

Incitec Pivot Limited
INNOVATION ON THE GROUND

DYNO
Dyno Nobel



2024 HALF YEAR

FINANCIAL RESULTS PRESENTATION

Incitec Pivot Limited
ABN 42 004 080 264
ASX Code: IPL OTC: INCZY



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ACKNOWLEDGEMENT OF COUNTRY

I acknowledge the First Peoples of the land, sea and waters across the various locations that we are living and working from today.

I pay my respects to Elders past and present.



Overview

Mauro Neves

Chief Executive Officer &
Managing Director



What you will hear today



Safety & earnings snapshot



CEO's initial areas of focus



Significantly progressing strategy & accelerating technology development



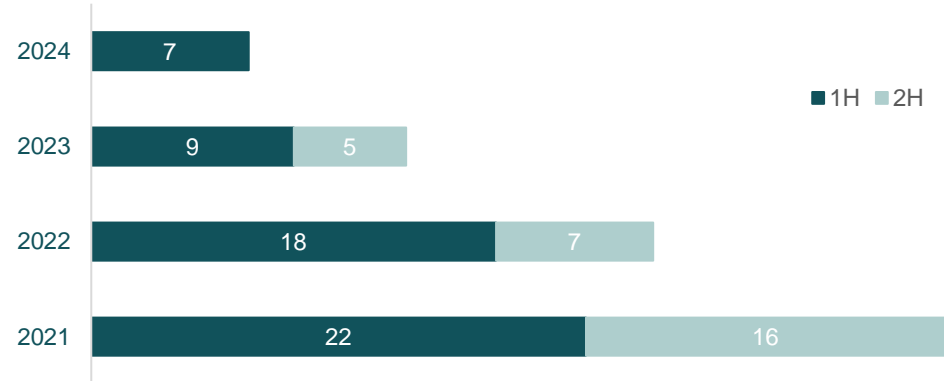
Repositioning Dyno Nobel & progressing Fertilisers separation



Group financial performance & business outlook

Safety: Our #1 priority

Process Safety Incidents¹



Total Recordable Injury Frequency Rate (TRIFR)²



- Tragically, we lost a valued colleague as result of a fatal road incident on a public road
- Improved “significant event” hazard reporting
- No significant environmental incidents
- TRIFR² unacceptable – targeted focus on:
 - visible safety leadership
 - delivering a high-performance culture
 - focused risk management



Targeting TRIFR² of 0.80 for FY24

(1) Tier 1 and Tier 2 Process Safety Incidents as defined by the Centre for Chemical Process Safety (2) TRIFR is calculated as the number of recordable injuries per 200,000 hours worked and includes contract workers. The TRIFR result excludes Titanobel prior to 2024. The TRIFR target for FY24 includes Titanobel and is expressed as a targeted improvement against FY23.

Strategy execution delivering high quality earnings

- Strong underlying¹ earnings growth in customer facing businesses²
 - DNA +22%, DNAP +59%, Fertilisers Distribution +125%
- Explosives customer & volume growth:
 - **DNA:** improved pricing & cost discipline
 - **DNAP:** strong momentum in progressing recontracting, winning new business & roll out of new technology
- **Fertilisers:** increased margin, delivering further market growth³. Result includes an impairment of \$408m (after tax) included as an individually material item.
- Overall improvement in manufacturing reliability. Phosphate Hill issues addressed

NPAT (incl. IMIs)⁴

(\$148M)

\$354M in HY23

NPAT (excl. IMIs)

\$164M

\$362M in HY23

EBITDA⁵

\$425M

\$724M in HY23

Net debt / EBITDA⁵

0.4x

0.8x in HY23

ROIC⁶ (including goodwill)

5.1%

12.8% in HY23

ROIC⁶ (excluding goodwill)

6.8%

19.2% in HY23

Dividend

4.3cps

10.0cps in HY23

Proposed buybacks⁷

\$900m

Follows ~\$500m pro-rata capital return in February 2024

(1) Underlying earnings refers to earnings excluding discontinued operations and excluding the impact on earnings resulting from movements in commodity prices and foreign exchange (2) Customer facing businesses refers to DNA Explosives (excluding WALA and AG&IC), DNAP and Fertilisers Distribution (excluding Fertilisers Manufacturing) (3) Refers to Fertilisers Distribution business (4) Including IMIs totalling a loss of \$312m (after tax). HY24 IMIs relate to a non-cash write down of the carrying value of the Fertilisers business (\$408m after tax), costs associated with the separation of the Fertilisers business (\$3m after tax) and a gain on the sale of WALA (\$98m after tax). (5) EBITDA excludes IMIs. (6) Return on invested capital, calculated as 12 month rolling Net Operating Profit After Tax, excluding individually material items/13 month rolling average operating fixed assets and intangible assets and operating net working capital. (7) Refer to IPL's FY23 results release dated 13 November 2023, and IPL's 2023 Notice of AGM dated 20 November 2023, for details of the on-market buyback program. Although it is IPL's current intention to complete the buybacks, any purchases under the program remain at the discretion of the Company. See further slide 29 below.

Strong underlying performance

Dyno Nobel Americas¹

EBIT: A\$95M (pcp. A\$87M)
US\$62M (pcp. US\$58M)

- Solid growth in Metals & Chile
- Explosives EBIT margin 11.8% (up 1.2 percentage points)
- Notable uplift in manufacturing reliability
- Strong pricing discipline
- Cost control maintained
- Realise WALA offtake benefits

Production: Cheyenne reliability ●
LOMO reliability ●
Capex US\$41m ●
ROIC (including/excluding goodwill) 5.3% / 7.5%

Dyno Nobel Asia Pacific

EBIT: A\$108M (pcp. A\$79M)

- Record 1H EBIT
- EBIT margin 15.1% (up 4.5 percentage points)
- Recontracting substantially complete: BMA expanded
- Healthy growth in technology: innovative tech partnerships
- Titanobel delivering real opportunities in EMEA

Production: Moranbah reliability ●
Capex A\$43m ●
ROIC (including/excluding goodwill) 5.8% / 9.1%

Incitec Pivot Fertilisers

EBIT: A\$10M (pcp. A\$108m)

- Distribution:
 - Record 1H EBIT²
 - Market share & margin growth
- Phosphate Hill:
 - Reliability taskforce
 - All known issues addressed
 - Reliability: Jan 88%, Mar 81%
- Gas costs down from FY23. However, risks remain

Production: Phosphate Hill reliability ●
Capex A\$74m ●
ROIC (including/excluding goodwill) 2.7% / 3.0%

CEO's initial areas of focus

Dyno Nobel:

Build on rich history & transform Global Explosives business

Fertilisers:

Manage business for separation. Address manufacturing issues



Portfolio
management



Advancing
customer centric
technology



Commercial &
operational
discipline



Safety &
decarbonisation



People,
culture &
capability

Portfolio management



Update on Structural Separation of Fertilisers Business¹

- Advanced negotiations
- Counterparty - PT Pupuk Kalimantan Timur (PKT), one of the largest urea, ammonia and NPK fertiliser producers in Asia
- Transaction remains incomplete²
- Completion would be subject to customary conditions precedent, including FIRB³ approval
- Subject to completing any binding sale agreement, PKT has stated an intention to:
 - continue to supply fertilisers to the Australian market
 - support the retention of IPF's workforce
 - grow IPF's business in Australia
- The on-market buyback program⁴ remains on hold while negotiations continue

“We understand our shareholders, employees and other stakeholders are keen to see an outcome and the team is focused on concluding the process as soon as possible.”

- MAURO NEVES, CEO & MANAGING DIRECTOR

Delivering customer- centric technology



Drill to Mill – Dyno Nobel’s Connected Bench

Nobel Fire

Key differentiation points:

- Highest fidelity outcome modelling
- Interoperability with customers’ existing systems
- Freedom to select monitoring hardware & sensors

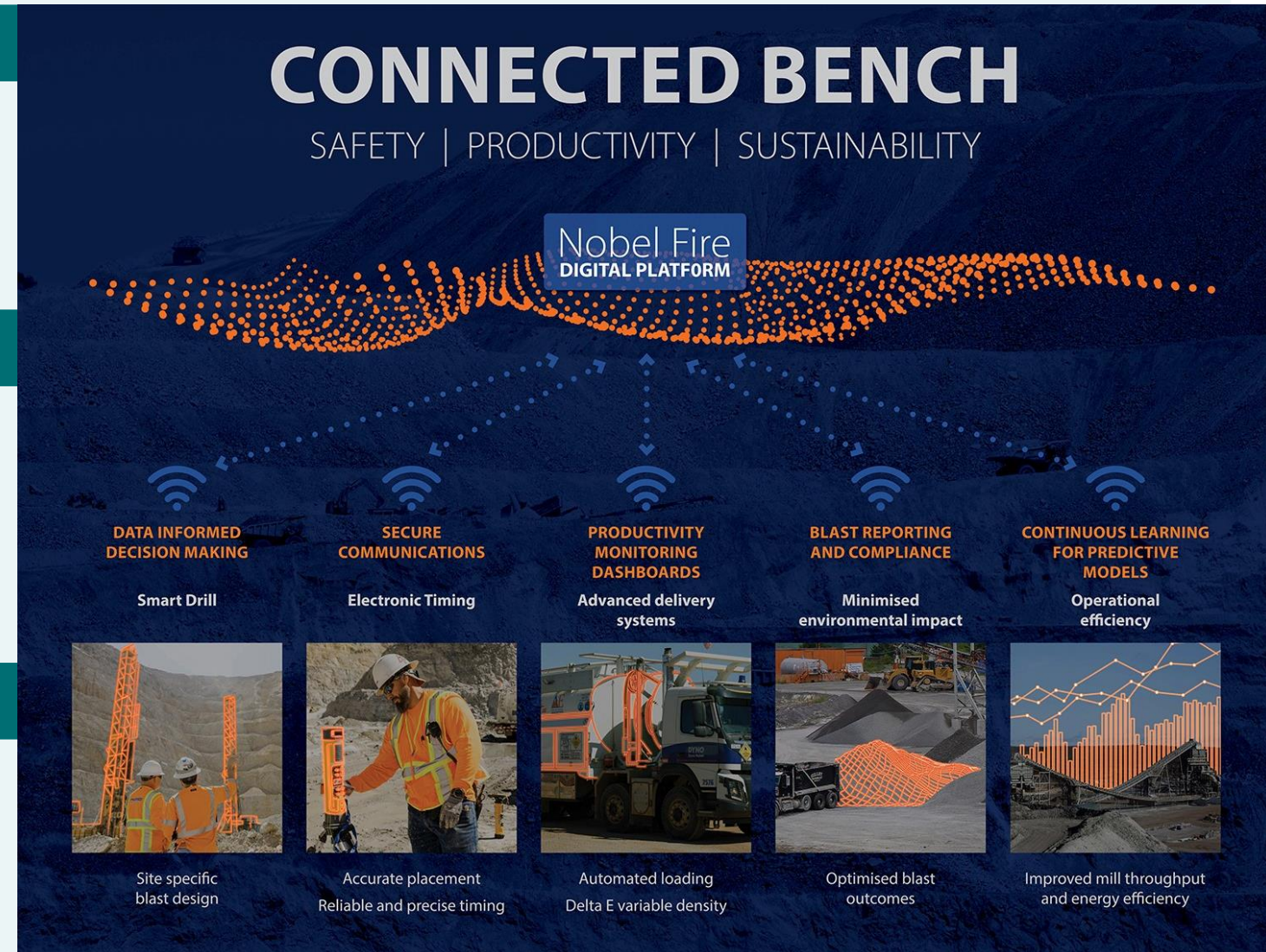
Other key initiatives

Selected examples:

- Electric Delta E™ Mobile Processing Units
- Decarbonised emulsions
- Mechanical gassing
- Automation of initiating systems manufacturing

Technology Pipeline

- **31** projects under development
- **6** at launch & monitor stage
- **14** more projects in pipeline for end FY25



Industry leading technology focused on customer solutions

Innovation continues to drive customer value & earnings growth



Premium Emulsions

FY20 to HY24 CAGR

Volume
+19%

Revenue
+22%

Electronic Detonators

FY20 to HY24 CAGR

Volume
+10%

Revenue
+11%



DNAP

- Key customers retained & expanded with well-developed pipeline of new customers
- Partnership built on innovative, value creating technology:
 - Safety & sustainability improvements
 - Productivity improvements
- Increased development & adoption of Dyno Nobel technology

DNA – Customer case study

AT A GLANCE



\$58.1 MILLION IN
VALUE ADDED



15% INCREASE IN MILL
THROUGHPUT



5-10% INCREASE IN
-1/2" SIZE FRACTION

PRODUCTS / SERVICES



DYNOCONSULT +
DRILL TO MILL



TITAN 5000G + ΔE^2



DIGISHOT PLUS 4G
COMMANDER

“We hit new throughput milestones at the concentrator in the second half of the year, averaging above 100% met table rates consistently for the first time ever.”

- SITE GENERAL MANAGER

Delivering commercial & operational discipline



Dyno Nobel Global Business Transformation

Building on our foundations to achieve greatness

Dyno Nobel ambition



Substantial step-change in ROIC

Timing



Implementation targeted 2H24 to FY26

Progress



Phase 1 (Planning): completion June '24
Announcement: Investor Day¹
Phase 2 (Implementation): start FY25, early wins in FY24

Full value realisation via:

Efficient use of capital & targeted organic growth opportunities
 (includes LATAM and EMEA)

Commercial excellence
 (Price discipline & margin)

Customer delivery model
 (Best go to market strategy)



Operational excellence
 (Deliver asset efficiencies)

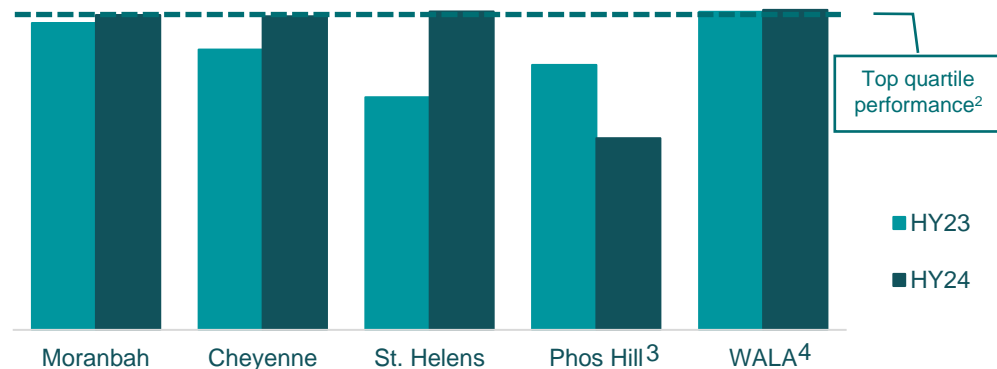
Cost management
 (Best operating model)

Group Manufacturing Reliability

Global Performance Update

- **Target:** consistent & sustainable production
- **Turnaround strategy:** successfully executed
- **Technical support:** deployed in regions
- **Capital allocation:** based on strategy, risk & return
- **Operational excellence:** increased assurance / governance

Ammonia Reliability¹



IPF Case Study / Update

Taskforce: Phosphate Hill

- Focused on Plant, People & Process
- Refreshed site leadership team
- Air compressor & Mt Isa drying tower - addressed
- Record production in January, strong run post flood

February floods:

- Effective BCP mitigated potential impacts
- Plant safety maintained
- Temporary storage & road transport activated
- Plant production optimised during disruption

Outlook production of 730kmt – 770kmt maintained

(1) Actual performance is calculated using the Phillip Townsend Associates (PTA) Global Ammonia plant benchmarking definition. (2) Top quartile performance as assessed by the PTAI (Phillip Townsend Associates) benchmark data from 2019. (3) Ammonia performance at Phosphate Hill in Jan-24 = 88.1% and in Mar-24 = 89.2%. Depending on production mix, ammonium phosphate production can be optimised at ammonia production rates below 95%. (4) HY24 period for WALA is Oct-23 to Nov-23. Plant was sold on 1 December 2023.

Decarbonisation



Our decarbonisation pathway

1H24 Progress

\$20m Moranbah tertiary abatement completed:

- ~200,000 tCO₂e p.a.
- 7% reduction in operational GHG

LOMO tertiary abatement:

- Approved for installation in 2025
- Approximately 500,000 tCO₂e p.a.
- 19% reduction in operational GHG

Scope 3 Greenhouse gas:

- Electric vehicle MPU – customer trials shortly
- Expansion of Delta E™ sales¹
- Growth in liquid fertilisers & EEF² sales



(1) Delta E™ technology allows the density of explosives to be varied within a single blast hole, resulting in a reduction in the total product required. The use of Delta E™ results in reduced NO_x emissions, reduced energy use & GHG, less dust, noise & ground vibration & increased productivity while reducing overall cost for our mining customers. (2) Enhanced Efficiency Fertilisers.

People, culture & capability



HIGH PERFORMANCE ORGANISATION

A high-performance organisation aligned to our values to support our ambition

Investing in People, Culture & Capability



Zero Harm for Everyone Everywhere

Number One Priority



Deliver on our Promises

Empowered Ownership



Treat the Business as your Own

Accountability, Honesty, Integrity



Challenge & Improve the Status Quo

Proactive Continuous Improvement

Group financial results

Paul Victor

Chief Financial Officer



Group Statutory Results

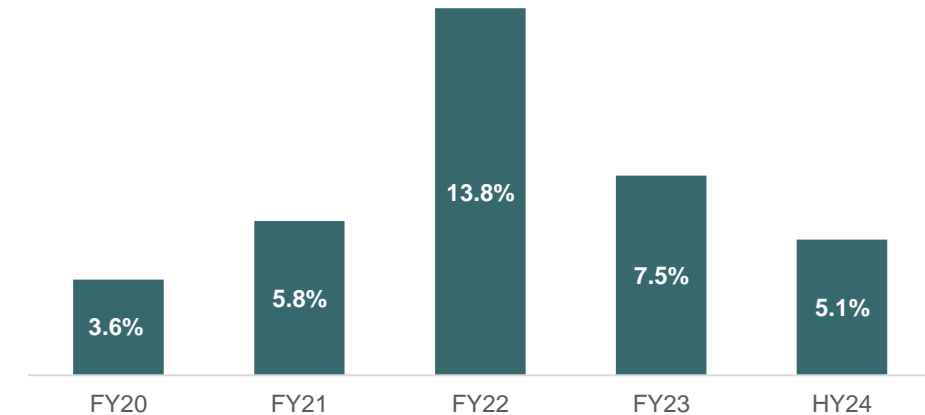
IPL Group (\$M)	HY24	HY23	Change
Revenue	2,461	3,055	(19%)
EBITDA excl. IMI	425	724	(41%)
EBIT excl. IMI	249	552	(55%)
IMIs ⁽¹⁾ after tax	(312)	(8)	(nm*)
(Loss)/Profit After Tax after IMIs	(148)	354	(142%)

* Not meaningful

Key Metrics	HY24	HY23	Change
Cash generated from operating activities	(18)	148	(112%)
Capital expenditure	183	227	19%
Earnings per share excluding IMIs (cents)	8.4	18.6	(55%)
Dividend per share incl. special dividend (cents)	14.5	10.0	45%
ROIC (incl. goodwill) ²	5.1%	12.8%	(7.7%)
ROIC (excl. goodwill) ³	6.8%	19.2%	(12.4%)

- Headline results reflect major portfolio restructuring
- IMIs include:
 - the impairment of the Fertilisers business
 - partially offset by the gain on sale of WALA
- After re-basing⁽⁴⁾, earnings up 18% with growth in all customer-facing businesses

ROIC (incl. goodwill) – Statutory



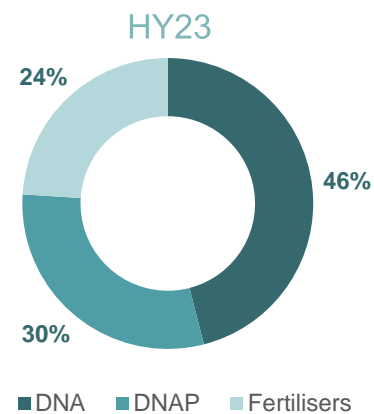
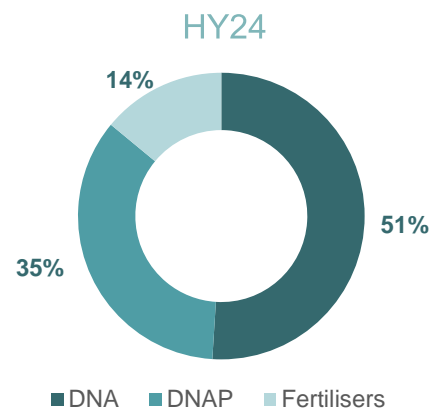
(1) Individually material items (2) ROIC calculated as NPAT excluding interest and IMIs over the 13-month average total invested capital, including goodwill. (3) ROIC calculated as NPAT excluding interest and IMIs over the rolling 13-month average capital employed (excluding goodwill). (4) Refer to IPL's ASX Half Year results announcement dated 16 May 2024 for further details of the re-basing items.

Normalised Group earnings

IPL Group (\$M)	HY24	HY23	Change
Dyno Nobel Americas	154	126	22%
Dyno Nobel Asia Pacific	108	68	59%
Fertilisers	10	43	(77%)
Corporate and other	(23)	(26)	12%
Total EBIT (excl IMIs)	249	211	18%
Total EBITDA (excl IMIs)	425	369	15%

Re-based¹

EBITDA Contribution



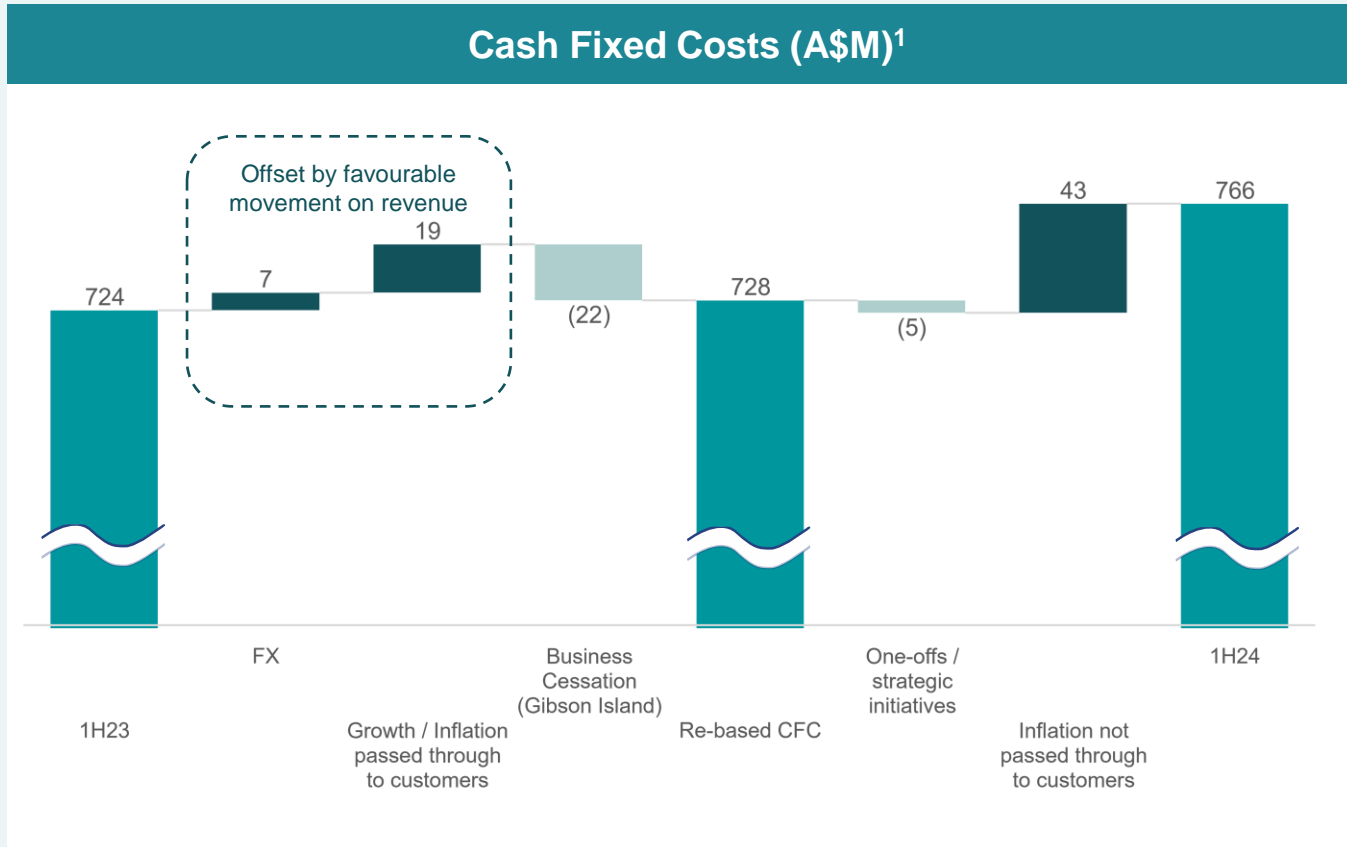
Strong underlying earnings in customer-facing businesses

- **Group:** EBIT up 18% after adjusting for WALA sale, Gibson Island closure and commodities / FX impact
- **DNA:** Price discipline and cost management driving growth. Manufacturing reliability improved
- **DNAP:** Customer wins, re-contracting and technology progress drive record 1H earnings
- **Fertilisers:** Strong margins and market share growth drive record 1H result for Distribution. Phosphate Hill interruptions addressed

(1) Business unit EBIT numbers have been adjusted to re-base HY23 for the sale of WALA, the closure of Gibson Island and for changes to commodity prices and foreign exchange rates. Refer to IPL's ASX Half Year results announcement dated 16 May 2024 for further details of the re-basing items.

Cash Fixed Costs

Increase in Cash Fixed Costs driven by business growth & inflation



- Above inflationary increases partially mitigated through cost pass throughs & saving initiatives
- Reset of cost base is a key objective of the business transformation initiative
- Dyno Nobel's EBITDA as % of CFC improved to 60% in 1H24 (56% in pcp.)

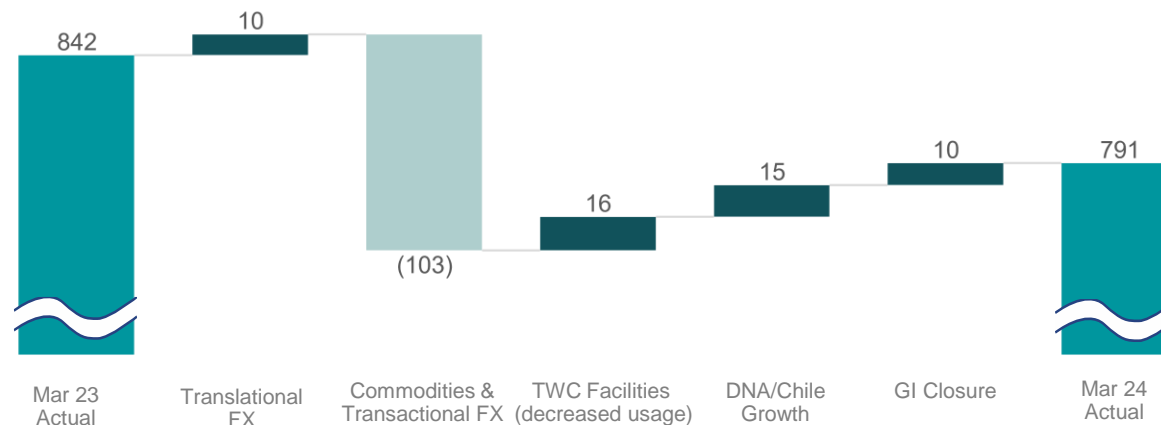
Actions through business transformation underway to address cost base

(1) Continuing operations

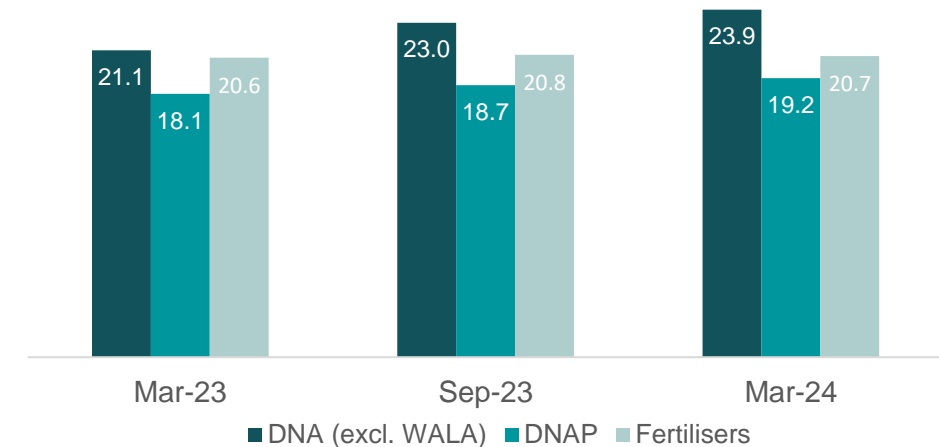
Working capital

Underlying working capital unwind in line with lower commodity prices. Further reduction in underlying levels a focus in FY24.

Year-on-Year movement (\$M)



Trade Working Capital as a % of sales¹



Focused working capital management:

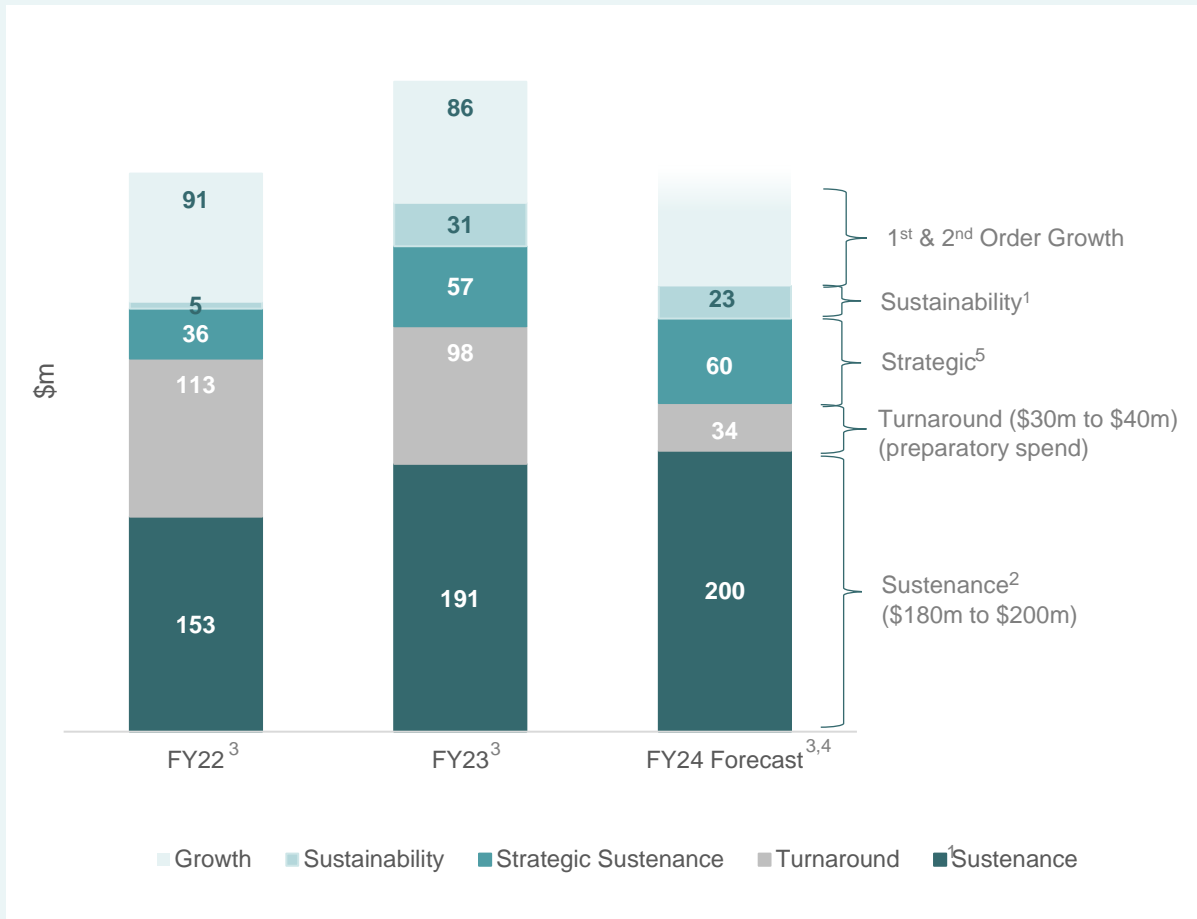
- TWC is a key workstream of business transformation project
- **DNAP:** growth in international businesses
- **DNA:** Investing in growth and ensuring reliable supply to customers
- **Fertilisers:** TWC impacts from Phos. Hill disruptions well managed

Underlying working capital	Mar-23	Sep-23	Mar-24
Inventory as % of sales ²	17.7%	18.8%	18.9%
Days sales outstanding ³	45	48	49
Creditor days ⁴	48	50	50

(1) Average 13-month trade working capital balance/12 months sales. Trade working capital excludes facilities. (2) Average 13-month inventory/12 months sales excluding service revenue. (3) Average 13-month trade debtors/12 months sales multiplied by 365 days. (4) Average 13-month trade creditors/12 months COGS and CFC (excluding Direct Labour) multiplied by 365 days.

Investing for growth & quality earnings

Commitment to ongoing effective sustenance investment & reduced turnaround spend in FY24



- Sustainable ROIC mindset when deploying capital
- Spend informed by asset management plans evidenced in higher reliability
- Lower turnaround spend in FY24
- Sustainability capital – Moranbah N2O abatement successfully implemented

(1) Sustainability capital return > WACC. (2) Explosives sustenance capital (excluding WALA) of \$120 to \$130 million and Fertilisers sustenance capital of \$60 to \$70 million. (3) Excludes WALA. (4) The spend forecast range is subject to currency fluctuations. (5) Strategic capex included investment in Gibson Island Distribution assets, Phosphate Hill Life of Mine and the relocation of a R&D facility in the DNA business..

Significant Capital Return Program

\$500M

SHAREHOLDER RETURN

COMPLETED

\$302M

CAPITAL
REDUCTION

~15.6cps

\$198M

UNFRANKED
DIVIDEND

~10.2cps

\$84M

UNFRANKED INTERIM DIVIDEND

ANNOUNCED

4.3cps

UP TO

\$900M

ON-MARKET BUYBACK¹

ON HOLD²

~46.3cps

Completed and planned capital returns equivalent to ~26% of issued capital³

Positive FY24 outlook remains unchanged

Dyno Nobel



Positive earnings outlook unchanged, supported by:

- Market growth
- Margin enhancement from technology
- Transforming operating model
- Enhancing working capital management

DNA Explosives EBIT growth of mid to high single digits¹

DNAP expected to exceed previous record earnings level² with re-contracting substantially complete

Fertilisers



Earnings outlook remains positive, supported by:

- Accretive market share gains in the Distribution business
- **Focused investment to deliver future reliability at Phosphate Hill**
 - Phos. Hill production of 730-770kmt (unchanged)
 - Gas supply: additional costs for FY24 expected to decrease by ~\$30m³

Continued underlying⁴ EBIT growth expected – Favourable second half skew

(1) Excluding any impact from the WALA off-take agreement. Refer to page 18 of IPL's HY24 Profit Report for further details on the outlook for DNA (2) Record earnings refers to base business excluding Titanobel (3) Compared to FY23 \$79m cost of shortfall gas at Phosphate Hill (4) Underlying earnings refers to earnings excluding discontinued operations and excluding the impact on earnings resulting from movements in commodity prices and foreign exchange

Future pathway



Significant growth potential for Dyno Nobel

Customer & service driven



- Strong opportunity to drive growth across Q&C & future facing minerals
- Market leading, customer centric tech:
 - ✓ Agreements extended with Fortescue in WA and BMA in Qld
 - ✓ Will become sole North American provider to leading global miner
- Increasing ability to service clients globally
- Manage Fertilisers distribution network to deliver margin & market share growth

Margin enhancements



- DNAP re-contracting – near complete
- WALA margin benefit retained in DNA
- Differentiated products, services & technology
- Debottleneck Moranbah (FY25) & progress LOMO opportunity
- Phosphate Hill taskforce to deliver reliability improvements & capital efficiency

Transformational



- Transform to a global operating model
- Expand footprint in EMEA and LATAM
- Accelerate investment to develop next generation technology
- Assess partnerships that can deliver long term earnings potential
- Earn the right to grow before evaluating inorganic investments
- Progress Fertilisers sale process

Well positioned to deliver attractive and sustainable shareholder value

Questions & Answers

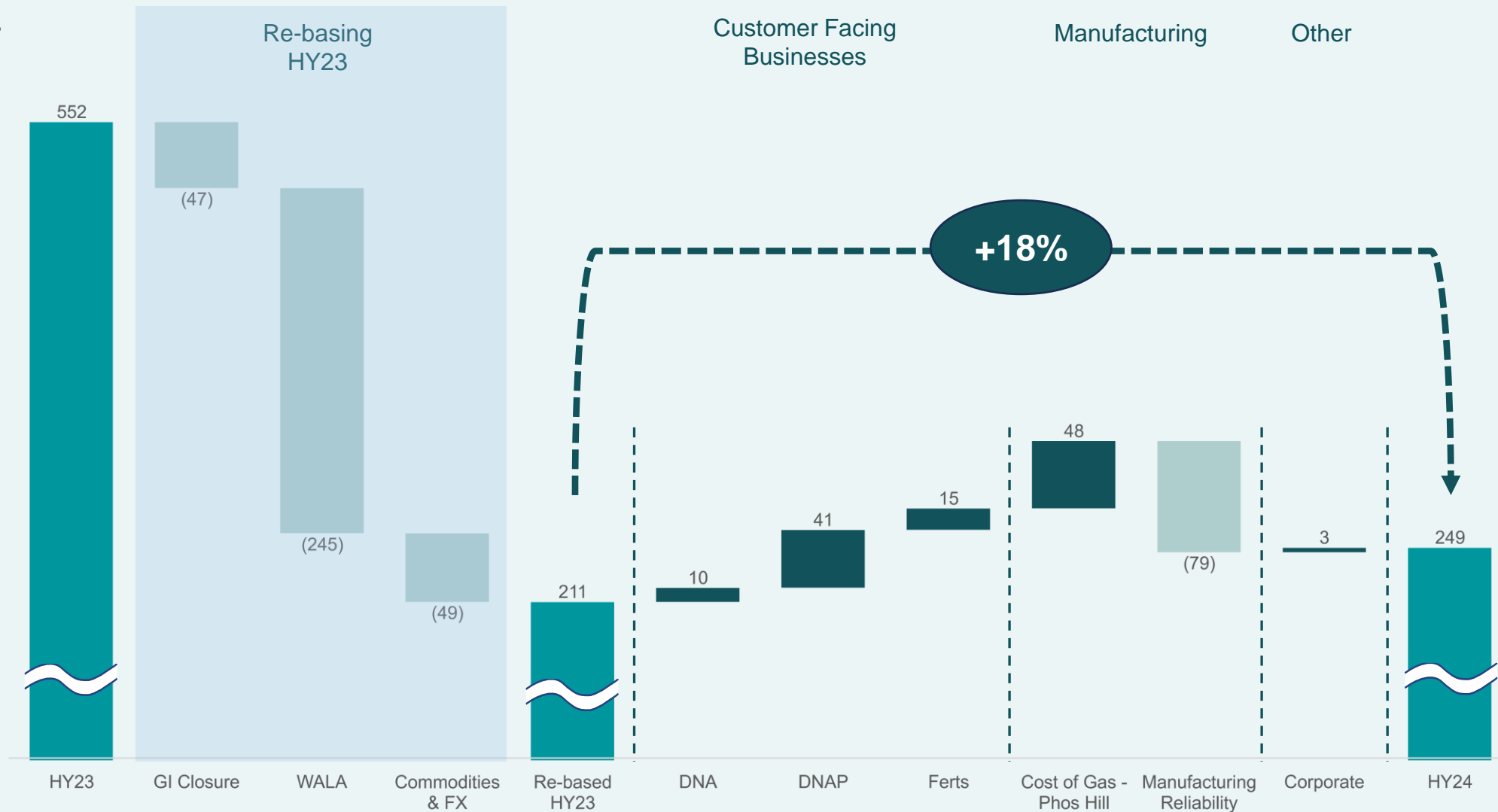


Appendix



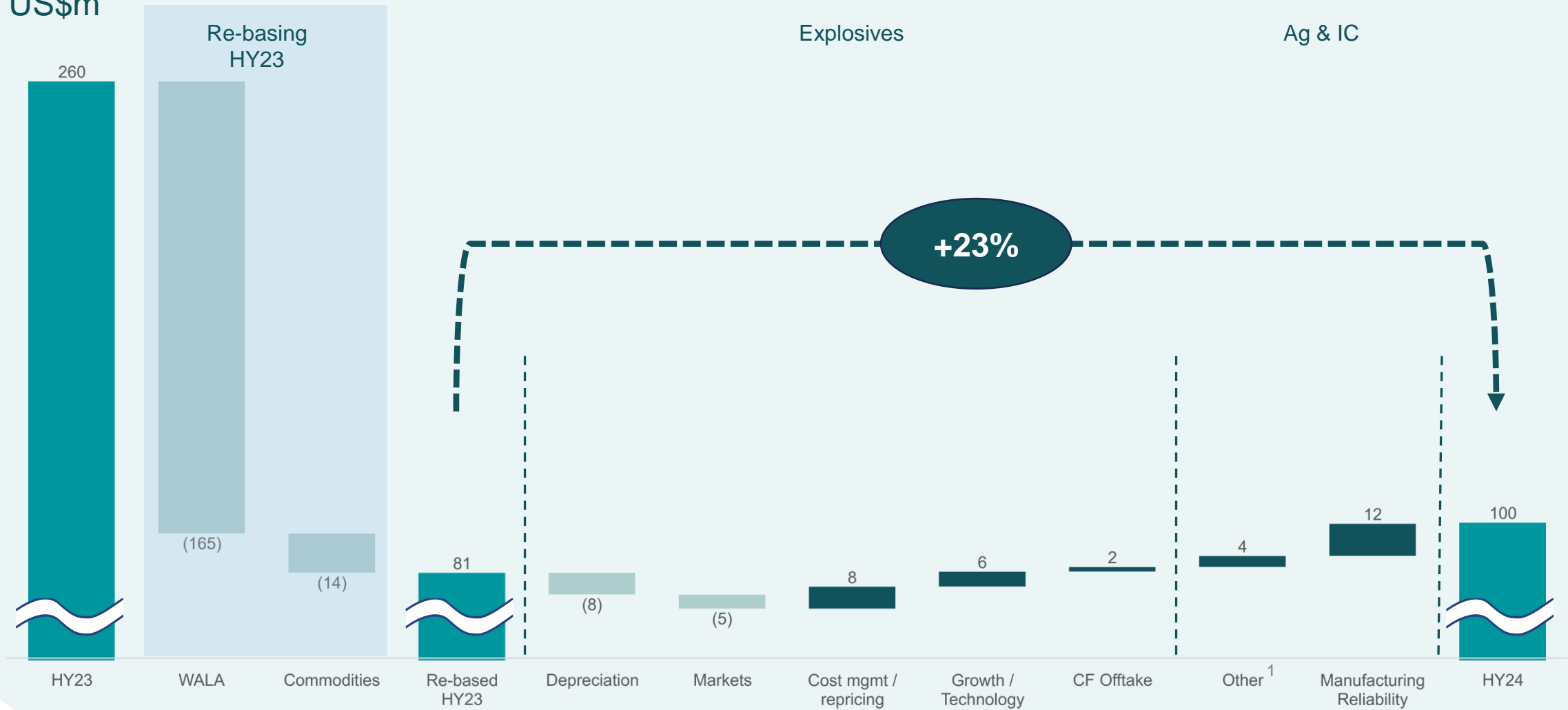
Group Result

EBIT
A\$m



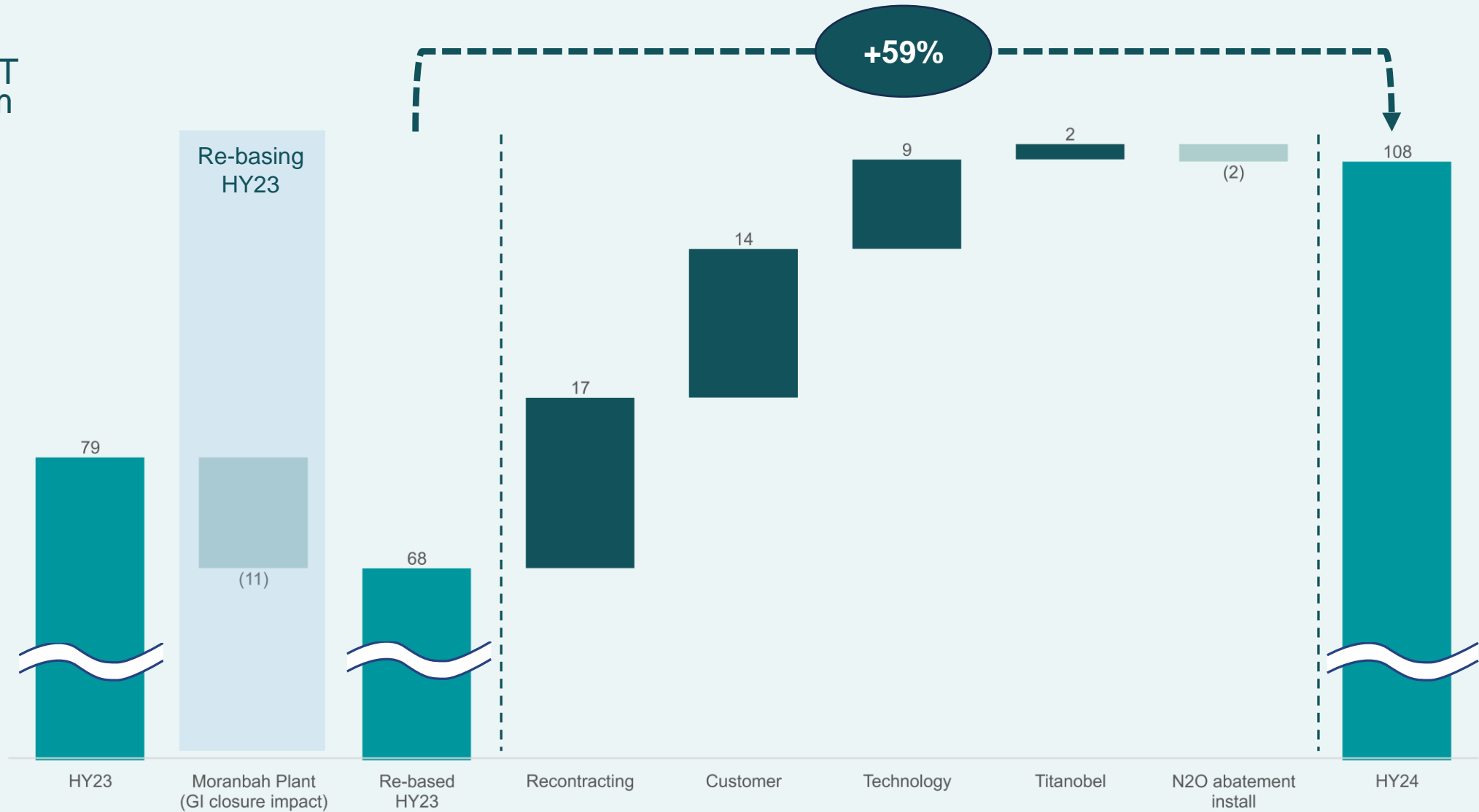
Dyno Nobel Americas

EBIT
US\$m



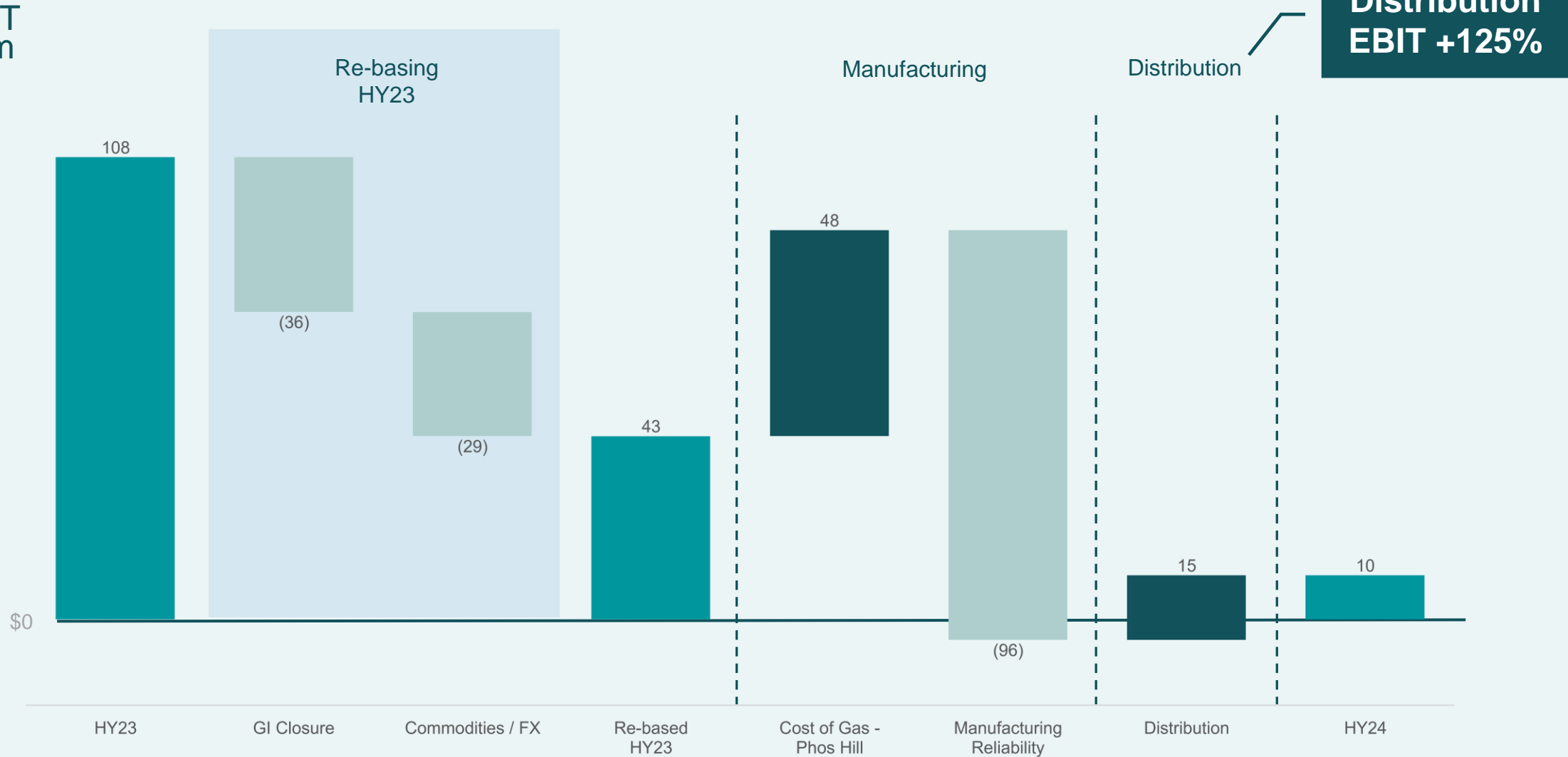
(1) Mainly relates to the sale of excess land at Cheyenne

Dyno Nobel Asia Pacific

 EBIT
 A\$m


Fertilisers Asia Pacific

EBIT
A\$m



Individually Material Items

Fertilisers Business:

Non-cash write down of the Fertilisers business:

- Pre-tax = \$498m
- After-tax = \$408m

Gain on sale of WALA:

- Headline price = US\$1.6b
- Value of offtake agreement = US\$303m
- After tax cash proceeds = US\$830m
- Profit on sale (after tax) = A\$98m (including accounting adjustments for Goodwill write-off and FCTR release)






Separation costs:

Costs incurred to optimally position IPF for standalone operations:

- Pre-tax costs = \$4m
- After tax costs = \$3m



Turnaround schedule

Plant	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Phosphate Hill, Qld							
Cheyenne, WY							
Moranbah, Qld							
St Helens, OR		