



NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

COMPANY ANNOUNCEMENT

26 September 2018

Nufarm Limited
ACN 091 323 312
103-105 Pipe Road
Laverton North VIC 3026
Australia
P: +61 3 9282 1000
F: +61 3 9282 1001
nufarm.com

Nufarm announces \$303 million pro rata renounceable entitlement offer

- **Proceeds will strengthen the balance sheet and help fund continued growth of the business**
- **Australian drought related impacts resulting in short term earnings impact**
- **Allows company to pursue value-adding bolt-on acquisition opportunities**
- **Is a prudent measure to manage risk**

Nufarm Limited today announced that it will undertake a fully underwritten pro rata entitlement offer (“Offer”) to raise \$303 million in new equity. The Offer is being undertaken to help ensure Nufarm remains in a strong position to manage short term balance sheet risk, and to support the company’s growth strategy. Following the completion of the Offer, Nufarm will have 31 July 2018 pro forma net debt / FY 2018 underlying EBITDA of 2.4x¹.

Nufarm Managing Director and CEO Greg Hunt said the capital raising is a prudent measure given current elevated levels of debt and some uncertainty relating to market conditions in the immediate future.

“A combination of severe drought conditions in Australia and later than normal selling seasons in other major markets resulted in higher levels of working capital and debt at the end of our 2018 financial year (July 31). While we remain confident that this will unwind and return to targeted levels, it is appropriate that we take measures to de-risk the balance sheet in the short term.

“It is important that Nufarm retains capacity to continue to grow its business and take advantage of new opportunities that add long term value. Funds raised via this Offer will ensure that’s the case.”

Mr Hunt said Nufarm has achieved strong levels of revenue growth in major global markets in recent years and this is testament to the company’s successful execution of a focused strategy.

“Our decision to focus on those markets and crop segments where we can be most successful is helping drive market share gains, margin expansion and stronger engagement with our customer base.”

He said the company is also investing in initiatives that will support future profitable growth.

¹ Net debt / underlying EBITDA is calculated on a pro forma basis to account for European acquisitions made in FY18



“We are planning manufacturing capacity expansions in both North and South America, and we are assessing several small but strategically valuable product acquisition opportunities that arise due to industry consolidation-related divestments. It is important that we are not excluded from those opportunities.”

Nufarm’s FY18 full year results (released today) were negatively impacted by the ongoing severe drought conditions in Australia, with underlying EBITDA down by 1% despite an increase in group revenue of 6% on the prior year.

Average net working capital to sales increased to 40.3% from 36.8%, with higher than normal inventories in Australia and later selling seasons in the USA and Europe resulting in delayed collections and higher year end receivables.

Entitlement Offer

Under the Offer, eligible institutional and retail shareholders are invited to subscribe for 3 new Nufarm shares (“New Shares”) for every 19 existing Nufarm shares (“Entitlement”) held as at 7:00pm (AEST) on Monday, 1 October 2018 (“Record Date”).

All shares offered under the Offer will be issued at a price of \$5.85 per New Share, which represents a:

- 11.9% discount to dividend-adjusted last close price of \$6.64² on Monday, 24 September 2018
- 10.4% discount to the dividend-adjusted theoretical ex-rights price (“TERP”)³ of \$6.53

Approximately 52 million New Shares will be issued under the Offer. New Shares issued will rank pari pasu with existing shares except that they will not be entitled to the FY18 final dividend of 6 cents per share.

Institutional Entitlement Offer

Eligible Nufarm institutional shareholders (“Eligible Institutional Shareholders”) will be invited to participate in the Institutional Entitlement Offer. The Institutional Entitlement Offer will open today Wednesday, 26 September 2018.

Eligible Institutional Shareholders can choose to take up their Entitlement in whole, in part or not at all.

Institutional Entitlements cannot be sold on the ASX. As the Entitlement Offer is renounceable, Entitlements not taken up by eligible institutional shareholders by the close of the Institutional Entitlement Offer, and Entitlements of ineligible institutional shareholders, will be offered for sale through an institutional shortfall bookbuild opening on Thursday, 27 September 2018 and closing on Friday, 28 September 2018 (“Institutional Shortfall Bookbuild”). Any proceeds from the sale of institutional Entitlements under the Institutional Shortfall

² The dividend-adjusted last close price has been adjusted for the FY 2018 final dividend of \$0.06 per share

³ TERP is the theoretical price at which shares in Nufarm should trade immediately after the ex-date of the Entitlement Offer and reflects shares issued under the Entitlement Offer. The actual price at which Nufarm shares trade will depend on many factors and may not be equal to TERP. The TERP calculation has been calculated on an ex-dividend basis to reflect that shares issued under the Entitlement Offer will not qualify for the FY 2018 final dividend of \$0.06 per share



Bookbuild will be remitted proportionally to those institutional shareholders, less any applicable withholding tax and expenses. There is no guarantee that there will be any proceeds remitted to those institutional shareholders.

Nufarm shares have been placed in trading halt while the Institutional Entitlement Offer and Institutional Shortfall Bookbuild are undertaken.

Retail Entitlement Offer

Eligible Nufarm retail shareholders registered as a shareholder in Australia or New Zealand on the Record Date ("Eligible Retail Shareholders") will be entitled to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Offer will open at 9:00am (AEST) on Thursday, 4 October 2018 and close at 5:00pm (AEDT) on Wednesday, 17 October 2018.

Eligible Retail Shareholders will be allotted Entitlements ("Retail Entitlements") which can be traded on ASX. If eligible retail shareholders do not wish to take up all or part of their Retail Entitlements they can seek to sell all or part of their Retail Entitlements on the ASX or by transferring them directly to another person to realise value for those Retail Entitlements ahead of the Retail Shortfall Bookbuild (referred to below). Retail Entitlements can be traded on the ASX by certain eligible shareholders from Monday, 1 October 2018 to Wednesday, 10 October 2018.

Eligible Retail Shareholders can choose to take up their entitlements in whole, in part or not at all. Entitlements not taken up by the close of the Retail Entitlement Offer, and Entitlements of ineligible retail shareholders, will be offered for sale through a retail shortfall bookbuild to be conducted on or about Monday, 22 October 2018 ("Retail Shortfall Bookbuild"). Any proceeds from the sale of Retail Entitlements under the Retail Shortfall Bookbuild will be remitted proportionally to those retail shareholders, less any applicable withholding tax and expenses. There is no guarantee that there will be any proceeds remitted to those retail shareholders.

Eligible retail shareholders should carefully read the retail information booklet and accompanying personalised Entitlement and Acceptance Form which are expected to be despatched on Thursday, 4 October 2018 and which will be made available on the ASX website on that date ("Retail Offer Document"). Any Eligible Retail Shareholder who wishes to acquire New Shares under the Retail Entitlement Offer should review the Retail Offer Document and will then need to complete, or otherwise apply in accordance with, the personalised Entitlement and Acceptance Form that will accompany the Retail Offer Document.

Retail shareholders who have questions regarding the Retail Entitlement Offer should read the Retail Offer Document in full and if they require further information, call the Company's share registry, Computershare Investor Services Pty Limited, on 1300 652 479 (local call cost within Australia) or +61 3 9415 4360 (from outside Australia) at any time from 8:30am to 5:00pm (AEST/AEDT) Monday to Friday during the offer period between Thursday, 4 October 2018 and Wednesday, 17 October 2018 or go to Nufarm's website.



Summary of Key Dates⁴

Event	Date
Institutional Entitlement Offer opens	Wednesday, 26 September 2018
Institutional Entitlement Offer ⁵ closes	Thursday, 27 September 2018
Institutional bookbuild closes	Friday, 28 September 2018
Entitlement Offer record date (7:00pm AEST)	Monday, 1 October 2018
Nufarm shares recommence trading	Monday, 1 October 2018
Retail rights commence trading (on deferred settlement basis) ⁶	Monday, 1 October 2018
Retail Offer Booklet and Entitlement and Acceptance Forms dispatched to Retail Shareholders	Thursday, 4 October 2018
Retail Entitlement Offer opens	Thursday, 4 October 2018
Settlement of New Shares issued under Institutional Entitlement Offer	Monday, 8 October 2018
Allotment and commencement of trading of New Shares issued under the Institutional Entitlement Offer	Tuesday, 9 October 2018
Close of retail rights trading	Wednesday, 10 October 2018
Retail Entitlement Offer closes (5:00pm AEDT)	Wednesday, 17 October 2018
Retail shortfall bookbuild	Monday, 22 October 2018
Settlement of New Shares issued under the Retail Entitlement Offer	Thursday, 25 October 2018
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 26 October 2018

⁴ All dates and times are indicative and subject to change without notice; AEST refers to Australian Standard Time; AEDT refers to Australian Eastern Daylight Time. Nufarm reserves the right to amend the timetable, including, in consultation with the Underwriters, to extend the closing date for the Retail Entitlement Offer, to withdraw the Entitlement Offer at any time prior to the issue of New Shares and/or to accept late applications either generally or in specific cases.

⁵ Shareholding declaration for Australian, New Zealand and Asian institutional holders due at 4:00pm (AEST) on 26 September 2018; Shareholding declarations due for other offshore institutional holders due 7:00am (AEST) on 27 September 2018

⁶ Normal settlement trading from Friday, 5 October 2018



Further information

Further details of the Entitlement Offer are set out in the Investor Presentation also provided to the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

UBS AG, Australia Branch and Macquarie Capital (Australia) Limited are acting as joint lead managers, joint bookrunners and joint underwriters. Arnold Bloch Leibler and Sullivan & Cromwell are serving as legal advisers to Nufarm.

If you have any questions in relation to the Entitlement Offer, please contact the Nufarm Limited Offer Information Line on 1300 652 479 (within Australia), 0800 108 603 (within New Zealand) or +61 3 9415 4360 (outside Australia and New Zealand) at any time between 8:30am and 5:30pm (AEST/AEDT) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

-- end --

Further information: Mark Keating
 General Manager, Investor Relations
 mark.keating@nufarm.com
 ☎ (61 3) 9282 1004

 Megan Fletcher
 Group Executive, Corporate Affairs
 megan.fletcher@nufarm.com
 ☎ (61 3) 9282 1218
 ☎ 0428 139 531

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933 ("US Securities Act") as amended or the securities laws of any state or other jurisdiction of the United States. Accordingly, no securities described in this announcement may be offered or sold, directly or indirectly, in the United States or to a person acting for the account or benefit of a person in the United States, unless they have been registered under the U.S. Securities Act (which Nufarm has no obligation to do or procure), or are offered



and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws.

Forward looking statements

This announcement contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. Forward looking statements can generally be identified by the use of forward looking words such as “believe”, “forecast”, “projection”, “expect”, “estimate”, “will”, “may”, “target”, “anticipate”, “likely”, “intend”, “should”, “could”, “predict”, “plan”, “propose”, “potential” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of Nufarm and cannot be predicted by Nufarm and include changes in circumstances or events that may cause objectives to change as well as risks, circumstances and events specific to the industry, countries and markets in which Nufarm operates. They also include general economic conditions, climate conditions, political risks, exchange rates, interest rates, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised.

None of Nufarm or any of its subsidiaries, advisers or affiliates (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statements. Statements about past performance are not necessarily indicative of future performance.