

Incitec Pivot Limited

INNOVATION ON THE GROUND

ASX RELEASE

Business Update

15 February 2024

Incitec Pivot Limited (ASX:**IPL**) today provided an update on its FY24 financial and operating performance to date.

IPL confirms that its overall Group financial performance remains broadly in line with the outlook that was previously provided at the 2023 AGM on 20 December 2023¹. While expectations have been supported by stronger DAP prices recently and solid performance from the global explosives business, production at Phosphate Hill has been impacted by the Cyclone Kirrily event and maintenance activities during 1H FY24.

Phosphate Hill update

Following the Cyclone Kirrily event and associated flooding in parts of northwest Queensland, there have been interruptions to the rail transport service between Cloncurry and Julia Creek on the Mount Isa to Townsville rail line. There has been no injury to IPL employees and contractors and no damage to IPL's assets. However, the interruptions to the rail services have impacted the sulphuric acid supply chain, resulting in reduced production levels at IPL's Phosphate Hill plant. IPL's Business Continuity Planning is allowing the Phosphate Hill plant to continue to operate at reduced levels despite the rail disruption by utilising temporary storage and road transport for finished fertiliser product. IPL is awaiting final confirmation from the rail infrastructure provider as to when normal rail services are likely to resume, currently expected in late February.

Following an assessment by the rail operator of the physical rail damage and having received more information from the rail operator, IPL is now able to estimate the impact of these disruptions. The impact of the cyclone disruptions, together with maintenance activities in 1H FY24 required to conduct repairs and other work to increase site reliability, means that Phosphate Hill production levels are expected to be lower in the first half, with full year production levels in FY24 now expected to be between 730kt and 770kt (from 780kt to 820kt previously²).

IPL currently estimates that the financial impact of the lower production on earnings before interest and tax (EBIT) in FY24 for the fertilisers business would be approximately \$8.5M for every 10kt of production lost, including associated costs incurred.³

IPL notes that the Phosphate Hill operations delivered reliable name plate production levels in January 2024 prior to these disruptions and management is focused on returning to normal operations once again.

IPL will provide a further update with its 1H FY24 results announcement on 16 May 2024.

¹ See IPL's 2023 AGM address published on ASX on 20 December 2023 at page 6.

² See IPL's 2023 AGM address published on ASX on 20 December 2023 at page 6.

³ This estimate is based on an average di-ammonium phosphate (DAP) price of US\$590 per tonne and an average foreign exchange rate of A\$/US\$ 0.66. Commodity prices and exchange rates are subject to market volatility and can vary and may be different to the pricing assumed in the forecast, and actual earnings can be impacted by other factors including weather conditions.

Update on the Fertilisers business divestment process

Separately, IPL confirms that the process for the potential sale of the fertilisers business is progressing. Discussions are confidential and incomplete, and there is no certainty that any agreement will be reached or that any sale transaction will occur. IPL will keep the market informed of any material developments as, and when, required.

IPL's previously announced on-market share buyback program is yet to commence due to the ongoing process for the potential sale of the fertilisers business.

For more information:

Investors

Geoff McMurray

General Manager Investor Relations

Tel: +61 3 8695 4553

Mobile: +61 418 312 773

geoff.mcmurray@incitecpivot.com.au

Media

Matthew Flugge

Group Vice President Corporate Affairs

Tel: +61 3 8695 4617

Mobile: +61 409 705 176

matthew.flugge@incitecpivot.com.au

This document has been authorised for release by Richa Puri, Company Secretary.

This announcement contains certain forward-looking statements, including statements in relation to expectations, intentions, estimates, targets, and indications of, and guidance on, future outcomes, earnings, future financial position and performance and the implementation of IPL's strategy. The words "expect", "potential", "may" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, IPL's production levels and results for the financial year ending 30 September 2024 and other matters are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of IPL, its officers and employees including commodity prices, exchange rates and weather events. There can be no assurance that actual outcomes will not differ materially from these statements. There can be differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and their differences may be material. Undue reliance should not be placed on forward-looking statements. IPL disclaims any responsibility to update or revise any forward-looking statement to reflect any change in IPL's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except to the extent required by law. Additionally, to the maximum extent permitted by law, IPL and its affiliates, directors, officers, partners, employees, agents and advisers disclaim any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise.