
NAMOI COTTON LIMITED (ASX: NAM)
BUSINESS UPDATE

Namoi Cotton Limited (**'Namoi Cotton'** or the **'Company'**) is pleased to provide an update on its business for the current 2022 season (FY2023¹) and an outlook for the 2023 season (FY2024²).

On the back of above average cotton production in the 2022 season (FY2023), we are forecasting to gin approximately 1.2 million bales of cotton³ representing approximately 21% share of Australia's forecast cotton production⁴. Ginning has been delayed approximately 6 weeks due to rain⁵ and is expected to be completed by mid-October 2022.

Operating conditions have been challenged by labour and supply chain constraints in addition to increasing input costs for labour, fuel and consumables. These have had a negative impact on our margins.

Namoi Cotton is expecting to generate an EBITDA⁶ of \$19-21 million in FY2023⁷.

The Company expects similar seasonal conditions for the 2023 season, on the back of good water availability and forecast La Niña conditions⁸, with a forecast Australian cotton crop of 5.0 to 6.0 million bales⁹.

Namoi Cotton is expecting a potential ginning volume of 1.1-1.3 million bales¹⁰ in the 2023 season (FY2024).

The Company is planning to release its Half Year results in the week commencing 24 October 2022.

This announcement was approved and authorised for release by the Board.

For further information, please contact:

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All dollar amounts are in Australian dollars unless otherwise indicated.

Forward-looking statements

This announcement contains certain forward-looking statements. These statements relate to current expectations, beliefs, intentions or strategies regarding the future. The forward-looking statements reflect views and assumptions with respect to future events as at the date of this announcement. However, they are not a guarantee of future performance. They involve known and unknown risks, uncertainties, assumptions, contingencies and other factors which are, in many instances, beyond the control of Namoi Cotton and may involve significant elements of subjective judgement and assumptions as to future events that may or may not be correct. There can be no assurance that actual outcomes will not differ materially from any forward-looking statements. Except as required by applicable laws, Namoi Cotton does not undertake to publicly update or revise the forward-looking statements or other statements in this announcement, whether as a result of new information or future events or circumstances.

¹ Financial year ending 28 February 2023.

² Financial year ending 28 February 2024.

³ Forecast based on YTD 2022 season ginning volume and outstanding contracts with growers.

⁴ Australian cotton production: ABARES – Sept 2022.

⁵ Compared to previous comparable volume seasons (FY2018 and FY2019).

⁶ EBITDA is a non-IFRS and unaudited measure defined as earnings before interest, tax, depreciation, and amortisation including share of profit from associates and joint ventures and excluding impairment charges.

⁷ Forecast EBITDA based on FY2023 earnings to 31 August 2022 from management accounts, forecast financials for the remainder of FY2023 and estimated unrealised earnings for cottonseed marketing.

⁸ Climate Update Driver - BOM 13 September 2022: 'La Niña underway in the tropic Pacific'

⁹ ABARES 2023 season forecast is 5.0 million bales (September 2022) and Cotton Compass 2023 season forecast is 6.0 million bales (August 2022).

¹⁰ Based on ~22% share of forecast Australian cotton production for the 2023 season (Namoi Cotton's 5 year average share of Australian cotton production).