

ASX Announcement

15 August 2024

Trading update

Nufarm is amending its guidance for FY24 that was disclosed in our ASX announcement regarding our 1H24 result dated 23 May 2024.

- Underlying EBITDA is expected to be in the range of \$300 million to \$330 million and compares with previous guidance of between \$350 million and \$390 million.
- Net leverage is expected to be circa 2.5 to 2.7 times underlying EBITDA and compares with previous guidance of 'towards the upper end of a 1.5 to 2.0 times range'.
- Net working capital at the end of FY24 is expected to be circa \$500 million below 1H24.
- Omega-3 revenue for FY24 is expected to be circa \$50 million.
- Planting of Omega-3 canola in 2024 continues to support expectations for a more than doubling of Omega-3 revenue in FY25.

Preliminary unaudited figures to 31 July 2024, coupled with our reduced confidence that the industry environment will improve for the remainder of FY24, indicate that Nufarm will not achieve the guidance given at the time of the 1H24 result. This is largely a consequence of the continuation, well into the second half, of what we believe is a temporary downturn in the industry environment. This has resulted in competitive pressure causing adverse movements in price and product mix which are particularly impacting our North American crop protection business. These conditions are also reflected in recent peer group reporting. We have also seen lower than anticipated demand for industrial products from our manufacturing facility at Wyke which has negatively impacted our European crop protection business.

The increase in guidance for net leverage as a multiple of underlying EBITDA reflects the lower level of underlying EBITDA that is now expected for FY24. The business has continued to tightly control inventory and net working capital. Inventory at the end of FY24 is expected to be materially below FY23. Net working capital at the end of FY24 is expected to be circa \$500 million below 1H24, which is in line with expectations communicated at the 1H24 result.

The business has achieved lower than anticipated pricing for its omega-3 oil which has negatively impacted expectations for FY24. Demand remains healthy and the business is anticipating strong growth in revenue in FY25.

To assist the market in quantifying what we believe to be the temporary nature of the industry environment impacts, we note that for the first 10 months of the financial year to 31 July 2024, the headwind resulting from change in gross profit margin when compared with FY23 has been approximately \$90 million.

The past financial year has seen a period of intense competition and depressed pricing in global markets. During this time, Nufarm has maintained strong commercial discipline, continuing to invest in our growth platforms while tightly controlling discretionary spend. Nufarm expects to return to growth on the back of more normal trading conditions in FY25.

Further details will be provided at Nufarm's FY24 result on 14 November 2024.

Authorised by

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About Nufarm

Nufarm is a global agricultural innovator providing crop protection and seed technology solutions to help our customers grow a better tomorrow. Established over 100 years ago, Nufarm is listed on the Australian Securities Exchange (ASX:NUF) with its head office in Melbourne, Australia.