FY19 results and sale of Nufarm South America

30 September 2019

Nufarm

Grow a better tomorrow

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Non-IFRS information

Nufarm Limited results are reported under international Financial Reporting Standards (IFRS) including Underlying EBIT and Underlying EBITDA which are used to measure segment performance. The presentation also includes certain non-IFRS measures including Underlying net profit after tax and Gross profit margin. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review. Certain figures may be subject to rounding differences. Refer to ‘Supplementary information’ for the definition and calculation of non-IFRS information. All market share information in this presentation is based on management estimates based on internally available information unless otherwise indicated. All amounts are in Australian dollars unless otherwise stated.

Resetting Nufarm

1 Sale of Nufarm South America

- Sale of South American crop protection and seed treatment operations in Brazil, Argentina, Colombia and Chile ("Nufarm South America") to Sumitomo Chemical Company ("Sumitomo") for $1,188 million
  - represents c.12.3x FY19 Underlying EBITDA after adjusting for the net costs associated with working capital management and operational FX hedging[1]
  - represents c.10x FY19 Underlying EBITDA[2]

2 Simplifies the business

- Increased focus on major agricultural markets in Europe, North America and Asia Pacific
- Capital redeployed into remaining businesses where it can generate higher margins and stronger cash flow
- Opportunity to reduce overheads
- Simplified financing structure, reduced funding costs and FX exposure

3 Focuses the business on higher margins and cash generation

- Market share growth in higher margin European market with further earnings contribution from acquired portfolios
- Performance improvement program in ANZ ahead of schedule with upside exposure to a recovery in weather conditions
- Organic growth in North America supported by new formulation facility
- Seed Technology earnings growth supported by new proprietary products
- Omega-3 canola expected to generate positive EBITDA from FY21
- Sumitomo relationship strengthened

4 Strengthens the balance sheet

- Reduced leverage: FY19 net debt / EBITDA will fall from 3.0x to 0.7x[3] on a pro forma basis
- Average net working capital requirements to be reduced by c.$500m (FY19 pro forma basis)
- Target of 1-1.5x core[4] leverage ratio. Opportunities for capital management can be explored

Notes:
1. FY19 Underlying EBITDA adjusted for the net costs associated with working capital management and operational FX hedging of c.$24 million
2. FY19 Underlying EBITDA of c.$120 million
3. FY19 pro forma net debt of c.$199 million and FY19 pro forma Underlying EBITDA of c.$300 million
4. Core leverage defined as net debt to Underlying EBITDA, excluding seasonal debt fluctuations

1 Sale of Nufarm South America

Attractive value creation for Nufarm shareholders

Transaction summary

- Sale of Nufarm South America to Sumitomo for $1,188 million, on a cash and debt free basis, subject to a customary net working capital adjustment on completion
- Nuseed assets excluded from sale
- Nufarm to provide procurement services and supply of certain Nufarm products to the South American businesses
- Sumitomo Master Agreement renewed to 2025 and Nufarm confirmed as preferred commercialisation partner for proprietary fungicides Pavecto and Indiflin in Germany, Poland and the UK

Key approvals and transaction timing

- A shareholder vote is being targeted for December 2019. Shareholders will receive an Explanatory Memorandum, including an Independent Expert's Report, which will consider the fairness and reasonableness of the proposed Transaction
- The Transaction is unanimously recommended by the Board of Nufarm[1] (subject to there being no superior proposal for Nufarm South America or Nufarm and, also subject to an Independent Expert concluding that the Transaction is fair and reasonable to Nufarm shareholders other than Sumitomo)
- Completion of the Transaction remains subject to Nufarm shareholder approval as well as competition approval by the relevant South American regulatory bodies
- Transaction completion targeted for 1H FY20

Note:
1. Sumitomo's nominee Director, Toshikazu Takasaki, did not participate in this decision

1 Compelling value for shareholders

Provides upfront value for shareholders and enables the redeployment of capital to regions where stronger cash flows can be generated

Attractive valuation

- Attractive valuation representing:
  - c.12.3x FY19 Underlying EBITDA after adjusting for the net costs associated with working capital management and operational FX hedging[1]
  - c.10x FY19 Underlying EBITDA[2]

Simplified business focussed on cash flow generation

- Nufarm has grown and stabilised earnings in South America, but continues to face increasing competition
- South American market working capital requirements have continued to grow. The next phase of growth for Nufarm South America will require significant further investment in working capital
- Nufarm South America has not generated positive free cash flow for the Nufarm Group over the past five years
- Nufarm's business will be refocused on higher margin regions targeting improved cash returns

Strengthened balance sheet and reduced funding costs

- Transaction proceeds will strengthen the balance sheet, deleveraging the Nufarm Group from c.3.0x to c.0.7x[3] in FY19 on a pro forma basis
- Target of 1-1.5x core[4] leverage ratio. Opportunities for capital management can be explored
- On a pro forma basis, the Transaction is expected to reduce FY19 Group EBITDA by c.$120 million and Group financing costs by c.$60–70 million (including FX hedging costs)
  - c.$50 million of net financing costs (including c.$10–15 million of annual FX hedging related costs) will be eliminated following the sale of Nufarm South America
  - up to an additional c.$20 million of interest savings as a result of further debt pay down

Notes:
1. FY19 Underlying EBITDA adjusted for the net costs associated with working capital management and operational FX hedging of c.$24 million
2. FY19 Underlying EBITDA of c.$120 million
3. FY19 pro forma net debt of c.$199 million and FY19 pro forma Underlying EBITDA of c.$300 million
4. Core leverage defined as net debt to Underlying EBITDA, excluding seasonal debt fluctuations

2 The South American market has unique characteristics

Whilst Nufarm South America has generated high revenue growth, margins are lower than other key markets, working capital intensity is high, financing and FX costs (and associated volatility) are high and free cash flow generation is low

Unique market characteristics

High growth

- High volume growth
- Revenue growth impacted by currency

Fragmented distribution model

- Larger direct-to-farmer component than other markets
- Providers of crop inputs grant extended “crop terms” (6-10 months)
- Local financial markets offer tailored products to address credit and funding risk – little integration with global financing programs

Increasing competition and moderating growth

- New product registrations have increased competition, particularly for foundational products
- Improvements to product registration process is making it faster

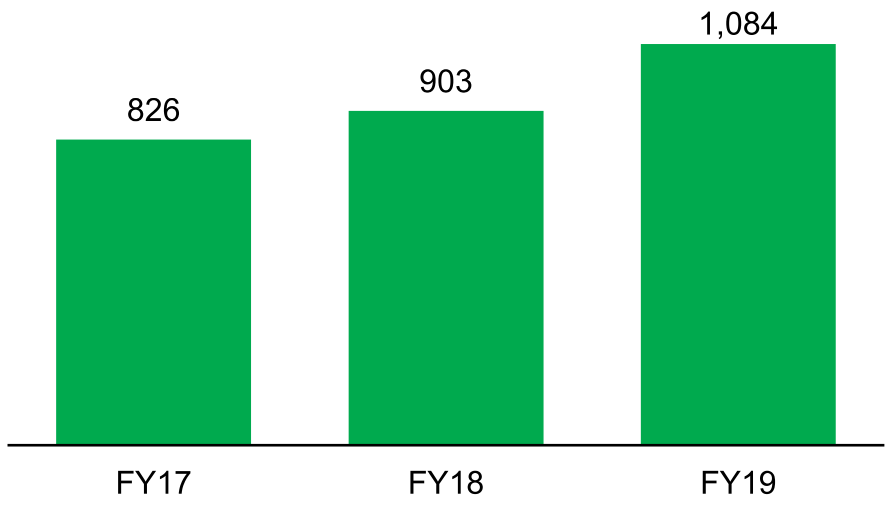
Currency volatility

- Significant BRL and ARS volatility

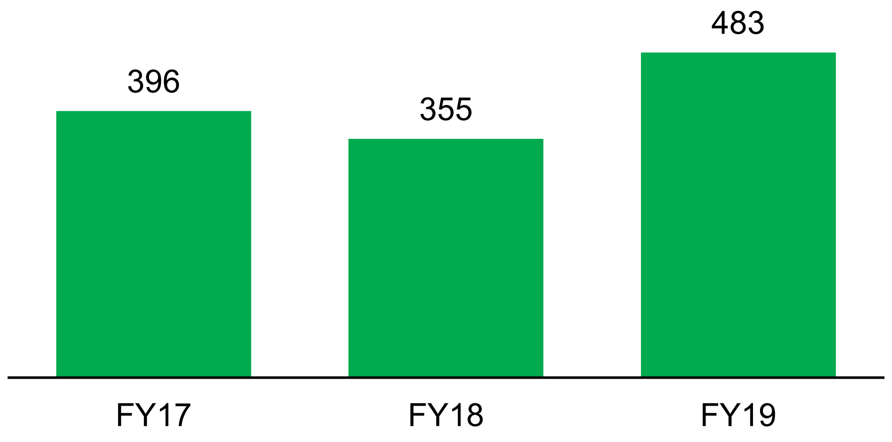
Implications for Nufarm

- High revenue growth
- Ongoing margin pressure
- Working capital intensive
- Disproportionate funding cost
- Low free cash flow generation

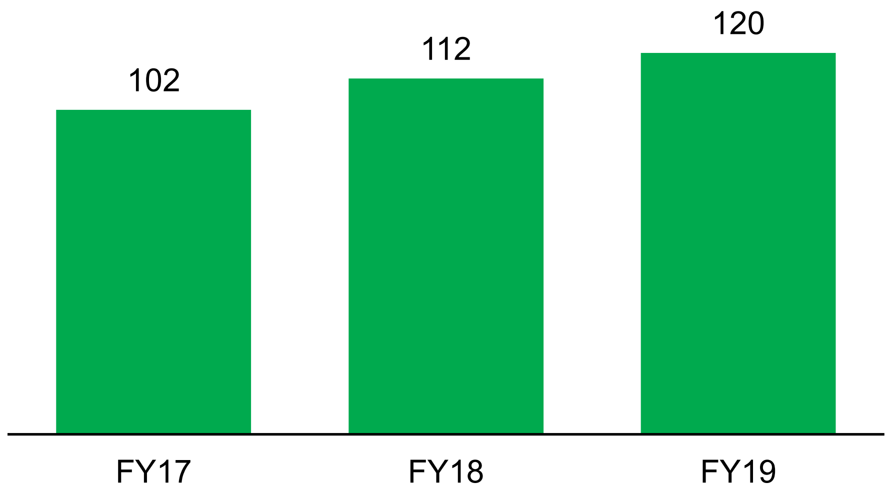
Sales ($m)



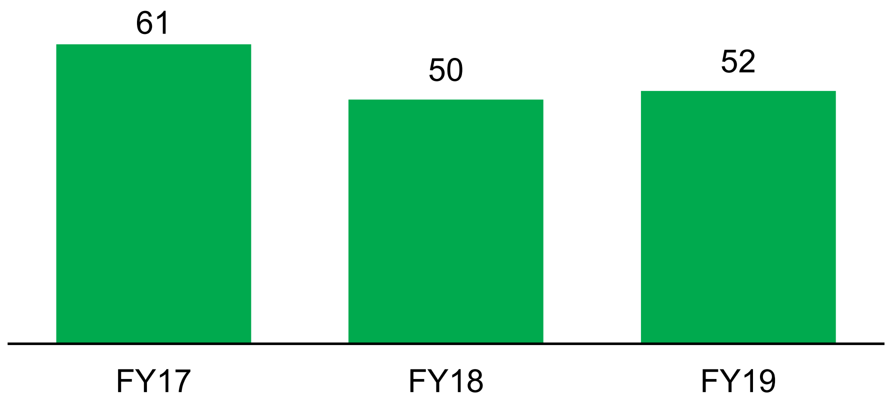
Average net working capital ($m)



Underlying EBITDA ($m)



Net financing[1] and total FX costs ($m)



Note:
1. Includes net interest costs and costs associated with working capital management

Nufarm South America has not generated free cash flow over the past 5 years

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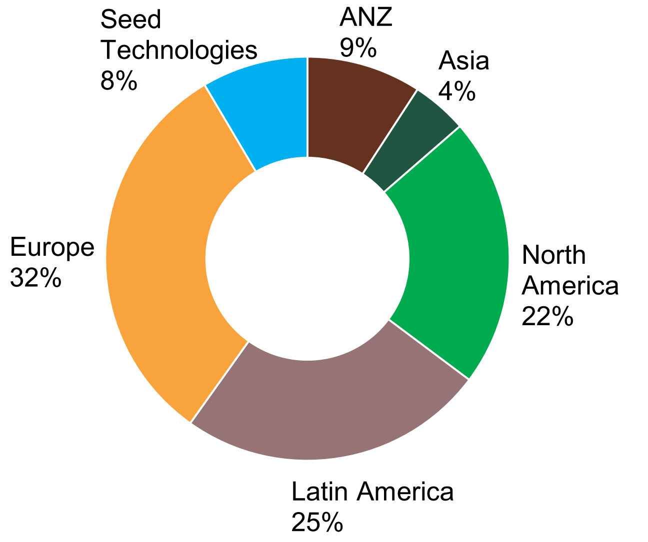
2 A simplified business with a diversified earnings base

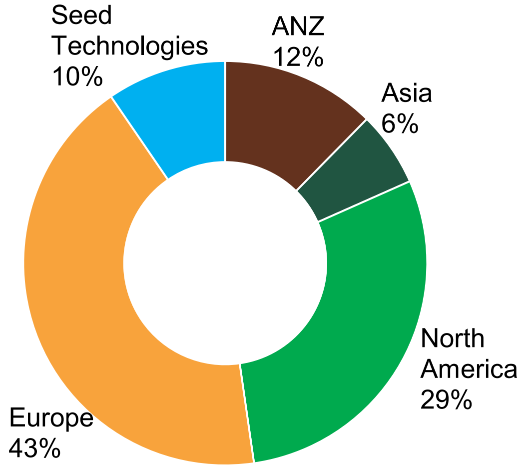
A diversified earnings base supported by reduced currency exposure and lower financing costs

FY19 gross profit contribution by region

Pre-transaction

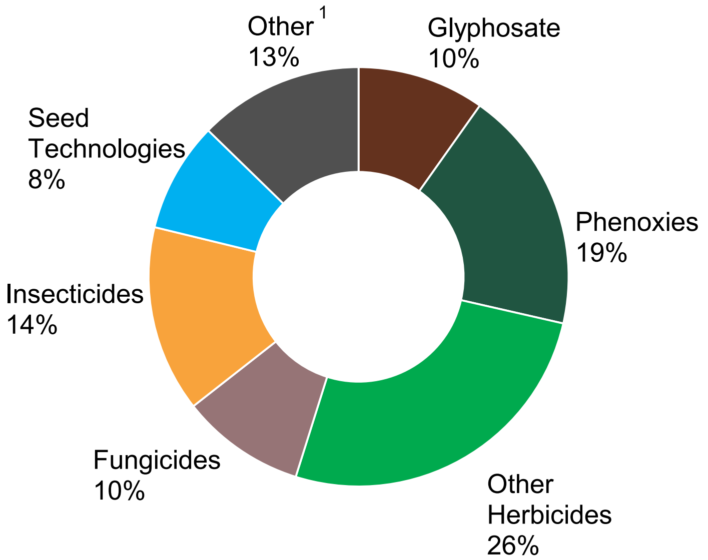


Post-transaction

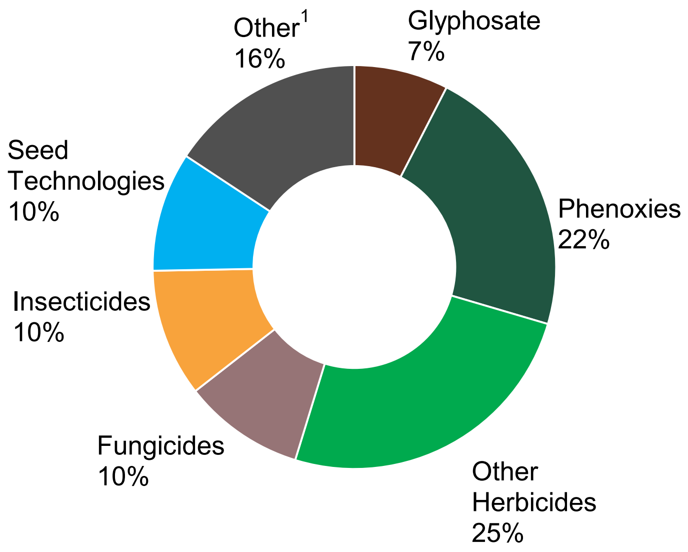


FY19 gross profit contribution by product

Pre-transaction



Post-transaction



Reduced FX risk and interest costs

- On a pro forma basis, the Transaction is expected to reduce FY19 Group financing costs by c.$60–70 million (including FX hedging costs)
  - c.$50 million of net financing costs (including c.$10–15 million of annual FX hedging related costs) will be eliminated following the sale of Nufarm South America
  - up to an additional c.$20 million of interest savings as a result of further debt pay down
- Nufarm's remaining regions (Europe, North America and Asia Pacific) experience much lower levels of FX volatility compared to South American currencies (in particular the Brazilian real and Argentine peso)

Ongoing efficiency program

- Corporate cost reduction opportunities to be reviewed
- Good early progress on the ANZ performance improvement program resulting in c.$10–$15m of incremental EBITDA in FY20
- Transitional issues impacting product availability in Europe have been addressed. Tight Chinese supply conditions expected to continue to impact FY20 but net EBITDA improvement of c.$15m expected in FY20

Note:
1. Other includes Croplands equipment, adjuvants, plant growth regulators and industrial products

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3

Focused on cash generation and improving margins

Significant opportunities to increase earnings and cash conversion in existing capital base

Europe

- Well balanced and high quality product portfolio with strong customer demand for new products
- Transitional supply issues impacting product availability have been addressed
- Current tight Chinese supply conditions expected to ease in medium term – positive for margins
- Normalisation of working capital will improve cash generation
- Further strengthened management and commercial teams
- Preferred commercialisation partner for Sumitomo with respect to new fungicides products will further strengthen Nufarm's product portfolio

North America

- Leading market position in US turf and ornamental ("T&O") market
- Increasing share in crop protection in US and Canada
- Strong customer loyalty provides resilience across market conditions
- Proven track record of earnings growth and cash conversion
- New formulation facility in Greenville, Mississippi, to support growth in south eastern US markets. Full EBITDA impact expected in FY21

3

Focused on cash generation and improving margins

Significant opportunities to increase earnings and cash conversion in existing capital base

Asia Pacific

- Longstanding number one market position in crop protection in Australia
- Strong footprint in New Zealand and Indonesia
- Diversification into new geographies – China joint venture building base for growth
- Forecast c.$10–$15m EBITDA improvement for FY20 from next phase of performance improvement program in Australia
- Upside exposure to weather recovery in Australia – still targeting normalised EBIT of $50m

Seed Technologies

- Growing share in canola, sunflower and sorghum in all geographies
- Upside exposure to increased canola earnings when Australian drought conditions ease
- Earnings growth supported by launch of new proprietary seed hybrids and categories
- Acquisition of Trunemco in FY19 – first sales in FY20, ramping up in FY21
- Omega-3 canola expected to be EBITDA positive from FY21

3 Omega-3 canola

A significant “Beyond Yield” opportunity with a positive earnings contribution expected from FY21

First to market

35,000 acres now being harvested

Excellent results involving >1 million fish with multiple aquaculture partners

First sales expected in new calendar year

Expected to be EBITDA positive from FY21

Intellectual property position strengthened

- Multiple additional patents granted in FY19
- US federal court infringement against other parties to be heard in October 2019

Regulatory approvals progressing

- Food, feed and cultivation approvals secured in Australia (since FY18)
- USA cultivation approval secured with food and feed approval pending
- Canadian food, feed and cultivation pending
- Applications filed in China, Korea, Japan and Europe

3 Strengthened Sumitomo relationship

Nufarm and Sumitomo to continue long term relationship as strategic partners with Sumitomo to remain a major shareholder

- Master agreement renewed to 2025, with a mechanism to extend further
- New agreement confirms Nufarm as preferred commercialisation partner for proprietary fungicides Pavecto and Indiflin in Germany, Poland and UK
- US turf and ornamental agreement renewed for five years
- Nufarm to provide procurement services and supply certain products to Nufarm South America businesses
- Additional pipeline products from Sumitomo expected to positively contribute to Nufarm's earnings from FY21

"Nufarm has built a strong distribution network in South America and this transaction will realise value for shareholders in both companies. We look forward to continuing our long term relationship with Nufarm as a strategic partner and major shareholder.

We are also pleased to confirm that Mr. Toshikazu Takasaki has been nominated for re-election to the Nufarm Board."

Sumitomo Chemical Executive Vice President
Ray Nishimoto

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4 Strengthened balance sheet

Nufarm's Group net debt / EBITDA will fall from 3.0x in FY19 to 0.7x on a pro forma basis. Opportunities for capital management can also be explored

Sources and Uses ($m)

Sources	
Cash proceeds from Transaction	**1,188**
Uses	
PS purchase[1]	97.5
Estimated transaction costs	20
Estimated tax payable	120
Available for debt pay down / capital management	951
Total	**1,188**

Impact on Nufarm[2]

A$m; Jul-19 y/e	Nufarm Today	Adjustments	Post Transaction
Sales	3,758	(1,084)	2,674
EBITDA	420	(120)	300
Net debt	1,247[3]	(1,048)	199
Closing net debt / EBITDA	**3.0x**		**0.7x**

Notes:
1. Nufarm to purchase the $97.5m of preference securities ("PS") previously issued to Sumitomo following completion of the Transaction
2. Excludes any potential gain or loss on sale
3. Net debt pre Transaction shown as at 31 July 2019, i.e. prior to the cash proceeds received from Sumitomo following the issuance of the PS

Ongoing structural improvement in cash generation

Earnings improvement

- Increase in margins
- Overhead and operating cost review
- Omega-3 canola

Working capital efficiency improvements

- Integrated business planning
- Ongoing SKU rationalisation
- Target return to ANWC / Sales of 40%

Reduction in financing and FX hedging costs

Increased capital expenditure discipline

Medium term leverage target of 1.0–1.5x core net debt / EBITDA

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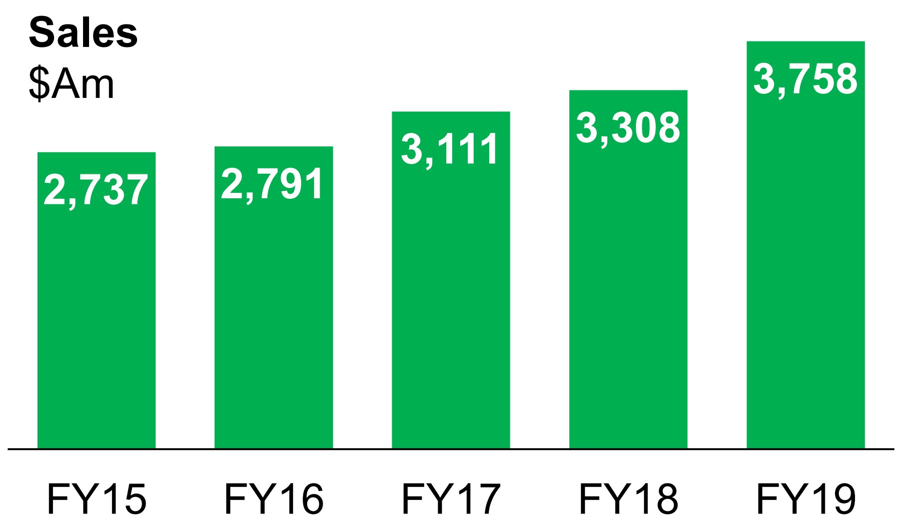
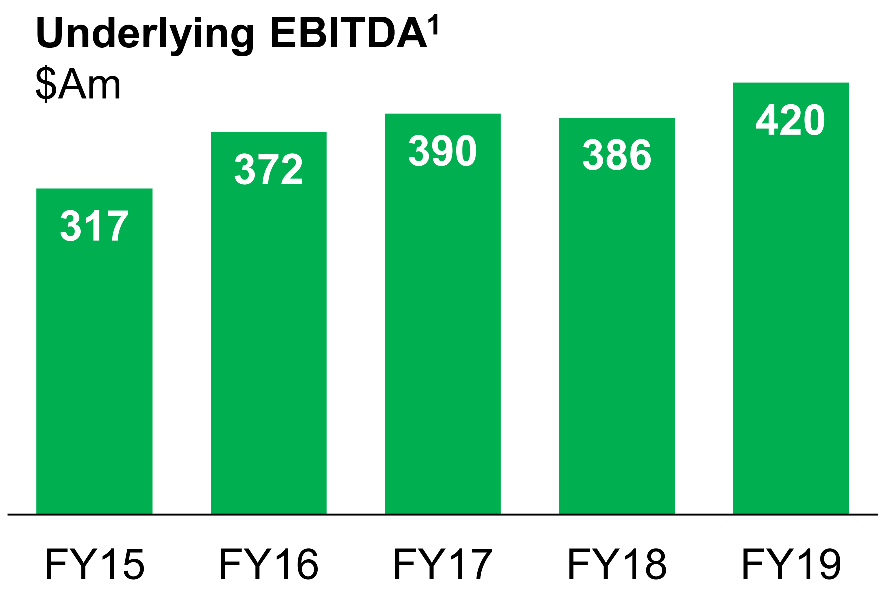
FY19 Results

2019 Overview

Managing industry headwinds and strengthening the business



Reported
NPAT
$38m
pcp $16m loss



Note:
1. Underlying EBITDA excludes material items

Net Debt
$1,247m
↓ 9%

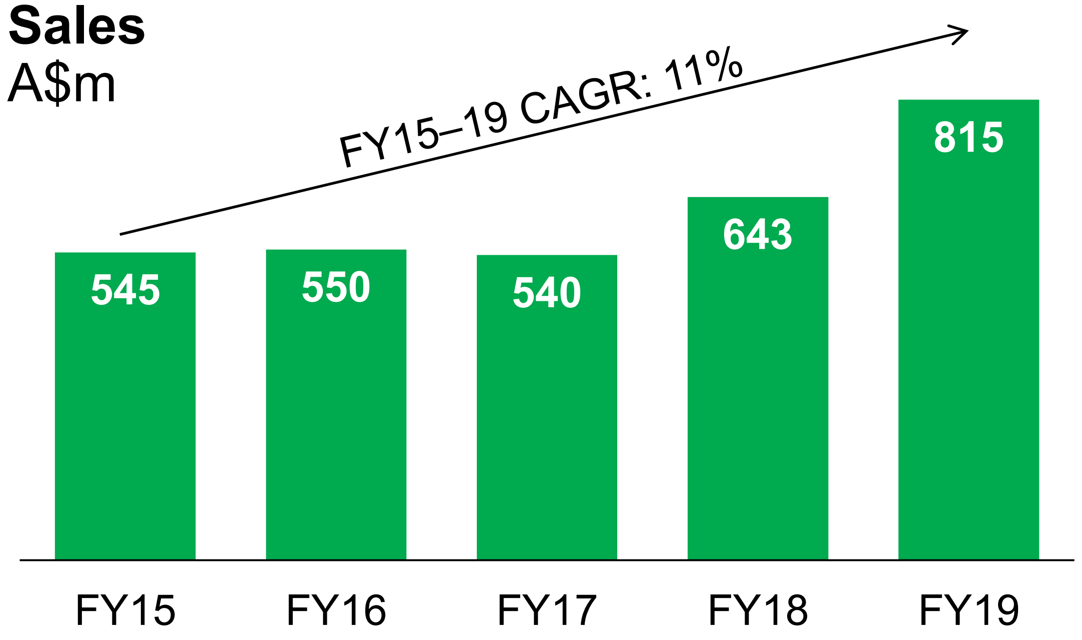
2019 HIGHLIGHTS

- Safety as our top priority
- Managed external headwinds
- Progressed next phase of ANZ transformation
- Completed integration of European portfolios
- Strengthened balance sheet and commenced deleveraging program

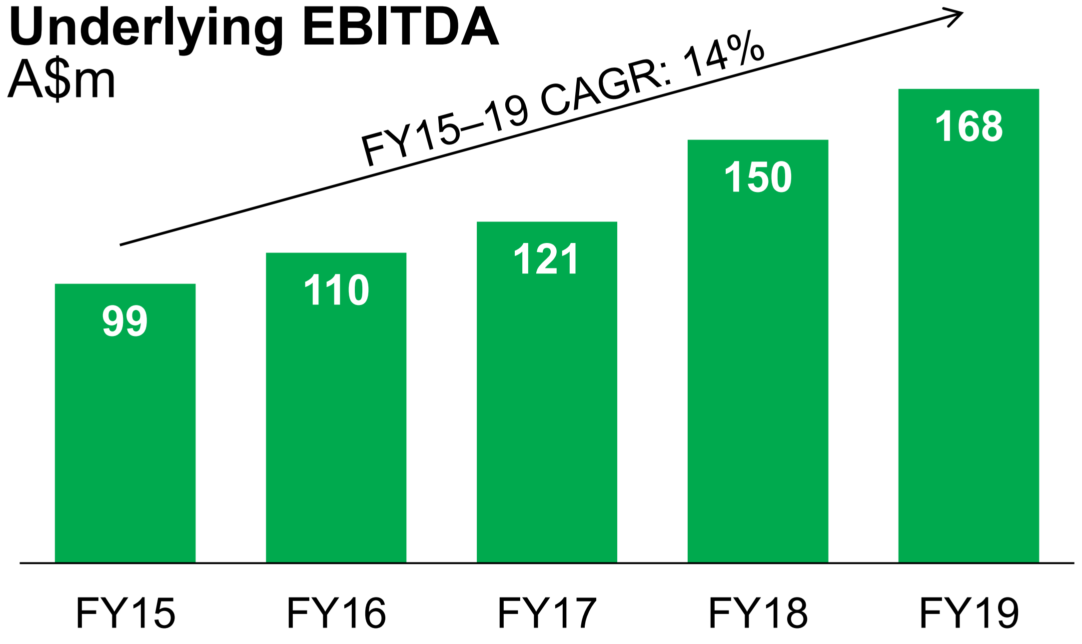
Europe

Strong demand for new products but supply disruptions constrained earnings

Sales
A$m



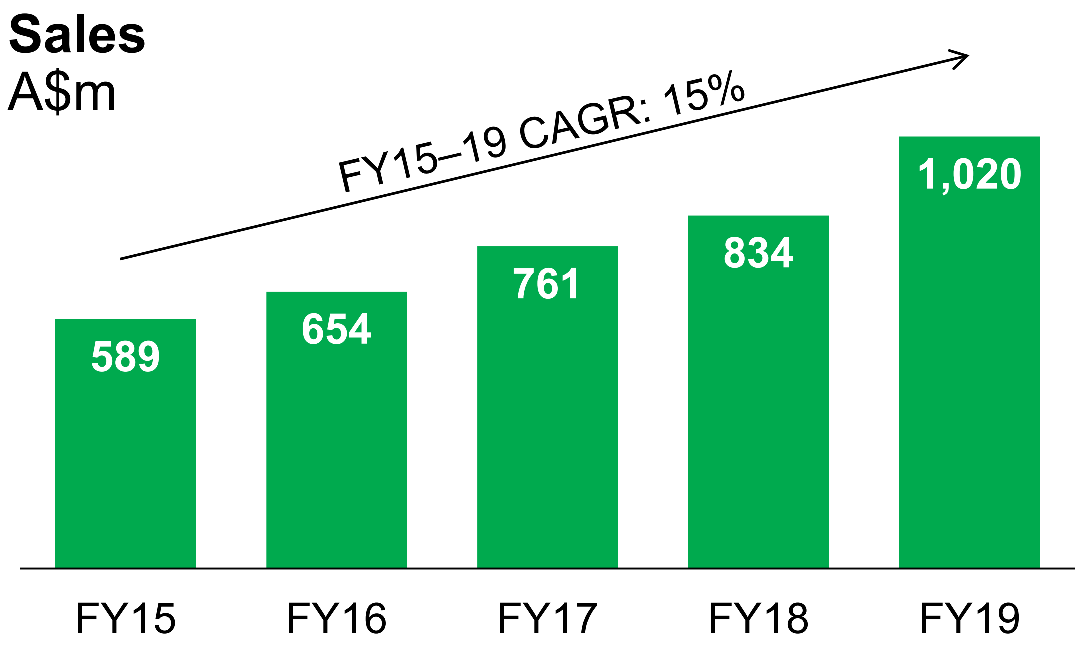
Underlying EBITDA
A$m

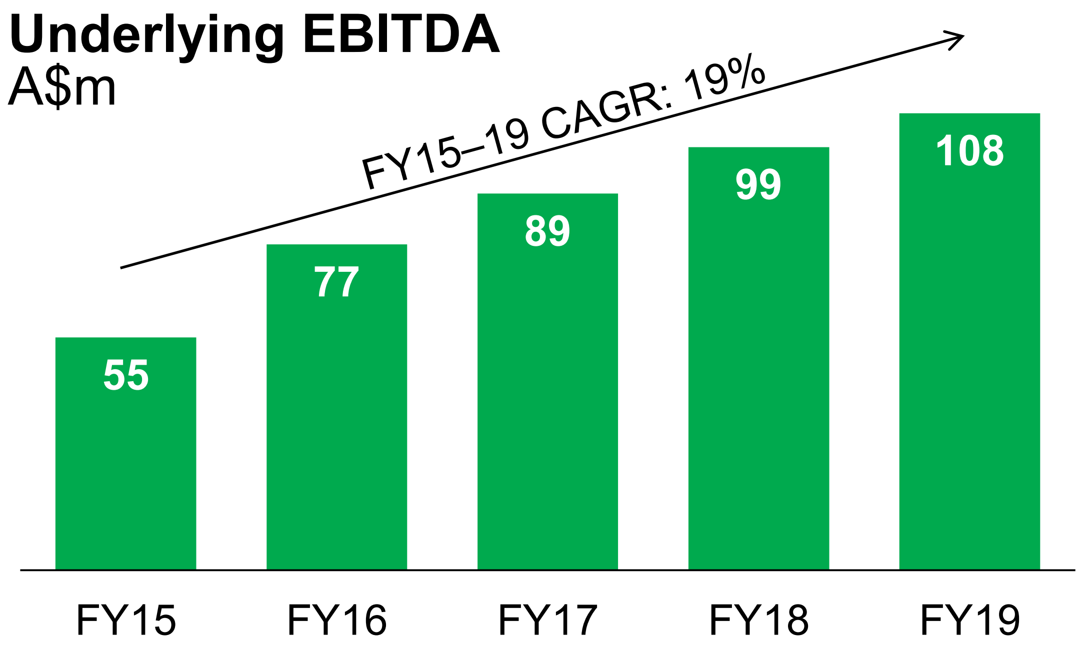


- Sales and earnings growth in flat market conditions with strong demand for products from acquired portfolios
- Earnings constrained by supply disruptions, dry winter conditions in central and northern Europe in 1H. Planned maintenance shut impacted EBITDA c.$5m in 1H19 (not recurring in FY20)
- Acquired portfolios contributed $75m EBITDA
- Product registrations for acquired product portfolio have been accelerated to achieve full control of supply chain for FY20. Tight supply conditions for some technical ingredients expected to continue. Expected net impact is a benefit of c.$15m to EBITDA in FY20
- Further strengthened management and commercial teams

North America

Strong performance in difficult conditions

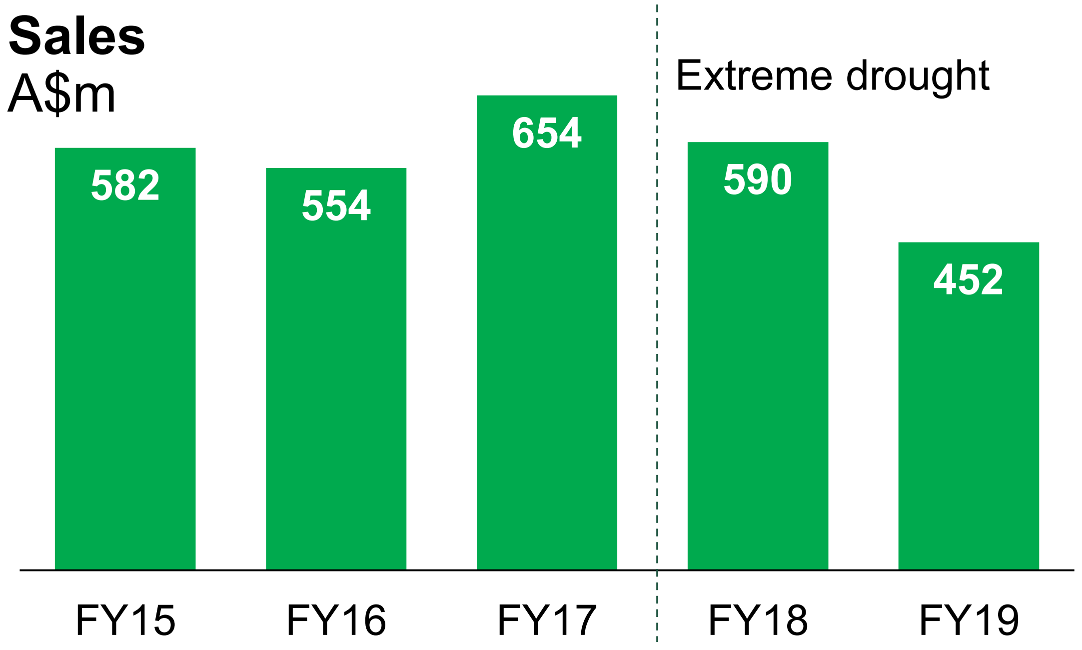


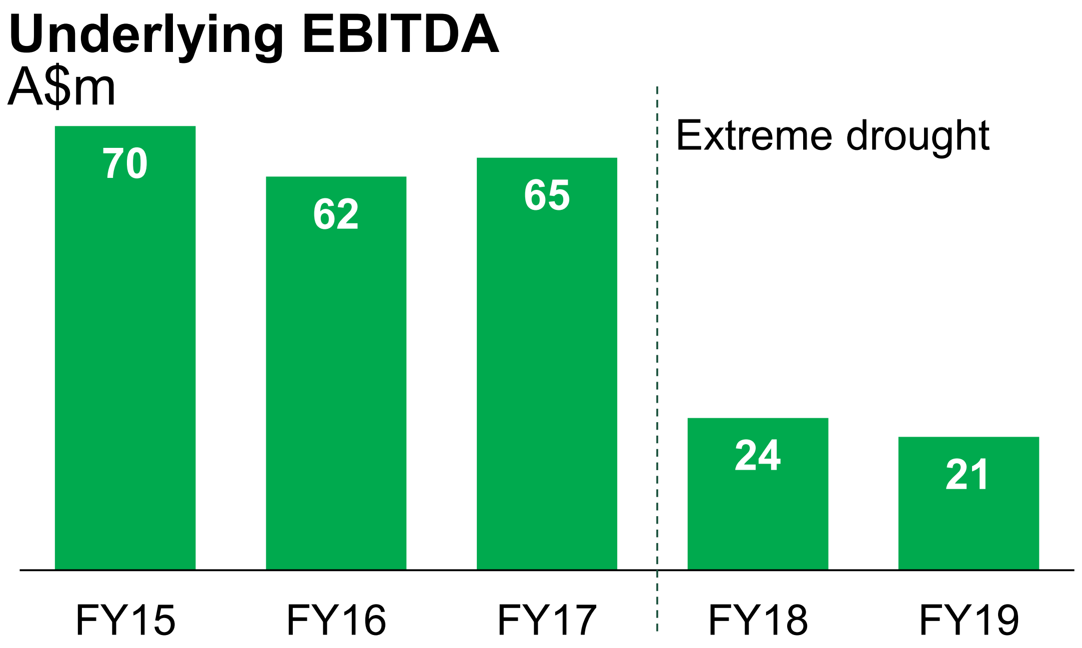


- Flooding in US south and Midwest, dry in western Canada. High channel inventories resulted in aggressive industry pricing
- Strong 1H contribution in T&O and market share gains in crop protection products in 2H offset external headwinds
- Working capital above normal levels due to lower and later than expected sales following extreme weather conditions
- Expect competitive market conditions to continue into 1H20
- Commissioning of Greenville formulation facility will support growth into south-eastern US States. Full EBITDA benefit expected FY21
- Normalising working capital balances will be a key focus for FY20

Australia and New Zealand

Prioritisation of working capital reduction and performance improvement program



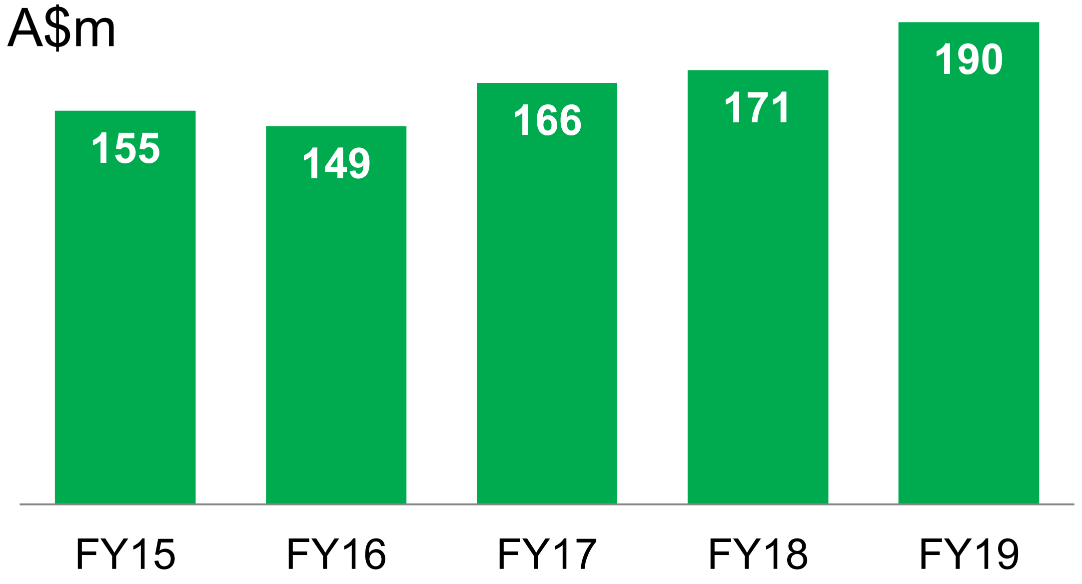


- Continued drought for large parts of east coast of Australia and late season on west coast
- High channel inventories and aggressive industry pricing impacted margins
- Inventories reduced c.$100m with unprecedented manufacturing line closures during 2H
- Performance improvement program forecast to deliver c.$10–$15m EBITDA in FY20

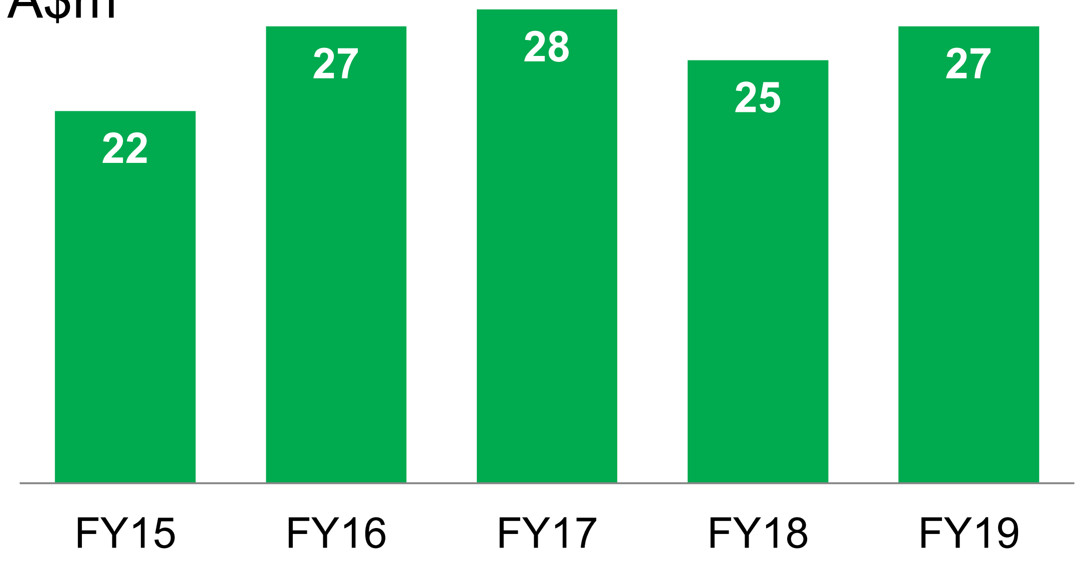
Asia

Good performance in difficult conditions

Sales
A$m



Underlying EBITDA
A$m

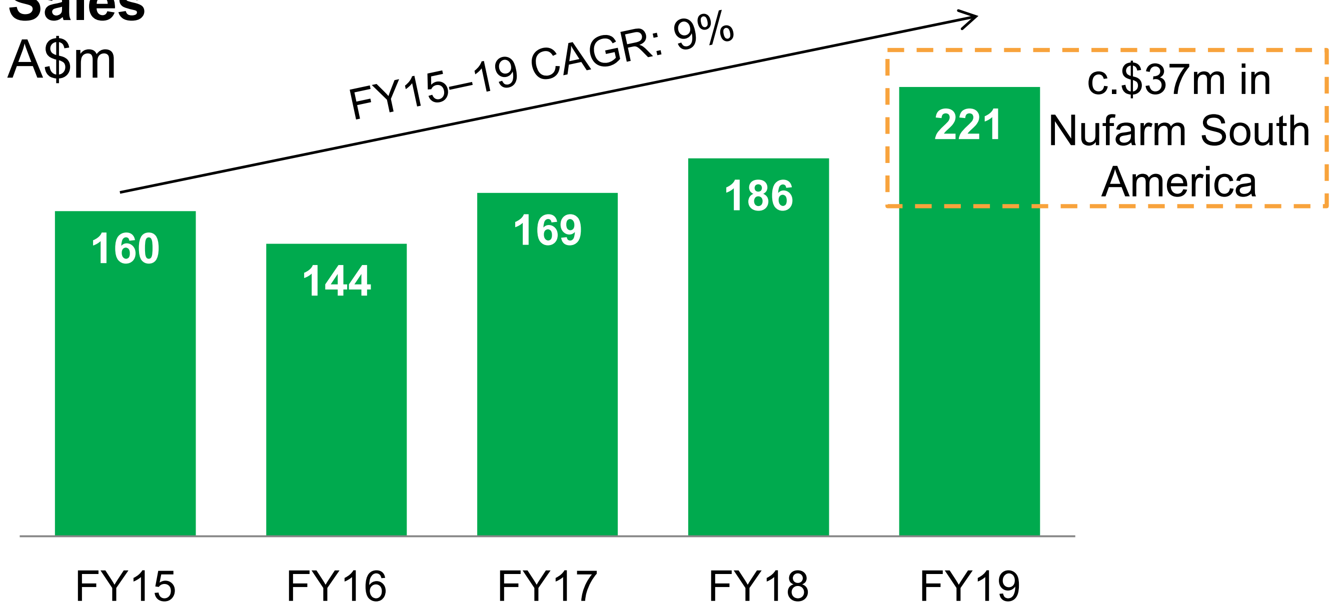


- Sales and earnings growth despite drought conditions and low commodity prices in Indonesia. Strong customer support and new product launches grew modest earnings growth in the rest of the region
- Full year contribution from joint venture with Fuhua in China
- Expect competitive market conditions in Indonesia for FY20 given current high channel inventories. Strong focus on net working capital and expense control
- Additional technical support and training to be provided to grow Nufarm branded sales through China JV
- Growing relevance in new products and markets – rice and TNVV

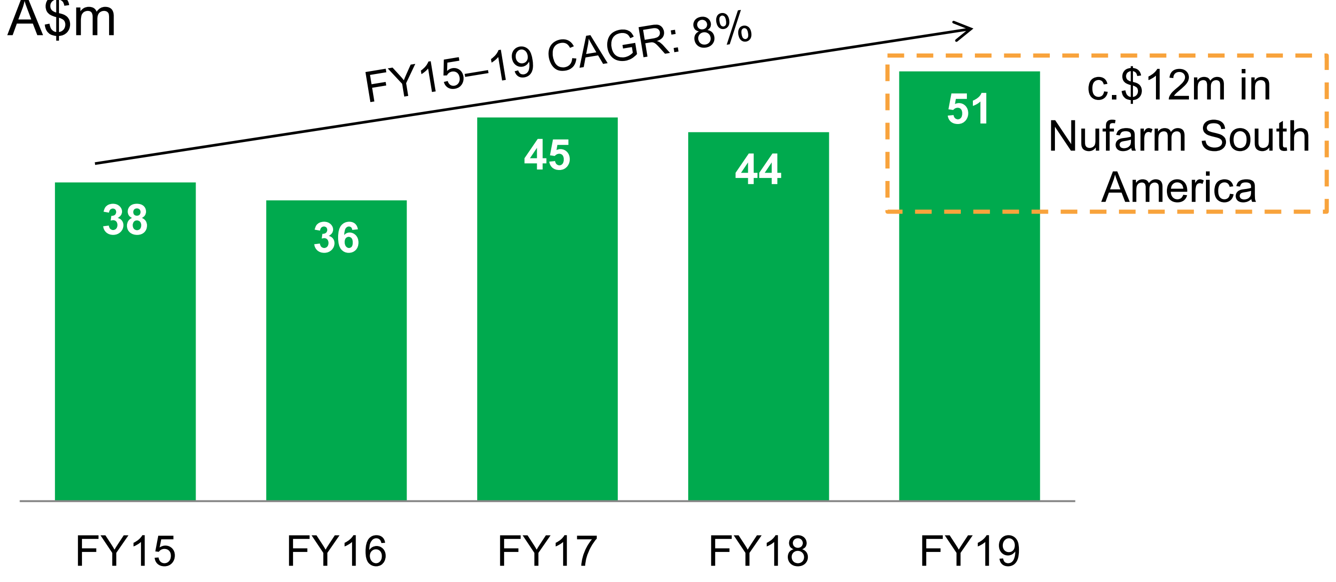
Seed Technologies

Growth despite mixed seasonal conditions

Sales
A$m



Underlying EBITDA
A$m



- Increased sunflower sales in Europe and Latin America and strong sorghum sales in Latin and North America offset impact of lower canola sales in Australia due to drought conditions
- Seed treatment sales and earnings grew in all regions except Australia, with particularly strong growth in Latin America
- Continued earnings momentum supplemented by recovery in Australian canola if climatic conditions improve for FY20
- Expect first Trunemco sales in FY20 ramping up through FY21
- First commercial sales Omega-3 in FY20. Expect EBITDA positive FY21

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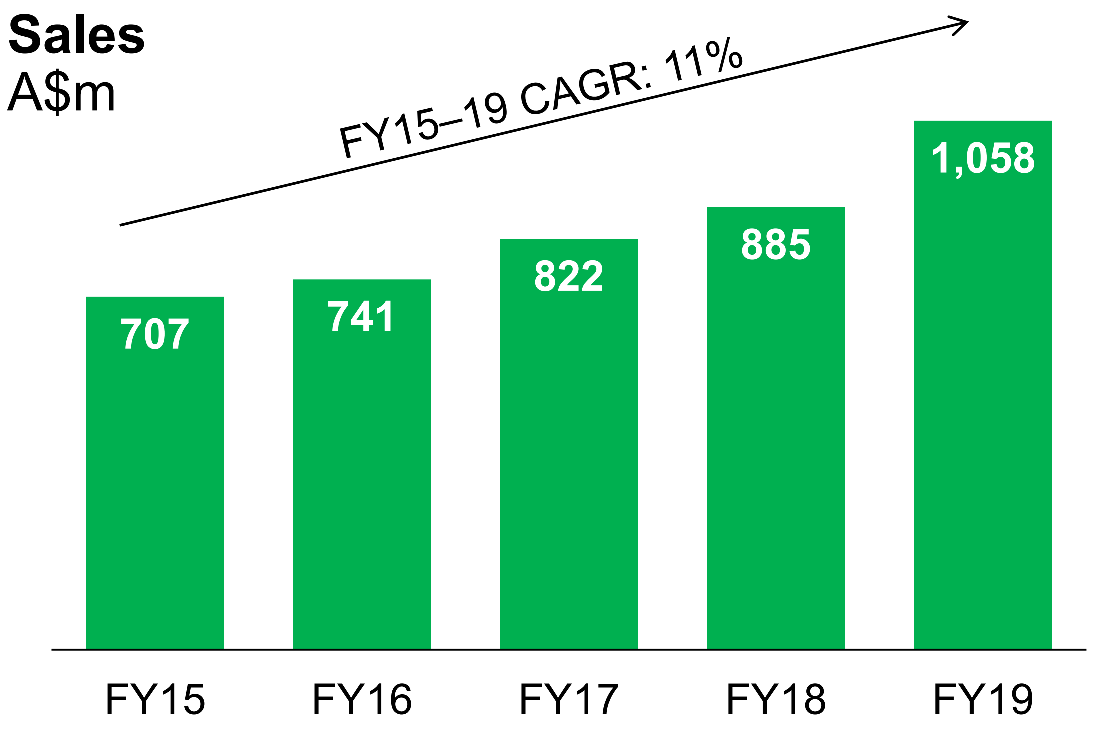
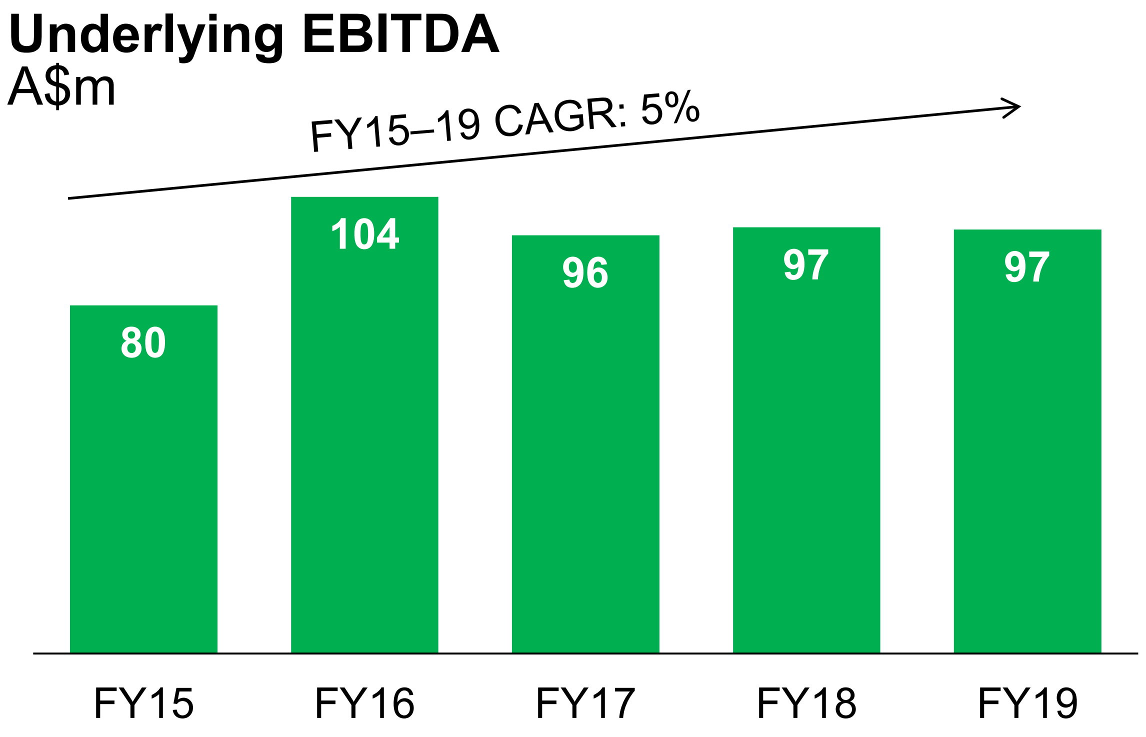
Latin America

Growth in volumes and differentiated product sales offset margin pressure





- Increased soy plantings in Brazil and improved climatic conditions in Argentina
- Volume and revenue growth across all key product groups
- Margins impacted by strong competition and increased COGS for foundational products
- Strong early demand for FY20 summer season in 2H

2019 financial results

Full year contribution from European acquisitions and strong performance in North America, Seed Technologies and Asia drove earnings growth

(A$ millions)

	FY19	FY18	Change
Revenue	3,758	3,308	⬆ 14%
Underlying gross profit[1]	1,035	963	⬆ 7%
Gross profit margin	27.5%	29.1%	⬇ 160bps
Underlying EBITDA[1]	420	386	⬆ 9%
EBITDA margin	11.2%	11.7%	⬇ 50bps
Underlying EBIT[1]	249	265	⬇ 6%
Underlying NPAT[1]	89	98	⬇ 9%
Reported NPAT	38	(16)	
Underlying free cash flow[2]	(36)	(249)	
ANWC / sales	46.8%	40.3%	

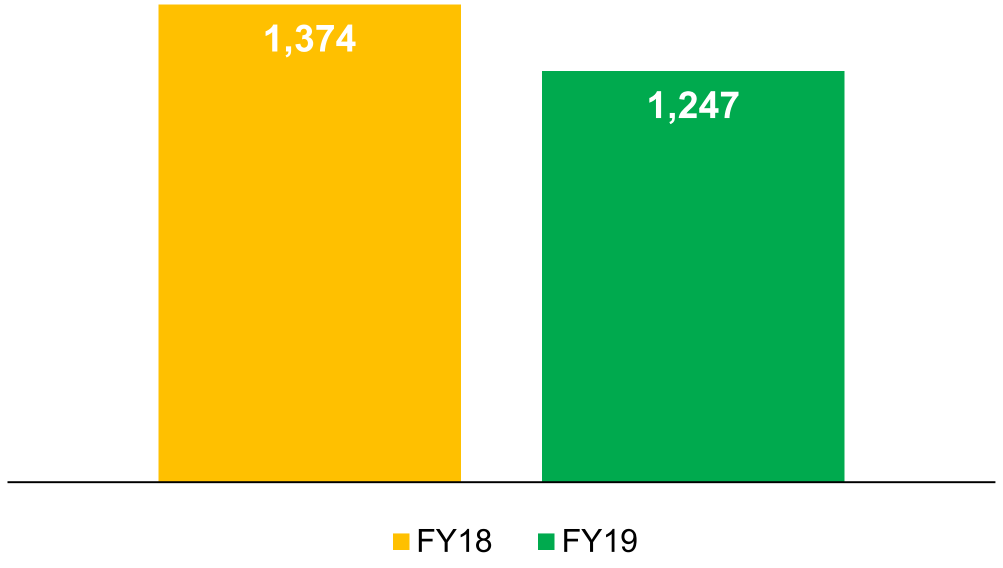
Notes:
1. Excludes material items
2. Net cash from operating activities excluding material items less net cash from investing activities excluding material items

- Revenue and earnings growth in all regions except ANZ (flat earnings Latin America)
- Margin impacted by
  - increased competition in Latin America
  - cost pressures in Europe due to supply issues
  - pricing pressure in North America
- Underlying EBIT and NPAT lower due to full year of D&A for European portfolios acquired in 2018
- Reported NPAT included material items of $51m
- ANWC / Sales impacted by higher average inventory balances throughout the year

Net debt and financing costs

Equity raising reduced debt and supported business during headwinds

Net debt
$Am



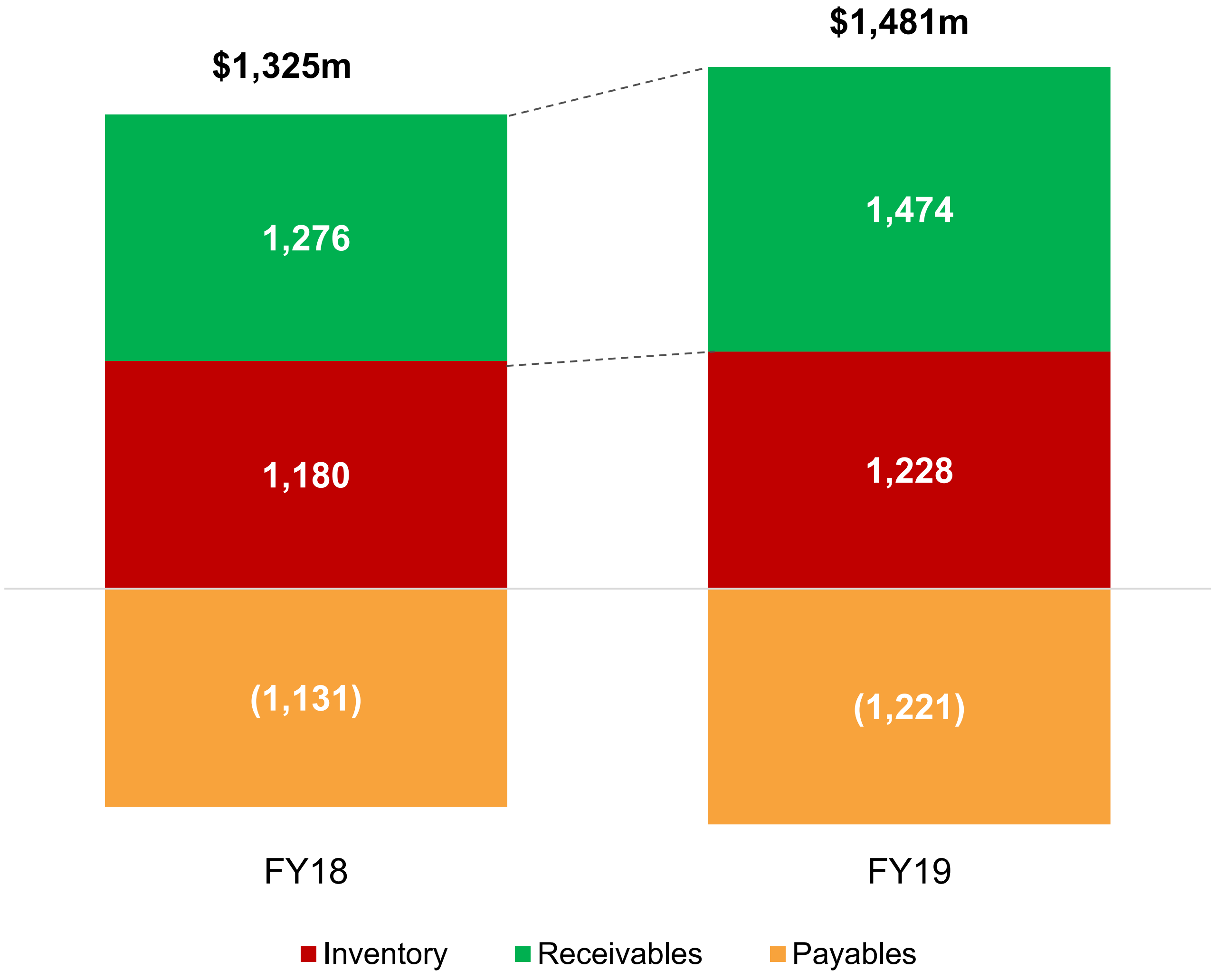
Underlying net financing costs
$Am

- Equity raising in 1H19 reduced net debt
- Year end leverage 3.0x (net debt / EBITDA)
- Debt reduced by further $97.5m post balance date through settlement of preference security on 2 August 2019
- Increase in net interest expense reflects full year of higher debt following acquisition of European portfolios part way through FY18
- In FY19, FX costs of approximately $15m for Latin America were offset by gains in other regions

Net working capital

Progress on working capital efficiency reflected in improved composition

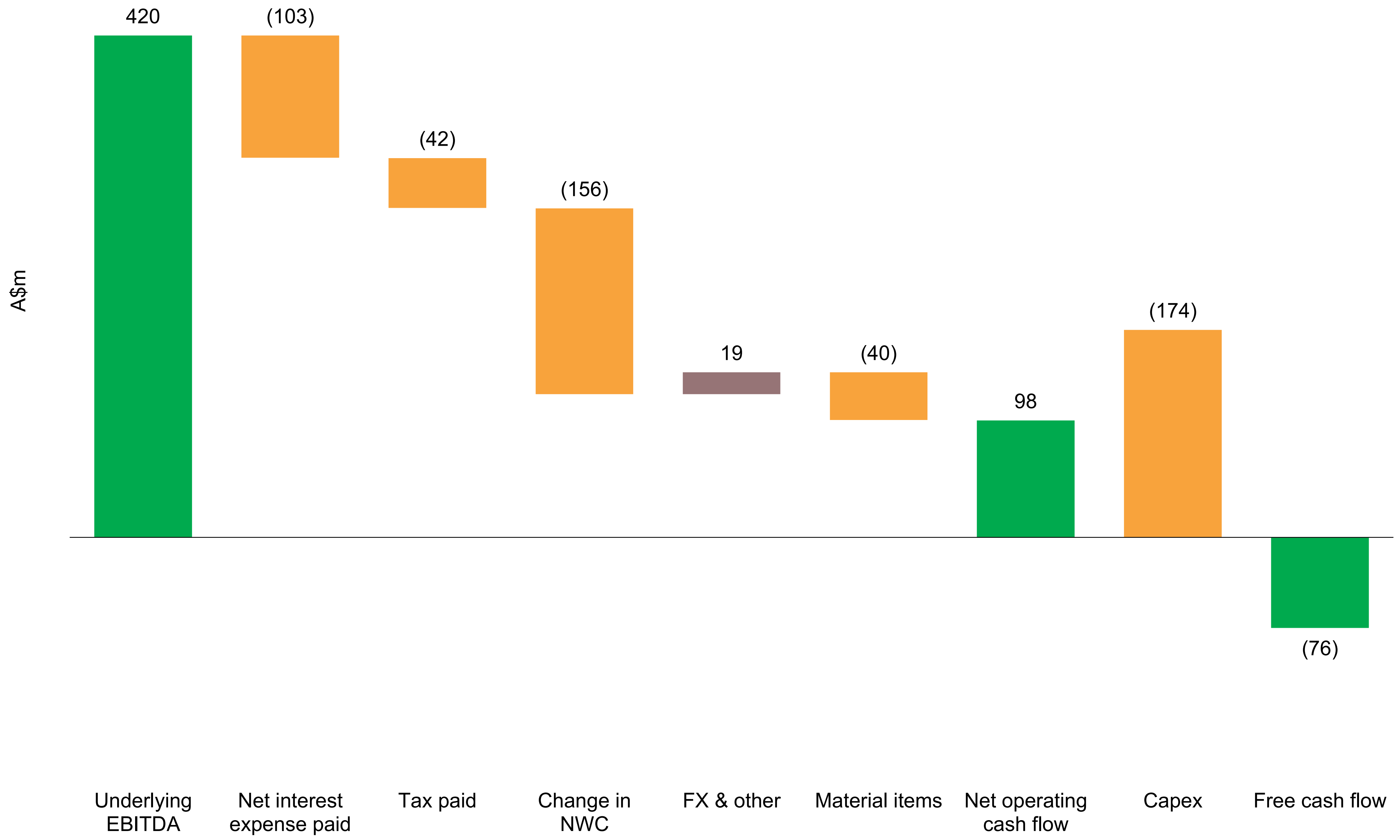
Net working capital composition
A$m



- Growth is in receivables
- Inventory balances in line with prior year despite sales growth - reflects benefit of temporary Australian manufacturing closure
- Good credit quality on receivables and no significant change in timing of collection profile. Strong receivables collections in August and September
- FX impact of $54 million increase to FY19 balance compared to FY18 exchange rates

Cash flow

Improvement on prior year but significant opportunity for further improvement



- Increase in working capital significantly reduced on prior year (FY18: $287m outflow)
- Operating cashflow $186m stronger than FY18
- Underlying free cash flow (excluding material items) in FY19 of ($36) million, up $213 million from FY18

Nufarm

Focus on cash generation

Increasing cash flow in the near term and driving longer term structural improvement

FY20 cash generation drivers

Earnings recovery

- ANZ performance improvement program
- European supply chain under Nufarm control

Working capital efficiency

- Integrated business planning

Reduction in capital expenditure

Alignment of management and employee incentives

Target return to ANWC / Sales 40%

FY20 outlook

Continued sales growth, cost savings benefits and improvements in supply chain to drive earnings growth in the businesses remaining after divestment

Assumptions

- Average seasonal conditions for major selling periods in key markets, with the exception of Australia where continued drought conditions are expected to impact the east coast for the summer cropping season
- No material impacts from government policy changes or additional third party supply interruptions
- FY20 actual results will be significantly impacted by completion timing of the sale of Nufarm South America

EBITDA

- c.$10-$15m EBITDA improvement from ANZ performance improvement program
- c.$15m net EBITDA improvement relating to supply issues and c.$5m EBITDA improvement due to no planned scheduled maintenance shut down in Europe
- Continued earnings momentum in all regions and Seed Technologies and upside to improved weather conditions in ANZ
- First half EBITDA in line with prior year, assuming full half contribution from South American businesses

Financing and other costs

- c.$105-$110m interest expense (includes c.$30m relating to South American businesses)
- c.$20m hedging and net FX costs (includes c.$12m relating to South American businesses)
- c.$190m depreciation and amortisation (includes $8m relating to South American businesses)
- Effective tax rate c.33%

Capital expenditure

- c.$150m capital expenditure for FY20

Conclusion

- The sale of Nufarm South America represents attractive upfront value for Nufarm shareholders
- Nufarm will be a simplified business with a focus on cash flow generation and improved margins
- There are significant opportunities to increase earnings and cash conversion in the existing capital base
- Strengthened balance sheet and reduced funding costs

Appendix

Nufarm South America – summary financials

A$m; July y/e[1]	FY17	FY18	FY19
Latin America segment Sales	822	885	1,058
Removal of countries not included in the Transaction	(4)	(4)	(10)
Addition of Seed Treatment sold in Latin America with the Transaction	10	23	37
Other adjustments	(1)	(2)	(2)
Underlying sales	**826**	**903**	**1,084**
Latin America segment EBITDA	96	97	97
Removal of countries not included in the Transaction	2	0	2
Addition of Seed Treatment sold in Latin America with the Transaction	3	9	12
Allocated corporate costs	4	5	8
Other adjustments	(2)	(0)	(0)
Underlying EBITDA	**102**	**112**	**120**
Net costs associated with working capital management and operational FX hedging	(13)	(23)	(24)
Underlying EBITDA – adjusted for the net costs associated with working capital management and operational FX hedging	**89**	**89**	**96**
Average net working capital	**396**	**355**	**483**

Note:
1. Numbers may not sum due to rounding

Constant currency group results

Stronger USD, Euro and GBP benefit results, offset by weaker BRL and ARS

(A$ millions)

	Full year ended 31 July			
	2019 Reported currency	2019 Constant currency [1]	2018 Reported currency	Constant currency %
Revenue	3757.6	3682.6	3307.8	11.3%
Underlying SG&A expenses [2]	755.5	744.0	666.6	11.6%
Underlying EBITDA [2]	420.3	408.9	385.7	6.0%
Underlying EBIT [2]	248.6	240.6	265.1	(9.2%)

	Average exchange rates FY19 v FY18		
A$1 =	FY19	FY18	%
BRL	2.761	2.583	6.9%
USD	0.715	0.774	(7.6%)
EUR	0.627	0.648	(3.3%)
GBP	0.553	0.574	(3.7%)
ARS	27.939	15.410	81.3%

Notes:
1. 2019 reported results converted at 2018 foreign currency exchange rates
2. Excludes material items

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Non IFRS information reconciliation

	12 months ended 31 July 2019			12 months ended 31 July 2018		
	Underlying $000	Material items $000	Total $000	Underlying $000	Material items $000	Total $000
Revenue	**3,757,590**	**-**	**3,757,590**	**3,307,847**	**-**	**3,307,847**
Cost of sales	(2,722,923)	21,386	(2,744,309)	(2,344,413)	-	(2,344,413)
Gross Profit	**1,034,667**	**21,386**	**1,013,281**	**963,434**	**-**	**963,434**
Other income	10,461	-	10,461	7,256	-	7,256
Sales, marketing and distribution expenses	(558,634)	2,517	(561,151)	(480,141)	509	(480,650)
General and administrative expenses	(196,901)	26,867	(223,768)	(186,478)	89,095	(275,573)
Research and development expenses	(41,132)	-	(41,132)	(39,046)	-	(39,046)
Share of net profits/(losses) of associates	124	-	124	78	-	78
Operating profit	**248,585**	**50,770**	**197,815**	**265,103**	**89,604**	**175,499**
Financial income	10,051	-	10,051	10,978	-	10,978
Financial expense	(117,293)	-	(117,293)	(102,739)	15,899	(118,638)
Net foreign exchange gains/(losses)	(9,624)	-	(9,624)	(26,573)	1,373	(27,946)
Net financing costs	**(116,866)**	**-**	**(116,866)**	**(118,334)**	**17,272**	**(135,606)**
Profit before tax	**131,719**	**50,770**	**80,949**	**146,769**	**106,876**	**39,893**
Income tax benefit/(expense)	(42,639)	-	(42,639)	(48,792)	7,108	(55,900)
Profit for the period	**89,080**	**50,770**	**38,310**	**97,977**	**113,984**	**(16,007)**
Attributable to:						
Equity holders of the parent	89,080	50,770	38,310	98,396	113,984	(15,588)
Non-controlling interest	-	-	-	(419)	-	(419)
Profit for the period	**89,080**	**50,770**	**38,310**	**97,977**	**113,984**	**(16,007)**

Nufarm

Non IFRS information reconciliation

Twelve months ended 31 July	2019 $000	2018 $000
Underlying EBIT	248,585	265,103
Material items impacting operating profit	(50,770)	(89,604)
Operating profit	197,815	175,499
Underlying EBIT	248,585	265,103
add Depreciation and amortisation excluding material items	171,708	120,550
Underlying EBITDA	420,293	385,653

Reconciliation of underlying free cash flow

Twelve months ended 31 July	2019 $000	2018 $000
Net operating cash flows	98,131	(88,169)
Net operating cash (inflows)/outflows arising on material items	40,318	31,462
Net cash from operating activities excluding material items	138,449	(56,707)
Net investing cash flows	(173,980)	(965,574)
Individually material (inflows)/outflows from sale of property, plant and equipment	-	(5,351)
Individually material (inflows)/outflows form the sale/purchase of businesses and investments	-	778,859
Net cash from investing activities excluding material items	(173,980)	(192,066)
Underlying free cash flow[1]	(248,773)	(35,531)

Note:
1. Net cash from operating activities excluding material items less net cash from investing activities excluding material items

Non IFRS disclosures and definitions

Term	Definition
Underlying NPAT	Profit / (loss) for the period attributable to the equity holders of Nufarm Limited less material items
Underlying EBIT	Earnings before net finance costs, taxation and material items
Underlying EBITDA	Earnings before net finance costs, taxation, depreciation and amortisation and material items
Gross profit margin	Gross profit as a percentage of revenue
Average gross profit	Revenue less a standardised estimate of production costs excluding material items and non-product specific rebates and other pricing adjustments
Average gross margin	Average gross profit as a percentage of revenue
Net debt	Total debt less cash and cash equivalents
Average net debt	Net debt measured at each month end as an average
Net working capital	Current trade and other receivables, non-current trade receivables/trade finance receivables and inventories less current trade and other payables
Average net working capital	Net working capital measured at each month end as an average
ANWC/sales (%)	Average net working capital as a percentage of last twelve months revenue
Net external interest expense	Net external interest expense – comprises Interest income – external, Interest expense – external/debt establishment transaction costs and Lease amortization - finance charges as described in the Nufarm Limited financial report
Gearing	Net debt / (net debt plus equity)
Constant currency	Comparison removing the impact from the fluctuation in exchange rates between all foreign currency denominated amounts and the Australian dollar
Return on funds employed	Underlying EBIT divided by the average of opening and closing funds employed (total equity + net debt)
Underlying free cash flow	Net cash from operating activities excluding material items less net cash from investing activities excluding material items as described in the Nufarm Limited financial report

Thank you

Nufarm

Grow a better tomorrow