



PROFIT REPORT FY2019

Incitec Pivot Limited

DYNO
Dyno Nobel

**INNOVATION
ON THE GROUND**



Incitec Pivot Limited (IPL) reported Net Profit After Tax (NPAT) of \$152m compared to \$208m in FY18 (or compared to \$347m in FY18 excluding Individually Material Items (ex IMIs)). IPL's FY19 NPAT was impacted by \$140m of non-recurring items*.

GROUP SUMMARY

IPL GROUP	Year ended 30 September		
	FY19 A\$m	FY18 A\$m	Change A\$m
Reported Revenue and Earnings			
Revenue	3,918.2	3,856.3	61.9
EBITDA	605.3	615.0	(9.7)
EBIT	303.7	320.7	(17.0)
NPAT	152.4	207.9	(55.5)
Business EBIT ex IMIs			
Dyno Nobel Americas (DNA)	234.0	278.6	(44.6)
Dyno Nobel Asia Pacific (DNAP)	179.2	205.4	(26.2)
Fertilisers Asia Pacific (Fertilisers)	(79.7)	104.6	(184.3)
Eliminations	(1.7)	(0.6)	(1.1)
Corporate	(28.1)	(31.3)	3.2
Group EBIT ex IMIs	303.7	556.7	(253.0)
NPAT ex IMIs	152.4	347.4	(195.0)
Shareholder Returns			
Cents Per Share			
EPS ex IMIs	9.5	20.9	
Total Dividend	4.7	10.7	
Credit Metrics			
Net Debt ⁽¹⁾	(1,691.4)	(1,371.6)	
Interest Cover ⁽²⁾	4.6x	7.3x	
Net debt/EBITDA (ex IMIs) ⁽³⁾	2.8x	1.6x	

Zero Harm

IPL's Total Recordable Injury Frequency Rate⁽⁴⁾ (TRIFR) for the rolling twelve-month period ending 30 September 2019 was 0.80, a 15% improvement from pcp, showing good progress toward our 2021 target of 0.70. IPL reported an improvement in Potential High Severity Incidents⁽⁵⁾ of 34 (pcp: 42). Process Safety Incidents⁽⁶⁾ increased to 33 (pcp: 27) and Significant Environmental Incidents⁽⁷⁾ reported were up at 3 for the year (pcp: 1). Tragically, a double fatality occurred in the US during the year which involved a Dyno Nobel vehicle on a public road.

Net Debt

Net debt increased to \$1.69bn at 30 September 2019 (pcp: \$1.37bn) and Net Debt/EBITDA increased to 2.8x (pcp: 1.6x). The Group's credit ratings were maintained.

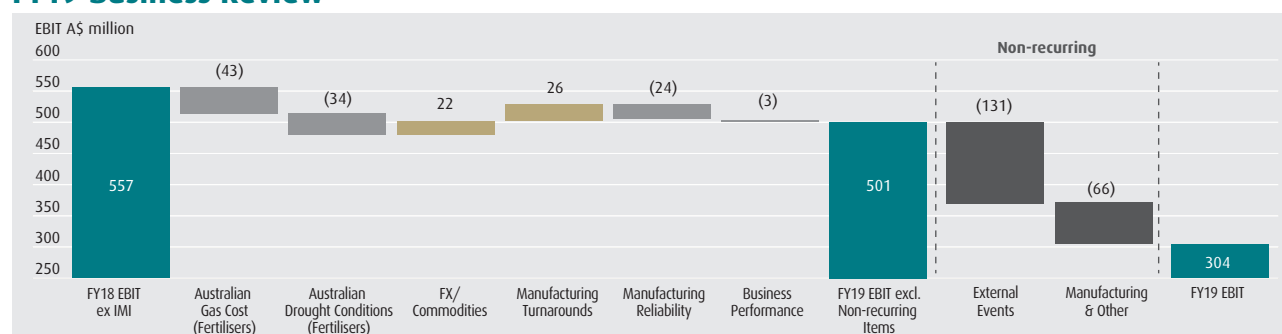
Dividend

Final dividend of 3.4 cents per share 30% franked, has been declared, bringing total dividends for FY19 to 4.7 cents per share, representing a 50 percent payout ratio of NPAT. IPL will recommence its Dividend Reinvestment Plan (DRP). A discount of 2% will be applied in determining the offer price under the DRP.

Capital Management

The Company's \$300m share buy-back was completed in December 2018. The Company bought back and cancelled 81.4 million ordinary shares at an average price of \$3.69 per share.

FY19 Business Review



The Group reported FY19 Earnings Before Interest and Tax (EBIT) of \$304m, after \$197m of non-recurring items. Major movements for the year were as follows:

Non-recurring Items: \$197m net adverse movement.

The impact from External Events of \$131m included the impact from the Queensland rail outage of \$115m; and increased operating costs of \$16m driven by elevated gas pricing following a third-party gas supply disruption to the St Helens site.

Manufacturing & Other non-recurring items amounted to a net adverse impact of \$66m in FY19. This amount includes the combined impact of significant manufacturing outages at Waggaman and Phosphate Hill in 1H19 of \$65m; and Portland Single Super Phosphates (SSP) plant closure costs of \$13m. This was partially offset by \$12m profit from the sale of excess land in the US.

Australian Gas Cost: \$43m net adverse movement due to the impact of higher cost Australian East Coast gas on Fertilisers earnings in FY19.

Australian Drought Conditions: \$34m decrease due to the worsening impact of the drought on Fertilisers earnings, as drought conditions persisted in some key growing areas through FY19.

Foreign Exchange & Commodity Prices: \$22m net increase. Benefits from the lower A\$:US\$ exchange rate partially offset by lower commodity prices compared to pcp.

Manufacturing – Reliability & Turnarounds: \$2m net increase. The increase was mainly due to the \$34m positive impact absent FY18 turnarounds at Phosphate Hill and St Helens; partially offset by the Gibson Island 1H19 turnaround impact of \$8m. Manufacturing reliability was impacted by higher Moranbah manufacturing costs of \$3m (net of 2H19 efficiency benefits); and \$21m impact from unplanned outages at Waggaman in FY19.

Business Performance: \$3m net decrease, including the impact of DNAP contract re-basing of \$20m; and lower Quantum Fertilisers earnings of \$9m. Partially offset by \$11m of benefits from Fertilisers value chain optimisation; DNA Explosives earnings growth of \$9m; Corporate costs lower by \$3m; and net other of \$3m.

* Refer to Appendix on page 15 for a summary of FY19 non-recurring items.

INCOME STATEMENT

Revenue

Group revenue of \$3,918m increased by \$62m or 2% as compared to \$3,856m in FY18.

EBIT

EBIT of \$304m decreased by \$253m as compared to EBIT ex IMIs of \$557m in FY18. Major movements in EBIT are set out below:

MOVEMENTS IN EBIT VS FY18 EX-IMI

Items	Business	Amount
A\$m		
Non-recurring		
<i>External Events (Associated Impacts)</i>		
Queensland Rail Outage	Fertilisers	(115)
Gas Market Disruption, St Helens	DNA	(16)
Sub-total		(131)
<i>Manufacturing Outages</i>		
Waggaman Manufacturing Outages	DNA	(45)
Phosphate Hill Reactor Failure	Fertilisers	(20)
Sub-total		(65)
<i>Other</i>		
SSP Plant Closure	Fertilisers	(13)
Excess Land Sale	DNA	12
Sub-total		(1)
Total Non-Recurring		(197)
Markets/Weather		
Drought Conditions	Fertilisers	(34)
Foreign Exchange & Commodity Prices	Fertilisers & DNA	22
Sub-total		(12)
Manufacturing, Operations & Other		
Australian East Coast Gas Cost – Net Increase	Fertilisers	(43)
St Helens Manufacturing FY18 Turnaround	DNA	4
Phosphate Hill FY18 & Gibson Island FY19 Turnarounds	Fertilisers	22
Waggaman Manufacturing Outages	DNA	(21)
Moranbah Manufacturing Costs	DNAP	(3)
Contract Re-basing	DNAP	(20)
Value Chain Optimisation	Fertilisers	11
Quantum Fertilisers Performance	Fertilisers	(9)
Americas Explosives Earnings Growth	DNA	9
Net Other	Group	6
Sub-total		(44)
Total Movements in EBIT (ex IMIs)		(253)

Interest

Underlying interest expense⁽⁸⁾ of \$140m increased 13% compared to pcp, due to \$10m from the lower average A\$:US\$ exchange rate compared to pcp; \$3m from higher average borrowings in FY19 compared to pcp; and \$3m from higher interest rates on longer term debt.

Tax

Tax expense ex IMIs of \$8m decreased by \$71m compared to pcp. IPL's effective tax rate on operating profit for FY19 ex IMI's was lower at 4.7% (pcp 18.3%). The lower tax rate was primarily driven by non-recurring items adversely impacting profits and the impact of funding structures on an unusually low FY19 profit base.

Year ended 30 September

INCOME STATEMENT	FY19	FY18	Change
	A\$m	A\$m	%
Revenue			
Business Revenue			
DNA	1,569.0	1,462.3	7
DNAP	990.7	978.6	1
Fertilisers	1,419.4	1,471.7	(4)
Eliminations	(60.9)	(56.3)	8
Group Revenue	3,918.2	3,856.3	2
EBIT			
Business EBIT ex IMIs			
DNA	234.0	278.6	(16)
DNAP	179.2	205.4	(13)
Fertilisers	(79.7)	104.6	(176)
Eliminations	(1.7)	(0.6)	na
Corporate	(28.1)	(31.3)	(10)
Group EBIT ex IMIs	303.7	556.7	(45)
<i>EBIT margin</i>	<i>7.8%</i>	<i>14.4%</i>	
NPAT			
Underlying interest expense	(139.7)	(123.6)	13
Non-cash unwinding liabilities	(4.4)	(4.4)	-
Net borrowing costs	(144.1)	(128.0)	13
Tax expense	(7.5)	(78.4)	(90)
Minority interests	0.3	(2.9)	(110)
NPAT excluding IMIs	152.4	347.4	(56)
IMIs after tax	-	(139.5)	na
Group NPAT	152.4	207.9	(27)

NPAT

NPAT of \$152m decreased 27% (or 56% ex-IMIs) compared to pcp.

External Events

The total FY19 EBIT impact from External Non-recurring Events amounted to \$131m.

In 1H19, IPL announced a temporary production interruption at its Phosphate Hill plant as a result of the closure of the rail line between Townsville and Phosphate Hill as a consequence of the one in a 100-year rain event and the resultant flooding in Northern Queensland. The financial impact of the outage on FY19 EBIT was \$115m. In accordance with Australian Accounting Standards, the impact is not presented as an IMI, as it largely represents lost sales margin on product that was not manufactured as a result of the rail outage.

In addition to the above, IPL's FY19 EBIT was impacted by \$16m (US\$12m) from elevated gas pricing for the St Helens plant as a result of the rupture of Enbridge Inc.'s Westcoast gas pipeline in October 2018 and subsequent testing and outages required to meet regulatory requirements.

BALANCE SHEET

Movements in the Group's Balance Sheet during the year include:

Assets

- **Trade Working Capital (TWC):** Increase of \$56m mainly driven by higher stock balances as a result of lower demand for fertilisers due to drought conditions in some areas; and the timing of shipments at year end.
- **Net Property, Plant & Equipment (PP&E):** Increase of \$186m was mainly driven by sustenance capital expenditure of \$262m; the impact of foreign currency translation of non-A\$ denominated assets of \$126m; additions to minor growth projects of \$49m; and lease buy-outs of \$47m. This was partly offset by the depreciation charge for the year of \$278m; and asset disposals with carrying value of \$13m.
- **Intangible Assets:** Increase of \$133m mainly as a result of the impact of foreign currency translation of non-A\$ denominated assets of \$125m; and \$23m in relation to the capitalisation of completed digital technology and product delivery solutions and investment in new technologies. This was partially offset by the amortisation charge of \$24m for the year.

Liabilities

- **Tax Liabilities:** Decreased by \$26m mainly due to tax payments of \$21m; and the tax effect on movements in the market values of derivative hedging balances of \$14m and Retirement Benefit Obligation of \$10m. This was offset in part by tax on earnings of \$8m; and the impact of foreign currency translation of \$14m.
- **Net Other Liabilities:** Increased by \$123m mainly due to market value movements and maturities of derivative hedging instruments (excluding debt hedges) of \$53m; an increase in the Group's Retirement Benefit Obligation of \$35m, as a result of lower discount rates and the impact of the lower A\$:US\$ exchange rate on translation of US\$ obligations; and movements in capital and other accruals.
- **Net Debt:** Increased by \$320m to \$1,691m mainly due to lower operating cash flows of \$248m and the impact of the lower A\$:US\$ exchange rate on translation of US\$ borrowings and maturing debt hedges during the year.

BALANCE SHEET	Year ended 30 September		
	FY19 A\$m	FY18 A\$m	Change A\$m
Assets			
TWC – Fertilisers	(137.8)	(164.8)	27.0
TWC – Explosives	141.9	113.0	28.9
Group TWC	4.1	(51.8)	55.9
Net PP&E	4,190.0	4,004.3	185.7
Intangible assets	3,179.5	3,046.6	132.9
Total Assets	7,373.6	6,999.1	374.5
Liabilities			
Environmental & restructure provisions	(134.8)	(121.2)	(13.6)
Tax Liabilities	(495.9)	(521.5)	25.6
Net other liabilities	(363.7)	(240.6)	(123.1)
Net Debt	(1,691.4)	(1,371.6)	(319.8)
Total Liabilities	(2,685.8)	(2,254.9)	(430.9)
Net Assets	4,687.8	4,744.2	(56.4)
Equity	4,687.8	4,744.2	(56.4)
Key Performance Indicators			
Net Tangible Assets/Share	0.94	1.04	
Fertilisers – Ave TWC % Rev	(0.3%)	(0.3%)	
Explosives – Ave TWC % Rev	9.2%	8.4%	
Group – Average TWC % Rev ⁽⁹⁾	5.8%	5.1%	
Credit Metrics			
Net Debt	(1,691.4)	(1,371.6)	
Interest Cover	4.6x	7.3x	
Net debt/EBITDA ex IMIs	2.8x	1.6x	

NET DEBT A\$m	Maturity Month/Year	Facility Amount	Drawn Amount	Undrawn Amount
144A/Regulation S Notes	12/19	1,183.2	1,183.2	–
Bridge Facility ⁽¹⁰⁾	10/20	517.6	–	517.6
Syndicated Term Loan	08/21	585.4	295.8	289.6
Syndicated Revolver	10/21	739.5	–	739.5
EMTN/Regulation S Notes	02/26	105.6	105.6	–
Australian MTN	03/26	450.0	450.0	–
EMTN/Regulation S Notes	08/27	591.6	591.6	–
US Private Placement Notes ⁽¹⁰⁾	10/28	369.7	–	369.7
US Private Placement Notes ⁽¹⁰⁾	10/30	369.7	–	369.7
Total Debt		4,912.3	2,626.2	2,286.1
Fair Value and Other Adjustments			(6.8)	
Loans to JVs, Associates/Other short term facilities			37.0	
Cash and Cash Equivalents			(576.4)	
Fair Value of Hedges			(388.6)	
Net Debt			1,691.4	
Net Debt/EBITDA			2.8x	

The fair value of net debt hedges at 30 September 2019 was an asset of \$389m (pcp: \$415m). Most of these hedges will mature in December 2022.

BALANCE SHEET (continued)

Credit Metrics

Net Debt/EBITDA: The ratio of 2.8x was higher compared to 30 September 2018 mainly due to lower earnings; the impact of the share buy-back; and maturing debt hedges during the year.

Interest Cover: Decreased to 4.6x (pcp: 7.3x).

Credit Ratings: Investment Grade credit ratings:

- **S&P:** BBB (Stable outlook)
- **Moody's:** Baa2 (Negative outlook)

Debt Funding

Maturing facilities

The Company's A\$200m Medium Term Notes, issued in the Australian debt capital market, matured in February 2019. The US\$800m (A\$1,183.2m) 10-year bond on issue in the US144A debt capital market will mature in December 2019.

Refinancing

As part of the Company's refinancing program for maturing borrowings, the following refinancing was completed during the year:

- HK\$560m (A\$105.6m) 7-year bond under the Company's Euro Medium Term Note program, maturing in February 2026.
- A\$450m 7-year bond in the Australian debt capital market, maturing in March 2026.
- US\$500m Notes in the US Private Placement capital market, with US\$250m maturing in October 2028 and US\$250m maturing in October 2030. The Notes were funded in October 2019.

The Group's current refinancing program was substantially completed during the year, delivering increased average debt tenor; better diversity of funding sources; and lower credit margins.

The Group's average tenor of its drawn interest bearing liabilities at 30 September 2019 was 3.4 years. On a pro-forma basis, the Group's average tenor of its debt facilities was 5.7 years at 30 September 2019, after taking into account the funding of the US\$500m Notes in the US Private Placement market along with the cancellation of the 1.5-year US\$350m bridge facility that occurred in October 2019; and the anticipated maturity of the US\$800m bond in December 2019.

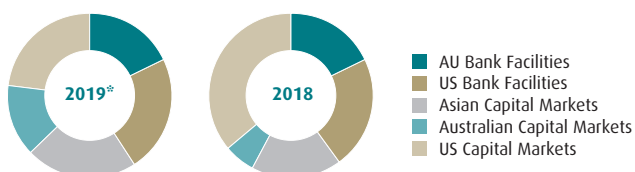
Trade Working Capital Facilities

IPL use TWC facilities to effectively manage the Group's cash flows, which are impacted by seasonality and demand and supply variability.

The Group has a non-recourse receivable purchasing agreement to sell certain domestic and international receivables to an unrelated entity in exchange for cash. As at 30 September 2019, receivables totalling \$216m (pcp: \$188m) had been sold under the receivable purchasing agreement.

IPL also offers suppliers the opportunity to use supply chain financing. The Group evaluates supplier arrangements against several indicators to assess whether to classify outstanding amounts as payables or borrowings. The balance of the supply chain finance program, classified as payables, at 30 September 2019 was \$307m (2018: \$316m).

Source of Funding



* Excluding US\$800m 144A bond maturing December 2019 and US\$350m Bridge facility cancelled in October 2019; and includes US\$500m US Private Placement Notes funded in October 2019.

CASH FLOW

Operating Cash Flow

Operating cash flows of \$415m decreased by \$248m compared to FY18. Significant movements included:

- **EBITDA:** Decreased by \$246m to \$605m ex FY18 IMIs.
- **Net Interest Paid:** Increased \$15m mainly due to the impact of the lower A\$:US\$ foreign exchange rate on US\$ borrowing costs; and the increased level of borrowings during the year.
- **Net Income Tax Paid:** Increased \$9m largely driven by payments relating to FY18.
- **TWC Movement:** \$19m negative movement compared to pcp as a result of higher fertilisers stock balances at the end of FY19.
- **Other Non-TWC:** \$48m positive movement was mainly due to increased utilisation of debtor factoring facilities in FY19 and the timing of receipts at year end.

Investing Cash Flow

Net investing cash flows of \$342m increased \$18m as compared to FY18. Significant movements included:

- **Minor Growth Capital:** Decrease of \$9m mainly due to the timing of payments at the end of FY18; partially offset by increased spend to support growth in the Explosives businesses.
- **Sustenance:** Decrease of \$8m mainly due to lower turnaround activity in FY19; partially offset by increased spend on the gypsum cell at Phosphate Hill.
- **Lease Buy-out:** \$47m payment in relation to end-of-term asset buy-outs in FY19.

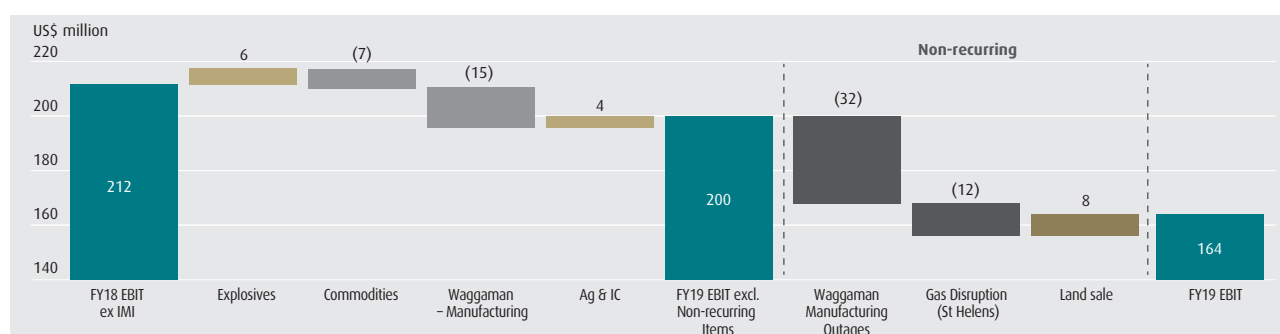
Financing Cash Flow

Net financing cash flow of \$393m decreased \$25m as compared to FY18. Significant movements included:

- **Dividends:** Payment in FY19 represents the final FY18 dividend payment of \$101m and the FY19 interim dividend payment of \$21m. In November 2019, the Directors of IPL determined to pay a final dividend of 3.4 cents per share, 30% franked, on 8 January 2020. This brings the total FY19 dividends to 4.7 cents per share and represents a payout ratio of approximately 50%.
- **Share Buy-back:** Spend on the repurchase of IPL shares under the share buy-back program amounted to \$90m in FY19. The \$300m program was completed in December 2018.
- **Foreign Exchange on Net Debt:** Increase to \$159m primarily due to hedges of US\$ borrowings that matured during the year.

CASH FLOW	Year ended 30 September		
	FY19 A\$m	FY18 A\$m	Change A\$m
Operating Cash Flow			
EBITDA ex IMIs	605.3	851.0	(245.7)
Net interest paid	(131.1)	(116.4)	(14.7)
Net income tax paid	(20.8)	(11.5)	(9.3)
TWC movement (excl FX movements)	(12.2)	6.6	(18.8)
Profit from JVs and associates	(44.9)	(44.7)	(0.2)
Dividends received from JVs	27.5	29.9	(2.4)
Environmental and site clean-up	(8.8)	(7.2)	(1.6)
Restructuring costs	(6.7)	(3.6)	(3.1)
Other Non-TWC	6.5	(41.4)	47.9
Operating Cash Flow	414.8	662.7	(247.9)
Investing Cash Flow			
Minor growth capital	(55.2)	(64.6)	9.4
Sustenance	(246.3)	(253.8)	7.5
Lease buy-out	(46.6)	(6.9)	(39.7)
Proceeds from asset sales	10.8	6.2	4.6
(Loans to)/repayments from JVs	(6.8)	2.2	(9.0)
Proceeds from sale of equity securities	2.3	-	2.3
Acquisition of subsidiaries & non-controlling interests	(5.3)	(5.8)	0.5
Proceeds from derivatives	5.5	(1.3)	6.8
Investing Cash Flow	(341.6)	(324.0)	(17.6)
Financing Cash Flow			
Dividends paid to members of IPL	(121.7)	(157.4)	35.7
Dividends paid to non-controlling interest holders	(5.9)	(2.4)	(3.5)
Payment for buy-back of shares	(89.7)	(210.3)	120.6
Purchase of IPL shares for employees	(0.6)	(5.1)	4.5
Net loss on translation of US\$ Net Debt	(159.0)	(38.5)	(120.5)
Non-cash movement in Net Debt	(16.1)	(4.7)	(11.4)
Financing Cash Flow	(393.0)	(418.4)	25.4
Change to Net Debt	(319.8)	(79.7)	(240.1)
Opening balance Net Debt	(1,371.6)	(1,291.9)	(79.7)
Closing balance Net Debt	(1,691.4)	(1,371.6)	(319.8)

DYNO NOBEL AMERICAS



DYNO NOBEL AMERICAS	Year ended 30 September		
	FY19 US\$m	FY18 US\$m	Change %
Explosives	824.5	804.6	2
Waggaman	147.4	187.0	(21)
Ag & IC	130.9	118.5	10
Total Revenue	1,102.8	1,110.1	(1)
Explosives	136.1	130.2	5
Waggaman	19.2	76.2	(75)
Ag & IC	0.2	5.2	(96)
Other	8.0	-	na
EBIT	163.5	211.6	(23)
<i>EBIT margin</i>			
Explosives	16.5%	16.2%	
Waggaman	13.0%	40.7%	
Ag & IC	0.2%	4.4%	
A\$m			
Revenue	1,569.0	1,462.3	7
EBIT	234.0	278.6	(16)
<i>Notes</i>			
Average realised A\$/US\$ exchange rate	0.70	0.76	
Urea (FOB NOLA) Index Price (US\$/mt)	288	278	

Dyno Nobel Americas FY19 earnings of US\$164m decreased from US\$212m in the pcp. FY19 earnings includes US\$8m one-off profit on sale of excess land in the US. Excluding the net US\$36m impact from non-recurring items in FY19, EBIT was US\$200m.

Explosives

Business Performance

Explosives earnings of US\$136m for FY19 increased US\$6m or 5% compared to the pcp. Major movements for the year were due to the following:

- **Volumes/Margin:** US\$6m increase mainly driven by demand growth in the Quarry & Construction and Base & Precious Metals sectors; and growth in premium technology sales volumes through FY19. This was partially offset by the impact of severe flooding in the US mid-West (impacting Quarry & Construction and Coal demand); and lower Coal sector demand.
- **Efficiency gains & Other:** US\$3m increase mainly driven by operational productivity measures, including delivery of supply chain synergies and savings from cost management activities.
- **Growth Investment:** US\$3m decrease from investment in technology development and rollout.

Market Summary

Explosives business performance remained strong in FY19, growing earnings, volumes and margins for a 3rd consecutive year and delivering cumulative annual growth of 12.5% from FY16 to FY19.

Quarry & Construction

40% of Explosives revenue was generated from the Quarry & Construction sector in FY19. Volumes were up 5% vs pcp despite flooding and wet weather impacting Quarry & Construction activity (and demand) in key regions.

Base & Precious Metals

33% of Explosives revenue was generated from the Base & Precious Metals sector in FY19. Volumes were up 3% compared to pcp, in line with industry growth rates. As anticipated, demand timing was skewed to the second half, following the slow start (due to wet weather) to the year.

Coal

27% of Explosives revenue was generated by the sector in FY19. Volumes were down 4% compared to pcp impacted by significant flooding in the US mid-West and the underlying structural decline of the US Coal Industry. Market share gains somewhat offset the impact from industry headwinds during the year, with industry volumes down approximately 8% vs pcp.

Agriculture & Industrial Chemicals (Ag & IC)

Business Performance

Ag & IC earnings for FY19 of US\$0.2m decreased from US\$5m in the pcp due to the following:

- **Gas Market Disruption – Non-recurring:** US\$12m loss due to third-party gas supply interruptions driving significantly higher gas cost.
- **Manufacturing Performance:** US\$3m increase due to the absence of the FY18 St Helens plant turnaround.
- **Commodity Prices/Volumes:** US\$4m increase mainly due to US\$3m impact from higher fertilisers prices and increased sales volumes compared to pcp.

DYNO NOBEL AMERICAS (continued)

Manufacturing

Manufacturing performance in Dyno Nobel Americas during FY19 was as follows:

- **Cheyenne, Wyoming:** The Cheyenne plant complex operated reliably and consistently during FY19. Ammonia production increased 8% compared to pcp, absent the FY17/18 turnaround.
- **Louisiana, Missouri:** Nitric Acid production from the Louisiana, Missouri plant decreased 3% compared to pcp, largely due to the impact of flooding, and associated rail outages in the US mid-West during FY19.
- **St Helens, Oregon:** FY19 Urea production at the plant was largely in line with pcp. The impact from third-party gas supply interruptions on plant operations in 1H19 was largely offset by the absence of the FY18 turnaround and outages. Gas cost lowered during 2H19 as Enbridge's pipeline issues were resolved.

Waggaman Manufacturing

The Waggaman plant operated at 87% of nameplate capacity⁽¹³⁾ during the second half of FY19 (72% in 1H19) and produced 634k mt of ammonia in FY19. The plant experienced controls systems and instrumentation reliability issues in the second half that resulted in additional unplanned downtime. All known controls systems and instrumentation issues have now been resolved, with the Group's new manufacturing strategy focussed on eliminating these single point of failure vulnerabilities.

Following the last unplanned outage in July, the Waggaman plant has recorded its second longest production run (since commissioning in 2016).

Planning for the plant's major turnaround in October 2020 is progressing well.

Waggaman Operations

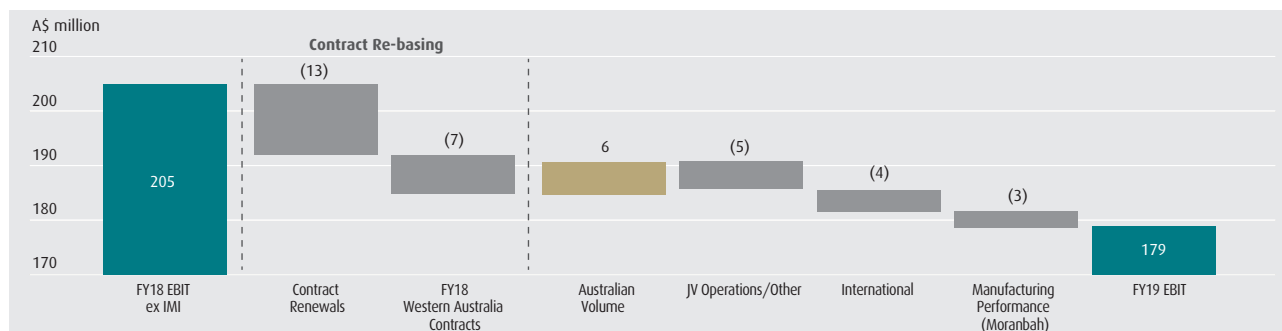
WAGGAMAN	Year ended 30 September		
	FY19	FY18	Change %
Thousand metric tonne			
Ammonia manufactured at Waggaman	634.4	823.7	(23)
Ammonia sold	729.6	846.9	(14)
US\$m			
External Revenue	147.4	187.0	(21)
Internal Revenue	45.6	50.4	(10)
Total Revenue	193.0	237.4	(19)
EBIT	19.2	76.2	(75)
<i>EBIT margin</i>	<i>13.0%</i>	<i>40.7%</i>	
<i>Notes</i>			
Ammonia Realised Price (US\$/mt) ⁽¹¹⁾	265	278	
Realised Gas Cost (US\$/mmbtu) (delivered)	3.19	3.06	
Ammonia Tampa Index Price (US\$/mt) ⁽¹¹⁾	274	292	
Index Gas Cost (US\$/mmbtu) ⁽¹²⁾	2.92	2.87	
Gas Efficiency (mmbtu/mt)	36	34	

Business Performance

Waggaman earnings for FY19 of US\$19m decreased from US\$76m in the pcp due to the following:

- **Manufacturing Outages – Non-recurring:** US\$32m impact from an unplanned plant outage, initiated by an external power supply failure resulting in substantial repairs to be undertaken on the plant's CO₂ recovery system. The resulting impact from the outage was US\$20m in lost manufactured margin and lower sales volumes; and US\$12m of increased manufacturing costs.
- **Manufacturing – Reliability:** US\$15m decrease from plant restart related issues in March; and controls systems and instrumentation related outages during June and July.
- **Commodity Price:** US\$10m decreased earnings driven by lower average ammonia prices and higher gas cost compared to pcp.

DYNO NOBEL ASIA PACIFIC



DYNO NOBEL ASIA PACIFIC	Year ended 30 September		
	FY19	FY18	Change %
Thousand metric tonne			
Ammonium Nitrate			
– manufactured at Moranbah	365.0	370.7	(2)
Ammonium Nitrate sold	785.7	772.2	2
A\$m			
Australian Coal	477.7	491.1	(3)
Base & Precious Metals	381.9	351.3	9
International	131.1	136.2	(4)
Revenue	990.7	978.6	1
EBIT	179.2	205.4	(13)
<i>EBIT margin</i>	<i>18.1%</i>	<i>21.0%</i>	

Business Performance

Dyno Nobel Asia Pacific earnings for FY19 of \$179m decreased from \$205m in the pcp, due to the following:

- **Contract Renewals:** \$13m decrease, driven by lower ammonium nitrate pricing on contract renewals in Australia.
- **Contract Losses:** \$7m decrease, from contracts lost in FY18 in Western Australia and mismatch in supply contract.
- **Australian Volumes:** \$6m increase, driven by strong ammonium nitrate sales volume and increased electronic initiating systems sales, primarily to Iron Ore customers in Western Australia.
- **Joint Venture (JV) Earnings:** \$5m decrease mainly driven by lower QNP sales volumes and prices, impacted by additional supply capacity on the East Coast of Australia.
- **International Volumes:** \$4m decrease mainly from \$8m lower earnings in the Turkish business, driven by lower government spend. This was partially offset by ongoing strong earnings growth in Indonesia.
- **Manufacturing Performance:** \$3m decrease, with \$7m of equipment repairs and related costs from 1H19 being partially offset by \$4m of efficiency benefits delivered at the Moranbah plant in 2H19.

Market Summary

Australian Metallurgical Coal

48% of Dyno Nobel Asia Pacific revenue for the year was generated from the Australian Metallurgical Coal sector, most of which was in the Bowen Basin.

Volumes from the Australian Metallurgical Coal sector decreased 7% compared to pcp, mainly driven by customer operational issues and weather events in Queensland during 1H19; and lower second half contracted volumes, in line with business strategy to optimise sales of manufactured ammonium nitrate at Moranbah.

Base & Precious Metals

39% of Dyno Nobel Asia Pacific revenue was generated from the Base & Precious Metals sector, which comprises Iron Ore mines in Western Australia and hard rock and underground mines throughout Australia.

Volumes from the sector increased 15% compared to pcp, driven by strong 2H19 demand from Iron Ore customers in Western Australia.

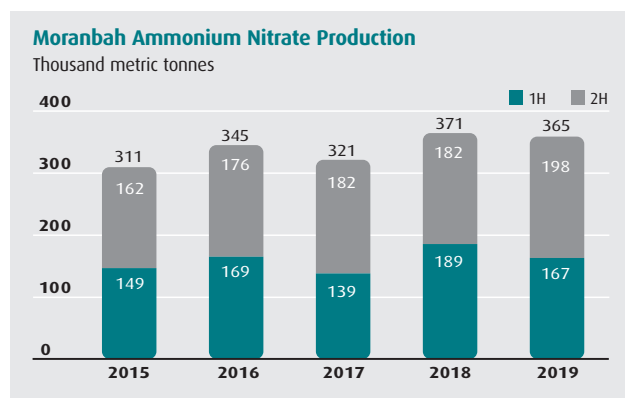
International

13% of Dyno Nobel Asia Pacific revenue was generated internationally in Indonesia, Turkey and Papua New Guinea.

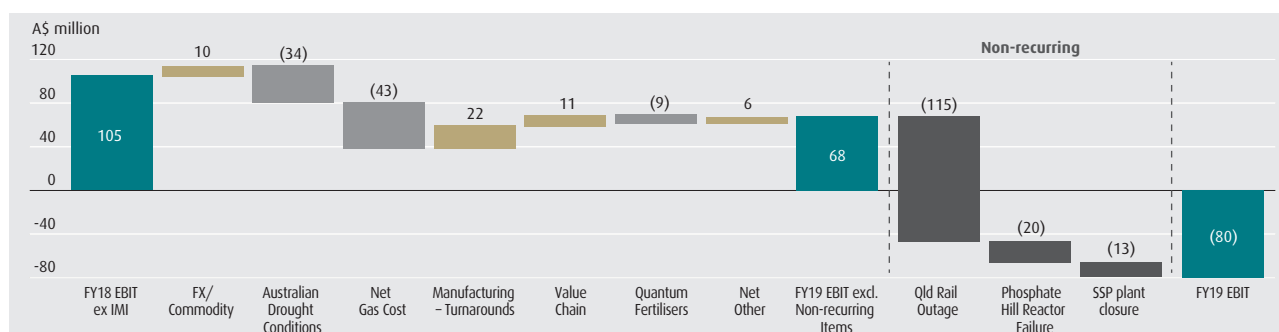
Volumes decreased 4% as compared to pcp, mainly driven by the significant slowdown in the Turkish business as a result of lower infrastructure spending; partially offset by stronger volumes in Indonesia.

Manufacturing

Moranbah delivered record production in 2H19, with improved efficiency at the plant reducing the impact from equipment repairs and related costs in 1H19. The plant produced 365k mt of ammonium nitrate in FY19, a slight decrease of 2% on pcp.



FERTILISERS ASIA PACIFIC



FERTILISERS ASIA PACIFIC	Year ended 30 September		
	FY19	FY18	Change %
Thousand metric tonne			
Phosphate Hill production (ammonium phosphates)	674.7	850.4	(21)
Gibson Island production (urea equivalent)	369.7	488.8	(24)
A\$m			
Phosphate Hill	366.6	480.0	(24)
Industrial and Trading	125.1	111.2	13
Quantum Fertilisers	4.3	13.8	(69)
SCI Revenue	496.0	605.0	(18)
IPF Revenue	1,066.7	1,088.4	(2)
Fertilisers Elimination	(143.3)	(221.7)	na
Fertilisers Revenue	1,419.4	1,471.7	(4)
Phosphate Hill	(57.0)	27.8	(305)
Industrial and Trading	26.4	31.6	(16)
Quantum Fertilisers	0.8	9.7	(92)
SCI EBIT	(29.8)	69.1	(143)
IPF EBIT	(51.9)	37.7	(238)
Profit-in-stock elimination	2.0	(2.2)	na
Fertilisers EBIT	(79.7)	104.6	(176)
<i>EBIT margin</i>	<i>(5.6%)</i>	<i>7.1%</i>	

Notes

Fertilisers

Realised A\$/US\$ Exchange Rate	0.70	0.76
Fertilisers volumes sold (k mt)	2,752.4	3,012.5

Distribution

Distribution Volumes (k mt)	1,944.7	2,181.2
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Phosphate Hill

Realised DAP Price (US\$/mt)	367	400
Phosphate Hill production sold (k mt)	667	861
Industrial & Trading volumes sold via SCI (k mt)	374	357
Realised DAP Freight Margin (US\$/mt)	6.2	7.2
Realised Cost per Tonne of manufactured DAP (\$A/mt)	594	495

Gibson Island

Realised Urea Price (US\$/mt)	271	259
Gibson Island production (urea equivalent) sold via IPF (k mt)	248	335

Business Performance

Fertilisers Asia Pacific reported an EBIT loss of \$80m, compared to a profit of \$105m in the pcp. Excluding the \$148m impact from non-recurring items, EBIT was \$68m for the year. Major movements for the year were due to the following:

- Queensland Rail Outage – Non-recurring:** \$115m decrease from the impact of the Queensland rail outage resulting in lost opportunity for sales of manufactured ammonium phosphates, and to a lesser extent damaged stocks and plant inefficiencies.
- Phosphate Hill Manufacturing Outage – Non-recurring:** \$20m decrease as a result of the phosphoric acid reactor integrity failure in 1H19. All known issues with rubber linings in the phosphoric acid plant have now been addressed.
- Portland SSP Closure Cost – Non-recurring:** \$13m decrease relating to the permanent closure and decommissioning of the Portland SSP plant.
- Foreign Exchange and Commodity Prices:** \$10m increase due to the lower A\$:US\$ exchange rate and higher urea prices; partially offset by lower global ammonium phosphates prices, compared to pcp.
- Drought Conditions:** \$34m decrease due to prevailing drought conditions in Northern Victoria, New South Wales and Southern Queensland, adversely impacting fertilisers sales volumes and mix.
- Natural Gas Cost:** \$43m net earnings decrease. Gibson Island gas cost increased \$59m driven by \$50m from higher contract prices under the short-term gas supply arrangement that expires in December 2019; and \$9m of charges relating to 3rd party supply interruptions and transport inefficiencies. This was partially offset by \$16m lower gas cost to Phosphate Hill.
- Manufacturing – Major Plant Turnarounds:** \$22m net increase, due to the \$30m impact absent the FY18 Phosphate Hill turnaround; partially offset by the \$8m impact from the Gibson Island turnaround in FY19.
- Value Chain:** \$11m increase in earnings driven by value chain optimisation, including improved stock position management.
- Quantum Fertilisers Performance:** \$9m decrease, mainly driven by lower trading activity.
- Net Other:** \$6m increase mainly due to the non-repeat of the impairment of a trade receivable in FY18.

FERTILISERS ASIA PACIFIC (continued)

Market Summary

Overall, Fertilisers Asia Pacific sales volumes were 9% down in FY19 at 2,752k mt (pcp: 3,013k mt). The lower volumes were mainly as a result of lower customer demand impacted by the drought conditions in Northern Victoria, New South Wales and Southern Queensland.

Manufacturing

Manufacturing performance in the Fertilisers Asia Pacific business in FY19 was as follows:

Phosphate Hill

Ammonium phosphates production decreased 21% to 675k mt (pcp: 850k mt) mainly due to the impact of plant downtime as a result of the Queensland rail outage and the phosphoric acid reactor failure, as detailed in the half year disclosures. An opportunity presented to bring forward certain 1H20 planned maintenance work to coincide with a minor maintenance outage in September. As a result, ammonium phosphates production for FY19 was closer to the lower end of the guidance range (670k mt – 710k mt) provided at the half year.

The Phosphate Hill plant is expected to benefit from a full year of lower cost Northern Territory gas⁽¹⁴⁾ supply in FY20, reducing the plant's gas cost further by approximately \$8m compared to FY19.

Gibson Island

The plant produced 370k mt of urea equivalent product, down 24% on pcp as a result of the planned outage at the start of FY19 to complete maintenance activities required to operate the plant to December 2019, when its current short-term gas supply agreement expires.

A decision was made during the year to continue manufacturing operations at Gibson Island through to December 2022, following the successful negotiation of multiple arrangements affecting operations. One of these arrangements was the gas supply agreement with Australia Pacific LNG that will meet the plant's gas needs from 1 April 2020 through to 31 December 2022.

The financial benefit from the continued operation of the plant is expected to be approximately \$5m in FY20, as announced on the Australian Stock Exchange (ASX) in June 2019.

A major turnaround is required to be undertaken to enable the operation of the plant to December 2022. The two-month turnaround is scheduled to commence in February 2020 and cost approximately \$60m. The cost of the turnaround will be depreciated over three years.

OUTLOOK AND SENSITIVITIES

IPL generally does not provide profit guidance, primarily due to the variability of commodity prices and foreign exchange movements. Instead, IPL provides an outlook for business performance expectations and sensitivities to key earnings drivers based on management's current view at the time of this report.

Outlook

The outlook for FY20 is based on the underlying assumption that FY19 non-recurring items, that amounted to \$197m, do not repeat in FY20.

Dyno Nobel Americas

- The Explosives business is expected to continue delivering earnings growth in FY20, underpinned by stronger volumes and efficiencies as detailed below:
 - 5% to 7% volumes growth in the Quarry & Construction sector slightly above industry growth expectations;
 - Base & Precious Metals volumes expected to grow 3% to 5%, in line with industry growth rates, underpinned by the Chile expansion and increased customer demand in existing markets; and
 - Coal sector volumes are expected to remain flat to slightly negative in FY20.
- The Waggaman plant is expected to deliver improved production compared to FY19 at slightly below nameplate capacity, with no planned outages scheduled for FY20. The operational earnings of Waggaman remain subject to movements in ammonia and natural gas prices.
- Agriculture & Industrial Chemicals operational earnings are expected to improve, absent the FY19 third-party gas supply interruptions and pricing impacts. Earnings remain subject to movements in global fertilisers prices, particularly urea and urea ammonium nitrate. Production at St Helens is expected to be in line with FY19 as a result of the planned plant turnaround in 2H20.

Dyno Nobel Asia Pacific

- Demand for ammonium nitrate in Australia is expected to remain strong in 2020. In line with business strategy, sales volumes relating to Moranbah in Australia are expected to be lower in 2020 following contract renewals.
- The accelerating rate of adopting technology is beginning to drive medium to long term growth, as miners look to technology to access the next level of productivity uplift.
- Earnings from joint venture partner QNP are expected to remain relatively flat in FY20.
- As previously announced, the FY20 impacts from contract losses in Western Australia is \$10m; and \$12m in relation to contract renewals.
- Moranbah production is expected to be largely in line with FY19, however expecting improved plant efficiencies in FY20.

Fertilisers Asia Pacific

- Fertilisers earnings will continue to be dependent on global fertilisers prices, the A\$:US\$ exchange rate and weather conditions.
- Drought conditions in Queensland and New South Wales could continue to impact irrigation water availability in the key summer crop markets in FY20.
- Distribution margins are expected to be materially consistent with FY19, subject to global fertilisers prices and the potential impact of ongoing drought conditions.
- The Phosphate Hill plant is expected to deliver improved production of approximately 975k mt of ammonium phosphates in FY20, with no planned turnarounds in the year and all known material production issues now resolved.
- Expecting additional benefits of approximately \$8m in FY20, representing the full year impact of lower gas supply cost to Phosphate Hill under the Power and Water Corporation contract that commenced in January 2019.
- Gibson Island production expected to improve, with less planned downtime in FY20 (two-month turnaround) compared to FY19 (three months).
- As announced on the ASX on 4 June 2019, Gibson Island earnings are expected to increase by approximately \$5m in FY20 following the commencement of gas supply from Australia Pacific LNG in April 2020.

Group

- Corporate:** Corporate costs are expected to be approximately \$30m in FY20. This excludes any costs in relation to the Fertilisers strategic review.
- Borrowing Costs:** Net borrowing costs are expected to be lower at approximately \$140m due to lower average cost of funding following the completion of the Group's debt refinancing in 2019; and lower anticipated debt levels through FY20.
- Taxation:** Considering the expected improvement in the Group's FY20 earnings, the effective tax rate is expected to increase to between 25% and 28%.
- Hedging Program:** 50% of estimated 1H20 US\$ linked fertilisers sales are hedged at a rate of \$0.70 with full participation in downward rate movements. IPL's foreign currency exposure relating to fertilisers sales will continue to be actively managed.

Sensitivities

The table provides sensitivities to key earnings drivers and should be read in conjunction with the footnotes found on page 14 of this report.

Commodity	Proxy Index	EBIT Sensitivities
Americas		
Ammonia ⁽¹⁵⁾	CFR Tampa	+/- US\$10/mt = +/- US\$6.5m
Natural Gas ⁽¹⁶⁾	Henry Hub	+ - US\$0.10/mmbtu = -/+ US\$2.7m
Urea ⁽¹⁷⁾	FOB NOLA	+/- US\$10/mt = +/- US\$1.9m
FX EBIT Translation ⁽¹⁸⁾		+/- A\$/US\$0.01 = -/+ A\$4.0m
Asia Pacific		
DAP ⁽¹⁹⁾	FOB Tampa	+/- US\$10/mt = +/- A\$ 13.9m
Urea ⁽²⁰⁾	FOB Middle East	+/- US\$10/mt = +/- A\$3.5m
FX Transaction ^(19,20)		+/- A\$/US\$0.01 = -/+ A\$8.6m

Note: Proxy Index prices are available on Bloomberg.

SUSTAINABILITY

IPL's commitment to operating sustainably is driven by the Company's values which are core to the way it does business. IPL defines Sustainability as "the creation of long-term economic value whilst caring for our people, our communities and our environment."

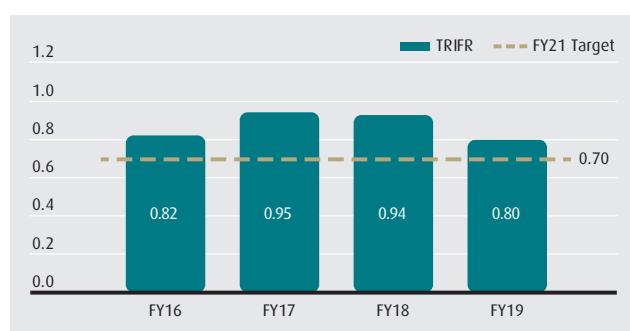
Environmental, Social and Governance (ESG) considerations material to the sustainability of the Company are included in its FY19 Annual Report, FY19 Corporate Governance Statement, and the online FY19 Sustainability Report (which will be published in March 2020).

Zero Harm (Safety and Environment)

IPL's Zero Harm company value is prioritised above all others. To reflect this, the Zero Harm ambition is one of IPL's six Strategic Drivers, upon which the success of the Company is built. The Zero Harm ambition is supported by an integrated Health, Safety and Environment (HSE) management system that provides the foundation for effective identification and management of HSE risks.

During 2019, IPL refreshed its approach to deliver its Zero Harm ambition. The refreshed strategy creates a stronger connection to the Zero Harm Strategic Driver and integrates all HSEC elements under one framework. The new strategic themes of *Simplify, Get the Fundamentals Right, Lead and Engage* and *Strengthen our Learning Culture* provide a common language and basic principles which will guide IPL's effort, reflect the voice of internal customers and improve performance.

TRIFR for FY19 of 0.80 was down from 0.94 in FY18, representing a 15% year-on-year improvement. However, a tragic double fatality in the US involving a Dyno Nobel vehicle on a public road is a stark reminder of the vital importance of our relentless drive towards Zero Harm.



The Company's safety performance has improved strongly since FY17, consistent with the commitment to continuous improvement in HSE performance across the Group.

The following Zero Harm targets remain a focus for the Group:

- 30% improvement in TRIFR by FY21 (against the mid-2018 TRIFR of 1.02);
- Year-on-year reduction in Tier 1 and Tier 2 Process Safety Incidents;
- Year-on-year reduction in Potential High Severity Incidents; and
- Zero Significant Environmental Incidents.

The Group's FY19 performance against key HSE metrics is included in the table below:

ZERO HARM

Key Metrics	FY19	FY18
TRIFR	0.80	0.94
Potential High Severity Incidents	34	42
Process Safety Incidents	33	27
Significant Environmental Incidents	3	1

There were three Significant Environmental Incidents reported during FY19 relating to incidents that occurred in prior years. One fine related to a failure to accurately estimate and report ammonia releases; and the other two fines related to releases of stormwater that had been in contact with contaminants. These incidents were resolved with the environmental authorities in FY19.

Gender Diversity

The Company remains committed to expanding the diversity of its workforce and has a stretch target to increase gender diversity by 10% year-on-year to reach 25% by FY22.

IPL's representation of women across the organisation at 30 September is reflected in the table below:

GENDER DIVERSITY	FY19 %	FY18 %	FY17 %	FY16 %
Board ⁽²¹⁾	50	43	25	28
Executive Team ⁽²¹⁾	30	22	33	33
Senior Management	21	17	19	22
Management	19	18	11	12
Global Workforce	17	16	16	16

During the year, the Company was selected for inclusion in the 2019 Bloomberg Gender-Equality Index (GEI). The GEI standardised reporting framework offers public companies the opportunity to disclose information on how they promote gender equality. Reporting companies that score above a globally established threshold, based on the extent of disclosures and the achievement of best-in-class statistics and policies, are included in the GEI.

SUSTAINABILITY (continued)

Managing Climate Change

During FY19, the Company continued its alignment with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) through several key actions relating to governance, strategy and risk management which included the following:

- IPL's Climate Change Policy was developed by the Executive Team and approved by the Board. The policy states IPL's commitment to managing climate related issues and describes how the Group's Strategic Drivers are being leveraged to meet the challenges of climate change.
- The IPL Board Charter and Audit and Risk Management Committee Charter were updated to formally and specifically assign oversight of the climate change policy and climate change-related risks and opportunities to IPL's Directors.
- Work has progressed during FY19 on the integration of identified climate change-related financial risks into IPL's risk management processes. This has been progressed using 'bowtie analyses' to identify risk controls and risk control owners relating to the material risks identified in FY18 using 2-degree and 4-degree future climate scenarios.

IPL's risk management processes include a requirement for high consequence and strategically important risks to be regularly reviewed, assessed and managed. Climate change-related financial risks are included amongst this select group of risks. The Executive Team review the assessment and management of these risks on a regular basis, with reports being provided to the Board's Audit and Risk Management Committee at least annually. Due to the longer-term nature of some climate change-related financial risks and opportunities, consideration of these are routinely factored into the Group's longer-term strategic planning.

Performance Benchmarking

IPL has been a member of the Dow Jones Sustainability Index (DJSI) for the last decade. The 2019 selection comes after RobecoSAM, publisher of the DJSI, reviewed IPL's reporting on ESG issues as part of the 2019 RobecoSAM Corporate Sustainability Assessment. IPL's performance is benchmarked against peers in the global Chemicals sector. The next RobecoSAM assessment will be completed in May 2020.

ROBECOSAM CORPORATE SUSTAINABILITY ASSESSMENT

Calendar Year

Dimension	2015	2016	2017	2018	2019
Economic	67	74	73	71	72
Environmental	51	60	61	64	73
Social	63	65	68	57	60
IPL	60	67	68	65	69
Chemicals sector average	58	56	53	44	47

The Company is also a member of the FTSE4Good Index and ECPI Indices, completes the CDP and CDP Water reports each year, and is rated by CAER, EcoVadis, MSCI, Sustainalytics, Vigeo EIRIS and CGI Glass Lewis.

Definitions and Notes

1. Net Debt comprises the net of interest bearing liabilities, cash and cash equivalents, and the fair value of derivative instruments economically hedging the Group's interest-bearing liabilities.
2. Interest Cover = 12 month rolling EBITDA ex IMIs/net interest expense before accounting adjustments.
3. Net debt/EBITDA ratio is calculated using 12 month rolling EBITDA ex IMIs.
4. TRIFR is calculated as the number of recordable injuries per 200,000 hours worked and includes contractors. TRIFR results are subject to finalisation of the classification of any pending incidents. Prior year numbers were restated due to finalisation of classification of incidents pending at the time of previous publication date.
5. Potential High Severity Incidents (excluding near misses and hazards) with potential consequences of 5 or higher on a 6-level scale. Prior year numbers were restated due to finalisation of classification of incidents pending at the time of previous publication date.
6. Tier 1 and Tier 2 Process Safety Incidents as defined by the Centre for Chemical Process Safety. Prior year numbers were restated due to finalisation of classification of incidents pending at the time of previous publication date.
7. Significant Environmental Incidents as assessed against IPL's internal risk matrix with potential consequences of 5 or higher on a 6-level scale.
8. Underlying interest cost represents total borrowing costs less non-cash interest unwind, representing the discount unwind on the Group's long-term liabilities.
9. Average TWC as % of revenue = 13-month average trade working capital/12 months rolling revenue.
10. Bridge Facility was cancelled in October 2019 following the funding of the US\$500m US Private Placement Notes.
11. Waggaman's ammonia sales prices are based on a combination of index Ammonia Tampa prices and 1-month lagged index Ammonia Tampa prices.
12. Average closing price of Nymex Henry Hub 1-month futures.
13. 800k mt per annum Waggaman plant capacity.
14. In November 2015, IPL announced that it had entered an agreement providing gas to Phosphate Hill from the commencement of supply from the Northern Gas Pipeline, through to 2028.
15. Based on Waggaman plant capacity of 800k mt, less internal sales volumes of approximately 150k mt.
16. Based on Waggaman plant capacity of 800k mt and estimated average gas efficiency of 34 mmbtu per mt of ammonia.
17. Based on actual FY19 St Helens and Cheyenne manufactured urea equivalent product of 192k mt.
18. Based on actual FY19 Dyno Nobel Americas EBIT (excluding Non-Recurring Items) of US\$200m and an average realised FY19 foreign exchange rate of A\$/US\$ 0.70.
19. Based on estimated FY20 Phosphate Hill manufactured ammonium phosphate of 975k mt; average realised FY19 DAP price of US\$367; and an average realised FY19 foreign exchange rate of A\$/US\$ 0.70.
20. Based on actual FY19 Gibson Island manufactured urea equivalent sales via IPF of 248k mt; average realised FY19 urea price of US\$271; and an average realised FY19 foreign exchange rate of A\$/US\$ 0.70.
21. The Board and Executive Team each includes the Managing Director & CEO.

APPENDIX – SUMMARY OF FY19 NON-RECURRING ITEMS

Summary of FY19 non-recurring items

Set out in the table below is a summary of the financial impact of non-recurring items in FY19 that, when added back, should increase the earnings outlook for FY20 by \$197m.

Non-recurring Items A\$m	Business	EBIT			Tax	NPAT
		1H19	2H19	FY19		
<i>External Events (Associated Impacts)</i>						
Queensland rail outage	Fertilisers	60	55	115	(34)	81
Gas market disruption – St Helens (US\$12m)	DNA	16	-	16	(4)	12
Sub-total		76	55	131	(38)	93
<i>Manufacturing Outages</i>						
Waggaman outages (US\$32m)	DNA	45	-	45	(12)	33
Phosphate Hill outage (reactor failure)	Fertilisers	20	-	20	(6)	14
Sub-total		65	-	65	(18)	47
<i>Other</i>						
Profit on US land sale (US\$8m)	DNA	-	(12)	(12)	3	(9)
SSP plant closure	Fertilisers	-	13	13	(4)	9
Sub-total		-	1	1	(1)	-
Total Impact		141	56	197	(57)	140

INCITEC PIVOT LIMITED FINANCIAL POSITION	September 2019 FY \$mill	September 2019 HY \$mill	March 2019 HY AU\$ mill	September 2018 FY AU\$ mill	September 2018 HY AU\$ mill	March 2018 HY AU\$ mill	September 2017 FY AU\$ mill	September 2017 HY AU\$ mill	March 2017 HY AU\$ mill	September 2016 FY AU\$ mill	September 2016 HY AU\$ mill	March 2016 HY AU\$ mill
Cash	576.4	576.4	258.1	588.5	588.5	188.1	627.9	627.9	90.1	427.1	427.1	83.0
Inventories	600.9	600.9	701.3	494.9	494.9	577.3	388.6	388.6	496.8	405.7	405.7	534.6
Trade Debtors	286.2	286.2	342.5	289.2	289.2	306.9	310.7	310.7	306.6	210.3	210.3	333.8
Trade Creditors	(883.0)	(883.0)	(781.0)	(835.9)	(835.9)	(628.4)	(749.8)	(749.8)	(532.4)	(665.2)	(665.2)	(598.7)
<i>Trade Working Capital</i>	<i>4.1</i>	<i>4.1</i>	<i>262.8</i>	<i>(51.8)</i>	<i>(51.8)</i>	<i>255.8</i>	<i>(50.5)</i>	<i>(50.5)</i>	<i>271.0</i>	<i>(49.2)</i>	<i>(49.2)</i>	<i>269.7</i>
Net Property, Plant & Equipment	4,190.0	4,190.0	4,068.0	4,004.3	4,004.3	3,878.9	3,854.8	3,854.8	3,889.1	3,892.7	3,892.7	3,815.6
Intangibles	3,179.5	3,179.5	3,073.0	3,046.6	3,046.6	2,950.8	3,121.0	3,121.0	3,170.3	3,182.5	3,182.5	3,181.5
Net Other Liabilities	(605.8)	(605.8)	(604.4)	(468.6)	(468.6)	(358.0)	(570.0)	(570.0)	(444.6)	(587.4)	(587.4)	(512.3)
Net Interest Bearing Liabilities												
Current	(1,213.4)	(1,213.4)	(1,151.1)	(212.9)	(212.9)	(697.3)	(12.1)	(12.1)	(17.7)	(11.1)	(11.1)	(17.7)
Non-Current	(1,443.0)	(1,443.0)	(1,343.5)	(2,161.9)	(2,161.9)	(1,567.4)	(2,212.0)	(2,212.0)	(2,263.2)	(2,278.3)	(2,278.3)	(2,269.6)
Net Assets	4,687.8	4,687.8	4,562.9	4,744.2	4,744.2	4,650.9	4,759.1	4,759.1	4,695.0	4,576.3	4,576.3	4,550.2
Total Equity	4,687.8	4,687.8	4,562.9	4,744.2	4,744.2	4,650.9	4,759.1	4,759.1	4,695.0	4,576.3	4,576.3	4,550.2
Capital Expenditure (Accruals Basis)												
Total Capital Expenditure	380.8	206.3	174.5	296.9	162.0	134.9	300.2	174.3	125.9	439.0	204.8	234.2
Depreciation and amortisation	301.6	156.1	145.5	294.3	150.6	143.7	273.3	142.8	130.5	244.5	119.2	125.3
Ratios												
EPS, cents pre individually material items	9.5	6.9	2.6	20.9	12.1	8.8	18.9	9.9	9.0	17.5	9.4	8.1
EPS, cents post individually material items	9.5	6.9	2.6	12.5	12.0	0.5	18.9	9.9	9.0	7.6	5.7	1.9
DPS, cents	4.7	3.4	1.3	10.7	6.2	4.5	9.4	4.9	4.5	8.7	4.6	4.1
Franking, %	22%	30%	0%	12%	20%	0%	0%	0%	0%	47%	0%	100%
Interest Cover (times)	4.6	4.6	5.8	7.3	7.3	7.5	7.9	7.9	7.9	7.9	7.9	9.5

INCITEC PIVOT LIMITED CASH FLOWS	September 2019 FY \$mill Inflows/ (Outflows)	September 2019 HY \$mill Inflows/ (Outflows)	March 2019 HY AU\$ mill Inflows/ (Outflows)	September 2018 FY AU\$ mill Inflows/ (Outflows)	September 2018 HY AU\$ mill Inflows/ (Outflows)	March 2018 HY AU\$ mill Inflows/ (Outflows)	September 2017 FY AU\$ mill Inflows/ (Outflows)	September 2017 HY AU\$ mill Inflows/ (Outflows)	March 2017 HY AU\$ mill Inflows/ (Outflows)	September 2016 FY AU\$ mill Inflows/ (Outflows)	September 2016 HY AU\$ mill Inflows/ (Outflows)	March 2016 HY AU\$ mill Inflows/ (Outflows)
Net operating cash flows												
Group EBITDA ex IMIs	605.3	341.1	264.2	851.0	467.0	384.0	774.5	401.2	373.3	672.6	350.0	322.6
Net interest paid	(131.1)	(68.0)	(63.1)	(116.4)	(62.0)	(54.4)	(92.0)	(48.2)	(43.8)	(41.9)	(20.8)	(21.1)
Net income tax paid	(20.8)	(6.4)	(14.4)	(11.5)	(6.4)	(5.1)	(12.9)	(1.7)	(11.2)	(81.7)	(21.1)	(60.6)
TWC movement (excluding FX impact)	(12.2)	301.0	(313.2)	6.6	320.6	(314.0)	(4.3)	320.6	(324.9)	39.2	310.9	(271.7)
Profit from joint ventures and associates	(44.9)	(27.5)	(17.4)	(44.7)	(29.8)	(14.9)	(39.9)	(20.7)	(19.2)	(35.9)	(18.6)	(17.3)
Dividends received from joint ventures and associates	27.5	14.0	13.5	29.9	16.7	13.2	34.9	15.9	19.0	35.6	16.4	19.2
Environmental and site clean up	(8.8)	(4.6)	(4.2)	(7.2)	(3.2)	(4.0)	(12.8)	(3.4)	(9.4)	(5.4)	(2.5)	(2.9)
Other non-TWC	(0.2)	(100.0)	99.8	(45.0)	98.2	(143.2)	0.2	85.0	(84.8)	(7.2)	26.9	(34.1)
Operating cash flows	414.8	449.6	(34.8)	662.7	801.1	(138.4)	647.7	748.7	(101.0)	575.3	641.2	(65.9)
Net investing cash flows												
Growth - Louisiana ammonia project	-	-	-	-	-	-	(78.8)	(9.1)	(69.7)	(167.2)	(38.6)	(128.6)
Growth - Louisiana ammonia project capitalised interest	-	-	-	-	-	-	(4.3)	-	(4.3)	(48.0)	(24.8)	(23.2)
Growth - Other	(55.2)	(32.0)	(23.2)	(64.6)	(27.8)	(36.8)	(52.0)	(46.3)	(5.7)	(29.8)	(19.5)	(10.3)
Sustenance and lease buy-outs	(292.9)	(144.3)	(148.6)	(260.7)	(159.5)	(101.2)	(184.6)	(91.3)	(93.3)	(190.5)	(52.0)	(138.5)
Proceeds from asset sales	10.8	7.4	3.4	6.2	2.8	3.4	39.8	37.7	2.1	1.2	0.3	0.9
Other	(4.3)	1.2	(5.5)	(4.9)	(21.3)	16.4	(8.4)	(14.1)	5.7	(46.1)	(84.3)	38.2
Investing cash flows	(341.6)	(167.7)	(173.9)	(324.0)	(205.8)	(118.2)	(288.3)	(123.1)	(165.2)	(480.4)	(218.9)	(261.5)
Net financing cash flows												
Dividends paid to members of Incitec Pivot Limited	(121.7)	(20.9)	(100.8)	(157.4)	(74.7)	(82.7)	(153.5)	(75.9)	(77.6)	(194.0)	(69.1)	(124.9)
Dividends paid to non-controlling interest holder	(5.9)	-	(5.9)	(2.4)	-	(2.4)	(1.2)	(1.2)	-	-	-	-
Payment for buy-back of shares	(89.7)	-	(89.7)	(210.3)	(114.9)	(95.4)	-	-	-	-	-	-
Purchase of IPL shares for employees	(0.6)	-	(0.6)	(5.1)	-	(5.1)	-	-	-	-	-	-
(Loss)/Gain on translation of US\$ Debt (incl fair value adjustments)	(175.1)	(32.5)	(142.6)	(43.2)	(32.6)	(10.6)	(102.8)	(102.8)	-	(5.4)	(7.5)	2.1
Financing cash flows	(393.0)	(53.4)	(339.6)	(418.4)	(222.2)	(196.2)	(257.5)	(179.9)	(77.6)	(199.4)	(76.6)	(122.8)
(Increase)/decrease in net debt	(319.8)	228.5	(548.3)	(79.7)	373.1	(452.8)	101.9	445.7	(343.8)	(104.5)	345.7	(450.2)