



Chairman's Address
Annual General Meeting of Shareholders - Melbourne
Thursday, December 6, 2018 at 10.00 am

Donald McGauchie

Good morning and welcome to the 2018 Nufarm Limited AGM.

The past year has underlined the importance and value of our geographic diversification, as well as the strength of our business following our wide-ranging business improvement program and focused growth strategy.

In many parts of the Eastern States of Australia we have experienced the driest conditions in more than 100 years. We have also seen extremely dry conditions in parts of Central and Northern Europe. In the business of agriculture, there is no escaping the impacts of prolonged and severe drought.

As a company, we have 100 years of history navigating these challenges.

Nufarm is the leading supplier of crop protection products in Australia. We have a large manufacturing base here and a long-standing commitment to support Australian growers by having quality product, developed here for Australian conditions, available when it is needed.

Our Australian business is therefore exposed to the risk of that demand not eventuating when dry conditions persist through critically important cropping regions around the country.

Those impacts are clearly reflected in the company's 2018 results. The financial contribution of the Australian business was well down on the prior year, resulting in a Group profit outcome that was also lower. We also booked a one-off impairment-related cost in Australia that contributed to our statutory net profit moving to a loss at a group level.

We expect to see some recovery in the Australian business this year, however significant rainfall is still needed to support cropping activity – in particular, ahead of the major winter planting period next autumn.

While the 2018 financial impact of the drought was substantial, the measures taken by the company in recent years to rationalise the Australian manufacturing base; reduce overheads; and strengthen the productivity and competitiveness of Nufarm in Australia means we have mitigated the impact of this year's operating conditions.

As a company, we will continue to stand alongside and support Australian growers as the agriculture sector looks to recover when seasonal conditions improve.

Despite the challenges posed by conditions here in Australia, Nufarm continues to out-perform the global industry in overall revenue growth and is posting strong, profitable growth in major regional markets around the world.

Nufarm is undoubtedly a more efficient, competitive and strategically focused company as a result of the changes brought about through the performance improvement program, and the strategic review that was undertaken nearly four years ago.

In the past 12 months, we have continued to invest in better systems and processes, with further benefits still to be realised over coming years.

We also completed two valuable acquisitions in Europe that have strengthened our market position and will help drive sustainable growth. The management team has done an excellent job on the integration tasks associated with those acquisitions.

We have a strong pipeline of new product opportunities and our proprietary omega-3 canola program continues to meet its development and regulatory milestones, with a commercial launch not too far away.

The global business environment in which Nufarm operates is not without risks. We face the challenge of managing seasonal impacts that can generate significant swings in working capital; volatile currency movements in emerging markets; shifts in consumer demand and community sentiment; navigating the changing landscape in relation to issues such as Brexit and US trade policy; and anticipating and responding to product regulatory changes – to name a few.

The capital raising we recently undertook allowed us to strengthen the balance sheet and ensure the business is positioned to successfully navigate through these challenging times. We are also better able to capitalise on growth opportunities presented to us as a result of the ongoing consolidation in our industry.

It is important that we drive further efficiencies through the business; that we maintain a sound strategic focus; and that we have a balance sheet that both mitigates the impact of the risks we face and provides the capital required to fund profitable growth.

The Board and management team will continue to work together to ensure the company delivers on those fronts.

I would like to thank my fellow Directors for their contribution and engagement over the past 12 months, and will now hand over to Greg for his management report.



**Managing Director's Address
Annual General Meeting of Shareholders - Melbourne
Thursday, December 6, 2018 at 10.00 am**

Greg Hunt

Thank you, Chairman. I would also like to extend my welcome to you all.

Today I'll briefly review the 2018 performance of the business, as well as updating you on trading conditions so far in the 2019 financial year.

Let me start with a few comments about safety.

In the past year we have continued to make improvements to our safety performance. Our records show our injury rates are at the lowest levels ever. Globally, we are now on a par with the best performing companies in our sector. Ten of our 12 global manufacturing sites were injury free during the year.

We cannot, however, afford to be complacent. We are committed to continuing to invest in our safety programs and safety related plant improvements to help ensure our people go home safely every day and we will continue to report on our progress.

The Chairman has noted that the 2018 financial year was not without its challenges. The severe drought conditions in parts of Australia had a significant impact on our business. We also experienced drought conditions in parts of Central and Northern Europe. I would like to reinforce the Chairman's comments that – despite those challenges – Nufarm is a fundamentally better and stronger business today than we were 12 months ago. Our geographic diversification and focus on performance improvement over the past three years means we are well placed to navigate the extreme conditions we have faced in some regions this year.

We continue to generate above industry level revenue growth; we have delivered market share gains in most of our key regional markets; and we have invested in multiple growth platforms that will help drive improved earnings over the long term.

Our product development and portfolio management is more focused on delivering better solutions for our customers. We have sharpened our strategic allocation of capital and reduced the complexity of our product range, and I believe our portfolio and pipeline has never been in better shape.

We've also increased the efficiency of our manufacturing and supply chain functions and are progressing with productivity improvements in our back-office and administration. While the benefits of our back-office projects may be realised later than we expected, they are fundamental to the ongoing transformation of the company.

Our strategy remains on track – we are building our capabilities and market positions in those crops and markets where Nufarm can be most successful.

I'll now briefly recap on the headline results for 2018.

Group revenues were up 6% to \$3.3 billion. Underlying EBITDA was \$386 million, which was largely in line with the prior year. Underlying net profit after tax was \$98 million.

We reported material items totalling \$114 million. \$92 million of this was related to the impairment of the Australian business. Our statutory net profit was therefore a loss of \$16 million.

Management is continuing to focus on working capital. We were disappointed to finish the year with the average net working capital to sales ratio slightly above our target of 40%. Our target is to drive this ratio down to 35% to 37% in the medium term.

Higher levels of working capital were largely a result of our Australian inventory, which was high due to the poor selling season – as well as the later than normal sales in Europe due to the delayed season.

The increase in working capital pushed our debt levels higher. With continued uncertainty around the return to normal seasonal conditions in Australia, and deteriorating seasonal conditions in Europe, the Board supported management's recommendation to raise capital. Our goal was to strengthen the balance sheet and we believe it was a decisive and prudent action to take.

We remain on course to meet our medium-term average net debt target of two-times EBITDA.

While the severe drought conditions in Eastern Australia impacted our overall financial performance, it is worth highlighting that other business units performed strongly this year.

We grew revenues and underlying profit in both North America and South America, which were our two largest regional markets by revenue. Over the past three years, sales from the USA and Brazil have grown by more than 30% on a local currency basis. This has been achieved against a background of very low growth in the industry overall.

Despite very dry conditions in parts of Europe, our European business also posted growth, aided by strong early sales from our newly acquired product portfolios.

Our performance in these three important global markets underlines the fact that Nufarm is becoming more relevant and securing stronger customer support around the world. And we have a broad product portfolio and a deep pipeline of new product developments to support additional future growth.

Our Seed Technologies business generated 10% revenue growth in 2018. Profitability was, however, impacted by regulatory changes that phased-out the use of neonicotinoid-based seed treatment products in France. That impact aside, the seeds business performed well, with Nuseed growing market share in all regional markets.

We also made good progress on our world-leading Omega-3 canola program. Australian regulators approved Omega-3 canola production and use in feed and human consumption. And subsequent to year end, the United States Department of Agriculture approved Omega-3 canola for cultivation in the United States.

Nuseed successfully contracted, planted, and harvested 15,000 acres of Omega-3 canola under the USDA notification process. This has helped validate the Company's closed-loop business model, supply chain and stewardship protocols.

Trials utilising Nuseed's Omega-3 canola oil, which is branded as Aquaterra, were commenced at downstream aquaculture companies in Chile. Initial feedback from the trials confirms Aquaterra as a 'drop-in' solution with positive feed conversion and fish growth rates, and ease of use for feed manufacturing.

Regulatory submissions in the US and Canada are proceeding to plan, and US approvals are anticipated prior to the 2019 North American summer cropping season. This will allow us to proceed to commercialisation of this world-first source of omega-3 in this current financial year.

The omega-3 canola opportunity is one of a number of 'Beyond Yield' innovations being developed within our seeds business. It will be an important source of profitable growth for the company, along with other growth platforms we have in place across our crop protection business.

Nufarm has a strong product portfolio, stronger than we have ever had in the past. We have a number of innovative new product launches scheduled over coming years. We are strengthening our customer offer through our strategic partnership with Sumitomo Chemical and new distribution and marketing arrangements with other industry partners. Sales of Sumitomo products through the Nufarm platform have grown at a compound annual growth rate of 37% since 2014. And we have signed new collaboration and distribution agreements with Sumitomo to cover several new proprietary products that are scheduled to be launched in the early 2020's.

I'd now like to speak briefly about the outlook for the current financial year.

Our overall growth expectations for 2019 assume a partial earnings recovery here in Australia.

The 2018 Australian winter crop production is expected to be about 20% below the 20-year average production, and 23% down on last year. It is, however, a tale of two sides of the country, with the drought-affected Eastern States forecast to produce harvests about 40% below that average. Western Australia, which had a much stronger season, is expected to come in at 12% above the average.

For our first half in Australia, we rely on opportunities tied to summer cropping activity. Current forecasts have summer crop plantings down by some 20% on the prior year. This is limiting our selling opportunities. Given an extended period of low demand due to the dry conditions, channel inventory levels are higher than normal. This impacts on our level of manufacturing activity and overhead recoveries. For the first quarter of the year, regional sales are slightly down on the corresponding period last year.

In North America, the strong momentum we generated in financial year 2018 has continued into the first quarter, with sales ahead of the same period last year.

While on North America, many shareholders will be aware of the California court case involving damages awarded against Monsanto, the manufacturer of glyphosate, the active ingredient in 'Roundup'. That case is still the subject of appeal; however I'd like to make a few comments about glyphosate, given it's an important component of many formulations in our herbicide portfolio.

Like all crop protection products marketed by Nufarm, glyphosate is subject to a rigorous and independent regulatory review process before being approved for use in agriculture. It is important to note that respected authorities like the United States Environmental Protection Agency, the European Food Safety Authority, the National Institute of Health, and the APVMA here in Australia have all assessed glyphosate and determined that it can be used safely.

Those assessments are supported by more than 800 scientific studies and reviews over 40 years which also substantiate the safety of the product.

A major study that has investigated the risk between glyphosate exposure and non-Hodgkin lymphoma is the US government's Agricultural Health Study. This is the largest ever study of agricultural workers, and it analysed data from approximately 89,000 farm workers and their families. It found there was no association between glyphosate and lymphoma – regardless of the exposure level.

This study was not included the 2015 IARC assessment that has generated so much of the current community debate.

Nufarm will continue to rely on the scientific evidence. We strongly support the integrity of the independent regulatory process and we are committed to promoting the safe use of all our products.

Moving on to Latin America, our first quarter performance is also tracking ahead of last year. Brazil is a key driver of first half performance, given the major selling season occurs in the early part of the financial year. We expect to benefit from increased soy plantings and stronger terms of trade for Brazilian farmers.

We are supporting growth in the Americas with an expanded manufacturing presence. New production facilities in both the US and Brazil will help drive future growth and provide important efficiencies in logistics. They will also improve the service we can offer key customers in those markets.

Central and Northern Europe were in partial drought over their summer. Dry conditions have continued, and we have seen a delayed autumn season and inventory levels that are higher than normal at this time of the year. We are also closely monitoring the impact of a Government enforced shutdown of a plant operated by our Chinese supplier of prochloraz, one of the fungicide products acquired as part of the new portfolio from Adama. This is an evolving situation that we are actively managing.

Despite these challenges, we are focused on delivering our full year targets for the newly acquired product portfolios. The new products give Nufarm increased scale and stronger channel partner relationships. I'm very pleased with how well we have executed on integration plans. We will be in a strong position to capitalise if seasonal conditions improve for the major selling period in the second half.

We expect first half Group EBITDA to be similar to that generated in the first half of FY18. At an EBIT level, earnings are likely to be below the FY18 first half. This is because the increased amortization associated with the European acquisitions will more than offset the first half earnings contribution from those portfolios, which – as I said – are weighted to the second half of the year.

Net working capital at the half is always higher than year end as we are in the middle of the season in Latin America and we are building inventories for the northern hemisphere summer season. This pattern will be exacerbated this half year by excess inventory in Australia due to the continuing drought. The strong start to the Latin American season will also drive receivables higher.

Our group outlook for the 2019 full year is for substantial earnings growth. Assuming average seasonal conditions for the major selling periods in our key markets, we expect underlying EBITDA to be in a range of \$500 million to \$530 million. This is well up on the \$386 million EBITDA generated in 2018.

While we expect average net working capital over sales to be around 40% for the full year, we are expecting net working capital at year end to be at a similar level to the prior year in spite of the substantial growth we are expecting.

Broader market conditions are expected to remain somewhat challenging, with soft commodity prices remaining low and price competition strong. We have demonstrated, however, that the Nufarm business model can generate consistent growth in a challenging industry environment.

Looking further ahead, we are confident that the changes and improvements we have made to the business and the growth platforms we have developed will continue to generate increased value for shareholders.

Before handing back to the Chairman, I would like to acknowledge the contribution and effort of Nufarm employees around the world. The past several years have seen significant change, with new processes and systems, and a renewed strategic focus. The gains we have made would not be possible without the strong engagement of our people...and I thank them for their commitment to the business.

I would also like to thank Directors for their continued support and counsel. As a management team, we very much appreciate the collaborative approach taken by our Board.

Finally, I would like to express my appreciation to you, our shareholders, for your ongoing interest and support. I am very positive about the future opportunities for this company and I look forward to delivering profitable growth over the next few years.

Thank you.

Nufarm Limited 2018 Annual General Meeting



December 6, 2018

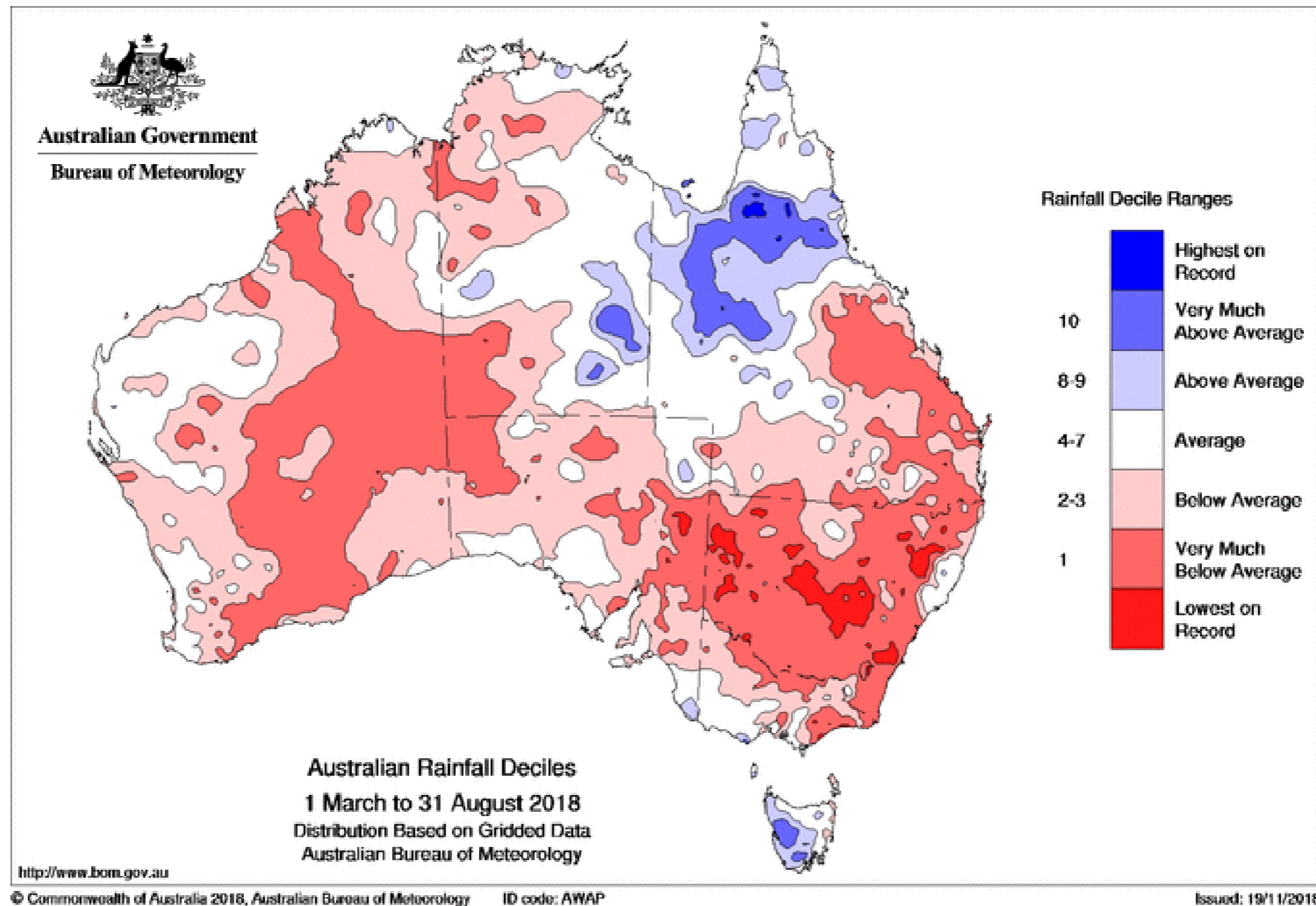
Mr Donald McGauchie

Chairman



Drought conditions continued across autumn and winter

Driest autumn since 1902 in parts of the country



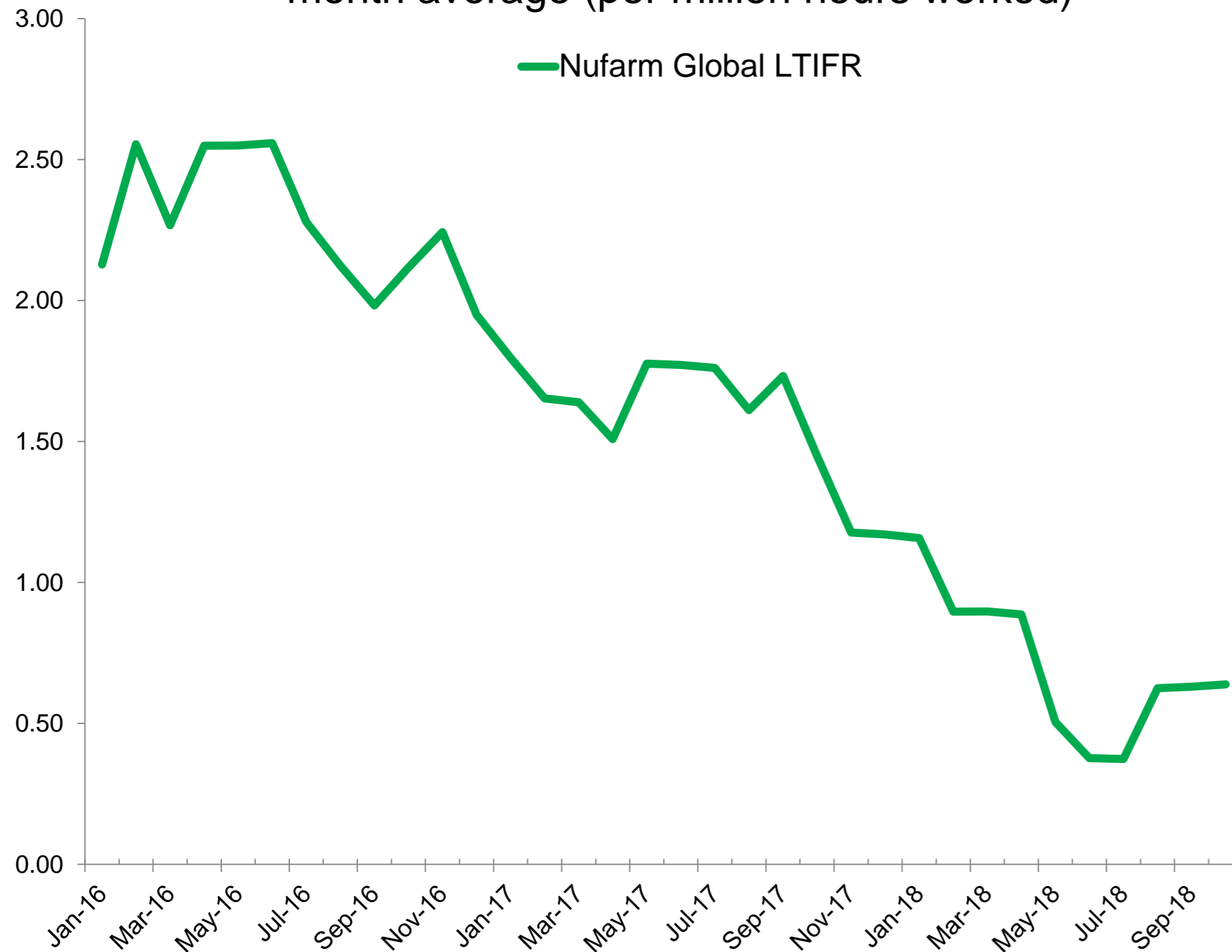
Mr Greg Hunt

Managing Director and CEO



We have strengthened our safety culture

Nufarm Lost Time Injury Frequency Rate - Rolling 12 month average (per million hours worked)



WE ARE COMMITTED TO SENDING OUR PEOPLE HOME SAFELY EVERY DAY

- ✓ Lowest lost-time and serious-injury frequency rates on record.
- ✓ Nufarm safety performance in line with world's best in our sector.
- ✓ 10 of 12 manufacturing sites injury free during the financial year.
- ✓ Ongoing investment in better safety procedures and training.

We have built a better Nufarm

FY2018 challenges included worst drought in parts of Australia in 100 years.....however we are:

- Delivering above industry level revenue growth
- Securing market share gains in key markets
- Capitalising on multiple growth platforms
- Investing in improved systems and processes which drive greater efficiencies
- Executing on a strategy that focuses on those crops and geographic markets where Nufarm can be most successful

Strategy execution over last 4 years has delivered:

- Revenue growth of 6% (CAGR)
- Margin expansion above 300 basis points
- EBITDA growth of 8% (CAGR)
- Underlying EPS growth 5% (CAGR)
- Performance improvement program benefits over \$100m, with business transformation benefits to come in FY19/20
- Average NWC/sales down from 49.0% to 40.3%

2018 Full year results

We continue to generate above industry level revenue growth

	FY18	FY17	Change
Revenue	\$3.308b	\$3.111b	↑ 6%
Underlying Gross Profit	\$963M	\$916M	↑ 5%
Gross Profit Margin	29.1%	29.4%	↓ 30bps
Underlying EBITDA	\$386M	\$390M	↓ 1%
EBITDA Margin	11.7%	12.5%	↓ 80bps
Average net working capital / sales ratio	40.3%	36.8%	↓ 350bps
Full Year Dividend	11 cents	13 cents	

2018 in review – Nufarm Australia/New Zealand

Australia's performance was challenged by drought in many parts of the country.



2018 in review – North America & Latin America

North America grew revenue and underlying profits by **more than 30% over the last 3 years.**

Latin America grew revenue and underlying profit during the year despite the Brazilian crop protection market being down 7% in the 2017 calendar year.



2018 in review – Nufarm Europe

Europe grew revenue by 19%, aided by strong sales from newly acquired product portfolios.

Dry finish to the season in Northern and Central Europe.



2018 in review – Seed Technologies

Our Seed Technologies business generated 10% revenue growth in 2018, growing market share in all regional markets.



Omega-3 canola is progressing well

Commercialisation on track for 2019, subject to appropriate regulatory approvals



Nuseed is well positioned to be the first to market with a sustainable and scalable alternative source of long chain omega-3



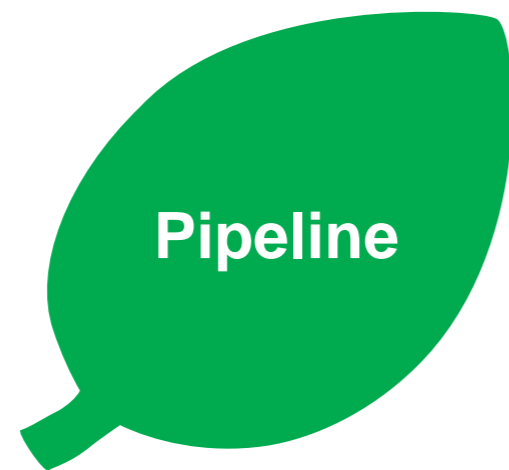
Growth Opportunities



Growth opportunities remain strong



Growing our share in our core geographies based on our existing portfolio



Strengthening our pipeline of grower-focused crop protection and seed solutions



Building alliances with partners around the world to deliver access to new technologies and chemistries for growers and channel partners



Pursuing portfolio acquisitions that align with our strategy and enhance our offer to channel partners and growers



Investing in new seed solutions and technologies such as our world-leading omega-3 canola

Trading Update & Outlook



Trading Update

NORTH AMERICA

Solid start to the year with good early order sales program in T&O, and alignment with channel partners providing sales opportunities. The major selling period occurs in the second half

LATIN AMERICA

Good start to the soybean season with increased plantings, strong terms of trade for farmers and reasonable climatic conditions

EUROPE

Slow start to the Europe season due to dry conditions. Integration of acquired portfolios continues to plan. Major selling period second half.

SEED TECHNOLOGIES

Sales in line with last year. Majority of earnings generated in second half. Omega-3 canola meeting regulatory approvals milestones.

AUS & NZ

Business challenged in 1H19, with high inventories, competitive pricing and low production volume levels. Summer cropping area expected to be 18% down on last year. Rain needed heading into winter cropping in the second half.

**Market continues to be competitive.
Farmer economics remain tight.**

Group Outlook

HALF YEAR

- uEBITDA expected to be similar to first half FY18 due to:
 - Continued impact of drought in Australia.
 - Planned maintenance shutdowns in Europe.
- uEBIT earnings likely to be below first half FY18 due to:
 - Increased amortisation associated with Europe acquisitions, that will more than offset the first half earnings from this portfolio, which are weighted to second half FY19.

FULL YEAR

- Expect to return to earnings growth with:
 - Revenue growth.
 - Partial recovery of Australian business.
 - Full year impact of European acquisitions.
- Market conditions will remain competitive with farmer economics tight.
- uEBITDA expected to be in \$500-\$530M range.
- Improvement in Net Working Capital/sales anticipated, returning to approx. 40%.

For full outlook statement, please refer to the CEO's AGM speech on Nufarm's website.

Thank you

Nufarm Annual General Meeting

December 6, 2018



Nufarm AGM - Items of business



Thank you

Nufarm Annual General Meeting

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