

Incitec Pivot Limited

INNOVATION ON THE GROUND

ASX RELEASE

IPL ceases negotiations for the sale of its Fertilisers business

10 July 2024

Incitec Pivot Limited (ASX:IPL) today announced that it has ceased negotiations with PT Pupuk Kalimantan Timur (PKT) for the sale of its fertilisers business, Incitec Pivot Fertilisers (IPF). The decision follows careful consideration of how to maximise value for shareholders while balancing the risks of completing the transaction in a reasonable timeframe.

Conclusion of the sale process means IPL is now able to commence its previously announced on-market share buyback program of up to \$900m.¹ In the near-term IPL will prioritise the buyback for the benefit of its shareholders.

IPL will continue to manage the Dyno Nobel and IPF businesses separately. Dyno Nobel will focus on delivering its strategy to expand its position as a leading global, premium explosives business that provides its customers with safe and cutting-edge technology, solutions and services. IPF will continue to deliver on its strategy of providing value-add fertilisers and soil health services that increase productivity for agricultural customers.

IPL CEO and Managing Director, Mauro Neves, said:

“Throughout the sale negotiations with PKT, we were focused on completing a sale transaction in a timely manner to allow us to commence our on-market buyback of up to \$900m. We have determined we are unlikely to achieve this outcome with PKT in an acceptable timeframe, and as a result we made the decision to cease negotiations with them.”

“We will continue to assess options for the structural separation of the two businesses, however in the near-term our focus will be on progressing the on-market buyback program for the benefit of our shareholders.”

“Led by a talented global executive leadership team, our Dyno Nobel business is being transformed into a global operation which is expected to substantially improve its financial performance.”

“Our IPF business remains focused on value accretive market share growth and is in a strong position for the agricultural season ahead.”

¹ Refer to IPL's FY23 results release dated 13 November 2023 and Notice of 2023 Annual General Meeting for details of the on-market buyback program.

FY24 outlook

IPL confirms that the FY24 earnings outlook for the Dyno Nobel and IPF businesses remains consistent with the commentary provided at the 1H24 results on 16 May 2024.

IPF Distribution continues to perform well, while FY24 production volumes at Phosphate Hill are likely to be around the lower end of the previously indicated range.²

Investor briefing

IPL will hold an investor conference call at 10.00am on Wednesday 10 July 2024 (AEST).

The link to register for the call is: <https://s1.c-conf.com/diamondpass/10040507-7shd8f.html>

For more information:

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

² Refer to IPL's HY24 results release dated 16 May 2024.