

# Incitec Pivot Limited

INNOVATION ON THE GROUND

## ASX RELEASE

### 2022 Investor Day Presentation

6 September 2022

Incitec Pivot Limited (ASX:IPL) is today holding an Investor Day in Sydney, Australia commencing at 9.30am (AEST). Enclosed are the presentation materials.

A FY22 business performance update is provided on page 25.

The Investor Day will be webcast live. The link to register your online attendance is provided below.

At the conclusion of the event, a replay will be available to view via our website at [www.incitecpivot.com.au](http://www.incitecpivot.com.au).

#### Investor Day registration link:

<https://thisspace.eventsair.com/ipl-investor-day-2022/open-registration/Site/Register>

*Your individual login details will be provided upon completion of your registration.*

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This document has been authorised for release by Richa Puri, Company Secretary.

# INVESTOR DAY

6 September 2022



**Incitec Pivot Limited**  
INNOVATION ON THE GROUND



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This document contains certain “forward looking statements”. Forward looking words such as “expect”, “would”, “could”, “may”, “predict”, “intend”, “will”, “believe”, “estimate”, “target” and “forecast” and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings, future financial position and performance, and the implementation of IPL’s strategy (including statements regarding the proposed separation referred to in this presentation), are also forward looking statements.

Forward looking statements, opinions and estimates provided in this document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

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The material in this presentation provides an indicative outline of IPL's proposed separation plans. The proposed separation of the Dyno Nobel and Incitec Fertilisers businesses referred to in this presentation is subject to a number of risks and uncertainties, many of which are beyond the control of IPL, and conditions and requirements including final IPL Board, shareholder, regulatory, court and third party approvals. There may be delays in implementing some parts of the separation and there is no guarantee it will be implemented in full or at all.

This presentation is neither an offer to sell nor the solicitation of an offer to buy securities in the United States. The shares to be transferred or issued in connection with the proposed separation are not expected to be registered under the US Securities Act of 1933 or under the securities laws of any state or other jurisdiction of the United States. Securities may not be offered or sold in the United States unless the transaction has been registered under the US Securities Act or an exemption from registration under the US Securities Act is available.

**Incitec Pivot Limited**

**ABN 42 004 080 264**

# Presenting today



**Brian Kruger**  
Chairman  
Incitec Pivot Limited



**Jeanne Johns**  
Managing Director &  
Chief Executive Officer  
Incitec Pivot Limited



**Paul Victor**  
Chief Financial Officer  
Incitec Pivot Limited



**Robert Rounsley**  
Chief Technology Officer  
Dyno Nobel



**Braden Lusk**  
President  
Americas  
Dyno Nobel



**Greg Hayne**  
President  
Asia Pacific and  
International  
Dyno Nobel



**Michael Carroll**  
Chairman designate  
Incitec Pivot Fertilisers



**Chris Opperman**  
Chief Financial  
Officer designate  
Incitec Pivot Fertilisers



**Geoff McMurray**  
General Manager  
Investor Relations  
Incitec Pivot Limited



**Hannah Campbell**  
Production Manager  
Asia Pacific and  
International  
Dyno Nobel

# Agenda for the day

9:30	Welcome and Introduction (5 mins)	Geoff McMurray
9:35	Acknowledgement of Country and Zero Harm (10 mins)	Hannah Campbell
9:45	Chairman's address and introduction (10 mins)	Brian Kruger (Video)
9:55	The case for change (15 mins)	Jeanne Johns
10:10	Business performance update (5 mins)	Jeanne Johns
10:15	Q&A (15 mins)	Jeanne Johns, Paul Victor
<b>10:30</b>	<b>Break till 10:45 (15 mins)</b>	
10:45	Dyno Nobel: Investment proposition (15 mins)	Jeanne Johns
11:00	Dyno Nobel: Innovation driven outcomes (25 mins)	Robert Rounsley
11:25	Dyno Nobel: Americas and Asia Pacific (35 mins)	Braden Lusk, Greg Hayne
12:00	Dyno Nobel: Financial framework, priorities and targets (20 mins)	Paul Victor
12:20	Q&A (15 mins)	All
<b>12:35</b>	<b>Lunch till 1:20 (45 mins)</b>	
1:20	Exciting future for fertilisers (10 mins)	Michael Carroll
1:30	Incitec Pivot Fertilisers: Investment proposition (20 mins)	Jeanne Johns, Chris Opperman
1:50	Incitec Pivot Fertilisers: Strong Manufacturing (10 mins)	Jeanne Johns
2:00	Incitec Pivot Fertilisers: Resilient Distribution (5 mins)	Jeanne Johns
2:05	Incitec Pivot Fertilisers: Soil health innovation (15 mins)	Chris Opperman
2:20	Incitec Pivot Fertilisers: Financial framework, priorities and targets (20 mins)	Chris Opperman
2:40	Q&A (20 mins)	All
<b>3:00</b>	<b>Break till 3:20 (20 mins)</b>	
3:20	Separation (10 mins)	Paul Victor
3:30	Q&A (20 mins)	All
3:50	Closing remarks (10 mins)	Jeanne Johns

## **ACKNOWLEDGEMENT OF COUNTRY**

“I begin today by acknowledging the Traditional Custodians of the land on which we meet today, the lands of the Gadigal people of the Eora Nation. I pay my respects to their Elders past and present. I extend that respect to Aboriginal and Torres Strait Islander peoples joining us today.”





# Zero Harm

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**Hannah Campbell**

Moranbah Production Manager





“As I have grown with IPL...I came to realise that good deliverables rely on talented people, and a culture of safety and strong leadership.”



# Safety Slide



**Visible  
leaders drive  
safety  
performance**



**Reliable plant  
underpins a  
safe plant**



**Engaged  
people drive  
safety  
performance**

# Chairman's address

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Brian Kruger



# The case for change

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Jeanne Johns



# What you will hear today



**Incitec Pivot Limited**  
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*Best placed to capture transformational growth...  
...with customer led innovation...  
...unlocked through focus and priority allocation*

Two compelling but different investment propositions

Significant growth opportunities for both through customer focused technology solutions

Separation to support strategy execution

Developing pathway to Paris aligned emission reduction targets

# Focus and prioritise to unlock value

Our category leading businesses have exciting yet differing ambitions to focus on and deliver

## Incitec Pivot Limited

**DYNO**<sup>®</sup>  
Dyno Nobel

**Incitec Pivot Fertilisers**

### Exciting yet differing downstream strategies to win



### Be the global leader in explosives solutions

### Be the clear plant nutrition and soil health leader

#### *Each business has differing...*

- ...essential industry exposure
- ...customer technology to win
- ...growth ambitions
- ...sustainability opportunities
- ...capital requirements and capital structure

Critical resource extraction

Minimise material extraction whilst maximising resource yield and safety

Focus on global green ammonia input opportunities

Strong investment grade balance sheet positioned for growth

Food security and plant nutrition

Maximise soil health, crop yields and minimise environmental impact

Transform Gibson Island to green energy hub

Targeting strong balance sheet through the cycle with ample headroom

**Strong momentum behind differing strategies that require focus to unlock the total value opportunity**

# Two category leading businesses

Separate from a position of strength

## Incitec Pivot Limited INNOVATION ON THE GROUND

- 1 Reliability addressed and on track to deliver sustained benefits
- 2 Customer growth, transforming earnings
- 3 Clear decarbonisation pathway<sup>1</sup>
- 4 Delivered strong balance sheet

➔  
**Momentum is building with significant growth potential ahead of both businesses**



**DYNO<sup>®</sup>**  
**Dyno Nobel**

Growing premium customer base  
WALA set up for success and supports AN strategy  
Technology strategy that wins  
Integrated global supply chain



**Incitec Pivot Fertilisers**

Phosphate Hill competitive  
Invested in soil health momentum  
Identified step-change opportunities



**Strengthened positions**



**Resilient through the cycle**



**Opportunity rich**

(1) See IPL Climate Change Report, 2021 for description of key enablers for potential pathway to Paris aligned climate change targets.



# Demand is broad and dynamic

Attractive megatrends supports strong business outlook



Population set to hit c.10 billion by 2050<sup>1</sup>

**DYNO**  
 Dyno Nobel



Strong resource demand and security of supply driving volumes

Increasing technology use across tier 2 ore bodies

Copper supply expected to miss demand by 9m/t by 2030<sup>3</sup>

Production of minerals projected to rise by nearly 500% by 2050<sup>4</sup>



GDP per capita to increase by >50% by 2050<sup>2</sup>



Climate change driving transitional demand

**Incitec Pivot Fertilisers**



Food security and increased consumption driving volumes

Australian Govt. National Action Plan to improve soil health

Bio-fertiliser market projected to increase by a CAGR of 10.9% to 2028<sup>5</sup>

Arable land to decrease from 0.23 ha in 2020 to c.0.19 ha per capita by 2050<sup>6</sup>

(1) Our World Data, Future Population Growth, (2019). Population forecast to grow from c.8 billion to c.10 billion from 2021 to 2050. (2) OECD, United Nations. Calculated between 2020 and 2050. (3) S&P Global, Massive copper supply required for electrification of global economy: Friedland. (4) World Bank, Minerals for Climate Action: The Mineral Intensity of the Clean Energy Transition report, 2020. (5) Vantage market Research report, 2021. (6) Scotiabank, UN and FAO.

# Climate change underpinning megatrends

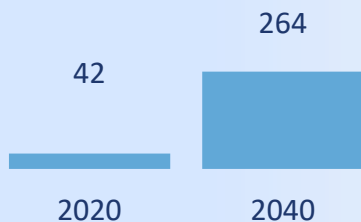
Accelerated ambitions in energy transition and emissions reduction



## Energy transition mineral demand<sup>1</sup>

USD billions

10% CAGR  
(2020 – 2040)

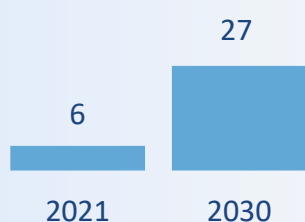


## Electrification of transport<sup>2</sup>

Units, millions

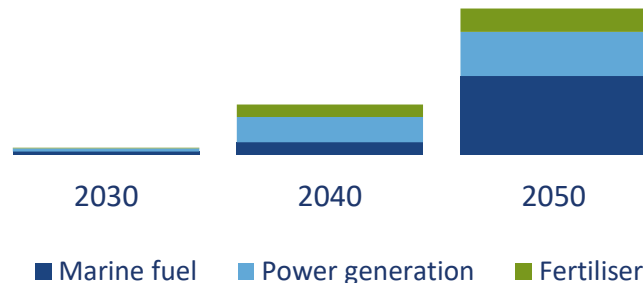
17% CAGR  
(2021 – 2030)

Electric vehicle uptake



## Clean ammonia consumption<sup>5</sup>

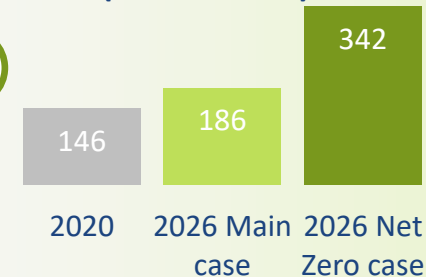
16% CAGR  
(2030 – 2050)



## Biofuel consumption<sup>3</sup>

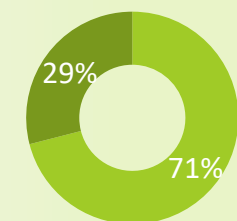
Litres, billions

4% to 15% CAGR  
opportunity  
(2020 – 2026)



## GHG emissions profile and opportunity<sup>4</sup>

Agriculture decarbonisation



Global emissions profile

Other Agriculture

(1) International Energy Association, The Role of Critical Minerals in the Clean Energy Transition. Revenue for energy transition minerals includes only the volume required for clean energy technologies, not total demand. (2) S&P Global, Global light duty EV sales to rise to 26.8 mil by 2030: Platts Analytics. (3) IEA, Renewables 2021, Biofuel demand in the main case, accelerated case and Net Zero Scenario (2018 - 2030). Net Zero Scenario referred to as Net Zero case, assumes 2050 Net Zero targets achieved. (4) UN climate change report: land clearing and farming contribute a third of the world's greenhouse gases, 2019. Agriculture represents agriculture, forestry and land clearing. (5) Nutrien 2022 Market Outlook.

# Nitrogen supply is challenged

IPL assets continue to be a source of reliable and competitive supply

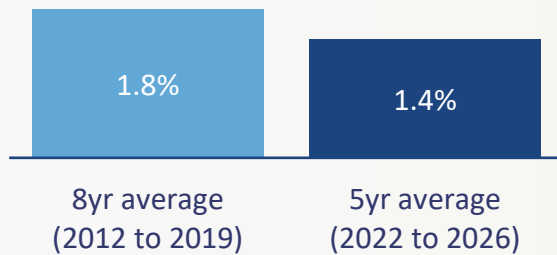
## Supply constraints

- 1 High gas costs causing European curtailments
- 2 Russian supply currently restricted and future supply is uncertain
- 3 China restricting feedstock exports driving continued market tightness
- 4 Limited transport capacity in low cost manufacturing areas

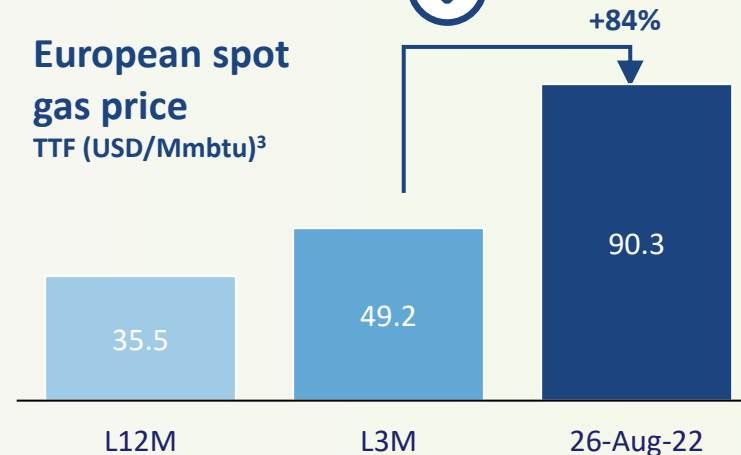
## Potential impacts

- Potential for years of supply disruption
- Several year wait for high quality projects
- European Gas cost of US\$50/Mmbtu implies >US\$1,600/mt break even ammonia price<sup>1</sup>

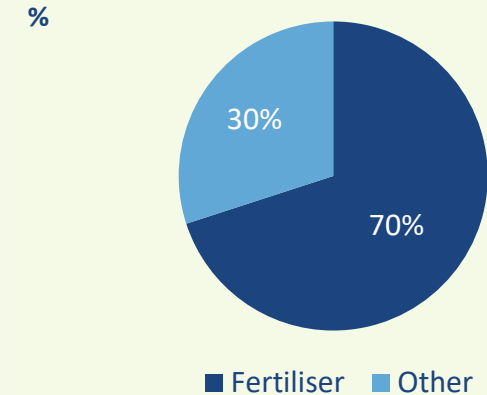
### Global ammonia capacity increase<sup>2</sup>



### European spot gas price TTF (USD/Mmbtu)<sup>3</sup>



### Ammonia usage<sup>4</sup>



**IPL's key assets in advantaged positions set to benefit from security of supply megatrend**

(1) Break even price based on updated European gas price of 90.3 USD/MMBtu and 50th percentile ammonia cost curve economics. (2) CRU. 2020 and 2021 short term COVID impacts to supply excluded. (3) Bloomberg. (4) IEA, Ammonia Technology Roadmap, 2021.

# Higher nitrogen pricing

Higher nitrogen pricing - increasing customer need to drive value through technology



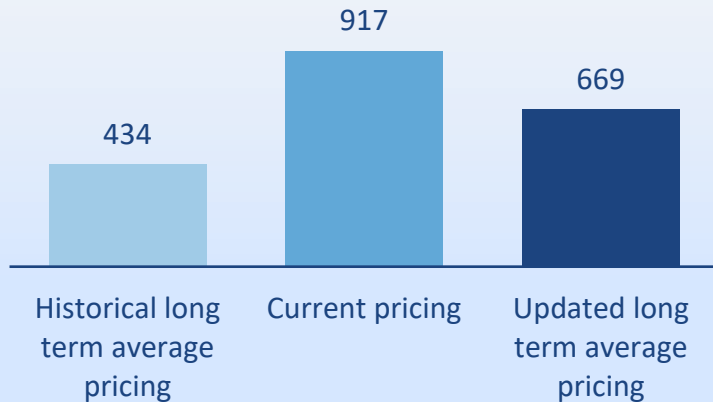
Our customers are increasingly focused on technical innovation to drive yield and manage cost



Well positioned to deliver leading customer value propositions across high quality global markets

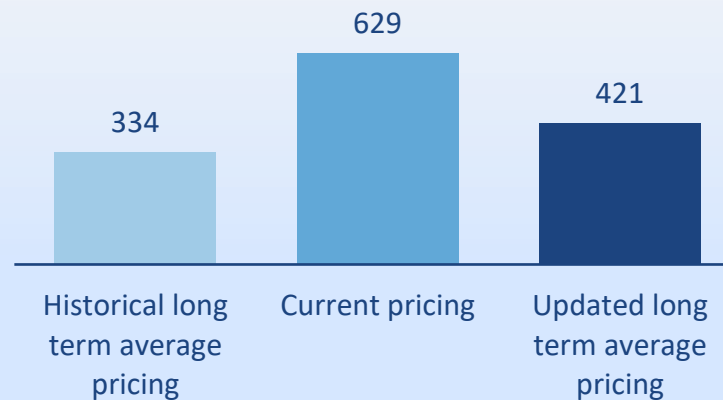
## Ammonia price (nominal)<sup>1</sup>

(U\$/t)



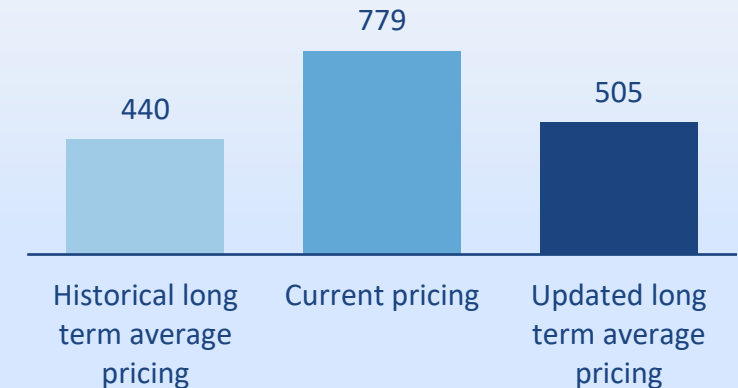
## Urea price (nominal)<sup>2</sup>

(U\$/t)



## DAP price (nominal)<sup>3</sup>

(U\$/t)



**Security of supply amidst dynamic demand conditions driving a further premium**

Source: Fertecon, CRU. Notes: Pricing is nominal. Historical long term average pricing calculated as the average Fertecon and CRU pricing from 2010 to 2020. Current pricing calculated as the average Fertecon and CRU pricing from 2021 to 2023. Updated long term average pricing calculated as the average Fertecon and CRU pricing from 2024 to 2030. (1) CFR Tampa nominal pricing. (2) NOLA nominal price. (3) FOB China and FOB Saudi Arabia nominal blend.

# Accelerate technology platform

Take our technology to the next level and drive customer value

**DYNO<sup>®</sup>**  
**Dyno Nobel**

**Extract more with less impact**



**Premium emulsions**

Reduces movement of earth

**Electronic detonators**

Continual improvement in safety

Continue to invest in technology to deliver stronger growth at higher margins and drive customer and shareholder value



**Improve soil health and sustainability**



**Next generation sustainable fertilisers**

Reduce emissions whilst improving yield

**Precision fertiliser application**

Reduce inputs and maximise efficiency

Select customer solutions supporting the climate change transition... with significantly more innovation to come...

# Significant pool of opportunities requires focus and priority

Focus on individual business expansion, innovation and sustainability to deliver enhanced value to shareholders



Capitalise on significant growth in underlying resource demand

Significant opportunity to increase technology adoption

Opportunity to expand in existing and new explosives markets

Prioritise sustainability and global green ammonia input differentiation



Opportunity to play a leading role in Australia supporting global food security

Opportunity to optimise earnings with investment, expansion and partnerships

Significant technology opportunity in underpenetrated markets

Prioritise and deliver Gibson Island sustainability transformation

**Focus and prioritisation to ensure our businesses capture the significant value potential**

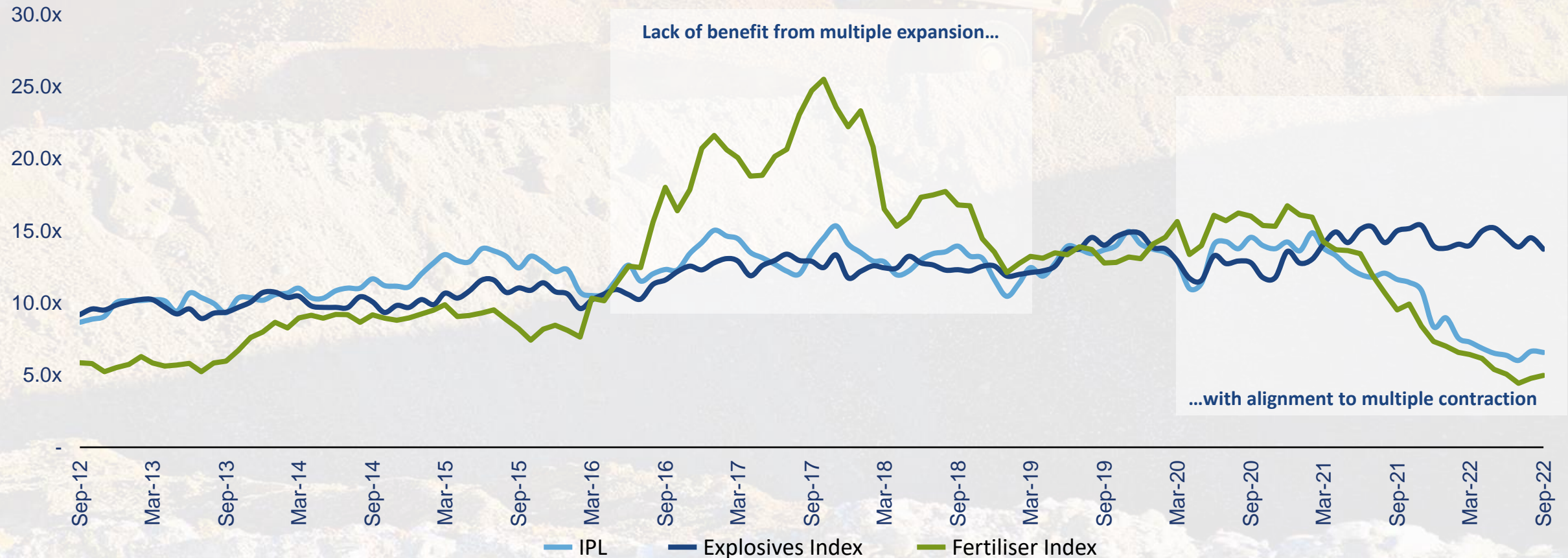
# Our recent trading history

Highlights a disconnect and the need for investor choice

## IPL, Explosives and Fertiliser Index EV / NTM EBIT multiple last 10 years

(x)

Highlights the benefit of investor choice with increased standalone transparency and disclosure



Source: FactSet as at 2 September 2022. (1) Explosives Index represents Orica. (2) Fertiliser Index includes Nutrien, Mosaic, CF Industries and Yara.

# Build the future of two leading businesses

Our success has been driven by innovation with competing priorities limiting deployment...

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...current structure puts natural limits on unencumbered allocation and focus

**DYNO<sup>®</sup>**  
Dyno Nobel

Be the clear leader in premium explosives solutions in selective global markets

Customer innovation leadership

#1 and 2 position in key markets

Develop global green ammonia opportunities

*... driven by intensifying global and local megatrends*

Separate, accelerate and enhance innovation, business transformation and sustainability

  
Incitec Pivot Fertilisers

Be the clear plant nutrition and soil health leader

Fertiliser innovation leadership

Support global food sustainability

Deliver Australian green energy

Transformational earnings growth potential across both businesses



# FY22 business performance update

# FY22 business performance update

FY22 earnings are benefitting from the favourable commodity cycle, somewhat impacted by certain other events



## DNA

- Above market growth in Q&C and coal, however metals volumes impacted by a customer's temporary operational outage
- WALA producing above nameplate since re-start; insurance claim progressing with majority of insurance proceeds expected in September 2022
- Working capital is tracking to plan
- Explosives segment experiencing some supply chain and inflationary pressures with a lag in recovery via pass through and price resets
- Cheyenne turnaround deferred to CY23 due to non-availability of critical equipment

## DNAP

- Some impacts from La Nina adverse weather and supply chain disruptions
- Working capital tracking slightly above plan

- Continued favourable farming conditions
- Working capital unwind tracking to plan
- Phosphate Hill turnaround completed, with the plant now at nameplate capacity. Annual production volumes forecast to be approximately 750 kt for FY22
- Gas supply disruptions at Phosphate Hill increasing FY22 gas cost by approximately A\$45m. Power and Water Corporation (gas supplier) confirmed full quantities are expected to be restored in February 2023. Additional top-up gas volumes to be purchased to make up any shortfall
- Distribution volumes lower as result of lower demand, largely due to higher pricing, and global fertilisers supply constraints. Distribution EBIT forecast at A\$40 to A\$45m for FY22
- Gibson Island planned to discontinue manufacturing operations at the end of the gas contract period (Dec 22)
- Closure costs remain substantially in line with our previous disclosures

Realised pricing	Commodity	YTD Realised Price US\$/mt	Sensitivity
	Ammonia	816	+/-US\$5.3m <sup>2</sup>
	US Gas <sup>1</sup>	6.04	+/-US\$1.8m <sup>3</sup>

Realised pricing	Commodity	YTD Realised Price US\$/mt	Sensitivity
	DAP	857	+/-A\$10.4m <sup>3</sup>
	Urea	746	+/-A\$3.8m <sup>3</sup>

(1) US\$/MMBtu. (2) Sensitivity is based on +/- US\$10/mt. (3) Sensitivity is based on +/-US\$0.10/MMBtu. (3) Sensitivity is based on +/- US\$10/mt, foreign exchange rate of 0.72 and forecast production.



**Q&A**



# Investment proposition

# Separate and enhance value

Now is the time to accelerate our investment proposition to maximise value for shareholders

Focus and  
priority  
allocation



*Unencumbered decisions to prioritise investment to help our strategy to further unlock value potential*



**1**

**Strengthened positions**

- Leading model and positions
- Iconic brand
- High quality customers
- Security of supply
- Decarbonisation pathway<sup>1</sup>

**2**

**Resilience through the cycle**

- Network asset optimisation
- Margin discipline and growth
- Managing the nitrogen market
- Leading technology solutions

**3**

**Opportunity rich**

- Underlying customer demand
- Technology to extract efficiently
- Industry consolidation

**Ambition**



Accelerate earnings, achieve capital returns and sustainability targets  
Execute investment opportunities through priority allocations  
Progress global decarbonised ammonia upstream integration  
Target to deliver mid to high single digit underlying earnings growth

**Result**



Improved earnings and predictability driving returns through the cycle

(1) See IPL Climate Change report, 2021 for a description for key enablers for potential pathway to Paris aligned climate change targets.

# 1 Strengthened positions: Who we are

Global explosives business with strong competitive advantages set up for growth

## Growing presence driven by value proposition

-  #1 and #2 in selective and attractive markets

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-  Strong brand recognition, leading customer value proposition

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-  Leader in 'on the ground' technical explosives solutions

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-  Servicing world's largest customers:  


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-  Leading model with technology driving wins, strong margins and ESG focus

## *Vision to be the best in our markets, delivering Zero Harm and outstanding technology driven customer outcomes*

-  Drive value through innovation on the ground
-  Industry leading products, solutions and support driving safety for our customers
-  Integrated model to support our value proposition
-  Play in the right markets with the right innovation to win

**1**

**Strengthened positions:**

**Paris aligned emissions reduction opportunity**

Pathway identified with key projects to deliver our ambition<sup>1</sup>



GHG emissions reduction opportunity of >40% by 2030 driven by N2O abatement at Moranbah and LOMO, sequestration at WALA



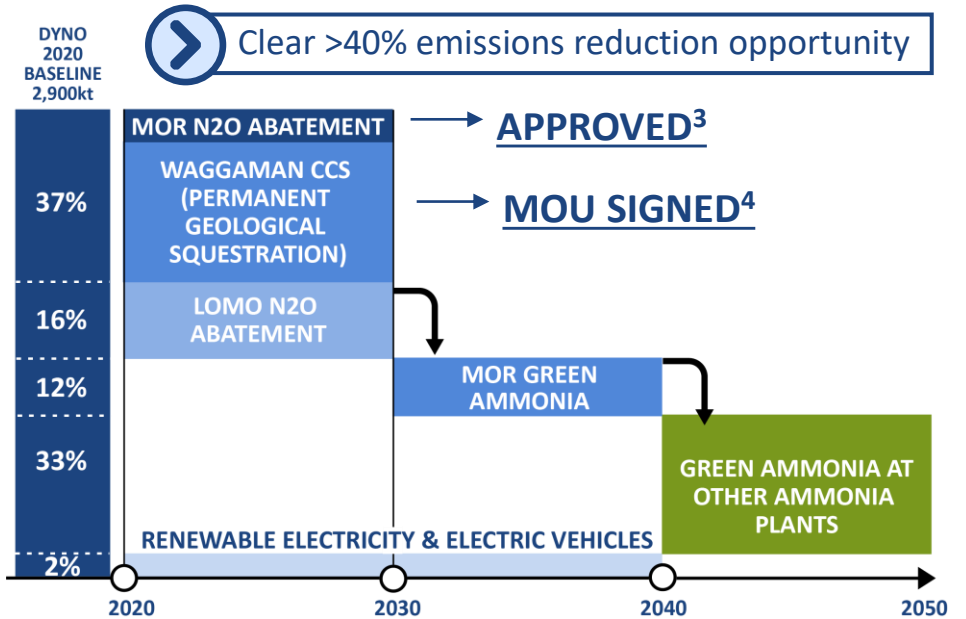
Thermal coal revenue represented c.12%<sup>2</sup> in FY21A mitigated through expansion into Q&C and metals



External verification underway to confirm Scope 3 baseline

Separation will add resources and help accelerate our ambitions

**Scope 1 and 2: Emissions reduction profile**



**Scope 3 GHG overview**



Our technology offering has the ability to reduce customer emissions with Delta-E reducing GHG through blast delivery efficiency



Targeting FY23 delivery of framework, FY25 systems in place to track and manage scope 3 GHG

(1) See IPL Climate Change report, 2021 for a description for key enablers for potential pathway to Paris aligned climate change targets. (2) Excludes sales in Indonesia that are transacted through licenced explosives companies. (3) The GHG reduction project at Moranbah is IPL Board approved. Other projects are under investigation. (4) Memorandum of understanding signed with parties to develop CCS solutions.

# 1 Strengthened positions: Security of supply

Integrated supply chain across highest quality markets underpinning significant advantages



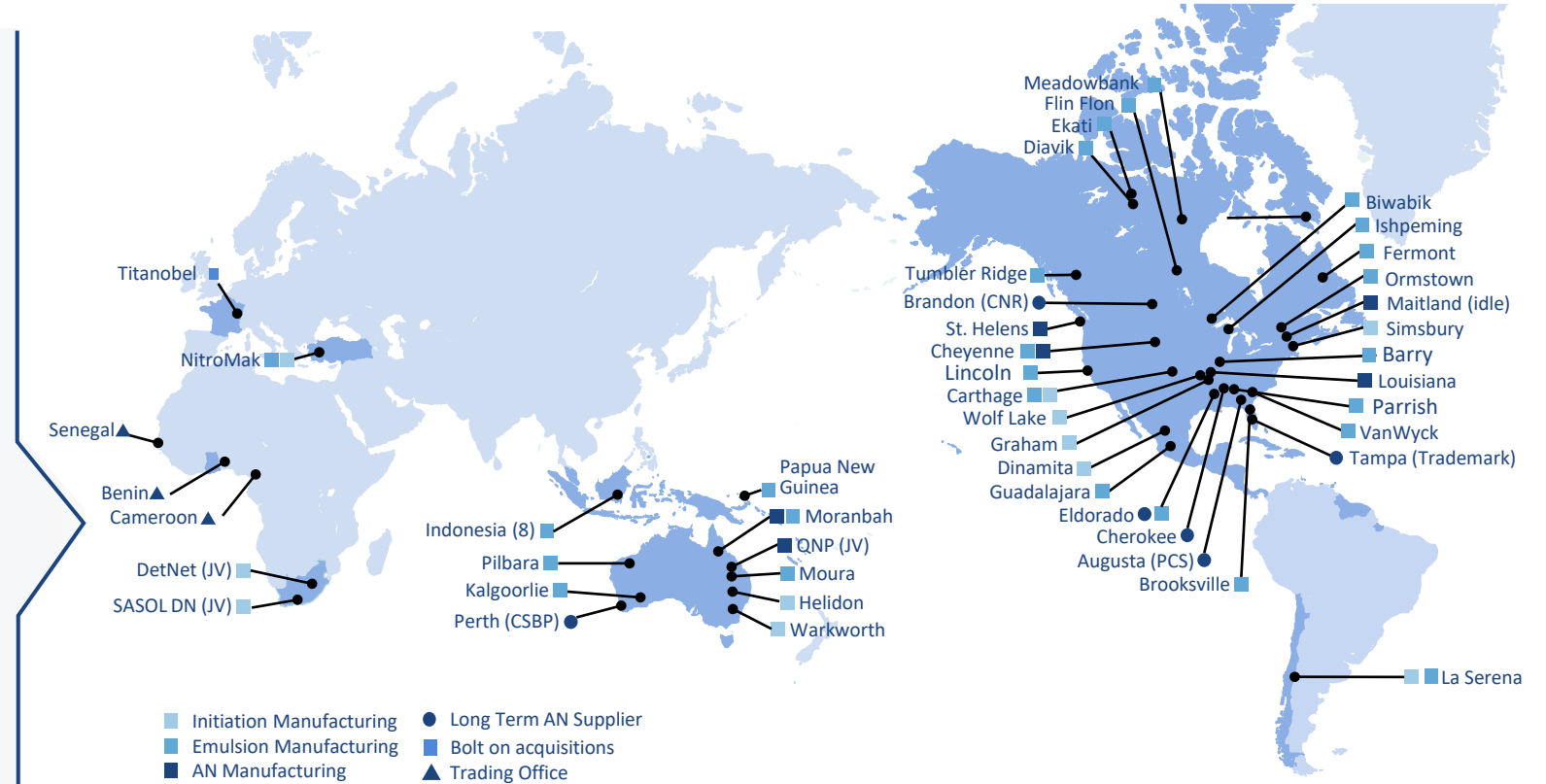
Efficient, vertically integrated ammonium nitrate (AN) manufacturing in 2 best markets



Our high quality footprint brings strategically located storage, distribution and expertise closer to customers



Initiation systems (IS) manufacturing and assembly across North and South America, Australia, Indonesia, Europe and South Africa



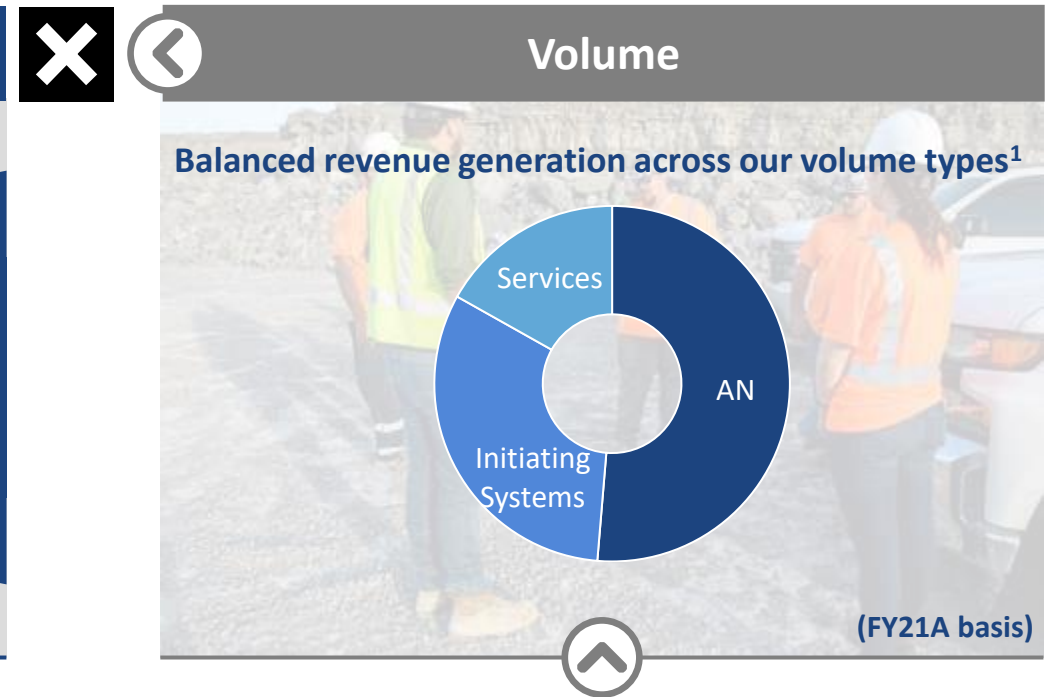
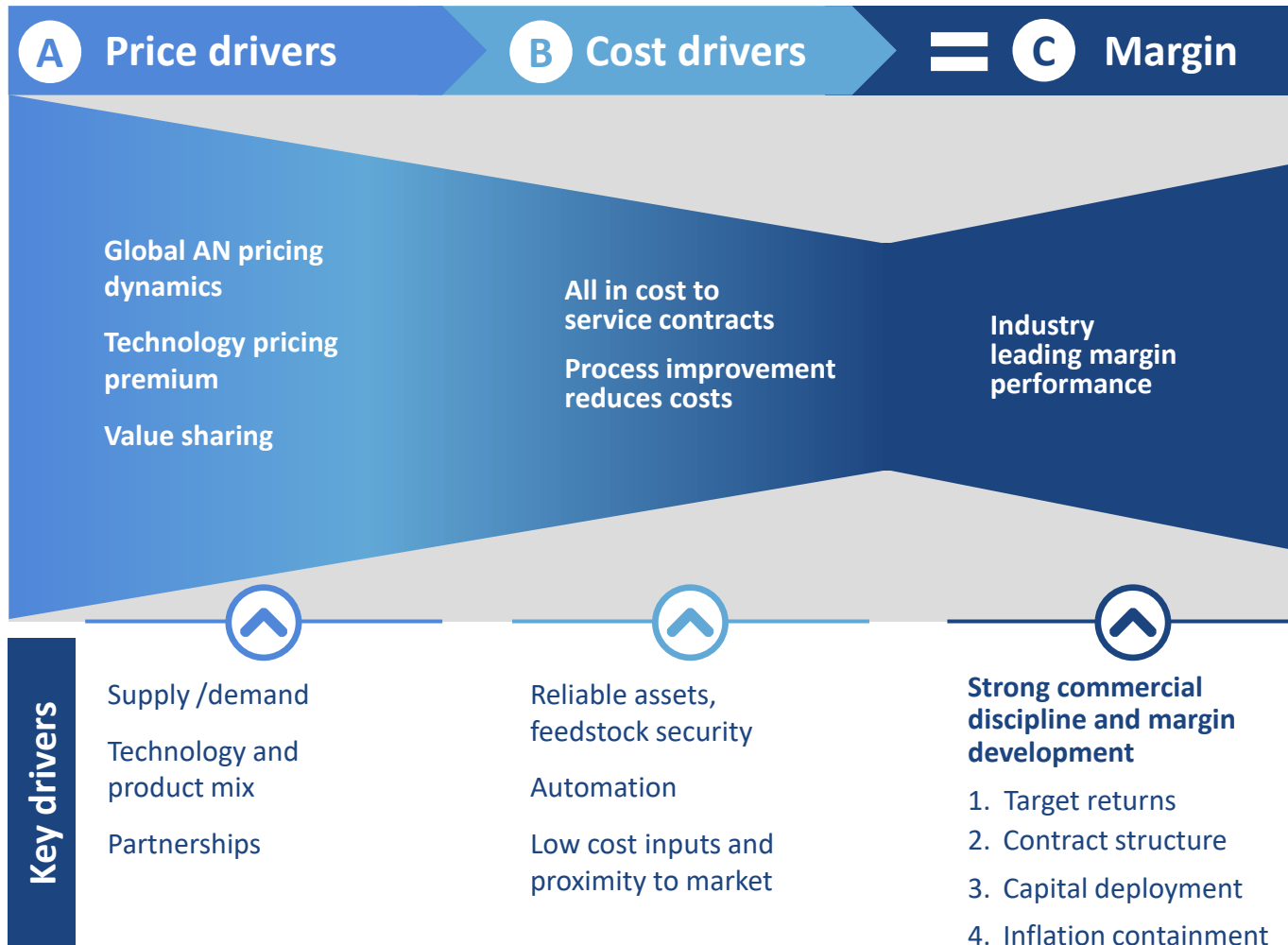
<b>13</b> Initiating manufacturing systems	<b>23</b> Emulsion manufacturing facilities	<b>4</b> AN manufacturing facilities	<b>5</b> AN Suppliers	<b>c.1.4m</b> Tonnes of ammonium nitrate sold <sup>1</sup>
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(1) Total Ammonium nitrate sold in 2021.



# 2 Resilience through the cycle: Disciplined value creation

High margin business creating value through developing customer driven solutions



### Integrated model with pull-through across value chain

1. Play in highest quality markets and resource deposits
2. Technology wins contracts and underpins pull-through
3. Technology development core to momentum
4. Continuous improvement initiatives produce more volumes

(1) FY21 revenue by product type. Dyno Nobel Asia Pacific excludes Nitromak. Revenue for Dyno Nobel Americas converted to AUD at the average foreign exchange rate for FY21 of 0.75. This exchange rate is subject to fluctuations throughout the year.

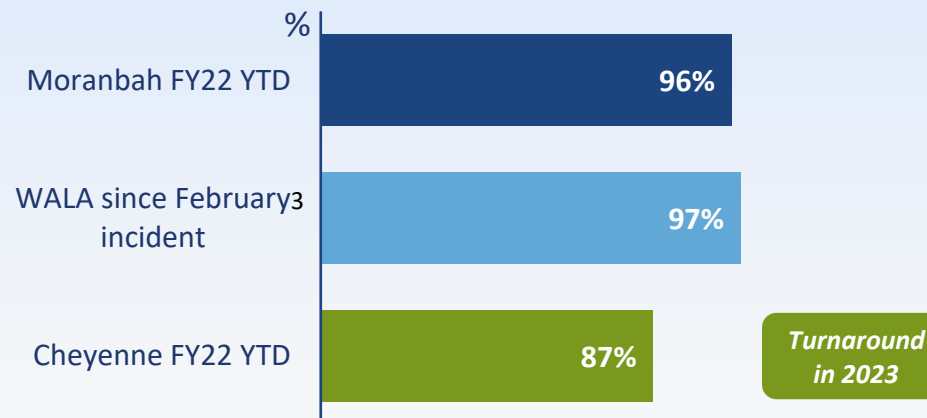
# 2 Resilience through the cycle: Network asset optimisation

Optimising strategic assets to further support our leading downstream explosives business

## 1 Investments driving reliability and long term earnings potential

Dyno Nobel on track to deliver Manufacturing Excellence target by FY23<sup>1</sup> – with outperformance expected at current pricing

### Snapshot of Dyno Nobel ammonia plant reliability<sup>2</sup>



## 2 Strong strategic choices and investment opportunities

Leverage efficiencies and upgrade supply chain capabilities  
Low capital and high return capacity additions in IS<sup>4</sup> and AN<sup>5</sup>  
Contribute to underlying improvement in ROIC

### Potential initiatives

- |                                 |  |
|---------------------------------|--|
| <b>Optimise IS supply chain</b> | <ul style="list-style-type: none"> <li>Global opportunity to further automate (US and Australia)</li> <li>Improve efficiency, security of supply and reduce costs</li> </ul> |
| <b>Debottleneck AN</b>          | <ul style="list-style-type: none"> <li>Moranbah, LOMO and Cheyenne</li> </ul>  |
| <b>Booster capabilities</b>     | <ul style="list-style-type: none"> <li>Expand regional manufacturing capability of proprietary booster formulation</li> </ul>  |

(1) See 2022 Half Year Results Presentation for further details on Manufacturing Excellence targets. (2) YTD reflects 01-October-2021 to 22-August-2022. (3) Period reflects 16-April-2022 to 22-August-2022. (4) Initiation Systems. (5) Ammonium Nitrate.

**2**

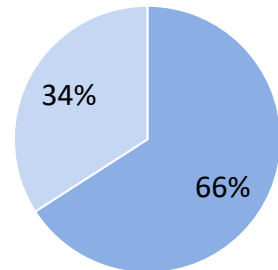
**Resilience through the cycle:**

**Managing the nitrogen market**

Leading manufacturing footprint generates optimal margin and cash flow management

Optimal  
through the cycle performance  
from global footprint

**FY21A internally vs.  
externally sourced AN**



■ Internally sourced  
■ Externally sourced



**Internally sourced AN**

Strong manufacturing margin captured, underpinned by gas backed portfolio

US is c.80% internally sourced  
DNAP is c.50% internally sourced



**Externally sourced AN**

Third party AN delivers capital benefits through the cycle  
Trading margin exposure well managed  
Solid global partnerships



**Downstream explosives**

Balanced exposure gives us upside in margins, security of supply and downside protection with limited exposure to high risk jurisdictions

3rd party pass through

Residual commodity exposure

Integrated supply and optimal partnerships results in consistent and predictable working capital management

**2**

**Resilience through the cycle:**

**Practical customer led technology**

End-to-end technical explosives blasting solutions drives strong demand profile through the cycle

**We deliver solutions across key customer facing categories...**



Bulk product solutions and premium emulsions



Automated delivery systems



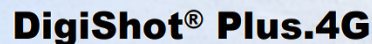
Advanced initiation systems



Digital Connected Bench



**...generating leading brands in the field today**



Field technicians work closely with our customers



Safety, productivity and sustainability governs our approach



Blasting optimisation is our focus and where our customers value our global expertise



Significant suite of technology that wins in the field today



Exciting next generation technology offering to be deployed into attractive markets



Safety



Productivity



Sustainability

Next generation emulsions, detonators, and delivery systems optimised through our integrated digital systems enabling miners to:

**1**

Adopt innovative mining methods

**2**

Extract minerals from difficult locations

**3**

Operate in labour limited jurisdictions

# 3 Opportunity rich: End market opportunities

Strong opportunities to drive earnings growth across our key exposures

	Revenue opportunity		Margin opportunity		
	⊖	⊕	⊖	⊕	
Q&C					#1 positions in US and France with advantages and options to extend leadership
Future facing minerals					Energy transition driving runway of growth with technology offering well positioned
Precious metals					Solid growth with ongoing technology opportunities
Met coal					Privileged position with strong outlook
Thermal coal					Capacity diverted to growth opportunities




⊖ Decline    ⊕ Strong    ● Short term    ● Medium term

# 3 Opportunity rich: Technology opportunities

Innovation drives customer outcomes and unlocks multiple avenues of growth

## Sustainability megatrends

### The need for innovation is expanding

-  Energy transition driving volumes
-  Copper supply expected to miss demand by 9m/t by 2030<sup>1</sup>
-  Global green ammonia expected to reach US\$5.4bn by 2030<sup>2</sup>

## Productivity & safety

### Innovation driving additional growth

-  Smaller miners to increase participation in innovation
-  Increasing Tier 2 and 3 orebodies
-  Mining safety and productivity targets accelerating

## Under-penetrated markets

### Technology unlocks expansion

-  Dyno Nobel has presence in <50% of markets
-  c.66% of market is directly aligned to our leading offering<sup>3</sup>
-  c.6-9% of global detonator demand is currently electronic<sup>4</sup>

# Market opportunities

Dyno Nobel to make investments to continue to deliver consistent underlying growth

## North America

- Emulsion and partnership expansion to address under-representation in specific US regions and commodities
- New greenfield and brownfield customer projects
- Investment opportunities in Canada and Mexico

## South America

- Evaluate bulk supply through strategic partnerships
- Technology well suited to region's skew towards future facing minerals

## Asia

- Continue transition to higher value added products and services
- Continue to grow in precious metals and future facing minerals

## Australia

- Grow with customers through key project expansions
- Strong runway of future facing minerals growth through leading technology offering
- Progress green ammonia with Keppel / Temasek

## Europe

- Integrate Titanobel and expand presence
- Strong runway of technology penetration across Q&C and future facing minerals markets
- Assess select opportunities to support Titanobel footprint

## Africa

- Leverage Titanobel hub to enter select markets
- Grow with key global clients

Selective inorganic opportunities will be considered across geographies

# 3 Opportunity rich: Investment opportunities

Pipeline of exciting investment opportunities under evaluation



Pipeline of opportunities to accelerate via strong balance sheet

	Opportunities
<b>Bolt-ons, partnerships or distribution arrangements</b> Australia, North America, South America, Europe and select African and Asian regions	✓✓
<b>Supply chain and manufacturing capability</b> Fast track: Debottlenecking AN, waste mine gas and various capabilities	✓✓
<b>Explosives and select mining technology investments</b> Blast and ore modelling, mapping and predictions	✓
<b>Invest in adjacent categories</b> Drill and blast	✓
<b>Transformational investments or partnerships</b> Unlocked via pureplay explosives exposure	✓
<b>Global green ammonia feedstock opportunities</b>	✓



# Innovation driven outcomes

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# It starts with innovation

Technology led increases in productivity, safety and sustainability

Optimise efficiency through  
technologically driven  
automation

Increase blasting accuracy



Automated delivery services  
leading to better and safer use  
of customer workforce

Safe and reliable connectivity

Minimise over blasting and environmental impacts

Reduce emissions from  
the manufacture of ammonium nitrate

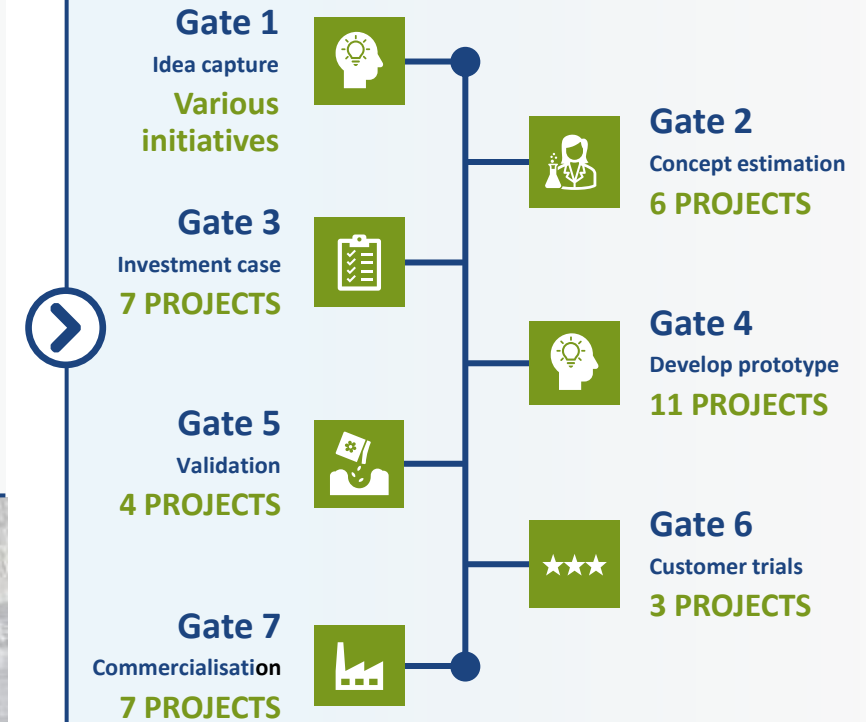
# Our approach to technology wins

Next generation technology that drives customer value and wins share

- **Solve customer needs with leading user friendly solutions**
  - Collaboration, practical solutions and speed to market derives significant value
  - Our technology secures relationships, creates stickiness and generates pull-through
  - Strong returns through investment discipline
- Sales and technology collaboration **ensures** technology is adopted
- Strategy remains unchanged – our track record speaks for itself
- Moving into a commercialisation phase of several game changing solutions



Deliver customer outcomes through sales and technology collaboration



# Solutions – Underground mining

Increasingly complex and new methods are required to remove people from danger zones



	<b>blastweb</b> <sup>Ⓢ</sup>	<b>DYNOBULK</b> <sup>Ⓢ</sup> Automated delivery systems	<b>TITAN</b> <sup>Ⓢ</sup> BULK EMULSION Hot & Reactive Ground Emulsions	<b>cyberdet</b> <sup>Ⓢ</sup> <b>1</b>
<b>Customer need</b>	Safe and reliable connectivity	Safety of people near the face	Hostile conditions and unplanned detonation	Complex blasting in stressed underground environment
<b>Our competitive advantage</b>	Centralised blasting system connecting with all initiation systems	Partnerships enable remote loading and removes people from hazards	Customised solutions suited to the specific mine conditions	Best in class system enables improved safety, reduced blast cycle and increased ore recovery
<b>Opportunity</b>	Becomes integral part of infrastructure Strong retention “hook”	Future of mining systems envisaged	Industry leading expertise and solutions strengthen partnership with customer	Strong interest with long runway of opportunities

# Solutions – Future facing minerals

Break down operational silos, highlight bottlenecks and simulated blast designs to drive customer decisions

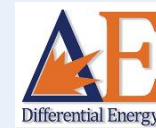
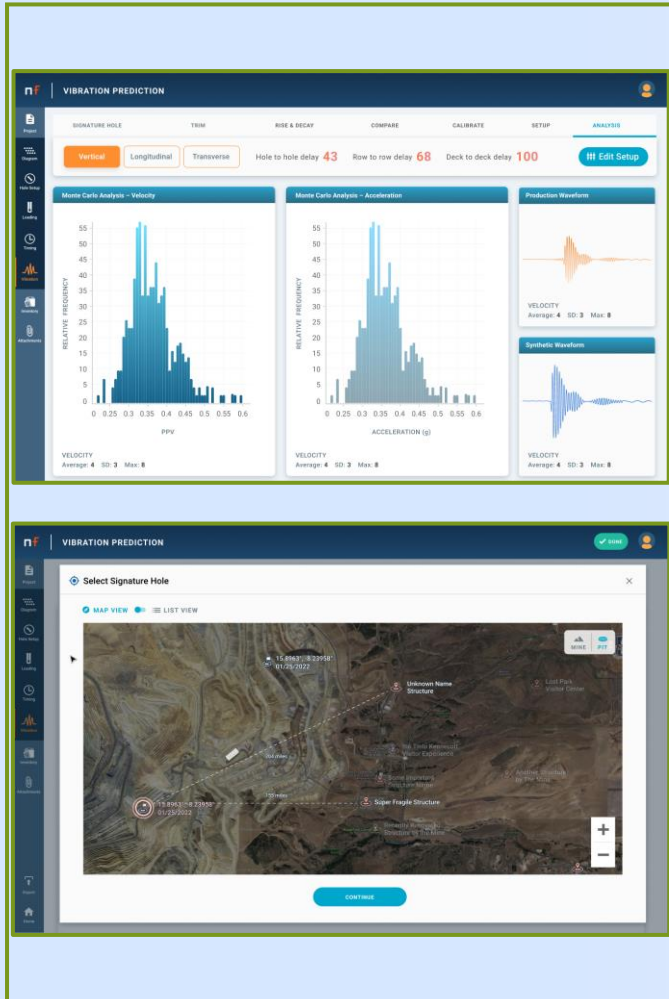


<b>Customer need</b>	Variable fragmentation results	Repeat visits to locate holes leads to human error	Large variation in blasted rock impacts mill efficiency	Inefficient logistics
<b>Our competitive advantage:</b>	Optimal blast outcome from precise energy placement	Differential GPS co-ordinates hole identification to <1m accuracy	Fast predictive models combined with industry leading support	Optimise bench loading efficiency through adjustable MPU <sup>1</sup>
<b>Opportunity</b>	Patented differentiator with strong adoption and long runway of opportunities	Better and safer utilisation of customer workforce	Strengthen customer relationship through value-add understanding of operation	Potential to reallocate MPU <sup>1</sup> equipment and workforce to new growth site

(1) Mobile processing unit.

# Solutions – Quarry sustainability

Quarries often close to communities and our solutions drive successful accuracy and compliance requirements



**Vibration Management Tools**

**Customer need**

Connectivity across blasting requirements and regulatory reporting

Regulatory and community concerns with fume or flyrock events

Accurate blasting with easy to use electronic controllers

Impact of blast shockwaves on heritage and critical infrastructure

**Our competitive advantage**

Easy to use, robust blast design and reporting for regulatory approval

Minimise overblasting and environmental impacts

Simple, precise, and future proofed for cybersecurity

Predictive modelling that can predict and adjust to avoid impacts

**Opportunity**

Strong future as additional features added and connected digital integration is realised

Strong adoption and acceptance in Q&C with global expansion plans

Rapid conversion from legacy systems. Growth into new customers

Significant as assisting customers with their “license to operate”

# Digital integrations – Nobel Fire



**Desktop and mobile integration**



**Design data**

- Drilling, loading and timing plan

Import CSV  
Cross integration



**Desktop and mobile integration**



**Field data**

- Hole layout
- Drilling, measuring and loading
- Timing

UCS  
UCS Profiler  
UCS Baiter  
Delta E2  
EC200, EC300, Dyno  
Logix  
Viewshot / 3D / Lite



**Desktop integration**



**Compliance data**

- Blast report
- Field data
- PDFs



**Desktop integration**















**Blast data**

- General/cost
- Seismic
- Truck utilisation

**Data intelligence extracted**

# Preparing for the future

Strong pipeline with divisional collaboration driving the future blasting vision

Phase	Delivered	Development Pipeline		
Workstream	Current	Short Term	Medium Term	
 <p><b>Bulk product solutions and premium emulsions</b></p>  	<p><b>Emulsions for adverse mining conditions</b></p>	<p><b>Safer sensitisation</b></p>	<p><b>Improved storage quality</b></p>	
 <p><b>Advanced initiation systems</b></p>  	<p><b>Enhanced safety and reliability features</b></p>	<p><b>Next generation boosters</b></p>	<p><b>Next generation cyberdet</b></p>	<p><b>Automated initiation systems</b></p>
 <p><b>Automated delivery systems</b></p> 	<p><b>Customised MPU<sup>1</sup> solutions</b></p>	<p><b>Digital MPU offering</b></p>	<p><b>Reduced emission MPU<sup>1</sup></b></p>	<p><b>Automated MPU<sup>1</sup></b></p>
 <p><b>Connected Bench</b></p>   		<p><b>Blast design software update</b></p>	<p><b>Advanced blast prediction offering</b></p>	<p><b>Connectivity throughout delivery system and value chain</b></p>

(1) Mobile processing unit.





**Americas**

# Divisional highlights

#1 US business with attractive outlook and track record of consistent growth



#1 US position underpinned by our leading Q&C and precious metals positions



Extensive North American integrated footprint providing access to quality customers and key markets



Competitive advantage through US integrated supply chain and leading technology bundles suited to hard rock and future facing minerals

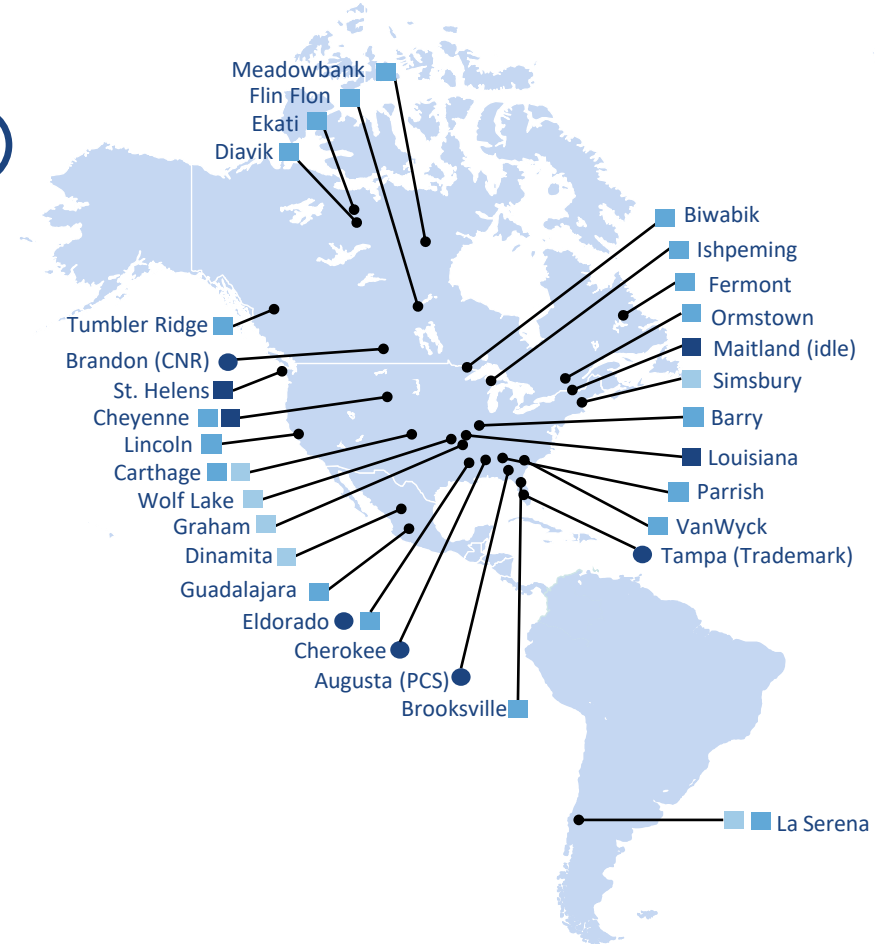


Attractive opportunities to accelerate growth including expansion within core and new markets

*Extensive footprint provides security of supply and cost advantage in US*



- Initiation Manufacturing
- Emulsion Manufacturing
- AN Manufacturing
- Long Term AN Supplier



<b>1</b> Upstream ammonia facility	<b>3</b> AN facilities	<b>21</b> Emulsion plants	<b>6</b> Initiation systems facilities	<b>2</b> Material decarbonisation projects <sup>1</sup>
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(1) Decarbonisation projects under investigation and not yet approved, IPL Climate Change Report, 2021.

# WALA highlights

Significant competitive advantage for growth

- 1** Provides fuel for growth at leading economics in a tight market

➤ 1/3 available for downstream growth

**2** Provides strategic flexibility to Dyno Nobel's strategy

➤ Flexibility to partner to unlock growth or capital

**3** Below the 50th percentile on ammonia cost curve

➤ World-class asset  
On track for investment payback by 2024

**4** Targeting world-class reliability

➤ Cooler and boiler installation on track for CY23



<b>Location</b>	Waggaman, Louisiana, US
<b>Capacity</b>	Nameplate capacity of 800,000 metric tonnes p.a.
<b>Contracts</b>	100% contracted, 1/3 Dyno Nobel, 1/3 Cornerstone, 1/3 Trammo
<b>Asset age</b>	c.8 years
<b>Emissions reduction</b>	Sequestration targeting 2025 commissioning c.30% reduction in Dyno Nobel Group emissions profile <sup>1</sup>

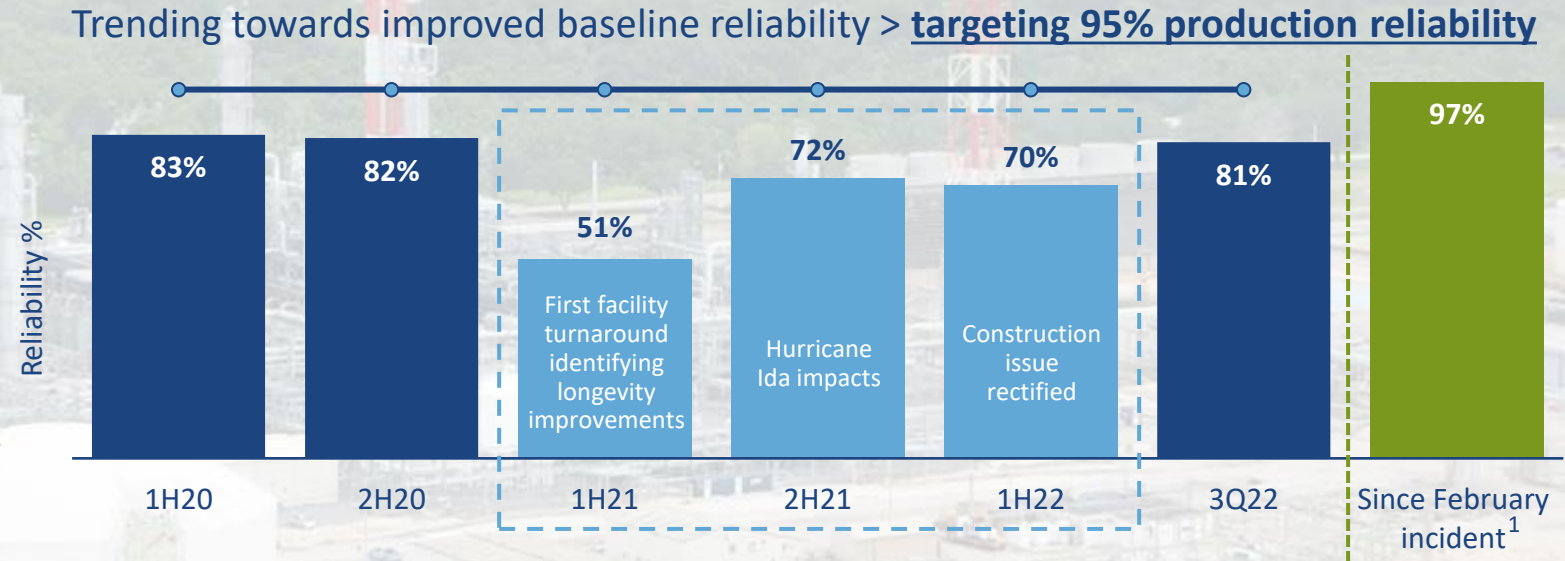
(1) This project is subject to approval. See IPL Climate Change report, 2021 for description of key enablers for key projects.

# WALA uplift

Strong growth upside from reliable nameplate production

- 1 Significant investments in reliability and operational standards
- 2 97% reliability achieved following the February incident restart<sup>1</sup>  
 Reliability campaign success over long term expected to drive incremental returns  
 Reliable production to ensure capture of commodity super cycle profits

## WALA operating performance 1H20 to 2H22



### Investment to increase reliability

**FY20** Increased fixed cost spend in order to improve plant reliability ahead of the turnaround and beyond

**FY21** Total turnaround spend of c. **US\$57m** deployed to improve long term reliability

**FY22+** Upgrade to cooler, fan and steam and power generation will solidify standalone reliability

### Recent investment

(1) Period reflects 16-April-2022 to 22-August-2022.

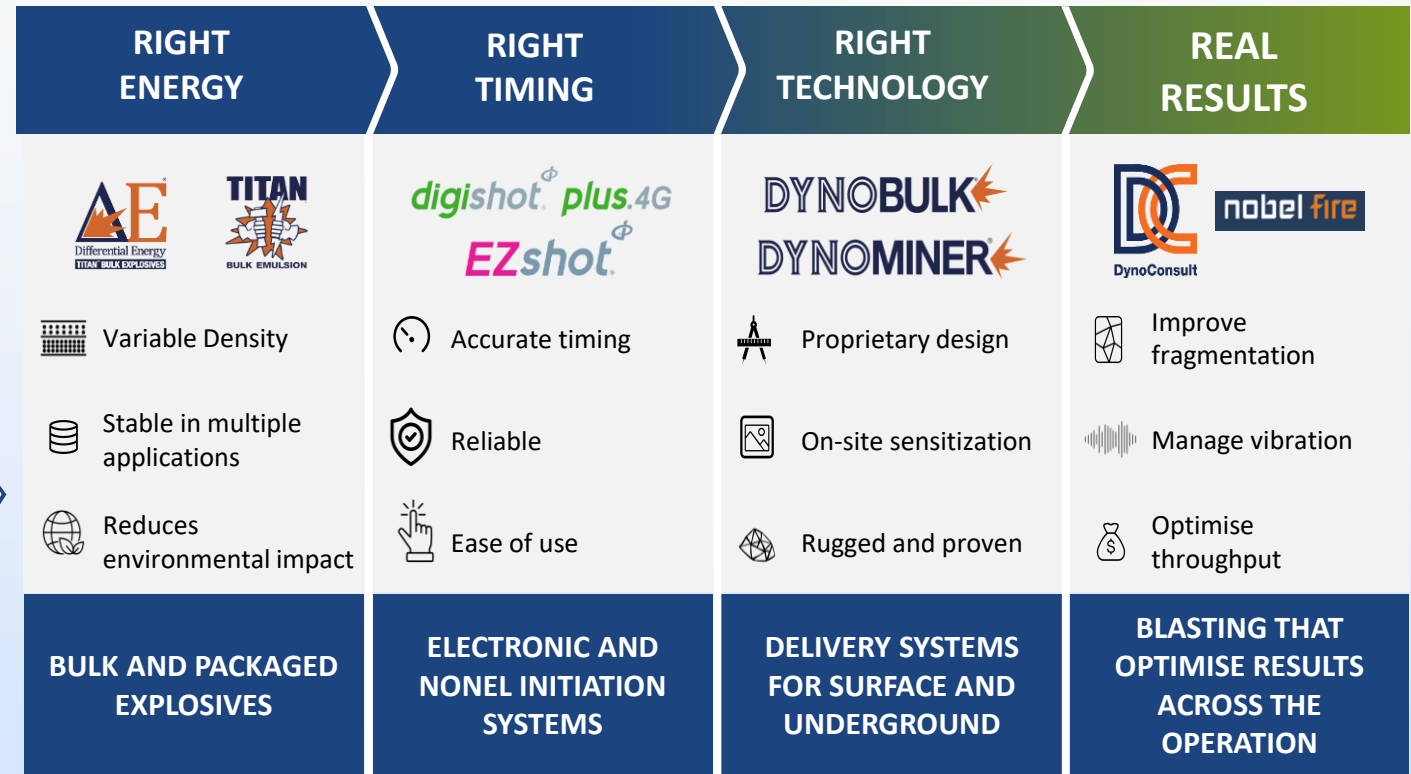
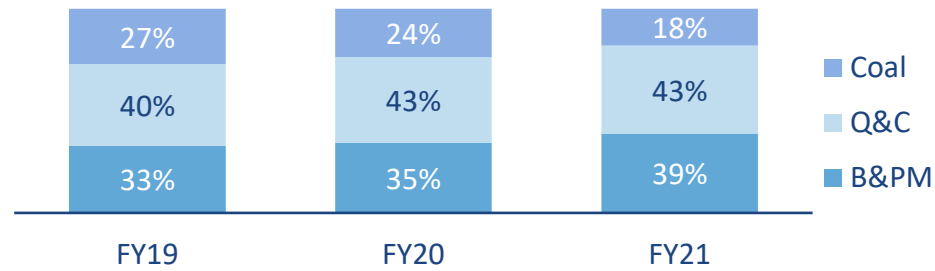
# Our customer value proposition

Maximising customer returns from mine to market

## Continued customer wins across precious metals and Q&C

- Footprints make us competitive in key North American markets
- Differentiated products and technology
- Integrated approach provides consistency across channels
- Recent Q&C tender cycle showed customers value our offering
- Wins in precious metals providing opportunities in key basins including Arizona copper, Eastern Canada and Arctic metals

### Americas revenue by end market:



**ROBUST DISTRIBUTOR NETWORK AND SUPPLY CHAIN**  
**CORPORATE ACCOUNT COORDINATION**  
**TECHNICAL EXPERTISE**

Delivering a suite of programs that create and capture value before, during and beyond the blasting process

# Our growth ambition

Become a 1 million tonne p.a. ammonium nitrate market leader in the Americas

## How we win

### Growth targets over medium term:

Ammonium nitrate	Detonators
740kt (2021) to > 1mt	4 m/u detonators (2021) > 5 m/u

- Visibility over strong pipeline to achieve ambitions



## How we play

- Maintain a commitment to world class safety
- Continued earnings growth and share gains while maintaining or growing margin
- Targeting share gains underpinned by best in-field technology solutions
- Thermal coal volumes redirected to drive growth
- Supply chain automation driving reduced cost of business
- Core market expansion into underrepresented key deposit regions
- Continue focus on LATAM expansion

“ Our longer term ambition is to take our #1 US business and grow to be the leading business across the Americas ”

### Game-changing next generation technology suite supporting investments into organic expansion



**Canada and Mexico:** Organic expansion coupled with JV and distribution partnerships

**LATAM:** Leverage integrated US AN position to unlock growth across multiple attractive key deposit regions, including assessment of inorganic opportunities

# Asia Pacific and Europe

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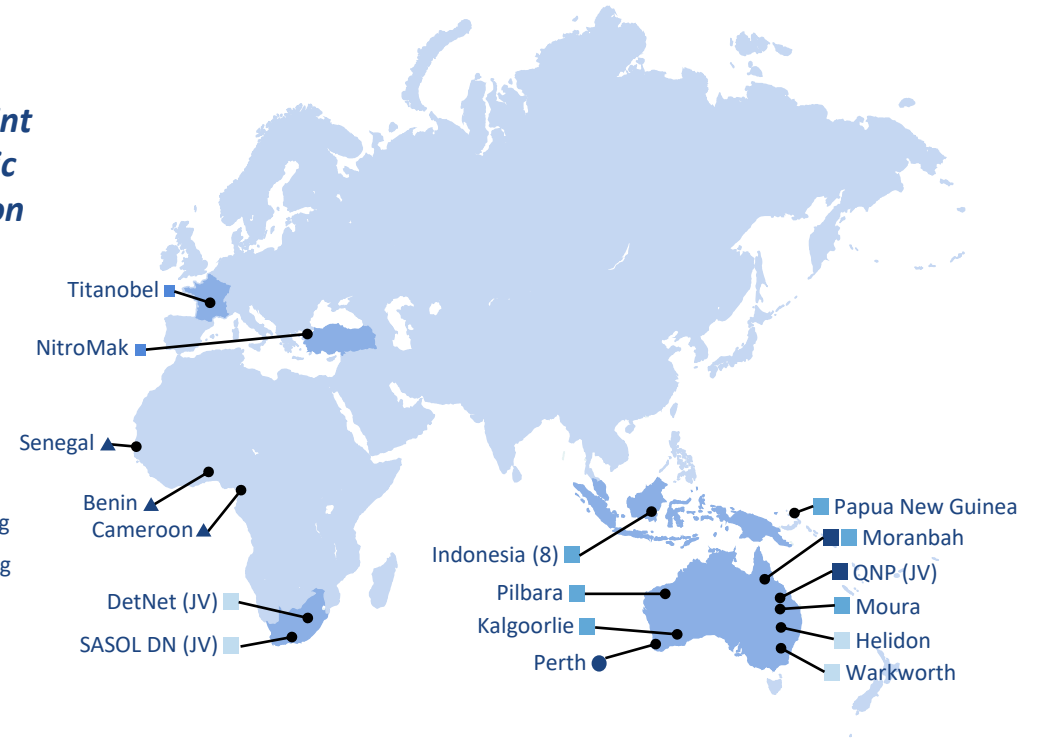
# Divisional highlights

Leading business operating in key international locations servicing world's largest customers

- Number #1 and #2 in all our key markets; Australia, Indonesia, France and Turkey
- Business underpinned by our position in world's best metallurgical coal and iron ore deposits
- World-class facilities with clear opportunity to improve efficiencies and reduce emissions
- Significant quality of earnings improvement through technology based value propositions
- Recent investment in Titanobel provides beachhead to EMEA region

*Strategic footprint provides specific value proposition per region*

- Initiation Manufacturing
- Emulsion Manufacturing
- AN Manufacturing
- Long Term AN Supplier
- Recent expansion
- ▲ Trading Office



**430kt AN**  
Production p.a

**3**  
Initiation system facilities across 3 continents

**16**  
Emulsion plants

**22**  
Delta-E MPU's<sup>1</sup>

**8**  
Long term relationships with the world's top tier customers

(1) Mobile processing unit.



# Moranbah

World-class facility, foundation for divisional earnings and focal point for decarbonisation



Highly strategic asset  
Best-in-class performance



Low cost position in close proximity to the world's best metallurgical coal region



N2O abatement and further decarbonisation opportunities could make Moranbah the world's most sustainable Ammonium Nitrate plant



Competitive gas supply secured to April 2026



Positive pricing outlook driven by global nitrogen megatrends

## Moranbah decarbonisation

- N2O Abatement expected online in 2024, reducing emissions by ~200ktCO2e p.a
- Opportunity under evaluation to use waste mine gas in manufacturing process
- Proximity to customer greatly reduces scope 3 emissions



<b>Location</b>	Moranbah, Queensland, Australia
<b>Capacity</b>	Nameplate capacity of 330,000 metric tonnes p.a.
<b>Contracts</b>	100% contracted with foundation customers
<b>Asset age</b>	c.10 years

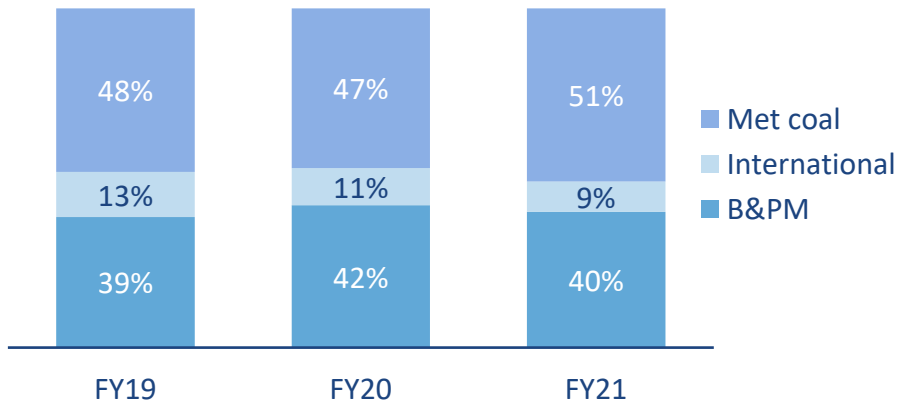
# Our customer value proposition

Growing value through application of customer focussed technology

## Growing value in core market segments

- Maintain #1 or strong #2 position in each core segment
- Technology alliances with blue chip customers
- Continuous application of new technologies to grow customer and shareholder value

### Asia Pacific & International revenue by end market:



## Flexible and targeted to the specific customers and resource regions

● Key deposits



### Our Eastern Australian proposition

- Pre-eminent security of supply position
- Only supplier with two emulsion plants across key Bowen Basin points
- Total cost of ownership programs delivering improved productivity through blast design

### Our Western Australian proposition

- Strong Delta E take-up for technical blasting requirements
- First to market with wireless detonators underground
- Continued growth in wired electronics, successful launch of Differential GPS feature

### Our Indonesia proposition

- Leading supplier of premium detonators, assembled in-country
- Electronic detonator production line to be installed, target 2023
- Strong Delta E acceptance; majority of customers now converted

**blastweb**<sup>®</sup>  
**cyberdet**<sup>®</sup> I

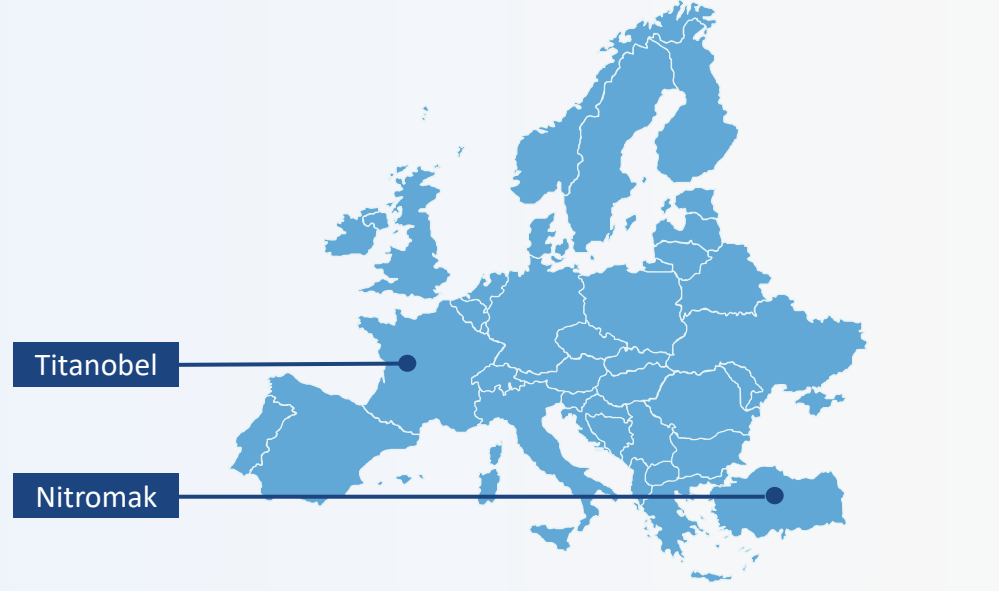


# Extension of customer value proposition

Titanobel is expected to drive meaningful expansion opportunities

**Our European proposition**

- ✓ Excellent brand equity
- ✓ End to end product offering and strong distribution footprint
- ✓ Optimal AN exposure with pass through pricing
- ✓ Leading technology offering
- ✓ Low cost manufacturing from Turkey into the region



Market
<ul style="list-style-type: none"> <li>• EMEA makes up over 30% of the global market</li> <li>• Stable and reliable single digit market growth</li> <li>• Quality mining activity across hard rock, critical commodities and Q&amp;C, well suited to Dyno Nobel technology offering</li> <li>• Fragmented market along national lines, predominantly serviced by smaller competitors</li> <li>• Relative AN light exposure with pass through pricing</li> </ul>

Synergies
<p>Medium to long term objective to drive material earnings expansion through synergies</p> <ul style="list-style-type: none"> <li>• <b>Market opportunity for &gt;1.5 million electronic detonators p.a. in Europe</b></li> <li>• Convert existing and new customers to technology offering</li> <li>• Integration and operational benefits with existing Nitromak business</li> </ul>

Geographic expansion
<ul style="list-style-type: none"> <li>• Access to select high quality African markets</li> <li>• African growth to be customer-led and focussed on future facing minerals</li> <li>• Opportunity to consolidate fragmented market</li> <li>• No presence in high risk jurisdictions – including Russia</li> </ul>

# Our growth ambition

To be a leader in all of our key markets

## How we win

### Growth ambitions over medium term:

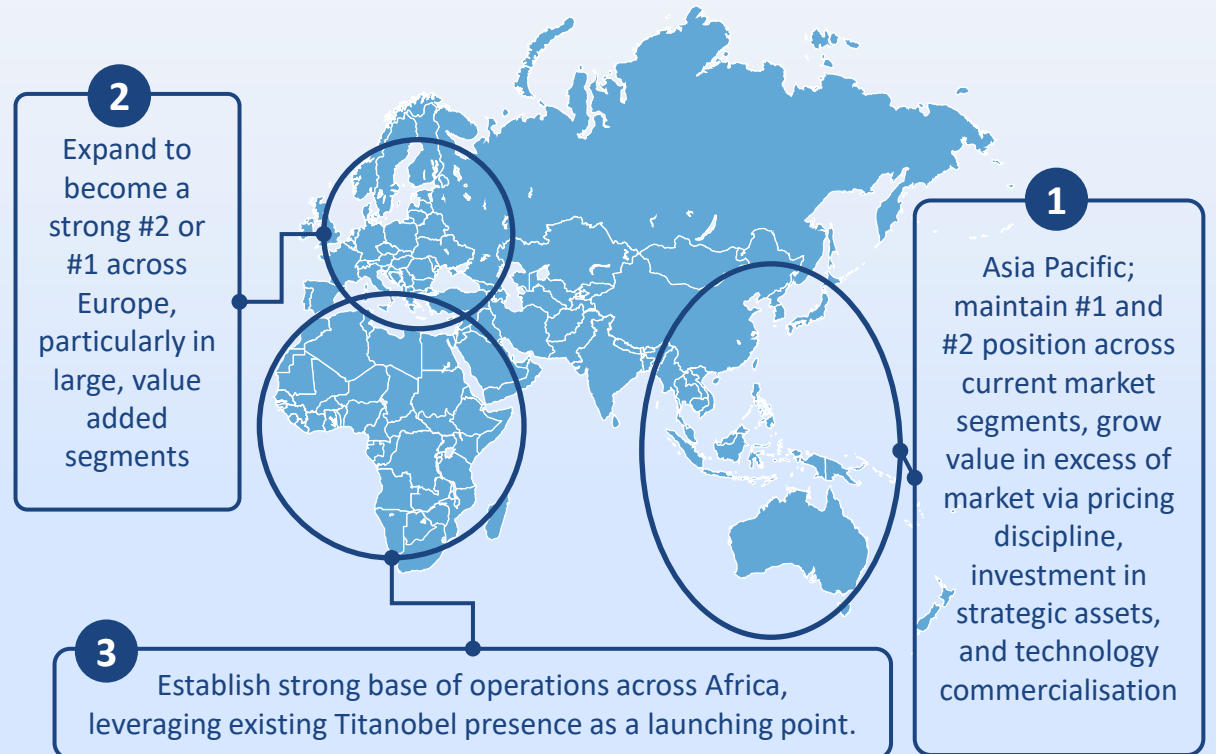
- Grow share in new markets
- Apply technology to grow value for both customers and shareholders
- Debottleneck and decarbonise Moranbah
- Automate detonator manufacturing at Helidon



## How we play

- Maintain a commitment to world class safety
- Focus on robust security of supply for our customers
- Maintain strong customer relationships
- Deliver practical innovation to meet customer needs
- Focus our growth aspirations on regions that play to our strengths

**“ Our ambition is to be the #1, or strong #2 business in every market we choose to enter ”**



# Financial framework, priorities and targets

# Be the clear leader in premium explosives solutions in selective global markets

## Technology led global competitive business

Leading customer centric technology offering

Quality assets competitively positioned on the cost curve

Sustainable earnings growth, progressive transition to low commodity exposure

## Clear pathway to transform our business

Clear pathway to Paris aligned emissions reductions

Transition of portfolio well developed

Sustainability capital investments to deliver returns > WACC

## Competitive and stable returns

Follow a disciplined capital allocation approach

Clear strategic investment choices

Favourably positioned to deliver sustainable earnings growth through the cycle

Competitive dividend delivering returns through the cycle

# Deliver competitive and sustainable returns

Transform the business with a disciplined approach to creating long term shareholder value

**Bring our strategy to life**   **➤ Short to medium term**   **➤ Medium to long term**



**WHAT?**

- Business strategically positioned post demerger
- Protect asset competitiveness and grow margins with high quality customers
- Drive sustainable value through disciplined capital allocation

- Continue strategic growth momentum
- Follow disciplined capital allocation
- Deliver attractive, sustainable shareholder value through the cycle
- Build global premium customer base

**HOW?**

- Deliver asset reliability of 95% and ensure feedstock security
- Accelerate technology development and commercialisation
- Target future facing mineral opportunities through technology offering and security of supply
- Prioritise and deliver attractive and sustainable investment opportunities

- Continue to prioritise business expansion
- Deliver Paris aligned emissions reductions
- Introduce green ammonia feedstock as key differentiator
- Deliver next generation explosives technology

# Capital allocation framework

## Capital allocation priorities – “How we allocate”<sup>1</sup>

Order	Priority	Description	Category	Details
1st order allocation	1	<b>Sustenance capital</b>	CAPITAL SPEND	Ensure safe, reliable operations
	2	<b>Sustainability capital</b>		A\$120m – 150m p.a. and deliver 95% asset reliability Turnaround capital will be additional in the relevant year of planned execution
	3	<b>Selective growth improvement capital</b>		A\$100m – 140m in aggregate to 2030 Portfolio options IRR > WACC
	4	<b>Test robustness of balance sheet</b>	BALANCE SHEET	Small high return, short payback initiatives
	5	<b>Dividend policy</b>		Small investments target to mitigate inflationary impact in the business and drive continuous improvement
2nd order allocation	6	<b>Expansionary growth*</b>	RETURNS	Net debt to EBITDA between 1.0x – 1.5x <sup>2</sup> Leverage range has some flexibility for strategic initiatives
	7	<b>Additional shareholder returns</b>		Range: 30% - 60% payout of NPAT Dividend target at midpoint of range in periods of balance sheet robustness

And/ or

\*Targeting a rate of technology development spend appropriate to execute next generation technology development

## Managing and optimising capital – “How we decide”

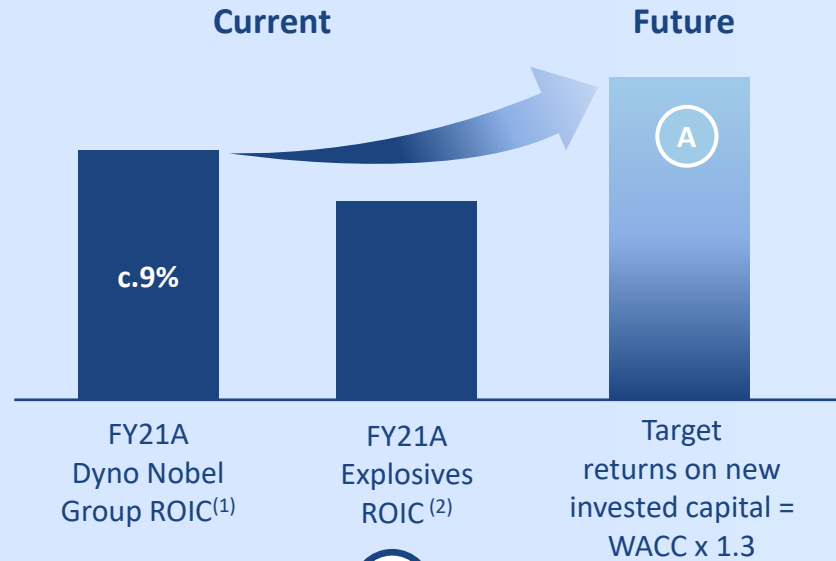
Clear investment guidelines  Strategic partners  Portfolio optimisation  Appropriate funding

(1) This is an indicative framework and may be subject to change as IPL continues to work through demerger related matters. Further details of the capital allocation framework will be provided in conjunction with the release of the Scheme Booklet to investors. (2) Risk level guidance impacted by commodity exposure currently in the portfolio. Guided range may vary period to period. Objective to manage gearing levels back to guided range over an appropriate period if target gearing range is exceeded.



# Transform the portfolio sustainably and competitively

## Driving underlying ROIC



### How we grow

- Deliver asset improvement plans and secure feedstock
- Further integrate customer centric technology value offering
- Investments at premium to WACC to create value
- Deliver low double digit ROIC<sup>1</sup> on average through the cycle



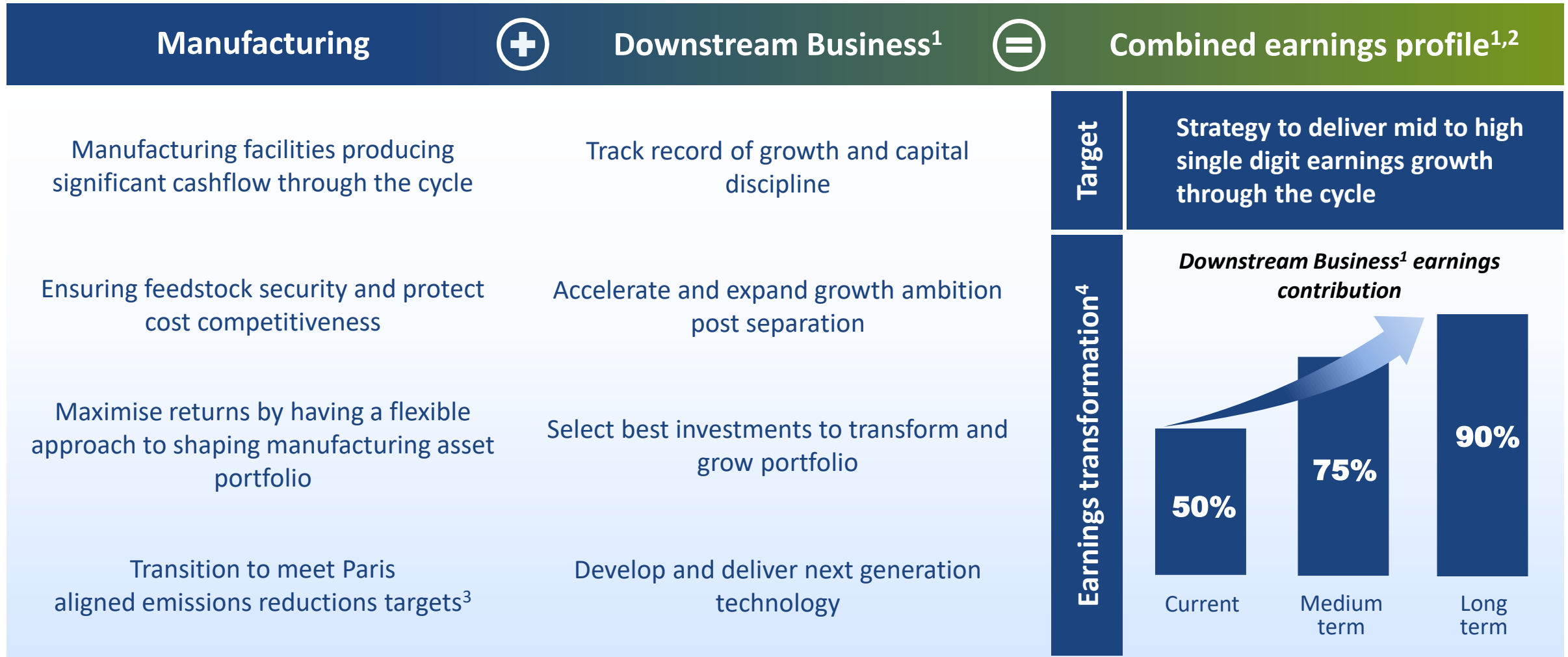
### How we prioritise

- Sustainance allocated first to ensure safe and reliable operations
- Discretionary capital reinvested to deliver sustainable growth
- Allocate capital to develop next generation technology
- Grow the portfolio in a balanced and structured manner, becomes less exposed to commodity cycles over time

(1) ROIC – Headline ROIC excl. goodwill. (2) Explosives represents customer facing businesses in Americas and Asia Pacific and International. Excludes WALA and AG&IC..

# Deliver competitive earnings growth

Earnings trajectory progressively less exposed to commodity cycles



(1) Downstream business represents customer facing businesses in Americas and Asia, Pacific and International. Excludes WALA, considered as part of the manufacturing asset portfolio. (2) Assuming long term average ammonia and urea pricing. (3) See IPL Climate Change report, 2021 for a description for key enablers for potential pathway to Paris aligned climate change targets. (4) Medium term: 5+ years. Longer term: 10+ years.

# Becoming the leading player in explosives

Our strategic scorecard underpins our underlying investment case

## Earnings

Targeting to deliver mid to high single digit earnings growth through the cycle

## Mix

Transform Dyno earnings composition profile over the medium term so that it has less commodity exposure<sup>1</sup>

## Targeted returns

Deliver incremental investments at premium to WACC, to maintain at least low double digit ROIC<sup>2</sup> returns on average through the cycle

## Targeted leverage

Target conservative net debt to EBITDA (1.0x – 1.5x) and maintain investment credit grade rating<sup>3</sup>

## Sustainability

Achieve Paris aligned emissions reductions targets with investment case intact

## Dividend

Dividend policy targeting 30% - 60% payout of NPAT

**Better positioned to deliver consistent, competitive and sustainable shareholder value through the cycle**

# Why invest in Dyno Nobel?

Leading explosives exposure in an attractive industry with deep and experienced management team

## Attractive industry dynamics



Underlying stable demand further fuelled by megatrends with opportunity to influence global sustainability



Tiered market with tier 1 performance driven by value add capabilities



Supply constraints supporting strong margins for integrated operators



Cost pass through capacity



## Dyno Nobel driving value through the cycle



Highest quality exposure to explosives with advantages:

**A**

Best on ground technology generating leading customer value

**B**

Advantaged and diversified exposures across regions and commodities

**C**

Longstanding relationships and technology partnerships with best miners

**D**

Track record of returns delivered from capital deployed on technology

**E**

Clear pathway towards Paris aligned emissions reductions targets<sup>1</sup>



Driving towards world class operating reliability, delivery and growth in a tight and competitive market



Strong capital light growth outlook with clear ambition to be the clear global leader in premium explosives solutions



Significant cash generation underpinning strong balance sheet and attractive total returns to shareholders through the cycle

(1) See IPL Climate Change report, 2021 for a description for key enablers for potential pathway to Paris aligned climate change targets.

# DYNO NOBEL Q&A



# Incitec Pivot Fertilisers

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# Introduction

# Structural fertiliser megatrends

Global megatrends underpinning long term fertiliser product and services growth

## Fundamental long term drivers

### Population:

By 2050 there will be an additional 2 billion people to feed<sup>1</sup>, with protein consumption trending to increase with rising incomes<sup>2</sup>



### Arable land per capita:

Forecast to fall by c.17% between 2020 and 2050<sup>3</sup>



## Supply and demand imbalance

### Supply and demand:

Fertilisers supply restrictions  
Growing demand for high quality food from growing middle class



### Food security:

Grain and oilseeds stock-to-use levels at 20 year low<sup>4</sup>  
Growing severe food insecurity  
Lack of asset investment



## Long term sustainability expectations

### Climate change:

Fertilisers must reduce their contribution to GHG emissions<sup>5</sup>  
Improved fertiliser efficiency



### Conservation:

Fertilisers for a circular economy  
Restore soil health – a global priority



(1) United Nations. Population growth between 2020 and 2050. (2). FAO, World Bank, 2019. (3) Scotiabank, UN and FAO. (4) US Department of Agriculture, April 2022, Mosaic. (5) Australian Government Nationally Determined Contribution targets submitted to the United Nations Framework Convention on Climate Change, 16 June 2022.



# Favourable fertiliser dynamics

Strong demand and pricing for our key products



Attractiveness of nitrogen and phosphate markets amplified as supply has moderated and demand continues to be healthy

Supply impacted by Chinese export restrictions and uncertainty around exports from Russia

Global energy costs remain elevated, impacting fertiliser prices

Demand expected to pick up ahead of Northern Hemisphere autumn application season

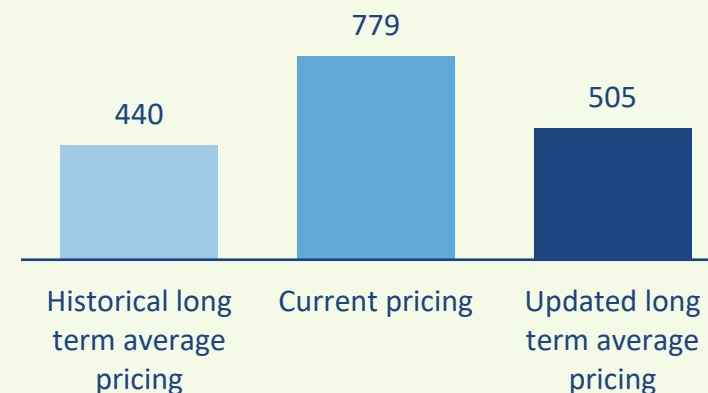
Strong soft commodity pricing and output targets



Supply and demand balance remains in deficit but narrowing<sup>1</sup>

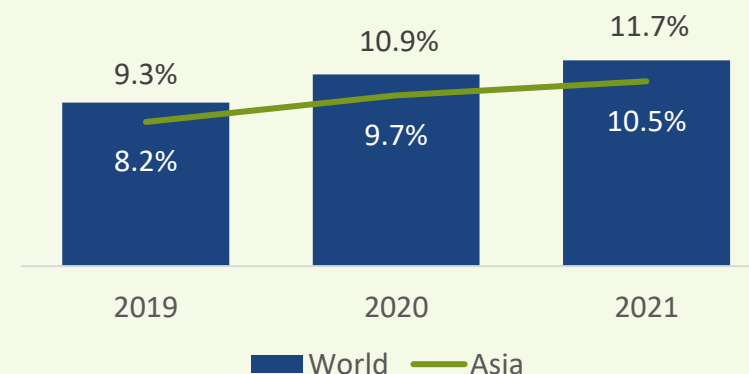
## DAP price (nominal)<sup>2</sup>

(U\$/t)



## Fertilisers supporting food security<sup>3</sup>

*The prevalence of severe food insecurity is increasing*



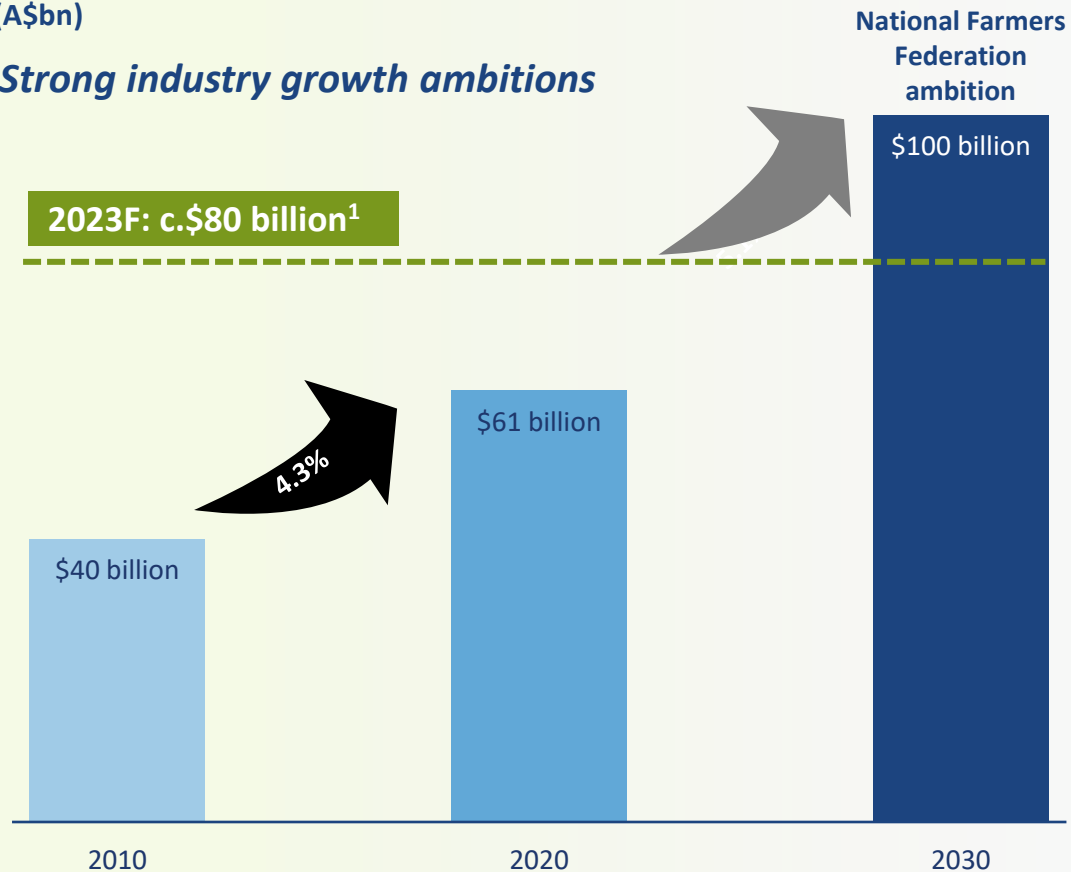
(1) IHS Markit, Fertecon, Phosphate Futures, 17 August 2022. (2) Nominal average pricing from CRU and Fertecon. Historical long term average pricing calculated as the average Fertecon and CRU pricing from 2010 to 2020. Current pricing calculated as the average Fertecon and CRU pricing from 2021 to 2023. Updated long term average pricing calculated as the average Fertecon and CRU pricing from 2024 to 2030. FOB China and FOB Saudi Arabia nominal blend. (3) FAO STAT (August 2022).

# Growers need support to achieve ambitions





Unlock value for agriculture industry through technology driven solutions

## Australian agriculture production value<sup>1,2</sup> (A\$bn)

*Strong industry growth ambitions*



Increased expectations from growers and industry challenges:

-  Demand for increased yields and returns
-  More efficient use of land
-  Improve soil health
-  Reduce GHG emissions

*Significant opportunity for IPF to deliver to growers a sustainable and innovative offering driving better outcomes for customers and generating value for shareholders*

(1) ABARES March 2022. (2) National Farmers Federation 2030 Roadmap , Australian Agriculture’s Plan for a \$100 Billion industry.

# Enhancing value through execution

Focus on opportunity rich landscape to transform our profitability over the longer term

**Network optimisation:** Physical and digital network upgrade to further capture customer share across all products and segments

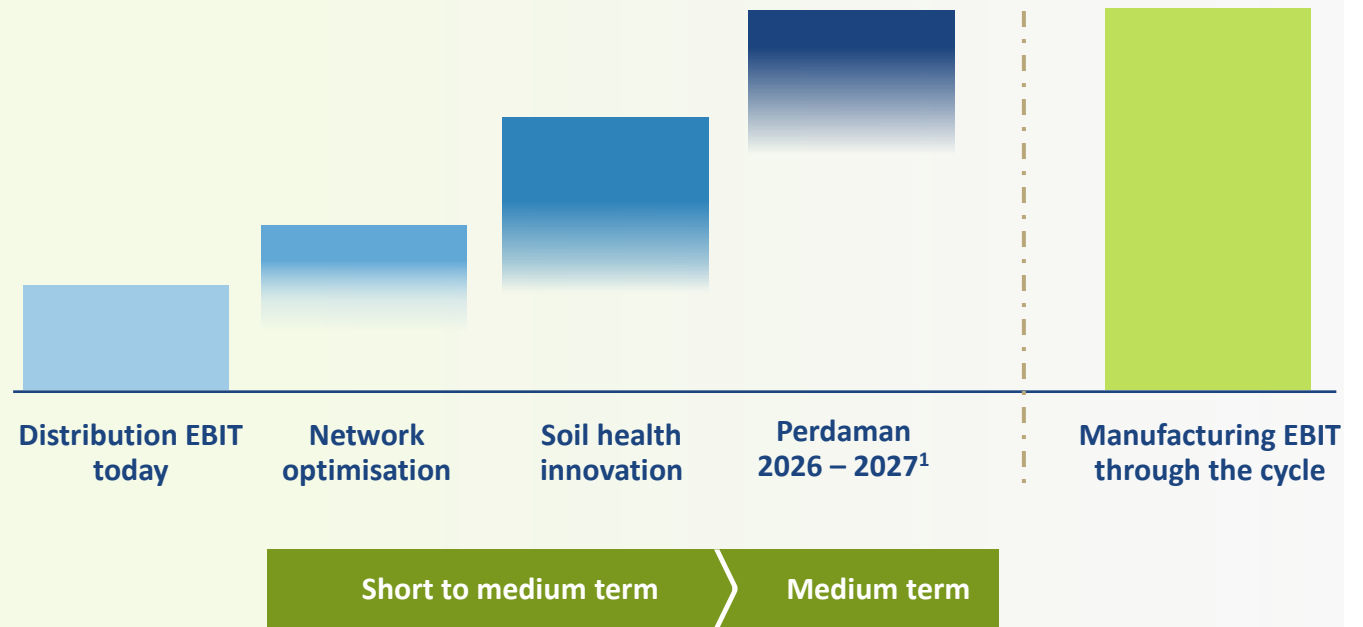


**Soil health innovation:** Accelerate and expand our soil health strategy to capture enhanced growth at higher margins

**Perdaman 2026 – 2027:** Unlock multiple local and international growth opportunities with Perdaman<sup>1</sup>

**Manufacturing:** Capture strong market tailwinds by operating at strong rates and generate highly attractive cashflow, now and through the cycle

*Deliver a transformation to our profitability and through the cycle earnings profile led by Distribution and supported by Manufacturing<sup>2</sup>*



(1) The Perdaman offtake agreement remains conditional on Perdaman reaching a Final Investment Decision. (2) Excludes additional separation corporate costs. To be confirmed in due course.

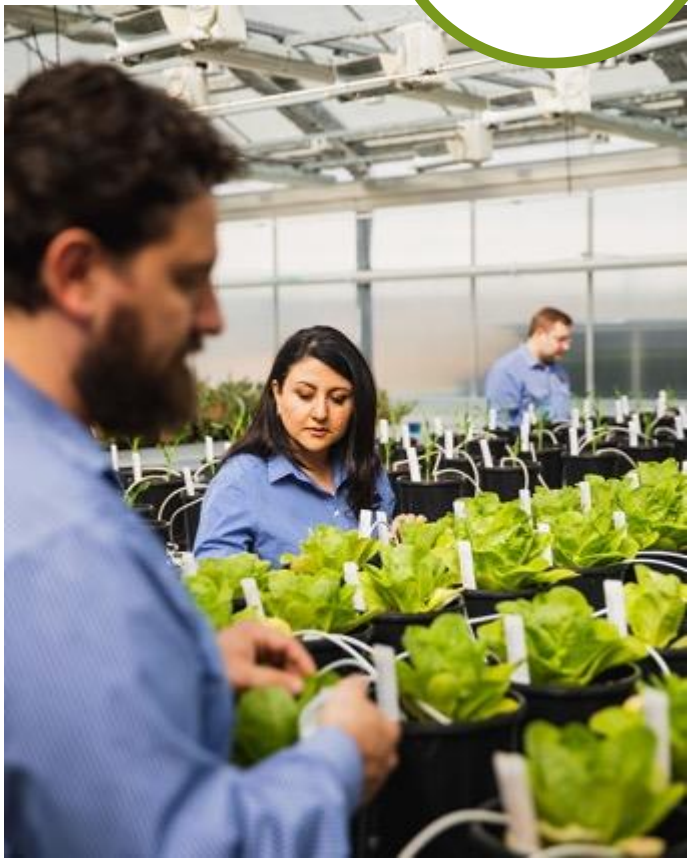
# Separate and enhance value

Now is the opportune time to accelerate our ambitions to maximise value for shareholders

Focus and priority allocation



*Unencumbered investment decisions will help our strategy to unlock an increased contribution from higher quality earnings*



<div style="background-color: #4CAF50; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">1</div> <p><b>Strengthened positions</b></p> <ul style="list-style-type: none"> <li>• Clear market leader with security of supply</li> <li>• Decarbonisation pathway<sup>1</sup></li> </ul>	<div style="background-color: #4CAF50; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">2</div> <p><b>Resilience through the cycle</b></p> <ul style="list-style-type: none"> <li>• Margin and capital discipline</li> <li>• Operational upgrade</li> <li>• Reliability and longevity</li> </ul>	<div style="background-color: #4CAF50; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">3</div> <p><b>Opportunity rich</b></p> <ul style="list-style-type: none"> <li>• Invest to optimise growth</li> <li>• Soil health innovation</li> <li>• Long term security of supply</li> </ul>
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Strong Manufacturing
+
Leading Distribution Network
=
Momentum through the cycle

**Ambition** ➤ Deliver our attractive earnings, returns and sustainability ambitions  
 Progress green ammonia at Gibson Island  
 Execute additional investment opportunities through priority allocations and sustainability focus

**Result** ➤ Improved earnings predictability, resilience and margins driving returns through the cycle

(1) See IPL Climate Change report, 2021 for a description for key enablers for potential pathway to Paris aligned climate change targets.




**Investment  
proposition**

# 1 Strengthened positions: Who we are


Australasia's leading fertiliser business with significant opportunities in our future


 Integrated model with scale underpinning #1 position in Australian East Coast market

 World-class supply through local production and partnerships

We service the leading customers including:





 Our brand is synonymous with fertiliser – with exciting opportunity to drive grower innovation

 Our balance sheet strength will underpin our business through the cycle and support growth

*Vision to be the best soil health provider in our markets, delivering Zero Harm and outstanding technology driven customer outcomes*

 Support Australasian food security

 Leverage our 100+ years of plant nutrient experience to develop and deliver sustainable soil health solutions for growers

 Continue to build on our winning customer value proposition underpinned by innovative products and services

1

## Strengthened positions:

# Paris aligned emissions reduction opportunity

Several key projects identified to deliver our ambition<sup>1</sup>



GHG emissions reduction opportunity of 44% by 2030 – underpinned by green ammonia potential at Gibson Island

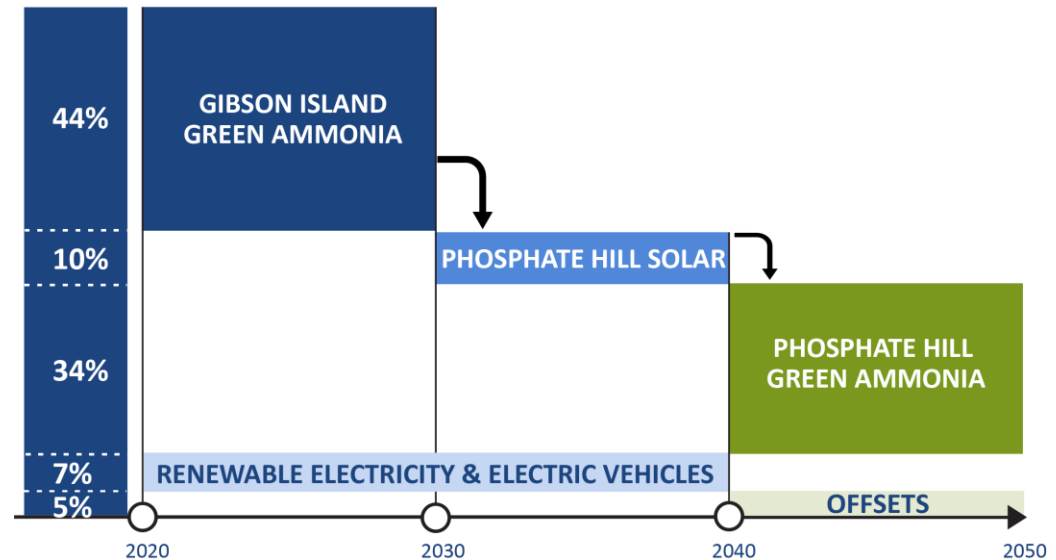


External verification underway to confirm Scope 3 baseline – separation will add resources and accelerate our ambitions



**Cessation of natural gas based manufacturing with a goal to convert to green ammonia**

IPF 2020 BASELINE 1,071kt  
**IPF Scope 1 and 2: Emissions reduction profile**



### Scope 3 GHG overview

- Our soil health offering aims to help growers to reduce their GHG emissions and improve efficiency
- Enhanced efficiency fertilisers (EEF) have been shown to reduce customer GHG from fertiliser use by up to 70%<sup>2</sup>
- Australian Bio-Fertilisers (ABF) use organic waste material and reduce supply chain GHG
- Targeting 2023 delivery of framework and systems in place to track and manage scope 3 GHG by 2025

(1) See IPL Climate Change report, 2021 for a description for key enablers for potential pathway to Paris aligned climate change targets. (2) Results from a field trial conducted in a ryegrass pasture system in south-western Victoria show the application of EEF with the inhibitor DMPP reduced N2O emissions by 73 per cent when compared to urea application alone. See the Australian Government Department of Agriculture, Water and the Environment Climate Research Program: Reducing Nitrous Oxide Emissions , p.5.

# 1 Strengthened positions: Disciplined value creation

Integrated and diversified offering to deliver value add and customer outcomes

## Margin



## Volume

### Key contributors to margin



Australian production



Distribution and soil health initiatives



International trading

### Key margin drivers



**Global pricing**  
Demand greater than disrupted supply



**Innovation**  
Value in solving farmer issues and sustainability



**Competitive cost inputs**  
Competitive input cost



**Efficiency**  
Investment in integrated network and sales interface



**Scale and availability**  
Largest player in select markets



**Supplier arrangements**  
Long established supply arrangements

### Key volume characteristics



Historically resilient + megatrends



Diversified exposures



Flexible footprint responds to demand



Next generation product development (eg. Bio-Fertilisers)

### Margin contribution by activity and volume<sup>1</sup>



(FY21A basis)

(1) FY21 Actual gross margin.



1

# Strengthened positions: Security of supply

Platform developed over generations delivers scale and presence both locally and across international markets

- Large scale local manufacturer

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- Largest East Coast importer combined with leading customer access

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- Most experienced fertiliser team behind platform

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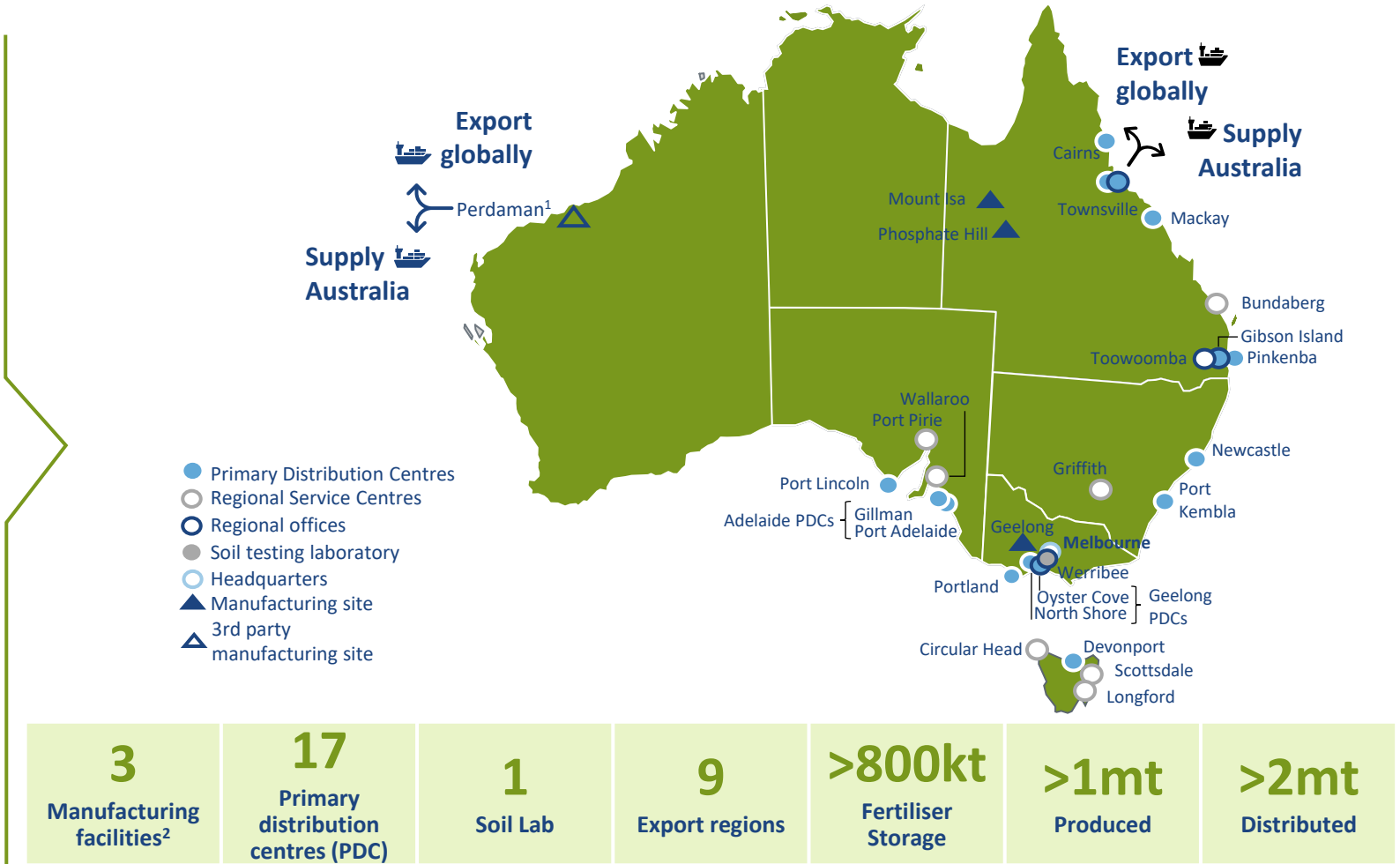
- Natural diversification through footprint

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- Privileged assets unlock growth opportunities

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- Export income delivering added diversification



(1) The Perdaman offtake agreement remains conditional on Perdaman reaching a Final Investment Decision. (2) Phosphate Hill, Mt Isa and Geelong.

2




# Resilience through the cycle: Significant operational upgrade

Substantial recent asset upgrade program driving growth, competitiveness and reliability



## Manufacturing

Incitec Pivot Fertilisers on track to deliver Manufacturing Excellence target by FY23<sup>1</sup> – with outperformance expected at current pricing

-  Increased resilience to external impacts and removal of single points of failure
-  Investments for through the cycle operations and competitiveness
-  Phosphate Hill targeting approximately 1 million tonnes p.a. over next three years

Project upgrade	Timeframe	Impact
Resilience to flood disruption and GATX wagons investment	FY19-1H23	Additional network resilience <sup>2</sup>
Chiller investment and mix efficiency	FY21	c.30kt additional capacity
<b>Phosphate Hill turnaround investment</b>	<b>FY22</b>	<b>Sets plant up for ongoing reliable operations</b>



## Distribution

-  Network capacity and capability expansion
-  Initial investments in liquids and coating
-  Acquisition of Yara Nipro accelerating strategy
-  Determined digital capabilities to win with investments and projects in place
-  Perdaman presents opportunity for advantaged long term urea source<sup>3</sup>

(1) See 2022 Half Year Results Presentation for further details on Manufacturing Excellence targets. (2) Not additional capacity. (3) The Perdaman offtake agreement remains conditional on Perdaman reaching a Final Investment Decision.

2

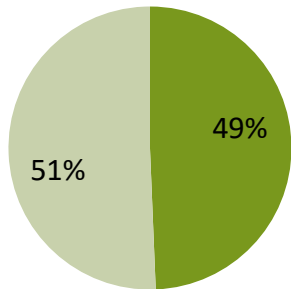
Resilience through the cycle:

# How we operate in the fertiliser market

Optimal margin and cash flow management

IPF operates a cost competitive local manufacturing footprint resulting in optimised supply performance through the cycle

### FY21A internally vs. externally sourced Fertilisers<sup>1</sup>



■ Internally sourced  
■ Externally sourced



### Internally sourced fertilisers

Delivering attractive margins with competitive position on the cost curve

Significant competitive advantages  
Local security of supply



### Externally sourced fertilisers

Well established global sourcing strategy

No material dependence on China or Russia sourced fertilisers



### Downstream fertilisers distribution

Strong management of distribution margin

Strong customer relationships and knowledge

Balanced approach to local and international sourcing

Working capital performance

(1) Includes Gibson Island which is forecast to close in December 2022.

3

**Opportunity rich:**

**Invest to grow through the cycle**

Outsized ‘super cycle’ profits from Manufacturing with strong growth potential from Distribution



**Pipeline of opportunities to accelerate post separation via strong balance sheet**

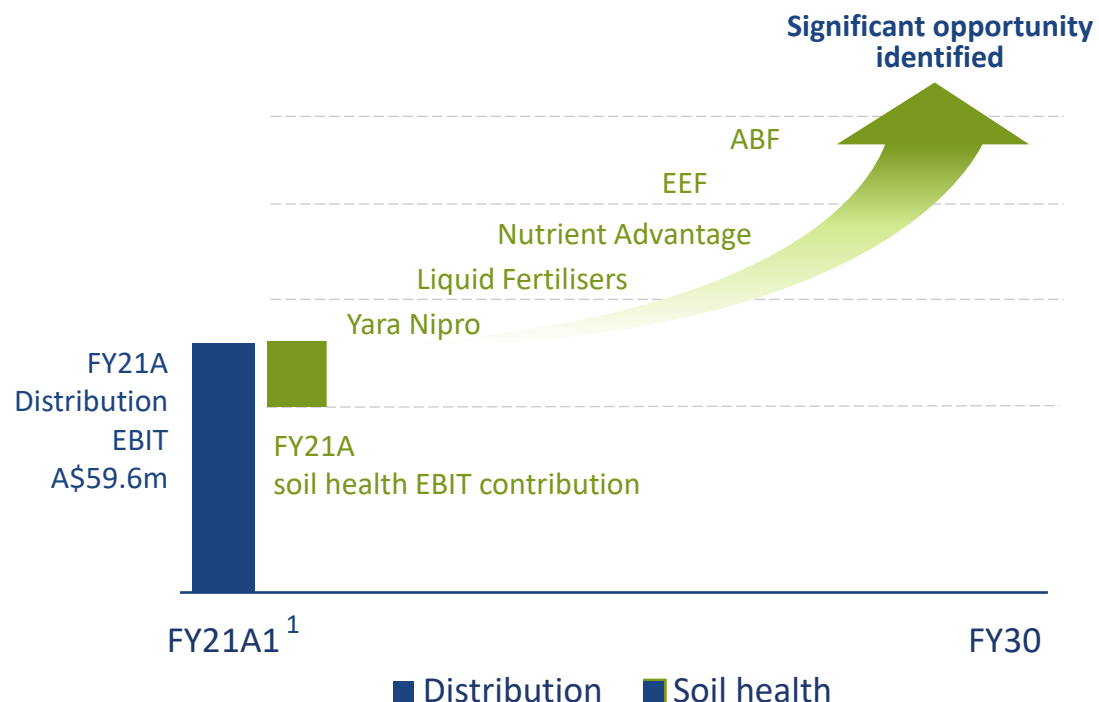
		Opportunities
<p><b>Invest to grow share from existing platform</b> Additional bulk blend, coatings and liquids capacity; state-of-the-art upgrade to PDC network; expand into attractive segments utilising differentiated products and services</p>		✓✓
<p><b>Optimise Phosphate Hill for strong long term performance</b> Support four year operating campaign and extend phosphate rock mine life</p>		✓✓
<p><b>Continued soil health, technology and digital investments</b> Further invest in product and digital transaction capabilities</p>		✓✓
<p><b>Core bolt-on, adjacent and agriculture technology opportunities</b> Assess market opportunities bringing synergies to core business</p>		✓
<p><b>Step-change investment opportunities</b> Green ammonia and sustainability focused investment opportunities</p>		✓

3

# Opportunity rich: Significant soil health opportunity

Innovative opportunities identified and prioritised with investment plans in place to implement

## Soil health EBIT contribution potential in Distribution



## Higher margin differentiated opportunities



### Liquid Fertilisers

Target to accelerate double digit volume growth and integrate Yara Nipro



### Nutrient Advantage

Target to double volumes. Partnering with Precision Agriculture on geographic and testing expansion



### Enhanced Efficiency Fertilisers (EEF)

Above market growth potential with significant upside from mandated use



### Australian Bio-Fertilisers (ABF)

Potential to expand facilities in Australia and internationally

Opportunity to focus on prioritising investments to accelerate and expand soil health initiatives post separation

(1) Nutrient Advantage, Liquid Fertilisers and EEF Fertilisers all contributed to FY21A performance depicted in graphic.

3

**Opportunity rich:**

# Perdaman: Long term local supply benefits

Potential partnership opportunity to deliver step change in Distribution EBIT by 2027<sup>1</sup>

➤ Urea represents >40% of Australian fertiliser and >30% of the global fertiliser market

➤ World leading energy efficient plant utilising low emissions technology and low cost and reliable gas

➤ Perdaman targeting FID before end of 2022 and expected to commence construction shortly after FID

➤ Targeted supply commencement by 2026

➤ c.2.3 million tonne supply p.a. to replace up to c.300kt p.a. of urea produced at Gibson Island

## Significant benefits to IPF

- ✓ Secure competitive large scale local supply
- ✓ Capital light solution to meet strong global demand
- ✓ Ample capacity to target new international and local markets
- ✓ Improvement to returns

(1) The Perdaman offtake agreement remains conditional on Perdaman reaching a Final Investment Decision.

# Strong Manufacturing



# Strategic long term assets

Australia's only large phosphate fertiliser manufacturer – supporting global food security



Extensive rock resource, storage and transport infrastructure, with access to cost competitive inputs providing privileged position



Phosphate Hill is a cost competitive and a high quality source of DAP/MAP for Australian domestic production and exports



Assessing required investments to extend the phosphate rock life of mine



Incremental earnings capture through strong production at Phosphate Hill at current elevated prices



Largest single super phosphate (SSP) producer in Australia – key fertiliser for booming pasture and livestock industry

## Phosphate Hill and Mt Isa operations

- Produces MAP / DAP and speciality blends
- Access to extensive phosphate rock deposits
- Mt Isa assets supply feedstock
- Long term gas supply from Northern Territory
- Fully integrated from mine to export

## Geelong

- Geelong preferred supply position for key dairy and pasture markets in Victoria and Southern NSW
- Critical supplier to key water treatment companies in Southern Australia

**Australian manufactured product c.40% of domestic sales**

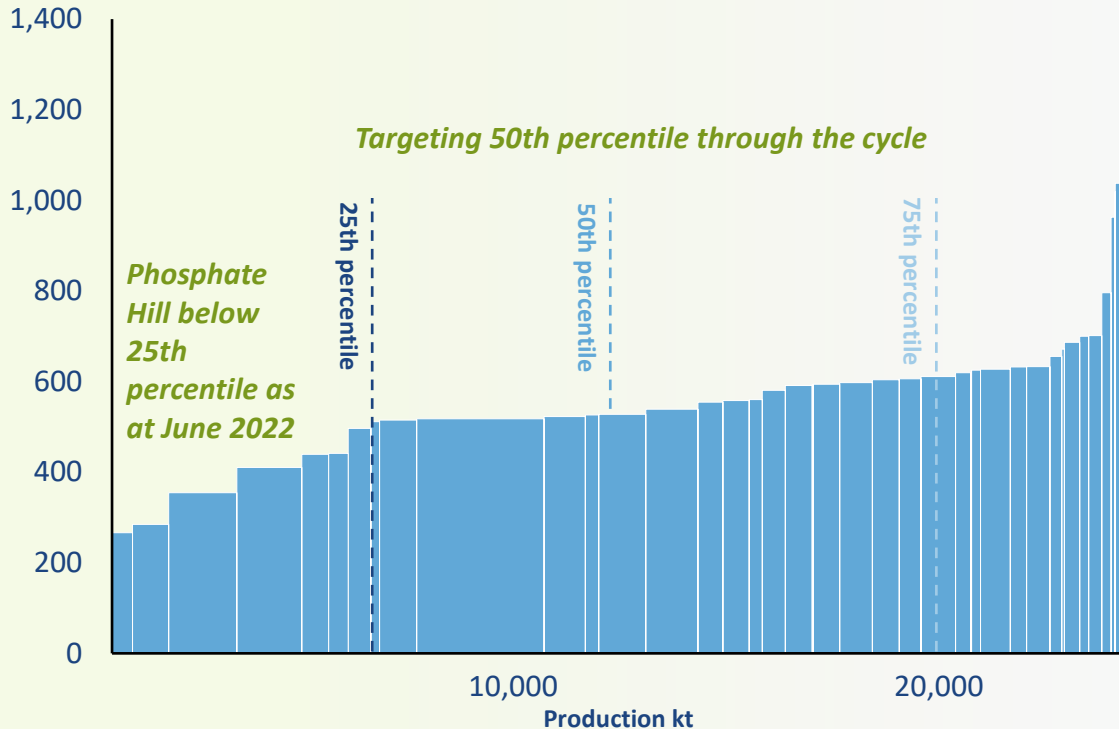


# Cost competitive assets

Phosphate Hill is a critical asset delivering significant earnings and cashflow

## Current global DAP cost curve positioning driven by access to competitive gas, sulphur and phosphate<sup>1</sup>

(US\$/t, 1H 2022)



Phosphate Hill importance to sustainable fertiliser supply in Australia



Global supply impacted by sanctions and Geo-politics – Phosphate Hill provides security of supply



Improved earnings resilience through the cycle



Investing to extend long term operations

1. Significant reliability investment improving operations
2. Developing capital program to extend phosphate rock resources and processing capability
3. Continue to work on long term gas and sulphuric acid supply

(1) Latest available CRU cost curve as at June 2022. FOB costs, sustaining and interest on working capital. Nameplate production.

# Critical resource region

Phosphate Hill and Mt Isa operations represent critical long term infrastructure in an important region



North Queensland region is rich in minerals and resources critical to the energy transition and food security for Australasia



Critical downstream infrastructure in region provides significant flow on benefits to multiple industries

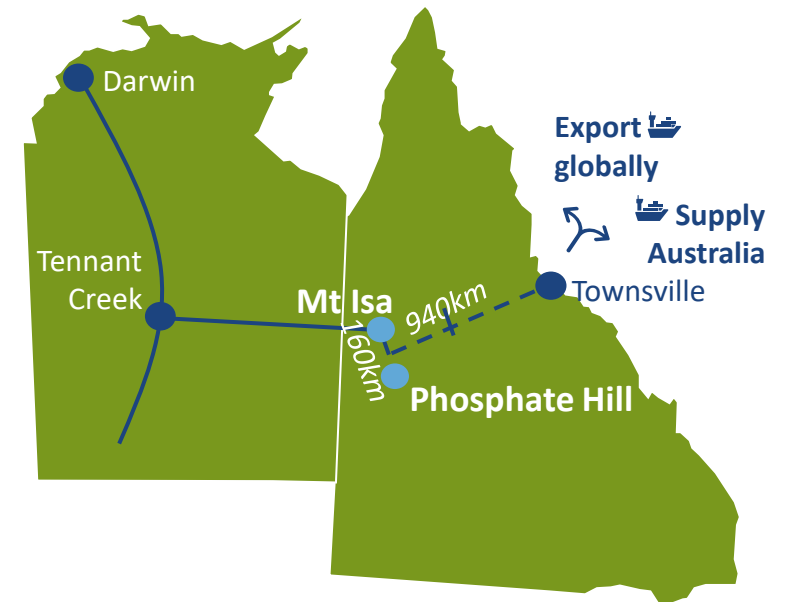


Connected to global customer base through rail and import / export infrastructure



Significant tax and economic contributions from the region underpinned by megatrends

- IPL manufacturing plants
- Key support facilities
- - - Rail
- Gas interconnector



Proactive planning for economic options to support long term Phosphate Hill and Mt Isa operations, including:

- Gas planning
- Sulphur and acid options

# Green ammonia potential

Opportunity to develop unique green ammonia partnership with Fortescue Future Industries (FFI)



Seek to develop Australia's first green energy hub with FFI

Targeting 300kt tonnes of green ammonia p.a. in IPF



Progressing towards FEED with FID targeted for 2H23

Large scale hydrolysis plant with ammonia plant upgrade and export capability investment

Potential to create high quality manufacturing earnings and key learnings for future green ammonia network developments



# Leading Distribution Network



# Leading go-to-market approach

Strategic network and leading experience providing unparalleled fertiliser distribution capabilities

➤ Unrivalled market presence through scale, port import locations, blending capability and supply

➤ Extensive network with access to 1,000 dealer locations and a large portion of Australia's 100,000 primary producers

➤ Operating in all key East Coast segments with attractive opportunity to expand further

➤ **Diverse product range** ➤

➤ Portfolio of trusted brands with strong customer and industry recognition

➤ Solid distribution margins underpinned by strong risk management experience and processes

## How we go to market:



Digital ambitions will:

➤ **Make transactions easier and efficient**  
**Support future growth capabilities**

(1) Single super phosphate.

# Long term volume performance

Resilient profile generated by our model which is diversified across all key elements



**Diversified product portfolio:** Product range built for wide range of segments



**Diversified end markets:** Operate at scale in all core East Coast growing regions and segments



**Diversified routes to market:** Omnichannel presence; retail, agency and farmers

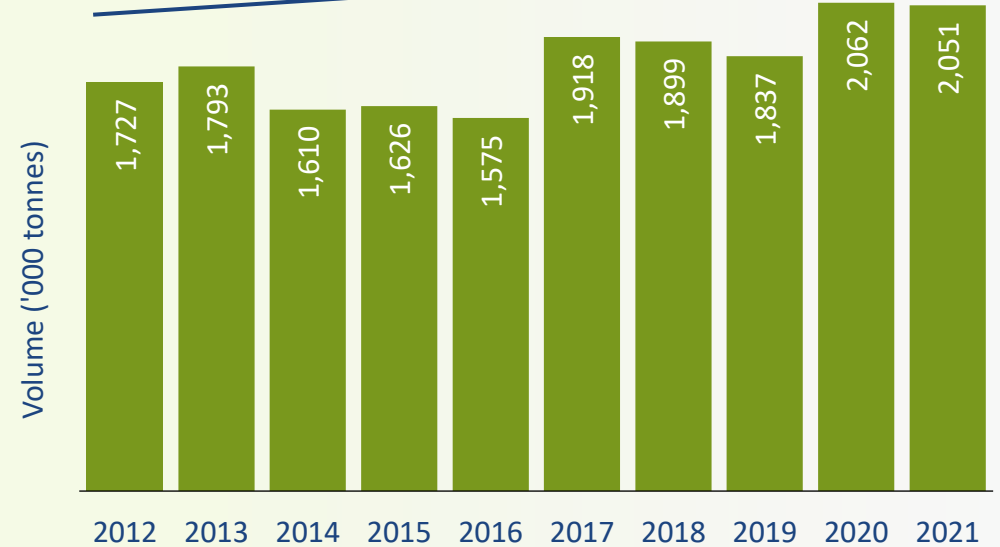


**Diversified customer base:** Long-established relationships with the leaders including retailers, wholesalers, buying groups and independents

*Further opportunity for growth as market leader*

**Total distributed volumes through time<sup>1</sup>**

**c.2% CAGR p.a.**



(1) Distribution business volumes only.

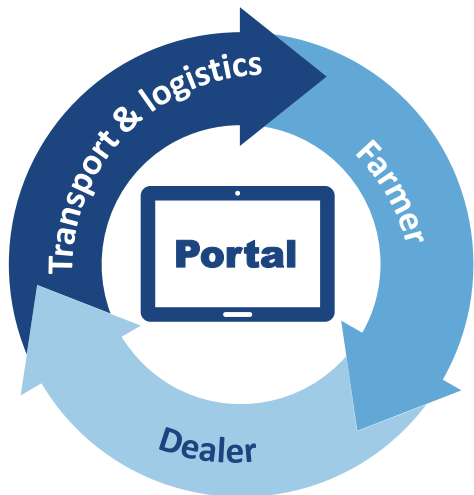
# Strong customer value proposition

Leading supplier of plant nutrition and services with developing digital capability

**“** I do 99% of business through IPF. They're easy to work with we have a good relationship with IPF for many years. The product quality is fantastic and the IPF Rep is approachable, knowledgeable, reliable, honest and straightforward, which makes the customer experience excellent **”**



Strong customer net promoter scores (NPS)



*Investing in our digital transaction portal to enhance customer experience*

1

## Assets and supply chain:

Security of supply with distribution footprint offering flexible supply solutions with high quality products and advice

2

## Brand, people, experience and systems:

Most extensive and experienced team  
Largest team of leading in-house agronomists

3

## Innovative solutions:

Growing innovative range providing significant competitive advantages

4

## Value proposition to benefit from digital transaction portal:

Make it easier to do business, gain share and support future growth  
Addressing dealer, grower and carrier feedback for seamless transactions  
Enhanced predictive data capability

# Import facility and network upgrade

Upgrade and convert Gibson Island to provide a strong base to support our Distribution growth ambitions

## Distribution capability expansion



Upgrade and conversion to import model from 2023

Closure of manufacturing by Dec 22



Redevelop site with novel distribution design and operations

Upgrade storage, blending, wharf and coating capability

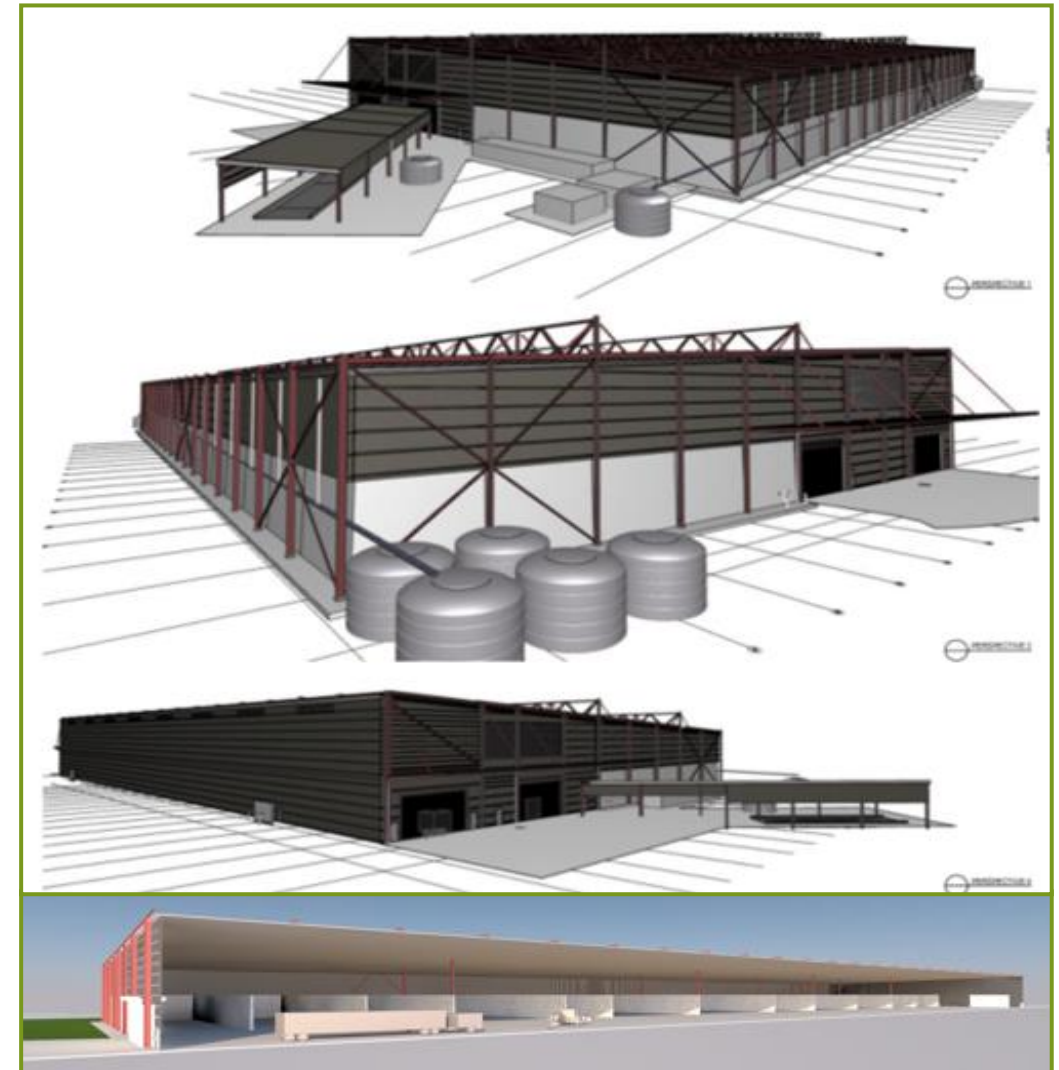
>300 kt of p.a. throughput (2nd largest IPF distribution centre)



Phased capex investment over 3 years. 50% delivered by 2023 with completion expected by 2025

Lower maintenance cost expected once upgrade complete

Upgraded facility will service one of the most profitable fertiliser markets







# Soil health innovation

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# Innovation driven growth potential for Distribution

Australian growers are seeking sustainability focused innovation and IPF is strongly positioned to assist

## Current market trends



National drive to improve soil health and minimise environmental impact



Growing customer sophistication demanding more efficient solutions and direct product assistance



Increasing ESG requirements building momentum for sustainable products



Accessibility to data driving new digital technology relevant for fertilisers

## IPF well placed



- Well recognised brand of innovative fertilisers and soil testing services

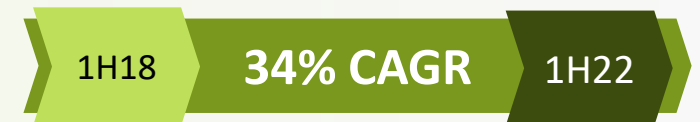
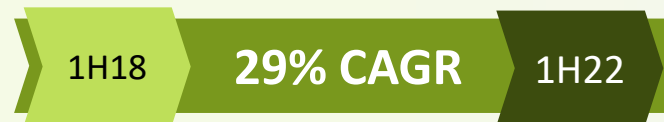
- Continued investments in market leading products and services that drive efficiencies

- Accelerating our digital ambitions to drive benefits for the entire fertiliser value chain

## Track record with momentum building

Liquid fertilisers – Sales volume ('000 tonnes)

Nutrient Advantage ('000 samples)



# Our soil health strategy and ambitions

Holistic approach to plant nutrition underpinned by sustainability and digitisation



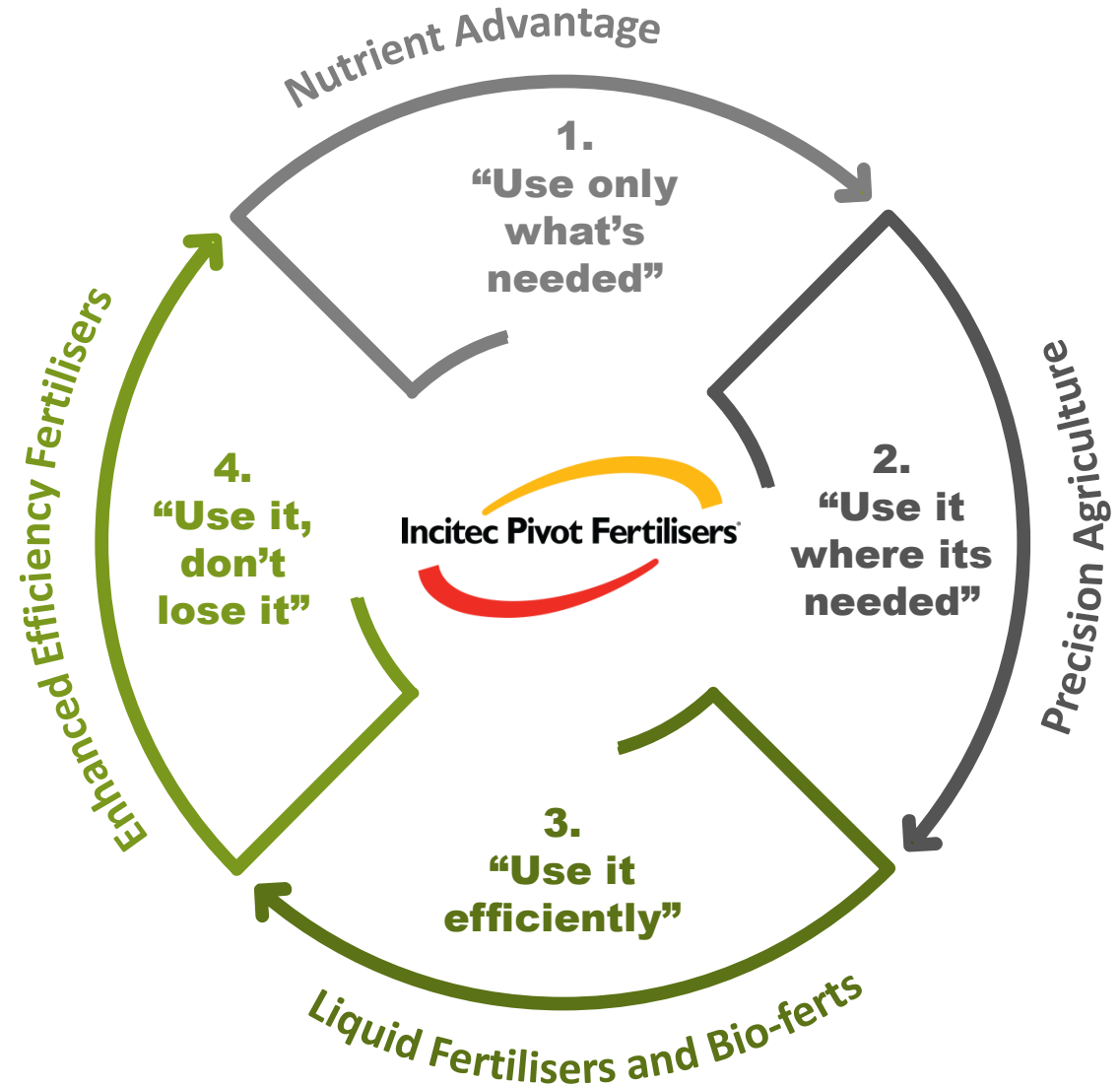
Soil health initiatives underpinned by our leading customer value proposition and network



Differentiated soil health offering utilised to expand further into attractive segments



Strategy improves grower returns and GHG emissions and is winning solution for our customers and IPF



1

# Use only what's needed: Nutrient Advantage

Soil health starts with building a strong base of soil, crop and nutrient interface knowledge

## Determine the specific nutrient requirement

- IPF operates Australia's largest state-of-the-art soil, plant and water testing laboratory
- Our soil testing generates customised fertiliser blend recommendations for growers provided by experienced agronomists to optimise nutrient efficiency and farm income

- **Challenge: Soil health decline, monetise natural capital**
- **Grower result: Yield optimisation and minimised GHG emissions**
- **IPF competitive advantage: Scale of laboratory operations, trusted advisor network and customised decision support software**



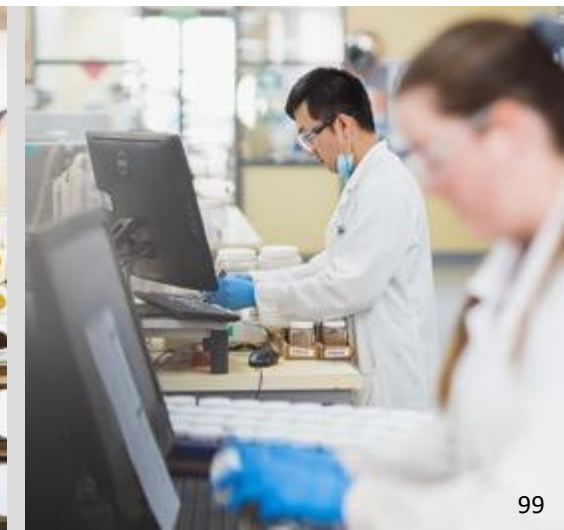
**Market opportunity:** Strong runway of volume growth

- c.50% of agronomy advisors are Nutrient Advantage accredited
- Expand and further penetrate existing advisor network
- Incremental efficiency demand driving more testing
- High priority Government soil health initiative



**Growth ambition: Double samples to 400,000**

- Expand capacity and test range to carbon quantification at higher margins



2

Use it where it is needed:

# Partnering with Precision Agriculture

The future of large scale variable rate fertiliser application

**Determine quantity and location of nutrient applications**

- Utilises spatial technology to deliver variable rate fertiliser application
- IPF is exclusive supplier of laboratory services to Precision Agriculture



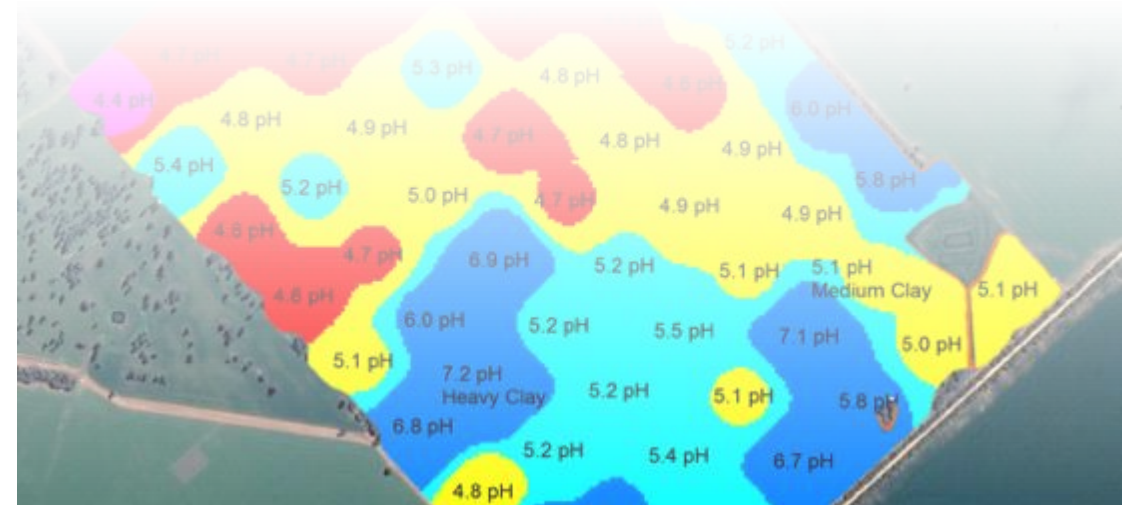
**Market opportunity:**

- Only large scale participant
- Continue to grow the market by expanding across geographies and crops, to service a broader farm network
- Leverage Nutrient Advantage customer base

- **Challenge:**  
Variation in yields and soil not addressed by conventional application
- **Grower result:**  
Improved allocation of fertilisers with maintained and improved production targets
- **Precision Agriculture competitive advantage:**  
Proprietary software and automation keeping sampling costs down



**Growth ambition:** Drive strong volume growth service in connection with Nutrient Advantage



3

# Use it efficiently: Liquid Fertilisers

Well positioned to capitalise on the opportunity to develop liquids market on Australia's East Coast

### Deliver nutrients quickly, efficiently and sustainably

- Liquid fertilisers are proven in both local and international markets
- International markets enjoy higher rates of liquid fertiliser adoption
- Easy, safe, flexible and more precise way for large applications with enhanced customisation for modest investment in on-farm storage
- Nitrogen inhibitor coatings can be added to liquid fertilisers – creating a liquid EEF product range
- With minor adaptations to equipment liquid fertilisers can be applied at seeding
- On farm volume tracking improves accuracy and generates customer loyalty

- **Challenge:** Security and economics of on-site supply
- **Grower result:** Improved farm economics and environmental outcomes
- **IPF competitive advantage:** Access to large storage capacity and logistics capability for distribution of liquids on the East Coast

Significant acceleration in strategy through Yara Nipro acquisition<sup>1</sup>



**Market opportunity:** Australian East Coast market underpenetrated with liquids representing only c.10% of total volumes



**Growth ambition: Accelerate and expand double digit volume growth**

- IPF demand creation team in place to educate and convert farmers
- Orders for application equipment remains strong and continues to grow
- Digital transformation and market development resources driving awareness



(1) The Yara Nipro acquisition is subject to ACCC clearance.

3

Use it efficiently:

# Liquid Fertilisers – Yara Nipro

Significant acceleration in momentum and platform to continue to grow strongly



IPF reached agreement to acquire Australian liquid fertiliser business Yara Nipro from Yara Australia for A\$20 million. Acquisition is subject to ACCC clearance



Accelerate growth of our liquid fertiliser business to meet growing demand from farmers



Yara Nipro adds a complementary product offering and unlocks further geographic and segment reach. Enhanced security of supply across East Coast market

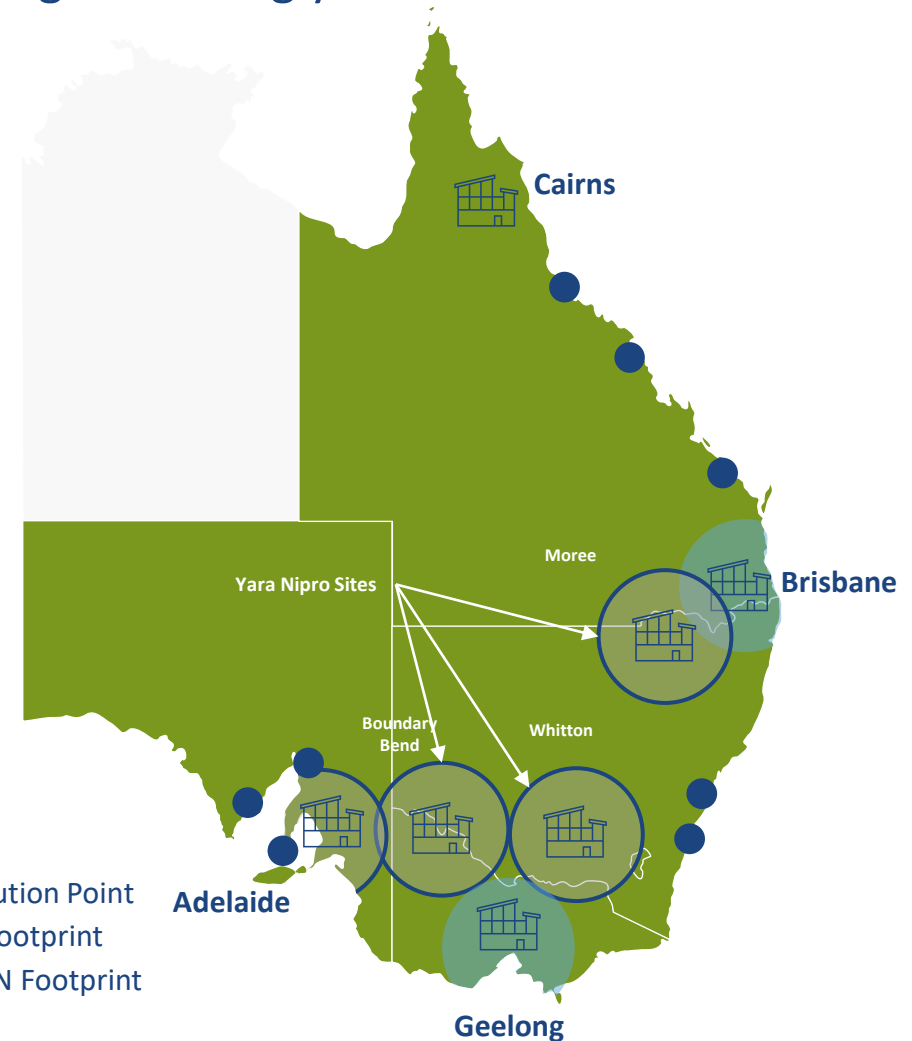


Accelerates strategy to better support high value horticulture segment, including protected cropping



Increased capacity to serve the high-tech fertigation market

- IPF PDC
- 🏭 Liquid Distribution Point
- Liquid blend footprint
- Straight Easy N Footprint



# 3 Use it efficiently: Australian Bio-Fertilisers

Creating a new more sustainable category of fertilisers from waste, carbon and mineral fertilisers

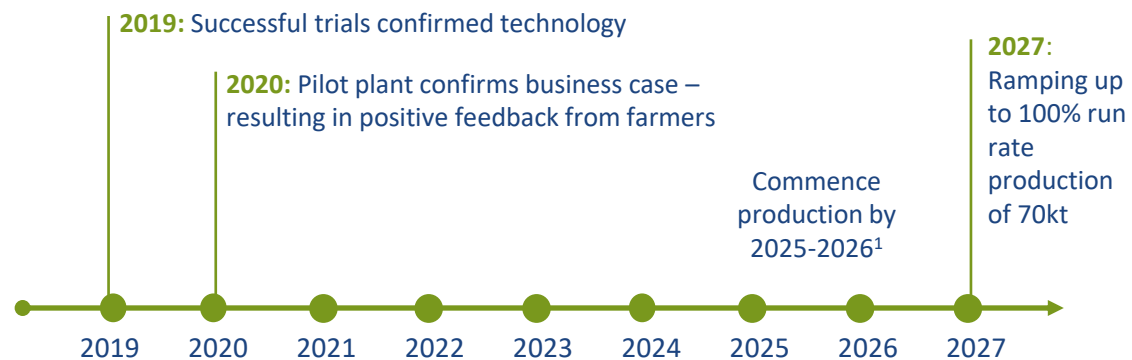
## Deliver plant nutrients quickly, efficiently and sustainably

- Combining organic waste material with carbon and mineral fertilisers
- First semi-recycled fertiliser product that fits circular economy megatrend
- Application of manure and fertiliser in one pass with labour saving
- Targeting ROIC of >15% and multiple facilities

- **Challenge:** Maintain yield and soil health and reduce environmental impact
- **Grower result:** Improved emissions and yields
- **IPF competitive advantage:** Superior performance across multiple categories



## Opportunity for additional facilities for QLD, NSW and select international locations



### Farmer trials

Early results equal to industry standards; some improved yield and quality outcomes



(1) All facilities subject to Final Investment Decision.



4

Use it don't lose it:

# Enhanced Efficiency Fertilisers

Next generation fertilisers improving nutrient use efficiency and minimising environmental impact

**Minimise nutrient losses and GHG emissions – maximise yield**

- Range covers nitrogen inhibitor coatings, blended and other value add features improving performance and emissions profile of commoditised granular fertiliser

- **Challenge:** Nutrient losses leading to GHG emissions and pollution
- **Grower result:** Coating system reduces emissions and improves farm returns
- **IPF competitive advantage:** Market leading proprietary brand of inhibitor coating



**Market opportunity:** Expectation for strong growth of nitrogen inhibitors globally and in Australia as emission reduction targets affect farming

- Several countries implementing or considering mandating use (e.g. NZ)
- Australian Emission Reduction Fund considering submissions to allow farmers to receive credits for use of coated products



**Growth ambition: Sustainable above market growth**

- Continue to invest in capacity and capability to support and drive above market growth in EEF products as decarbonisation megatrends intensify
- Margin in step-change for Distribution if nitrogen inhibitor use is mandated



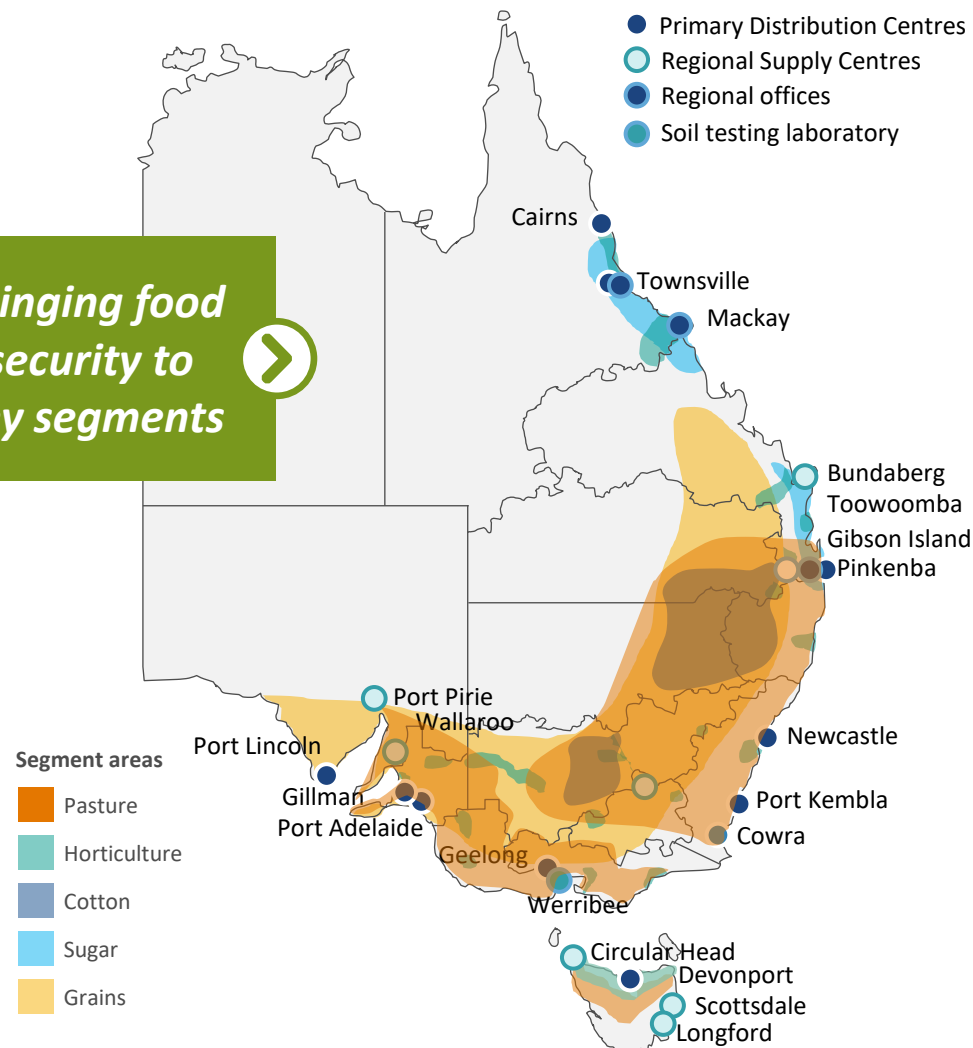
# Expand further into attractive crop segments

Leverage our existing network and positions to drive increased sales of differentiated products

*Targeting growth in each segment and driving shift in product mix to higher margin products*

Segment	Overview
<b>Broadacre grain</b>	Liquid and green urea fertilisers range well suited to segment
<b>Cotton</b>	Liquid and EEF product range well suited to segment
<b>Pasture</b>	Range of specialty blends and EEF help with efficacy and efficiency of applied fertilisers
<b>Horticulture</b>	Liquid, EEF and ABF product range well suited to segment

*Bringing food security to key segments*



A photograph of a large agricultural field with rows of young green plants, likely tobacco, growing in reddish-brown soil. The plants are arranged in neat, parallel rows that recede into the distance. A dark green, semi-transparent overlay covers the left side of the image, where the main text is placed.

# Financial framework, priorities and targets

# Be the clear plant nutrition and soil health leader

## Strong Manufacturing and Distribution platform

Cost competitive Phosphate Hill providing resilient cashflow through the cycle

Reliable performance

Extensive distribution footprint

Industry leading team

## Clear pathway to soil health and sustainability

Upgrade network to support next generation growth

Transition earnings profile to be Distribution led, underpinned by soil health strategy

Focus on progressing pathway to achieve green ammonia and decarbonisation objectives

## Resilient returns through the cycle

Investments underpinned by strong balance sheet and cashflows

Sustainable earnings growth through investment in strategic priorities generating earnings step-change

Disciplined capital allocation delivering attractive returns to shareholders through the cycle

# Deliver resilient and sustainable returns over time

Transform the business with a disciplined approach to creating long term shareholder value

Bring our strategy to life ➤ Short to medium term ➤ Medium to long term



WHAT?

- Accelerate Distribution momentum
- Deliver asset reinvestment plans
- Disciplined investment of cashflow
- Tightly manage working capital and costs

- Deliver Distribution transformation
- ROIC improvement from continued allocation of capital > WACC
- Track record of attractive shareholder value through the cycle

HOW?

- Investments in Distribution network capacity and capability to deliver share gains
- Develop soil health business to drive step change in earnings and margin
- Ensure feedstock security for Phosphate Hill and protect long term advantages
- Develop decarbonisation pathway

- Maintain attractive through the cycle cashflow from competitive Manufacturing
- Maintain Distribution momentum and maximise ABF potential
- Perdaman as potential next step-change for earnings transformation
- Additional growth opportunities in ag technology service and product expansion
- Execute sustainability ambitions

# Capital allocation framework

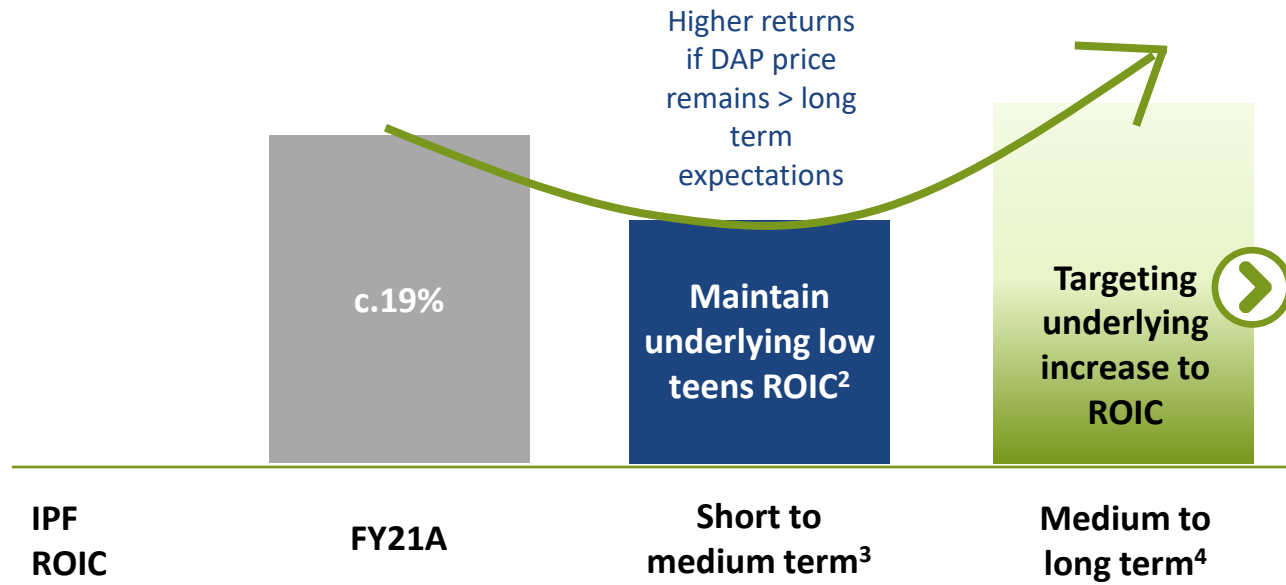
## Capital allocation priorities<sup>1</sup>

Capital allocation priorities <sup>1</sup>						
1st order allocation	1	Sustenance capital	Ensure safe, reliable operations	CAPITAL SPEND	A\$60 – \$70 million p.a. (excl. turnaround) <sup>2</sup>	Asset upgrade program Investment in Gibson Island site transformation Phosphate Hill mine life extension over short to medium term Ample balance sheet and cash flow capacity to fund both projects
	2	Sustainability capital	Develop pathway for Paris aligned emissions reductions		Continued annual spend to focus on developing decarbonisation plans Move into execution phase	
	3	Selective growth improvement capital	Small high return, short payback initiatives		Low risk and high return investments: Inhibitor coatings and liquids capacity Larger organic projects: ABF facilities Core inorganic investments: Yara Nipro	
	4	Test robustness of balance sheet		BALANCE SHEET	Target net cash business through the cycle Target < 1.0x net debt to EBITDA – for strategic and sustainable earnings opportunities and to maximise returns <sup>3</sup> Focus on debt repayment post 1st order allocation priorities Ability to pursue investment credit grade rating	
	5	Dividend policy			Range: Target 30% - 60% payout of NPAT Flexibility to maximise shareholder returns through the cycle	
2nd order allocation	6	Expansionary growth	Larger step out growth investment at defined investment criteria	RETURNS	Target best balanced and sustainable returns to shareholders	
	7	Additional shareholder returns	Consider all options for shareholders including share buy-backs, special dividends			

(1) This is an indicative framework and may be subject to change as IPL continues to work through demerger related matters. Further details of the capital allocation framework will be provided in conjunction with the release of the Scheme Booklet to investors. (2) Phosphate Hill / Mt Isa future turnaround to be determined. Historical turnarounds ranged between \$90 – \$100 million. Turnaround spend averaged over 4 year period. (3) Excludes working capital facilities and leases.

# Deliver competitive returns whilst transforming the portfolio

## IPF Group ROIC profile through time



Targeting underlying increases to ROIC delivered through

- Competitive Manufacturing ROIC through the cycle
- Discretionary capital reinvested to deliver sustainable earnings growth
- Capital light and high margin investments across current offering
- Further develop innovative offering
- Potential for multiple ABF facilities and Perdaman<sup>1</sup> supply to support further improvement to underlying ROIC from 2027
- Upside potential to returns and sustainability from investments in green ammonia



Short to medium term

### Short to medium term ROIC drivers:

- Asset upgrade program which will reduce returns profile over short term – offset by expected earnings growth
- Longer term DAP pricing expectations

**Discretionary capital reinvested at WACC x 1.3 to support ROIC improvement**

(1) The Perdaman offtake agreement remains conditional on Perdaman reaching a Final Investment Decision. (2) Assumes long term DAP pricing and excludes turnarounds to represent underlying Manufacturing performance. (3) Short to medium term: 1-5 years. (4) Medium to long term: 5-10+ years.

# Transforming our earnings profile

Leverage leading Australian position to transform to innovative soil health solutions business



## EBIT sensitivities

Commodity	YTD Realised Price US\$/mt	Sensitivity	Long term pricing US\$/mt
DAP	857	+/-A\$10.4m <sup>5</sup>	505 <sup>6</sup>

(1) The Perdaman offtake agreement remains conditional on Perdaman reaching a Final Investment Decision. (2) Assuming long term DAP pricing. (3) Medium term: 5+ years. Long term: 10+ years. (4) See IPL Climate Change Report, 2021 for description of key enablers for potential pathway to Paris aligned climate change targets. (5) Sensitivity is based on +/- US\$10/mt, foreign exchange rate of 0.72 and forecast production. (6) Fertecon, CRU. FOB China and FOB Saudi Arabia nominal blend.



# IPF to transform into soil health focused business with a compelling growth profile

## Earnings resilience

Strategy to drive Distribution earnings to >50% of earnings profile and enhance earnings quality and predictability

## Operational performance

Deliver approximately 1 million tonnes p.a. at Phosphate Hill.  
Capture benefits from industry tailwinds

## Strong balance sheet

Maintain financial strength through the cycle for flexibility and to capitalise on compelling growth opportunities

## Operational longevity

Deliver transformational project to support our strategy

## Sustainability

Continue to pursue pathway towards achieving Paris aligned emissions reductions

## Target returns

Indicative dividend policy targeting 30% – 60% payout of NPAT.  
Invest, maintain and drive ROIC expansion

**Transform business with resilient returns through the cycle  
and upside through competitive Manufacturing returns**

# Why invest in IPF?

Highly attractive pureplay food security exposure set to benefit from various megatrends

## Attractive industry dynamics



Food security and local supply are critical



Unmet demand is driving volumes and pricing



Fertilisers industry underpenetrated with innovation and megatrends accelerating higher margin innovation requirement



Australia in unique position to meet global agriculture opportunities and challenges



## IPF positioned to deliver significant value through the cycle



### Pureplay market leader



Cost competitive local manufacturing integrated with strategic distribution network



100+years of reinvestment producing stable and leading market share through time



Soil health gaining momentum as a key farming priority



ESG is core to food security and is integral to our strategy and success



Significant reinvestment and planning across platform driving reliability and longevity



Strong growth outlook with capture of current super cycle profits and clear growth ambitions



# Incitec Pivot Fertilisers Q&A



# Separation

Paul Victor



# Separations deliver value...

Separations tend to deliver enhanced shareholder returns over time

**MARKET ANALYSIS**

**TREND:**

Most demerged entities achieved outperformance against the market 12 months from separation

**WHY?:**

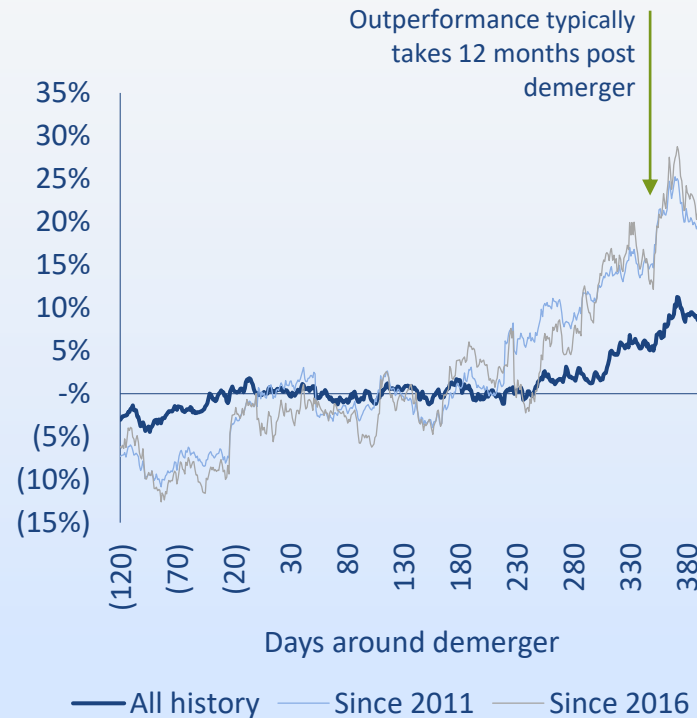
Increased transparency improving understanding of investment proposition

Standalone management team brings better focus and delivery

Opportunity to re-rate with investor choice and pureplay exposure demand

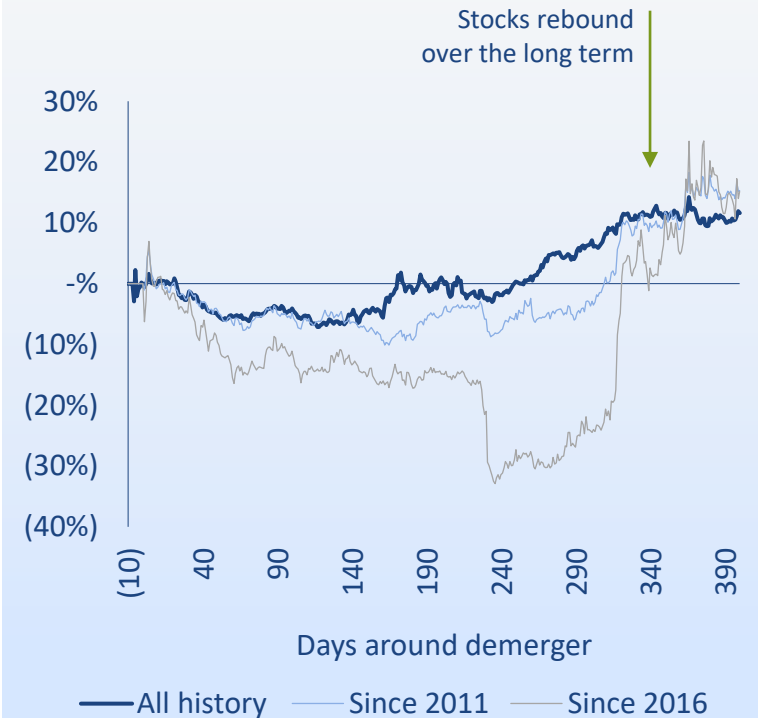
IPL separation rationale is consistent with previously announced transactions

**Excess returns vs. ASX of ParentCo entity post separation<sup>1</sup>**



(1) Macquarie Research – Australian Quant Action. Demergers: Breaking up is hard to do, 24 May 2022.

**Excess returns vs. ASX of ChildCo entity post separation<sup>1</sup>**



# Separation benefits

Unlocking shareholder value through sharpened focus on delivery of strategic objectives

1

## CAPITAL STRUCTURE

- Optimisation of capital structures to different business profiles yields better returns
- Move to prioritise strategic sources and allocating capital to enable delivery

2

## FOCUS & FLEXIBILITY

- Strong management teams able to execute separate future strategies
- Streamlined capital allocation decisions and enhanced ability to pursue focused growth agendas centred on differing technologies, unencumbered by competing business priorities
- More effective capital allocation due to clear strategic priorities and impact of commodity cycles

3

## CUSTOMER VALUE SHARING

- Strong ability to respond to the evolving customer
- Dedicated management focus and oversight of individual companies
- Focused operating and growth strategies tailored to two different business strategic drivers

4

## INVESTOR CHOICE

- Two attractive category-leading ASX exposures should provide investor with a clear choice
- Increased standalone disclosure and less complexity in how key drivers generate value

# Management of costs<sup>1</sup>

Separation costs initially drag on cashflow



Significant opportunity for further future synergy benefits to be realised by each business post demerger



Final confirmation of cost ranges to be given at full year results



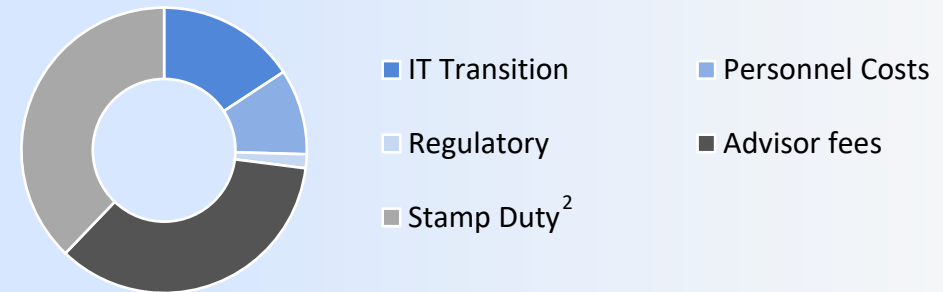
IPF representing majority of ongoing costs to create required standalone support



Largest ongoing costs relating to establishment of standalone corporate functions and oversight, and IT systems

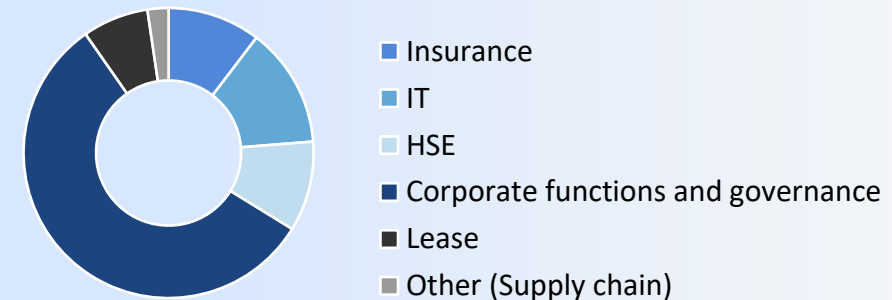
## One-off costs – Higher level of certainty

Range estimate: A\$80 – A\$105 million<sup>1</sup>



## Ongoing costs – High level of certainty around achieving the mid-point of the range

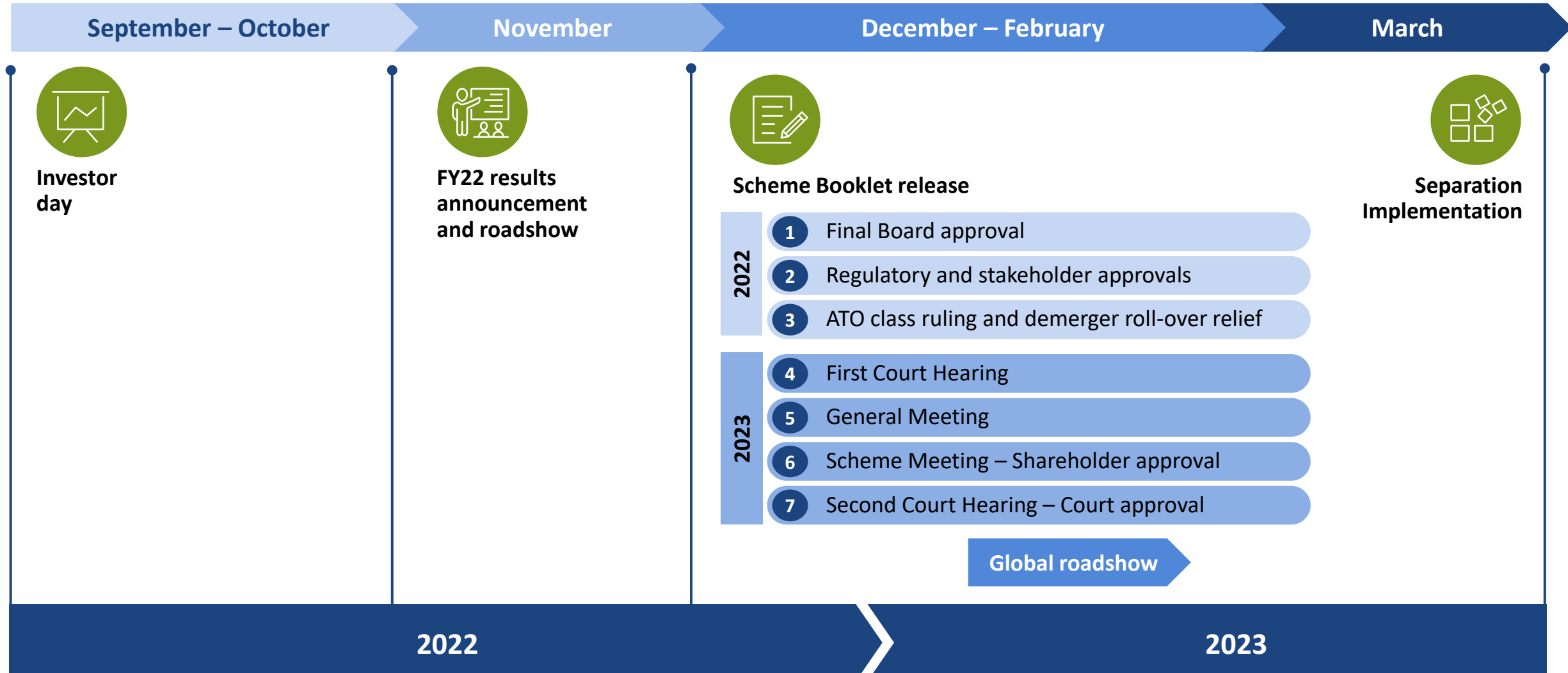
Range estimate: A\$25 – A\$35 million<sup>1</sup>



(1) Costs are IPL's best estimate of one-off and ongoing costs based on current information. There is no guarantee the actual cost outcomes will be within the stated range. (2) Stamp duties only finally confirmed based on the 5-day VWAP of IPF share price post legal day 1 of listing.

# Separation implementation steps

Key events leading into separation – progress tracking to expectations



(1) Separation subject to final IPL Board approval as well as shareholder, court and regulatory approvals. (2) Dates are indicative only and subject to change.



# QUESTIONS & ANSWERS



# Our journey to here



**Incitec Pivot Limited**  
INNOVATION ON THE GROUND



*Best placed to capture transformational growth...  
...with customer led innovation...  
...unlocked through focus and priority allocation*

Two compelling but different investment propositions

Significant growth opportunities for both through customer focused technology solutions

Separation to support strategy execution

Developing pathway to Paris aligned emission reduction targets