africa

- Improved market conditions in H2
- H1 AN volumes impacted by reduced mining, tunnelling and construction activity in Europe and Middle East
- Cyanide impacted by shipment delays to Africa
- Lower EBIT from higher sea freight costs and unfavourable FX

Refer slides 44 to 48 for detail

Orica Monitor result up 50% and Minova has delivered to plan

Orica Monitor

- >50% increase in EBIT on the pcp
- Strong growth in demand for monitoring products and services; both in radar sales and recurring revenue
- Positive growth from new product, Velox
- Celebrated 20-year anniversary of GroundProbe
- Efficiency and cost control at Nitro Consult
- Launch of MonitorIQ

Minova (held for sale)

- Customer growth from increased demand, notably in Canada
- Partially offset by weaker thermal coal production in Australia Pacific and the Americas
- Reduced overhead costs
- Remains EBIT and cash flow positive

Refer slide 49 for figures

Financial Performance

CHRISTOPHER DAVIS, CHIEF FINANCIAL OFFICER

Results strengthened in the second half after a challenging start to the year

Year ended September ($M)	2021[1]	2020 Restated[1,2]	Change
Sales revenue	5,682	5,611	1% ▲
Underlying EBITDA[3]	796	946	(16%) ▼
Underlying EBIT[4]	427	614	(30%) ▼
Underlying NPAT[5]	208	299	(30%) ▼
Individually significant items after tax	(382)	(217)	(76%) ▼
Statutory net profit / (loss) after tax	(174)	82	-
Return on net assets (RONA) – continuing operations[6]	8.1%	11.8%	(3.7pts) ▼
Earnings per share before individually significant items (cents)[7]	51.2	75.6	(24.4cps) ▼
Total dividend per share (cents)	24.0	33.0	(9.0cps) ▼

1. Includes discontinued operation (Minova) which is held for sale, apart from Return on net assets
2. Restated to reflect application of IFRIC Interpretation Configuration or Customisation Costs in a Cloud Computing Arrangement
3. EBIT before individually significant items plus depreciation and amortisation expense
4. Equivalent to profit/(loss) before financing costs and income tax disclosed in Note 1(b) within Appendix 4E – Preliminary Final Report
5. Equivalent to profit after income tax expense before individually significant items attributable to shareholders of Orica Limited disclosed in Note 1(b) within Appendix 4E – Preliminary Final Report
6. 12 month EBIT/Rolling 12 month Average Operating Net Assets where Operating Net Assets = Property, Plant & Equipment, Intangibles, Equity Accounted Investees and working capital excluding environmental provisions, excluding Minova which is held for sale
7. Refer to Note 2 of Appendix 4E – Preliminary Final Report

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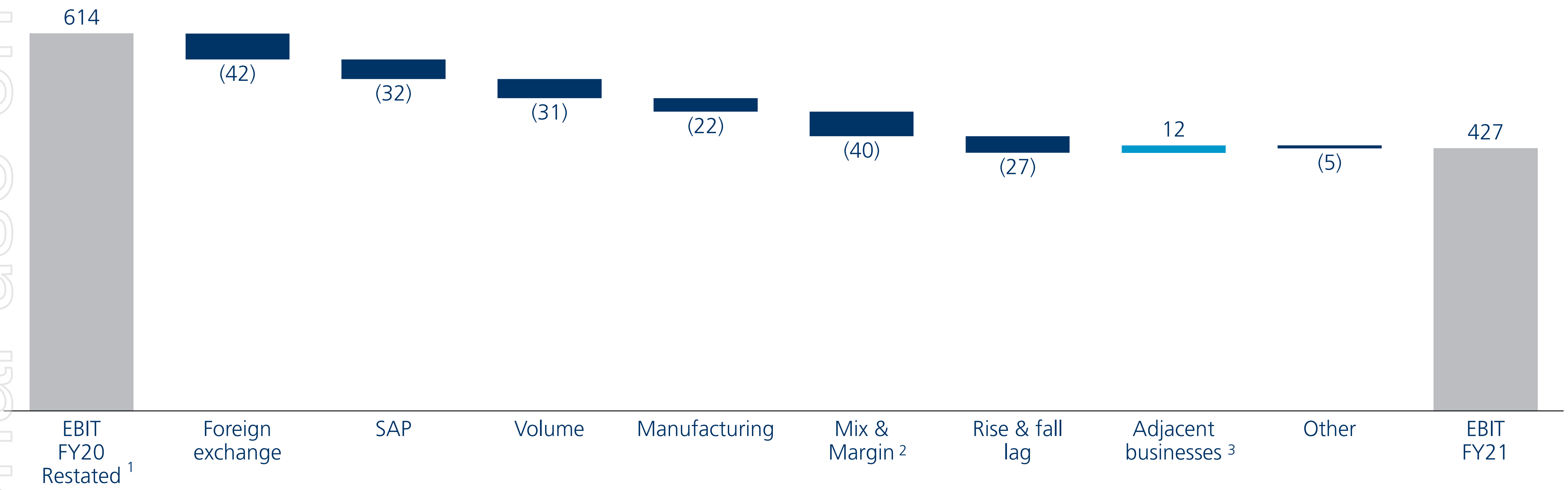
Cash positive net impact from individually significant items

Year ended September ($M)	**Gross** (before tax)	**Tax**	**Net** (after tax)
Gain on sale of land	112.4	5.7	118.1
Operating model restructuring	(47.0)	13.2	(33.8)
Environmental provision expense	(39.3)	11.8	(27.5)
EMEA goodwill impairment	(162.4)	-	(162.4)
Pilbara impairment	(317.6)	41.0	(276.6)
Total individually significant items	**(453.9)**	**71.7**	**(382.2)**

EBIT BRIDGE

Significantly improved second half performance

Orica Group EBIT FY20 to FY21 ($M)



1. Restated to reflect application of IFRIC Interpretation Configuration or Customisation Costs in a Cloud Computing Arrangement
2. Includes non-repeat of carbon credits in Canada and higher freight costs
3. Comprises Orica Monitor and Minova

CAPITAL EXPENDITURE

Manufacturing plant turnarounds executed as planned and Burrup rectification works complete

Total capital expenditure at lower end of expected range, reduced on the pcp following completion of Burrup rectification works.

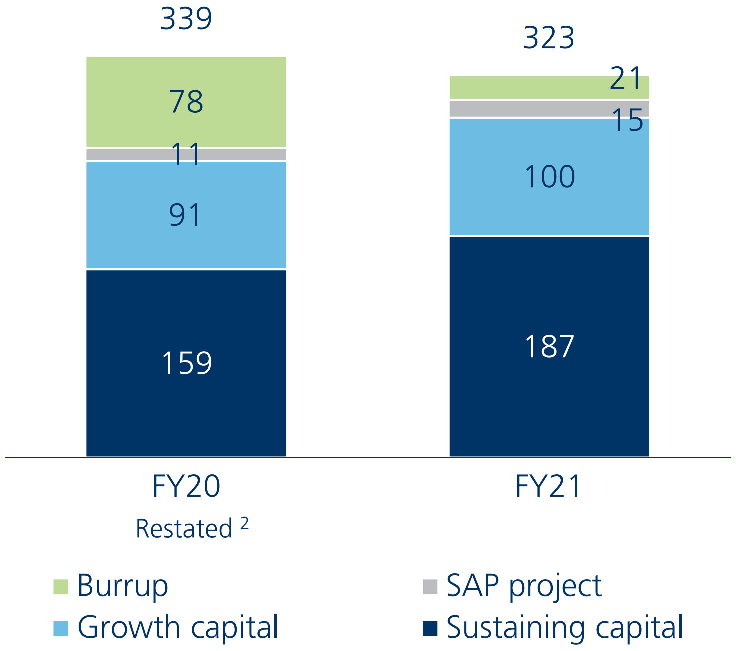
Growth

- Increased spend to support customer growth particularly in Brazil, Africa and the CIS
- Investment in supporting new technology ramp up, particularly in Canada and Australia
- Includes growth capital for Exsa

Sustaining

- Higher sustaining capital in Australia from planned maintenance turnarounds in first half:
  - Kooragang Island AN
  - Yarwun cyanide
  - Yarwun AN
- Planned turnaround at Carseland, Canada commenced in August 2021 and completed in October 2021 including installation of tertiary catalyst abatement technology

Capital expenditure ($M) [1]

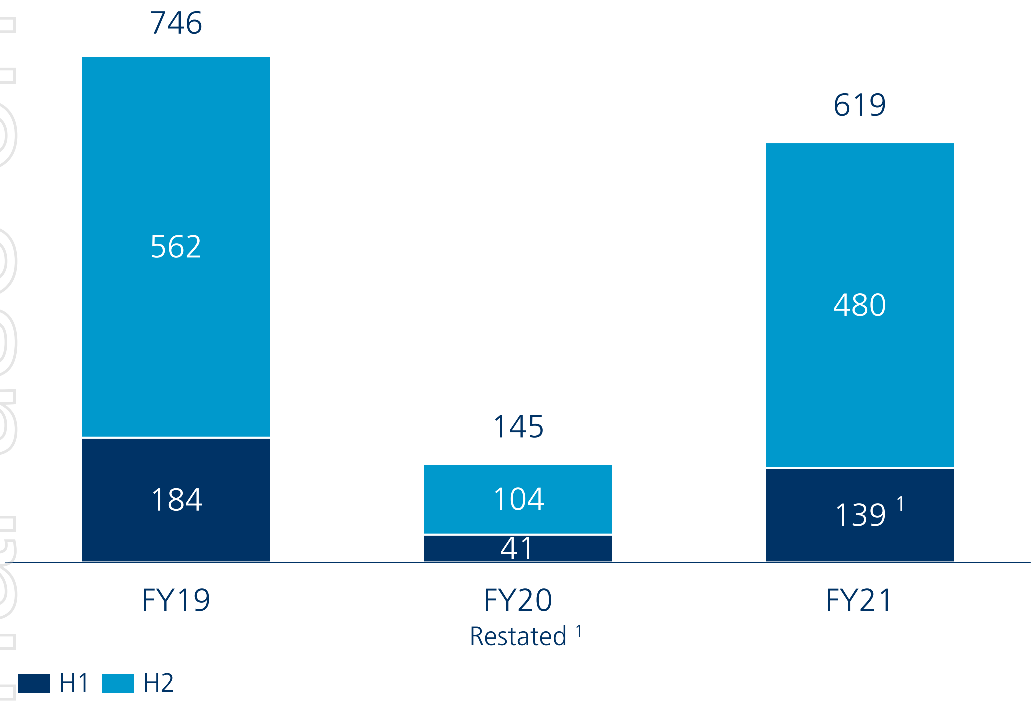


1. Excludes capitalised interest
2. Restated to reflect application of IFRIC Interpretation Configuration or Customisation Costs in a Cloud Computing Arrangement

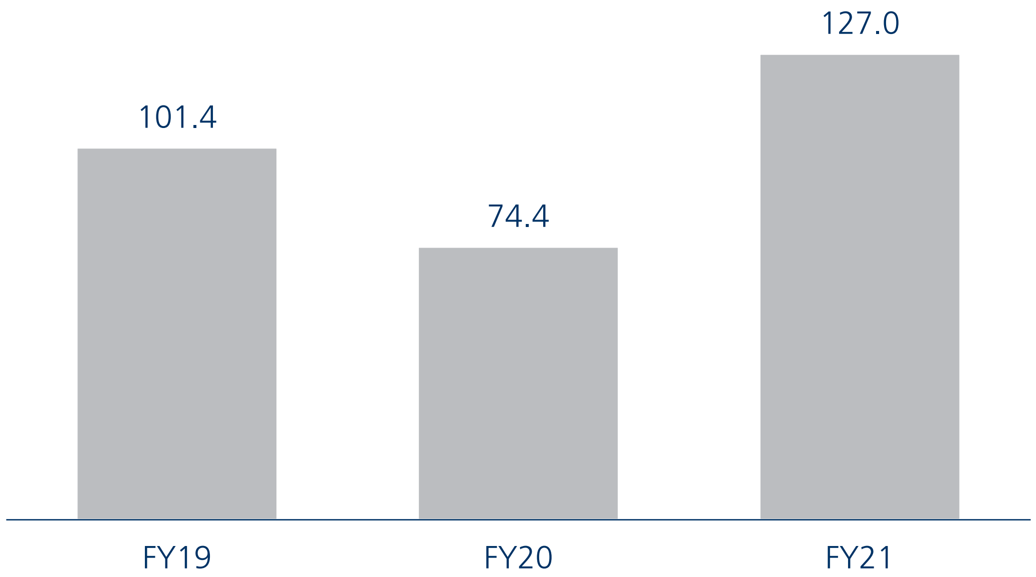
CASH FLOW

Strong operating cash flow and cash conversion sustained into second half

Net operating cash flow ($M)



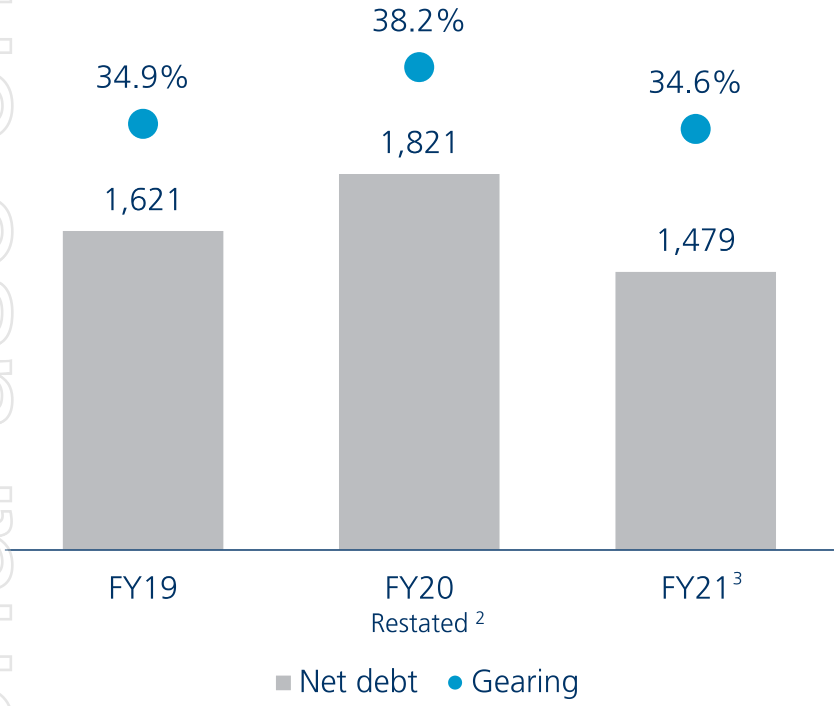
Cash conversion[2] (%)



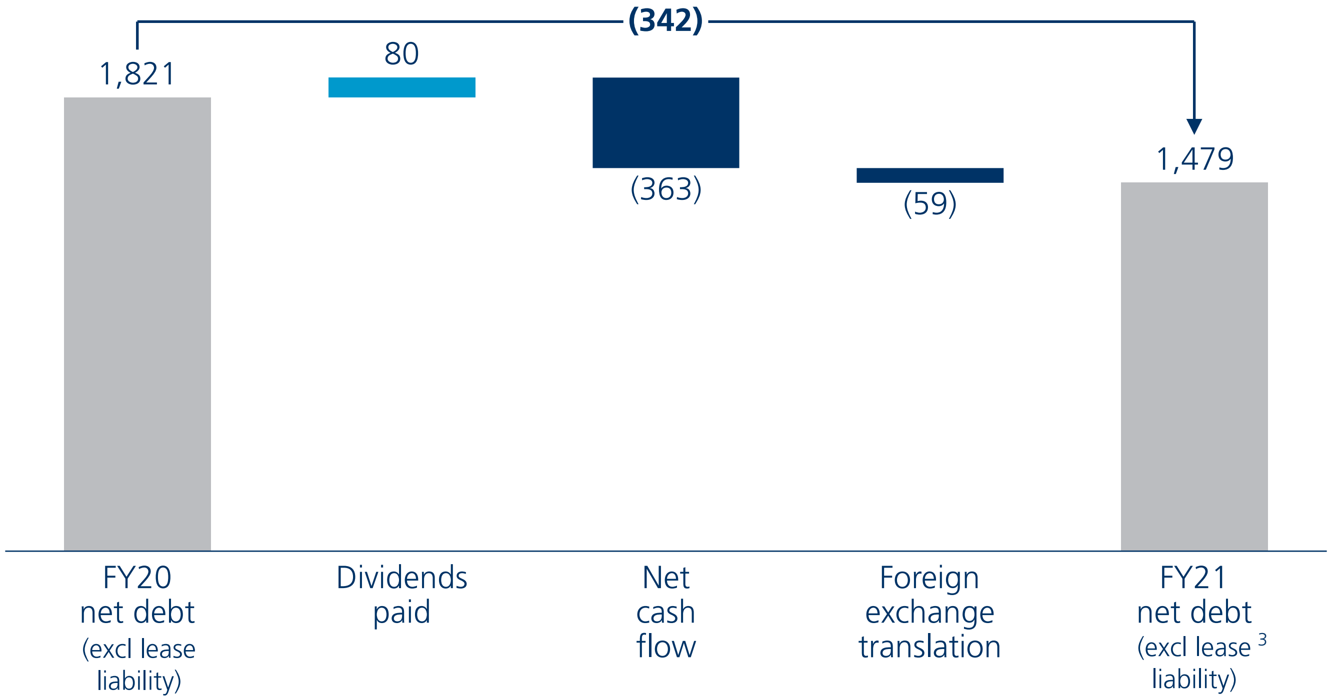
1. Restated to reflect application of IFRIC Interpretation Configuration or Customisation Costs in a Cloud Computing Arrangement
2. (EBITDA add / less movement in trade working capital, adjusted for acquisitions and disposals) / EBITDA

Reduction in net debt from strong cash generation and proceeds of land sales

Net debt[1] & gearing ($M, %)



Movement in net debt[1] ($M)



1. Excludes the impact of leases on net debt
2. Gearing restated to reflect application of IFRIC Interpretation Configuration or Customisation Costs in a Cloud Computing Arrangement
3. Net debt excludes $42 million of Minova cash

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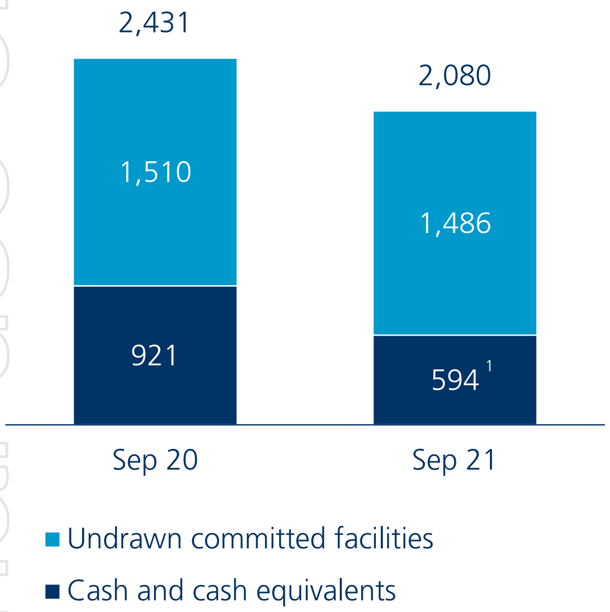
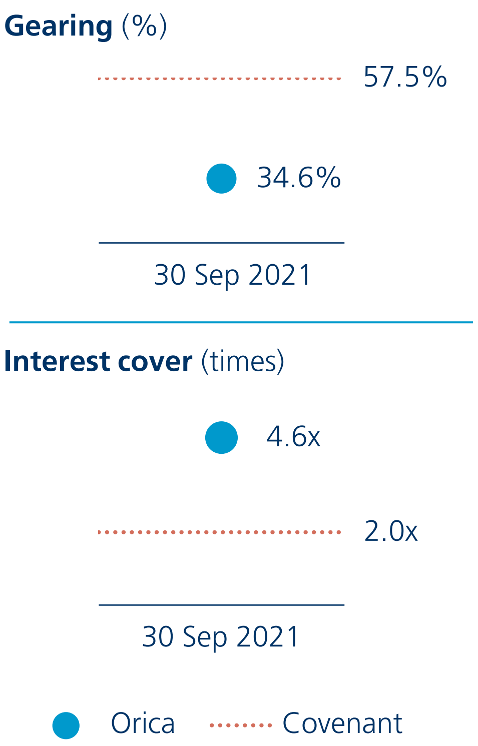
FINANCIAL POSITION

Balance sheet and liquidity profile

Available liquidity ($M)



Debt covenants[2]



- Cash and undrawn committed facilities provide liquidity of $2.1 billion
- Significant headroom to gearing and interest cover debt covenants
- Well distributed debt maturity profile[3], with limited near term refinancing requirements
- Average drawn debt tenor of 5.4 years
- Continued focus on balance sheet and cash preservation, including:
  - trade working capital performance
  - disciplined capital allocation
  - management of operational costs and discretionary spend
  - monetisation of non-core land holdings

1. US Private Placement bond maturity ($469 million) was repaid in Oct 2020. The year-on-year reduction in available liquidity is offset by a corresponding reduction in gross debt
2. Orica’s debt covenants exclude the impact of AASB 16 (Leases)
3. For debt maturity profile, refer slide 52

Strategy update

SANJEEV GANDHI, MANAGING DIRECTOR & CEO
CHRISTOPHER DAVIS, CHIEF FINANCIAL OFFICER

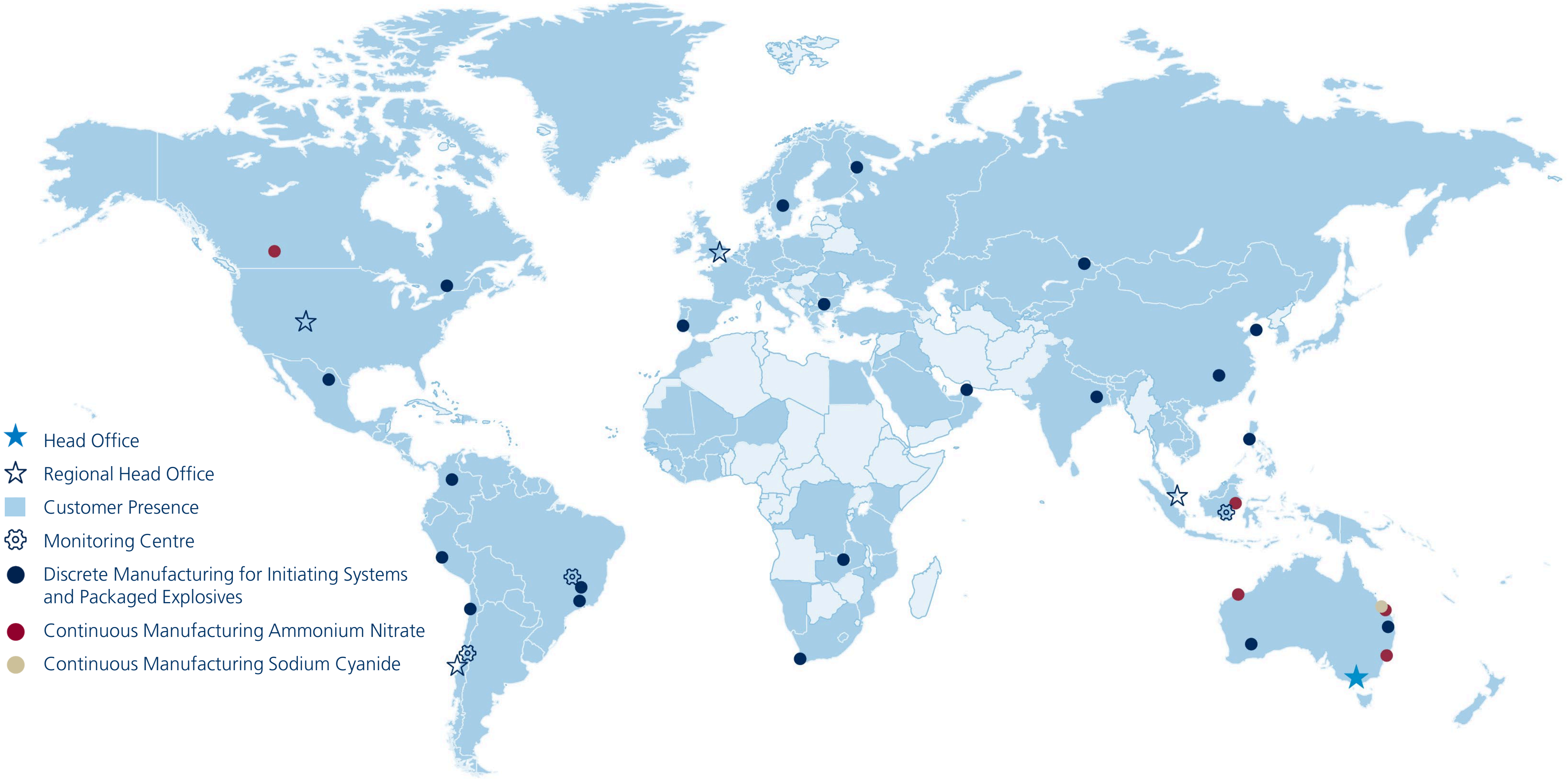
Orica's global reach creates a significant competitive advantage

13,000+ employees

148 years of expertise

Customers in more than 100 countries

6 continuous plants and 21 discrete plants



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Positioning Orica to deliver shareholder value

OUR PURPOSE

Sustainably mobilise the earth's resources

OUR VISION

To be the world's leading mining and infrastructure solutions company

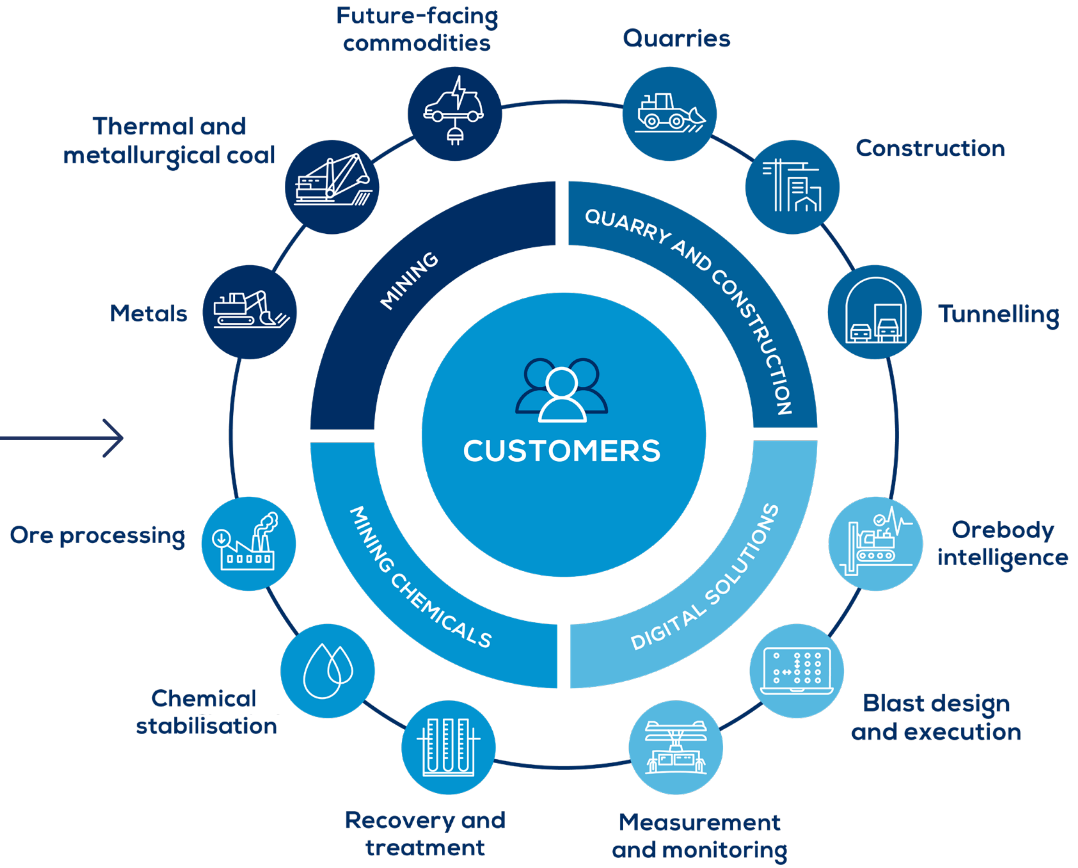
OUR STRATEGY

Deliver solutions and technology that drive productivity for our customers across the globe

HOW WE WILL WIN

- Smarter solutions
- Optimised operations
- Partnering for progress

WHERE WE WILL WIN



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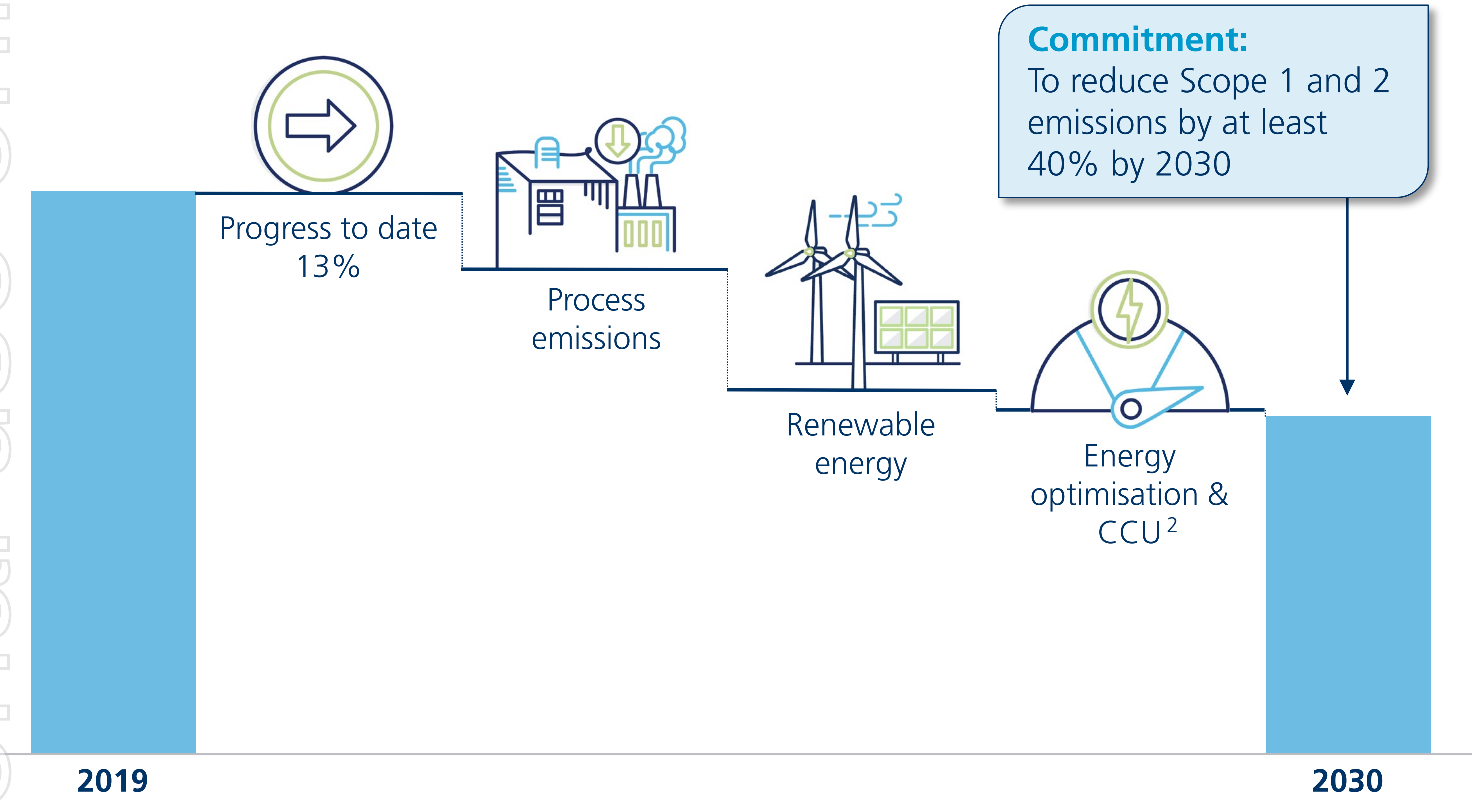
Progressing towards our existing commitment to reduce ≥40% scope 1 & 2 greenhouse gas emissions by 2030

Decarbonisation pathway towards 2030[1]



1. Prepared for illustrative purposes. Carbon offset purchasing is not envisaged to be required in achieving the commitment
2. Carbon Capture Utilisation

Process emissions

- Priority to reduce nitrous oxide emissions from chemical processes
- Tertiary catalyst technology deployed in Carseland, Canada
- Kooragang Island Decarbonisation Project planned for execution in late CY22

Renewable energy

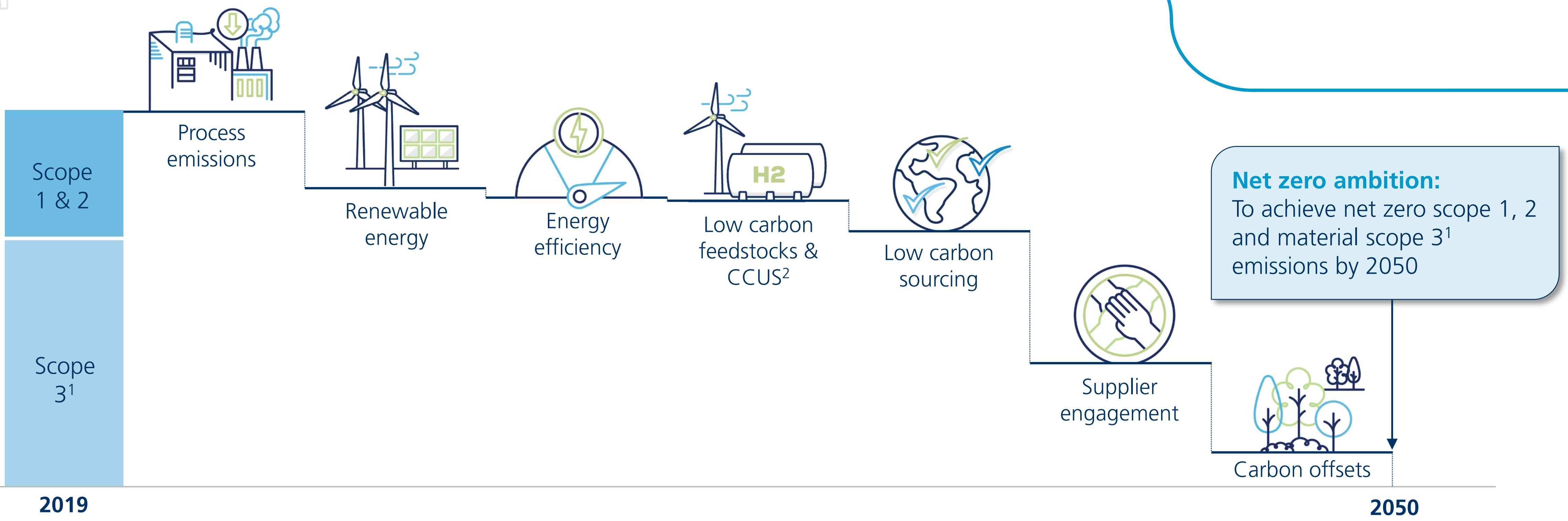
- Renewable electricity sourcing strategy underway

Energy optimisation and CCU[2]

- Ammonia manufacture emissions intensity improvement
- Supporting construction of mobile demonstration CCU[2] plant at Kooragang Island, due in FY23

Ambition to achieve net zero emissions by 2050[1], building on our 2030 commitment

Ambition to achieve net zero greenhouse gas emissions by 2050[1]



1. Covers our global Scope 1 & Scope 2 emissions under Orica's direct control, and material Scope 3 emission sources. Material means the greenhouse gas (GHG) emissions embodied in purchased ammonia and ammonium nitrate included in the Scope 3 reporting category of purchased goods and services. These comprise around two-thirds of Orica's Scope 3 emissions footprint. Achieving this ambition will require effective government frameworks, supportive regulation and financial incentives, and access to new low-carbon technologies operating at commercial scale.
2. Carbon Capture Utilisation and Storage

WHERE WE WILL WIN – FOUR BUSINESS VERTICALS

Our approach will focus on four business verticals

Mining vertical

Metals | Thermal and metallurgical coal | Future-facing commodities

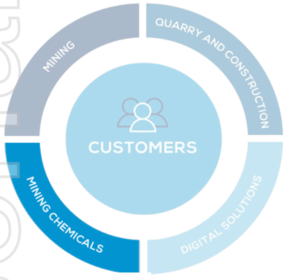
- Blasting in mining at the core of our business
- Future-facing commodities growing ahead of GDP
- Building momentum from our industry-leading suite of blasting technology and solutions
- Unlocking value across the manufacturing network

Quarry and construction vertical

Quarries | Construction | Tunnelling

- Leading player in the growing quarry and construction sector
- Well positioned to capture opportunities in both mature and developing Q&C markets

Mining chemicals vertical



Ore processing | Chemical stabilisation | Recovery and treatment

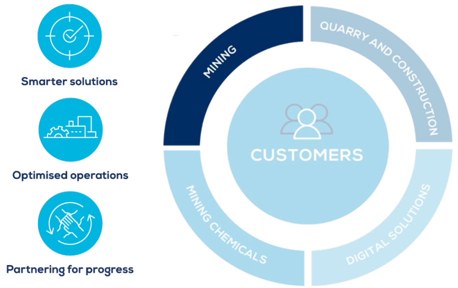
- Growing in mining chemicals, building on our world-class manufacturing facilities

Digital solutions vertical

Measurement and monitoring | Blast design and execution | Orebody intelligence

- Rapid acceleration of value-add offerings beyond blasting, moving towards design for outcome

Blasting in mining remains at the core of our business



Maximising outcomes for the core of the business by:

Focusing on growing commodity markets
- Proactive approach to leveraging market trends
- Diversified commodity exposure

Accelerating penetration from both core and new flagship technology
- Increasing efficiency, productivity, safety and sustainability outcomes

Unlocking value in the manufacturing network
- Optimising operations via a capital light strategy
- Leveraging our global network to make and buy

Overview
- Industry-leading suite of blasting technology and solutions
- Strong presence in future-facing commodities especially copper and lithium
- Successful integration of Exsa

Market outlook
- Strong recovery in commodity production
- Increasing electrification megatrends
- Demand continues to grow for blasting technology

Opportunity
- Accelerate commercialisation of novel blasting technology
- Continue to grow in future-facing commodities
- Exercise pricing discipline and margin management
- Optimise manufacturing and supply chain

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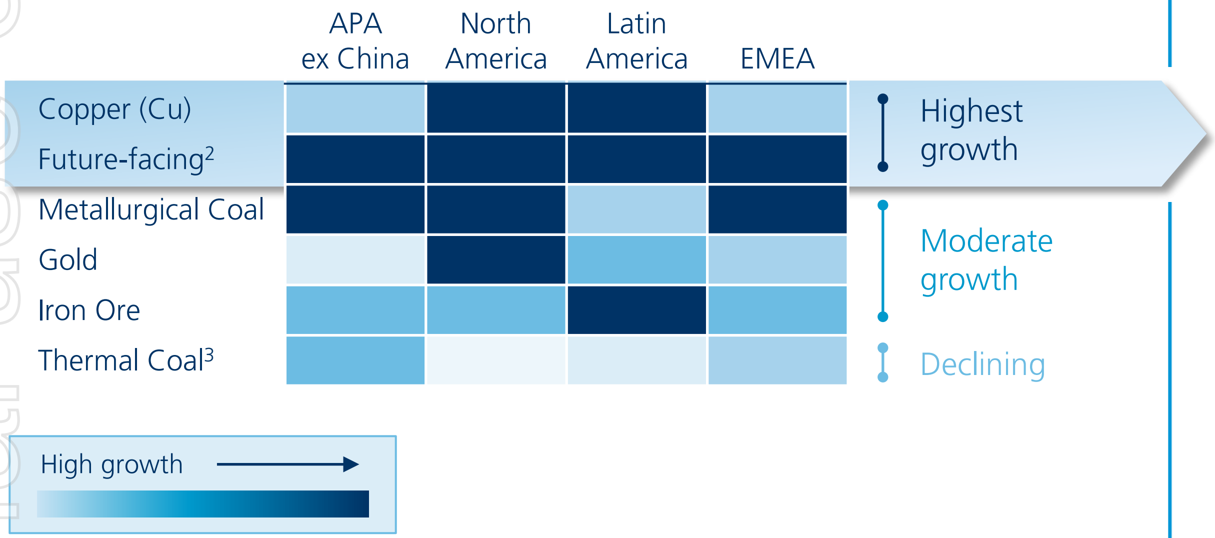
Bulk commodities continue to drive demand growth, future-facing commodities growing ahead of GDP

Focusing on growing markets

Regional commodity outlook to 2030[1] (Material moved)



1. Excluding Quarry and Construction; Source: Orica analysis October 2021
2. Includes nickel (Ni), lithium (Li), cobalt (Co), zinc (Zn), potash, phosphate rock
3. Surface coal only

Sustainability and electrification megatrends

eMobility

Increased use of lightweight vehicles and transition from fuel to batteries

Cu | Li | Ni | Co

Renewable energy

Shift away from fossil fuels, and expansion of energy networks / storage

Cu | Ni | Zn | Iron ore

Opportunities for Orica:

- Build on leading market share in these sectors
- Target growth markets while diversifying commodity exposure
- Expand digital and monitor offering via the Digital business vertical
- Benefit from partnerships, e.g. Alpha HPA Limited
- Growing food demand driving increase in potash and phosphate needs

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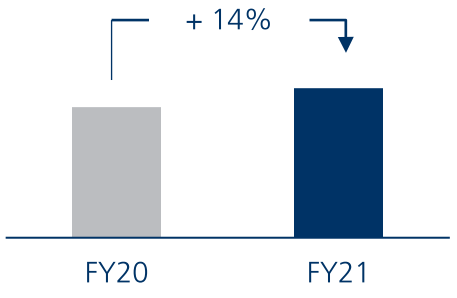
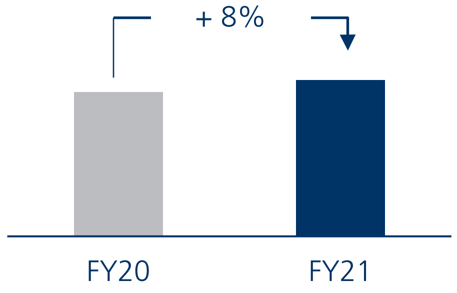
Building momentum from our industry-leading suite of blasting technology and solutions

Core premium blasting technology

Electronic Blasting Systems
(K UNITS)



Premium emulsion
(KT)



Flagship new technology

- Real-time matching of explosives energy to geology changes, with widest range in industry
- Can be delivered in both pumped and augered modes
- Integrated with design tools, training, consulting, digital reporting, measurement - refined through the foundation customer model
- Presents cross selling opportunities
- Trials completed in FY21, ready for commercialisation

- Initial trials of second generation WebGen™ 200 completed
- Improved safety and productivity; broader application; lower cost
- Commercially available from December 2021

- Avatel™ prototype undergoing trials in partnership with Epiroc
- Semi-automated explosives delivery system; innovative charging solution for underground applications
- Enabled by WebGen™ ; eliminates risk from wired connections, driving a step-change in safety and productivity

Leveraging over 200 sites where Orica digital solutions have been implemented

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Unlocking value across the manufacturing network

Continuous manufacturing optimisation

Kooragang Island (KI) and Yarwun

- Exploring options for lower carbon feedstock, including imported green ammonia
- Approval process commenced to build a 30k tonne ammonia storage tank at KI
  - providing capacity to flex between ammonia manufacture and import depending on market conditions
  - allowing cost effective import and export using larger shipping vessels
- Flexibility for future operations to ensure the KI site's long-term sustainability

Plant utilisation

- Maintain all continuous manufacturing plants at OEE of >85%
- Burrup to produce at nameplate capacity

Plant debottlenecking

- Exploring low-cost debottlenecking as required

Discrete network optimisation

- Progressing towards 30% increase in global EBS capacity to service higher demand
- Lurin plant continuing to drive manufacturing synergies; resulted in closure of Minden and Tappen sites
- Consolidated supply sources to enable reduced shipping complexity
- Focus on security of supply and lead time reductions due to challenging logistics
- Optimising the packaged emulsion plant network
  - standardising production offerings
  - increasing utilisation

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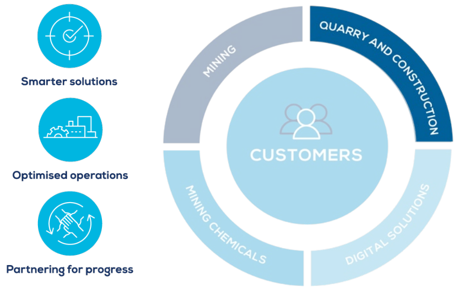
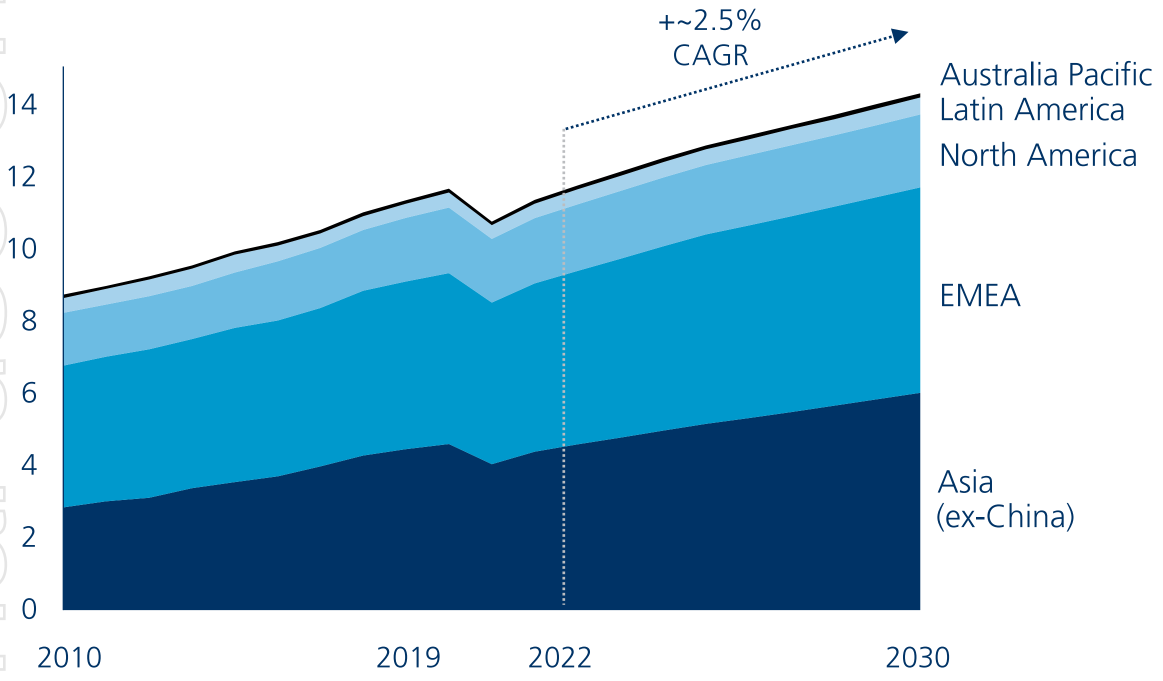
Leading player in the growing quarry and construction sector



Global (ex-China) quarrying material moved[1]
(BILLION TONNES)



1. Source: Orica analysis October 2021

Overview

- Leading global player in a fragmented market
- Market leader in tunneling drill and blast solutions

Market outlook

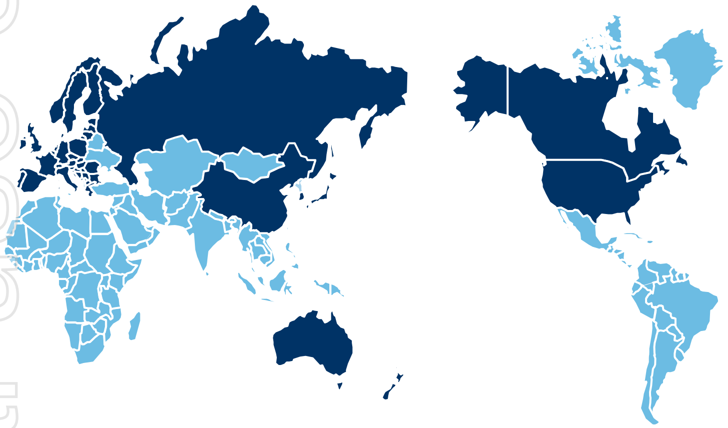
- Strong tailwind from government infrastructure stimuli in multiple jurisdictions
- Ongoing organic growth in developing countries experiencing infrastructure build-out

Opportunity

- Continue to position Orica for success in mature markets through differentiated value proposition
- Benefit from growth opportunities in developing economies, in particular high-growth economies where Orica has a low presence
- Leverage our expertise and global footprint

Well positioned to capture opportunities in both mature and developing Q&C markets

Approach dependent on maturity level of quarry and construction markets



Mature Q&C markets

Developing Q&C markets

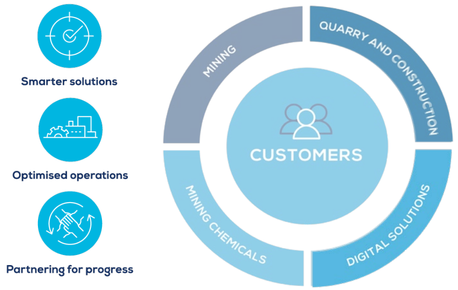
Mature Q&C markets

- Orica continues to grow in the Q&C sector in mature economies such as Canada, USA and the Nordics
- Positioned to benefit from potential European market consolidation
- High safety standards, best in class technical support and product quality
- Differentiated value proposition, including:
  - cost competitiveness
  - local presence
  - development of Q&C-focused technologies and solutions

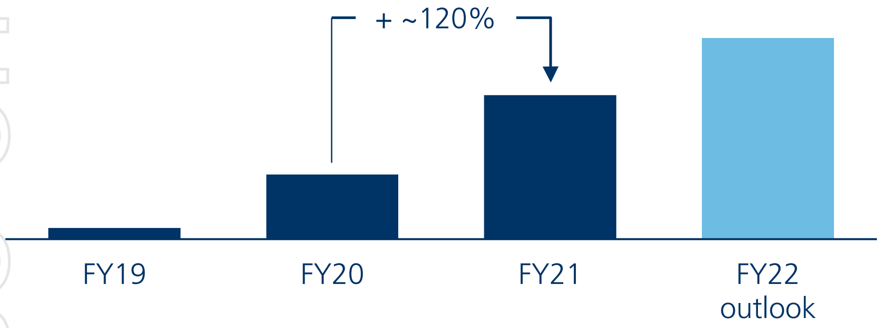
Developing Q&C markets

- Significant upside in developing Q&C markets
- Strong track record in many developing Q&C markets (e.g. Malaysia and Philippines)
- Differentiated value proposition and business models to effectively serve different customer segments in emerging markets
- Leverage technical and operational discipline and local presence to become the partner of choice

Rapid acceleration of value-add offerings beyond blasting



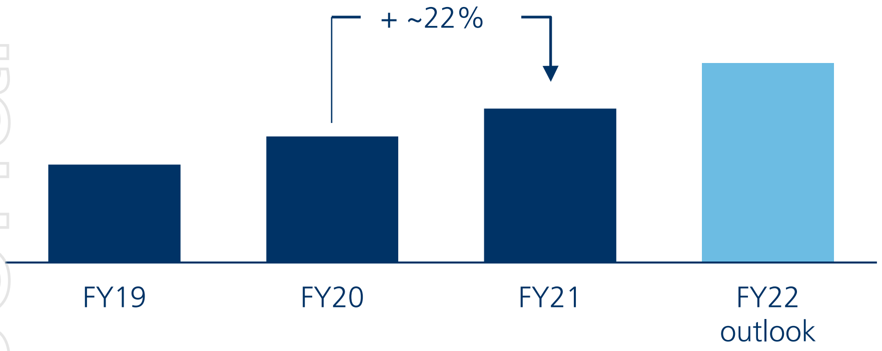
Digital solutions (Sites implemented)



Potential to grow

5x
from FY21

Monitoring solutions (Recurring >12 month contracts)



Potential to grow

3x
from FY21

Overview

- Fastest growing vertical with customers more than doubled in FY21
- Successful acquisitions, e.g. GroundProbe
- Leading player in monitoring solutions

Market outlook

- Increasing penetration of end-to-end mining technology solutions that drive productivity
- Heightened focus on safety and sustainability

Opportunity

- Business model with high-quality recurring revenue and high customer retention
- Broaden offering beyond blasting to end-to-end mining value chain
  - new solutions driving multi-site, multi-product revenue
  - discrete product sales via end-to-end integrated workflow solutions
- Continue to drive innovative monitoring solutions

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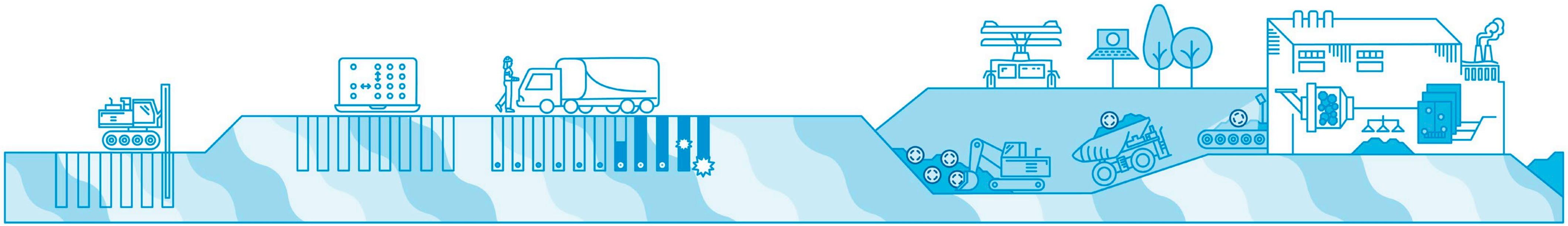
DIGITAL SOLUTIONS VERTICAL – ACROSS THE MINING VALUE CHAIN

Moving beyond blasting to design for outcome



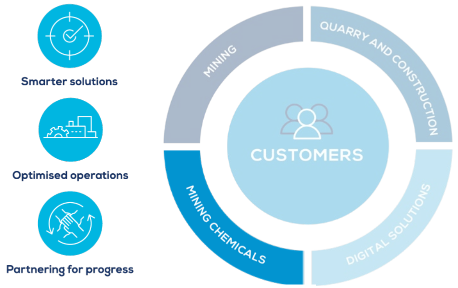
Orebody intelligence | Design and model | Blasting | Measure and monitor | Ore processing

Value add	Enhanced orebody knowledge	Outcome-based blasting templates	High quality downstream measurement	Real-time measuring and monitoring geohazards	Real-time traceability	Connecting orebody to downstream processing
Orica solutions	RHINO™ Hopper Industrial Group RIG Technologies International	Advanced Vibration Management BLASTIQ SHOTPlus LOADPlus	FRAGTrack ORETrack	GroundProbe MonitorIQ	OrePro 3D	IES
	High resolution real-time sub-grade information to improve grade models	Cloud-based platform for blast design, control, and information management	Automated ore and fragmentation data capture and reporting	Accurate measurement and monitoring of amount, shape and degree of movements to detect collapses	Predictive model to determine ore and waste boundaries post- blast	End-to-end simulation and optimisation; cloud-based platform

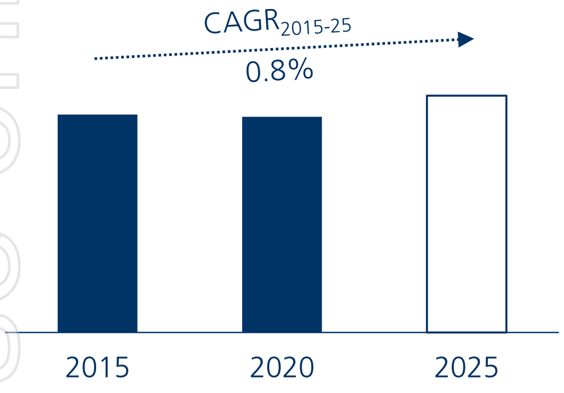
Collaboration with Microsoft delivering industry's open and secure common data platform

ORICA

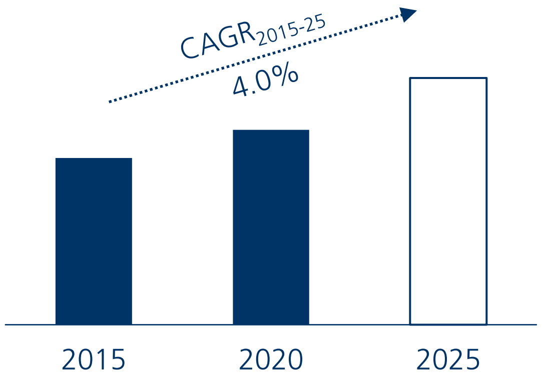
Grow mining chemicals, building on our world-class manufacturing facilities



Global gold ore treated[1] (MT)



Global cyanide demand[2] (KT)



Ore processing

Cyanide supply into >80 gold mines

Global network of sparge distribution systems

Chemical stabilisation

Deer Park emulsifier manufacturing plant

North American emulsifier production partnership in Parrish, AL

Recovery and treatment

Technology-driven gold leaching prediction and analysis capability

Overview

- Leading cyanide supplier
- Cyanide safety and security of supply through Orica's extensive supply chain network and safer sparge transport technology
- Leading manufacturer of explosives emulsifiers
  - Critical enabler for Orica's bulk products

Market outlook

- Cyanide volumes to recover from recent lows, growing faster than gold production
- Decreasing grade and increasing ore complexity

Opportunity

- Drive volume growth across all product categories
- Establish partnerships to underpin long-term growth
- Explore inorganic growth opportunities

1. Primary gold mines only; Source: Wood Mackenzie Q3 2021 and Orica analysis October 2021
2. Source: Orica analysis October 2021

Success of the refreshed strategy underpinned by continuous improvement in cost efficiency

Recap of cost-focused initiatives

- Ongoing cost reduction
- Leveraging SAP to drive improved margins
- Review of geographic presence
- Continuing non-core land sales
- Discrete network optimisation

Initiatives to more than offset inflation

Leveraging specialised teams to drive efficiencies and enhanced outcomes

Centres of Excellence

- Strategically located where Orica has existing operational presence
- Proven results from completed rollouts; enhanced, cost effective output
- Multi-lingual talent supporting Orica's global operations
- Standardised services driving global efficiency

Team	Location	Status
Finance Transactional Services (inc. AP/AR)	Philippines	Complete
IT Services Hub	Philippines	Complete
Global People Services Hub	Philippines	Complete
Procurement Hub	Philippines	In Progress
Digital Immersion Centre	Australia	In Progress
SAP Support Hub	India	In Progress
Analytics (Strategy and M&A)	Philippines	In Progress
Finance Reporting and Analysis	Philippines	Planning Phase

CAPITAL MANAGEMENT FRAMEWORK

Orica's strategy is underpinned by a disciplined approach toward capital management

Strong cash generation

Working capital efficiency

Asset efficiency

Maintaining an investment grade credit rating

Preserving the flexibility for investment alternatives and to respond to changes in the external operating environment

Maximising returns to shareholders

Prioritised capital allocation for safety, environmental and asset maintenance

Growth capital subject to RONA hurdles and prioritisation by return

Strategic initiatives including acquisitions and divestments

Dividend payout ratio targeted at 40% to 70% of underlying earnings

ORICA

A clear pathway towards profitable growth and value creation for our stakeholders

0 – 3 years

- Pursue organic growth from the core
- Accelerate adoption of innovative blasting technologies and digital solutions, both upstream and downstream
- Optimise manufacturing and supply chains
- Grow presence in future-facing commodities
- Diversify portfolio by increasing presence in quarry and construction markets, particularly in high growth economies
- Expand in high-growth mining chemicals markets

Supported by SAP system capabilities, ongoing pricing discipline and cost reduction focus

Financial targets

3-year average RONA 10% to 12%

Gearing between 30% and 40%

Dividend payout ratio between 40% and 70%

Annual capital expenditure between $340 and $360 million

Safety and sustainability targets

Ongoing

Zero fatalities

Serious Injury Case Rate < 0.14

Long-term targets

Commitment to reduce scope 1 & 2 greenhouse gas emissions by ≥40% by 2030

Ambition to achieve net zero scope 1, 2 and material scope 3 emissions[1] by 2050

1. Covers global Scope 1 & Scope 2 emissions under Orica's direct control, and material Scope 3 emission sources. Material means the GHG emissions embodied in purchased ammonia and ammonium nitrate included in the Scope 3 reporting category of purchased goods and services. These comprise around two-thirds of Orica's Scope 3 emissions footprint

2022 Outlook

SANJEEV GANDHI, MANAGING DIRECTOR & CEO

Improved performance from strengthened core and strategic initiatives

- Global commodity growth anticipated to continue, particularly in copper and gold; and in quarry & construction markets
- Subject to market conditions, FY22 EBIT expected to increase on FY21 EBIT from continuing operations:
  - Strong momentum in the final quarter of FY21, driving expectations for a stronger 1H22 than in the pcp
  - The result is expected to be weighted towards H2, reflecting greater manufacturing plant turnaround activity in H1
- Improvement in earnings attributable to:
  1. Volume growth, in line with global GDP growth
  2. Increased adoption of advanced technology offerings, particularly digital and monitoring solutions
  3. Key strategic initiatives driving supply chain efficiencies
  4. Sustainable overhead cost reductions, net of inflation
- Pricing discipline expected to broadly mitigate rising input costs and pass-through lag
- Capital expenditure expected to be within $340 million to $360 million; depreciation and amortisation up to 5% higher than the pcp
- Continuing focus on balance sheet and cash flow optimisation, with gearing expected to remain within stated range of 30 – 40%

Supplementary information

Explosives volumes

Year ended 30 September	2021 volumes			vs pcp [4]		
'000 tonnes	AN [2]	Emulsion products [3]	Total	AN	Emulsion products	Total
Australia Pacific & Asia	657	1,088	1,745	(6%)	2%	(1%)
North America	502	511	1,013	(6%)	4%	(1%)
Latin America [1]	246	683	929	18%	41%	34%
Europe, Middle East & Asia	42	364	406	20%	(12%)	(10%)
Total	**1,447**	**2,646**	**4,093**	**(2%)**	**8%**	**4%**

1. Includes 229k tonne increase on the pcp from Exsa
2. Ammonium Nitrate includes prill and solution
3. Emulsion products include bulk emulsion and packaged solution
4. Note some products have been reclassified from AN to emulsion in the transition to the new SAP system

SUPPLEMENTARY INFORMATION

Segment analysis

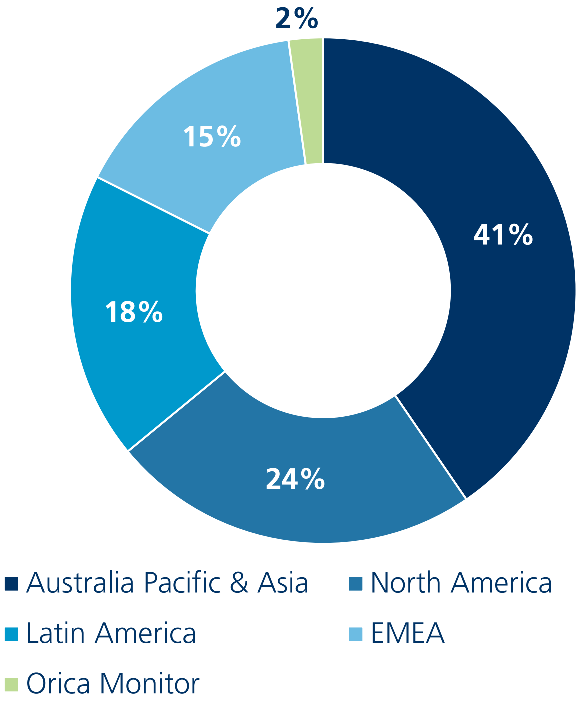
Year ended 30 September	2021		2020		Variance	
$M	External revenue	EBIT	External revenue	EBIT (restated) [1]	External revenue	EBIT
Australia Pacific & Asia	2,106	280	2,050	374	*3%*	*(25%)*
North America	1,230	108	1,260	165	*(2%)*	*(35%)*
Latin America	956	29	856	39	*12%*	*(25%)*
Europe, Middle East & Asia	801	25	883	64	*(9%)*	*(61%)*
Orica Monitor	115	31	94	20	*22%*	*51%*
Global Support	-	(68)	-	(69)	-	*2%*
Continuing operations	**5,208**	**405**	**5,143**	**593**	***1%***	***(32%)***
Minova (held for sale)	474	22	468	21	*1%*	*6%*
Total	**5,682**	**427**	**5,611**	**614**	***1%***	***(30%)***

1. Restated to reflect application of IFRIC Interpretation Configuration or Customisation Costs in a Cloud Computing Arrangement

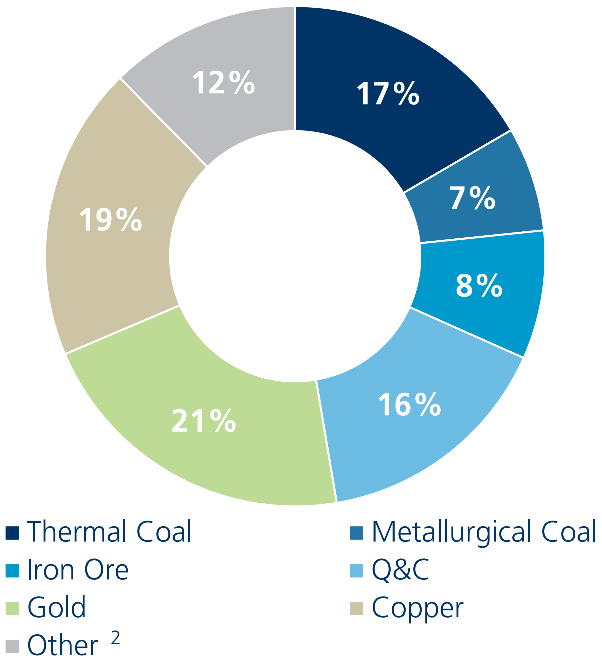
SUPPLEMENTARY INFORMATION

Diversified global business

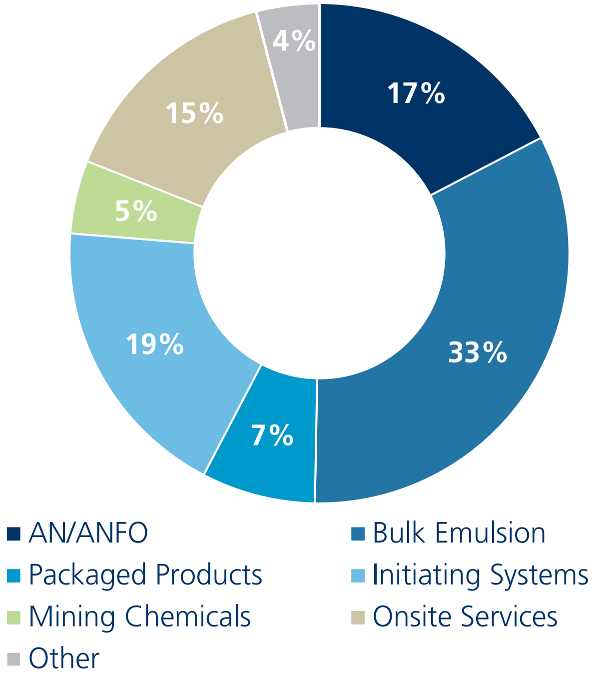
Revenue by region [1]



Revenue by commodity [1]



Revenue by product/service type [1]



1. Based on external sales, excluding Minova which is held for sale
2. Includes Orica Monitor external sales

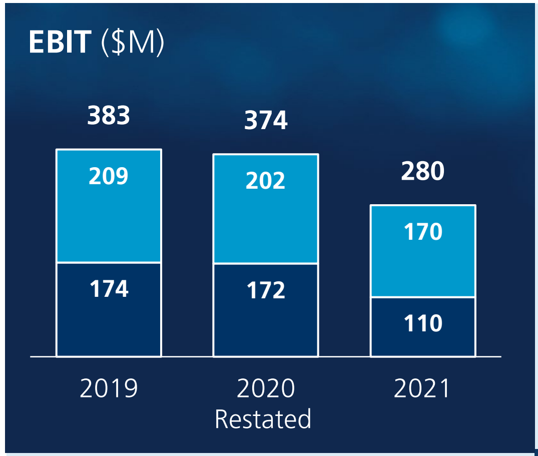
Australia Pacific & Asia

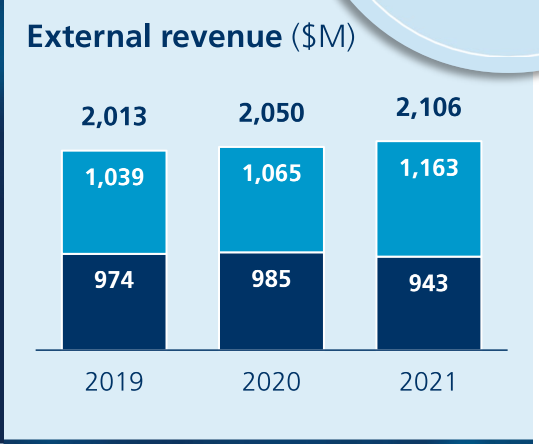
Market conditions

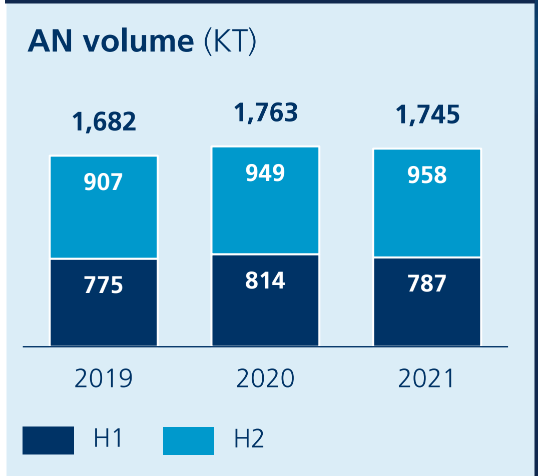
- Australian thermal coal exports lower in the first half due to China trade tensions, mitigated in second half by trade flows to other markets
- Strong iron ore and metallurgical coal demand and elevated commodity prices
- Rising ammonia prices, particularly in second half
- Stronger AUD compared to the pcp [1]

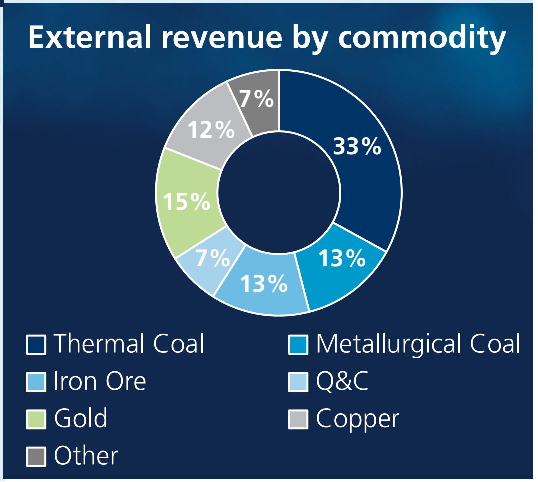
Segment performance

- Decline in high margin AN volumes on Australian East Coast in H1 partially offset by demand from Metals customers in the Pilbara and on the Australian East Coast
- Lower fixed cost recovery due to underloaded AN manufacturing plants in the first half
- EBIT impacted by lag in passing through rising input costs





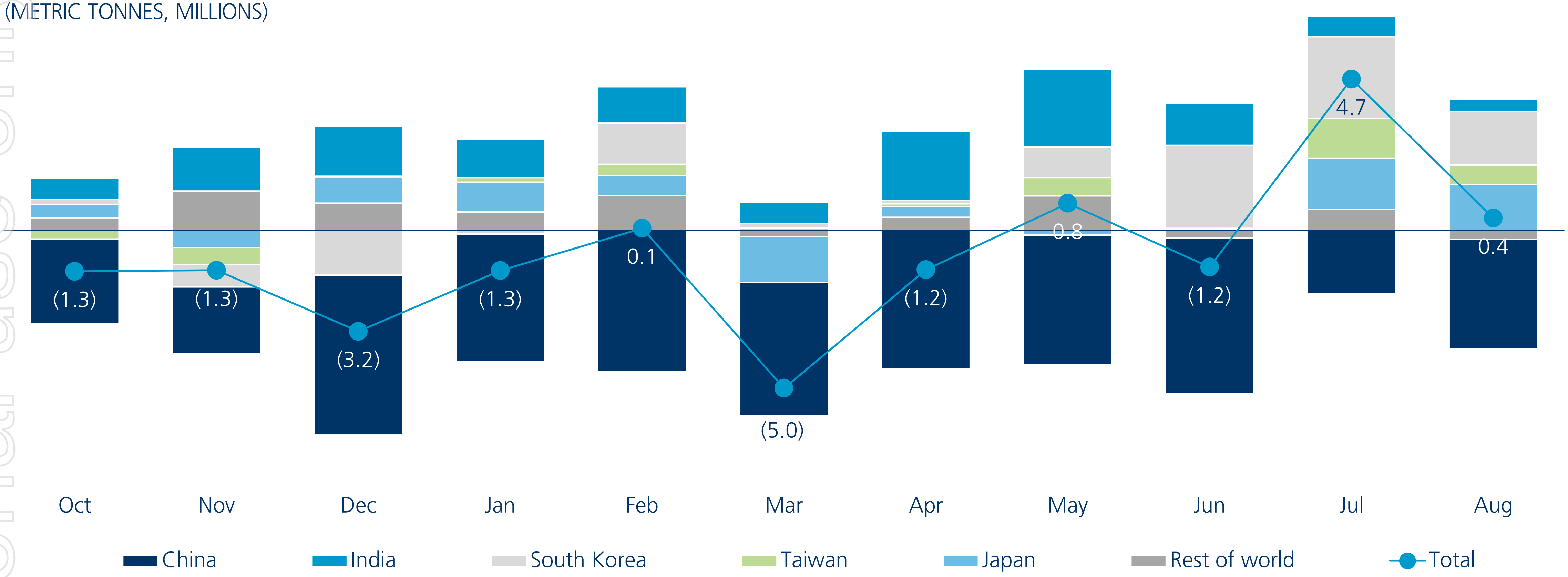




1. Refer slide 50 for detail on foreign exchange impact

Australian thermal coal exports

Trade flows of Australian thermal coal variance to pcp by import country [1]
(METRIC TONNES, MILLIONS)



1. Includes content supplied by IHS; Copyright © IHS, 2021. All rights reserved

SUPPLEMENTARY INFORMATION

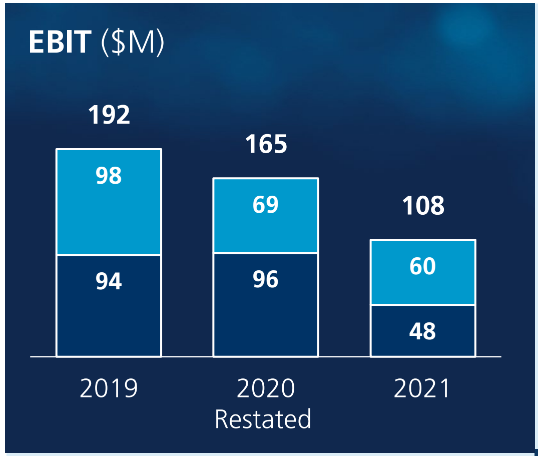
North America

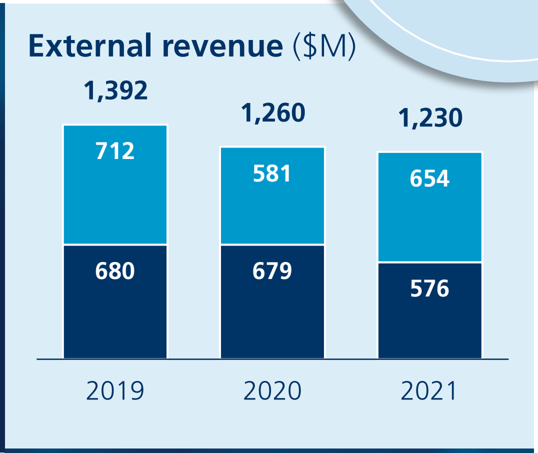
Market conditions

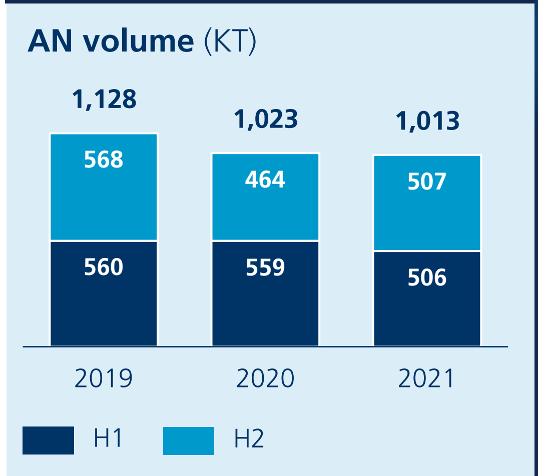
- Short term thermal coal demand strong in USA during summer
- Slow mine ramp ups in Mexico; challenging political and economic factors
- Labour shortages across all sectors
- Stronger AUD compared to the pcp [1]
- Recovery in Q&C sector

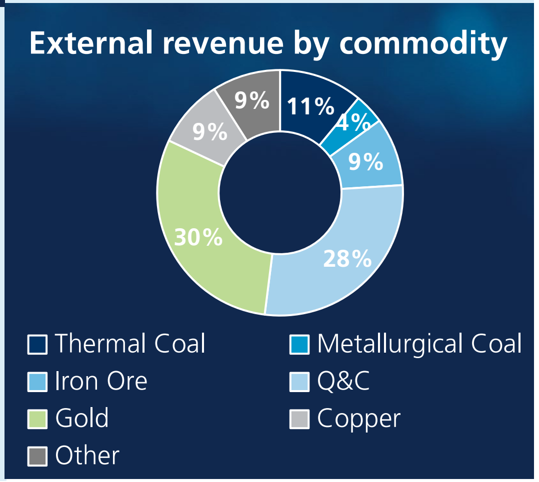
Segment performance

- Non-repeat of carbon credits in Canada impacting EBIT
- Higher sourcing costs due to incident at La Portada plant in H1 and turnaround at Carseland Plant in H2
- Carseland plant turnaround completed in October 2021 including installation of tertiary abatement technology









1. Refer slide 50 for detail on foreign exchange impact

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SUPPLEMENTARY INFORMATION

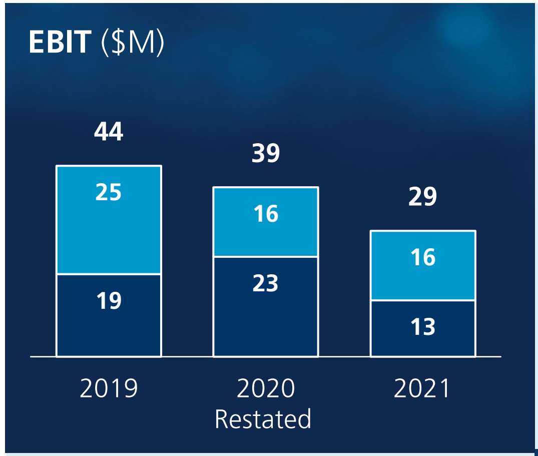
Latin America

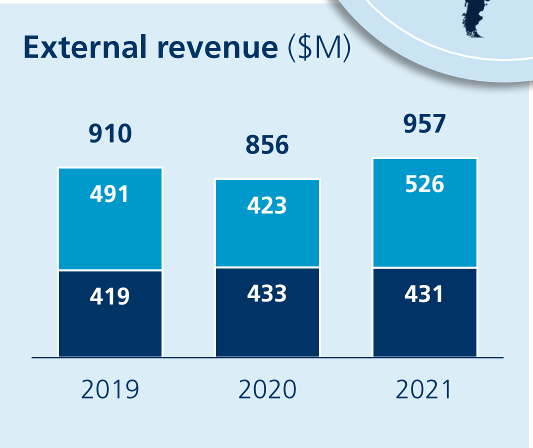
Market conditions

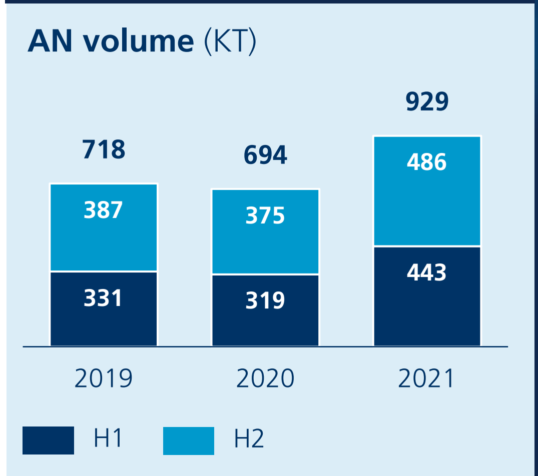
- Mining activity recovering, with the exception of Colombia
- Social unrest in Peru and strikes in Chile
- Increased sea freight costs
- Stronger AUD compared to the pcp [1]

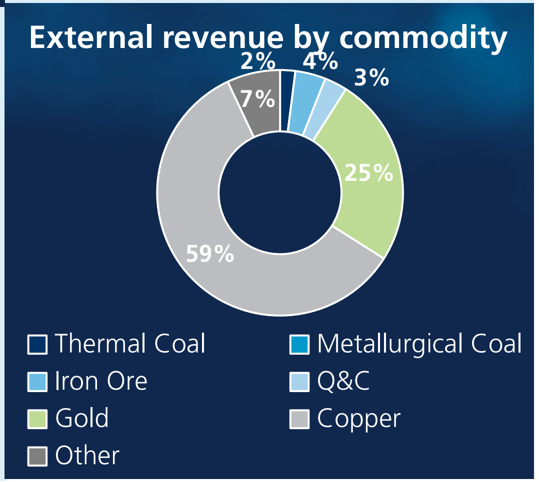
Segment performance

- Exsa full year result included; performing in line with expectations
- Colombia volumes significantly impacted by reduced coal production
- Temporary negative product mix in Peru, slightly improved in H2
- Higher logistics costs









1. Refer slide 50 for detail on foreign exchange impact

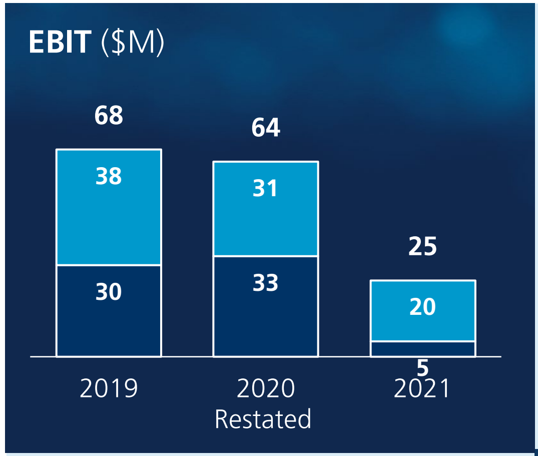
Europe, Middle East & Africa

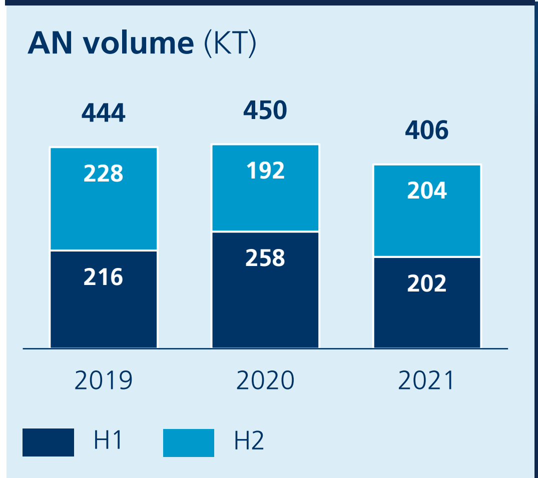
Market conditions

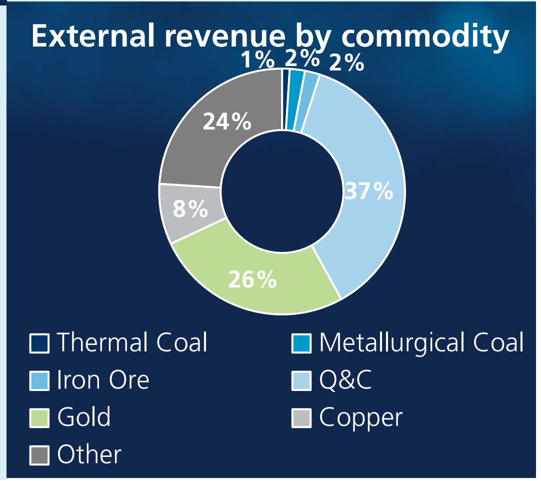
- Postponed infrastructure projects in Norway and the Middle East
- Quarantine requirements constraining mining in the CIS and Africa in H1
- Improving demand in H2, particularly in Africa
- Increased sea freight costs
- Stronger AUD compared to the pcp [1]

Segment performance

- Volume reductions in H1 impacting higher margin Europe and Middle East
- Cyanide volumes affected by shipment delays
- Demand shift in Africa in H1 towards lower margin productions and less services due to cost constraints
- Higher logistics costs







1. Refer slide 50 for detail on foreign exchange impact

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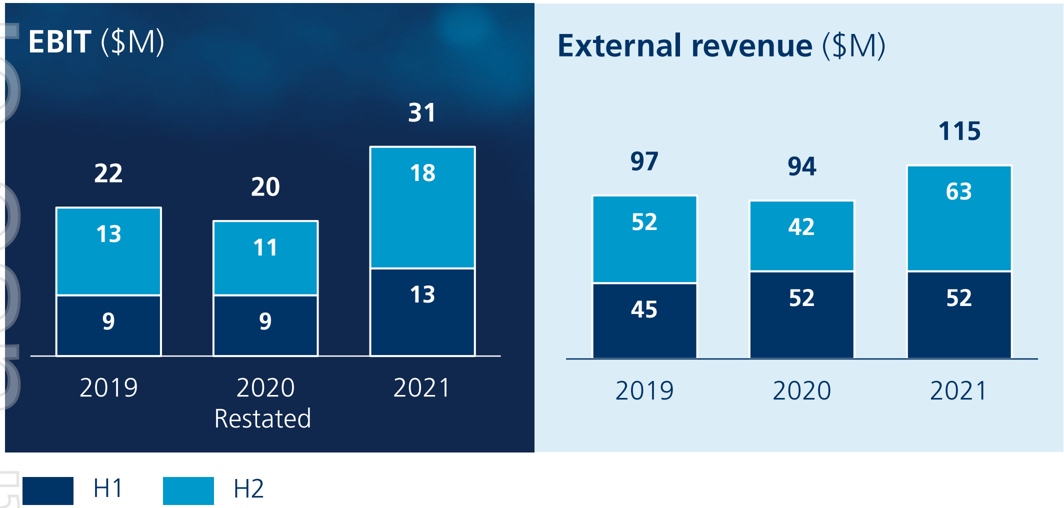
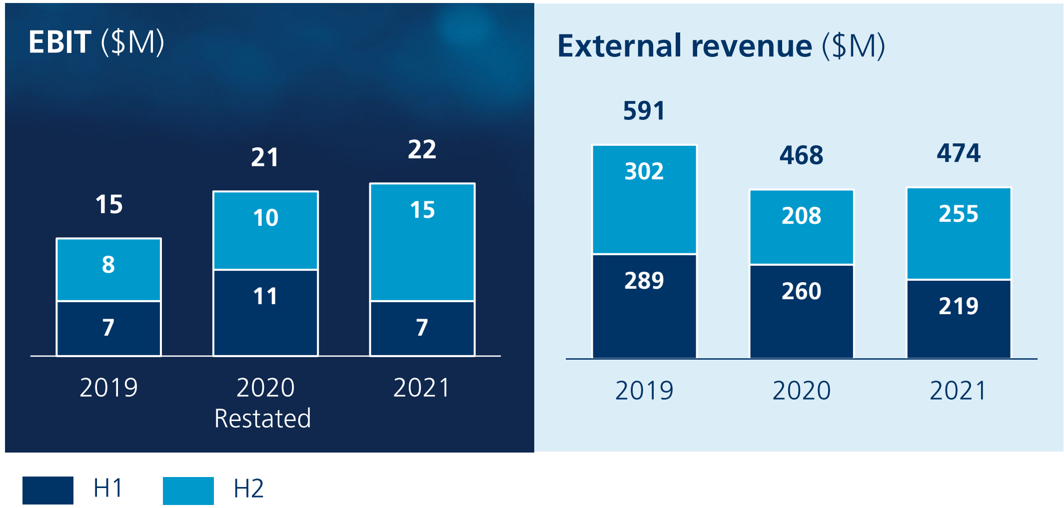
Adjacent businesses

Orica Monitor



Minova



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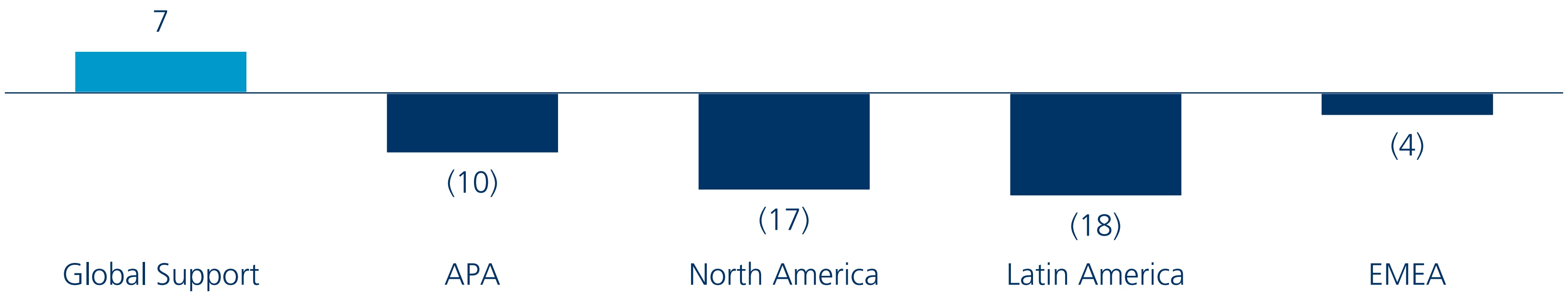
Foreign exchange translation

Basket of 44 currencies translated to Australian Dollar (AUD) earnings

Top 5 currencies by EBIT impact	FY21	FY20	Var		30 Sep 2021	30 Sep 2020	Var	
Currency		**Average rates**				**Spot rates**		
CAD – Canadian Dollar	0.9508	0.9110	▲	*4%*	0.9158	0.9559	▼	*(4%)*
USD – US Dollar	0.7522	0.6776	▲	*11%*	0.7176	0.7142		-
MXN – Mexican Peso	15.22	14.34	▲	*6%*	14.72	16.00	▼	*(8%)*
PEN – Peruvian Sol	2.8375	2.3289	▲	*22%*	2.9626	2.5699	▲	*15%*
RUB – Russian Rouble	56.10	46.93	▲	*20%*	52.29	56.38	▼	*(7%)*

FX translation vs pcp by region ($M) [1]

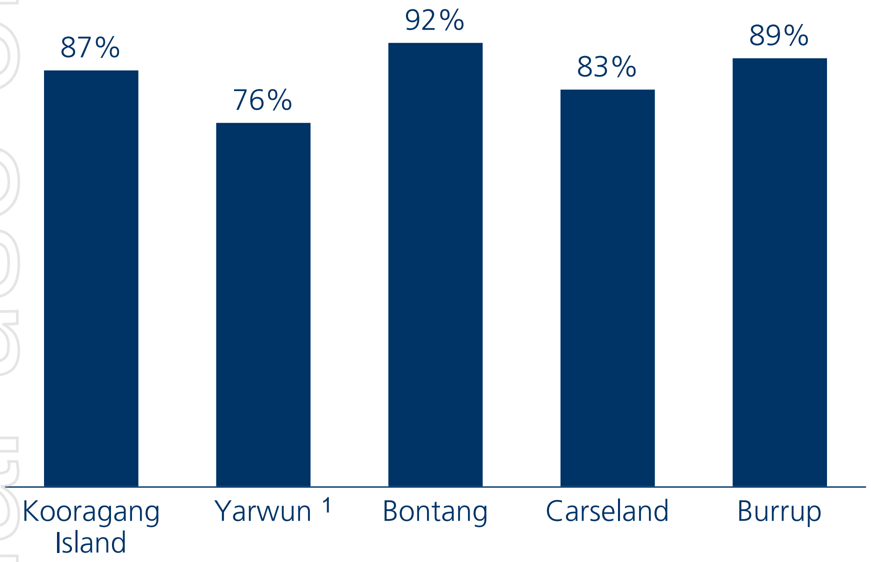


Total ($42m)

1. Excludes adjacent businesses

Manufacturing reliability

Continuous AN Plant OEE (%)



1. Impacted by lower demand in H1

Plant maintenance turnarounds during FY21

Plant	Completed
Kooragang Island ammonia	Nov 2020
Yarwun cyanide	Dec 2020
Yarwun nitric acid plant 3	Feb 2021

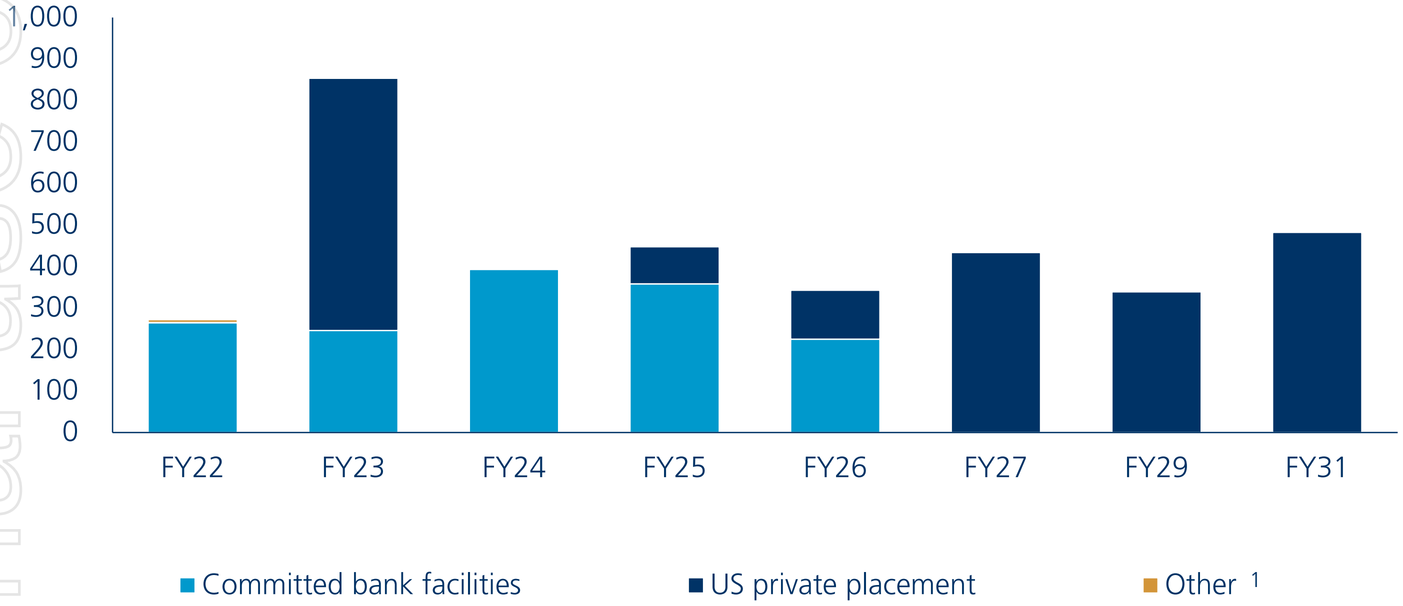
Plant turnarounds completed since 30 September 2021

Plant	Completed
Carseland	Oct 2021

Debt profile

Drawn debt maturity profile ($M)

Average tenor at September 2021 – 5.4 years



1. Includes overdraft and other borrowings

Environmental and decommissioning provisions

As at ($M)	30 Sep 2021	30 Sep 2020
Botany groundwater remediation	212	201
Botany hexachlorabenzene (HCB) waste	29	31
Burrup decommissioning	44	57
Initiating systems network optimisation	27	28
Deer Park remediation	12	17
Yarraville remediation	16	19
Other provisions	44	36
Total	**384**	**389**

Non-IFRS reconciliations

Year ended 30 September ($M)	**2021**	**2020**	**Variance**
Statutory net profit/(loss) after tax	(174)	82	
Add back: Individually significant items after tax	382	217	76%
Underlying profit after tax	208	299	(30%)
Adjust for the following:			
Net financing costs	106	159	(34%)
Net interest expense excluding unwinding of discount on provision and lease interest	*98*	*98*	-
Unwinding of discount on provisions	*(5)*	*48*	
Lease interest	*12*	*13*	*(2%)*
Income tax expense [1]	103	147	(30%)
Non-controlling interests [1]	10	9	8%
EBIT	**427**	**614**	**(30%)**
Depreciation and amortisation	369	332	11%
EBITDA	**796**	**946**	**(16%)**

1. Excludes individually significant items

Definitions

Term	Definition
AN	Includes ammonium nitrate prill and solution as well as emulsion products including bulk emulsion and packaged emulsion
Capital expenditure	Comprises spend on property, plant and equipment and intangible assets, on an accruals basis for FY20 onwards and on a cash basis in prior years
Cash conversion	(EBITDA add / less movement in trade working capital, adjusted for acquisitions and disposals) / EBITDA
EBIT	Equivalent to profit / (loss) before financing costs and income tax, as disclosed in Note 1(b) within Appendix 4E – Preliminary Final Report, before individually significant items
EBIT margin	EBIT / Sales. EBIT refers to EBIT before individually significant items unless otherwise stated
EBITDA	EBIT plus Depreciation and Amortisation expense. EBITDA refers to EBITDA before individually significant items unless otherwise stated
EBS	Electronic Blasting Systems
Exsa	Exsa S.A.
Gearing %	Net debt / (net debt + total equity), where net debt excludes lease liabilities
Growth capital	Capital expenditure that results in earnings growth through either cost savings or increased revenue
Net debt	Total interest bearing liabilities less cash and cash equivalents, excluding lease liabilities, as disclosed in Note 3 within Appendix 4E – Preliminary Final Report
Net operating cash flow	Equivalent to net cash flows from operating activities, as disclosed in the Statement of Cash Flows within Appendix 4E – Preliminary Final Report
NPAT	Equivalent to profit after income tax expense before individually significant items attributable to shareholders of Orica Limited, as disclosed in Note 1(b) within Appendix 4E – Preliminary Final Report
OEE	Overall Equipment Efficiency - compares the total production at quality to the best ever 5-day production run
Payout ratio	Dividend amount / NPAT before individually significant items
pcp	Prior corresponding period
Return on net assets (RONA)	12 month EBIT / Rolling 12 month Average Operating Net Assets where Operating Net Assets = Property, Plant & Equipment, Intangibles, Equity Accounted Investees and working capital excluding environmental provisions
Q&C	Quarry and construction
Scope 1 emissions	Emissions from our direct operations such as AN manufacture and the use of our vehicles
Scope 2 emissions	Indirect emissions from electricity purchased from the grid
Sustaining capital	Other capital expenditure which is not considered growth capital
SKU	Stock keeping units
Trade working capital (TWC)	Comprises inventories, trade receivables and trade payables, as disclosed in the Balance Sheet within Appendix 4E – Preliminary Final Report