

## ASX Announcement

15 November 2023

# Statutory Net Profit After Tax of \$111 million, up +3% On track to meet FY26 revenue aspirations<sup>1</sup>

## Highlights

- **Statutory net profit after tax** of \$111 million, up 3%<sup>1</sup>
- **Underlying net profit after tax** down 8% to \$122 million
- **Underlying EBIT** of \$250 million up 6%
- **Underlying EBITDA** of \$438 million, down 2%
- **Net debt to uEBITDA 1.9x**, within 1.5 – 2.0x target range
- Unfranked **final dividend** of 5 cents per share
- Global footprint and portfolio diversity provides resilience
- Innovation and technology delivering improved product mix
- Continued progress on all key strategic growth milestones
- Seed Technologies delivers strong double-digit growth

Nufarm Managing Director and CEO, Greg Hunt, said “This is a strong result on the back of a record prior period. The result has been driven by Nufarm’s transformed structure and increasing shift to innovative and differentiated solutions.”

“Our diverse portfolio and geographic footprint provide earnings stability and resilience, while our omega 3 and bioenergy platforms provide significant growth potential.”

“Global conditions were more challenging in FY23. Despite these conditions, we grew underlying EBITDA by 4% in the second half of FY23 and experienced only a 2% fall in underlying EBITDA for the full year.”

“We have made excellent progress on our key growth initiatives; we are hitting our key milestones, our balance sheet is strong and we remain on track to meet our FY26 revenue aspirations.”

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<sup>1</sup> References are to the prior comparative period (pcp) unless specified otherwise.

## Group performance

For the 12 months ended 30 September 2023, underlying net profit after tax (uNPAT), declined 8% on the prior comparative period (pcp) to \$122 million.

Underlying gross profit increased 6% to \$1.0 billion and underlying gross profit margin improved 170 basis points to 29.3% relative to the prior comparative period.

Underlying earnings before interest, tax, depreciation and amortisation (uEBITDA) was \$438 million, a 2% decrease.

Net leverage was 1.9x as of 30 September 2023, within the target range of 1.5 – 2.0 times.

The Board declared an unfranked final dividend of 5 cents per share, taking the total for the year to 10 cents per share, consistent with FY22.

## Crop Protection

The global market for crop protection products was challenging in FY23. There was widespread channel destocking resulting from higher interest rates and expectations of falling active ingredients prices. These impacts were most pronounced in foundational products and led to reduced sales for Nufarm across all regions. The industrial sales business experienced reliability issues in Wyke impacting plant availability and manufacturing costs. Strong outcomes from new product introductions helped mitigate these impacts.

Despite these challenges Nufarm recorded a solid crop protection result. Total crop protection sales revenue fell 6% and uEBITDA fell 9%. During the period we continued to invest in our new product pipeline as well as plant and supply chain efficiency with significant investment into Wyke and Chicago Heights.

## Seed Technologies

Seed Technologies delivered an excellent result. Revenue of \$393 million increased 33%. Increased revenue from seed sales reflected stronger demand for hybrid canola varieties in Australia, South America and Canada; sorghum in Brazil, USA and other international markets; and sunflower in key global markets. Underlying EBITDA of \$98 million was up 67%, reflecting strong growth in our base Seeds business as well as the recognition of license revenues in our Seed Technologies portfolio.

## Outlook<sup>i</sup>

Mr Hunt said the outlook for Nufarm was positive.

“Global grain and oil seed stocks-to-use ratios remain tight and grain prices remain attractive, supporting grower plantings and demand for crop protection products. Our balance sheet is strong and we have a clear growth strategy. In FY24, we expect continued momentum in new crop protection product launches, accelerating through

FY25 and beyond, and continuing strong growth in Seed Technologies. Leverage is expected to be within or below the targeted range of 1.5x to 2.0x by end FY24”.

“We expect trading to remain challenging in the first half as the industry adjusts to a lower level of input cost and prices and for Nufarm to return to growth in the second half of fiscal 24. We remain on track to meet our FY26 revenue aspirations.”

**Authorised by**

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**About Nufarm**

Nufarm is a global crop protection and seed technology company established over 100 years ago. It is listed on the Australian Securities Exchange (ASX:NUF) with its head office in Melbourne, Australia. As an agricultural innovator, Nufarm is focused on innovative crop protection and seed technology solutions. Nufarm is the first company to develop and commercialise plant-based Omega-3 and has developed and commercialized advanced bioenergy feedstock technology.

Learn more at [nufarm.com](https://www.nufarm.com)

<sup>i</sup> For details of our FY26 revenue aspirations refer to our Investor Presentation on 3 Feb 2022, as updated in Nov 2022 and affirmed in May 2023 and today. 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. Forward looking statements reflect Nufarm’s expectations at the date of this release and are based on information and assumptions known to date. They are subject to risks and uncertainties outlined in more detail in its operating and financial review for FY23. Actual results may be significantly different to those expressed.