

Incitec Pivot Limited

Office of the Company Secretary

ABN 42 004 080 264

Registered Office:
Level 8, 28 Freshwater Place
Southbank Victoria 3006

Tel: (61 3) 8695 4400

Fax: (61 3) 8695 4419

www.incitecpivot.com.au

7 September 2018

The Manager
Company Announcements Office
Australian Securities Exchange
Level 4, North Tower
Rialto
525 Collins Street
MELBOURNE VIC 3000

Dear Sir or Madam

Electronic Lodgement

IPL Investor Day Presentation

I attach for release to the market a presentation to be given at the IPL Investor Day in Sydney today.

The presentation will be webcast and accessible via our website at www.incitecpivot.com.au.

Yours faithfully



Jennifer Neoh
Company Secretary (Acting)

Attach.



Incitec Pivot Limited

INNOVATION ON THE GROUND



Capital Markets Briefing

7 September 2018

Disclaimer

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

Agenda

9.30am	Welcome	Chris Opperman General Manager Investor Relations & Group Finance
	Business and Strategy Update	Jeanne Johns Managing Director & CEO
	Financial Position and Cash Flow	Frank Micallef Chief Financial Officer
	Technology and Innovation	Rob Rounsley Chief Technology Development Officer
	Questions & Answers	Jeanne Johns, Frank Micallef, Rob Rounsley
11.00am	<i>Morning Tea Break</i>	
	Dyno Nobel Americas	Nick Stratford President Dyno Nobel Americas
	Dyno Nobel Asia Pacific	Greg Hayne President Dyno Nobel Asia Pacific
	Incitec Pivot Fertilisers	James Crough Interim President Incitec Pivot Fertilisers
	FY 2018 Outlook and Closing Summary	Jeanne Johns Managing Director & CEO
	Questions & Answers	Jeanne Johns, Frank Micallef, Nick Stratford, Greg Hayne, James Crough, Rob Rounsley
12.45pm	<i>Close and Buffet Luncheon</i>	

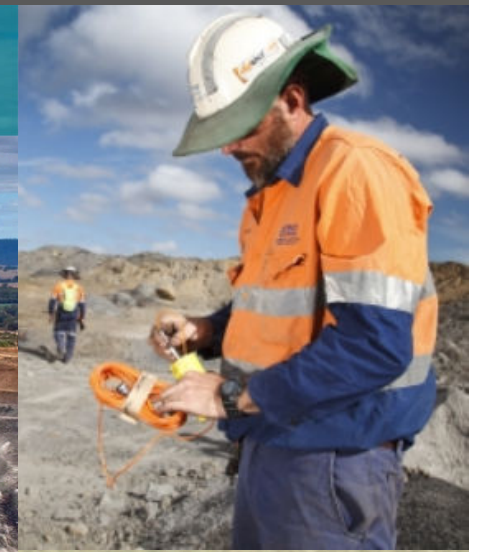
We have iconic brands and strong positions in our markets

DYNO
Dyno Nobel

Heritage dating back 180 years

Dyno Nobel is a leading explosives and blasting services company in Australia and North America

RELEASING RESOURCES FOR BUILDING GLOBAL INFRASTRUCTURE AND GENERATING ENERGY



More than a century long history in Australia

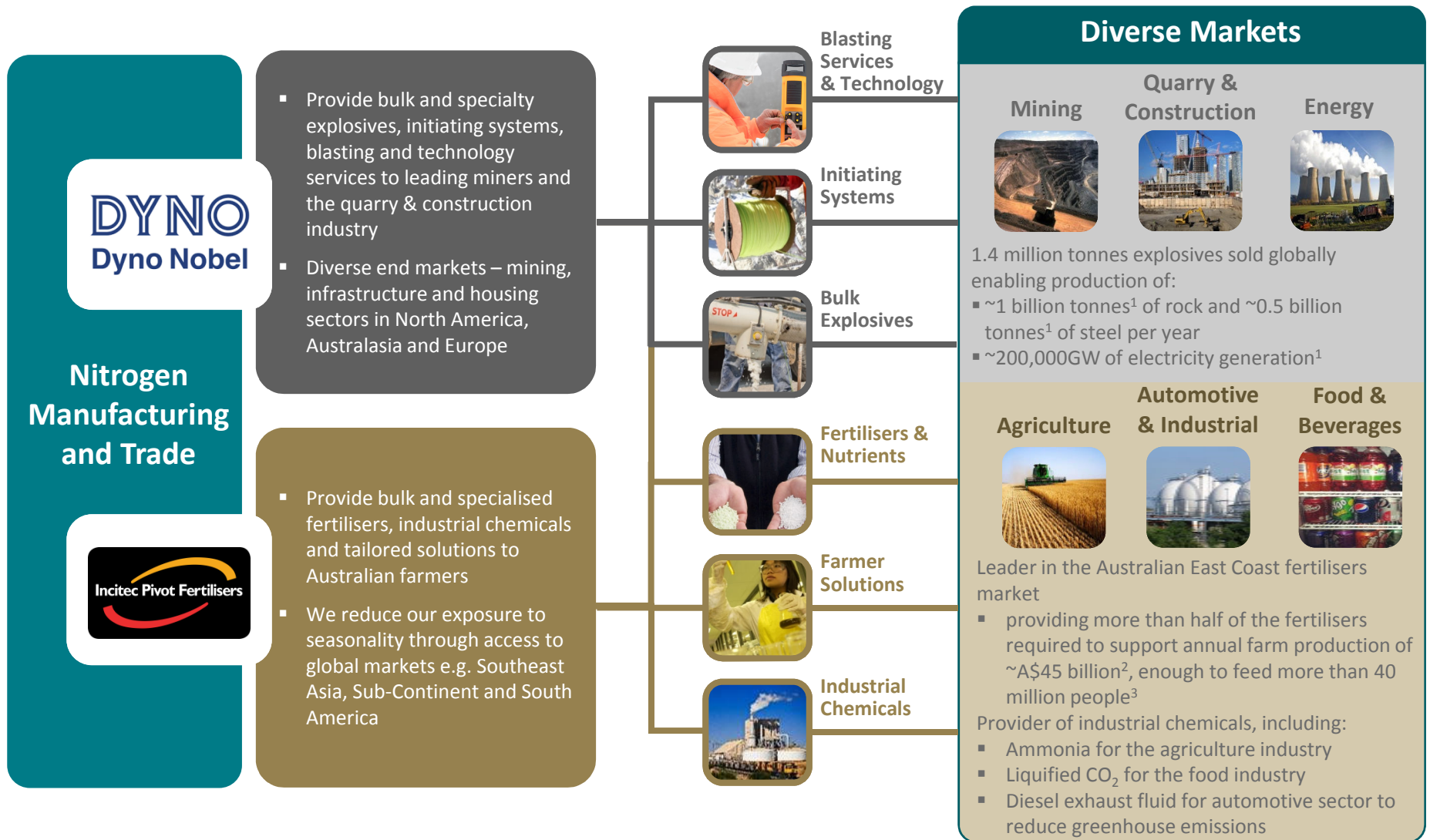
Incitec Pivot Fertilisers is the largest fertiliser manufacturing and distribution business in Australia

ENABLE SUSTAINABLE FOOD PRODUCTION



Incitec Pivot Limited
INNOVATION ON THE GROUND

Innovate along the nitrogen value chain to serve diverse markets



Our Purpose and Values

Purpose

Our Purpose is to make **people's lives better** by unlocking the world's natural resources through **innovation on the ground**

We believe that we can **fulfill our purpose** through collaboration with the people that are most important to us, **our Customers, our Employees and our Shareholders**

Values

Our Values define who we are and what we do **every day**.

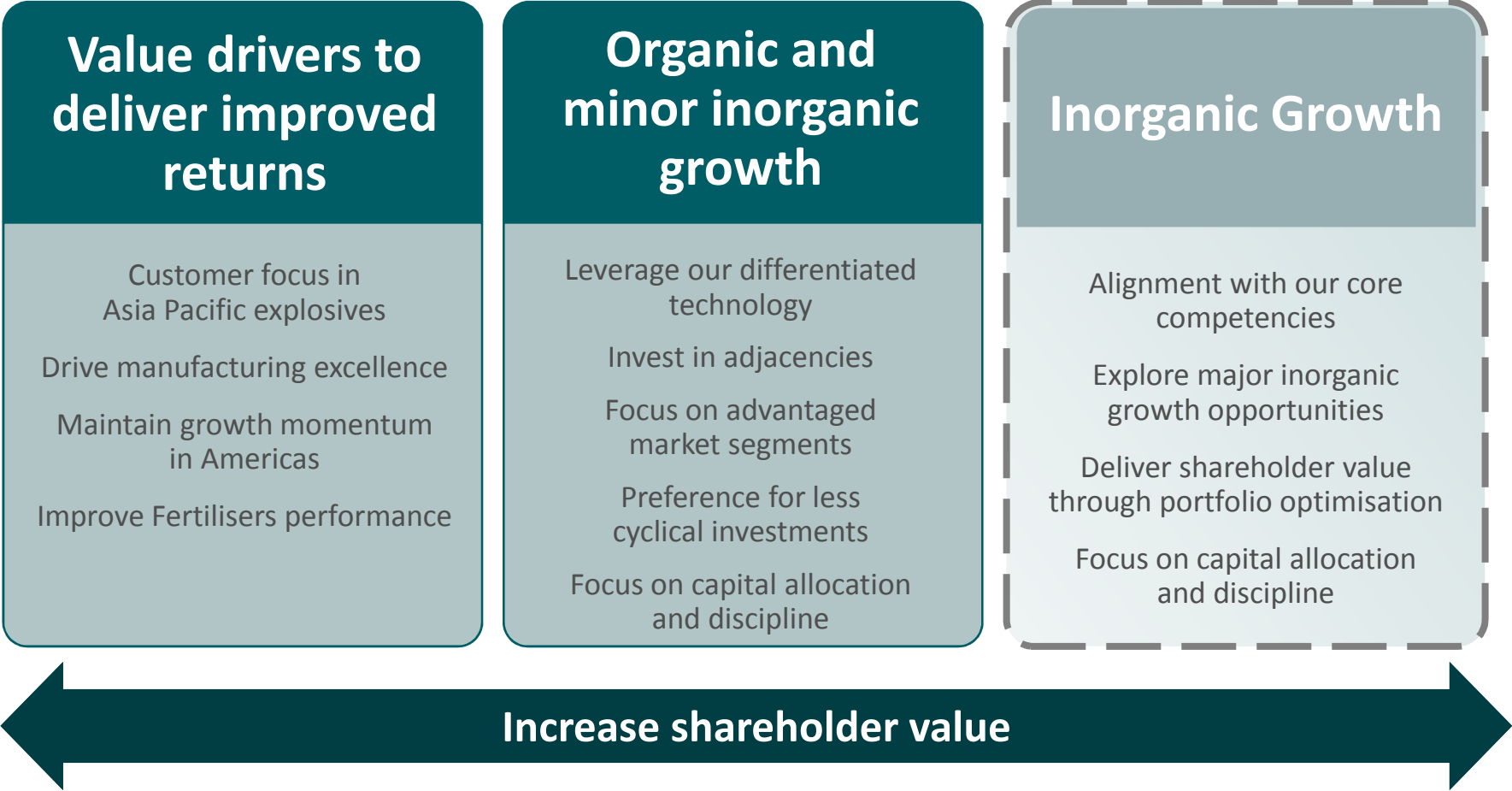
These are **what guide our actions**:



Insights and priorities from MD & CEO

<h2>People priorities</h2>	<h2>Growth opportunities</h2>
<p>Talent renewal across the Group</p> <p>Deepen customer relationships and partnerships</p> <p>Increased investment in talent and optimise the potential of our people</p>	  <p>Leverage technology and innovation across new and existing markets</p> <p>Underrepresented in certain key markets (Explosives) and segments (Fertilisers)</p>
<h2>Performance Improvement</h2>	<h2>Focus areas</h2>
<p>Improve plant reliability and turnaround execution</p> <p>Improve Fertilisers profitability and returns</p>	  <p>Renewed focus on customer relationships in our Australian explosives business</p> <p>Address natural gas affordability for Gibson Island</p>

Our strategy to deliver growth and shareholder value



Value Drivers that will deliver our strategy of growth and shareholder value





Zero Harm

Safety and environmental care are at our core

We strive for continuous improvement in our Health, Safety and Environment (HSE) performance

Proactive risk management with critical control verification of our highest risks

Continued investment in our HSE systems & procedures and our people's ability to effectively use these tools



TRIFR¹ STEP-CHANGE

- 30% improvement over a 3-year period to 2021



ENVIRONMENTAL CARE

- Target zero significant incidents
- Reporting on Significant Environmental Incidents²



PROCESS SAFETY IMPROVEMENT

- Sustainable year-on-year improvement in Process Safety Incidents³ and Potential High Severity Incidents²

1. TRIFR: Total Recordable Injury Frequency Rate
2. Level 5 or above event on IPL's 6-level risk matrix
3. Tier 1 & 2 incidents as defined by the Centre for Chemical Process Safety



Talented & Engaged People

Creating value is achieved through our people doing their best, every day

‘One IPL’ and engaged culture

Domain expertise to create and deliver value through products and services

Diverse and inclusive teams to generate and deliver innovative solutions

Collaborate to enable simplifying our business and improving our customer focus



ONE IPL

- Collaborative culture focused on customers and value creation



ENGAGEMENT

- Sustainable annual improvement in overall company employee engagement
- 2nd quartile employee engagement score against global manufacturing benchmarks



BUILD ON DIVERSITY

- 10% per annum improvement in gender diversity
- 25% gender diversity by 2022
- Continue to strive for indigenous employment opportunities in excess of general Australian demographics



Customer Focus

Exceeding customer expectations

Enabling our mining and quarry customers to deliver improved extraction to support their global competitiveness

Providing Australian farmers with the best nutrient solutions to efficiently and sustainably produce world class food and fibre



IMPROVED CUSTOMER SATISFACTION



- Establish group wide customer satisfaction measure, Net Promoter Score (NPS) in 2019
- 10% annual improvement in Net Promoter Score
- Retention of key customers and grow customer base in footprint

VOICE OF CUSTOMER PROGRAM



- Launch in early calendar 2019

VALUE TO OUR CUSTOMERS



- Delivery of value add promise to our customers
- Continued growth in value add from 2018 baseline¹ over the next three years to 2021

1. As measured based on FY 2018 actual results



Leading Technology Solutions

Practical technology and innovation

Maintain and grow a suite of differentiated products and services that meet the challenges of customers

Creating innovative and practical solutions for customers by leveraging proven technologies

Evaluating new technologies and adapting into customer solutions



LEVERAGING PROVEN TECHNOLOGIES

- > 50% growth over the next three years of leading and premium technologies (e.g. Delta E and 4G electronics)



NEW TECHNOLOGY INNOVATIONS

- Deliver our technology roadmap for introducing new technology products, including significant products with wide application, over the next three years



AUTOMATION & DIGITAL

- Release new product and services offering to the market in 2019
- Deliver advanced blast modelling suite of digital products over the next three years



Manufacturing Excellence

Deliver world-class performance in Manufacturing Excellence

Adopt best practice in reliability, preventative maintenance programs and operational discipline

Further improve turnaround planning and execution to optimise production and spend

Continue our BEx continuous improvement journey



SUSTAINABLE PRODUCTION RATES

- Optimise turnaround scope and reliability targets to maximise production
- Year-on-year continuous improvement in production rates



IMPROVED MAINTENANCE PERFORMANCE

- Proactive maintenance to exceed 75% of total maintenance activity by 2021
- Improved major turnaround planning and execution



BEx/PRODUCTIVITY DELIVERY

- +A\$25 million sustainable annual net benefits across the company

Value Drivers



Manufacturing Excellence – Optimise asset productivity

Improve on manufacturing performance to drive increased returns over the next three years



- Relatively lighter turnaround schedule for FY 2019
- Opportunity to focus on reliability improvement
- Delivery of three year improvement plan to FY 2021

Preliminary Turnaround Schedule

2019		2020		2021	
1H	2H	1H	2H	1H	2H
Gibson Island		Waggaman Mt Isa	St Helens	Moranbah	Cheyenne



Profitable Growth

Positioned for increased returns – three tranches

Six value drivers

- KPI tracking for value delivery
- Leverage execution excellence

Organic and minor inorganic growth

- Leveraging current capabilities and existing footprint
- Risk adjusted return hurdles

Inorganic growth

- Capital allocation principles
- Opportunity driven



EXPLOSIVES OPPORTUNITIES

- Further leverage the success of our strategy, underpinned by our core competencies and advantaged products and services
- Adjacencies and underrepresented geographies/markets presents opportunity

FERTILISERS OPPORTUNITIES

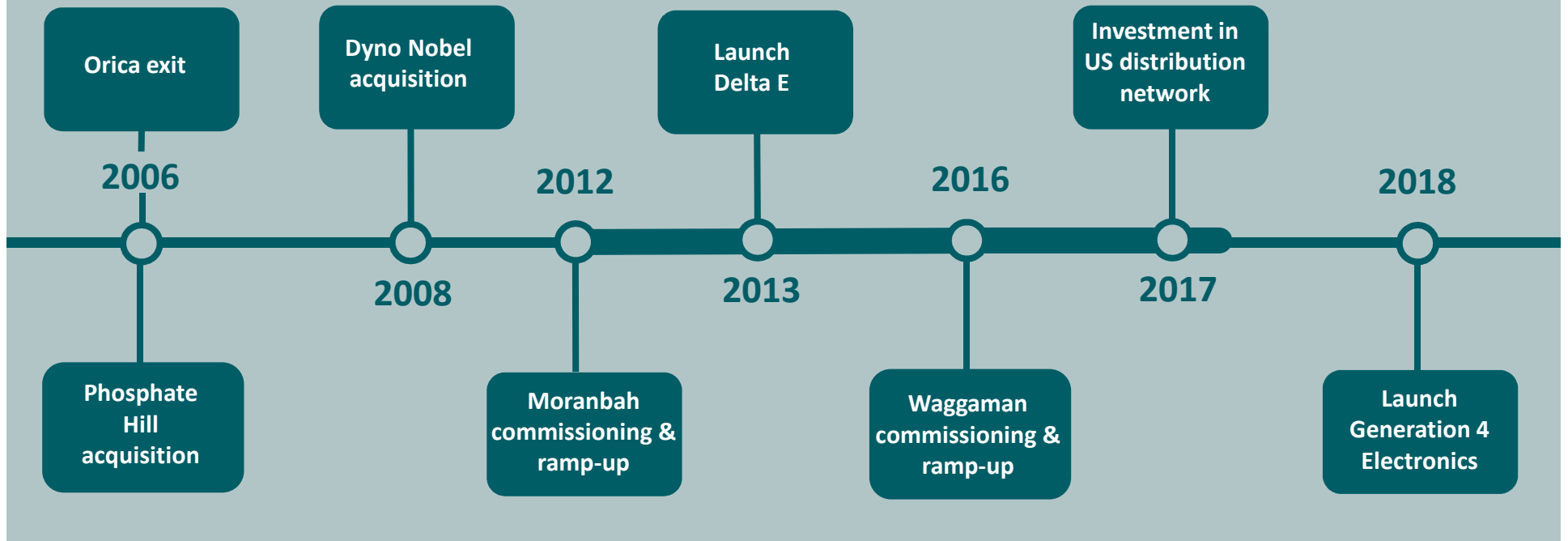
- Manufacturing and supply chain excellence to drive improved returns
- Focus on higher margin products and sectors, and technology solutions for farmers
- Potential positive impact from commodity price cycle

INDUSTRIAL CHEMICALS OPPORTUNITIES

- Continued successful operation of Waggaman toward world-class performance
- Potential for synergic or supply chain opportunities



Profitable Growth – Track Record



History of delivering growth that has **created shareholder value**

Strong balance sheet and cash flows for continued growth opportunities

Focused on **execution excellence and growth opportunities** within our business

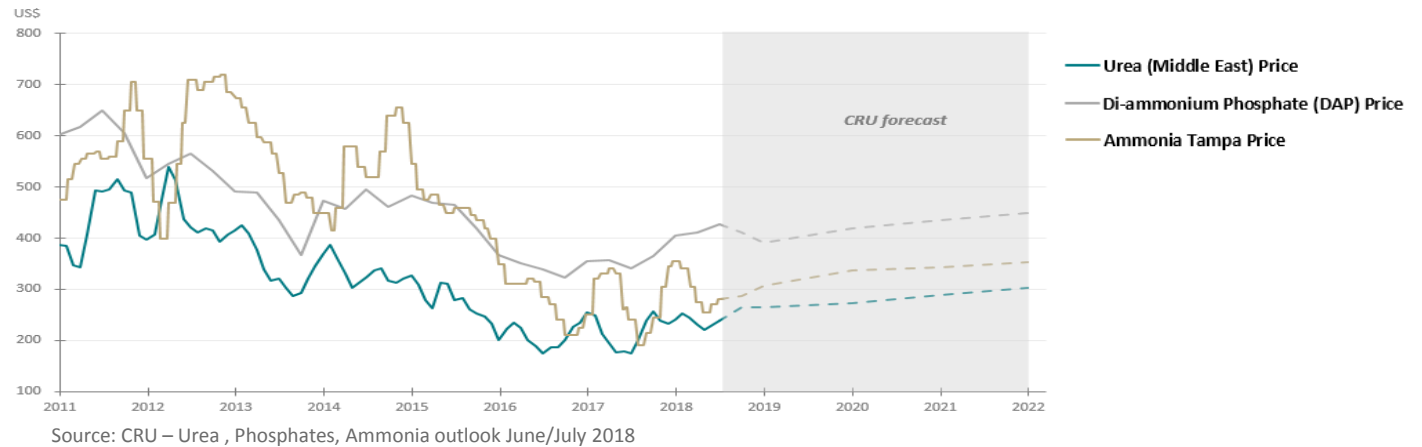


Global Fertilisers Price Cycle – Some optimism

Global fertilisers prices have been trading at or near cyclical lows, signs of stronger prices emerging

Historical & Outlook Commodities Pricing

- Global fertilisers prices at or near cyclical lows in 2017
- Price recovery through 2018
- Tighter supply / demand balance



IPL's earnings sensitivities to changes in key commodities and A\$:US\$ exchange rate

- Earnings, particularly Fertilisers, are highly impacted by changes in commodity prices and foreign exchange rates

Commodity	Proxy Index	EBIT Sensitivity
Americas		
Ammonia	CFR Tampa	+/- US\$10/mt = +/- US\$7.5m
Natural Gas	Henry Hub	+/- US\$0.10/mmbtu = +/- US\$2.5m
Urea	FOB NOLA	+/- US\$10/mt = +/- US\$1.5m
FX EBIT Translation		+/- A\$/US\$0.01 = +/- A\$1.6m
Asia Pacific		
DAP	FOB Tampa	+/- US\$10/mt = +/- A\$11.5m
Urea	FOB Middle East	+/- US\$10/mt = +/- A\$4.5m
FX transactional		+/- A\$/US\$0.01 = +/- A\$7.1m

Source: IPL 31 March 2018 Profit Report



Summary

- **Strategy to increase shareholder value and improve returns** over the next three years to 2021
- Focus on **Value Drivers** to deliver growth and shareholder value
- Deepen **customer relationships and partnerships**
- Leverage our **advantaged technology** offering to deliver improved returns
- Value from **higher margin products and segments**, driving execution efficiency
- Improved returns from **cycle impact on commodity prices**
- **Opportunities for growth**, leveraging current capabilities and footprint
- **Strong Balance Sheet** and **Cash Flows**

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Financial Position and Cash Flow

Cash flow generation supporting future growth

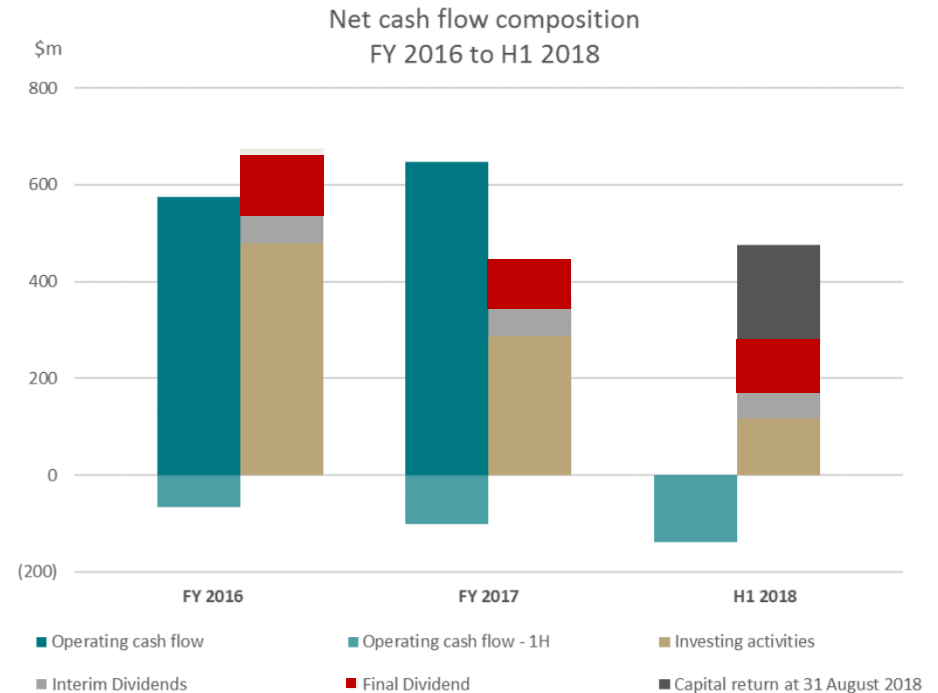
Strong cash flow generation delivered through existing business

Increased cash flows expected from improved returns across the Group

Historical cash flows committed to major growth projects and capital return

- Moranbah construction ~A\$1bn
- Waggaman construction ~A\$1bn
- \$300M share buyback program, ~\$200M completed by end of August 2018

Free cash flow available from FY 2019 to be allocated to debt reduction and/or growth



Balance sheet strong and well funded

Strong Balance sheet

Strong balance sheet

Access to diverse funding markets

- US\$217M & A\$360M of Syndicated bank facilities refinanced with US\$220M & A\$260M 3-year facilities in August 2018
- US\$800M 144A bond and A\$200M bond maturing in 2019 to be refinanced, extending tenor of debt

Investment grade credit ratings

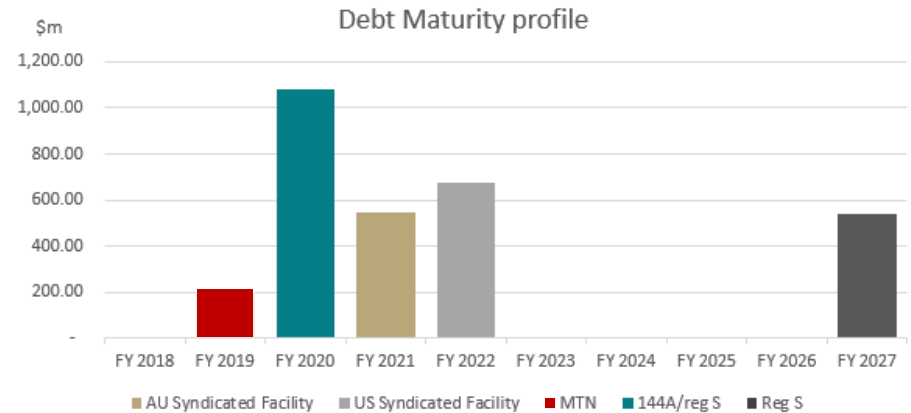
- Standard & Poor's: BBB (stable outlook)
- Moody's: Baa2 (stable outlook)

Net debt¹ and Net debt/EBITDA²

Net debt of \$1.7bn and Net debt/EBITDA of 2.2x at 31 March 2018

30 September 2018 Net debt/EBITDA within target range

Interest expense of approximately \$130M expected for FY 2018



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1. Interest bearing liabilities net of cash and fair value of debt hedges
2. Net debt / 12 month rolling EBITDA excluding individually material items

Capital allocation directed by risk/return

Maintain strong capital discipline with respect to capital allocations

Continued investment in maintenance capital

FY 2018 sustenance capital expenditure of ~A\$210M expected, minor growth capital of ~\$65M

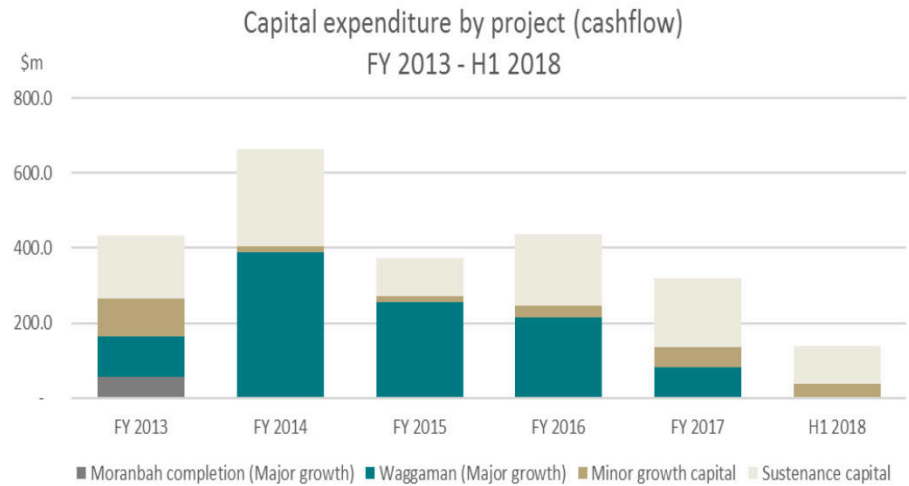
Ongoing average annual sustenance capital expenditure (incl. major turnarounds) expected to be between ~A\$180M to ~A\$260M

Continued discipline on growth capital expenditure

Investment in long-term growth

Evaluation of acquisition opportunities rigorous and disciplined

Hurdle rates reflective of project/acquisition risk and volatility of earnings



Shareholder distributions deliver long-term returns

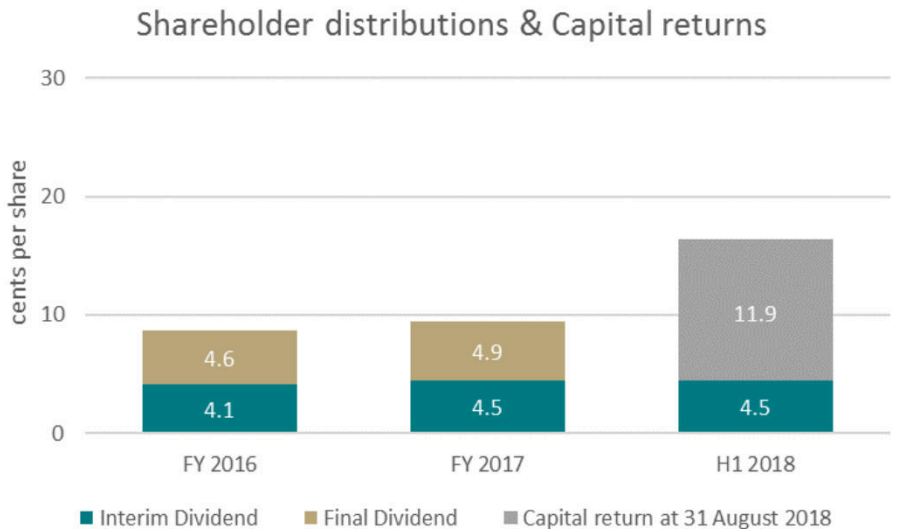
Substantial increase in shareholder distributions in FY 2018 delivered through share buyback

~\$200M of Company shares bought back by end of August 2018, targeting program (\$300M) completion as soon as practicable

Dividend distributions subject to current earnings and cash flow requirements

Dividend policy expected to remain unchanged at 30% to 60% payout ratio

Balancing shareholder distributions with investment and balance sheet strength





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Rob Rounsley

Chief Technology Development Officer



Technology – Key drivers:

Practical innovation on the Ground



Our product innovation and efficiencies drives **improved safety and reduced environmental and social impacts**



Digital and integrated technologies delivering end-to-end, value-adding **market leading solutions**



Empowering our people to research, develop and innovate new products technologies and services



Centre of Excellence and combined knowledge positions the Group to deliver **profitable growth**



Customer driven product and technology offerings delivering practical solutions



Delivering **manufacturing excellence** through advantaged technology offerings

Primary customer drivers of our technology program

Increased efficiency and productivity

Improved safety

Reduced environmental & social impacts

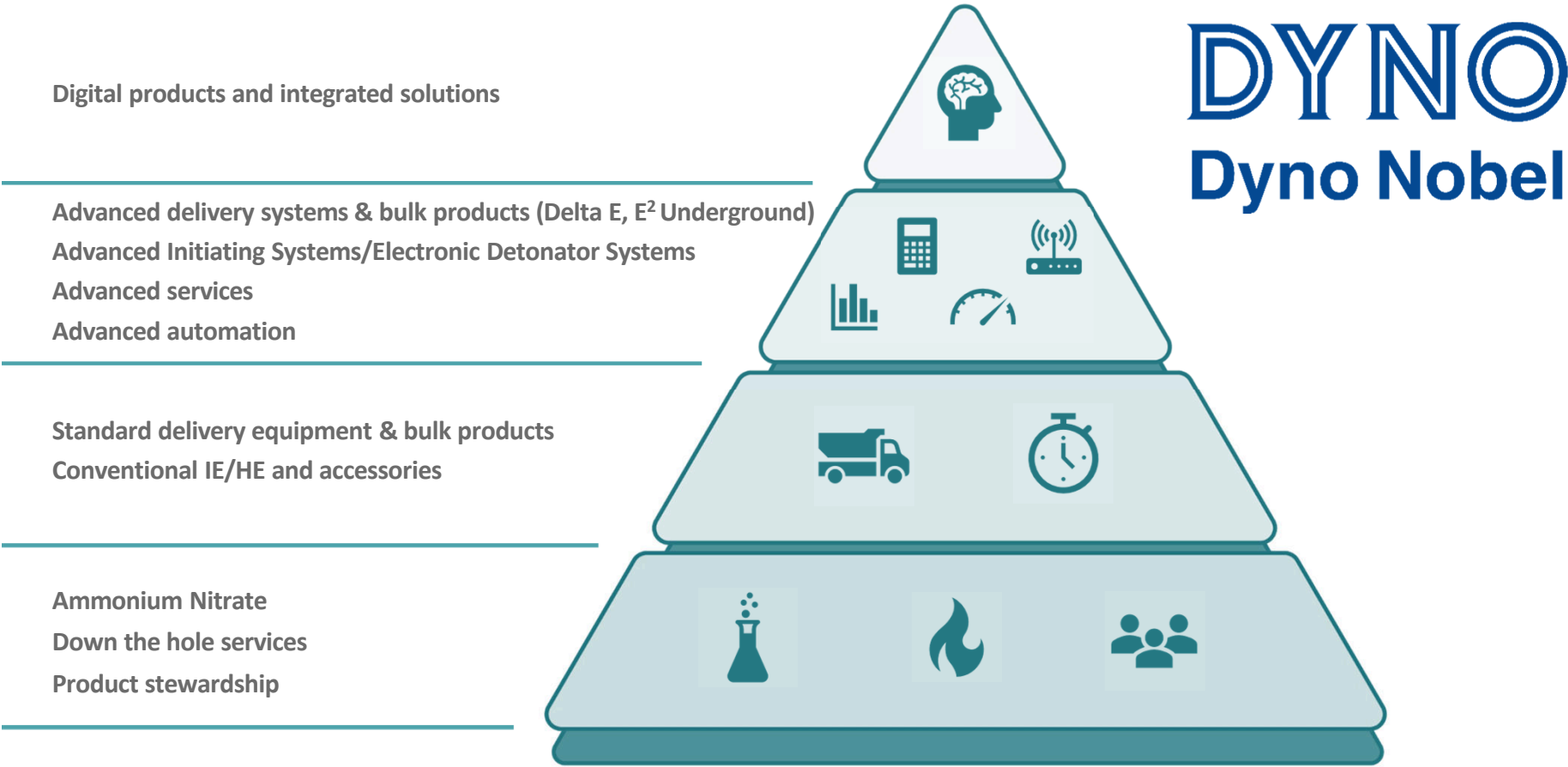


Product and Technology offer

Customer driven technology program



Product & Technology offer – Mining services



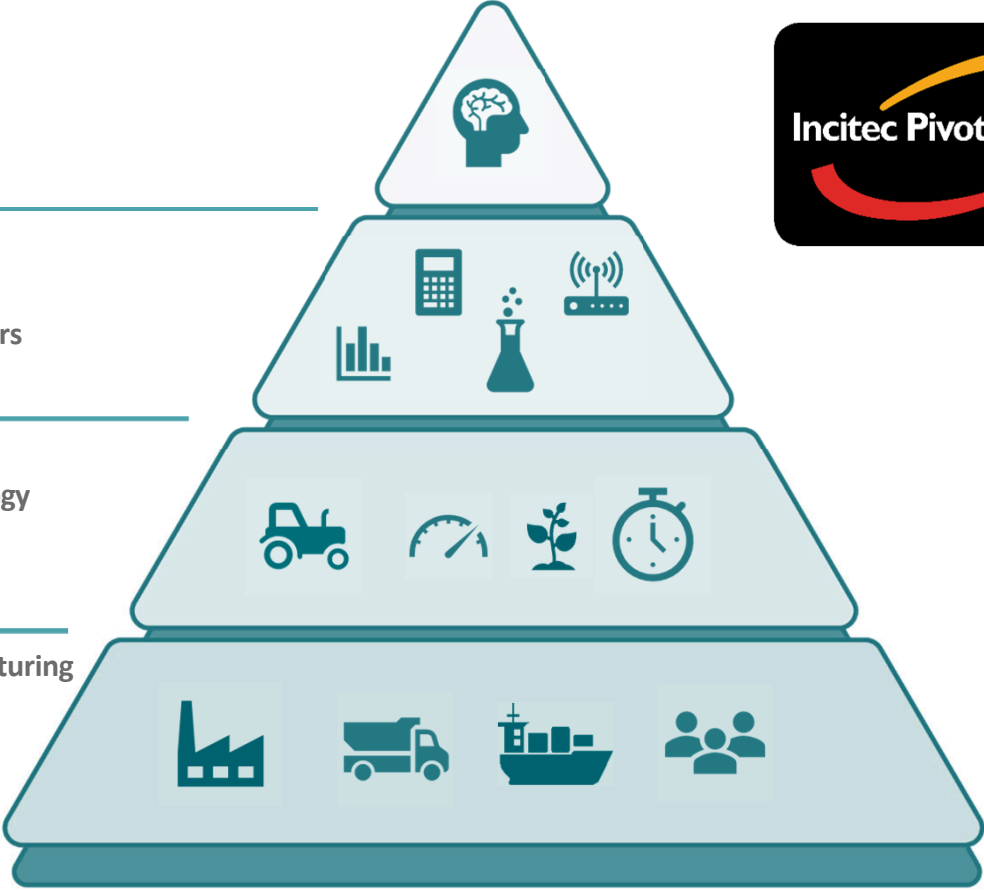
Product & Technology offer – Fertilisers

Decision Agriculture products and services
Soil and plant health products and services

NA Pro decision support
Agribusiness tools
Next generation enhanced efficiency fertilisers
Digital products and integrated solutions

High quality proprietary formulations
First Generation fertiliser efficiency technology
Agronomy outreach
Service Apps (Carrier APP, Lab stream)

Australian phosphate and nitrogen manufacturing
Agronomy advice
Product stewardship
Supply chain capability



Opportunities

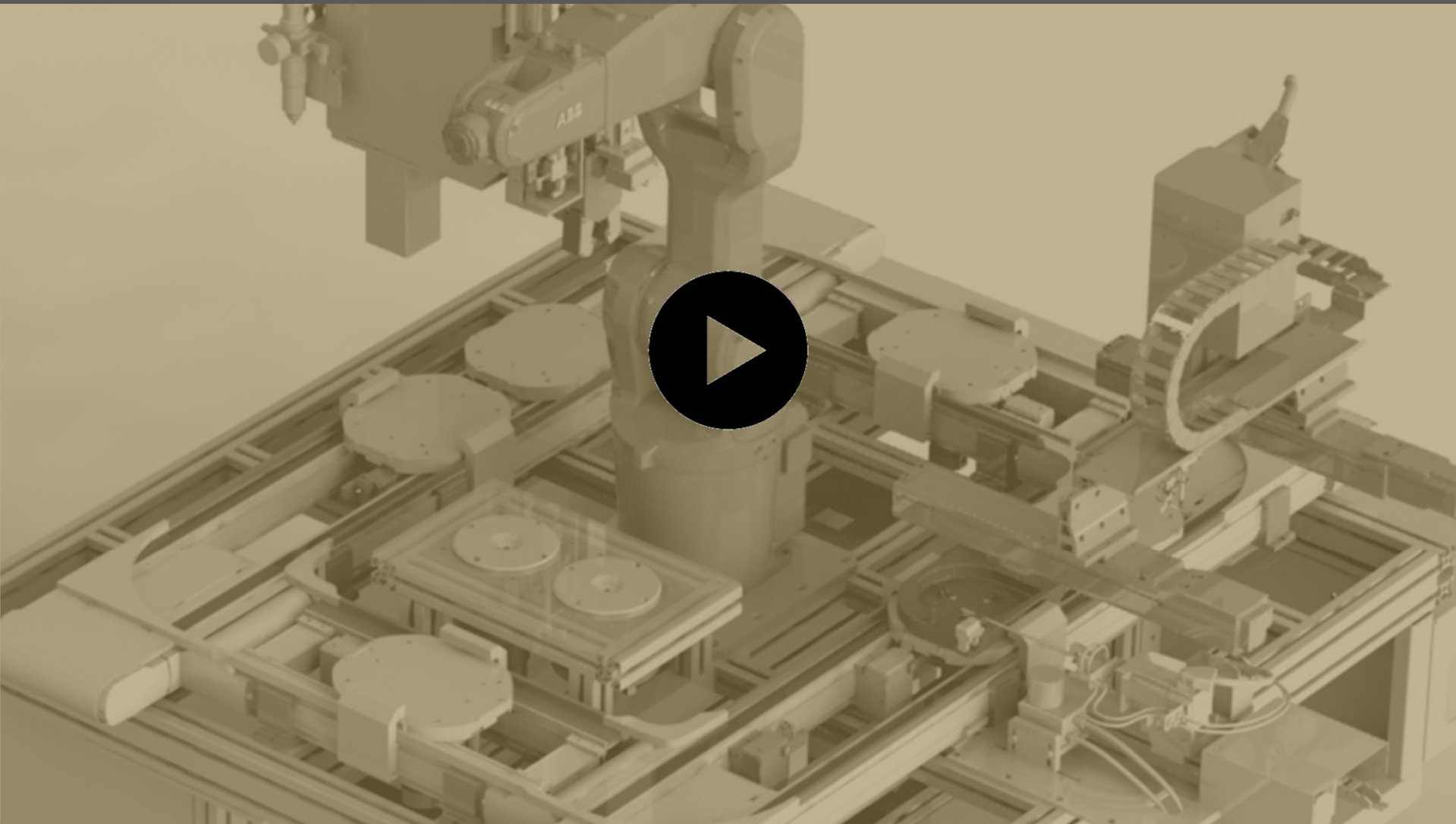
Pipeline of technical solutions
rolling out



Differential Energy (Delta E) - video



Generation 4 electronics - video



Entec stabilized fertilisers supporting farmer productivity and sustainability - video

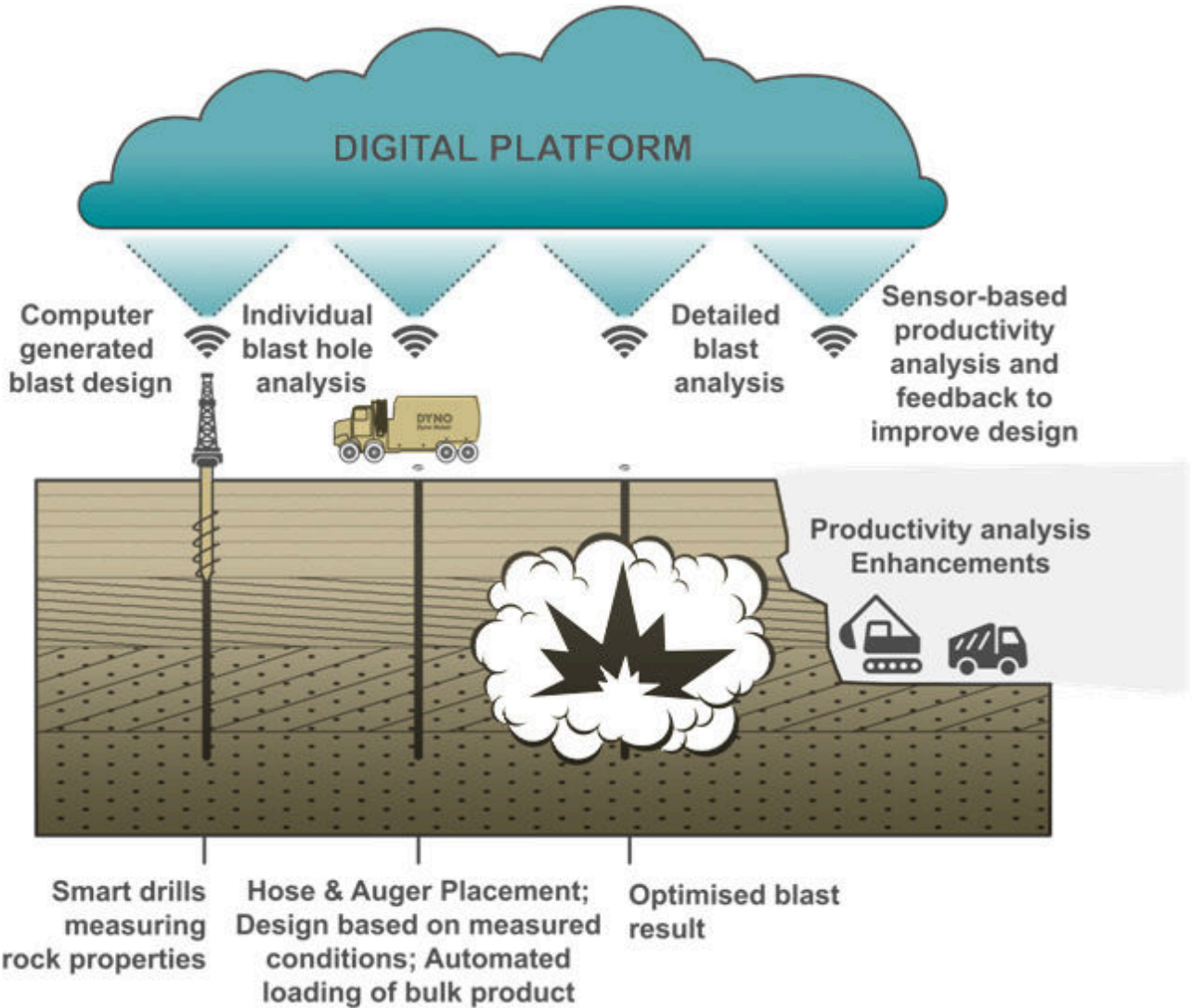


Our technology vision

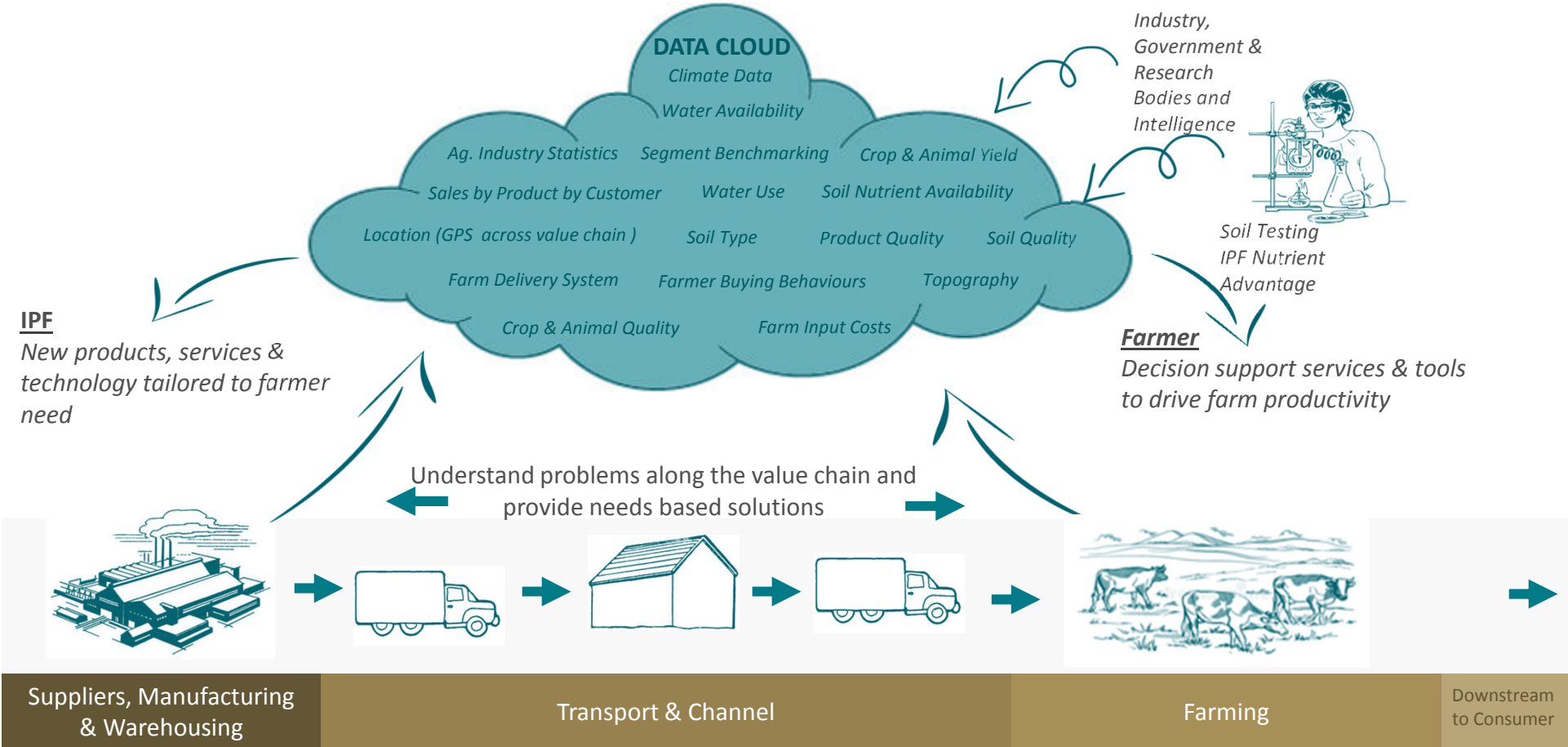
Underpinned by established program



Our technology vision- Explosives



Our technology vision - Fertilisers



Technology - Key Messages

Customer driven technology program delivering practical solutions

Technology grounded in **practical solutions**

Strong pipeline of **technical solutions** being rolled out today,
creating commercial opportunities

Clear vision for the future of our technology offering, underpinned by
an established program of initiatives that can deliver this vision

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Strategy / Technology
Questions & Answers



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Nick Stratford
President Dyno Nobel Americas



Dyno Nobel Americas – Key drivers

The business is growing and has positive momentum



Applying our **safety** culture and practices consistently across the business



Leveraging our technology to provide additional value to our customers
Delta E well established in Americas, representing 40% of fleet



Strong leadership across all functions, with a focus on development of our **people**



Waggaman is delivering against business case
Continued capital and cost discipline



Refocusing all areas of the business towards the **customer**

- Reset the Ammonium Nitrate (AN) footprint to provide a flexible supply position
- Optimising our distribution footprint
- Introducing customer satisfaction measure, Net Promoter Score, from FY 2019



Opportunity to improve towards Manufacturing Excellence

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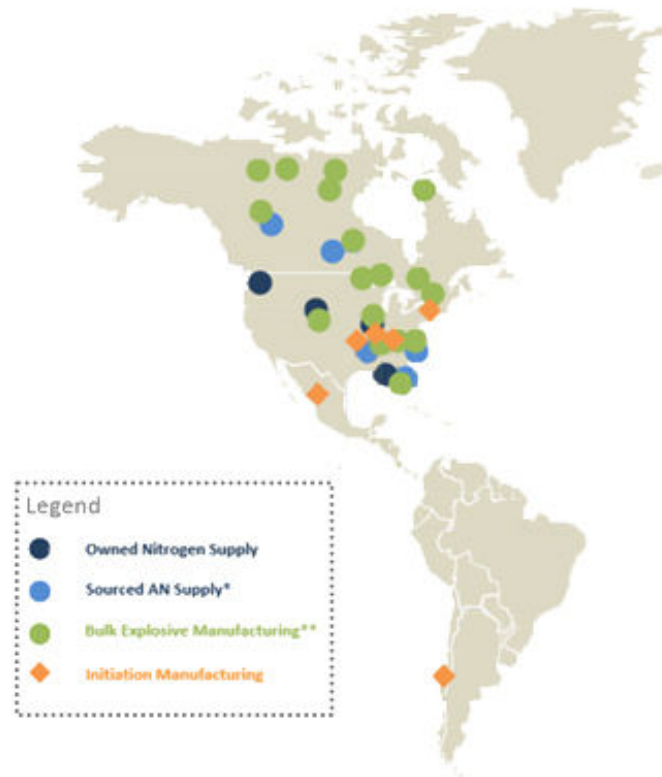
INNOVATION ON THE GROUND

Well positioned portfolio with earnings growth momentum

The business footprint in North America provides a strong platform to service customers across the region

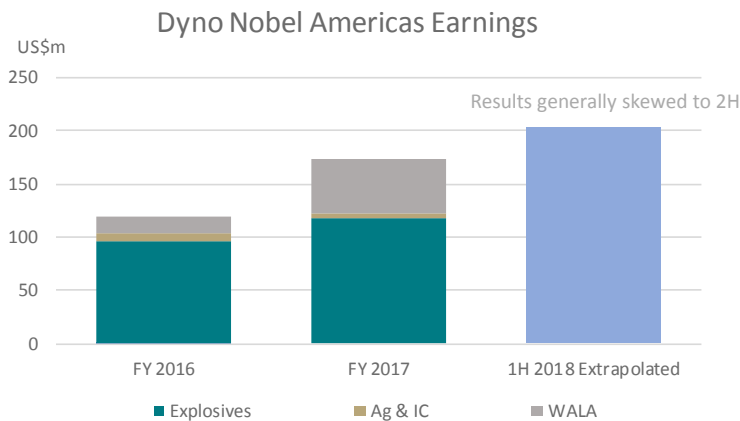
Approximately 50% of Group EBIT will be generated from the America's business in 2018

The business is growing and has real opportunities to continue that trend in the short to medium term



Key data:

- 3 Businesses: Explosives, Agriculture & Industrial Chemicals (Ag & IC), Waggaman Operation (WALA)
- 4 Countries: USA, Canada, Mexico and Chile
- 4 Nitrogen facilities
- 6 Initiating system plants
- 16 Emulsion plants
- 2,482 employees at 31 July 2018



Competitive nitrogen footprint

Ammonium Nitrate supply position

Explosives business is strategically short AN production capacity (approximately 200kst) in a long capacity market

Demand is supported by flexible third party agreements, that are footprint logical:

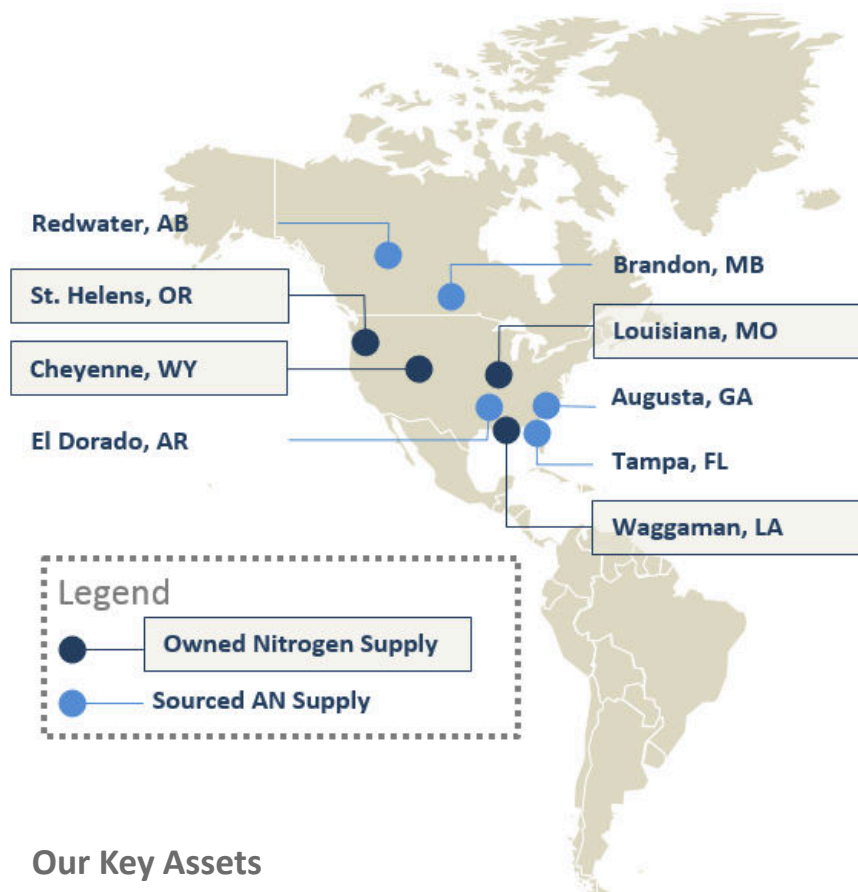
- Allowing the business to efficiently service its customers
- Ensuring that our plants are able to run at capacity
- Enabling future growth opportunities

Our AN footprint and supply position is now competitive

Manufacturing excellence

Plants are sold out, providing a stable base to drive production and efficiency

Opportunities exist to improve plant uptime performance in FY 2019 and beyond



Our Key Assets

- Waggaman – Ammonia (NH₃)
- Cheyenne – NH₃, Ammonium Nitrate (AN), Nitric Acid, Urea Ammonium Nitrate (UAN) and Diesel Exhaust Fluid (DEF)
- Louisiana – AN and Nitric Acid
- St Helens – NH₃, Urea, UAN and DEF

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End user markets

Explosives

Coal outlook – Market forecast 10% decline over the next 3 year period¹

Metals outlook – Robust Copper and Gold outlooks, Iron Ore stable in the US¹

Quarry & Construction (Q&C) outlook – Market growth expected to be between 3% to 5% per annum² in the medium term

Dyno Nobel’s AN plant footprint is aligned to serve strongest coal customers

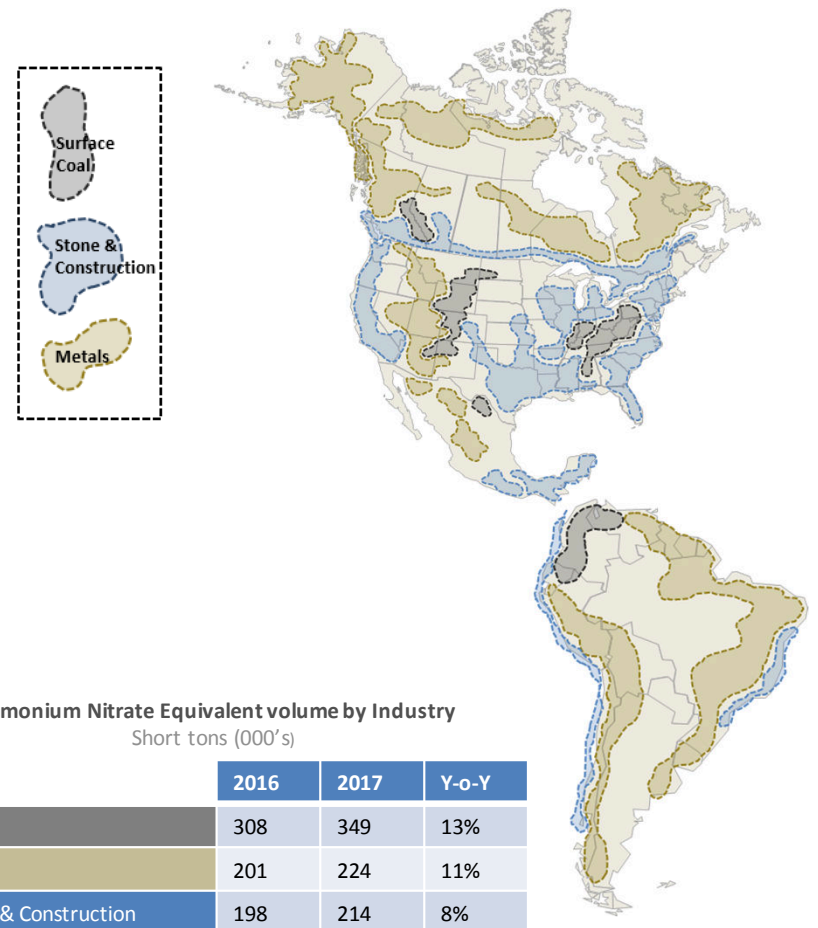
Over the past number of years, the business has grown its Metals and Q&C businesses by leveraging our product technology and footprint

Waggaman

Ammonia – US market remains ~2million to 3 million³ net importer

- No substantial new production capacity expected within the next three years
- Prices expected to stabilize in the medium term⁴

Natural Gas – Henry Hub Natural Gas futures currently trading at ~\$2.90 and ~\$2.70 per MMBTU for FY 2019 and FY 2020 respectively



1. WoodMackenzie outlook
2. Q&C growth based on industry estimates
3. Fertecon Ammonia outlook
4. CRU Ammonia outlook

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WALA

Investment thesis

World class asset (scale, technology & logistics)

Construction cost significantly below industry average

On track to meet 15% IRR investment hurdle, underpinned by the low cost US gas feedstock and the US remaining a net importer of ammonia

Manufacturing excellence

FY 2017 production at 74% of nameplate¹ capacity in its first year of operation

In 2018 the plant is expected to run at approximately 105%, in line with 1H 2018 outlook

Strong manufacturing performance expected to continue into FY 2019



1. Waggaman plant design capacity of 800k mt of ammonia production per annum

Key messages – Dyno Nobel Americas

The Business **performing well** with good momentum, maintained by continuing to deliver **against our strategy**

We will continue to **apply our safety culture** and practices **consistently** across the business

Manufacturing Excellence will **grow base earnings** as plant reliability improves

There is an opportunity to continue to **grow our customer base** in footprint logical regions, and **add value** to customers



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INNOVATION ON THE GROUND



Greg Hayne

President Dyno Nobel Asia Pacific



Dyno Nobel Asia Pacific – Key drivers

Reposition and renew our business, focus on customers and technology



Applying our **safety culture and practices** consistently across the business

Continue with **good safety performance** from FY 2018



Talent renewal and focus on collaboration:

- New President and renewed leadership team in place
- Focus on One IPL
- Invest in talent renewal



Renewed focus on customer across all areas of the business:

- Strengthened customer relationships at all levels
- Upgrade Customer Relationship Management (CRM) systems
- Introducing customer satisfaction measure, Net Promoter Score from FY 2019



Leveraging proven technologies to provide value to our customers:

- Launched Delta E in July 2018, successfully completed customer trials
- Successful roll out of Generation 4 electronics in FY 2018



Maintain **strong production performance** into FY 2019

Continuous improvement through **manufacturing excellence** and assessment of expansion opportunities at Moranbah after the 2021 turnaround



Strong demand from end markets, particularly Metallurgical Coal and Iron Ore

Ammonium Nitrate markets across Australia expected to be **balanced in aggregate as early as 2021**

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Advantaged supply position - Eastern Australia

Moranbah & 50% Share in QNP

Freight logical provider to the Bowen Basin, world's premier Metallurgical Coal region

Underpinned by long-term, low-cost gas supply agreement

Strong value proposition for customers

Manufacturing Excellence

Year-on-year improvement in Moranbah production performance, record performance expected in FY 2018 with a target to exceed again in FY 2019

Expansion opportunities to be assessed after FY 2021 turnaround

Customer focus

Working closely with our customers to deliver value add and provide the solutions they need

Introducing Net Promoter Score in FY 2019

Contract renewals

Contract review mechanisms and renewals over next 18 months

Dyno Nobel Mt Isa (ANFO, Distribution)

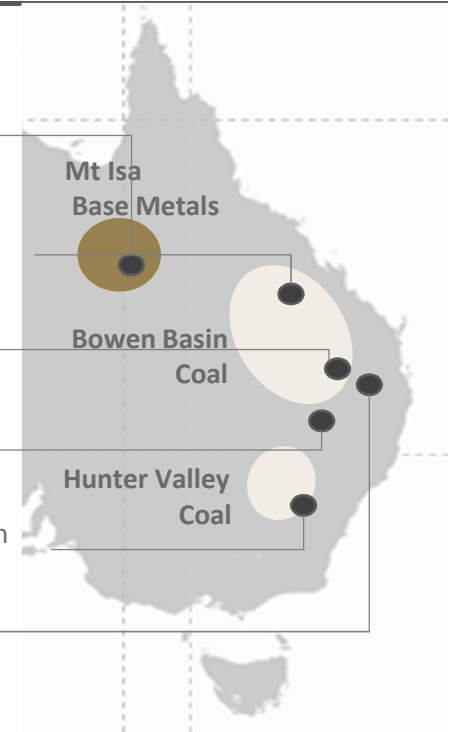
Dyno Nobel Moranbah (Emulsion, AN)

QNP Moura (Emulsion, AN)

Dyno Nobel Helidon (Initiating Systems)

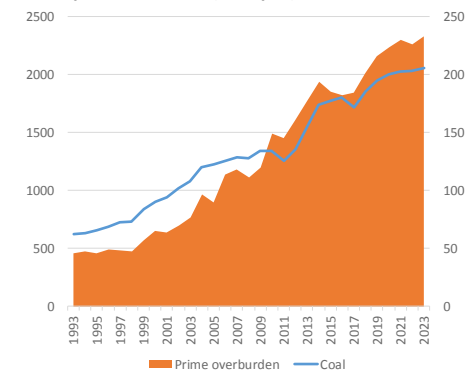
Dyno Nobel Warkworth (Emulsion)

Bajool (Distribution)



Bowen Basin Coal

Prime overburden (mbcm pa)/ marketable coal production (Mt pa)



Source: WoodMackenzie

Grow customer relationships and leverage advantaged technologies - Western Australia

Opportunity for growth, leveraging our advantaged technology offering

Delta E launched in Australia

- Patented world leading explosives delivery technology
- Successful trials at customer site in July 2018

Groundbreaking technology with our DigiShot Plus electronics offering

- Improved user interface and reliability
- Substantial increase in sales since FY 2016
- 4th Generation successfully introduced at key customers during FY 2018

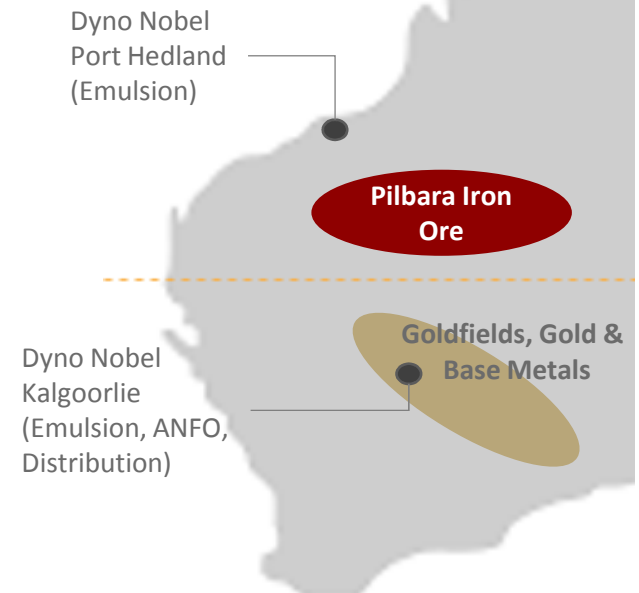
End Markets

Strong Iron Ore growth outlook, ~4% annual growth¹ in overburden; modest growth¹ for Base & Precious Metals

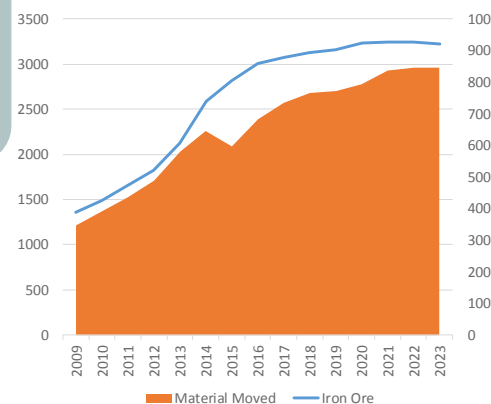
Contractual position

Unchanged from 13 June 2018 ASX announcement

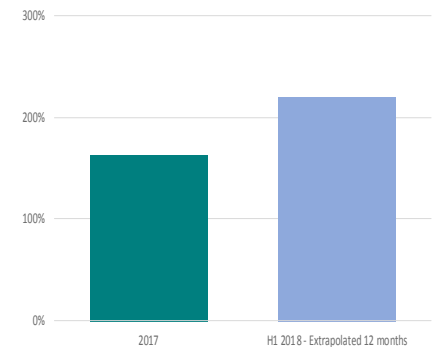
1. WoodMackenzie outlook



Australia Iron Ore
Material moved (Mt pa) / marketable iron ore production (Mt pa)



Dyno Nobel Asia Pacific – detonators annual volume growth on FY 2016



Source: WoodMackenzie

International

Indonesia and Papua New Guinea (PNG)

Second largest explosives company in Indonesia

Pioneer of modular emulsion plant concept, with nine active plants on customer mine sites across Indonesia and PNG

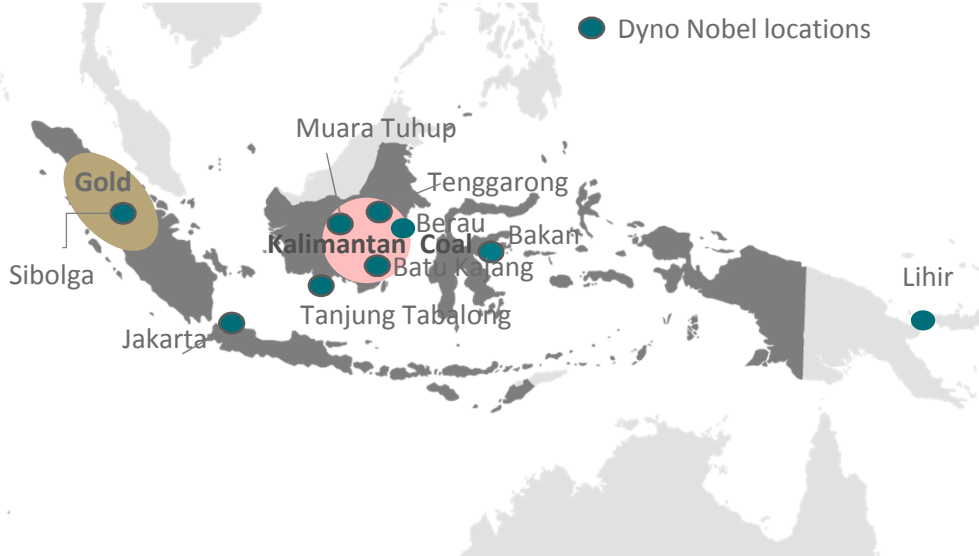
Service based approach working with selected local partners

Turkey

Second largest explosives company in Turkey

Strong distribution footprint

Premium product and service offering, allowing access to highest quality customers



Key messages - Reposition and renew our business, focus on customers and technology

Continue to foster strong safety culture on our journey to
Zero Harm

Strengthen Customer relationships, upgrade CRM systems and
introduce NPS to track our progress

Continue to apply technology to continuously improve our
service offerings

Accelerate Manufacturing Excellence to continue to grow capacity
as the market requires it

Incitec Pivot Limited

INNOVATION ON THE GROUND



James Crough

Interim President Incitec Pivot Fertilisers



Incitec Pivot Fertilisers – 100+ years of proud history

Largest fertiliser company in Australia

Global demand for fertilisers is anticipated to continue growing, largely to meet increases in global food production in emerging regions such as South America, South East Asia and Africa – in this context the business is strategically well positioned



Strong focus on environmental risk management and compliance

NSW drought relief support of customers and community



Halved the recordable safety incidents in 2018 vs pcp

Integrated value chain and multi-channel to market (Manufacturing, Distribution, Trade, Industrial Chemicals, Wholesale, Retail and Export)



Supplies high analysis fertiliser and specialist services to a diverse range of market segments within Australia and South East Asia



Proud history in our brands and supply of quality fertilisers and associated services to Australian farmers

Industry leading knowledge and experience



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INNOVATION ON THE GROUND

Market Segmentation – key strategic advantage



Leading Technology Solutions

Services and infrastructure

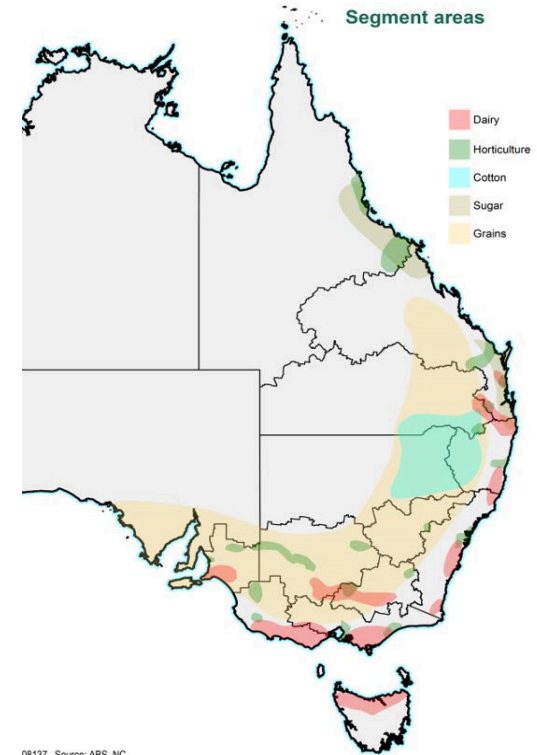
- Extensive distribution capability
- Nutrient advantage laboratory
- ‘LabSTREAM’ soil testing
- Agronomic services
- Fertshed online portal



Customer Focus

Servicing diverse geographies and market segments

- Dairy - High input pasture and hay crops
- Horticulture – Intensive high value crops with a diversity of crop types
- Cotton – Grown in inland irrigation areas of QLD and NSW, high nutrient inputs
- Sugar – Grown in high rainfall Coastal QLD and NSW
- Grains – Predominantly dryland cropping areas
- Pasture – Beef, sheep and hay production



08137 Source: ABS, NC



Profitable Growth

Broad product mix, service offering and diversified portfolio

Established successful brands

SUPERFECT **EASYN** **BIGN** **GRANULOCK**

ENITEC **Nitrophoska Special** **Nutrient Advantage**

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INNOVATION ON THE GROUND

Fertiliser Commodities



Global increase in demand for higher protein foods, population, income growth and urbanisation

Fertilisers supply and demand balance tightening, potential positive impact from commodity price cycle

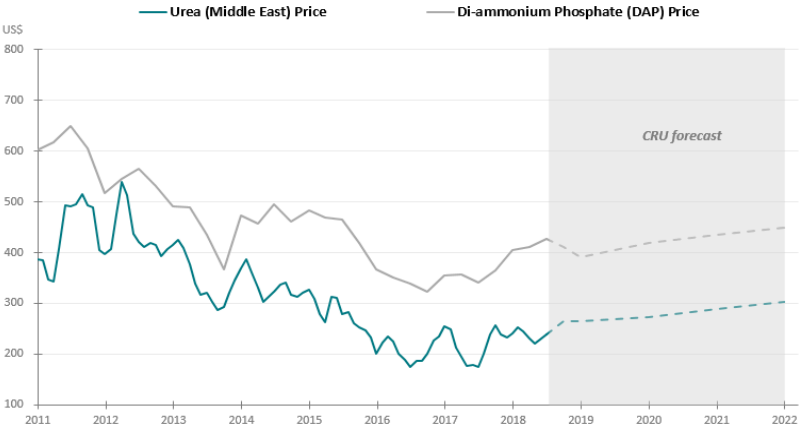
Farmers terms of trade are generally improving

Phosphate Hill leveraged to the anticipated global Di-Ammonium phosphates market rebalance

Anticipate that current NSW and Queensland drought conditions expected to impact farm cash flow into 2019



Market balance returning



Source: CRU, Urea Market Outlook June 2018
 Source: CRU, Phosphate Fertiliser Market Outlook July 2018

Growth Opportunities

Opportunities for increased returns



Customer Focus

Continued focus on 'voice of the customer' and sustained improvement in Net Promoter Score

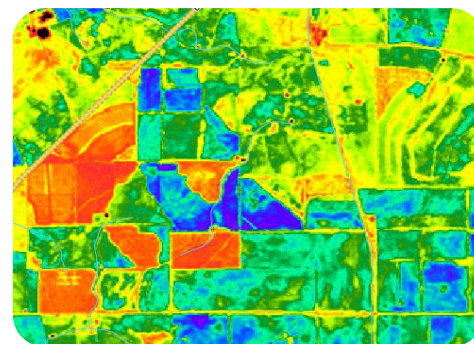
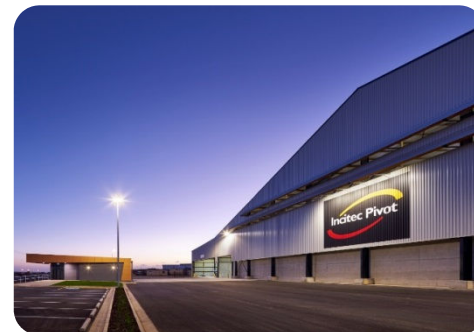
Together with farmers driving innovation and technology to improve fertiliser effectiveness in pasture and crops, such as:

- Green Urea NV (preventing nitrogen run off)
- Entec inhibitors
- Spray trace elements
- Ag chemical coatings
- labSTREAM sampling mobile application



Leading Technology Solutions

Investment in additional resources and capacity to expand our research and technology solutions



Manufacturing Excellence

Continuous improvement in production performance toward Manufacturing Excellence

Opportunities exist to improve plant uptime performance in FY 2019 and beyond



Profitable Growth

Investment targeted at higher margin, advantaged, value add segments

Partner with leading agribusinesses to participate in digital 'revolution' and 'decision agriculture'

Integrated Business Planning investment delivering supply chain and value chain trading efficiency

Actively monitor adjacent geographies and markets for opportunities



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INNOVATION ON THE GROUND

Key messages

Manufacturing Excellence will **grow returns**,
as plant reliability improves

Opportunities for increased returns, focus on
supply chain excellence and **high margin segments**

Driving innovation with farmers, investing in
research and technology solutions

Significantly **lower safety incidents** in 2018, **focus on the environment**



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INNOVATION ON THE GROUND

FY 2018 Outlook

Outlook – FY 2018

Dyno Nobel Americas

Explosives US\$ earnings expected to be up on pcp, growth in line with outlook at the half year

Ag & IC earnings expected to be up, underpinned by higher urea prices

Waggaman earnings expected down on first half

- 2H 2018 production at nameplate¹ (FY 2018 ~105%)
- Lower ammonia prices vs first half

Weaker A\$ positive for translation of US\$ earnings

Dyno Nobel Asia Pacific

Moranbah plant production for 2H 2018 expected to be slightly down on the first half performance

Mining markets

Strong demand from Metallurgical Coal sector continue

Contract negotiations

Renegotiation commenced for some DNAP customers contracts, expected to be ongoing throughout FY 2019

Fertilisers

Distribution

Expecting lower distribution margins (product mix) and sales volumes in NSW and QLD due to dry conditions

Market share and margin improvement in other segments

Phosphate Hill

Production for FY 2018 expected to be lower at ~840k mt, down from outlook at half year of 880k mt, due to the extended turnaround

Commodities and other

- higher fertilisers prices and weaker A\$ vs first half
- 2017 BEx one-offs of ~\$20M primarily asset sales

Corporate / Group

No change to outlook at the half year

- Corporate costs approximately A\$25M to A\$30M
- Effective tax rate for FY 2018 approximately 18%
- Net borrowing cost of approximately \$130M
- Net BEx benefits of A\$25M expected

FX Hedging, full participation for Fertilisers earnings expected in 2H 2018 from weaker A\$

1. Waggaman plant design capacity of 800k mt of ammonia production per annum

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Questions & Answers

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