

26 May 2025

ASX Listings Compliance

By email: ListingsComplianceMelbourne@asx.com.au

Dear ASX Listings Compliance

**Nufarm Limited (ASX: NUF) - Response to ASX Aware Letter**

We refer to your letter dated 23 May 2025 (**ASX Aware Letter**), received after close of business on Friday 23 May 2025, and set out Nufarm Limited's response to the requests for information raised in it, using the same numbering. Unless otherwise indicated, capitalised terms in this letter have the same meaning as given in the ASX Aware Letter.

**1. Does NUF consider that any measure of its statutory or underlying earnings for the half year ended 31 March 2025 as disclosed in the results announcement on 21 May 2025 ('Earnings Information') differed materially from the market's expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):**

**1.1. If NUF had published earnings guidance, that guidance.**

NUF did not publish earnings guidance for the half year ending 31 Mar 2025 (**1H25**).

**1.2. If NUF is covered by sell-side analysts, the earnings forecasts of those analysts.**

Underlying EBITDA<sup>1</sup> (**EBITDA**) is the key metric used by analysts when assessing NUF's earnings performance (consistent with industry peers), and the key metric used by NUF's board and management in tracking market expectations.

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<sup>1</sup> References to EBITDA (and EBIT and NPAT) in this letter are before significant items.

NUF does not consider that the Earnings Information in relation to 1H25 EBITDA differed materially from the market's expectations. NUF expected its 1H25 EBITDA to be within 3% of analyst consensus until 16 May 2025. However, at the NUF audit and risk committee meeting on 16 May 2025, the committee endorsed an adjustment to NUF's omega 3 inventory valuation. Following this adjustment, NUF's expected 1H25 EBITDA was within 10% of analyst consensus. ASX's Guidance Note 8 states that an entity which does not have published guidance on foot and is covered by sell side analysts should carefully consider notifying the market if and when it expects there to be a 15% or greater difference between its actual or projected earnings for the period and its best estimate of the market's expectations for its earnings.

NUF's Earnings Information also included details of revenue, underlying EBIT (**EBIT**), underlying and statutory net profit after tax (**NPAT**). NUF's revenue was within 3% of analyst consensus.

EBIT and NPAT are not considered key metrics for assessing NUF's performance against market expectations (despite NUF having regard to these metrics itself). In 1H25, they were (in absolute terms) relatively small numbers, meaning changes to them were amplified when viewed as a percentage, and they were particularly sensitive to changes in EBITDA.

**1.3. If paragraph 1.1 and 1.2 are not applicable, NUF's earnings for the prior corresponding period, being the half year ended 31 March 2024.**

Not applicable.

**2. Please explain the basis for the view provided in response to question 2. In doing so, please specify how NUF determined market expectations in relation to each relevant measure of its earnings, including:**

**2.1. If NUF had published earnings guidance, details of:**

**2.1.1. that guidance and when it was released to the market**

**2.1.2. the date when NUF first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.**

Not applicable.

**2.2. If NUF used sell-side analyst forecasts to estimate the market's expectations of its earnings, details of:**

**2.2.1. The method that NUF used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in particular, whether or not NUF used a "consensus estimate" or an "adjusted consensus estimate" or a different specified approach of determining this estimate;**

NUF uses a consensus estimate. NUF may adjust its consensus estimate if any stale estimates or clear outliers are identified. In relation to 1H25, NUF did not exclude any of the sell side analysts' estimates.

NUF calculated its 1H25 analyst consensus based on published reports and templates received from eight analysts who provided forecasts for 1H25. NUF adopted a consensus estimate methodology, with the consensus estimate being the average forecast for each measure derived from those sell-side analysts.

**2.2.2. NUF's estimate of market expectations using that method;**

NUF's consensus estimates for certain measures of earnings for 1H25 are set out in the table below (following the \$16m negative adjustment to NUF's omega 3 inventory valuation), noting that EBITDA is the key metric used analysts when assessing NUF's earnings performance (consistent with industry peers), and the key metric used by NUF's board and management in tracking market expectations

Measure	Consensus (\$m)	Result (\$m)	Var Consensus (\$m)	Reported Var Consensus %	Pre-16 May 2025 Var Consensus %
Revenue	1,859	1,811	(48)	(3)%	(3)%
Underlying EBITDA	229	206	(23)	(10)%	(3)%
D&A	99	103	(4)	(4)%	(4)%
Underlying EBIT	130	103	(27)	(21)%	(9)%
Underlying NPAT	65	38	(27)	(41)%	(23)%

**2.2.3. The date when NUF first became aware with a reasonable degree of certainty that its expected earnings for the relevant period would vary from, or be in line with, its estimate of these expectations.**

NUF held the belief that its Earnings Information was materially in line with the consensus key metrics (revenue and EBITDA) at all times up to the release of its 1H25 Results Announcement.

- In the period leading up to the Results Announcement, NUF held the view that its expected revenue and EBITDA for H125 were materially in line with market expectations.
- On 16 May 2025, NUF's audit and risk committee endorsed an adjustment to the carrying value of omega 3 inventories as at 31 March 2025, increasing the inventory provision, and in turn reducing EBITDA, by \$16m in the draft financial statements. The committee continued to hold the view that its expected revenue and EBITDA for H125 were materially in line with market expectations. Over the following days, management finalised its work on the flow on consequences of the adjustment.

*Subsequent events adjustment*

The H125 period ended on 31 March 2025. As part of NUF's audit process and subsequent events procedures, the NUF audit and risk committee considered the impact of post balance sheet events on the valuation of NUF's omega 3 inventories. The following post balance date events and circumstances lead to NUF's reassessment of its provision:

- on 2 April 2025, reciprocal tariffs were announced by the Trump administration. While these did not directly affect the price of NUF's omega 3 products, they created uncertainty in fish oil markets and related markets,
- on 13 April 2025, the Peruvian government announced its quota for the upcoming Anchovy season starting on 22 April 2025, a 22% increase in equivalent season in the prior year and the highest quota in the last six years. While this doesn't set prices, it sets an expectation that there will be an increased supply of fish oil. There is significant uncertainty, as catch rates can fall below the quota and the Peruvian government can impose temporary bans if there is a high percentage of juvenile fish in the nets, and
- in its negotiations with potential customers, particularly in the second week of May 2025, NUF became aware that preliminary selling prices for its omega 3 products in the spot uncertified market were falling below the price that its omega 3 products were sold for during the 1H25.

NUF's management considered the flow on impacts of the changes in demand and pricing dynamics post 31 March 2025 and on Friday 16 May 2025, management recommended to the audit and risk committee a subsequent event adjustment to NUF's omega 3 inventory carrying value.

The audit and risk committee endorsed the recommended adjustment on Friday 16 May 2025, and in the same meeting, the committee further considered NUF's disclosure obligations and concluded that the adjustment to the provision and its flow on impact on NUF's Earnings Information was not information of a magnitude that a reasonable person would expect to have a material effect on the price or value of NUF's securities.

At the board meeting on Tuesday 20 May 2025, management took the board through the various changes to the financial 1H25 accounts necessitated by the change to the inventory valuation. The 1H25 accounts were approved by the board at its meeting on Tuesday 20 May 2025, subject to final checks and sign off on minor changes approved by the Chair and CEO under delegation after market close on Tuesday 20 May 2025.

**2.3. If paragraphs 2.1 and 2.2 are not applicable, the date when NUF first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, NUF's earnings for the prior corresponding period.**

Not applicable.

**3. Does NUF consider that, at any point prior to the release of the Results Announcement, there was a variance between its expected earnings and its estimate of market expectations for the relevant period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of NUF's securities?**

No.

**4. If the answer to question 3 is "no", please provide the basis for that view.**

See responses to Questions 1 and 2 above.

**5. If NUF first became aware of the variance before the release of the Results Announcement, did NUF make any announcement prior to the release of the Results Announcement which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe NUF**

**was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps NUF took to ensure that the information was released promptly and without delay.**

Not applicable.

**6. Please provide details or any other explanation NUF may have for the trading in its securities following the release of the Results Announcement.**

Since the release of the 1H25 Results Announcement, a number of analyst reports have been issued. These reports indicate that trading following the release of the 1H25 Results Announcement may be related to various factors. NUF makes no representation or comment regarding the validity of these factors, which include:

- downward pressure on fish oil prices (which was noted in NUF's FY24 annual results announcement as well as in the 1H25 Results Announcement) and the flow through impacts on NUF's outlook for its omega 3 platform,
- NUF's net debt and leverage levels being higher than the prior corresponding period (12% and 9% respectively), and
- NUF's announcement of its review of its Seed Technologies business.

In relation to net debt and leverage, Nufarm previously reported that:

- its key financing facilities were covenant-lite,
- its \$800 million revolving asset based lending credit facility (**ABL**) matured in November 2027,
- its \$210 million standby liquidity facility (**SLF**) matured in November 2026, and
- it had "*\$265m funding peak headroom at 31 Mar 2025*" referencing undrawn available liquidity at 31 Mar 2025, as disclosed in NUF's 21 May 2025 investor presentation.

Further, in NUF's 21 May 2025 investor presentation it disclosed actions underway to reduce net debt and leverage levels, including plans:

- to recalibrate the omega 3 program expansion,
- for seasonal unwind of net working capital (**NWC**) in 2H25,
- to continue to improve overall NWC (with 1H25 NWC \$100m less than the prior corresponding period),
- to reduce CAPEX, and
- to deliver \$50m in run rate annualised cost savings by end FY25.

**7. Please confirm that NUF is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

Confirmed.

**8. Please confirm NUF's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of NUF with delegated authority from the board to respond to ASX on disclosure matters.**

Confirmed.

Yours sincerely

A handwritten signature in grey ink, appearing to read 'KHall', is positioned above the printed name and title of the signatory.

**Kate Hall**

General Counsel & Company Secretary

[Kate.Hall@nufarm.com](mailto:Kate.Hall@nufarm.com)



23 May 2025

Reference: 109611

Ms Kate Hall  
Company Secretary  
Nufarm Limited  
103-105 Pipe Road  
LAVERTON NORTH VIC AU 3026

By email:

Dear Ms Hall

**Nufarm Limited('NUF'): ASX Aware Letter**

ASX refers to the following:

- A. NUF's announcements released on the ASX Market Announcements Platform ('MAP') on 21 May 2025 in connection with its half year results ('Results Announcements'), being:
- 1.1 'Half Yearly Reports and Accounts' released on MAP at 8:19 AM AEST.
  - 1.2 '1H25 Result and Review of Seed Technologies' released on MAP at 8:19am AEST.
  - 1.3 'Nufam HY25 results presentation' released on MAP at 8:19am AEST.
- B. The change in the price of NUF's securities from \$4.02 immediately prior to the release of the Results Announcements to a low of \$2.79 and closing at \$2.81 on the day of the Results Announcements.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."*
- E. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.
- "3.1A** *Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1** *One or more of the following 5 situations applies:*
- *It would be a breach of a law to disclose the information;*
  - *The information concerns an incomplete proposal or negotiation;*
  - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*



- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- G. ASX's policy position on "market sensitive earnings surprises", which is detailed in section 7.3 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular:

*"...If an entity becomes aware that its earnings for the current reporting period will differ materially (downwards or upwards) from market expectations, it needs to consider carefully whether it has a legal obligation to notify the market of that fact."...*

*"...An earnings surprise will need to be disclosed to the market under Listing Rule 3.1 if it is market sensitive – that is, it is of such a magnitude that a reasonable person would expect information about the earnings surprise to have a material effect on the price or value of the entity's securities."...*

#### **Request for information**

Having regard to the above, ASX asks NUF to respond separately to each of the following questions and requests for information:

1. Does NUF consider that any measure of its statutory or underlying earnings for the half year ended 31 March 2025 as disclosed in the Results Announcements ('Earnings Information') differed materially from the market's expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):
  - 1.1 If NUF had published earnings guidance, that guidance.
  - 1.2 If NUF is covered by sell-side analysts, the earnings forecasts of those analysts.
  - 1.3 If paragraphs 1.1 and 1.2 are not applicable, NUF's earnings for the prior corresponding period, being half year ended 31 March 2024.

Please answer separately for each measure of earnings referred to in the Earnings Information. In your response, please have regard to ASX's commentary in paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8 about when a variation from market expectations may be material.

2. Please explain the basis for the view provided in response to question 1. In doing so, please specify how NUF determined market expectations in relation to each relevant measure of its earnings, including:
  - 2.1 If NUF had published earnings guidance, details of:
    - 2.1.1 that guidance and when it was released to the market; and
    - 2.1.2 the date when NUF first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.
  - 2.2 If NUF used sell-side analyst forecasts to estimate the market's expectations of its earnings, details of:
    - 2.2.1 the method that NUF used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in particular, whether or not NUF used a "consensus estimate" or an "adjusted consensus estimate" or a different specified approach for determining this estimate;

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- 2.2.2 NUF's estimate of market expectations using that method; and
- 2.2.3 the date when NUF first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.
- 2.3 If paragraphs 2.1 and 2.2 are not applicable, the date when NUF first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, NUF's earnings for the prior corresponding period.
3. Does NUF consider that, at any point prior to the release of the Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of NUF's securities?
- Please answer separately for each measure of earnings referred to in the Earnings Information.
4. If the answer to question 3 is "no", please provide the basis for that view.
5. If NUF first became aware of the variance before the release of Results Announcements, did NUF make any announcement prior to the release of the Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe NUF was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps NUF took to ensure that the information was released promptly and without delay.
6. Please provide details of any other explanation NUF may have for the trading in its securities following the release of the Results Announcements.
7. Please confirm that NUF is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that NUF's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of NUF with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AMAEST Wednesday, 28 May 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, NUF's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require NUF to request a trading halt immediately if trading in NUF's securities is not already halted or suspended.

Your response should be sent by e-mail to [ListingsComplianceMelbourne@asx.com.au](mailto:ListingsComplianceMelbourne@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in NUF's securities under Listing Rule 17.3.

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**Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to NUF's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that NUF's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

**Release of correspondence between ASX and entity**

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

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ASX Compliance