ASX ANNOUNCEMENT

FY2022 full year results announcement and FY2023 earnings guidance

9 NOVEMBER 2022

Orica delivers underlying EBIT of $579 million, up 36 per cent, driven by our refreshed strategy and improved market conditions

Melbourne: Orica (ASX: ORI) today announced a Statutory Net Profit After Tax (NPAT) attributable to the shareholders of Orica for the year ended 30 September 2022 of $60 million; and underlying earnings before interest and tax (EBIT) of $579 million, up 36 per cent on the prior corresponding period (pcp).

FY22 RESULT HIGHLIGHTS

- Statutory NPAT(1) of $60 million (pcp: Statutory Net Loss After Tax of $174 million), including $257 million significant items expense(8) after tax
- Underlying EBIT(2) of $579 million, up 36 per cent on the pcp, before individually significant items
- Underlying earnings per share(3) of 76.4 cents, up 49 per cent on the pcp
- RONA(4) of 11.4 per cent, up from 8.1 per cent in the pcp
- Unfranked final dividend of 22.0 cents per ordinary share, representing a payout ratio of 53 per cent
- Strong earnings growth in all regions; commercial discipline embedded across the organisation, with a focus on quality of earnings
- Sale of non-core assets and land progressed, including completion of Minova sale
- Technology offering strengthened through highly strategic acquisition of Axis Mining Technology
- Progressed decarbonisation of operations and increased accountability to sustainability commitments

CEO Commentary

Reflecting on the positive full-year performance, Orica Managing Director and CEO Sanjeev Gandhi said:

Strategy and Performance

“Our full year result reflects the strength and resilience of our team, and a commitment to our refreshed strategy, resulting in improved financial performance and growth across all regions.

"Our financial results in FY2022 are strong. Underlying earnings before interest and tax (EBIT) were $579 million, an increase of 36 per cent on the previous year. Statutory net profit after tax (NPAT) was $60 million including a $257 million significant items expense after tax.

“In November 2021, we refreshed our strategy centred on optimising our operations, delivering smarter solutions, and partnering for progress across our four business verticals of mining, quarry and construction, digital solutions, and mining chemicals. At the core, we continue to pursue organic growth from blasting and by expanding Orica’s presence across future-facing commodities. Beyond blasting, we are accelerating customer adoption of our new technologies and demonstrating our strengths and capabilities in providing integrated digital workflows, from mine-to-mill. Mining Chemicals also continues to present growth opportunities for our business.

“This year has presented both challenges and opportunities for our business, including geopolitical tensions, trade sanctions, strong global commodity prices, and security of supply risks. Our commercial discipline and collaborative culture, combined with the strength of our global manufacturing and supply network have positioned us well to capitalise on the current market conditions and opportunities presented by a growing commodities market.

"Tragically, we are reporting two fatalities, one relating to an incident at a customer site in far-east Russia this year, and an event in 2021 at a site in Kazakhstan. Any workplace fatality has a devastating and profound impact on us. Our thoughts and sympathies are with the affected families, friends, and colleagues. We continue to ensure we learn from the events and reinforce the critical safety measures in place to keep our people, customers, and communities safe.

Technology and Innovation

"We have focused on accelerating customer adoption of blasting technologies and digital solutions throughout the year, increasing our digital solutions adoption rate across the globe by 63 per cent on the previous year, well above target. In August 2022, we announced the acquisition of Axis Mining Technology to further strengthen our orebody intelligence capabilities and increase our unique customer offering, from mine-to-mill. Additionally, we introduced a suite of new products and services to the market, including our second generation WebGen™ 200, 4D™ bulk explosives technology, Cyclo™ and Avatel™ in partnership with Epiroc.

Sustainability

"To sustainably mobilise the earth's resources is at the heart of Orica's purpose. Environmental Social and Governance (ESG) performance and climate change continue to gain momentum across our industry. We are taking action, by accelerating our approach to decarbonisation through low-emissions technology and creating innovative and sustainable solutions. We are playing our role to advance a safer and more sustainable industry and society.

"We continued to deliver on our sustainability commitments, reducing scope 1 and 2 greenhouse gas emissions by 14 per cent on the 2019 baseline, and we remain on track to achieve our target of reducing scope 1 and 2 greenhouse gas emissions by at least 40 per cent by 2030. This year, we also announced our commitment to source 100 per cent renewable electricity by 2040 and signed our first Power Purchase Agreement (PPA) with Lightsource bp for renewable electricity. We also converted $1.3 billion of existing bank debt facilities into sustainability-linked loans, aligning our financing strategy with our ESG goals. These, along with other initiatives this year, form part of our roadmap to support our ambition to achieve net zero emissions(10) by 2050. "

Dividend and Capital Management

The Board has declared an unfranked final ordinary dividend of 22.0 cents per share, representing a payout ratio of 53 per cent. This brings the full year dividend to 35.0 cents per share and full year payout ratio of 48 per cent. The dividend is payable to shareholders on 22 December 2022 and shareholders registered as at the close of business on 21 November 2022 will be eligible for the final dividend.

Return on net operating assets, which is a key measure of how efficiently we use our assets, increased from 8.1 per cent in FY2021 to 11.4 per cent in the current financial year. This was driven by our improved earnings performance, a result of executing on the refreshed strategy and current market conditions.

Orica successfully completed an equity raise during the year resulting in gross proceeds of $691 million. After providing for the upfront and deferred cost of the Axis acquisition and associated fees, the remaining proceeds are being used to fund incremental trade working capital requirements and provide balance sheet capacity. The equity raise contributed to the lower gearing at September 2022 of 19.7 per cent(19), which is below the target range of 30 to 40 per cent.

Mr Gandhi said: *"Our financial position is prudent in the current volatile external environment. We will continue our disciplined approach to balance sheet and capital management, and we are focused on improving our operating cash generation."*

Outlook

- 2023 financial year EBIT from continuing operations is expected to increase on the pcp attributable to:
  - Anticipated growth in global commodities demand
  - Continued commercial discipline
  - Increased adoption of advanced technology offerings, and contributions from the newly acquired Axis Mining Technology business
  - Inflationary pressures and higher energy costs, as well as supply chain dislocations, will remain an ongoing challenge in the 2023 financial year. Orica will continue to implement cost reduction initiatives to reduce the impact from these pressures
- Capital expenditure expected to be within $400 million to $420 million, higher than pcp due to sustainability and sustenance projects; depreciation and amortisation to be in line with the pcp
- Continued focus on balance sheet and cash flow optimisation, with gearing expected to remain below the stated range of 30 – 40 per cent
- Net finance costs expected to increase on pcp due to higher interest rates, and the effective tax rate to be within the range of 30 – 32 per cent

Going forward we expect the FY2023-FY2025 3-year average RONA to be 10.5 – 13.0 per cent.

Commenting on the 2023 outlook, Mr Gandhi said: *"While we have made strong progress this year, we are deeply committed to continually improving performance across all areas of our business.*

"We expect the demand for critical minerals to remain strong in the year ahead, and we are well-positioned to navigate ongoing external challenges with the strengths of our global network and culture, while lowering our greenhouse gas emissions.

"Our customer's appetite for new technology and our refreshed strategy sets us on a clear pathway to drive organic growth from blasting technology and accelerate the adoption of our new technologies and digital solutions from mine-to-mill, growing beyond blasting.

"We are making significant progress towards a simpler, more efficient, and more sustainable organisation. We are committed to accelerating our sustainability agenda, and helping our customers achieve their targets while remaining competitive in a lower-carbon future and delivering value for our shareholders and broader stakeholders."

Refer to the disclaimer about forward looking statements on page 18.

Market Briefing

Orica will provide a market briefing at 11:00am (AEST) today, 9 November 2022. A webcast of the briefing will be available at https://edge.media-server.com/mmc/p/7guqxuse

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About Orica

Orica (ASX: ORI) is one of the world's leading mining and infrastructure solutions providers. From the production and supply of explosives, blasting systems, mining chemicals and geotechnical monitoring to our cutting-edge digital solutions and comprehensive range of services, we sustainably mobilise the earth's resources.

Operating for nearly 150 years, today our 12,000+ global workforce supports customers across surface and underground mines, quarry, construction, and oil and gas operations.

Sustainability is integral to our operations. We have set an ambition to achieve net zero emissions by 2050 and are committed to playing our part in achieving the goals of the Paris Agreement.

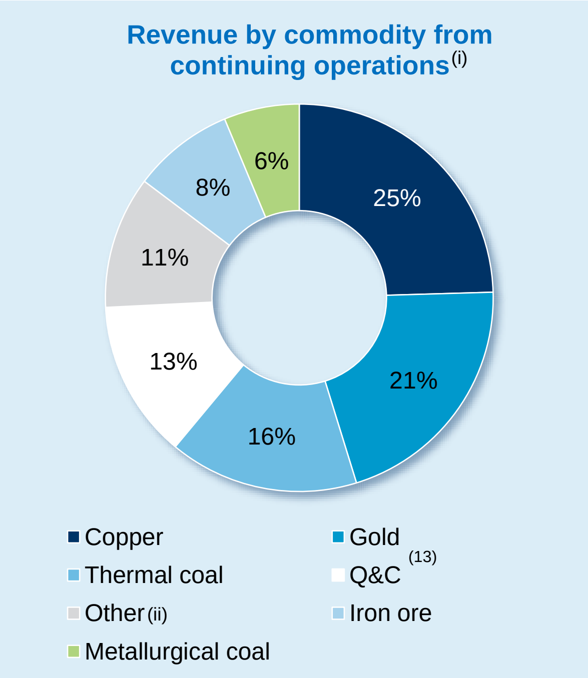
For more information about Orica, visit: www.orica.com

GROUP RESULTS

Year ended 30 September	2022 A$M	2021 A$M	Change %
Sales revenue from continuing operations	7,096.4	5,207.9	*36%*
EBITDA from continuing operations[12]	949.6	762.7	*25%*
EBIT from continuing operations	**563.8**	**404.6**	***39%***
EBIT from Minova (discontinued operations)	14.7	22.0	*(33%)*
Total EBIT[2]	**578.5**	**426.6**	***36%***
Net interest expense	(100.3)	(105.6)	*(5%)*
Tax expense before individually significant items	(154.0)	(102.7)	*50%*
Non-controlling interests before individually significant items	(7.2)	(9.9)	
NPAT before individually significant items[11]	**317.0**	**208.4**	***52%***
Individually significant items after tax attributable to Orica Shareholders	(256.9)	(382.2)	
NPAT after individually significant items (statutory)	**60.1**	**(173.8)**	

Note: numbers in this report are subject to rounding and stated in Australian dollars unless otherwise noted

Group commodity exposure



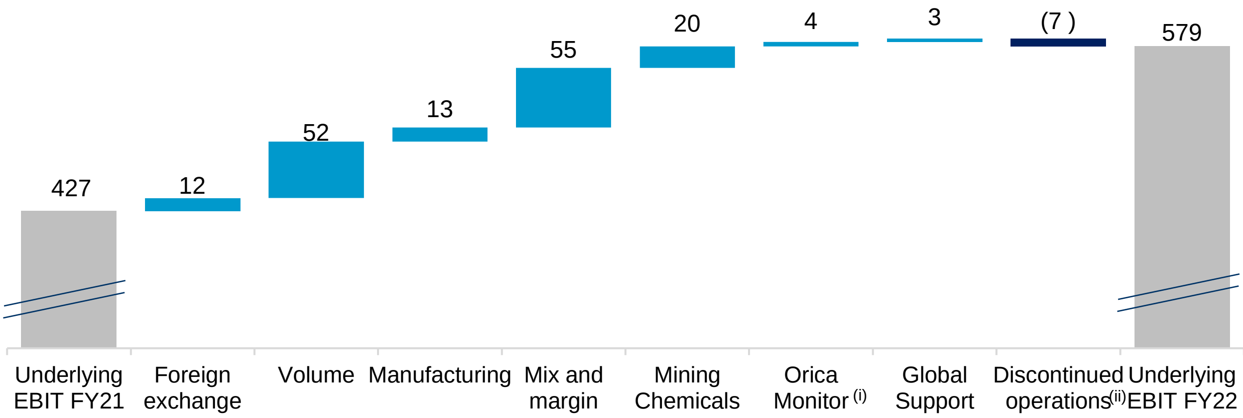
Commodity prices remained elevated through the year, driving increased demand for Orica products and services in most markets.

Copper became the highest commodity exposure for Orica during the year, driven by strong recovery in customer demand, particularly in Latin America. Q&C revenue grew in each region, however at a slower pace than other commodities.

Demand for thermal coal increased in the United States and Indonesia driven by strong commodity prices being fuelled by high energy costs globally.

(i) Excludes Minova; previously included in the "Other" category
(ii) Includes Orica Monitor

FY2021 to FY2022 EBIT (A$M)



(i) Nitro Consult AB sold in February 2022
(ii) Change in underlying EBIT contribution from discontinued operations

Financial performance

The improved full year result reflects solid volume growth, increased utilisation of manufacturing plants, improved commercial discipline in both customer and supply contracts and increased customer preference for premium products.

Foreign exchange

In 2022 the US dollar strengthened against the Australian dollar resulting in a favourable impact to EBIT on translation of foreign denominated earnings.

Volume

Total ammonium nitrate (AN) volumes increased 4 per cent on the prior corresponding period (pcp) from increased mining activity driven by strong commodity prices, and Orica's ability to provide security of supply to customers in a tight supply market.

Electronic blasting systems (EBS) volumes were up 10 per cent on the pcp as mining activity increased and customers shifted away from conventional detonators. EBS accounted for 38 per cent of the volume uplift contribution in EBIT.

Manufacturing

Manufacturing performance improved as a result of increased volumes at the large continuous plants in Australia and Indonesia, partially offset by higher costs for alternate sourcing of AN during the Carseland plant turnarounds in North America.

The pcp result included costs incurred from an incident at the La Portada manufacturing plant in Latin America which have not been repeated in the 2022 financial year.

Mix and margin

Margin growth was led by commercial discipline and emphasis on quality of earnings across the regions.

Rise and fall mechanisms worked effectively to pass through volatile ammonia and gas prices.

Product mix improved as customers adopted more technology and shifted to premium products as strong commodity prices increased focus on productivity gains.

Mining Chemicals

Cyanide volumes were 10 per cent up on the pcp from new business and higher demand from existing customers in Australia and Asia. Higher utilisation of the cyanide plant also led to lower conversion cost.

Orica Monitor

Strengthened radar sales and growth in recurring contracts, coupled with improved pricing led to growth in EBIT contribution from Monitor.

The pcp result included full year earnings for Nitro Consult AB which was sold in February 2022.

Discontinued operations

The Minova business sale completed in the first half of 2022, resulting in only five months of earnings contribution versus a full 12 months in the pcp.

Business Summary

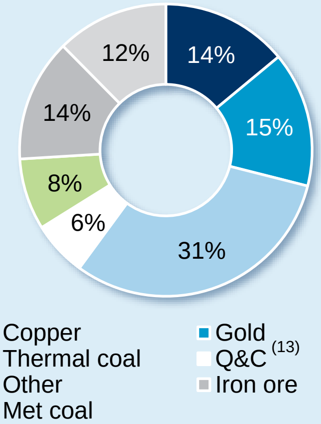
A summary of the performance of the segments for the 2022 and 2021 years is presented below:

Year ended 30 September A$M	2022			2021		
	External sales revenue	EBITDA (12)	EBIT (2)	External sales revenue	EBITDA (12)	EBIT (2)
Australia Pacific & Asia (APA)	2,723.6	550.6	366.6	2,105.9	453.9	279.7
North America	1,570.9	191.3	132.4	1,229.6	168.9	107.9
Latin America	1,656.5	99.5	53.2	956.5	73.3	28.9
Europe, Middle East & Africa (EMEA)	1,027.0	76.7	45.5	801.4	56.1	25.0
Orica Monitor	118.4	48.5	34.6	114.5	43.6	30.7
Global Support	-	(17.0)	(68.5)	-	(33.1)	(67.6)
Continuing Operations	**7,096.4**	**949.6**	**563.8**	**5,207.9**	**762.7**	**404.6**
Minova (Discontinued Operations)	231.1	14.7	14.7	474.3	33.7	22.0
Total	**7,327.5**	**964.3**	**578.5**	**5,682.2**	**796.4**	**426.6**

Australia Pacific & Asia

Year ended 30 September	2022	2021	Change
External sales revenue (A$M)	2,723.6	2,105.9	*29%*
EBITDA[12] (A$M)	550.6	453.9	*21%*
EBIT[2] (A$M)	366.6	279.7	*31%*
Total AN & Emulsion Volumes ('000 tonnes)	1,767	1,745	*1%*

External revenue by commodity



Market conditions

Elevated commodity prices and strong mining activity, drove high demand for ammonium nitrate (AN), electronic blasting systems (EBS), cyanide and blasting services. This increased demand, coupled with commercial discipline enabled contract improvements. Market conditions are also increasing customers interest in productivity gains from technology.

Across the region there was growth in the metals sector, primarily driven by increased activity in gold and copper markets in Australia and copper in Indonesia. Demand in the thermal coal sector in Indonesia and south-east Asia increased, however, has reduced in Australia due to wet weather on the east coast and lower domestic consumption.

Tight global supply of ammonia has led to a significant increase in AN prices and cost inflation continued to rise sharply.

Covid absenteeism and labour shortages continue to impact mining activity and supply chains.

Segment performance

The 31 per cent increase in EBIT on the pcp was largely driven by contract improvements, increased AN, EBS and cyanide volumes, a shift to premium products, and improved fixed cost recovery from higher utilisation of manufacturing plants.

Sustainable growth has been achieved through commercial discipline on new and renewed contracts including improved rise and fall terms, investments in the resilience and flexibility of plants and supply chains, and security of supply provided to customers.

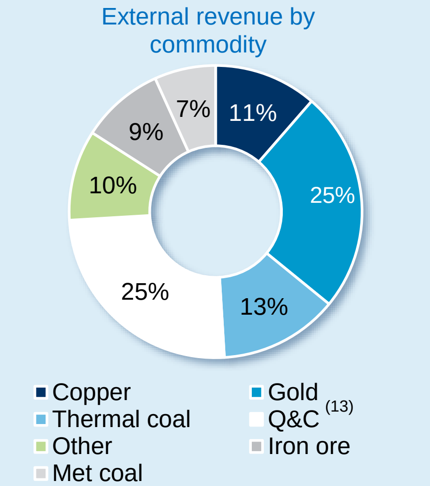
The region saw strong revenue growth across all commodities and products. While wet weather conditions in Eastern Australia constrained AN volume growth, it led to a shift towards more premium products.

Record production was achieved at Yarwun and Bontang continuous plants. The Yarwun turnaround was completed in November 2021 and the Kooragang Island turnaround for installation of tertiary abatement technology commenced in September 2022.

A new sparge site was commissioned in Malaysia, enabling the sale of safer cyanide across our Asian markets.

North America

Year ended 30 September	2022	2021	Change
External sales revenue (A$M)	1,570.9	1,229.6	*28%*
EBITDA[12] (A$M)	191.3	168.9	*13%*
EBIT[2] (A$M)	132.4	107.9	*23%*
Total AN & Emulsion Volumes ('000 tonnes)	1,106	1,013	*9%*



Market conditions

Operating conditions in North America were strong across the region during the year.

Mining activity improved due to high commodity prices, with labour shortages in a high inflationary environment being the major constraint.

High domestic energy prices in the United States led to increased demand for thermal coal.

Quarry and construction activity in the United States and in Canada, remained flat year on year, project growth is being constrained by labour shortages and inflation. Gold and copper mining activity across the region increased, driving higher demand for Orica products and services.

All commodity sectors were impacted by global supply chain challenges including increased freight costs and some raw material and product shortages. Industrial action in Mexico towards the end of the last quarter further tightened supply in the region.

Segment performance

The 23 per cent EBIT increase on the pcp was largely driven by new contract wins in Canada, higher services contribution, improved contract terms negotiated and favourable foreign exchange.

Revenue from all commodities and product types increased due to higher demand and increased customer activity, which coupled with commercial discipline, enabled contract improvements.

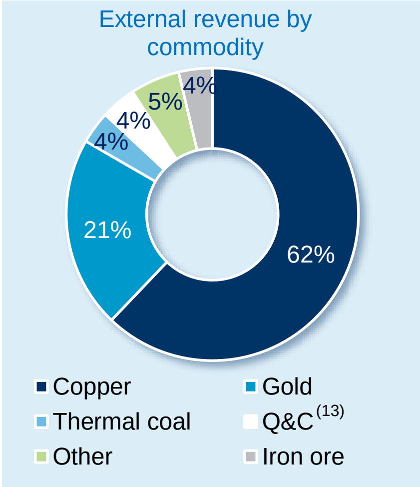
Discrete network optimisation, supply chain initiatives and pass-through mechanisms were effective in reducing the impacts of supply chain challenges from raw material shortages, inflationary pressure and increased gas and freight costs.

Major planned maintenance turnarounds were completed at the Carseland AN manufacturing plant. Tertiary catalyst abatement technology installed is performing above expectations.

The US dollar appreciated against the Australian dollar, resulting in a favourable impact to EBIT on translation of foreign denominated earnings.

Latin America

Year ended 30 September	2022	2021	Change
External sales revenue (A$M)	1,656.5	956.5	*73%*
EBITDA(12) (A$M)	99.5	73.3	*36%*
EBIT(2) (A$M)	53.2	28.9	*84%*
Total AN & Emulsion Volumes ('000 tonnes)	973	929	*5%*



Market conditions

Mining activity in the region was stable on balance compared to the pcp.

Increases in ammonia prices and sea freight costs along with general cost inflation continued to drive higher costs. Improved commercial discipline and changes to rise and fall clauses were implemented.

Security of supply for customers was paramount as AN trade flows into Latin America from Russia were constrained due to the Russia-Ukraine conflict. Alternative AN sourcing options were used to continue servicing customers.

Segment performance

The significant increase in EBIT on the pcp was largely driven by commercial discipline on both customer and supply contracts, improved product mix and technology penetration.

Demand for premium products and electronic blasting systems increased on the pcp. Technology adoption in the region is growing at pace with Orica leading the mining digital transformation in Latin America.

Supply initiatives including negotiating improved supplier terms, and changes to shipment loadings and movements also contributed to the region's improved performance.

AN previously supplied from Russia was largely replaced with product from alternative sources, albeit at higher costs and shorter payment terms.

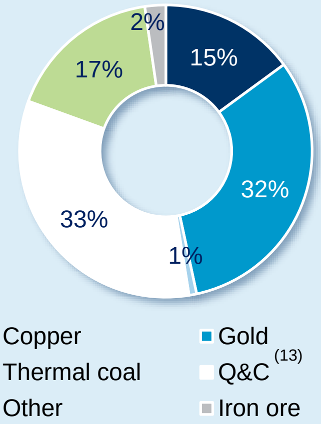
Rise and fall pass-through mechanisms have been shortened and are working effectively to fully pass-through higher costs. Terms in many customer contracts were updated to include clauses for the pass through of freight costs.

Global manufacturing optimisation plans, including the rationalisation of initiating systems manufacturing, are on track in the region. Exsa is performing above the business case.

Europe, Middle East & Africa

Year ended 30 September	2022	2021	Change
External sales revenue (A$M)	1,027.0	801.4	*28%*
EBITDA[12] (A$M)	76.7	56.1	*37%*
EBIT[2] (A$M)	45.5	25.0	*82%*
Total AN & Emulsion Volumes ('000 tonnes)	415	406	*2%*

External revenue by commodity



Market conditions

European gas prices increased significantly during the year, leading to the closure of several ammonia plants in the region and driving a tightening of supply.

The Russia-Ukraine conflict has created further uncertainty around activity in Russia and the surrounding region with significant disruption to ammonia, ammonium nitrate (AN) and energy trade flows.

Following the sanctions placed on Russia, Orica completed the exit of its operating business in Russia in September 2022 and related assets have been fully impaired.

Copper activity in Africa remained strong. The economic outlook in Europe has deteriorated since the first half, resulting in lower than expected quarry and construction activity in the Nordics and Western Europe.

Segment performance

The significant increase in EBIT on the pcp was driven by positive product mix benefits in Initiating Systems, contractual improvements and contribution from new growth projects in Africa and the Emirates.

Initiating System volumes grew with a favourable mix shift towards electronic blasting systems for new projects in the Nordics and Africa. AN volumes remained stable with the pcp.

Supply to the region was secured from alternative sources following the initial quotas put in place by the Russian authorities effective December 2021.

Rise and fall mechanisms were effective in passing through elevated sourcing and logistics costs to customers.

Revenue from gold and copper customers increased as Orica's exposure to Africa grows.

Orica Monitor

Year ended 30 September	2022 A$M	2021 A$M	Change
External sales revenue	118.4	114.5	*3%*
EBITDA[12]	48.5	43.6	*11%*
EBIT[2]	34.6	30.7	*13%*

The growth in the Orica Monitor result was driven by growth in radar sales and recurring service plans and commercial discipline. Growth was suppressed by the loss of contribution from Nitro Consult AB which was sold in the first half, and the cessation of sales to Russia. Shipping delays and increased freight costs were mitigated by effective supply chain improvements in place from the second half.

Synergies are being achieved by leveraging the wider Group's existing customers. In addition, there was strong growth in contracts for care plans and geotechnical remote monitoring support services, particularly in Brazil where we opened a new regional geotechnical support services office.

Demand for radars is expected to grow, driven by sustainability objectives of customers globally. A second assembly line is underway in North America to double production capacity, reduce landed cost and improve speed to global markets.

Growth is also expected from the broadening and integration of Orica Monitor's sensors and software suite with Orica Digital Solutions end-to-end digital workflows.

Global Support

Year ended 30 September	2022 A$M	2021 A$M	Change
EBIT[2]	(68.5)	(67.6)	*(1%)*

Global Support costs were in line with the pcp.

Net interest expense

Net interest expense of $100 million was $5 million lower than the pcp primarily as a result of an increase in the discount rate applied to remeasure long-term provisions as at 30 September 2022. Net interest expense excluding the impact of the unwind of discount on provisions and lease interest was $103 million, $5 million higher than the pcp, primarily as a result of higher interest rates on interest bearing liabilities.

Year ended 30 September	2022 A$M	2021 A$M	Variance A$M
Net interest expense excluding unwinding of discount on provisions and lease interest	(102.9)	(98.0)	(4.9)
Unwinding of discount on provisions	14.4	4.7	9.7
Lease interest	(11.8)	(12.3)	0.5
Net interest	**(100.3)**	**(105.6)**	**5.3**

Tax expense

The effective tax rate before individually significant items of 32.2% was in line with pcp.

Group Cash Flow

Year ended 30 September	2022 A$M	2021 A$M	Variance A$M
Net operating cash flows	362.3	618.9	(256.6)
Net investing cash flows	(229.2)	(195.9)	(33.3)
Net operating and investing cash flows	**133.1**	**423.0**	**(289.9)**
Dividends – Orica Limited	(90.6)	(72.4)	(18.2)
Dividends – non-controlling interest shareholders	(7.0)	(7.2)	0.2
Adjusted net cash flows	**35.5**	**343.4**	**(307.9)**
Movement in borrowings and other net financing cash flows(14)	613.1	(669.0)	1,282.1
Net cash inflow / (outflow)(15)	**648.6**	**(325.6)**	**974.2**

Net operating cash flows

Whilst earnings were higher in FY2022, net cash generated from operating activities was lower compared to the pcp due to an increase in trade working capital (TWC). This is predominantly due to the business decision to maintain higher levels of inventory in order to ensure security of supply, as well as higher input prices, both impacted by the Russia-Ukraine conflict.

Net investing cash flows

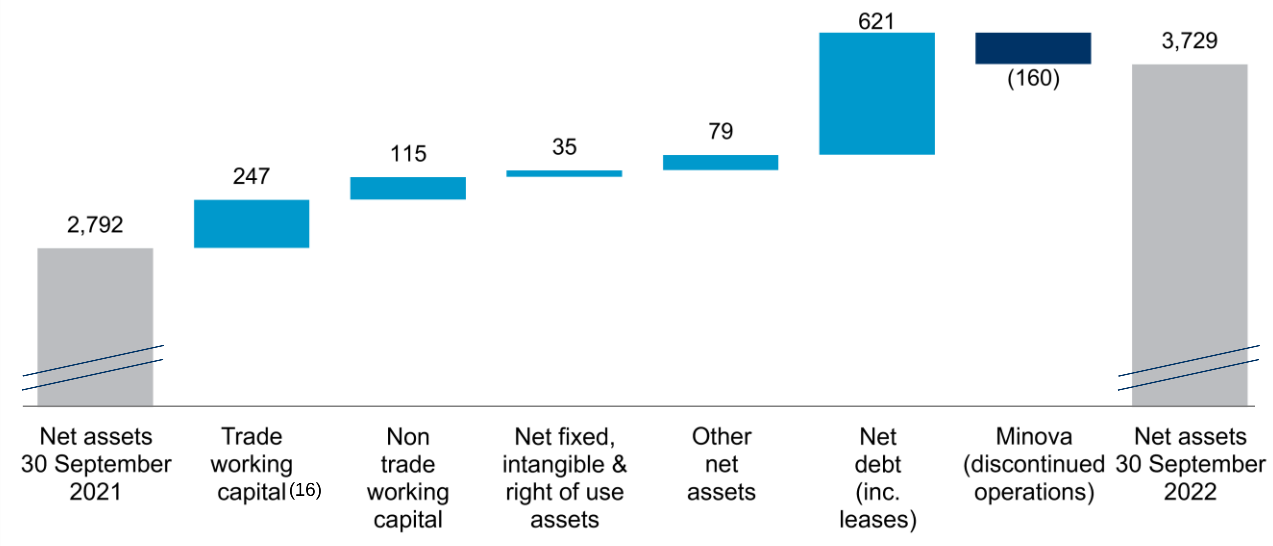
Net investing cashflows were higher than the pcp, reflecting increased investment in growth projects, further spend on sustainability-related projects, and lower proceeds from sales of non-core assets.

Net financing cash flows

Cash generated from financing activities in the current year includes net proceeds of $682 million from the successful completion of the equity raise. The prior year included the US Private Placement (USPP) bond redemption which was repaid in October 2020.

Group Balance Sheet

Movement in net assets (A$M)



Trade working capital **(16)** was $247 million higher than the pcp. Trade debtors increased by $225 million driven by higher sales revenue, partially offset by improved collections. Inventory increased by $237 million predominantly due to the decision to increase inventory holdings in order to ensure security of supply, as well as rising input prices, both impacted by the Russia-Ukraine conflict. Trade creditors increased by $215 million driven by increased purchasing activity associated with higher sales volume as well as higher input costs.

Non trade working capital ***(17)*** net liability was lower by $115 million due to a reduction in the defined benefits provisions by $126 million as a result of an increase in discount rates and the sale of Nitro Consult AB; and a reduction of $77 million in environmental and decommissioning provisions due to payments from provisions and an increase in discount rates. Other payables increased by $120 million due to an increase in employee provisions and the RIG Technologies acquisition deferred earn-out consideration. The increase in other receivables is due to the remaining receivable from the sale of Minova.

Net fixed, intangible & right of use assets increased by $35 million against the pcp. Additions of $418 million and foreign exchange translation of $155 million was largely offset by depreciation and amortisation expense of $386 million, impairment expense of $100 million, disposals of $31 million and a net decrease in capitalised provisions of $21 million.

Other net assets *increased* by $79 million from the pcp, driven by increases in the carrying value of investments in associates and an increase in the revaluation of financial instruments with the weakening of the Australian Dollar, partially offset by an increase in current and deferred tax liabilities.

Net debt (incl. leases) liability was $621 million lower than the pcp due to the net cash flow generated from operating and investing activities across the year, and funding from the equity raise undertaken during the year. The $258 million upfront payment for the acquisition of Axis Mining Technology was made on 3 October 2022.

Minova (discontinued operations) net assets decreased by $160 million upon disposal of the business.

Debt Management and Liquidity

As at 30 September	2022	2021	Variance
Net debt – continuing operations(6) (A$M)	(912.2)	(1,521.4)	609.2
Net debt – held-for-sale(6) (A$M)	-	42.4	(42.4)
Lease liabilities – continuing operations (A$M)	(239.5)	(250.8)	11.3
Lease liabilities – held-for-sale (A$M)	-	(9.6)	9.6
Net debt including lease liabilities – continuing operations (A$M)	(1,151.7)	(1,772.2)	620.5
Net debt including lease liabilities – held-for-sale (A$M)	-	32.8	(32.8)
Gearing % - excluding Lease liabilities (7) (%)	19.7%	34.6%	(14.9 pts)

Interest bearing liabilities of $2,168 million comprise $2,161 million of US Private Placement bonds and $7 million of committed and other bank facilities. The average tenor of drawn debt is 4.3 years (September 2021: 5.4 years).

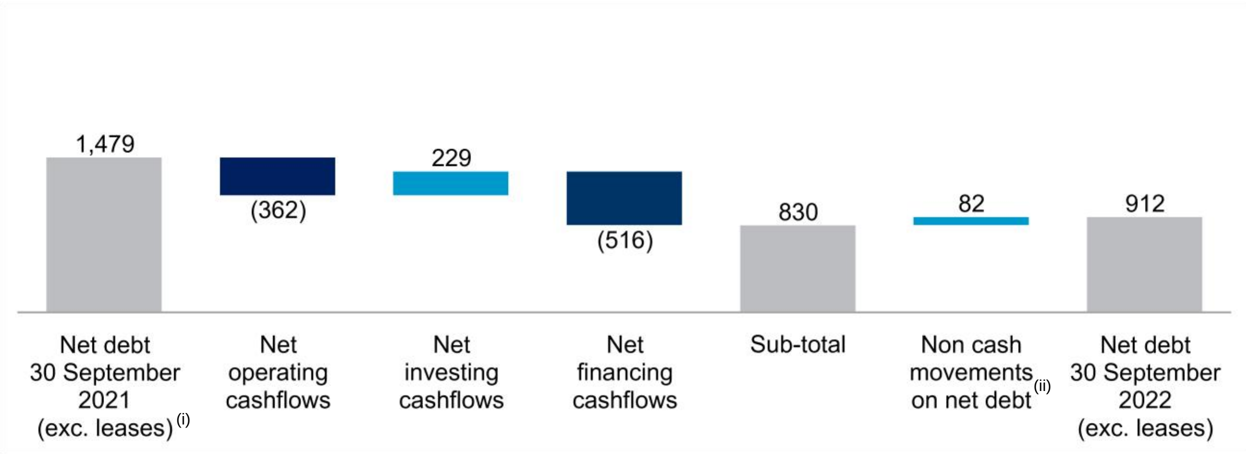
Cash increased by $662 million to $1,255 million(i) from $594 million in the pcp primarily as a result of the equity raise completed in August that generated $691 million in gross proceeds. Use of the proceeds will be applied to fund the acquisition of Axis, incremental trade working capital requirements, and to provide balance sheet capacity. The cash balance provides for a strong liquidity position, complemented by undrawn committed bank facilities of $1,423 million.

Gearing excluding lease liabilities at 19.7 per cent is below the Group's target range of 30 to 40 per cent and is below the 57.5 per cent covenant default measure. The interest cover ratio at 6.5x is above the minimum 2.0x requirement.

The chart below illustrates the movement in net debt from 30 September 2021.

(i)Includes $258 million up-front consideration paid on 3 October 2022 for the Axis acquisition.

Movement in net debt (A$M)



(i) The net debt balance at 30 September 2021 includes Minova cash of $42 million
(ii) Impact of foreign exchange translation

Individually significant items

Year ended 30 September 2022	Gross A$M	Tax A$M	Net A$M
Impairment expense	(167.9)	(1.8)	(169.7)
Gain on sale of Nitro Consult AB before FCTR release	18.5	-	18.5
FCTR release on sale of Nitro Consult and Russia	(39.6)	9.3	(30.3)
Individually significant items from continuing operations	**(189.0)**	**7.5**	**(181.5)**
Non-controlling interests in individually significant items	18.3	-	18.3
Individually significant items attributable to shareholders of Orica from continuing operations	**(170.7)**	**7.5**	**(163.2)**
Gain on sale of Minova before FCTR release	10.7	(2.1)	8.6
FCTR release on sale of Minova	(95.7)	(6.6)	(102.3)
Individually significant items from discontinued operations	**(85.0)**	**(8.7)**	**(93.7)**
Individually significant items attributable to shareholders of Orica	**(255.7)**	**(1.2)**	**(256.9)**

Impairment expense

Russia

The escalation of the Russia-Ukraine conflict, and imposed sanctions and export restrictions, led to our decision to exit the Russian operations.

On 9 September 2022, the Group executed a contract to sell JSC "Orica CIS" Joint-Stock Company for cash consideration of $13 million. Orica has risk adjusted the proceeds given the trade sanctions imposed on Russia.

The Group has recognised a gross expense of $131 million consisting of an impairment charge of $90m reducing the value of the Russian business to nil and $41 million relating to the release of foreign currency translation reserve as required by Australian Accounting Standards on the sale of this business. $8 million was booked as a credit to tax expense.

Turkey

The significant decline in the local economy and the devaluation of the Lira has resulted in the impairment of Orica's investment in Turkey during the year. The total impairment charge is $33 million after tax, of which $18 million is attributable to non-controlling interest.

At 30 September 2022 there was a foreign currency translation reserve balance of $92 million debit (of which $46 million is attributable to non-controlling interests) which would be released on sale, liquidation, repayment of share capital or abandonment of the entity.

EMEA Goodwill

Following the impairments for Russia and Turkey the future cash flows for EMEA were reviewed, resulting in the remaining $45 million of goodwill being impaired.

Sale of Nitro Consult AB

On 7 March 2022 Orica completed the sale of Nitro Consult AB, recording a net profit after tax of $20 million including $1 million gain on release of non-cash foreign currency translation reserve.

Sale of Minova

On 28 February 2022 Orica completed the sale of the Minova business to Aurelius Group. Cash of $149 million was received at completion. A further $28 million for debt and working capital true ups is expected to be received in FY23. Orica recorded a cash net profit on sale of $11 million, offset by the release of $96 million of non-cash foreign currency translation reserve and tax of $9 million, resulting in a net statutory loss after tax of $94 million.

Dividend

The Board has declared an unfranked final ordinary dividend of 22.0 cents per share, representing a payout ratio of 53 per cent. This brings the full year dividend to 35.0 cents per share and full year payout ratio of 48 per cent.

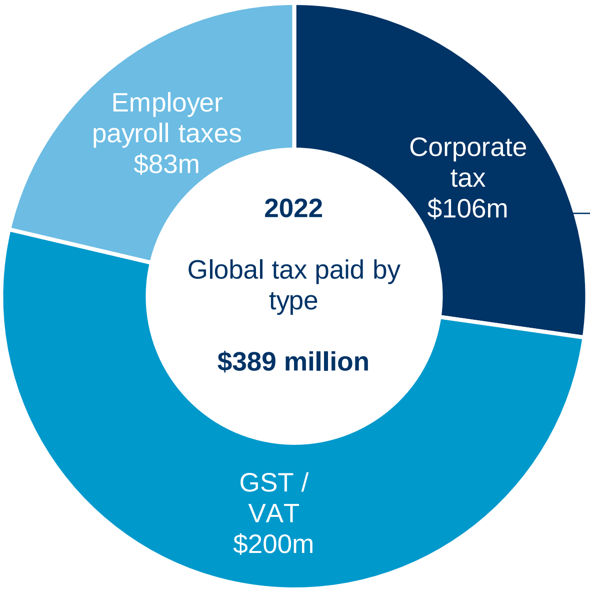
The dividend is payable to shareholders on 22 December 2022 and shareholders registered as at the close of business on 21 November 2022 will be eligible for the final dividend.

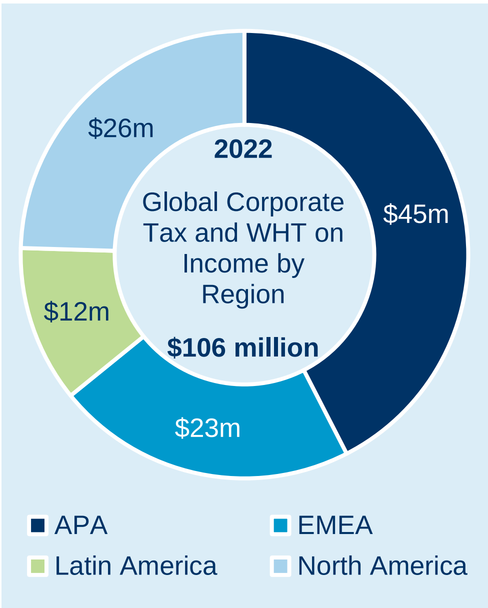
It is anticipated that dividends in the near future will be unfranked.

Tax contribution summary

In the 2022 financial year, Orica paid $106 million (2021 $148 million) globally in corporate income taxes (including withholding tax) and $83 million (2021 $79 million) globally in payroll taxes. Orica collected and remitted $200 million (2021 $127 million) globally in GST / VAT.

The charts below show 2021 corporate income tax paid in each region (including withholding tax), and an analysis of total tax paid by type.





In Australia, Orica paid corporate income tax of $6 million (2021 $20 million). Orica also paid $25 million (2021 $21 million) in payroll tax and $1 million (2021 $1 million) in fringe benefits tax. Orica collected and remitted $59 million (2021 $39 million) in GST and $110 million (2021 $114 million) in 'pay as you go' withholding taxes.

Footnotes

The following footnotes apply to this results announcement:

1. Equivalent to net profit/(loss) for the year attributable to shareholders of Orica limited, as disclosed in the Income Statement within the Appendix 4E – Preliminary Final Report
2. Equivalent to profit/(loss) before financing costs and income tax as disclosed in Note 1(b) within the Appendix 4E – Preliminary Final Report, before individually significant items
3. Basic earnings per share before individually significant items as disclosed in in Note 2 within the Appendix 4E – Preliminary Final Report
4. Return on net operating assets = 12 month EBIT / Rolling 12 month Average Operating Net Assets where Operating Net Assets = Property, Plant & Equipment, Intangibles, Equity Accounted Investees and working capital excluding environmental provisions, excluding Minova
5. Equivalent to net cash flows from financing activities (as disclosed in the Statement of Cash Flows within Appendix 4E – Preliminary Final Report) excluding proceeds and repayment of borrowings.
6. Interest-bearing liabilities – excluding lease liabilities less cash and cash equivalents, as disclosed in Note 3 within Appendix 4E – Preliminary Final Report
7. Net debt / (net debt + total equity), where net debt excludes lease liabilities
8. Significant items as disclosed in Note 1(e) within the Appendix 4E – Preliminary Final Report
9. Achieving this ambition will require effective government policy frameworks, supportive regulation and financial incentives, and access to new low-carbon technologies operating at commercial scale. Material means the scope 1 and scope 2 greenhouse gas (GHG) emissions embodied in purchased ammonia and ammonium nitrate included in Orica's scope 3 reporting category of purchased goods and services. These comprise around two-thirds of Orica's scope 3 emissions footprint
10. On 12 December 2015, parties to the United Nations Framework Convention on Climate Change (UNFCCC) reached a landmark agreement to combat climate change and to accelerate and intensify the actions and investments needed for a sustainable low carbon future. This is known as the Paris Agreement
11. Equivalent to profit after income tax expense before individually significant items attributable to shareholders of Orica Limited, as disclosed in Note 1 (b) within Appendix 4E – Preliminary Final Report
12. EBIT before individually significant items and depreciation and amortisation expense
13. Quarry, construction and tunnelling
14. Equivalent to net cash flows from financing activities (as disclosed in the Statement of Cash Flows within Appendix 4E – Preliminary Final Report) excluding dividends paid to Orica ordinary shareholders and non-controlling interests
15. Equivalent to net increase/(decrease) in cash held, as disclosed in the Statement of Cash Flows within Appendix 4E – Preliminary Final Report
16. Comprises inventories, trade receivables and trade payables, as disclosed in the Balance Sheet within Appendix 4E – Preliminary Final Report
17. Comprises other receivables, other payables, and provisions, as disclosed in the Balance Sheet within Appendix 4E – Preliminary Final Report
18. Dividend amount / NPAT before individually significant items
19. Includes $258 million equity placement cash proceeds, subsequently paid to complete the Axis acquisition on 3 October 2022

Forward-looking statements

This announcement has been prepared by Orica Limited. The information contained is for informational purposes only.

This report contains information that is based on projected and/or estimated expectations, assumptions or outcomes. Forward looking statements are subject to a range of risk factors. Orica cautions against reliance on any forward-looking statements, particularly in light of the volatile and uncertain geopolitical and economic landscape.

Orica has prepared this information based on its current knowledge and understanding and in good faith, there are risks and uncertainties involved which could cause results to differ from projections. Orica will not be liable for the correctness and/or accuracy of the information, nor any differences between the information provided and actual outcomes and reserves the right to change its projections from time to time. Orica undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this report, subject to disclosure obligations under the applicable law and ASX listing rules.

Non-International Financial Reporting Standards (Non-IFRS) information

This report makes reference to certain non-IFRS financial information. This information is used by management to measure the operating performance of the business and has been presented as this may be useful for investors. This information has not been reviewed by the Group's auditor. The 2022 Full Year Results presentation includes non-IFRS reconciliations. Forecast information has been estimated on the same measurement basis as actual results on the same measurement basis as actual results.

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