Incitec Pivot Limited

INNOVATION ON THE GROUND

ASX RELEASE

15 November 2022

IPL delivers record $1bn NPAT for FY22 with continued momentum in strategy execution

Incitec Pivot Limited (ASX: IPL) today reported Net Profit After Tax (NPAT) excluding individually material items of $1,027m, an increase of 186% compared to $359m in the previous corresponding period (pcp). Statutory FY22 NPAT[1] was $1,014m, up from $149m in FY21. Total FY22 dividends of $524m plus an on-market share buyback of up to $400m. IPL also announced a strategic review of its ammonia manufacturing facility located in Waggaman, extending the timeline for the demerger of the fertilisers business.

FY22 highlights

- **Zero Harm:** Total Recordable Injury Frequency Rate (TRIFR) of 0.89, stable from 0.87 in the prior corresponding period (pcp), with severity level continuing to decrease
- **NPAT ex IMIs:** $1,027m, up 186% from $359m on pcp
- **Earnings Before Interest and Tax** (**EBIT**) **ex IMIs:** $1,485m, up 162% from $566m on pcp
- **Earnings Per Share ex IMIs** of 52.9 cents per share, an increase of 34.4 cents per share on pcp
- **Return on invested capital** (**ROIC**)[2] of 13.8%, a significant improvement on pcp of 5.8%
- **Strong balance sheet** with net debt of $1bn and Net Debt/ EBITDA ratio ex IMIs of 0.5x, down from 1.1x on pcp
- **Dyno Nobel Americas** (**DNA**) EBIT of US$533m (US$141m pcp) with continued uptake of premium technology underpinning excellent volume growth in Q&C as well as strong second half manufacturing performance capturing favourable commodity markets
- **Dyno Nobel Asia Pacific** (**DNAP**) EBIT of $162m ($140m pcp) reflecting customer growth and solid take up of Dyno's premium technology solutions
- **Fertilisers** EBIT increased to $614m ($268m pcp) with Manufacturing more than doubling earnings during the year despite Phosphate Hill undergoing a major turnaround
- **Climate Change Strategy:** pathway identified to >42% reductions in operational GHG emissions by 2030[3]

Rewarding shareholders

Demonstrating the commitment to maximising shareholder returns, the Board has announced:

- a fully franked final dividend of 17 cents per share bringing the total dividend for FY22 to 27 cents per share; and
- an on-market share buyback of up to $400m has been approved to be conducted over the next 12 months[4].

The record total dividend of 27 cents per share represents a full year payout ratio of 51% and a total dividend of $524m for FY22.

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[1] Statutory NPAT includes Individually Material Items (IMIs) of $13m net of tax (FY21:$209m). FY22 IMIs relate to costs incurred in preparing for IPL's proposed demerger ($9m pre-tax) and additional costs relating to the closure of IPL's gas manufacturing facilities at Gibson Island, Queensland ($10m pre-tax).

[2] Return on invested capital including goodwill.

[3] Based on IPL's current asset portfolio, relative to 2020 baseline. Pathway based on four key projects, three of the which remain under development and subject to Final Investment Decision.

[4] The timing and value of shares purchased and other matters relating to the conduct of the buy-back will be dependent on prevailing market conditions, share price and other factors.

Commentary from IPL's Managing Director & CEO

Managing Director & CEO, Jeanne Johns commented on FY22 performance:

"We have delivered a record financial result whilst making excellent progress on our strategy. Our results are underpinned by strong operating performance from our two category-leading businesses which performed well in high demand but disrupted markets.

"Our four-year journey to deliver our Manufacturing Excellence opportunity has enabled us to capture significant value from the commodity upcycle following major investments in the three plant turnarounds executed over the last two years. WALA is continuing its excellent operational performance to capture significant value from strong ammonia pricing and buoyant market conditions.

"We are continuing to grow recurring earnings in our explosives business, underpinned by our leading premium technology. Dyno Nobel has significant opportunities to further leverage our footprint, technology and customer relationships across existing and new markets as we look to deliver mid to high single digit earnings growth in the medium term.

"Our Incitec Pivot Fertilisers business has an unrivalled distribution platform and manufacturing footprint providing customers security of supply. With the acceleration and expansion of our soil health strategy across bio fertilisers and enhanced efficiency fertilisers, liquid fertilisers and Nutrient Advantage, the business is well set up for distribution earnings growth.

"Our strong financial performance has enabled the Board to announce record fully franked dividends this year totaling $524m. Our commitment to capital management and shareholder returns is further evidenced by the announcement of an on-market share buyback of up to $400m.

"We have made great progress on our journey to Net Zero, with a range of projects advanced to decarbonise our operations. This year we have, in conjunction with Fortescue Future Industries, commenced Front End Engineering and Design (FEED) to investigate the conversion of our Gibson Island, Queensland plant to a green ammonia facility. We also sanctioned capital for a tertiary abatement project at our Moranbah plant and a similar abatement project is being investigated for our manufacturing operations in Louisiana, Missouri. For WALA, we are exploring an exciting opportunity for carbon sequestration to enable the production of de-carbonised ammonia. These four projects collectively present a pathway to achieve operational GHG emissions reductions of >42% by 2030 based on IPL's current asset portfolio."

Strategic review of Waggaman – opportunity to create value for IPL shareholders

IPL has received a number of unsolicited approaches in relation to the potential acquisition of its ammonia manufacturing facility located in Waggaman, Louisiana, USA (**WALA**). Consistent with our long-term corporate strategy to optimise assets and manage commodity exposure, and in the interests of maximising shareholder value, IPL will undertake a review of the strategic options for WALA.

All approaches were expressed to be indicative, non-binding and subject to due diligence and at this stage there is no certainty that a transaction will occur. Under any scenario, IPL intends to maintain the strategic value of long-term supply of ammonia from WALA into the DNA explosives business.

IPL will continue to progress preparation for the separation of the fertilisers business while it conducts the strategic review process for WALA. It is currently anticipated that the previously communicated timeline for the release of the demerger booklet and the shareholder approval process will be extended by 6 to 12 months, pending the completion of the strategic review process for WALA[5]. A further update will be provided to the market in due course. The structural separation of Incitec Pivot Fertilisers and Dyno Nobel to create two separately listed companies is

[5] The proposed demerger is subject to final IPL Board approval, shareholder and other third-party approvals, and there is no guarantee it will be implemented.

expected to unlock shareholder value through sharpened focus on capital allocation and growth opportunities to ultimately deliver enhanced returns to IPL shareholders.

IPL Chairman, Brian Kruger said: *"The strategic review of our ownership of WALA provides a very attractive opportunity to unlock value for shareholders. Our investments through the turnaround to improve asset performance coupled with the strong ammonia market dynamics make WALA a very valuable asset and an attractive investment opportunity for high-quality counterparties. For this reason, we have decided to re-sequence our strategic priorities to assess the opportunity with WALA in the short-term, while we continue to progress our demerger plans.*

"Our long-term Dyno Nobel strategy is to be a leader in explosives technology underpinned by ammonium nitrate manufacturing back to gas. Our decision to conduct the review of WALA supports this long-term strategic direction.

"Our demerger plans are progressing well towards separation. While the review of strategic options for WALA will have some implications for the timing of the proposed demerger, we are very confident in the value that will be unlocked for shareholders from creating a focused explosives and a focused fertilisers business."

Outlook

IPL approaches FY23 with strong strategic and operating momentum, and remains focused on continuing to deliver sustainable returns for our shareholders.

Further information on the FY23 outlook for IPL's business segments is contained on page 15 of the Profit Report 2022.

Investor briefing

IPL will hold an investor webcast at 10.00am today, Tuesday, 15 November 2022 (AEDT). The link to register for the webcast is: https://edge.media-server.com/mmc/p/pq2hwb9h

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

PROFIT REPORT **2022**

MAIN MENU

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INNOVATION ON THE GROUND

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Note: Numbers in this report are subject to rounding. Definitions and Notes appear on page 18 of this report. All figures are in A$ and metric tonnes (mt) except where noted.

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PROFIT REPORT

Incitec Pivot Limited (IPL) reported Net Profit After Tax (NPAT) excluding individually material items of $1,027m, an increase of 186% compared to $359m in the previous corresponding period (pcp). Improved manufacturing reliability, customer & technology growth along with favourable commodity price and foreign exchange movements combined to produce record earnings. EBITDA ex IMIs increased by 99% whilst revenue increased by 45%, further underscoring the strong underlying business performance.

NPAT including IMIs was $1,014m for the 2022 financial year, an increase of 580% over the pcp. Cash flow from operations of $1,093m increased by 68% on pcp. The earnings per share of 52.9 cents (ex IMIs) increased 2.9x compared to the pcp and resulted in a fully franked final dividend of 17 cents which is the largest dividend IPL has ever returned to shareholders. Return on Invested Capital (ROIC[1]), including goodwill, improved during the year to 13.8% up from 5.8% at September 2021. ROIC, excluding goodwill, was 20.9% (pcp 8.8%).

GROUP SUMMARY

	Year ended 30 September		
IPL GROUP	**FY22 A$m**	**FY21 A$m**	**Change A$m**
Reported Revenue and Earnings			
Revenue	6,315.3	4,348.5	1,966.8
EBITDA ex IMIs	1,857.7	934.9	922.8
EBIT ex IMIs	**1,485.2**	**566.4**	**918.8**
NPAT ex IMIs	**1,027.1**	**358.6**	**668.5**
IMIs after tax	**(13.4)**	**(209.5)**	**196.1**
Group NPAT	**1,013.7**	**149.1**	**864.6**
Shareholder Returns			
Cents Per Share			
Earnings per share ex IMIs	52.9	18.5	
Total Dividend	27.0	9.3	
Credit Metrics	**30-Sep-22**	**30-Sep-21**	
Net debt [2]	(1,036.2)	(1,004.2)	
Net Debt incl TWC facilities / EBITDA [3]	0.7x	1.4x	
Net debt / EBITDA (ex IMIs) [4]	0.5x	1.1x	
Interest Cover [5]	20.3x	9.7x	

Net Profit After Tax (NPAT) excluding Individually Material Items (ex IMIs)

IPL reported NPAT (excl. IMIs) of $1,027m, an increase of 186% compared to $359m in the pcp.

Individually Material Items (IMIs)

NPAT for FY22 includes a loss of $13m (FY21 a loss of $209m) of after-tax IMIs relating to costs incurred in preparing for IPL's proposed demerger ($9.2m pre-tax) and additional costs associated with the preparations for the closure of IPL's gas manufacturing facilities at Gibson Island, Queensland, ($10m pre-tax).

Capital Management

Earnings per share (EPS) ex IMIs of 52.9 cents per share increased by 34.4 cents per share compared to FY21 EPS of 18.5 cents.

A final dividend of 17 cents per share (fully franked) has been announced, representing a 51% payout ratio of NPAT (excl. IMIs).

In addition to the final dividend, IPL announced its intention to undertake an on-market share buyback of $400 million over a 12 month period. This announcement is in line with the Capital Allocation Framework announced at IPL's Investor Day on 6 September 2022. IPL has established its Capital Allocation Framework with the objective of enhancing shareholder value through optimising its weighted average cost of capital while retaining an appropriately strong credit profile in support of its investment grade credit ratings.

The buyback is expected to benefit shareholders by reducing the shares on issue with a resultant improvement in earnings per share, dividends per share and returns on equity. IPL has sufficient cash reserves and committed bank facilities to complete the buyback. The share buyback will be conducted in the ordinary course of trading and the exact amount and timing of share purchases will be dependent on regulatory requirements and market conditions.

Net Debt

Net debt increased by $32m to $1,036m at 30 September 2022 (pcp: $1,004m) and Net Debt/EBITDA ex IMIs decreased to 0.5x (pcp: 1.1x). Net debt increased during the year as a result of the acquisitions of Titanobel and Yara Nipro ($144m), investments in sustenance (including turnarounds) and minor growth projects ($434m), dividends paid to shareholders ($355m), lease liability payments ($43m) and other non-cash movements in net debt ($139m) offsetting almost $1.1b of operating cashflows. The Group's investment grade credit ratings were maintained:

» S&P: BBB (stable outlook)
» Moody's: Baa2 (stable outlook)

Zero Harm

IPL's Total Recordable Injury Frequency Rate[6] (TRIFR) for the rolling twelve-month period ended 30 September 2022 was 0.89, an increase from 0.87 at 30 September 2021. There were 25 Process Safety Incidents[7] recorded in FY22 (pcp:38). The Company maintained its strong environmental safety record with zero Significant Environmental Incidents[8] during the year (pcp: 0). IPL has refreshed its safety programs to drive improvement.

Strategic review of WALA and implications for structural separation of the Explosives and Fertilisers businesses

On 15 November 2022, IPL announced that it had received a number of unsolicited approaches in relation to a potential acquisition of its ammonia manufacturing facility located in Waggaman, Louisiana, USA (WALA). The Company will undertake a review of the strategic options for WALA in the near-term. Under any scenario, IPL intends to maintain the strategic value of long-term supply of ammonia from WALA into the Dyno Nobel Americas business. An estimate of the financial impact cannot be made at this point.

The strategic review process will have implications for the timing of the proposed structural separation of the Incitec Pivot Fertilisers and Dyno Nobel businesses which was announced on 23 May 2022. It is currently anticipated that the previously communicated target completion date for the separation of early 2023 will likely be extended by 6-12 months, pending the completion of the strategic review process for WALA. There has been no impact on the financial statements for FY22 in relation to the proposed structural separation other than the costs incurred to date which have been classified as an individually material item and disclosed in the notes to the financial statements.

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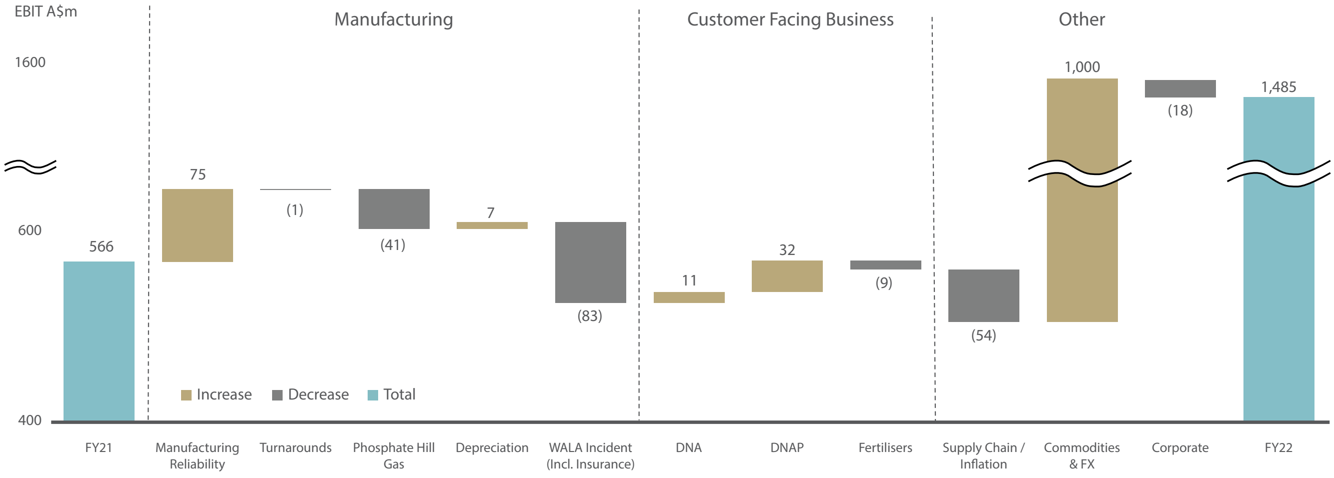
FY22 BUSINESS REVIEW



The Group reported FY22 Earnings Before Interest and Tax excluding IMI's (EBIT) of $1,485m, an increase of $919m compared to pcp. Major movements for the year were as follows:

Manufacturing Performance: Aside from the one-off incident at WALA, the plant operated at nameplate capacity throughout the year. With the exception of Phosphate Hill where production rates were below nameplate leading into the turnaround, manufacturing reliability saw strong improvements at IPL's other ammonia plants. This is a positive reflection of the investment made by IPL into improving plant reliability over the past 4 years.

The net financial impact of planned turnarounds was negligible with the favourable impact of turnarounds in FY21 at Waggaman, Moranbah and St Helens offset by the impact of the Phosphate Hill turnaround in FY22. The Cheyenne turnaround, scheduled for later in FY23, is the last of the plants scheduled for its turnaround as part of the reliability improvement plan.

Reliable production at around nameplate capacity has been achieved at all plants following the turnarounds.

Phosphate Hill Gas: Phosphate Hill's contracted gas supply was disrupted throughout the year due to the performance of a third party provider. To maintain production and capitalise on a high DAP price, gas was purchased on the spot market at an incremental cost to contract of $41m. IPF's gas supplier has advised that full quantities are expected to be restored by February 2023.

Depreciation: The $7m net favourable depreciation impact is largely driven by the impairment of the Gibson Island manufacturing facility (recognised in September 2021) resulting in a decrease in depreciation expense of $23m in the fertilisers business. This was partially offset by additional charges resulting from the three major turnarounds completed in FY21 (Waggaman, St Helens and Moranbah).

WALA Incident: An incident occurred in mid-February 2022 (net $83m) which brought the plant down for repairs for approximately 8 weeks at a cost of $182m (US$128m). The insurance claim was finalised during the year and resulted in a recovery of approximately $99m (US$70m).

Americas Explosives: The $11m improvement was supported by strong market growth primarily across the Coal and Q&C sectors. End market coal production has been supported by elevated natural gas prices, while construction rates remain strong despite escalating inflation. Further to this, the business results were negatively impacted by a lagging impact of passing on the continuous price increases experienced during the year.

Asia Pacific Explosives: Dyno Nobel's premium technology suite continues to deliver strong results underpinning the $32m improvement in earnings. Increased sales of key offerings such as Delta E, Cyber Det and Electronics contributed an additional $8m in earnings compared with the pcp, with a further $7m benefit coming from new customers looking to gain access to Dyno's advanced technology. As previously communicated to the market, a further $11m earnings improvement came from the less profitable WA contracts rolling off in FY22. The international businesses continue to recover from the impacts of COVID with an increase in offshore earnings (primarily Turkey) of approximately $10m. Unfavourable weather conditions negatively impacted the result by $4m.

Asia Pacific Fertilisers: The $9m decrease in distribution earnings primarily relates to a reduction in domestic sales volume and costs associated with investment in the distribution network. Heavy rains in key regions in Southern Queensland and NSW impacted fertiliser application, while high prices also resulted in reduced demand. The extreme price volatility during the year was managed through selective procurement and stock management decisions – resulting in year on year volume reduction. However, strong margins (on a dollar per tonne basis) were realised.

Supply Chain/Inflation: Despite management action to address cost pressures through efficiency improvements and contract pricing, the speed and extent of global supply chain pressures and rising inflation had a negative impact on the FY22 result. The impact was most prominent in the DNA business ($41m of the $54m) and includes higher cost of energy, raw materials related to Initiating Systems and abnormal freight costs driven by supply chain disruptions. The lag in recovery of these cost increases is expected to materially reduce in FY23.

Commodity Prices & Foreign Exchange: Higher commodity prices, primarily ammonia and DAP, contributed $920m to the result compared to pcp, with a weaker Australian dollar contributing a further benefit of $80m.

Corporate: Corporate costs increased compared to the pcp. The increase includes provisioning for legal claims.

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INCOME STATEMENT

Revenue

Group revenue of $6,315m for the year increased by$1,967m, or 45%, as compared to pcp.

EBIT

EBIT of $1,485m increased by $919m, or 162%, as compared to pcp. Major movements in EBIT are set out below:

MOVEMENT IN EBIT ITEMS A$m	Business	Amount
Manufacturing		
Improved plant reliability	DNA, DNAP & Fertilisers	74.6
Depreciation (principally from turnarounds)	DNA, DNAP	(16.0)
Depreciation (Benefit from GI writedown)	Fertilisers	23.0
Planned outages	DNA, DNAP & Fertilisers	(1.0)
Gas supply interruptions (Phosphate Hill)	Fertilisers	(41.0)
Waggaman pipe rupture (incl. insurance)	DNA	(83.0)
Sub-total		**(43.4)**
Customer & Markets		
Customer & technology growth	DNA & DNAP	25.7
Markets (including weather)	DNAP & Fertilisers	(3.0)
W.A. supply	DNAP	11.0
Sub-total		**33.7**
Non-Controllables		
Commodity Prices	DNA & Fertilisers	920.2
Foreign Exchange – Transactional	Fertilisers	69.0
Foreign Exchange – Translational	DNA	11.3
Sub-total		**1,000.5**
Other		
Supply chain & inflation	DNA & DNAP	(54.0)
Corporate	Corporate	(18.0)
Sub-total		**(72.0)**
Total movements in EBIT		**918.8**

Interest

Underlying interest expense[9] of $101m is a decrease of $6m, or 6%, compared to pcp. The decrease was mainly due to the non-repeat break costs incurred in FY21 relating to the buyback of long-term bonds ($14m). Unfavourable movements in the A$:US$ exchange rate and higher interest rates compared to pcp negatively impacted interest expense by approximately $3m and $5m respectively. Interest expense also includes lease interest, amortisation of line fees and provision discount unwind expense.

Tax

The Group's effective tax rate on operating profit of 25% is an increase from the 21% reported in the pcp. Tax expense of $351m was $256m higher than the pcp, consistent with higher earnings.

Individually Material Items

NPAT includes the following items, classified as IMIs:

IMIs	Gross A$m	Tax A$m	Net A$m
Demerger cost	9.2	(2.8)	6.4
Gibson Island manufacturing plant closure			
– Closure costs	10.0	(3.0)	7.0
Total	**19.2**	**(5.8)**	**13.4**

INCOME STATEMENT	Year ended 30 September FY22 A$m	 FY21 A$m	 Change %
Revenue			
Business Revenue			
DNA	2,532.9	1,588.7	59
DNAP	1,200.4	937.8	28
Fertilisers APAC	2,647.8	1,894.6	40
Eliminations	(65.8)	(72.6)	9
Group Revenue	**6,315.3**	**4,348.5**	**45**
EBIT			
Business EBIT ex IMIs			
DNA	759.3	189.9	300
DNAP	162.5	140.2	16
Fertilisers APAC	613.7	268.4	129
Eliminations	0.8	(1.8)	nm*
Corporate	(51.1)	(30.3)	(69)
Group EBIT ex IMIs	**1,485.2**	**566.4**	**162**
EBIT margin	*23.5%*	*13.0%*	
NPAT			
Underlying interest expense [9]	(101.4)	(107.4)	6
Non-cash unwinding liabilities	(5.8)	(5.4)	(7)
Net borrowing costs	**(107.2)**	**(112.8)**	**5**
Tax expense ex IMIs	(350.8)	(95.0)	(269)
Minority interest	(0.1)	–	nm*
NPAT excluding IMIs	**1,027.1**	**358.6**	**186**
IMIs after tax	(13.4)	(209.5)	94
Group NPAT	**1,013.7**	**149.1**	**580**

*not meaningful

Demerger Cost

Demerger costs for FY22 include transition support and advisory costs. One-off separation costs are expected to be in the range of $60m - $80m net of tax.

Gibson Island manufacturing plant closure

The Gibson Island closure provision was increased by $10m following a detailed review. The increase was primarily a result of contractor rate escalations since the provision was recognised.

NPAT

NPAT of $1,014m (including IMIs) increased by $865m, or 580%, compared to the pcp.

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BALANCE SHEET

Major movements in the Group's Balance Sheet during the year include:

Assets

- » **Trade Working Capital (TWC)**: Net increase of $495m. The movement was mainly due to the impact of higher commodities in both the Fertilisers and Explosives businesses ($292m) and the lower utilisation of trade working capital financing facilities ($64m). Change in accounting method to transfer precious metals to inventory ($48m) and business acquisitions/new business ($91m). Underlying trade working capital (excluding the impact of financing facilities) as a percentage of sales remained flat with the pcp at 16.2%.
- » **Net Property, Plant & Equipment (PP&E)**: Increase of $318m ($140m excl impact of FX translation). Mainly driven by sustenance and turnaround capital expenditure of $316m, growth and sustainability capital spend of $119m and the fixed assets acquired through the purchase of Titanobel and Yara Nipro ($32m). This is partially offset by depreciation expense for the year of $303m, disposals and writedowns of $11m and transfers to inventory of $12m.
- » **Intangible Assets**: Increase of $281m ($90m excluding the impact of FX translation). Mainly driven by the goodwill and other intangibles recognised upon acquisition of Titanobel and Yara Nipro of $92m. Amortisation charges for the year are mostly offset by minor additions.

Liabilities

- » **Environmental & restructure liabilities**: Increase of $6m ($1m excluding the impact of FX translation). Mainly driven by an increase in the Gibson Island closure provision of $10m and the interest unwind on long term asset restoration obligation provisions of $5m. This was offset by spend against provisions for the year, primarily in relation to Gibson Island closure preparation.
- » **Net other assets**: Increase of $137m. Mainly due to Phosphate Hill security deposit paid in relation to spot gas purchases of $46m, WALA insurance proceeds accrual of $35m (of which approximately $25m has since been received) and settlement of the payable owing to the bank as part of the trade receivables facility at 30 September 2021 of $58m.
- » **Net Debt**: Increase of $32m (decrease of $77m excluding the impact of FX translation). Mainly due to strong cash generation driven by rising commodity prices offset by a reduction in the use of trade working capital financing facilities (-$64m), payments related to sustenance capital expenditure (-$343m), growth capital (-$91m) and payment for acquisitions of Titanobel and Yara Nipro (-$144m). Further details of movements in Net Debt are provided in the Cashflow section of this report.

BALANCE SHEET A$m	Year ended 30 September 30 Sep 2022	 30 Sep 2021	 Change A$m
Assets			
TWC – Fertilisers APAC	104.6	(120.6)	225.2
TWC – Explosives	511.3	241.3	270.0
Group TWC	**615.9**	**120.7**	**495.2**
Net PP&E	4,246.9	3,928.9	318.0
Lease assets	221.0	214.5	6.5
Intangible assets	3,281.4	3,000.9	280.5
Total Assets	**8,365.2**	**7,265.0**	**1,100.2**
Liabilities			
Environmental & restructure liabilities	(248.7)	(242.7)	(6.0)
Tax liabilities	(689.3)	(415.0)	(274.3)
Lease liabilities	(245.9)	(242.5)	(3.4)
Net other assets	144.6	8.0	136.6
Net debt	(1,036.2)	(1,004.2)	(32.0)
Total Liabilities	**(2,075.5)**	**(1,896.4)**	**(179.1)**
Net Assets	**6,289.7**	**5,368.6**	**921.1**
Equity	**6,289.7**	**5,368.6**	**921.1**
Key Performance Indicators			
Net Tangible Assets per Share	1.55	1.22	
Fertilisers APAC – Ave TWC % Rev (10)	17.2%	15.3%	
Explosives – Ave TWC % Rev (10)	15.4%	16.9%	
Group – Average TWC % Rev (10)	16.2%	16.2%	
Credit Metrics			
Net debt (2)	(1,036.2)	(1,004.2)	
Net debt incl. TWC facilities / EBITDA (3)	0.7x	1.4x	
Net debt / EBITDA (ex IMIs) (4)	0.5x	1.1x	
Interest Cover (5)	20.3x	9.7x	

NET DEBT A$m	Maturity Month/Year	Facility Amount	Drawn Amount	Undrawn Amount
Syndicated Term Loan	04/24	797.3	–	797.3
EMTN / Regulation S Notes	02/26	109.2	109.2	–
Medium Term Notes	03/26	431.3	431.3	–
EMTN / Regulation S Notes	08/27	469.7	469.7	–
US Private Placement Notes	10/28	384.2	384.2	–
US Private Placement Notes	10/30	384.2	384.2	–
Total Debt		**2,575.9**	**1,778.6**	**797.3**
Fair value and other adjustments			(115.7)	
Loans to JVs, associates/other short term facilities			49.1	
Cash and cash equivalents			(763.5)	
Fair value of hedges			87.7	
Net debt			**1,036.2**	
Net debt / EBITDA (ex IMIs) (4)			**0.5x**	

The fair value of Net debt hedges at 30 September 2022 was a liability of $88m, a decrease of $101m compared to an asset balance at 30 September 2021 of $13m. The decrease was mainly due to interest rate movements on derivatives hedging the Group's fixed rate bonds.

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FINANCIAL INDEBTEDNESS	30 Sep 2022 A$m	30 Sep 2021 A$m	Change A$m
Net debt [2]	1,036	1,004	32
Lease liabilities	246	243	3
Trade working capital financing facilities	268	332	(64)
Total Financial Indebtedness	1,550	1,579	(29)

Financial indebtedness reduced by $29m through the year. Net debt increased by $32m with strong operating cashflows ($1,157m – excluding $64m of trade working capital facilities reduction) offset by sustenance capital expenditure ($343m), growth capital expenditure ($91m), payments for acquisitions (net of debt acquired) ($174m), dividends to shareholders ($355m) and FX on translation of foreign denominated debt ($115m). Reliance on trade working capital financing facilities has been reduced by $144m since September 2020 to $268m at year end.

Credit Metrics

Net Debt/EBITDA: The ratio of 0.5x improved by 0.6x compared with the pcp. The improvement is primarily a result of higher earnings in FY22 with EBITDA (excl. IMIs) improving 99% over the pcp.

Interest Cover: Improved to 20.3x (pcp: 9.7x).

Credit Ratings: Investment Grade credit ratings remained unchanged:

» S&P: BBB (stable outlook)

» Moody's: Baa2 (stable outlook)

Debt Facilities

IPL has sufficient liquidity and headroom with $797m of available undrawn committed debt facilities at 30 September 2022.

The average tenor of the Group's debt facilities at 30 September 2022 is 4.2 years (September 2021: 5.1 years). No committed debt facilities are due to mature until April 2024.

Trade Working Capital Facilities

IPL uses trade working capital facilities to effectively manage the Group's cash flows, which are impacted by seasonality, demand and supply variability.

The Group has a non-recourse receivable purchasing agreement to sell certain domestic and international receivables to an unrelated entity in exchange for cash. As at 30 September 2022, receivables totalling $95m (30 September 2021: $124m) had been sold under the receivable purchasing agreement.

IPL also offers suppliers the opportunity to use supply chain financing. The Group evaluates supplier arrangements against several indicators to assess whether to classify outstanding amounts as payables or borrowings. The balance of the supply chain finance program, classified as payables, at 30 September 2022 was $173m (30 September 2020: $208m).

Capital Allocation

IPL's capital allocation process is centralised and overseen by the Group's Corporate Finance function. Capital is invested on a prioritised basis and all submissions are assessed against risk factors including HSE, sustainability, operational, financial and other strategic risks. Capital is broadly categorised into first order capital (sustenance, turnaround, sustainability and minor growth) and second order capital (major growth).

Other than the company acquisitions during the year, there was no second order capital investment.

The table below includes a summary of cash spend per business on growth and sustenance capital:

	Year ended 30 September		
IPL GROUP	FY22 A$m	FY21 A$m	Change A$m
Capital Expenditure			
DNA	28.7	24.6	4.1
DNAP	33.3	18.6	14.7
Fertilisers	29.2	8.0	21.2
Minor growth capital	**91.2**	**51.2**	**40.0**
DNA	118.3	82.6	35.7
DNAP	19.5	22.3	(2.8)
Fertilisers	64.3	49.1	15.2
Sustenance	**202.1**	**154.0**	**48.1**
DNA	20.5	82.9	(62.4)
DNAP	5.3	53.5	(48.2)
Fertilisers	87.1	13.4	73.7
Turnaround	**112.9**	**149.8**	**(36.9)**
DNA	22.9	–	22.9
DNAP	4.9	–	4.9
Fertilisers	–	–	–
Sustainability	**27.8**	**–**	**27.8**
Total	**434.0**	**355.0**	**79.0**

Subject to currency fluctuations, sustenance spend is expected to be in the range of $180m to $220m. Turnaround spend is expected to be approximately $60m to $80m with spending on sustainability targeted to be between $50m and $60m. These amounts don't include one-off strategic sustenance expenditure on upgrades of Gibson Island distribution assets in order to return volumes to historical market share levels.

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CASH FLOW

Operating Cash Flow

Operating cash flows of $1,093m increased by $443m compared to the pcp. Significant movements included:

- **EBITDA**: Increased by $923m driven by favourable realised commodity price movements ($920m) and favourable movements in the A$:US$ exchange rate ($80m). The unfavourable one-off net impact of the WALA incident in mid-February of $83m and the Phosphate Hill gas supply disruption of $41m was partially offset by improved manufacturing reliability, particularly at Waggaman of $75m. Downstream business earnings (excluding manufacturing, non-controllables and supply chain/inflation impacts) improved by $34m primarily due to growth in the DNAP business. The impact of supply chain disruptions and inflation was $54m.
- **Net Interest Paid**: Decreased by $25m, principally as a result of a one-off interest cost in FY21 relating to the bond buy-back ($14m) and lower levels of borrowings in FY22 versus pcp, partially offset by increasing interest rates and a weakening AUD.
- **TWC Movement**: Increased $272m compared to the pcp largely as a result of higher commodities driving higher TWC balances at the end of FY22 and lower usage of trade working capital financing facilities (down $64m on pcp).
- **Dividends received from JV's**: Decreased by $37m with one of IPL's larger JV partners (QNP) not paying a dividend in FY22 due to a turnaround taking place during the year. Turnarounds generally take place every 4 years. Additionally, a large US based joint venture declared a lower dividend in FY22 compared with FY21.
- **Other Non-TWC**: Decreased $115m compared to the pcp largely as a result of timing of payments and accruals including the Phosphate Hill security deposit paid in relation to spot gas purchases of $46m and WALA insurance proceeds accrual of $35m.

Investing Cash Flow

Net investing cash outflows of $575m increased $232m as compared to the pcp. Significant movements included:

- Minor growth capital: Higher growth spend of $40m supporting plant efficiency projects and other projects supporting volume growth and technology investments. These projects have a short pay-back period.
- Sustenance capital: Higher sustenance spend reflects the impact of the largest turnaround on record at Phosphate Hill/ Mt Isa ($87m in FY22), decarbonisation projects required to meet our greenhouse gas reduction targets and investment in manufacturing and distribution facilities to drive reliability improvement.
- Acquisition of subsidiaries and non-controlling interests: Cash outflow for the acquisition of Titanobel ($124m) and Yara Nipro ($20m).

Financing Cash Flow

Net financing cash outflow of $551m was $267m higher compared with the pcp. Significant movements included:

- Dividends paid to members of IPL: Higher dividend of $336m in line with increased earnings. Payout ratio of 51% of Group NPAT (excl IMI's).
- Foreign Exchange on Net Debt: The non-cash increase of $107m reflects the impact from translating US dollar denominated debt at a lower exchange rate.

	Year ended 30 September		
CASH FLOW	**FY22 A$m**	**FY21 A$m**	**Change A$m**
Operating Cash Flow			
EBITDA ex IMIs	1,857.7	934.9	922.8
Net Interest paid	(83.4)	(108.7)	25.3
Net income tax paid	(117.0)	(33.1)	(83.9)
TWC movement (excl FX movements)	(397.9)	(126.1)	(271.8)
Profit from JVs and associates	(43.4)	(41.9)	(1.5)
Dividends received from JVs	7.9	44.6	(36.7)
Environmental and site clean-up	(6.4)	(4.8)	(1.6)
Restructuring costs	(13.7)	(19.1)	5.4
Other Non-TWC	(110.5)	4.4	(114.9)
Operating Cash Flow	**1,093.3**	**650.2**	**443.1**
Investing Cash Flow			
Minor growth capital	(91.2)	(51.2)	(40.0)
Sustenance (including turnaround and sustainability)	(342.8)	(303.8)	(39.0)
Payments – Central Petroleum Joint operation	(3.4)	(4.4)	1.0
Proceeds from asset sales	5.7	5.7	–
(Loans to) / repayments from JV	–	19.9	(19.9)
Acquisition of subsidiaries & non-controlling interests	(143.9)	(8.5)	(135.4)
Receipts / (Payments) relating to derivatives	0.9	(0.1)	1.0
Investing Cash Flow	**(574.7)**	**(342.4)**	**(232.3)**
Financing Cash Flow			
Dividends paid to members of IPL	(355.4)	(19.4)	(336.0)
Lease liability payments	(42.9)	(41.4)	(1.5)
Purchase of IPL shares for employees	(9.0)	(1.0)	(8.0)
Realised market value gain / (loss) on derivatives	(3.9)	8.5	(12.4)
Non-cash loss on translation of US$ Net Debt	(106.6)	(225.9)	119.3
Non-cash movement in Net Debt	(32.8)	(4.1)	(28.7)
Financing Cash Flow	**(550.6)**	**(283.3)**	**(267.3)**
Change to Net debt	**(32.0)**	**24.5**	**(56.5)**
Opening balance Net debt	(1,004.2)	(1,028.7)	24.5
Closing balance Net debt	**(1,036.2)**	**(1,004.2)**	**(32.0)**

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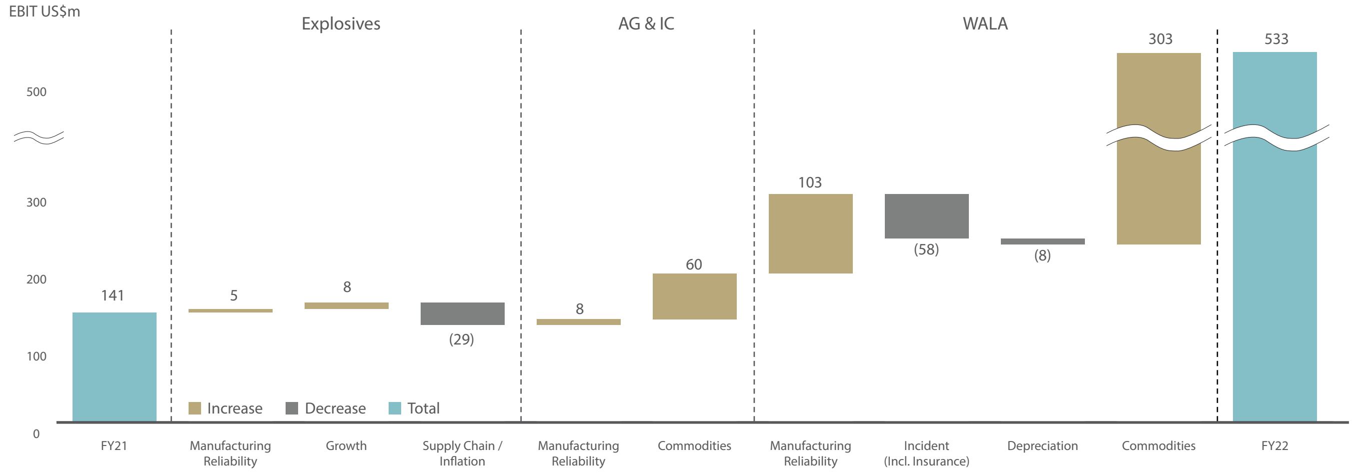
DYNO NOBEL AMERICAS



	Year ended 30 September		
Dyno Nobel Americas	**FY22 US$m**	**FY21 US$m**	**Change %**
Explosives	956.7	883.3	8
Waggaman	560.9	175.9	219
Ag & IC	279.4	133.5	109
Total Revenue	**1,797.0**	**1,192.7**	**51**
Explosives	110.3	126.7	(13)
Waggaman	343.8	3.6	9,450
Ag & IC	78.7	10.9	622
EBIT	**532.8**	**141.2**	**277**
EBIT margin			
Explosives	*11.5%*	*14.3%*	
Waggaman	*61.3%*	*2.0%*	
Ag & IC	*28.2%*	*8.2%*	
A$m			
Revenue	**2,532.9**	**1,588.7**	**59**
EBIT	**759.3**	**189.9**	**300**
Notes			
Average realised A$/US$ exchange rate	0.70	0.74	
Urea (FOB NOLA) Index Price (US$/mt)	713	364	

Dyno Nobel Americas FY22 earnings of US$533m increased US$392m, or 277%, compared to the pcp. Outlined below are the major earnings movements during the year for each business segment.

Explosives

Business Performance

Explosives earnings for FY22 of US$110m was US$16m lower than the pcp principally due to the following:

EBIT Margins: The rapid impact of inflation, energy costs and supply chain interruptions has had a temporary negative impact on EBIT margins.

Manufacturing: The positive earnings impact of US$5m reflects the recovery from outages in FY21 at the Cheyenne, WY. and Louisiana, MO, plants. The recovery was partially offset by the impact of minor outages at the Louisiana, MO, plant in 2H22.

Customer Growth: US$8m growth in volumes, primarily driven by Quarries & Construction, where volumes were up 9% on pcp due to strong market fundamentals and market share gain. The elevated natural gas prices also led to a resurgence in end market coal demand (volumes up 19%), driving elevated volumes vs pcp. While Metals volumes were down overall (-4%) due to customer mine closures, 2H22 volumes were supported by the start-up of several new customers.

Supply Chain / Inflation: Inflationary pressure, higher energy costs, and supply chain dislocation led to a US$29m unfavourable impact to earnings:

- **Inflationary Pressure:** US$9m unfavourable impact due to high demand for raw materials and tightness in supply driving up material costs at a quicker rate than price recovery.
- **Higher Energy cost:** US$12m increase due to elevated utility and commodity prices. Elevated ammonia and fuel costs, together with higher electricity charges, impacted the cost of production and supply.
- **Supply Chain Dislocation:** US$8m increase in costs related to scarcity of raw materials, which results in additional freight movements to supply customers and plants, and led to elevated costs to meet customer demand. The rate of inflation increases was unprecedented. Management has worked to reduce the lag caused by continuous cost increases.

Market Summary

Quarry & Construction

42% of Explosives revenue was generated from the Quarry & Construction sector in FY22 (43% pcp). The strong growth in this sector in 1H22 carried over into 2H22 as US infrastructure spending and a healthy construction market supported 9% volume growth compared to pcp.

Base & Precious Metals

36% of Explosives revenue was generated from the Base & Precious Metals sector in FY22 (39% pcp). Volumes decreased by 4% during the year with revenues (in dollar terms) near flat compared to the pcp. The primary driver of the decreased volume was temporary customer mine closures and lower seasonal Arctic shipments which are expected to return to previous levels in 2H23. These volume decreases were partially offset by volume growth in the Western US.

Coal

22% of Explosives revenue was generated from the Coal sector in FY22 (18% pcp). Volumes were up 19% versus the pcp as elevated natural gas prices have incentivised the power sector to temporarily switch back to more coal-generated power.

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Agriculture & Industrial Chemicals (Ag & IC)

Business Performance

Ag & IC FY22 earnings of US$79m was US$68m more than the pcp, primarily due to the following:

Manufacturing/Turnaround: Earnings recovered US$8m from FY21 impacts of the planned outage at the St Helens, OR plant (US$5.3m), along with strong manufacturing performance post turnaround (US$4.2m) offset in part by higher depreciation costs of US$1.5m.

Commodity Prices: Favourable Urea and UAN pricing improved earnings by US$60m versus the pcp.

Waggaman Operations

	Year ended 30 September		
WAGGAMAN	FY22	FY21	Change %
Thousand metric tonne			
Ammonia manufactured at Waggaman	700.6	437.2	60
Ammonia sold	745.9	563.5	32
US$m			
External Revenue	560.9	175.9	219
Internal Revenue	67.9	39.0	74
Total Revenue	**628.8**	**214.9**	**193**
EBIT	**343.8**	**3.6**	**9,450**
EBIT margin	*61.3%*	*2.0%*	
Notes			
Ammonia Realised Price (US$/mt) (11)	843	381	
Realised Gas Cost (US$/mmbtu) (delivered)	6.86	3.33	
Ammonia Tampa Index Price (US$/mt) (11)	1,049	401	
Index Gas Cost (US$/mmbtu) (12)	6.54	3.05	
Gas efficiency (mmbtu/mt)	35	40	

Business Performance

Waggaman earnings of US$344m, increased US$340m compared to the pcp due to the following:

Commodity Prices: The strong upswing in global ammonia prices driven by the impact of high European gas prices on ammonia supply resulted in higher domestic ammonia prices. Elevated natural gas prices partially offset this favourable movement resulting in a net favourable earnings impact of US$303m.

Manufacturing Reliability: Production at the Waggaman plant was at nameplate capacity preceding, and at nameplate after, the reported 1H22 incident. The recovery from the turnaround and weather outages in the pcp resulted in a US$103m benefit.

1H22 outage: As previously disclosed, the FY22 results were impacted by an 8-week closure of the facility, which resulted in a US$128m negative impact to the result. IPL recovered approximately US$70m from property insurance coverage, resulting in a net impact from the outage of US$58m.

Depreciation: US$8m higher than pcp. As previously disclosed, depreciation is higher primarily as a result of the FY21 turnaround.

Discount to Tampa Ammonia price: The discount realised on sales priced at Tampa benchmark in FY22 was approximately 8% prior to the 8-week outage. The timing of sales volumes contributes to the disconnect between the realised price and the benchmark index, as the outage coincided with highest benchmark months.

The discount realised on sales priced on other benchmarks (primarily sales to Dyno's Louisiana MO facility) performed as expected in the elevated Tampa Ammonia pricing market, with FY22 being the first year since operations commenced where the pricing resulted in a discount to Tampa rather than a premium. Ammonia supply (into Dyno's Louisiana, MO facility) and offtake (from Waggaman, LA facility) decisions are continuously evaluated to maximise cash flow to the Dyno Nobel Americas business.

Manufacturing

Manufacturing performance in the Explosives and Ag & IC businesses during FY22 was as follows:

Cheyenne, Wyoming: Cheyenne ammonia operations recovered from unplanned outages in FY21. As a result, ammonia production was up 3% compared to pcp. Nitric Acid production was negatively impacted due to an unplanned electrical feed outage, resulting in decreased production of 2% compared to pcp.

Louisiana, Missouri: Overall production was up 16% on the pcp.

St Helens, Oregon: Urea and ammonia production from the St Helens plant increased 25% and 28% respectively, compared to the pcp, with plant production slightly above expectations post turnaround.

Waggaman, Louisiana: As previously disclosed, the plant operated at nameplate capacity up to the February incident that resulted in an 8-week closure of the facility. Following a successful re-start in mid-April 2022, the plant operated at nameplate capacity for the remainder of FY22.

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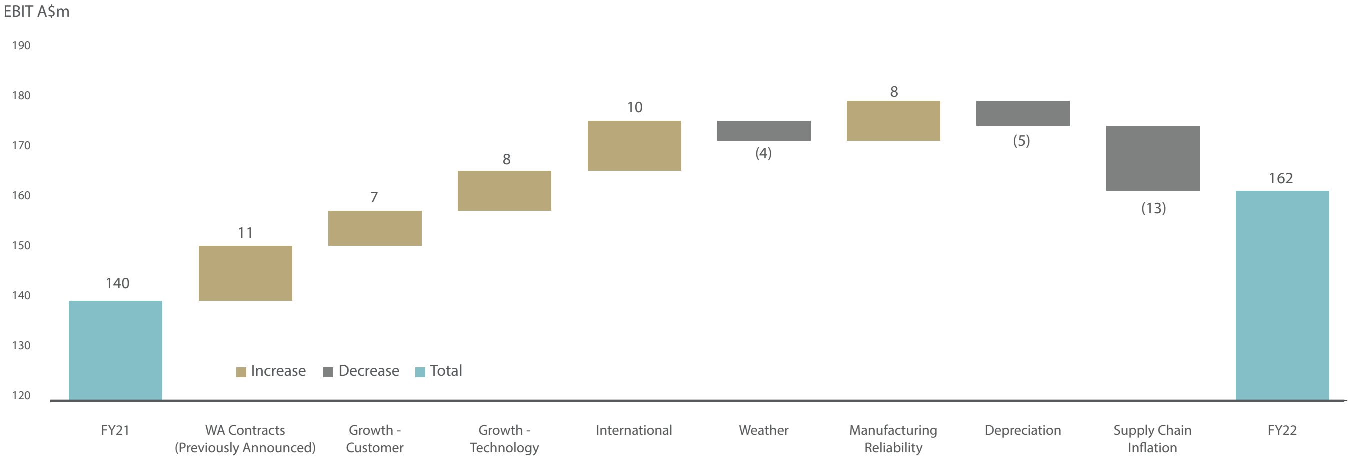
DYNO NOBEL ASIA PACIFIC



	Year ended 30 September		
DYNO NOBEL ASIA PACIFIC	FY22	FY21	Change %
Thousand metric tonne			
Ammonium Nitrate – manufactured at Moranbah	370.9	346.5	7
Ammonium Nitrate sold	720.0	683.7	5
A$m			
Australian Coal	499.2	471.6	6
Base & Precious Metals	489.5	377.3	30
International	211.7	88.9	138
Total Revenue	**1,200.4**	**937.8**	**28**
EBIT	**162.5**	**140.2**	**16**
EBIT margin	*13.5%*	*15.0%*	

Business Performance

Dyno Nobel Asia Pacific FY22 earnings of $162m, increased $22m compared to the pcp. due to the following:

W.A. Contracts: $11m increase, in line with previous guidance.

Growth Customer: $7m growth on the pcp, mostly driven by new hard rock and underground business.

Growth Technology: $8m growth on the pcp, largely in line with guidance provided in FY20, driven by strong electronics and Differential Energy volumes.

International: $10m increase, mostly driven by business recovery in Turkey.

Weather: $4m decrease on the pcp driven by wet weather mainly impacting Australian Coal.

Manufacturing Reliability: $8m increase on the pcp driven by increased reliability of the Moranbah Plant post the FY21 turnaround.

Depreciation: $5m negative impact mostly driven by the FY21 Moranbah turnaround capital expenditure.

Supply Chain/Inflation: $13m impact mostly driven by higher cost Urea and general inflation across the fixed cost base of the business.

Market Summary

Australian Coal

41% of Dyno Nobel Asia Pacific revenue for the year was generated from the Australian Coal sector, most of which was from supply to the metallurgical coal mines in the Bowen Basin.

Volumes from the Australian Coal sector increased 6% compared to pcp mainly due to stronger Trade volumes.

Base & Precious Metals

41% of Dyno Nobel Asia Pacific revenue was generated from the Base & Precious Metals sector, which comprises iron ore mines in Western Australia and hard rock and underground mines throughout Australia.

Volumes from the sector remained relatively flat compared to pcp with stronger hard rock and underground business volumes offset by slightly lower iron ore volumes.

International

18% of Dyno Nobel Asia Pacific revenue was generated internationally in Indonesia, Turkey, Papua New Guinea and France.

Volumes increased by 26% compared to the pcp, mainly driven by the acquisition of the Titanobel business, and stronger volumes in the Indonesia business.

Titanobel

In May 2022 the Group acquired 100% of Titanobel, a business which is highly complementary to Dyno Nobel's existing operations and provides access to new markets where Dyno Nobel can leverage its premium technology offering. Titanobel is a leading industrial explosives manufacturer and drilling, blasting and technical services provider based in France.

Manufacturing

Moranbah performed well producing 371k mt of ammonium nitrate during the year and achieving Ammonia Plant reliability of 95% post the FY21 Turnaround.

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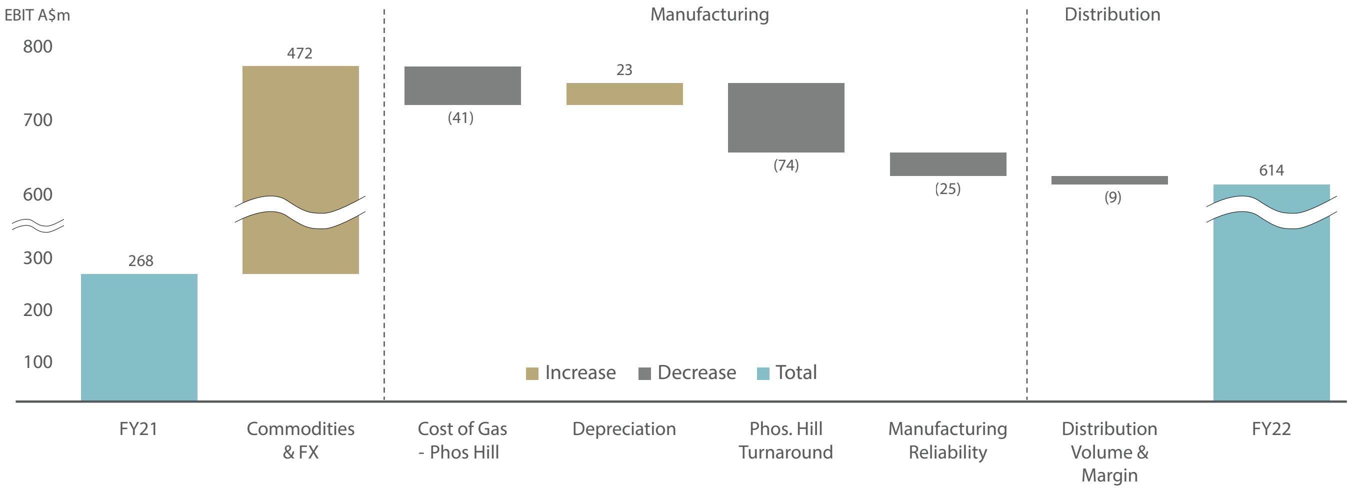
FERTILISERS ASIA PACIFIC



	Year ended 30 September		
FERTILISERS ASIA PACIFIC	**FY22**	**FY21**	**Change %**
Thousand metric tonne			
Phosphate Hill production (ammonium phosphates)	735.9	958.4	(23)
Gibson Island production (urea equivalent)	404.5	498.5	(19)
A$m			
Manufacturing	991.3	836.4	19
Distribution	1,656.5	1,058.2	57
Fertilisers APAC Revenue	**2,647.8**	**1,894.6**	**40**
Manufacturing	563.1	208.8	170
Distribution	50.6	59.6	(15)
Fertilisers APAC EBIT	**613.7**	**268.4**	**129**
EBIT margin	*23.2%*	*14.2%*	
EBIT margin			
Manufacturing	*56.8%*	*25.0%*	
Distribution	*3.1%*	*5.6%*	
Notes			
Fertilisers APAC			
Realised A$/US$ Exchange Rate	0.72	0.76	
Total Fertilisers APAC volumes sold (k mt)	2,575.9	3,220.1	
Domestic Fertilisers APAC volumes sold (k mt)	1,868.7	2,234.7	
Phosphate Hill			
Realised AP Price (US$/mt)	851	524	
Phosphate Hill production sold (k mt)	747	949	
Realised AP Freight Margin (US$/mt)	14.1	4.8	
Realised Cost per Tonne of AP (A$/mt)**	705	484	
Gibson Island			
Realised Urea Price (US$/mt)	710	373	
Gibson Island production sold subject to urea price movement (k mt)	336	364	

* Not meaningful
** Weighted average of AP including port costs

Business Performance

Fertilisers Asia Pacific earnings of $614m was 129% higher than the pcp. Major movements for the year were due to the following:

Foreign Exchange and Commodity Prices: $472m net increase, primarily driven by higher DAP price ($851/t vs $524/t), higher Urea price ($710/t vs $373/t) and lower AUD:USD exchange rate (0.72 vs 0.76), partially offset by higher cost sulphur/sulphuric acid.

Cost of Gas – Phosphate Hill: Gas supply disruptions at Phosphate Hill increasing FY22 gas cost by $41m (~A$10m incurred in 1H22). Power and Water Corporation (gas supplier) expect full supply to be restored in February 2023. Additional gas volumes to be purchased to make up shortfalls to February 2023 at an estimated cost of approximately $60m to $70m in FY23.

Depreciation: Net $23m reduction in depreciation charges due to the impairment of Gibson Island assets in September 2021 offset in part by higher depreciation at Phosphate Hill mainly related to capital expenditure for the construction of critical infrastructure.

Planned Plant Shutdowns: Phosphate Hill turnaround completed during 2H FY22. This planned shutdown negatively impacted earnings by $74m compared to the pcp.

Manufacturing Reliability: $25m net decrease due to lower than expected production and plant efficiency at Phosphate Hill in the run up to the turnaround.

Volumes and Margins: Distribution volumes were lower as a result of lower demand, largely due to higher pricing, wet weather and global fertiliser supply constraints. Distribution margins when measured as a function of revenue will naturally decrease when commodity prices increase. Distribution EBIT margin per tonne in FY22 was up slightly versus pcp.

Market Summary

Total Fertilisers Asia Pacific sales volumes of 2,576k metric tonnes was 20% lower than FY21 sales of 3,220k metric tonnes. The planned 8 week turnaround at Phosphate Hill adversely impacted sales volumes in FY23 as did lower demand, largely due to higher pricing, wet weather and global fertilisers supply constraints.

Global fertiliser prices traded significantly higher in FY22 with realised Ammonium Phosphate prices improving by more than 62% compared with the pcp while, despite its volatility, realised Urea prices increased 90% over the pcp. The supply and demand dynamic remains broadly favourable to support strong prices in the near term.

Progress on the soil health strategy continues, highlighted by an increase in Nutrient Advantage earnings and the acquisition of the Yara Nipro liquid fertiliser business.

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Manufacturing

Manufacturing performance in the Fertilisers Asia Pacific business in FY22 was as follows:

Phosphate Hill

Ammonium phosphate production decreased to 736k mt, down 23% on pcp. The lower production was a combination of the planned turnaround as well as some critical pieces of equipment operating at below capacity leading into the turnaround that commenced in early May 2022.

Ammonium phosphates cost per tonne was impacted by a number of factors, the most consequential being the increased cost of gas and sulphur. Higher depreciation and some additional repair costs leading into the turnaround also contributed to the higher cost per tonne.

Gibson Island

In response to the critical shortage of AdBlue in the Australian market resulting from international supply chain disruptions, IPL's Gibson Island plant, with the assistance of the Federal Government, was able to rapidly reconfigure its production to uprate the production of AdBlue and satisfy the Australian demand.

The plant produced 405k mt of urea equivalent product, down 19% on pcp. The majority of the reduced production resulted from various minor equipment failures and inefficiencies, the majority of which have been addressed. The plant is on track to close at the end of the calendar year.

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OUTLOOK AND SENSITIVITIES

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

Outlook

Dyno Nobel Americas

- The explosives business is well placed to benefit from heightened ammonium nitrate pricing.
- Apart from a potential outage of up to 4 weeks to allow the installation of a replacement cooler (if required) the Waggaman plant is expected to produce at nameplate capacity in FY23. The operational earnings of Waggaman remain subject to movements in ammonia and natural gas prices.
- Tampa Discount – Ammonia sales from the Waggaman facility should return to the historical contract mix, with tonnes that are priced off the Tampa index returning to a 6-8% discount to Tampa. Should the Tampa benchmark price remain at the recent level of circa US1,000/mt, when factoring in those sales that are not linked to the Tampa benchmark, the overall discount is expected to be between 13% and 15% in FY23.
- Agriculture & Industrial Chemicals earnings remain subject to movements in global fertiliser prices, particularly Urea.
- The St Helens fertiliser plant is scheduled for a 28 day outage in February 2023 for mid-cycle maintenance.
- The Cheyenne, WY ammonia facility is scheduled for a 55 day planned turnaround in June/July 2023.
- Coal demand is expected to be flat to FY22 as higher demand based on elevated natural gas prices and low electric generator inventory levels lead to restocking.
- Quarry and Construction growth is expected to continue driven by residential and infrastructure spending. Growth of 3% to 5% is expected.
- Metals - Growth in the overall metals sector is expected to be in the low single digits.
- Dyno's market leading technology is expected to support growth in future facing commodity markets, with a recent contract win in Chile a good example.
- The negative impacts of higher inflation, energy costs and supply chain dislocations are expected to be mostly recovered in FY23 through price escalations and contract negotiations.
- The full year earnings from WALA that are attributable to the DNA business in FY23 could be impacted by the outcome of the announced strategic review, and the timing of the settlement of any sale transaction that may result.

Dyno Nobel Asia Pacific

- Favourable pricing conditions on the East Coast of Australia are expected over the re-contracting cycle.
- Technology growth is expected to continue at a run-rate similar to the guidance provided in FY20 as customers look to drill more complex ore bodies and increasingly value productivity, safety and environmental improvements.
- Moranbah is expected to be negatively impacted by approximately $10m due to the cessation of ammonia supply from Gibson Island (20kt per annum).
- Supply Chain and inflationary costs continue to challenge and impact the business. Although efficiency improvements are expected to mitigate the impact, FY23 is expected to see a lag in being able to recover some of these costs through re-pricing.

Fertilisers Asia Pacific

- Fertiliser's earnings will continue to be dependent on global fertiliser prices, the A$:US$ exchange rate and weather conditions.
- Despite the severe flooding in NSW and southern Queensland, agricultural conditions across Eastern Australia are generally favourable. Increased soil moisture levels in most districts on the East Coast, coupled with high dam levels is expected to drive demand for fertiliser through the year. This is further subject to weather conditions in FY23.
- Farm economics are expected to remain favourable through FY23 with farmer cashflows supportive of strong fertiliser demand, although high fertiliser prices can influence volumes.
- Distribution earnings expected to benefit further from IPL's soil health strategy.
- Distribution margins and volumes will continue to be influenced by Australian East Coast agronomic conditions and global fertiliser prices. Global supply constraints ex China and Europe may pose a risk for fertiliser import volumes in FY23.
- Phosphate Hill is expected to produce approximately 1,000kt in FY23 after a successful turnaround in FY22. Gas supply disruptions at Phosphate Hill are expected to continue in 1H FY23. Power and Water Corporation (gas supplier) confirmed full quantities to be restored in February 2023. Additional gas volumes to be purchased to make up shortfalls at an estimated incremental cost of approximately $60m to $70m.
- Production of Ammonia at Gibson Island will cease in early January 2023 with a staged shutdown of downstream production anticipated to cease by end February 2023.

Group

Corporate: Corporate costs are expected to be approximately $40m in FY23 (excluding impact of demerger). This includes an allowance for increased spend on international business development, an allowance for wage growth and minor investment in energy transition and HR Organisational Development.

Borrowing Costs: Net borrowing costs for FY23 are expected to be approximately $133m. The increase is primarily related to higher interest rates and amortisation charges.

Taxation: IPL's effective tax rate for FY23 is expected to be between 24% and 26%.

Hedging Program: US$350m of FY23 US$ linked fertilisers sales are hedged at a rate of $0.7418 with a further US$240m hedged via a collar (cap of $0.7500 and a floor of $0.6184). All remaining US$ linked fertilisers sales and offshore business earnings are unhedged and subject to the spot rate.

Sensitivities

The table provides sensitivities to key earnings drivers and should be read in conjunction with the footnotes found on page 19 of this report.

Commodity	Proxy Index	EBIT Sensitivities
Americas		
Ammonia (13)	CFR Tampa	+/- US$10/mt = +/- U$6.0m
Natural Gas (14)	Henry Hub	+/- US$0.10/mmbtu = -/+ US$2.1m
Urea (15)	FOB NOLA	+/- US$10/mt = +/- U$1.7m
FX EBIT Translation (16)		+/- A$/US$0.01 = -/+ A$10.4m
Asia Pacific		
AP (17)	FOB China/Saudi	+/- US$10/mt = +/- A$14.1m
Urea (18)	FOB Middle East	+/- US$10/mt = +/- A$1.3m
FX EBIT Transactional (17,18)		+/- A$/US$0.01 = -/+ A$18.3m

Note: Proxy Index prices are available on Bloomberg.

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SUSTAINABILITY

IPL's ambition to operate sustainably is driven by the Company's values which are core to the way it does business. IPL's strategy is to deliver sustainable growth and shareholder returns while proactively managing those issues most material to the long- term sustainability of its business, the broader environment and the communities in which IPL operates.

Issues considered material to the sustainability of the Company are included in its 2022 Annual Report, 2022 Corporate Governance Statement, the IPL Climate Change Report (2022) expected to be released in late November 2022, and in the online 2022 Sustainability Report which will be released in February 2023.

This year will mark the 12th year in which the Company has produced a stand-alone, GRI-aligned Sustainability Report and the second year in which it has released a stand-alone TCFD-aligned Climate Change Report. These comprehensive reports demonstrate its commitment to transparency and to effectively and efficiently informing and meeting the needs of its diverse stakeholder group.

The IPL Sustainability Steering Committee is chaired by IPL's MD & CEO and comprises executive management members. The committee provides executive oversight of the sustainability strategy and direction on the management of Environmental, Social and Governance issues material to the long-term sustainability of the IPL Group.

In addition to these, IPL will release its third annual Modern Slavery Statement in April 2023. IPL is committed to respecting human rights and addressing modern slavery risks in its operations and supply chains. This Statement sets out the actions taken in FY22, including the establishment of a cross functional working group, expanding modern slavery training across the Company, and future plans, such as risk assessments and audits of suppliers, partners, and other organisations with whom we do business.

Sustainability Performance Benchmarking

IPL has been a member of the Dow Jones Sustainability Index (DJSI) since 2010. Selection for the index is made after a review of IPL's sustainability reporting as well as a comprehensive Corporate Sustainability Assessment questionnaire conducted by S&P Global. IPL's performance is benchmarked against peers in the global Chemicals sector. The results since 2017 are represented below.

S&P Global DJSI Corporate Sustainability Assessment

Calendar Year	2022	2021	2020	2019	2018	2017
DJSI Dimension						
Economic	78	81	78	72	71	73
Environmental	72	69	71	73	64	61
Social	69	65	58	60	57	68
Total for IPL	**73**	**72**	**69**	**69**	**65**	**68**
Chemicals sector average	26	30	36	47	44	53

The Company is also a member of the FTSE4Good Index and Bloomberg Gender Equality Index, completes the CDP Climate Change and Water Security reports each year, and is rated by EcoVadis, MSCI, Sustainalytics, Moody's VE Connect and CGI Glass Lewis.

Zero Harm (Safety and Environment)

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

During 2022, IPL continued to work towards its ambition to achieve industry leading performance in occupational health, personal safety, process safety and reducing our impact on the environment.

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

» TRIFR of 0.7, a 20% reduction from FY21 actual;

» Year-on-year reduction in Tier 1 and Tier 2 Process Safety Incidents; and

» Zero Significant Environmental Incidents.

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

Sustainability Yearbook
Member 2021
S&P Global

FTSE4Good

In 2022, the FTSE Group confirmed that IPL has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to remain a constituent of the FTSE4Good Index Series for the ninth consecutive year. Companies in the FTSE4Good Index Series have met stringent environmental, social and governance criteria.

CDP
DISCLOSER
2022

CDP Climate Change Reporter since 2009:

IPL has been a voluntary CDP (formerly Carbon Disclosure Project) reporter since 2009. Our most recent CDP Climate Change report can be downloaded from our website.

CDP Water Security Reporter since 2014:

IPL has been a voluntary CDP water reporter since its introduction in 2014 and uses the WRI Aqueduct Water Tool to assess and report on water risks. Our most recent CDP Water Security report can be downloaded from our website.

Bloomberg
Gender-Equality
Index
2022

IPL was admitted to the Bloomberg Gender-Equality Index (GEI) in 2022 for the fourth consecutive year. The GEI is a modified market capitalization-weighted index that aims to track the performance of public companies committed to transparency in gender-data reporting. The reference index measures gender equality across five pillars: female leadership & talent pipeline, equal pay & gender pay parity, inclusive culture, anti-sexual harassment policies, and pro-women brand.

SILVER
2021
ecovadis
Sustainability
Rating

EcoVadis Member since 2015

EcoVadis is assessed biennially.

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The Group's FY22 performance against key HSE metrics is included in the table below. While the targeted TRIFR was not achieved, injuries that have resulted in serious harm have continued to decrease over the last three years and reducing the number of Process Safety Incidents continues to be a major focus of IPL's safety efforts.

ZERO HARM	FY22	FY21
Key Metrics		
TRIFR	0.89	0.87
Process Safety Incidents	25	38
Significant Environmental Incidents	0	0

Gender Diversity

Diversity, equity and inclusion (DEI) is integral to IPL's corporate ambition of generating future earnings growth and increasing shareholder returns. The Company continues to expand the diversity of its workforce and has a stretch target to increase gender diversity by 10% year-on-year.

The percentage of female employees across the organisation at 30 September 2022 is presented in the table below:

GENDER DIVERSITY	FY22	FY21	FY20	FY19
	%	%	%	%
Board [19]	43	43	50	50
Executive Team [19]	30	38	20	30
Senior Management	21	21	20	22
Professional/Management	24	19	20	19
Global Workforce	19	18	18	17

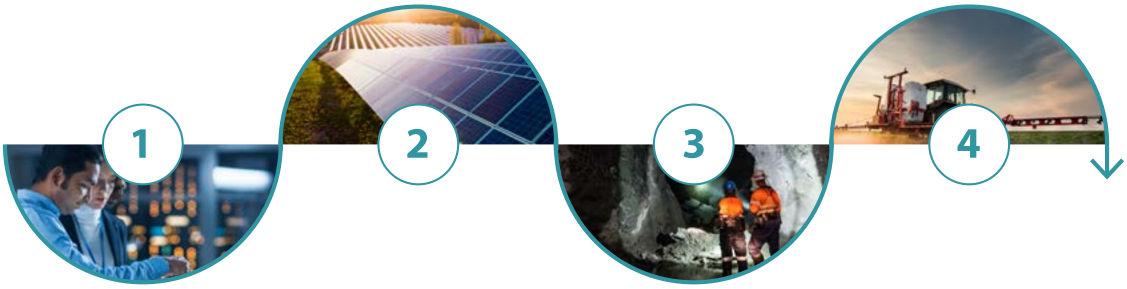
*The Board and Executive Team each includes the Managing Director & CEO

As reported under 'Sustainability Performance Benchmarking' on the previous page, the Company was again selected for inclusion in the Bloomberg Gender-Equality Index (GEI) during 2022. The GEI standardised reporting framework offers public companies the opportunity to disclose information on how they promote gender equality. Reporting companies that score above a globally established threshold, based on the extent of disclosures and the achievement of best-in-class statistics and policies, are included in the GEI.

MANAGING CLIMATE CHANGE

IPL's Climate Change Policy outlines its approach to managing the impacts of climate change and describes how the management of the risks, opportunities and impacts associated with climate change is integrated into its six strategic drivers, on which the success of the Company is built.

The IPL Climate Change Report (2022) due to be released in late November 2022 makes disclosures which align with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).



OUR CLIMATE STRATEGY PILLARS

IPL'S SIX STRATEGIC DRIVERS

ENSURING STRONG GOVERNANCE

Talented and Engaged People: The right people in the right roles, within a culture of innovation, with climate change management roles, responsibilities and accountabilities clearly defined.

REDUCING OPERATIONAL EMISSIONS

Manufacturing Excellence: Reduce emissions, increase efficiencies and explore new technology.

DELIVERING PRODUCTS AND STRATEGIES THAT REDUCE SCOPE 3 EMISSIONS

Leading Technology Solutions: Develop and deliver products and services which reduce customer GHG.

Customer Focus: Partner strategically for customer solutions and sustainable product use.

MANAGING STRATEGIC BUSINESS RISKS AND OPPORTUNITIES

Profitable Growth: Manage climate-related financial risks and opportunities strategically.

Zero Harm: Build resilience to physical climate change risks and advocate for a just transition

Governance and Strategy

The Decarbonisation and Energy Transition (DET) Steering Committee was formed in 2021 with the aims of evaluating new market opportunities relating to key decarbonisation mega-trends and achieving Net Zero emissions as soon as practicable.

The committee is chaired by IPL's MD&CEO and comprises executive team members including IPL's Chief Strategy and Sustainability Officer. It provides executive oversight of strategy development, and the evaluation and prioritisation of opportunities relating to decarbonisation and energy transition that are consistent with IPL's core skills and capabilities. More detail on IPL's governance and strategic management of climate change-related issues is in Section 1 of the IPL Climate Change Report (2022) due to be released in late November 2022.

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Pathway to Net Zero

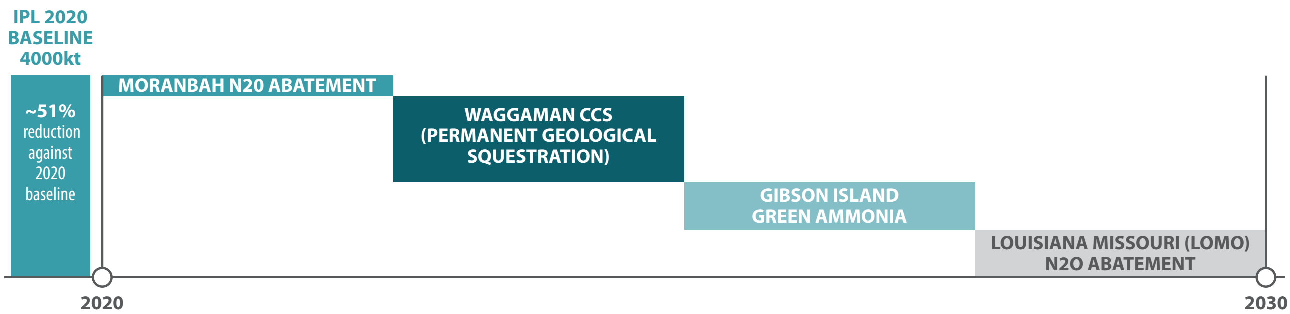
During 2022, IPL identified and progressed four significant projects that aim to deliver more than 42% operational GHG emission reductions by 2030 against our 2020 baseline for our current portfolio. Progress on major projects includes:

- Approval of the Moranbah Tertiary N2O Abatement project, with installation targeted for 2024. This project will reduce operational GHG by approximately 200,000 tCO2e per year, or ~5% of IPL's global operational GHG. A similar project is being developed for our LOMO AN facility, which would reduce IPL's global operational GHG by a further ~12%.
- Progression of the Gibson Island Green Ammonia Project, a partnership with Fortescue Future Industries (FFI), to Front End Engineering Design (FEED), supported by an A$13.7m ARENA grant. Should the project proceed to a final investment decision, it would be Australia's first industrial scale green ammonia production facility, demonstrating existing infrastructure can be retrofitted to utilise zero-emissions energy sources. It is proposed that FFI would construct and operate an on-site water electrolysis plant utilising renewable grid electricity to produce hydrogen, with IPL operating the ammonia manufacturing facility. This renewable hydrogen source would eliminate Gibson Island's use of natural gas, reducing GHG emissions by more than 400,000 tCO2e annually, or circa 12% of IPL's global operational GHG.
- Approval of a FEED study for a Carbon Capture Facility (CCF) at the Dyno Nobel Waggaman, Louisiana ammonia manufacturing facility. The CCF will capture the pure stream of CO2 created during the ammonia manufacturing process, with only compression and drying required before transportation and permanent geological sequestration. MOUs have been signed with a number of potential local partners, with experience in using proven technology and management techniques to meet the very stringent regulatory requirements set by the US EPA for Class VI wells, to transport and sequester the CO2. Subject to the successful completion of the FEED study, construction of a CO2 compression and drying system at Waggaman is expected to be completed by the end of 2025. This would result in a ~22% reduction in operational GHG against IPL's 2020 baseline.

Significant progress on managing Scope 3 GHG emissions was also made during 2022. A specialist third party was engaged to review IPL's Scope 3 calculations methodology and reduction opportunities, and to investigate Science Based Targets for IPL and its businesses. This work has confirmed IPL's global Scope 1&2 emissions calculations with only minor changes. It also aligned our Scope 3 calculation methodology more fully with the GHG Protocol Scope 3 Calculation Guidance, resulting in a more complete Scope 3 inventory and baseline from which to move forward.

Our business units integrated Scope 3 emissions management into their business strategies and are targeting FY23 delivery of a management framework with systems in place to track and manage Scope 3 by FY25. A supply chain partner with experience in Scope 3 has been engaged to assist our businesses in obtaining supplier specific emissions factors and working with value chain partners to collaborate on reducing Scope 3.

Pathway to >42% operational GHG reduction by 2030 *



* This diagram is not indicative of firm implementation timeline for each individual project. The approximate GHG reductions shown above are against IPL's 2020 operational Scope 1 & 2 baseline of 3,991,396 tCO2e, which is based on IPL's current asset portfolio. Other projects across the IPL group (eg. debottlenecking AN Production) may lead to the net GHG Scope 1 & 2 emissions reduction being less than 51%. Funding for the Moranbah tertiary N2O abatement project has been sanctioned. The other projects remain subject to satisfactory completion of FEED and Final Investment Decision.

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DEFINITIONS AND NOTES

(1) Return in invested capital, calculated as 12 month rolling Net Operating Profit After Tax, excluding individually material items/13 month rolling average operating fixed assets and intangible assets and operating net working capital.

(2) Net debt comprises the net of interest-bearing liabilities, cash and cash equivalents, and the fair value of derivative instruments economically hedging the Group's interest-bearing liabilities.

(3) Net debt (adjusted for average exchange rate for the year)/EBITDA incl TWC facilities ratio is calculated using 12 month rolling EBITDA ex IMIs. Net debt for this ratio has been adjusted to include the usage of factoring and reverse factoring facilities.

(4) Net debt (adjusted for average exchange rate for the year)/EBITDA ratio is calculated using 12 month rolling EBITDA ex IMIs.

(5) Interest Cover = 12 month rolling EBITDA ex IMIs/net interest expense before accounting adjustments.

(6) TRIFR is calculated as the number of recordable incidents per 200,000 hours worked and includes contractors. TRIFR results are subject to finalisation of the classification of any pending incidents.

(7) Tier 1 and Tier 2 Process Safety Incidents as defined by the Center for Chemical Process Safety.

(8) Significant Environmental Incidents as assessed against IPL's internal risk matrix with actual consequences of 5 or higher on a 6-level scale.

(9) Underlying interest expense represents total borrowing costs less non-cash interest unwind, representing the discount unwind on the Group's long-term liabilities.

(10) Average TWC as % of revenue = 13-month average trade working capital/12 months rolling revenue.

(11) Waggaman's ammonia sales prices are based on a combination of index Ammonia Tampa prices and 1-month lagged index Ammonia Tampa prices. The index price shown in the table represents the average index price for the financial year adjusted for the one-month lag.

(12) Average closing price of Nymex Henry Hub 1-month futures.

(13) Based on 800k mt Waggaman plant nameplate production less an allowance for a potential 4 week outage to allow for the installation of a replacement cooler (if required) and internal sales volumes of 140k mt.

(14) Based on 800k mt Waggaman plant nameplate production less an allowance for a potential 4 week outage to allow for the installation of a replacement cooler (if required) and internal sales volumes of 140k mt. and gas efficiency of 35 mmbtu/tonne of ammonia (the efficiency achieved in FY22).

(15) Based on St Helens plant capacity of 175k mt of urea equivalent product.

(16) Based on actual FY22 Dyno Nobel Americas EBIT of US$533m and an average foreign exchange rate of A$/U$ 0.71.

(17) Based on Phosphate Hill plant nameplate production of 1 million tonnes; average FY22 realised AP price of US$851; and an average foreign exchange rate of A$/U$ 0.71

(18) Based on estimated FY23 Gibson Island production sold subject to urea price movement of 118k mt; average realised FY22 urea price of US$710; and an average foreign exchange rate of A$/U$ 0.71.

(19) The Board and Executive Team each includes the Managing Director & CEO.

DISCLAIMER

Forward-looking statements: This report contains information that is based on projected and/or estimated expectations, assumptions or outcomes. Forward looking statements are subject to a range of risk factors. Incitec Pivot Limited (IPL) cautions against reliance on any forward-looking statements, particularly in light of the volatile and uncertain geopolitical and economic landscape. IPL has prepared this information based on its current knowledge and understanding and in good faith, however there are risks and uncertainties involved which could cause results to differ from projections. IPL will not be liable for the correctness and/or accuracy of the information, nor any differences between the information provided and actual outcomes and reserves the right to change its projections from time to time. IPL undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this report, subject to disclosure obligations under the applicable law and ASX listing rules.

APPENDIX

Note: Numbers in this report are subject to rounding. Definitions and Notes appear on page 19 of this report. All figures are in A$ and metric tonnes (mt) except where noted.

INCITEC PIVOT LIMITED FINANCIAL PERFORMANCE	September 2022 FY	September 2022 HY	March 2022 HY	September 2021 FY	September 2021 HY	March 2021 HY	September 2020 FY	September 2020 HY	March 2020 HY	September 2019 FY	September 2019 HY	March 2019 HY
VOLUMES SOLD ('000 tonnes)												
FERTILISERS ASIA PACIFIC												
Distribution												
- Domestic Ag	1,532.9	870.4	662.5	1,820.4	1,124.1	696.3	1,844.4	1,099.5	744.9	1,596.6	1,036.4	560.2
- Industrial and Trading	222.4	136.7	85.7	230.8	121.2	109.6	217.1	111.3	105.8	239.7	144.0	95.7
Manufacturing												
- Phosphate Hill	746.8	383.2	363.6	949.0	536.1	412.9	982.7	534.2	448.5	667.4	357.6	309.8
- Gibson Island	161.9	73.0	88.9	196.5	109.8	86.7	192.4	110.8	81.6	166.7	114.7	52.0
- Geelong	296.7	89.1	207.6	357.6	162.9	194.7	332.6	166.6	166.0	315.8	162.7	153.1
Intercompany Eliminations	(384.8)	(74.2)	(310.6)	(334.2)	(90.9)	(243.3)	(433.3)	(148.4)	(284.9)	(233.8)	(83.8)	(150.0)
	2,575.9	1,478.2	1,097.7	3,220.1	1,963.2	1,256.9	3,135.9	1,874.0	1,261.9	2,752.4	1,731.6	1,020.8
Quantum (third party sales)	95.2	65.0	30.2	326.2	247.0	79.2	439.6	363.6	76.0	625.6	360.2	265.4
	AU$ mill	**AU$ mill**	**AU$ mill**	**AU$ mill**	**AU$ mill**	**AU$ mill**	**AU$ mill**	**AU$ mill**	**AU$ mill**	**AU$ mill**	**AU$ mill**	**AU$ mill**
BUSINESS SEG SALES												
Manufacturing	991.3	656.9	334.4	836.4	593.6	242.8	554.4	341.3	213.1	510.5	306.5	204.0
Distribution	1,656.5	1,028.0	628.5	1,058.2	672.7	385.5	947.6	544.2	403.4	908.9	559.9	349.0
Total Fertilisers	2,647.8	1,684.9	962.9	1,894.6	1,266.3	628.3	1,502.0	885.5	616.5	1,419.4	866.4	553.0
DNAP	1,200.4	683.4	517.0	937.8	482.0	455.8	999.2	507.3	491.9	990.7	520.2	470.5
Elimination	(27.8)	(16.4)	(11.4)	(25.8)	(16.6)	(9.2)	(18.5)	(11.4)	(7.1)	(13.4)	(10.4)	(3.0)
Total Asia Pacific	3,820.4	2,351.9	1,468.5	2,806.6	1,731.7	1,074.9	2,482.7	1,381.4	1,101.3	2,396.7	1,376.2	1,020.5
Americas - DNA	2,532.9	1,434.7	1,098.2	1,588.7	917.6	671.1	1,506.5	737.7	768.8	1,569.0	824.1	744.9
Group Eliminations	(38.0)	(19.6)	(18.4)	(46.8)	(24.9)	(21.9)	(47.0)	(24.8)	(22.2)	(47.5)	(24.4)	(23.1)
Total Sales - IPL Group	***6,315.3***	***3,767.0***	***2,548.3***	***4,348.5***	***2,624.4***	***1,724.1***	***3,942.2***	***2,094.3***	***1,847.9***	***3,918.2***	***2,175.9***	***1,742.3***
GEOGRAPHIC SEG SALES												
Australia	3,639.0	2,219.9	1,419.1	2,739.7	1,696.7	1,043.0	2,399.0	1,342.5	1,056.5	2,304.8	1,329.1	975.7
North Americas	2,514.8	1,422.2	1,092.6	1,564.0	904.6	659.4	1,487.3	731.2	756.1	1,538.2	807.9	730.3
Turkey	74.6	44.4	30.2	38.9	20.0	18.9	50.5	23.9	26.6	50.3	26.8	23.5
France	41.5	41.5	-	-	-	-	-	-	-	-	-	-
Other	45.4	39.0	6.4	5.9	3.1	2.8	5.4	(3.3)	8.7	24.9	12.1	12.8
Total - IPL Group	***6,315.3***	***3,767.0***	***2,548.3***	***4,348.5***	***2,624.4***	***1,724.1***	***3,942.2***	***2,094.3***	***1,847.9***	***3,918.2***	***2,175.9***	***1,742.3***
BUSINESS SEG EBITDA (excluding IMIs)												
Manufacturing	639.8	361.3	278.5	303.8	255.6	48.2	57.7	46.6	11.1	(46.6)	(33.4)	(13.2)
Distribution	69.2	41.3	27.9	78.3	50.8	27.5	71.3	43.1	28.2	47.0	29.3	17.7
Total Fertilisers	709.0	402.6	306.4	382.1	306.4	75.7	129.0	89.7	39.3	0.4	(4.1)	4.5
DNAP	251.0	129.8	121.2	219.5	109.4	110.1	230.7	119.4	111.3	255.4	140.0	115.4
Total Asia Pacific	960.0	532.4	427.6	601.6	415.8	185.8	359.7	209.1	150.6	255.8	135.9	119.9
Americas - DNA	939.8	599.2	340.6	359.9	250.9	109.0	396.3	196.6	199.7	376.6	220.0	156.6
Group Elimination	0.4	(0.6)	1.0	(2.1)	(1.6)	(0.5)	(0.3)	1.0	(1.3)	(1.7)	(0.5)	(1.2)
Corporate	(42.5)	(24.7)	(17.8)	(24.5)	(15.9)	(8.6)	(25.2)	(13.7)	(11.5)	(25.4)	(14.3)	(11.1)
Total EBITDA (excluding IMIs) - IPL Group	***1,857.7***	***1,106.3***	***751.4***	***934.9***	***649.2***	***285.7***	***730.5***	***393.0***	***337.5***	***605.3***	***341.1***	***264.2***
BUSINESS SEG Depreciation and Amortisation												
Manufacturing	(76.7)	(36.5)	(40.2)	(95.0)	(48.8)	(46.2)	(86.1)	(44.9)	(41.2)	(73.0)	(39.1)	(33.9)
Distribution	(18.6)	(9.3)	(9.3)	(18.7)	(9.4)	(9.3)	(16.7)	(8.7)	(8.0)	(7.1)	(4.0)	(3.1)
Total Fertilisers	(95.3)	(45.8)	(49.5)	(113.7)	(58.2)	(55.5)	(102.8)	(53.6)	(49.2)	(80.1)	(43.1)	(37.0)
DNAP	(88.5)	(46.4)	(42.1)	(79.3)	(39.4)	(39.9)	(81.4)	(41.2)	(40.2)	(76.2)	(37.4)	(38.8)
Total Asia Pacific	(183.8)	(92.2)	(91.6)	(193.0)	(97.6)	(95.4)	(184.2)	(94.8)	(89.4)	(156.3)	(80.5)	(75.8)
Americas - DNA	(180.5)	(91.7)	(88.8)	(170.0)	(92.4)	(77.6)	(165.5)	(79.2)	(86.3)	(142.6)	(73.9)	(68.7)
Corporate / Elimination	(8.2)	(5.4)	(2.8)	(5.5)	(3.0)	(2.5)	(6.3)	(3.7)	(2.6)	(2.7)	(1.7)	(1.0)
Total Depreciation and Amortisation - IPL Group	***(372.5)***	***(189.3)***	***(183.2)***	***(368.5)***	***(193.0)***	***(175.5)***	***(356.0)***	***(177.7)***	***(178.3)***	***(301.6)***	***(156.1)***	***(145.5)***
BUSINESS SEG EBIT (excluding IMIs)												
Manufacturing	563.1	324.8	238.3	208.8	206.8	2.0	(28.4)	1.7	(30.1)	(119.6)	(72.5)	(47.1)
Distribution	50.6	32.0	18.6	59.6	41.4	18.2	54.6	34.4	20.2	39.9	25.3	14.6
Total Fertilisers	613.7	356.8	256.9	268.4	248.2	20.2	26.2	36.1	(9.9)	(79.7)	(47.2)	(32.5)
DNAP	162.5	83.4	79.1	140.2	70.0	70.2	149.3	78.2	71.1	179.2	102.6	76.6
Total Asia Pacific	776.2	440.2	336.0	408.6	318.2	90.4	175.5	114.3	61.2	99.5	55.4	44.1
Americas - DNA	759.3	507.5	251.8	189.9	158.5	31.4	230.8	117.4	113.4	234.0	146.1	87.9
Group Elimination	0.8	(0.2)	1.0	(1.8)	(1.3)	(0.5)	(0.1)	1.2	(1.3)	(1.7)	(0.5)	(1.2)
Corporate	(51.1)	(30.5)	(20.6)	(30.3)	(19.2)	(11.1)	(31.7)	(17.6)	(14.1)	(28.1)	(16.0)	(12.1)
Total EBIT (excluding IMIs) - IPL Group	***1,485.2***	***917.0***	***568.2***	***566.4***	***456.2***	***110.2***	***374.5***	***215.3***	***159.2***	***303.7***	***185.0***	***118.7***
GEOGRAPHIC SEG NON-CURRENT ASSETS OTHER THAN FINANCIAL INSTRUMENTS AND DEFERRED TAX ASSETS												
Australia	3,544.2	3,544.2	3,412.5	3,435.3	3,435.3	3,504.3	3,549.2	3,549.2	3,589.3	3,412.8	3,412.8	3,350.9
North Americas	4,382.2	4,382.2	3,742.2	3,962.1	3,962.1	3,852.6	4,022.8	4,022.8	4,672.3	4,254.4	4,254.4	4,004.8
Turkey	1.9	1.9	1.6	2.4	2.4	2.2	2.0	2.0	2.7	1.6	1.6	1.5
France	108.2	108.2	-	-	-	-	-	-	-	-	-	-
Other	156.8	156.8	129.3	125.8	125.8	122.5	117.5	117.5	142.8	127.4	127.4	180.1
Total - IPL Group	***8,193.3***	***8,193.3***	***7,285.6***	***7,525.6***	***7,525.6***	***7,481.6***	***7,691.5***	***7,691.5***	***8,407.1***	***7,796.2***	***7,796.2***	***7,537.3***
FINANCIAL PERFORMANCE												
EBIT	1,485.2	917.0	568.2	566.4	456.2	110.2	374.5	215.3	159.2	303.7	185.0	118.7
Net Interest	(107.2)	(61.4)	(45.8)	(112.8)	(49.3)	(63.5)	(135.7)	(60.4)	(75.3)	(144.1)	(76.5)	(67.6)
Operating Profit Before Tax and Minorities	1,378.0	855.6	522.4	453.6	406.9	46.7	238.8	154.9	83.9	159.6	108.5	51.1
Income Tax (Expense)/ Benefit	(350.8)	(212.4)	(138.4)	(95.0)	(84.7)	(10.3)	(50.6)	(31.3)	(19.3)	(7.5)	2.0	(9.5)
NPAT pre Individually Material Items	1,027.2	643.2	384.0	358.6	322.2	36.4	188.2	123.6	64.6	152.1	110.5	41.6
Individually Material Items Before Tax	(19.2)	(19.2)	-	(293.4)	(293.4)	-	(87.9)	(87.9)	-	-	-	-
Tax Expense - Individually Material Items	5.8	5.8	-	83.9	83.9	-	23.1	23.1	-	-	-	-
NPAT & Individually Material Items	***1,013.8***	***629.8***	***384.0***	***149.1***	***112.7***	***36.4***	***123.4***	***58.8***	***64.6***	***152.1***	***110.5***	***41.6***
NPAT attributable to shareholders of IPL	1,013.7	629.6	384.1	149.1	112.7	36.4	123.4	58.8	64.6	152.4	110.5	41.9
NPAT attributable to minority interest	0.1	0.2	(0.1)	-	-	-	-	-	-	(0.3)	-	(0.3)
	US$ mill	**US$ mill**	**US$ mill**	**US$ mill**	**US$ mill**	**US$ mill**	**US$ mill**	**US$ mill**	**US$ mill**	**US$ mill**	**US$ mill**	**US$ mill**
Americas - DNA US$ EBITDA (excluding IMIs)												
Explosives	181.1	92.7	88.4	204.2	121.7	82.5	195.4	101.8	93.6	197.6	111.8	85.8
Waggaman	387.8	273.2	114.6	41.4	45.2	(3.8)	61.1	28.9	32.2	47.5	23.8	23.7
Ag & IC	92.4	48.5	43.9	23.3	20.2	3.1	10.4	3.5	6.9	10.8	8.5	2.3
Other	-	-	-	-	-	-	-	-	-	8.0	8.0	-
Total US$ EBITDA (excluding IMIs) - Americas - DNA	***661.3***	***414.4***	***246.9***	***268.9***	***187.1***	***81.8***	***267.0***	***134.3***	***132.7***	***263.9***	***152.1***	***111.8***
Americas - DNA US$ Depreciation & Amortisation												
Explosives	(70.8)	(35.1)	(35.7)	(77.5)	(38.8)	(38.7)	(74.3)	(36.3)	(38.0)	(61.5)	(31.1)	(30.4)
Waggaman	(44.0)	(22.1)	(21.9)	(37.8)	(23.4)	(14.4)	(28.7)	(14.4)	(14.3)	(28.3)	(14.6)	(13.7)
Ag & IC	(13.7)	(6.8)	(6.9)	(12.4)	(6.8)	(5.6)	(9.1)	(3.6)	(5.5)	(10.6)	(5.6)	(5.0)
Total US$ Depreciation and Amortisation - Americas - DNA	***(128.5)***	***(64.0)***	***(64.5)***	***(127.7)***	***(69.0)***	***(58.7)***	***(112.2)***	***(54.4)***	***(57.8)***	***(100.4)***	***(51.3)***	***(49.1)***
Americas - DNA US$ EBIT (excluding IMIs)												
Explosives	110.3	57.6	52.7	126.7	82.9	43.8	121.1	65.5	55.6	136.1	80.7	55.4
Waggaman	343.8	251.1	92.7	3.6	21.8	(18.2)	32.4	14.5	17.9	19.2	9.2	10.0
Ag & IC	78.7	41.7	37.0	10.9	13.4	(2.5)	1.3	(0.1)	1.4	0.2	2.9	(2.7)
Other	-	-	-	-	-	-	-	-	-	8.0	8.0	-
Total US$ EBIT (excluding IMIs) - Americas - DNA	***532.8***	***350.4***	***182.4***	***141.2***	***118.1***	***23.1***	***154.8***	***79.9***	***74.9***	***163.5***	***100.8***	***62.7***

INCITEC PIVOT LIMITED FINANCIAL POSITION	September 2022 FY AU$ mill	September 2022 HY AU$ mill	March 2022 HY AU$ mill	September 2021 FY AU$ mill	September 2021 HY AU$ mill	March 2021 HY AU$ mill	September 2020 FY AU$ mill	September 2020 HY AU$ mill	March 2020 HY AU$ mill	September 2019 FY AU$ mill	September 2019 HY AU$ mill	March 2019 HY AU$ mill
Cash	763.5	763.5	215.3	651.8	651.8	124.0	554.6	554.6	210.9	576.4	576.4	258.1
Inventories	993.6	993.6	978.4	577.7	577.7	660.7	474.4	474.4	633.5	600.9	600.9	701.3
Trade Debtors	696.1	696.1	602.1	470.8	470.8	387.0	338.9	338.9	520.0	286.2	286.2	342.5
Trade Creditors	(1,073.8)	(1,073.8)	(802.9)	(927.8)	(927.8)	(727.3)	(798.5)	(798.5)	(953.2)	(883.0)	(883.0)	(781.0)
Trade Working Capital	615.9	615.9	777.6	120.7	120.7	320.4	14.8	14.8	200.3	4.1	4.1	262.8
Property, Plant & Equipment	4,246.9	4,246.9	3,784.7	3,928.9	3,928.9	3,996.3	4,071.7	4,071.7	4,379.0	4,190.0	4,190.0	4,068.0
Lease right-of-use assets	221.0	221.0	198.3	214.5	214.5	214.9	221.1	221.1	209.4	-	-	-
Net Property, Plant & Equipment	4,467.9	4,467.9	3,983.0	4,143.4	4,143.4	4,211.2	4,292.8	4,292.8	4,588.4	4,190.0	4,190.0	4,068.0
Intangibles	3,281.4	3,281.4	2,916.9	3,000.9	3,000.9	2,909.3	3,019.7	3,019.7	3,370.5	3,179.5	3,179.5	3,073.0
Lease liabilities	(245.9)	(245.9)	(225.7)	(242.5)	(242.5)	(241.9)	(247.7)	(247.7)	(236.0)	-	-	-
Net Other Liabilities	(881.1)	(881.1)	(610.0)	(636.9)	(636.9)	(567.8)	(560.6)	(560.6)	(709.2)	(605.8)	(605.8)	(604.4)
Net Interest Bearing Liabilities												
Current	(21.1)	(21.1)	(15.1)	(18.8)	(18.8)	(20.5)	(21.2)	(21.2)	(24.7)	(1,213.4)	(1,213.4)	(1,151.1)
Non-Current	(1,690.9)	(1,690.9)	(1,539.2)	(1,650.0)	(1,650.0)	(1,579.6)	(1,849.1)	(1,849.1)	(2,567.8)	(1,443.0)	(1,443.0)	(1,343.5)
Net Assets	***6,289.7***	***6,289.7***	***5,502.8***	***5,368.6***	***5,368.6***	***5,155.1***	***5,203.3***	***5,203.3***	***4,832.4***	***4,687.8***	***4,687.8***	***4,562.9***
Total Equity	***6,289.7***	***6,289.7***	***5,502.8***	***5,368.6***	***5,368.6***	***5,155.1***	***5,203.3***	***5,203.3***	***4,832.4***	***4,687.8***	***4,687.8***	***4,562.9***
Capital Expenditure (Accruals Basis)												
Total Capital Expenditure	***457.2***	***350.9***	***106.3***	***394.2***	***208.2***	***186.0***	***304.5***	***145.0***	***159.5***	***380.8***	***206.3***	***174.5***
Depreciation and amortisation	372.5	189.3	183.2	368.5	193.0	175.5	356.0	177.7	178.3	301.6	156.1	145.5
Ratios												
EPS, cents pre individually material items	52.9	33.1	19.8	18.5	16.6	1.9	10.9	6.9	4.0	9.5	6.9	2.6
EPS, cents post individually material items	52.2	32.5	19.7	7.7	5.8	1.9	7.1	3.1	4.0	9.5	6.9	2.6
DPS, cents	27.0	17.0	10.0	9.3	8.3	1.0	-	-	-	4.7	3.4	1.3
Franking, %	100%	100%	100%	24%	14%	100%	-	-	-	22%	30%	0%
Interest Cover (times)	20.3	20.3	18.1	9.7	9.7	6.0	6.1	6.1	5.0	4.6	4.6	5.8
ROIC (including Goodwill)	13.8%	13.8%	10.1%	5.8%	5.8%	3.2%	3.6%	3.6%	3.7%	3.3%	3.3%	4.3%
ROIC (excluding Goodwill)	20.9%	20.9%	15.4%	8.8%	8.8%	4.9%	5.6%	5.6%	5.7%	5.1%	5.1%	6.7%

INCITEC PIVOT LIMITED CASH FLOWS	September 2022 FY AU$ mill Inflows/ (Outflows)	September 2022 HY AU$ mill Inflows/ (Outflows)	March 2022 HY AU$ mill Inflows/ (Outflows)	September 2021 FY AU$ mill Inflows/ (Outflows)	September 2021 HY AU$ mill Inflows/ (Outflows)	March 2021 HY AU$ mill Inflows/ (Outflows)	September 2020 FY AU$ mill Inflows/ (Outflows)	September 2020 HY AU$ mill Inflows/ (Outflows)	March 2020 HY AU$ mill Inflows/ (Outflows)	September 2019 FY AU$ mill Inflows/ (Outflows)	September 2019 HY AU$ mill Inflows/ (Outflows)	March 2019 HY AU$ mill Inflows/ (Outflows)
Net operating cash flows												
Group EBITDA ex IMIs	1,857.7	1,106.3	751.4	934.9	649.2	285.7	730.5	393.0	337.5	605.3	341.1	264.2
Net interest paid	(83.4)	(41.2)	(42.2)	(108.7)	(46.3)	(62.4)	(135.5)	(58.7)	(76.8)	(131.1)	(68.0)	(63.1)
Net income tax paid	(117.0)	(54.2)	(62.8)	(33.1)	(18.2)	(14.9)	(13.7)	(2.0)	(11.7)	(20.8)	(6.4)	(14.4)
TWC movement (excluding FX impact)	(456.5)	228.2	(684.7)	(126.1)	196.9	(323.0)	(8.4)	169.3	(177.7)	(12.2)	301.0	(313.2)
Profit from joint ventures and associates	(43.4)	(25.4)	(18.0)	(41.9)	(26.9)	(15.0)	(32.3)	(18.1)	(14.2)	(44.9)	(27.5)	(17.4)
Dividends received from joint ventures and associates	7.9	4.5	3.4	44.6	16.9	27.7	30.9	15.1	15.8	27.5	14.0	13.5
Environmental and site clean up	(6.4)	(3.8)	(2.6)	(4.8)	(2.5)	(2.3)	(8.0)	(3.1)	(4.9)	(8.8)	(4.6)	(4.2)
Other non-TWC	(65.6)	(41.7)	(23.9)	(14.7)	(15.8)	1.1	(18.4)	(102.4)	84.0	(0.2)	(100.0)	99.8
Operating cash flows	***1,093.3***	***1,172.7***	***(79.4)***	***650.2***	***753.3***	***(103.1)***	***545.1***	***393.1***	***152.0***	***414.8***	***449.6***	***(34.8)***
Net investing cash flows												
Growth - Other	(96.1)	(60.2)	(35.9)	(51.2)	(34.1)	(17.1)	(60.2)	(24.7)	(35.5)	(55.2)	(32.0)	(23.2)
Sustenance and lease buy-outs	(337.9)	(213.0)	(124.9)	(303.8)	(162.8)	(141.0)	(218.2)	(99.6)	(118.6)	(292.9)	(144.3)	(148.6)
Proceeds from asset sales	5.7	5.0	0.7	5.7	3.2	2.5	7.4	5.5	1.9	10.8	7.4	3.4
Other	(146.4)	(144.6)	(1.8)	6.9	12.3	(5.4)	(108.4)	(39.4)	(69.0)	(4.3)	1.2	(5.5)
Investing cash flows	***(574.7)***	***(412.8)***	***(161.9)***	***(342.4)***	***(181.4)***	***(161.0)***	***(379.4)***	***(158.2)***	***(221.2)***	***(341.6)***	***(167.7)***	***(173.9)***
Net financing cash flows												
Dividends paid to members of Incitec Pivot Limited	(355.4)	(194.2)	(161.2)	(19.4)	(19.4)	-	(30.7)	-	(30.7)	(121.7)	(20.9)	(100.8)
Dividends paid to non-controlling interest holder	-	-	-	-	-	-	-	-	-	(5.9)	-	(5.9)
Payment for buy-back of shares	-	-	-	-	-	-	-	-	-	(89.7)	-	(89.7)
Proceeds on issue of shares	-	-	-	-	-	-	645.5	645.5	-	-	-	-
Purchase of IPL shares for employees	(9.0)	(7.5)	(1.5)	(1.0)	-	(1.0)	(1.3)	-	(1.3)	(0.6)	-	(0.6)
Lease liability payments	(42.9)	(21.7)	(21.2)	(41.4)	(21.5)	(19.9)	(41.9)	(21.7)	(20.2)	-	-	-
Non-cash movements in Net Debt and realised market value movements on derivatives	(143.3)	(186.8)	43.5	(221.5)	(202.0)	(19.5)	(74.6)	(11.2)	(63.4)	(175.1)	(32.5)	(142.6)
Financing cash flows	***(550.6)***	***(410.2)***	***(140.4)***	***(283.3)***	***(242.9)***	***(40.4)***	***497.0***	***612.6***	***(115.6)***	***(393.0)***	***(53.4)***	***(339.6)***
(Increase)/decrease in net debt	***(32.0)***	***349.7***	***(381.7)***	***24.5***	***329.0***	***(304.5)***	***662.7***	***847.5***	***(184.8)***	***(319.8)***	***228.5***	***(548.3)***

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