



29 April 2020

Market Announcement Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Nufarm Limited
ABN 090 323 312

103-105 Pipe Road
Laverton North VIC 3026
Australia

+61 3 9282 1000

nufarm.com

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Presentation and Script – PAC Partners Conference

In accordance with the Listing Rules, enclosed for immediate release to the market is the presentation and speech to be delivered by Peter O’Keefe, General Manager, Australia and New Zealand at the PAC Partners 17th Agfood (Virtual) Conference on 29 April 2020.

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Authorised for lodgement by:
Fiona Smith
Company Secretary

Investor and media contact:
Nerida Mossop
nerida.mossop@nufarm.com
+61 437 361 433

A photograph of two men in a vast wheat field. The man in the foreground is wearing a light blue shirt, blue jeans, and a wide-brimmed hat, looking down at the wheat. The man in the background is wearing a blue shirt, blue jeans, and a wide-brimmed hat, also looking at the wheat. The field is filled with rows of green wheat stretching towards the horizon under a clear blue sky.

PAC Partners 17th Agfood (virtual) Conference

Peter O'Keeffe
General Manager Australia and New Zealand
29 April 2020

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100+ years helping farmers get more from their land

Headquartered in Australia



We are a global crop protection and seed technology company that has been helping farmers fight diseases, weeds and pests for more than 100 years. We are proudly headquartered in Laverton North, Melbourne, VIC.

Global reach



2400+ people globally
3 key regions | **100** countries
10 manufacturing sites

Australian footprint



3 manufacturing sites
600+ employees
120+ products for Australian farmers



We work to be the partner for growth for Australian farmers and our distribution partners



Our **Nuseed** business develops and distributes Beyond Yield seed technologies, specialising in sorghum, sunflower, canola and carinata.

We developed the world-leading Omega-3 canola oil with CSIRO and GRDC

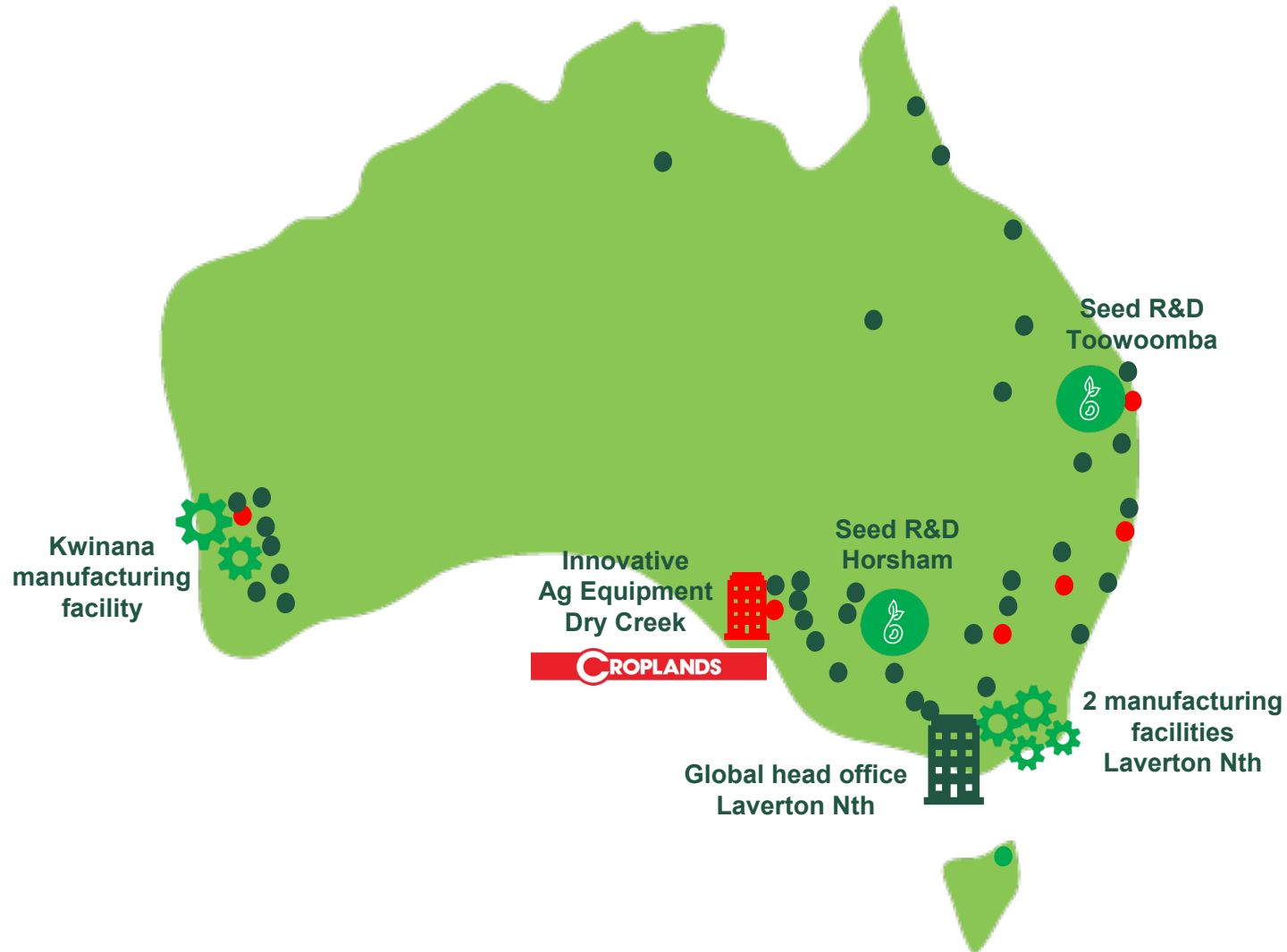


Our global supply chain makes it possible for us to provide quality products that are competitively positioned and reliably supplied

We have long term partnerships that allow us to source products to meet the needs of growers, as well as developing and mixing products ourselves.

Our purpose is to help farmers get more from their land

Australia's home-grown crop protection manufacturer



Three manufacturing facilities

- Fully integrated production of 2,4-D and trifluralin
- Broad formulation capabilities
- Annual production ~120M KG

Comprehensive portfolio



Over 120 products

- Herbicides
- Insecticides
- Fungicides
- Plant growth regulators
- Adjuvants

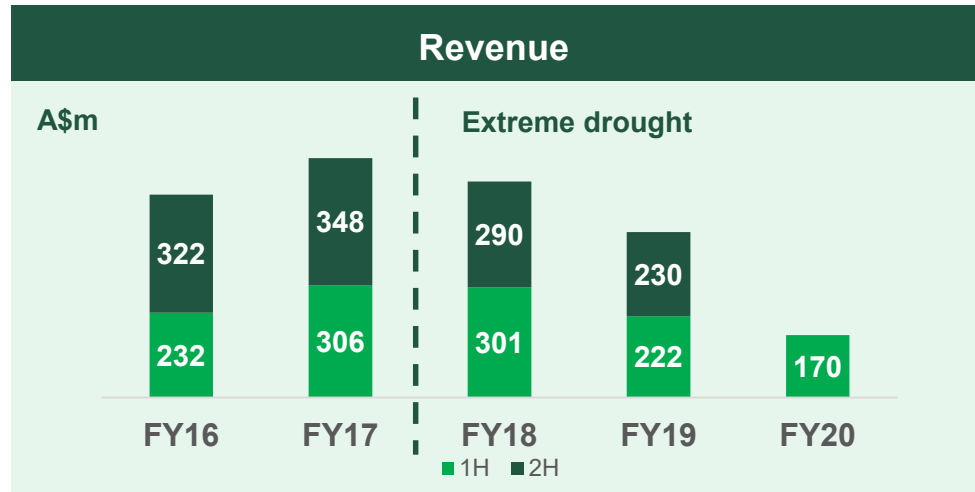
Investing in innovation to meet the specific challenges faced by Australian farmers

Committed to meeting the needs of Australian farmers

- We invest in a specialised Field Research and Development (R&D) team, spread across the country
- We work in our own Australian labs with a team (10 FTE) of chemists to optimise new and existing products for Australian conditions
- We partner with local research institutions and universities to develop and commercialise Australian innovations like Omega-3 canola (CSIRO and GRDC) and BioClay (UQ)
- An exciting pipeline of new products coming to market



Investing in resilience

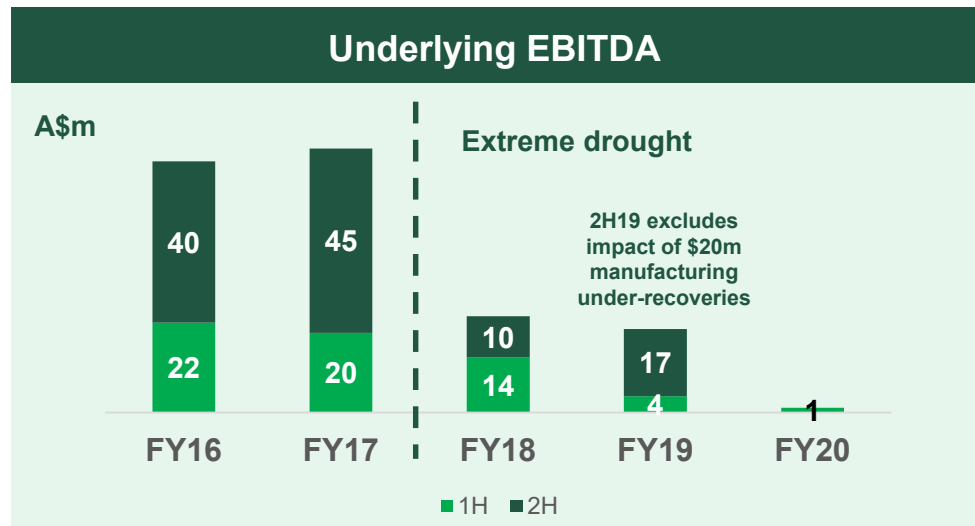


Severe drought has impacted demand and earnings for the past two years

- Impact continued into 1H20 with limited sales into summer crop and fallow markets

A performance improvement program was launched in FY19

- New ways of working to improve cash flow and returns and reduce volatility of earnings
- Delivered a mix of SG&A savings and gross margin benefits of ~\$5m in 1H20 relative to 1H19



Net working capital management is fundamental to generate sustainable cash flows and returns

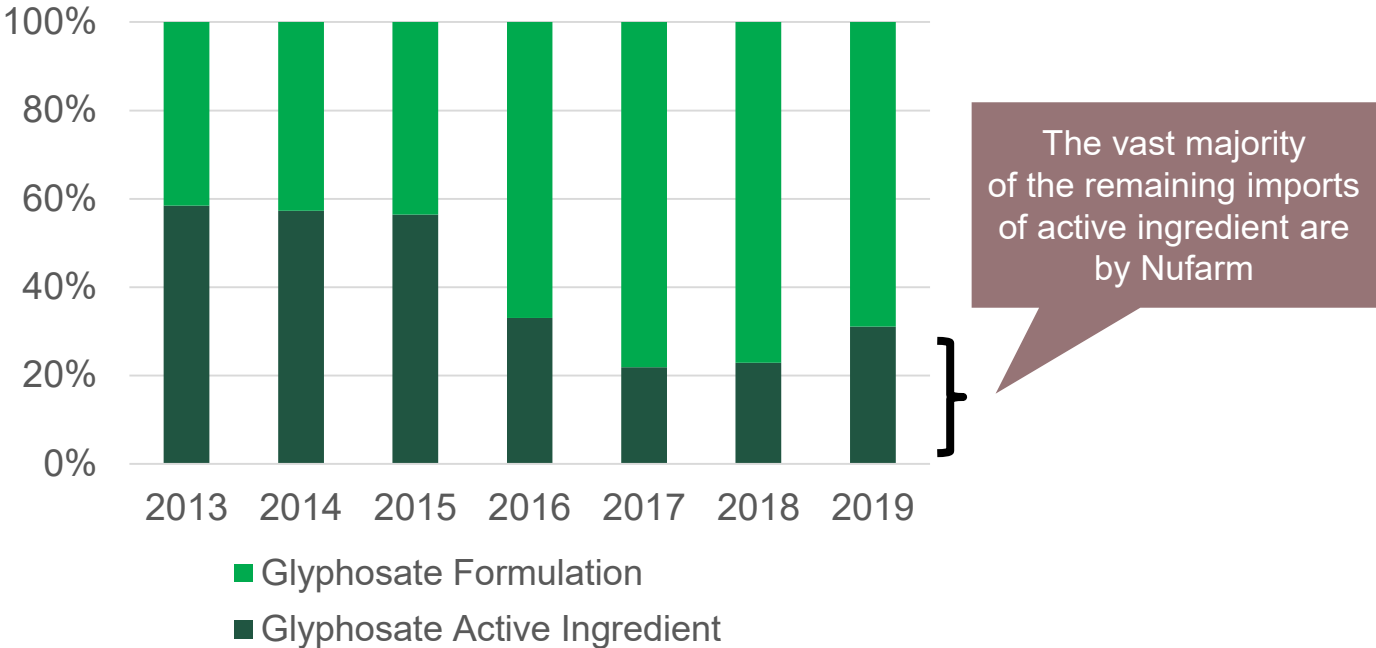
- Net working capital reduced ~\$170m in 1H20 relative to 1H19

Early rain has lifted sales and earnings in 2H20

- Manufacturing ramped up in response to sudden change in market conditions
- Sales and earnings since January are up on prior year

Supporting input supply security for Australian farmers

Proportion of glyphosate imports from China



Five years ago, almost 60% of glyphosate imports were technical ingredient formulated in-country to supply herbicides for the domestic market

Chinese producers are now more incentivised to export fully formulated products. This has led to a decline in Australian formulation and increased domestic reliance on Chinese producers

PAC Partners 17th Agfood (Virtual) Conference

**Speech by Peter O'Keefe, General Manager ANZ
29 April 2020**

I don't think there could be a more relevant topic for Nufarm, or the Australian agricultural industry right now, than resilience and comparative advantage. So, I congratulate you on the foresight you've shown in theming today's sessions.

We've seen plenty of droughts and floods here in Australia, however the last two years have been some of the toughest farmers on the east coast have ever endured, and from a personal perspective, it's certainly been the most challenging period of my business career.

Yet we are a very resilient industry, which brings me to Nufarm. Our roots go back more than 100 years and that alone tells you something about the resilience of our business. We have continued to evolve to stay ahead of the game, by leveraging decades of experience in this market. That's what resilience is all about.

Nufarm is Australia's only home grown, fully integrated producer of crop protection products and whilst that is our core business, we also have a strong presence in the adjacencies of seed and application technology through our Nuseed and Croplands business units. This makes our Australian offer truly unique from a comparative advantage standpoint, as none of our competitors have this full toolkit.

Other global crop protection suppliers have a presence in the Australian market, however Nufarm leads the way when it comes to investing in steel on the ground.

We have manufacturing plants servicing the east and west coast, and we are a fully integrated producer of key herbicide products. We supply over 120 different products that address a broad range of farmer needs and we also use our facilities to toll manufacture for competitors.

Our investment in local manufacturing puts Nufarm in a position to be able to respond to demand spikes and we manufacture to strict Australian quality standards, which is important.

We compete with imported product, predominantly from China, and over the past five years we've had to make hard decisions and invest in productivity so that we can continue to offer competitive prices to customers.

We've consolidated our manufacturing footprint from seven factories to three, reduced our 'go to market' brands from two to one, and cut our overhead cost base.

This speaks to my previous point of evolution underpinning resilience. The changes we've made have supported the long-term sustainability of our domestic business and allowed us to reinvest in product development for local conditions.

We invest over \$100m a year in product development and registration.

Nufarm's focus is different to our bigger global competitors in that we don't tend to invest at the early "discovery phase". We start on the farm, instead of starting in the laboratory. Our focus then is on collaborating with research institutions and companies such as Sumitomo to commercialise new concepts and to leverage our own expertise to adapt existing, off-patent molecules to address contemporary farming challenges.

We have a specialised research and development team in Australia and dedicated laboratories here in Victoria. These teams focus on product development and quality control, and act as a centre-of-excellence to support our global product development activities.

Our partners in Australia include CSIRO, GRDC and University of Queensland.

We've had some major breakthroughs with these partners. In fact, we expect to sign up our first commercial customer for an Omega-3 rich canola oil very soon. This is a world-leading

breakthrough from the CSIRO, GRDC and our Nuseed business, and we're very proud of the role we've played in this great Australian innovation.

Another exciting project is a biological solution that works like a vaccine for plants, stimulating their own defence systems to protect them against viruses and other pathogens. We've been working with the University of Queensland on this project since 2014 and we've also partnered with Hort Innovation Australia and the Cotton Research and Development Corporation for the development of this technology. So far, the work is delivering very encouraging results. Of course, it takes a long time for a complex project like this to become a commercial reality.

On the more immediate front, we have a good pipeline of new products coming to market. We've developed a new herbicide which had its Australian launch this season under the brand name **Crucial**. This was developed right here, in Laverton, for Australian farmers and it's a product we will eventually take to other global markets. This is a great example of providing new, world first innovation to an established molecule.

We will also be commercializing a number of brand new molecules in Australia over the next 12 months. These include a novel insecticide, Cyclaniliprole, brand name **Teppan** and a novel herbicide, Tiafenacil, brand name **Terrador**. Indications are these new solutions will be well received in their target markets.

All of this is relevant to comparative advantage. In short, despite Australia being only 2-3 percent of the global crop protection market, Nufarm cares about Australia because it's our home market and around 20 percent of our global business. We grew up here, we are headquartered here, and we are listed on the ASX. Our Australian customers know this, and they know it drives a different mindset for Nufarm.

Turning to financial resilience.

The severe drought conditions of the past two years have taken a toll on earnings in Australia. The first half of this financial year was one of the most difficult our industry has ever seen, with very limited spring and summer activity and our financial results reflect that.

We launched a performance improvement program just over a year ago to address the decline in earnings and cash flow, and also to find new ways to reduce the volatility of earnings.

So far, more than 70 individual projects have been identified and we expect to deliver 10 to 15 million dollars of embedded annual earnings improvement by this time next year.

An important element of the program has been reducing working capital and over the past twelve months we've liberated 170 million dollars of cash from our balance sheet. A good result considering this outcome was achieved during a period of depressed demand.

Conditions have improved since the rain we've experienced on the east coast in 2020, hence sales and earnings for the third quarter will be up on last year.

Which brings me finally to an important observation about the role Nufarm plays in supporting the sustainability and resilience of the Australian agricultural industry.

The Australian industry has increased its reliance on imported fully formulated product over the past five years. This has coincided with changes to free trade agreements and Chinese government programs that incentivise exports of fully formulated products over raw materials.

Nufarm operates in around 100 countries and Australia stands out as one of the most open markets, with low barriers to entry. When you combine that with our proximity to China, the

result is crop protection margins that are structurally lower than any other region we operate in.

We hold a significant market share in Australia and supply a large base-load of the product Australian farmers need. We take our role in maintaining security of supply very seriously and the recent spike in demand is a timely reminder of just how important this is for farmers.

With the weather bureau predicting (in December) a continuation of hot and dry conditions, no one in the supply chain was fully prepared for the sudden surge in demand we've seen. And of course, this demand emerged just as China shut down for Lunar New Year and then COVID-19, delaying shipments to Australia and making for a very tight supply situation.

This impacted Nufarm as well because we rely on China for some of our raw materials. China will continue to be important to us, but we are also exploring options to mitigate our supply risk. Another resilience measure in play right now.

Our Australian manufacturing teams have kept operating right throughout this COVID-19 crisis, so farmers can get the products they need to put their crops in the ground. I couldn't be prouder of how everyone adapted to the new ways of working and I'm in awe of how quickly we've been able to ramp up.

Which really highlights our advantage in this market: global scale and buying power, coupled with local manufacturing and formulation.

We know supply security is a broader issue that is also on the minds of government. As a nation, Australia has lost a lot of domestic manufacturing over the past few decades, largely because we are a small market and struggle to compete without scale and access to competitively priced energy and labour.

Clearly, inputs such as crop protection and fertiliser are essential to support domestic food production and agricultural exports. Farmers are switched-on business people who understand the value of local manufacturing and that the industry would be vulnerable without local production.

Australian farmers compete in open, global markets and they need competitive input prices. We are confident Nufarm can continue to compete against imported product, so long as there is a level playing field, and so long as we retain the support of local farmers and channel partners.

We have been here for Australian farmers for 100 years and we're working hard to make sure we will be for another 100.