Appendix 4D
Half year report

Incitec Pivot Limited

ABN 42 004 080 264

Financial half-year ended (current period)	**Previous financial half-year ended** (previous corresponding period)
31 March 2024	31 March 2023

Results for announcement to the market

Extracts of the Incitec Pivot Limited results for the financial half-year ended 31 March 2024				**$A mill**
Revenues from ordinary activities	down	$A mill 593.8 (19.4%)	to	2,461.3
Net profit for the financial year attributable to members of Incitec Pivot Limited	down	$A mill 501.9 (141.9%)	to	(148.3)
Profit after tax excluding individually material items attributable to members of Incitec Pivot Limited	down	$A mill 197.9 (54.7%)	to	164.0
Revenues from continuing ordinary activities	down	$A mill 231.7 (8.9%)	to	2,374.9
Net profit from continuing operations for the period attributable to members of Incitec Pivot Limited	down	$A mill 418.2 (324.7%)	to	(289.4)
Profit after tax from continuing operations excluding individually material items attributable to members of Incitec Pivot Limited	down	$A mill 16.1 (11.7%)	to	121.0

Dividends	**Amount per security cents**	**Franked amount per security cents**
Current Period		
Interim dividend	4.3	–
Special dividend	10.2	–
Previous corresponding period		
Interim dividend	10.0	6.0
Year end dividend – 2023		
Final dividend	5.0	–

Record date for determining entitlements to the interim dividend: 14 June 2024.

Payment date of interim dividend: 4 July 2024.

Special dividend was paid on 8 February 2024.

The Dividend Reinvestment Plan remains suspended until further notice and will not be in operation for the 2024 interim dividend.

	Current period	**Previous corresponding period**
Net tangible asset backing per ordinary security	$1.39	$1.58

Net tangible assets include the right-of-use assets recognised under AASB 16 *Leases*.

For the profit commentary and any other significant information needed by an investor to make an informed assessment of Incitec Pivot Limited's results please refer to the accompanying Incitec Pivot Limited Profit Report.

Additional Appendix 4D disclosure requirements can be found in the notes to Incitec Pivot Limited's half-year financial report and the half-year Directors' report.

The information should be read in conjunction with Incitec Pivot Limited's 30 September 2023 Annual Financial Report.

Current period		*Previous corresponding period*	
Conduit foreign income component:		**Conduit foreign income component:**	
Interim dividend		Interim dividend	
Ordinary	4.3	Ordinary	4.0
Special dividend		Final dividend	
Ordinary	10.2	Ordinary	5.0

Contents

Directors' Report

The Directors of Incitec Pivot Limited (IPL) present their report together with the financial report for the half-year ended 31 March 2024 and the auditor's review report thereon.

Directors

The Directors of the Company during the financial half-year and up to the date of this report are:

Name and qualifications	Period of directorship
Non-executive directors	
G Robinson Bsc (Hon), MBA, MAICD	Commenced as a director on 25 November 2019 and appointed Chairman on 11 November 2023
B Brook BCom, BAcc, FCA, MAICD	Commenced as a director on 3 December 2018
X Liu PhD (Extractive Metallurgy), BEng (Extractive Metallurgy), GAICD, FAusIMM, FTSE	Commenced as a director on 25 November 2019 and resigned as a director with effect from 31 May 2024
T Dwyer BJuris (Hons), LLB (Hons), GAICD	Commenced as a director on 20 May 2021
M Carroll BAgSc, MBA, FAICD	Commenced as a director on 6 March 2023
J Ho BSc (Math), BCom (First Class Honours & University Medal)	Commenced as a director on 6 March 2023
B Kruger BEc	Ceased to be a director and Chairman on 11 November 2023
G Biltz BChE, MBA, NACD.DC	Ceased to be a director on 20 December 2023
Executive director	
M Neves de Moraes BEng, MSBA	Commenced as CEO & Managing Director on 22 January 2024

Review of operations

A review of the operations of IPL and its controlled entities (collectively the 'Group') during the half-year ended 31 March 2024 is contained in the accompanying IPL Profit Report.

Sale of Waggaman facility

On 1 December 2023, the Group completed the sale of its ammonia manufacturing facility located in Waggaman, Louisiana, USA (WALA) to CF Industries Holdings Inc (CF) for a total value of $2.3b.

The Group also secured a 25-year ammonia supply agreement with CF for up to 200,000 short tonnes of ammonia per annum at producer cost to support the Dyno Nobel Americas explosives business.

As a result of the agreement, IPL retains access to approximately 25% of the equivalent WALA volumes and the associated financial and strategic benefits.

The supply agreement has been assigned a value of $454.3m which offset part of the proceeds, resulting in net cash proceeds of $1.8b after transaction costs. The Group recorded a gain on sale after tax of $98.1m which included a gain of $254.1m relating to the release of the foreign currency translation reserve attributable to WALA as required by Australian Accounting Standards.

Refer to note 10 of the financial statements for the earnings, cash flows and statement of financial position of the WALA discontinued operations.

Impairment of Fertilisers Cash Generating Unit (CGU)

Due to a range of factors, including the progression of the Fertilisers separation process and the continued uncertainty regarding the near-term and long-term cost of gas for Incitec Pivot Fertilisers (IPF), impairment testing was performed on the Fertilisers CGU. As a result of the testing, the Group has recognised a gross impairment charge of $498.2m, reducing the carrying value of the business to $1.1b on a value-in-use basis (refer to note 11 in the half-year financial report).

Capital management

On 8 February 2024, the Company returned $500.0m of surplus capital to shareholders. The cash distribution of 25.7 cents per share is in the form of a 15.6 cents per share capital reduction, totalling $302.4m and an unfranked special dividend of 10.2 cents per share, totalling $197.5m.

IPL remains committed to executing the on-market share buyback of up to $900.0m as previously announced. The buyback has not yet commenced due to IPL being in the possession of market sensitive information relating to the potential sale of the Fertilisers business.

Events subsequent to reporting date

Since the end of the half-year, in May 2024 the directors determined to pay an interim dividend for the Company of 4.3 cents per share, unfranked, to be paid on 4 July 2024 (refer to note 8 in the half-year financial report).

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 4 and forms part of the Directors' report for the half-year ended 31 March 2024.

Rounding

As the Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts shown in this report and in the financial statements have been rounded off, except where otherwise stated, to the nearest one hundred thousand dollars.

This report is made in accordance with a resolution of Directors. Signed on behalf of the Board.

Greg Robinson
Chairman
16 May 2024

Mauro Neves
CEO & Managing Director
16 May 2024

Deloitte Touche Tohmatsu
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16 May 2024

The Board of Directors
Incitec Pivot Limited
Level 8, 28 Freshwater Place
Southbank Victoria 3006

Dear Board Members

Auditor's Independence Declaration to Incitec Pivot Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Incitec Pivot Limited.

As lead audit partner for the review of the half-year financial report of Incitec Pivot Limited for the half-year ended 31 March 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Suzana Vlahovic
Partner
Chartered Accountants

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 March 2024

	Notes	March 2024 $mill	March 2023 $mill
Continuing operations			
Revenue	(5)	**2,374.9**	2,606.6
Financial and other income	(5)	**80.3**	37.8
Share of profit of equity accounted investments		**18.4**	23.7
Operating expenses			
Changes in inventories of finished goods and work in progress		**229.5**	77.0
Raw materials and consumables used and finished goods purchased for resale		**(1,389.7)**	(1,451.7)
Employee expenses		**(480.6)**	(434.3)
Depreciation and amortisation		**(176.0)**	(161.6)
Financial expenses		**(81.9)**	(76.3)
Purchased services		**(126.8)**	(130.9)
Repairs and maintenance		**(106.7)**	(108.3)
Outgoing freight		**(157.2)**	(167.9)
Lease payments		**(17.5)**	(15.6)
Asset impairment	(11)	**(498.2)**	–
Other expenses		**(34.1)**	(35.1)
(Loss)/Profit before income tax		**(365.6)**	163.4
Income tax benefit/(expense)		**76.3**	(34.8)
(Loss)/Profit for the half-year from continuing operations		**(289.3)**	128.6
Discontinued operations			
Profit for the period from discontinued operations		**43.0**	224.8
Gain on sale of discontinued operations		**98.1**	–
Profit for the half-year from discontinued operation	(10)	**141.1**	224.8
(Loss)/Profit for the half-year		**(148.2)**	353.4
Other comprehensive (loss)/income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Actuarial loss on defined benefit plans		**(0.9)**	(4.6)
Income tax relating to items that will not be reclassified subsequently to profit or loss		**0.3**	1.2
		(0.6)	(3.4)
Items that may be reclassified subsequently to profit or loss			
Continuing operations			
Fair value (loss)/gain on cash flow hedges		**(2.1)**	17.5
Cash flow hedge loss transferred to profit or loss		**8.8**	38.7
Exchange differences on translating foreign operations		**(46.0)**	(18.5)
Net gain on net investment hedges		**6.8**	22.9
Income tax relating to items that may be reclassified subsequently to profit or loss		**(2.0)**	(17.1)
Continuing operations other comprehensive (loss)/income for the half-year		**(34.5)**	43.5
Discontinued operations			
Exchange differences on translating foreign operations		**(48.2)**	(79.5)
FCTR gain on sale of discontinued operations transferred to profit or loss	(10)	**(254.1)**	–
Discontinued operations other comprehensive loss for the half-year		**(302.3)**	(79.5)
Total other comprehensive loss for the half-year, net of income tax		**(337.4)**	(39.4)
Total comprehensive (loss)/income for the half-year		**(485.6)**	314.0

	Notes	March 2024 $mill	March 2023 $mill
(Loss)/Profit attributable to:			
Members of Incitec Pivot Limited from continuing operations		**(289.4)**	128.8
Members of Incitec Pivot Limited from discontinued operations		**141.1**	224.8
Non-controlling interest		**0.1**	(0.2)
(Loss)/Profit for the half-year		**(148.2)**	353.4
Total comprehensive (loss)/income attributable to:			
Members of Incitec Pivot Limited from continuing operations		**(324.5)**	168.9
Members of Incitec Pivot Limited from discontinued operations		**(161.2)**	145.3
Non-controlling interest		**0.1**	(0.2)
Total comprehensive (loss)/income for the half-year		**(485.6)**	314.0
Earnings per share			
Basic (cents per share)	(6)	**(7.6)**	18.2
Diluted (cents per share)	(6)	**(7.6)**	18.2
Earnings per share from continuing operations			
Basic (cents per share)	(6)	**(14.9)**	6.6
Diluted (cents per share)	(6)	**(14.9)**	6.6

Consolidated Statement of Financial Position

As at 31 March 2024

	Notes	March 2024 $mill	September 2023 $mill
Current assets			
Cash and cash equivalents	(13)	**1,401.3**	399.4
Trade and other receivables		**677.5**	570.1
Inventories		**1,055.1**	817.4
Other assets		**84.0**	80.2
Other financial assets	(14)	**2.7**	5.6
Current tax asset		**160.5**	117.6
Assets classified as held for sale	(10)	**–**	2,262.9
Total current assets		**3,381.1**	4,253.2
Non-current assets			
Trade and other receivables		**20.7**	27.8
Other assets		**14.9**	21.8
Other financial assets	(14)	**9.4**	11.3
Equity accounted investments		**407.5**	404.8
Property, plant and equipment		**2,867.9**	3,182.7
Right-of-use lease assets		**215.2**	209.3
Intangible assets		**2,644.2**	2,394.4
Deferred tax assets		**9.4**	9.7
Exploration and evaluation assets		**31.1**	30.3
Total non-current assets		**6,220.3**	6,292.1
Total assets		**9,601.4**	10,545.3
Current liabilities			
Trade and other payables		**1,158.4**	1,059.3
Lease liabilities		**43.6**	41.3
Interest bearing liabilities	(13)	**20.7**	21.1
Other financial liabilities	(14)	**5.7**	9.7
Provisions		**102.5**	108.8
Current tax liabilities		**497.5**	11.6
Liabilities directly associated with assets classified as held for sale	(10)	**-**	55.6
Total current liabilities		**1,828.4**	1,307.4
Non-current liabilities			
Trade and other payables		**7.5**	10.8
Lease liabilities		**197.9**	193.4
Interest bearing liabilities	(13)	**1,712.6**	1,710.6
Other financial liabilities	(14)	**67.6**	87.1
Provisions		**146.4**	132.7
Deferred tax liabilities		**277.5**	657.8
Retirement benefit obligation		**21.5**	18.8
Total non-current liabilities		**2,431.0**	2,811.2
Total liabilities		**4,259.4**	4,118.6
Net assets		**5,342.0**	6,426.7
Equity			
Issued capital	(9)	**3,503.7**	3,806.2
Reserves		**(194.1)**	144.7
Retained earnings		**2,032.4**	2,475.9
Non-controlling interest		**–**	(0.1)
Total equity		**5,342.0**	6,426.7

Consolidated Statement of Cash Flows

For the half-year ended 31 March 2024

	Notes	March 2024 $mill	March 2023 $mill
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)
(Loss)/Profit after tax for the half-year		**(148.2)**	353.4
Adjusted for non-cash items			
Net finance cost		**54.3**	72.6
Depreciation and amortisation		**176.0**	172.7
Impairment of Fertilisers assets		**498.2**	–
Gain on sale of discontinued operations before tax		**(365.3)**	–
Share of profit of equity accounted investments		**(18.4)**	(23.7)
Net gain on sale of property, plant and equipment		**(13.0)**	(6.8)
Non-cash share-based payment transactions		**2.5**	2.4
Income tax expense		**206.0**	113.7
Changes in assets and liabilities			
(Increase)/decrease in receivables and other operating assets		**(108.5)**	74.5
Increase in inventories		**(252.5)**	(85.6)
Increase/(decrease) in payables, provisions and other operating liabilities		**124.1**	(276.5)
		155.2	396.7
Adjusted for cash items			
Dividends received		**13.1**	18.4
Interest received		**27.5**	4.1
Interest paid		**(71.6)**	(67.8)
Income tax paid		**(142.0)**	(203.8)
Net cash flows from operating activities		**(17.8)**	147.6
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles		**(180.7)**	(227.1)
Proceeds from sale of property, plant and equipment		**18.1**	14.2
Proceeds from sale of discontinued operations, net of transaction costs		**1,805.4**	–
Payment for acquisition of subsidiaries, non-controlling interests & equity investments		**(4.3)**	–
Net cash flows from investing activities		**1,638.5**	(212.9)
Cash flows from financing activities			
Repayment of borrowings	(13)	**(4.0)**	(5.7)
Proceeds from borrowings		**0.8**	–
Dividends paid to members of Incitec Pivot Limited		**(294.6)**	(330.2)
Lease liability payments		**(21.2)**	(20.1)
Settlement of IPL employees entitlement		**(4.5)**	–
Capital returned to members of Incitec Pivot Limited		**(302.5)**	–
Net cash flows from financing activities		**(626.0)**	(356.0)
Net increase/(decrease) in cash and cash equivalents held		**994.7**	(421.3)
Cash and cash equivalents at the beginning of the half-year		**399.4**	763.5
Effect of exchange rate fluctuations on cash and cash equivalents held		**7.2**	2.2
Cash and cash equivalents at the end of the half-year	(13)	**1,401.3**	344.4

The above Consolidated Statement of Cash Flows includes cash flows from both continuing and discontinued operations. Refer to Note 10 for the cash flows relating to discontinued operations.

Consolidated Statement of Changes in Equity

For the half-year ended 31 March 2024

	Issued capital $mill	Cash flow hedging reserve $mill	Share-based payments reserve $mill	Foreign currency translation reserve $mill	Fair value reserve $mill	Retained earnings $mill	Non-controlling interest $mill	Total equity $mill
Balance at 1 October 2022	3,806.2	(76.4)	23.4	114.4	(19.7)	2,441.7	0.1	6,289.7
Profit/(Loss) for the half-year	–	–	–	–	–	353.6	(0.2)	353.4
Total other comprehensive income for the half-year	–	39.1	–	(75.1)	–	(3.4)	–	(39.4)
Dividends paid	–	–	–	–	–	(330.2)	–	(330.2)
Share-based payment transactions	–	–	2.4	–	–	–	–	2.4
Balance at 31 March 2023	3,806.2	(37.3)	25.8	39.3	(19.7)	2,461.7	(0.1)	6,275.9
Balance at 1 October 2023	**3,806.2**	**(21.9)**	**26.3**	**160.0**	**(19.7)**	**2,475.9**	**(0.1)**	**6,426.7**
(Loss)/Profit for the half-year	–	–	–	–	–	(148.3)	0.1	(148.2)
Total other comprehensive income for the half-year	–	4.7	–	(341.5)	–	(0.6)	–	(337.4)
Dividends paid	–	–	–	–	–	(294.6)	–	(294.6)
Capital returned to members of Incitec Pivot Limited(1)	(302.5)	–	–	–	–	–	–	(302.5)
Settlement of IPL employees entitlement	–	–	(4.5)	–	–	–	–	(4.5)
Share-based payment transactions	–	–	2.5	–	–	–	–	2.5
Balance at 31 March 2024	3,503.7	(17.2)	24.3	(181.5)	(19.7)	2,032.4	–	5,342.0

(1) Includes $0.1m transaction costs for the capital return.

Cash flow hedging reserve

This reserve comprises the cumulative net change in the fair value of the effective portion of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Share-based payments reserve

This reserve comprises the fair value of rights recognised as an employee expense under the terms of the Long Term Incentive Plans.

Foreign currency translation reserve

Exchange differences arising on translation of foreign controlled operations are taken to the foreign currency translation reserve. The relevant portion of the reserve is recognised in the profit or loss when the foreign operation is disposed of.

The foreign currency translation reserve is also used to record gains and losses on hedges of net investments in foreign operations.

Fair value reserve

This reserve represents the cumulative net change in the fair value of equity instruments. The net change in the fair value of investments in equity securities (including both realised and unrealised gains and losses) is recognised in other comprehensive income.

Non-controlling interest

This represents equity interest outside the Incitec Pivot Limited Group.

1. Basis of preparation

Incitec Pivot Limited (the **Company**, or **IPL**) is a company incorporated and domiciled in Australia. This half-year Consolidated Financial Report includes the financial statements of the Company and its subsidiaries and the Group's interest in joint arrangements and associates (collectively the **Group**) as at, and for, the half-year ended 31 March 2024.

The half-year Consolidated Financial Report is a general purpose Financial Report which has been prepared in accordance with the requirements of the *Australian Corporations Act 2001* and accounting standards applicable in Australia, including AASB 134 Interim Financial Reporting.

This half-year Consolidated Financial Report does not include all the notes of the type normally included in the Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 30 September 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure obligations set out in the ASX listing rules. Where applicable, comparative disclosures have been reclassified for consistency with the current period.

As a result of the Waggaman sale agreement, the assets and liabilities directly attributable to Waggaman were classified as held-for-sale at 30 September 2023. The earnings attributable to Waggaman for the period under IPL ownership and the resultant gain on sale have been presented as discontinued operations. Refer to note 10 of the financial statements for the earnings, cash flow and balance sheet of the Waggaman operations.

The Annual Financial Report of the Group for the year ended 30 September 2023 is available on Incitec Pivot Limited's website, www.incitecpivot.com.au, or upon request from the Company's registered office at Level 8, 28 Freshwater Place, Southbank Victoria 3006, Australia.

This half-year Consolidated Financial Report was approved by the Board of Directors on 16 May 2024.

The Group is of a kind referred to in ASIC Legislative Instrument, ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission dated 24 March 2016 and, in accordance with that Legislative Instrument, the amounts shown in this report have been rounded off, except where otherwise stated, to the nearest one hundred thousand dollars.

2. Summary of accounting policies

The capitalised expenditure on activities relating to Exploration and Evaluation of mineral resources have been separately disclosed in the financial statements as a Non-Current Asset for the half-year ended 31 March 2024.

The balances attributable to these activities were previously included in Non-Current Other Assets and Property, Plant and Equipment. The Group's accounting policy pertaining to costs for exploration for and evaluation of mineral resources is to capitalise the expenditure, to the extent that the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale. The September 2023 balances have also been reclassified in the half-year 2024 financial statements.

All other accounting policies applied by the Group in the half-year Consolidated Financial Report are the same as those applied by the Group in its Annual Financial Report as at, and for, the year ended 30 September 2023.

The Group adopted any amendments to Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are relevant to its operations and effective for the current half-year. The adoption of these revised Standards and Interpretations did not have a material impact on the Group's results.

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 March 2024 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions.

3. Critical accounting estimates and judgements

Impairment of assets

The Group performs annual impairment testing as at 30 September for intangible assets with indefinite useful lives. More frequent reviews are performed for indicators of impairment of all the Group's assets, including operating assets. The identification of impairment indicators involves management judgement. When an indicator of impairment is identified, a formal impairment assessment is performed. A formal impairment assessment was performed for the Fertilisers Cash Generating Unit (CGU) due to the advancement of the Fertilisers sale process and uncertainty regarding the near-term and long-term cost of gas. As a result, an impairment charge of $498.2m was recognised. Refer to note 11 for additional disclosure related to the impairment charge.

For the Group's other CGUs their recoverable amount exceeds their carrying amount at 30 September 2023. No impairment indicators have been identified for these CGUs since this date.

Sensitivity analyses of the recoverable amounts of the Group's other CGUs, considering reasonable change scenarios relating to key assumptions, are included in the Annual Financial Report for the year ended 30 September 2023 and remain relevant at 31 March 2024.

4. Segment report

The Group operates a number of strategic divisions that offer different products and services and operate in different markets. For reporting purposes, these divisions are known as reportable segments. The results of each segment are reviewed monthly by the executive management team (the chief operating decision makers) to assess performance and make decisions about the allocation of resources.

Description of reportable segments

Asia Pacific

Fertilisers Asia Pacific (**Fertilisers APAC**): manufactures and sells fertilisers in Eastern Australia and the export market. It also manufactures, imports and sells industrial chemicals to the agriculture and specialist industries.

Dyno Nobel Asia Pacific (**DNAP**): manufactures and sells industrial explosives and related products and services to the mining industry in the Asia Pacific region, Turkey and France.

Asia Pacific Eliminations (**APAC Elim**): represents elimination of sales and profit in stock arising from Fertilisers APAC sales to DNAP.

Americas

Dyno Nobel Americas (**DNA**): manufactures and sells industrial explosives and related products and services to the mining, quarrying and construction industries in the Americas (USA, Canada, Mexico and Chile) and initiating systems to businesses in Australia, Turkey and South Africa. It also manufactures and sells industrial chemicals to the agriculture and specialist industries.

Group eliminations/Corporate

Group Eliminations (**Group Elim**): represents elimination of sales and profit in stock arising from intersegment sales at an arm's length transfer price.

Corporate: costs include all head office expenses that cannot be directly or reasonably attributed to the operation of any of the Group's business.

Reportable segments – financial information

	Asia Pacific				Americas					
31 March 2024	**Fertilisers APAC $mill**	**DNAP $mill**	**APAC Elim $mill**	**Total $mill**	**DNA $mill**	**Group Elim $mill**	**Corporate[i] $mill**	**Total Continuing Operations $mill**	**Discontinued Operations $mill**	**Consolidated Group $mill**
Revenue from external customers	818.2	717.7	(6.9)	1,529.0	868.2	(22.3)	–	2,374.9	86.4	2,461.3
Share of profits of equity accounted investments	–	4.9	–	4.9	13.5	–	–	18.4	–	18.4
EBITDA[ii]	60.6	156.9	–	217.5	169.1	(0.9)	(19.3)	366.4	58.7	425.1
Depreciation and amortisation	(50.3)	(48.7)	–	(99.0)	(74.2)	0.3	(3.1)	(176.0)	–	(176.0)
EBIT[iii]	10.3	108.2	–	118.5	94.9	(0.6)	(22.4)	190.4	58.7	249.1
Net interest expense										(54.3)
Income tax expense (excluding IMIs)										(30.7)
Profit after tax										164.1
Non-controlling interest										(0.1)
Individually material items (net of tax)										(312.3)
Loss attributable to members of IPL										**(148.3)**
Segment assets	1,607.0	2,887.8	–	4,494.8	3,477.1	–	1,620.1	9,592.0	–	9,592.0
Segment liabilities	(795.9)	(334.1)	–	(1,130.0)	(1,295.9)	–	(1,556.0)	(3,981.9)	–	(3,981.9)
Net segment assets[iv]	811.1[v]	2,553.7	–	3,364.8	2,181.2	–	64.1	5,610.1	–	5,610.1
Deferred tax balances										(268.1)
Net assets										**5,342.0**

(i) Corporate assets and liabilities include the Group's interest bearing liabilities and derivative assets and liabilities.
(ii) Earnings Before Interest, related income tax expense, Depreciation and Amortisation.
(iii) Earnings Before Interest and related income tax expense.
(iv) Net segment assets exclude deferred tax balances.
(v) The Fertilisers business has been impaired down to a value of $1.1b. Difference between $1.1b and the net segment assets of $811.1m represents Corporate controlled trade working capital facilities and the treatment of lease liabilities for the purpose of impairment.

	Asia Pacific				Americas					
31 March 2023	**Fertilisers APAC $mill**	**DNAP $mill**	**APAC Elim $mill**	**Total $mill**	**DNA $mill**	**Group Elim $mill**	**Corporate[i] $mill**	**Total Continuing Operations $mill**	**Discontinued Operations $mill**	**Cosolidated Group $mill**
Revenue from external customers	1,036.8	748.5	(16.0)	1,769.3	865.3	(28.0)	–	2,606.6	448.5	3,055.1
Share of profits of equity accounted investments	–	6.1	–	6.1	17.6	–	–	23.7	–	23.7
EBITDA[ii]	161.1	128.7	–	289.8	142.6	0.2	(23.6)	409.0	315.3	724.3
Depreciation and amortisation	(53.4)	(49.4)	–	(102.8)	(55.9)	0.2	(3.1)	(161.6)	(11.1)	(172.7)
EBIT[iii]	107.7	79.3	–	187.0	86.7	0.4	(26.7)	247.4	304.2	551.6
Net interest expense										(72.6)
Income tax expense (excluding IMIs)										(117.3)
Profit after tax										361.7
Non-controlling interest										0.2
Individually material items (net of tax)										(8.3)
Profit attributable to members of IPL										**353.6**
30 September 2023										
Segment assets	1,756.8	2,856.3	–	4,613.1	3,047.6	–	612.0	8,272,7	2,262.9	10,535.6
Segment liabilities	(678.3)	(355.1)	–	(1,033.4)	(726.1)	–	(1,634.5)	(3,394.0)	(66.8)	(3,460.8)
Net segment assets[iv]	1,078.5	2,501.2	–	3,579.7	2,321.5	–	(1,022.5)	4,878.7	2,196.1	7,074.8
Deferred tax balances										(648.1)
Net assets										**6,426.7**

(i) Corporate assets and liabilities include the Group's interest bearing liabilities and derivative assets and liabilities.
(ii) Earnings Before Interest, related income tax expense, Depreciation and Amortisation.
(iii) Earnings Before Interest and related income tax expense.
(iv) Net segment assets exclude deferred tax balances.

Geographical information – secondary reporting segments

The Group operates in two principal countries being Australia and the USA.

In presenting information on the basis of geographical information, revenue is based on the geographical location of the entity making the sale. Assets are based on the geographical location of the assets.

31 March 2024	**Australia $mill**	**USA $mill**	**Other/Elim $mill**	**Continuing Operations $mill**	**Discontinued Operations (USA) $mill**	**Consolidated $mill**
Revenue from external customers	**1,376.2**	**671.6**	**327.1**	**2,374.9**	**86.4**	**2,461.3**
31 March 2023						
Revenue from external customers	1,598.4	692.2	316.0	2,606.6	448.5	3,055.1

31 March 2024	**Australia $mill**	**USA $mill**	**Other/Elim $mill**	**Consolidated $mill**
Non-current assets other than financial assets and deferred tax assets	**3,065.2**	**2,694.7**	**441.6**	**6,201.5**
Trade and other receivables	**337.2**	**157.3**	**203.7**	**698.2**
30 September 2023				
Non-current assets other than financial assets and deferred tax assets	3,542.0	2,279.0	450.1	6,271.1
Trade and other receivables	261.6	151.2	185.1	597.9

5. Revenue and other income

	March 2024 $mill	March 2023 $mill
Revenue		
External sales from continuing operations	**2,374.9**	2,606.6
External sales from discontinued operations	**86.4**	448.5
Total revenue	**2,461.3**	3,055.1
Financial income		
Interest income	**28.2**	4.1
Other income		
Royalty income and management fees	**20.1**	18.0
Net gain on sale of property, plant and equipment	**13.0**	6.8
Other income from continuing operations	**19.0**	8.9
Total financial and other income from continuing operations	**80.3**	37.8
Other income from discontinued operations	–	0.3

Seasonality of operations

Earnings (and cash inflows) are biased to the second half of the financial year and are significantly influenced in the Fertilisers business by the Australian winter planting season which is dependent upon autumn and early winter rainfall, and in the Explosives business by the wet season in Queensland, Australia and the North American winter.

6. Earnings per share

	March 2024 $mill	March 2023 $mill
Earnings used in the calculation of earnings per share attributable to ordinary shareholders		
(Loss)/Profit from continuing operations attributable to ordinary shareholders	**(289.4)**	128.8
Profit from discontinued operations attributable to ordinary shareholders	**141.1**	224.8
Individually material items after income tax	**312.3**	8.3
Profit attributable to ordinary shareholders	**164.0**	**361.9**
	Number	**Number**
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**1,942,225,029**	1,942,225,029
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**1,954,435,806**	1,946,217,891

	March 2024 Cents per share	March 2023 Cents per share
Basic earnings per share		
Continuing operations	**(14.9)**	6.6
Discontinued operations	**7.3**	11.6
Total basic earnings per share	**(7.6)**	18.2
Diluted earnings per share		
Continuing operations	**(14.9)**	6.6
Discontinued operations	**7.3**	11.6
Total diluted earnings per share	**(7.6)**	18.2
Excluding individually material items		
Basic earnings per share	**8.4**	18.6
Diluted earnings per share	**8.4**	18.6

7. Individually material items

Profit after tax includes the following expenses whose disclosure is relevant in explaining the financial performance of the Group:

	Gross $mill	Tax $mill	Net $mill
31 March 2024			
Impairment of Fertilisers business(1)	498.2	(90.7)	407.5
Fertilisers separation costs(2)	4.1	(1.2)	2.9
Gain on sale of WALA(3)	(365.3)	267.2	(98.1)
Total individually material items	**137.0**	**175.3**	**312.3**
31 March 2023			
Fertilisers separation costs(2)	11.9	(3.6)	8.3
Total individually material items	**11.9**	**(3.6)**	**8.3**

(1) IPL has written down the carrying value of its Fertilisers business based on a value-in-use approach. The revised carrying value is reflective of the current DAP price outlook and the impact of interrupted gas supply from PWC. This has resulted in a non-cash impairment of $195.8m against goodwill and $302.4m against property, plant and equipment and intangibles excluding goodwill. Refer to note 11 for further detail.

(2) Separation costs, primarily advisor fees and IT transition costs, were incurred to optimally position Incitec Pivot Fertilisers (IPF) for standalone operation, whether this be in preparation for sale, demerger or as a separately managed business within the IPL Group.

(3) In December 2023 IPL completed the sale of its ammonia manufacturing facility located in Waggaman, Louisiana, USA, resulting in a gain on sale. In addition to the net proceeds received and the disposal of net tangible assets, the gain on sale also includes a non-cash, non-tax-deductible release of goodwill and foreign currency translation reserve. Refer to note 10 for further detail.

8. Dividends

Dividends paid or announced by the Company in respect of the half-year ended 31 March were:

	March 2024 $mill	March 2023 $mill
Ordinary shares		
Final dividend of 17.0 cents per share, 100 percent franked, paid 21 December 2022	–	330.2
Final dividend of 5.0 cents per share, unfranked, paid 19 December 2023	97.1	–
Special dividend of 10.2 cents per share, unfranked, paid 8 February 2024	197.5	–
Total ordinary share dividends	294.6	330.2

Since the end of the half-year, the directors have determined to pay an interim dividend of 4.3 cents per share, unfranked, to be paid on 4 July 2024. The total dividend payment will be $83.5m.

The financial effect of this dividend has not been recognised in the half-year Consolidated Financial Report and will be recognised in subsequent Financial Reports.

9. Issued capital

On 8 February 2024, the Company returned $500.0m of surplus capital to shareholders. The cash distribution of 25.7 cents per share is in the form of a 15.6 cents per share capital reduction, totalling $302.4m and an unfranked special dividend of 10.2 cents per share, totalling $197.5m.

	March 2024 $mill
Issued capital	
1,942,225,029 ordinary shares	**3,503.7**
Movements in ordinary issued capital	
Balance at the beginning of the half-year	**3,806.2**
Capital returned to members of Incitec Pivot Limited(1)	**(302.5)**
Balance at the half year	**3,503.7**

(1) Includes $0.1m transaction costs for the capital return.

10. Discontinued operations

On 1 December 2023, the Group completed the sale of its ammonia manufacturing facility located in Waggaman, Louisiana, USA. The Group recorded a gain on sale after tax of $98.1m which included a gain of $254.1m relating to the release of the foreign currency translation reserve (FCTR) as required by Australian Accounting Standards.

The Group also secured a 25-year ammonia supply agreement with CF for up to 200,000 short tonnes of ammonia per annum at estimated producer cost to support the Dyno Nobel Americas explosives business. The supply agreement has been assigned a value of $454.3m which offset part of the proceeds.

	$mill
Cash consideration(1)	**1,830.2**
Transaction costs	**(24.8)**
Offtake supply agreement(2)	**454.3**
Net consideration	**2,259.7**
Carring value of net assets of business disposed	
Trade and other receivables	**50.7**
Inventories	**3.4**
Property, plant and equipment	**1,252.9**
Right-of-use asset	**9.3**
Intangible assets	**881.6**
Other assets	**0.1**
Trade and other payables	**(28.3)**
Lease liabilities	**(10.0)**
Provisions	**(11.2)**
	2,148.5
Gain on sale of discontinued operations before FCTR release	**111.2**
WALA allocated FCTR release	**254.1**
Gain on sale of discontinued operations before tax	**365.3**
Income tax expense	**(267.2)**
Net gain on sale of discontinued operations	**98.1**

(1) Cash consideration of $1.8b represents cash received on completion and is subject to relevant adjustments as set out in the sale agreement. Adjustments, if any, will be reflected in the second half of financial year 2024.

(2) The offtake supply agreement has been recognised as an intangible asset.

The results of Waggaman facility up until completion date of the sale are presented below:

	March 2024 $mill	March 2023 $mill
Profit for the half-year from discontinued operations		
Revenue	**86.4**	448.5
Financial and other income	**–**	0.3
Expenses	**(28.3)**	(145.1)
Gain on sale of discontinued operations	**365.3**	–
Profit before income tax	**423.4**	303.7
Income tax	**(282.3)**	(78.9)
Profit for the half-year from discontinued operations	**141.1**	224.8

	March 2024 $mill	March 2023 $mill
Cash flows from/(used in) discontinued operations		
Net cash flows from operating activities	**19.8**	293.5
Net cash from investing activities	**(6.3)**	(34.5)
Net cash from financing activities	**(0.1)**	(0.2)
Total cash flows from discontinued operations	**13.4**	258.8

	September 2023 $mill
Assets held for sale	
Trade and other receivables	**24.0**
Inventories	**7.4**
Property, plant and equipment	**1,296.5**
Right-of-use asset	**10.3**
Intangible assets	**915.8**
Other assets	**8.9**
Total assets held for sale	**2,262.9**
Liabilities directly associated with assets classified as held for sale	
Trade and other payables	**33.6**
Lease liabilities	**10.4**
Provisions	**11.6**
Total liabilities directly associated with assets classified as held for sale	**55.6**

11. Impairment of goodwill and non-current assets

Impairment testing

The Group performs annual impairment testing as at 30 September for intangible assets with indefinite useful lives. More frequent reviews are performed for indicators of impairment of all the Group's assets, including operating assets.

The identification of impairment indicators involves management judgment. Where an indicator of impairment is identified, a formal impairment assessment is performed. The Group's annual impairment testing determines whether the recoverable amount of a CGU or group of CGUs, to which goodwill and/or indefinite life intangible assets are allocated, exceeds its carrying amount.

A CGU is the smallest identifiable group of assets that generate cash flows largely independent of cash flows of other groups of assets. Goodwill and other indefinite life intangible assets are allocated to CGUs or groups of CGUs which are no larger than one of the Group's reportable segments.

Determining the recoverable amount

The recoverable amount of an asset is determined as the higher of its fair value less cost of disposal and its value-in-use. Value-in-use is a term that means an asset's value based on the expected future cash flows arising from its continued use in its current condition, discounted to present value. For discounting purposes, a post-tax rate is used that reflects current market assessments of the risks specific to the asset.

Impairment losses

An impairment loss is recognised whenever the carrying amount of an asset (or its CGU) exceeds its recoverable amount.

Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of CGUs are allocated against assets in the following order:

- » Firstly, against the carrying amount of any goodwill allocated to the CGU.
- » Secondly, against the carrying amount of any remaining non-current assets in the CGU.

An impairment loss recognised in a prior period for an asset (or its CGU) other than goodwill may be reversed only if there has been a change in the estimates used to determine the recoverable amount of the asset (or its CGU) since the last impairment loss was recognised. When this is the case, the carrying amount of the asset (or its CGU) is increased to its recoverable amount.

Key estimates and judgments

The Group is required to make significant estimates and judgments in determining whether the carrying amount of its assets and/or CGUs has any indication of impairment, in particular in relation to:

- » key assumptions used in forecasting future cash flows;
- » discount rates applied to those cash flows; and
- » the expected long term growth in cash flows.

Such estimates and judgments are subject to change as a result of changing economic, operational, environmental and weather conditions. Actual cash flows may therefore differ from forecasts and could result in changes in the recognition of impairment charges in future periods.

Impairment of Fertilisers CGU

Due to a range of factors, including the progression of the Fertilisers separation process and the continued uncertainty regarding the near-term and long-term cost of gas for IPF, impairment testing was performed on the Fertilisers CGU. As a result of the testing, the Group has recognised a gross impairment charge of $498.2m, reducing the carrying value of the business to $1.1b on a value-in-use basis. $195.8m of the impairment charge was recognised against goodwill and $302.4m against property, plant and equipment and intangibles excluding goodwill.

Key assumptions

Details of the key assumptions used in the recoverable amount calculations at 31 March are set out below:

Key assumptions	1 – 5 years		Terminal value (after 5 years)	
	March 2024 US$	September 2023 US$	March 2024 US$	September 2023 US$
DAP[1]	**523 to 547**	451 to 668	**652**	688
AUD:USD[2]	**0.67 to 0.73**	0.70 to 0.72	**0.72**	0.72

(1) Di-Ammonium Phosphate price (FOB China/Saudi – USD per tonne).
(2) AUD:USD exchange rate.

The delivered gas price assumption for the outlook period is based on management's best estimate of the long-term gas production cost forecast, incorporating external forecasts where available, and ranges from $8.50 to $16.50 per gigajoule.

Discount and growth rates

The post-tax discount rate used in the calculations is 9% for the Fertilisers CGU (2023: 9%). The rate reflects the underlying cost of capital adjusted for market and asset specific risks. The terminal value growth rate represents the forecast consumer price index (CPI) of 2.5% (2023: 2.5%).

Climate Related Risks

IPL considers climate change and other sustainability risks when determining the recoverable amount of CGU's. The Group has greenhouse gas emission reduction targets for its manufacturing facilities which are disclosed in the annual Sustainability Report. The DAP price forecast assumption used in the impairment model was obtained from external sources which include the impacts of sustainability and carbon costs. The estimated impact of the Safeguard Mechanism (SGM) 2.0 policy was included in the recoverable amount of the Fertilisers CGU. Refer below, for further information on SGM estimates and assumptions.

Safeguard Mechanism (SGM)

For the Fertilisers CGU, the Phosphate Hill facility is in scope and therefore a cost to comply with the SGM has been included in cash flow forecasts. This cost reflects the assumed cost of purchasing Australian Carbon Credit Units to offset emissions above the baseline set by the SGM. In forecasting this cost, assumptions have been developed with respect to future emissions, future production levels, the market value of carbon credits and baseline decline rates (including an assessment of Phosphate Hill as a Trade Exposed facility).

12. Joint arrangements and associates

Name of entity	Ownership interest
Joint ventures	
Incorporated in USA[1]	
Buckley Powder Co.	50%
IRECO Midwest Inc.	50%
Wampum Hardware Co.	50%
Western Explosives Systems Company	50%
Warex Corporation	50%
Warex, LLC	50%
Warex Transportation, LLC	50%
Vedco Holdings, Inc.	50%
Virginia Explosives & Drilling Company, Inc.	50%
Austin Sales, LLC	50%
Virginia Drilling Company, LLC	50%
DetNet Americas, Inc.	50%
Incorporated in Canada[1]	
Qaaqtuq Dyno Nobel Inc.[3]	49%
Dene Dyno Nobel (DWEI) Inc.[4]	49%
Incorporated in Australia[2]	
Queensland Nitrates Pty Ltd	50%
Queensland Nitrates Management Pty Ltd	50%
Incorporated in South Africa	
DetNet South Africa (Pty) Ltd[1]	50%
Sasol Dyno Nobel (Pty) Ltd[2]	50%
Incorporated in Mexico[1]	
DNEX Mexico, S. de R.L. de C.V.	49%
Explosivos de la Region Lagunera, S.A. de C.V.	49%
Explosivos de la Region Central, S.A. de C.V.	49%
Nitro Explosivos de Ciudad Guzmán, S.A. de C.V.	49%
Explosivos y Servicios Para la Construcción, S.A. de C.V.	49%
Incorporated in France[1]	
Newcomat SARL	10%
Incorporated in New Caledonia[1]	
Katiramona Explosifs SAS	50%
Incorporated in Mongolia[1]	
Titanobel Mongolia LLC	49%
Nitrosibir Mongolia LLC	49%
Incorporated in Nigeria[1]	
Titanobel & Dynatrac Limited	55%

Name of entity	Ownership interest
Associates	
Incorporated in Australia[2]	
Precision Agriculture Pty Ltd	22%
Incorporated in USA[1]	
Maine Drilling and Blasting Group	49%
Independent Explosives	49%
Maine Drilling and Blasting, Inc.	49%
MD Drilling and Blasting, Inc.	49%
Incorporated in Canada[1]	
Labrador Maskuau Ashini Ltd	49%
Innu Namesu Ltd	49%
Incorporated in French Guiana[1]	
Guyanexplo Société en Nom collectif	35%

Joint operations

IPL has a 50% interest in an unincorporated joint operation with a wholly owned subsidiary of Senex Energy Pty Ltd (previously with Central Petroleum Limited) for the development of gas acreage in Queensland, Australia, which commenced in the 2018 financial year.

(1) These entities have a 31 December financial year end. For the purpose of applying the equity method of accounting, the unaudited financial information through to 31 March 2024 has been used.

(2) These entities have a 30 June financial year end. For the purpose of applying the equity method of accounting, the unaudited financial information through to 31 March 2024 has been used.

(3) Due to legal requirements in the Canadian Northwest Territories, the Group cannot own more than 49 percent of shares in Qaaqtuq Dyno Nobel Inc. However, under the joint venture agreement, the Group is entitled to 75 percent of the profit of Qaaqtuq Dyno Nobel Inc.

(4) Due to legal requirements in the Canadian Northwest Territories, the Group cannot own more than 49 percent of shares in Dene Dyno Nobel (DWEI) Inc. However, under the joint venture agreement, the Group is entitled to 100 percent of the profit of Dene Dyno Nobel (DWEI) Inc.

13. Net debt

The Group's net debt comprises the net of interest bearing liabilities, cash and cash equivalents, and the fair value of derivative instruments economically hedging the foreign exchange rate and interest rate exposures of the Group's interest bearing liabilities at the reporting date. The Group's net debt at the reporting date is analysed as follows:

	March 2024 $mill	September 2023 $mill
Interest bearing liabilities	**1,733.3**	1,731.7
Cash and cash equivalents	**(1,401.3)**	(399.4)
Fair value of derivatives	**61.6**	82.7
Net debt	**393.6**	1,415.0

Interest bearing liabilities

The Group's interest bearing liabilities comprise the following at the reporting date:

	March 2024 $mill	September 2023 $mill
Current		
Loans from joint ventures	**20.7**	21.1
	20.7	21.1
Non-current		
Other loans	**17.8**	20.7
Fixed interest rate bonds	**1,694.8**	1,689.9
	1,712.6	1,710.6
Total interest bearing liabilities	**1,733.3**	1,731.7

Fixed Interest Rate Bonds

The Group has on issue the following fixed interest rate bonds:

- USD500.0m of Notes as a private placement in the US market. USD250.0m has a fixed rate semi-annual coupon of 4.03 percent and matures in October 2028 and USD250.0m has a fixed rate semi-annual coupon of 4.13 percent and matures in October 2030.
- HKD560.0m 7 year bond as a private placement in the Regulation S debt capital market. The bond has a fixed rate annual coupon of 4.13 percent and matures in February 2026.
- AUD431.3m 7 year bond on issue in the Australian debt capital market. The bond was issued in March 2019 for AUD450.0m and reduced by AUD18.7m as a result of the buy-back in November 2020. The bond has a fixed rate semi-annual coupon of 4.30 percent and matures in March 2026.
- USD305.7m 10 year bond on issue in the Regulation S debt capital market. The bond was issued in August 2017 for USD400.0m and reduced by USD94.3m as a result of the buy-back in November 2020. The bond has a fixed rate semi-annual coupon of 3.95 percent and matures in August 2027.

Bank Facilities

The Group holds committed Syndicated Term facility domiciled in Australia and consisting of two tranches: Tranche A has a limit of AUD490m and Tranche B has a limit of USD200.0m. The facility had an initial maturity of October 2024 which was extended in March 2024 to April 2025.

As at 31 March 2024, the Group has committed undrawn financing facilities of $796.7m.

Tenor of interest bearing liabilities

The Group's average tenor of its drawn interest bearing liabilities at 31 March 2024 is 3.9 years (September 2023: 4.4 years) and the average tenor of its total debt facilities is 3.0 years (September 2023: 3.4 years).

The table below includes detail on the movements in the Group's interest bearing liabilities for the half-year ended 31 March 2024:

		Cash flow		Non-cash changes		
	1 October 2023 $mill	Proceeds from borrowings $mill	Repayments of borrowings $mill	Foreign exchange movement $mill	Funding costs & fair value adjustments $mill	31 March 2024 $mill
Current						
Loans from joint ventures	21.1	–	(0.1)	(0.3)	–	20.7
Non-current						
Other loans	20.7	0.8	(3.9)	0.2	–	17.8
Fixed interest rate bonds	1,689.9	–	–	(19.1)	24.0	1,694.8
Total liabilities from financing activities	**1,731.7**	**0.8**	**(4.0)**	**(19.2)**	**24.0**	**1,733.3**
Derivatives held to hedge interest bearing liabilities	82.7	–	–	1.5	(22.6)	61.6
Debt after hedging	**1,814.4**	**0.8**	**(4.0)**	**(17.7)**	**1.4**	**1,794.9**

14. Financial instruments

Fair value

Fair value of the Group's financial assets and liabilities is calculated using a variety of techniques depending on the type of financial instrument as follows:

- The fair value of financial assets and financial liabilities traded in active markets (such as equity securities and fixed interest rate bonds) is the quoted market price at the reporting date.
- The fair value of financial assets and financial liabilities not traded in active markets is calculated using discounted cash flows. Future cash flows are calculated based on observable forward interest rates and foreign exchange rates.
- The fair value of forward exchange contracts, interest rate swaps, cross currency interest rate swaps, commodity swaps and forward contracts is calculated using discounted cash flows, reflecting the credit risk of various counterparties. Future cash flows are calculated based on the contract rate, observable forward interest rates and foreign exchange rates.
- The fair value of option contracts is calculated using the contract rates and observable market rates at the end of the reporting period, reflecting the credit risk of various counterparties. The valuation technique is consistent with the Black-Scholes methodology and utilises Monte Carlo simulations.
- The fair value of commodity swaps and commodity forward contracts is calculated using their quoted market price, where available. If a quoted market price is not available, then fair value is calculated using discounted cash flows. Future cash flows are estimated based on the difference between the contractual price and the current observable market price, reflecting the credit risk of various counterparties. These future cash flows are then discounted to present value.
- The nominal value less expected credit losses of trade receivables and payables are assumed to approximate their fair values due to their short term maturity.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

March 2024	Level 1 $mill	Level 2 $mill	Level 3 $mill
Derivative financial assets	–	**12.1**	–
Derivative financial liabilities	–	**(73.3)**	–

September 2023	Level 1 $mill	Level 2 $mill	Level 3 $mill
Derivative financial assets	–	16.9	–
Derivative financial liabilities	–	(96.8)	–

Fair value of financial assets and liabilities carried at amortised cost

Cash and cash equivalents, trade and other receivables, and trade and other payables are carried at amortised cost which equals their fair value. Interest bearing liabilities are carried at amortised cost – refer to note 13. The fair value of the interest bearing financial liabilities at 31 March 2024 was $1,722.4m (September 2023: $1,693.3m) and was based on the level 2 valuation methodology.

15. Trade working capital facilities

Trade receivables

To manage cash inflows which are impacted by seasonality and demand and supply variability, the Group has a nonrecourse receivable purchasing agreement to sell certain receivables to an unrelated entity in exchange for cash. As at 31 March 2024, receivables totalling $126.1m (30 September 2023: $117.9m & 31 March 2023: $163.0m) had been sold under this arrangement. The receivables were derecognised upon sale as substantially all risks and rewards associated with the receivables passed to the purchaser.

Trade and other payables

To manage the cash flow conversion cycle on some products procured by the Group, and to ensure that suppliers receive payment in a time period that suits their business model, the Group offers some suppliers the opportunity to use supply chain financing. At 31 March 2024, the balance of the supply chain finance program was $121.7m (30 September 2023: $148.3m & 31 March 2023: $109.7m). The Group evaluates supplier arrangements against a number of indicators to assess if the payable continues to have the characteristics of a trade and other payable or should be classified as borrowings. These indicators include whether the payment terms exceed customary payment terms in the industry. At 31 March 2024, the Group has assessed that, on balance, the payables subject to supplier financing arrangements did not meet all of the characteristics to be classified as borrowings and accordingly the balances remained in trade and other payables.

16. Contingencies

There have been no significant changes to contingent liabilities as disclosed at 30 September 2023.

17. Events subsequent to reporting date

Capital management

Since the end of the half-year, in May 2024 the directors determined to pay an interim dividend for the Company of 4.3 cents per share, unfranked, to be paid on 4 July 2024 (refer to note 8 in the half-year financial report).

Other than the matters reported above, as at the date of this report, the directors are not aware of any significant matter or circumstance that has arisen since 31 March 2024 that has affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years, which has not been covered in this report.

Directors' Declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company and the Group will be able to pay their debts as and when they become due and payable; and

(b) in the directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

Greg Robinson
Chairman

16 May 2024

Mauro Neves de Moraes

Mauro Neves
CEO & Managing Director

16 May 2024

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Independent Auditor's Review Report to the Members of Incitec Pivot Limited

Conclusion

We have reviewed the half-year financial report of Incitec Pivot Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 March 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 5 to 19.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 March 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001.*

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Suzana Vlahovic
Partner
Chartered Accountants
Melbourne, 16 May 2024

T Ludeman

Terry Ludeman
Partner
Chartered Accountants
Melbourne, 16 May 2024