

Company: Nufarm Limited

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Greg Hunt: Thank you and good morning, everyone. Welcome to Nufarm's first half '25 results presentation. Joining me today are Brendan Ryan, Nufarm's CFO; Rico Christensen, Group Executive, Crop Protection Technologies; and Brent Zacharias, Group Executive, Seed Technologies.

I'll just pause for a moment and draw your attention to the disclaimer on Slide 2, and in particular the statement relating to forward-looking statements.

Before I move to our first half result, I'd like to report to you on the review of Seed Technologies that we've announced today. As we have been discussing with you for some time, within Seed Technologies there are significant opportunities for creating value across multiple seeds and traits platforms.

Our hybrid canola, sorghum, and sunflower seeds platforms have strong market positions and a track record of above-market growth. They are delivering more than \$200 million in revenue annually with high margins and strong cash generation. We have the leading canola position in Australia and are currently expanding in South America, where we see strong growth potential.

We have invested heavily in the commercialisation of our portfolio of the world's first plant-based omega-3 and we've learnt a lot about this technology over the past several years. The omega-3 platform is supported by favourable macro and industry trends, and with additional investment, we believe that it has a bright future over the longer term.

Our bioenergy platform is led by carinata and underpinned by a 10 year market development and commercial offtake agreement with BP that we signed in 2022. With demand for sustainable aviation fuel rising due to mandates introduced in multiple regions, we see the opportunity to rapidly scale this platform.

We also have a pipeline of new and emerging technologies including camelina in our omega-3 platforms, energy cane in our bioenergy platform, and biomass oil trait technology, which is an exciting development with potential use in bioenergy and FMCG markets. Its potential value is demonstrated by our recently announced research agreement with BP and Unilever.

Over many years, we've invested a significant amount of capital to grow Seed Technologies. Growing our hybrid seeds platform and taking omega-3, carinata, and energy cane through the first stages of commercialisation. These platforms and our new and emerging technologies have significant value; however, require additional investment to reach their full potential.

We believe that now is the right time to explore alternative structures to support and accelerate growth. We also believe that bringing in outside equity will provide the opportunity for the full value of these platforms to be realised sooner by current shareholders. Based on an initial

outreach to potential investors, we are commencing a formal process to explore capital structure options for Seed Technologies.

We will be exploring whole of business and platform-by-platform approaches to maximise value. We have engaged UBS to assist with this review. At this stage, no options are being ruled in or out. There is no certainty that the process will lead to a transaction, and we will provide a report back to you on the progress as appropriate.

Turning now to the half where we reported underlying EBIT of \$103 million, earnings per share before material items of \$0.072 and finished the period with leverage of 4.5 times. We saw a strong recovery in profitability from crop protection with underlying EBIT from crop protection up 34% year on year.

Our result was negatively impacted by omega-3, which Brent will speak to in more detail later in the presentation. Outside of omega-3, seeds performed solidly. We are accelerating the scale-up of biofuels. To this end, we are planning a three times expansion in carinata area planted in 2025, compared with 2024. We are also growing our hybrid seeds canola, sunflower, and sorghum position in South America.

At the '24 results, we announced actions to improve return on funds, and I'm pleased to report that these actions are well advanced. We are acting to slow cost growth and are maintaining a target of \$50 million in annualised run rate savings in overhead costs by the end of financial year '25.

At the end of the first half '25, we've achieved a 22-day year-on-year reduction in inventory, and we are well on track for a 25-day year-on-year reduction in inventory by the end of '25. I'm also pleased to see that we are already seeing a noticeable improvement in profitability in our Europe crop protection business.

In addition to the initiatives discussed at the full year '24 result announcement, actions are being undertaken to improve free cash flow. At this stage, we expect capital expenditure in financial year '26 to be around \$200 million, which is a significant reduction on recent years. That figure includes Seed Technologies.

While Brendan will speak about this topic later in the presentation, I'd like to take a few moments to speak about leverage.

We finished the period with leverage of 4.5 times. The increase in leverage since the full year reflects a normal seasonal working capital build as well as additional working capital associated with scaling our omega-3 platform.

Some of you will notice and rightly point out that our leverage has been increasing over the past several years. Over that period, we have been undertaking significant investment in our crop protection and seeds portfolios and re-investing into our manufacturing operations. These investments have delivered improved resilience and performance improvements.

We are now at a point where we have largely completed the required investment to strengthen our manufacturing resilience. We are recalibrating omega-3 expansion to balance the pace of commercialisation with regulatory development and customer demand.

In 2025, we plan to approximately halve the acres planted to omega-3 compared with 2024. Across the business, we have other actions underway to improve net working capital efficiency. As a result of these actions, we see a realistic path back to a lower level of leverage.

Applying our capital management principles, which relate to leverage and free cash flow, there will be no interim dividend.

Turning to achievements in the first half. During the half, we saw a strong recovery in crop protection, which benefited from an improved cost of goods position. We grew volume in all regions. We had strong improvements in EBIT in APAC and Europe despite some weather headwinds in Australia. In fact, in Europe, we nearly doubled EBIT compared with the prior year. We saw strong cash generation from North America despite slower profit recovery.

We achieved several important milestones in crop protection product pipeline. We announced an agreement with KingAgroot for the development of a new proprietary, non-selective herbicide for the Australian market. The active ingredient has shown promising results as a standalone knockdown herbicide, and has the potential to be a very important tool for Australian farmers because it controls several key hard-to-control weeds.

We had another solid performance from hybrid canola in Australia, despite drier weather reducing sales year-on-year. During the half, we grew our canola position in South America, a growing market in which we hold a significant market share, and which now represents a meaningful part of our global canola volume. South America is an example of a market where we are able to gain synergy across product range and genetics from Australia.

We completed a successful carinata program in South America. We also obtained additional carinata certifications and renewals, which build GHG value credentials.

Turning to the balance sheet. We achieved a material reduction in our average net working capital sales, which now sits within our target 35% to 40% range. The improvement was mainly driven by lower inventory in crop protection.

We formed new agreements with Unilever and BP, announced in late 2024, to progress the development of biomass oil. A world-leading innovation and a significant IP estate and research program targeting sustainable oil production for biofuels and FMCG applications. We have continued to make good progress with respect to the expansion of our carinata program with BP.

In Australia, we entered a collaboration with Hort Innovation on the development and launch of a precision application robotic sprayer manufactured by Kilter which will have application in intensive, high-value crop markets.

Turning to the performance of our segments in more detail. APAC revenues increased slightly on the prior year with good seasonal conditions across Asia, and strong uptake of new products in Indonesia, offsetting dry conditions in Australia. EBIT increased 34% with a more stable pricing environment for active ingredients, driving margin normalisation and a strong profit recovery in Australia crop protection.

We secured rights to develop a new broad-spectrum, non-selective herbicide that we are targeting for launch in the Australian market before 2030. As I said, this is a significant and exciting

opportunity to address a very significant need for farmers who are dealing with the growing challenge of herbicide resistance.

In North America, we reported EBIT down 10% year-on-year. North America has been slower to normalise than other regions. Pricing pressures, a delayed season, and just-in-time buying negatively impacted the result and volumes. Cash generation was driven - was strongly driven - by year-on-year inventory reduction.

We finished the period with an improved cost of goods position, and believe that we are well placed for year-on-year growth in the second half. We achieved a significant year-on-year reduction in net working capital to sales, driven by lower inventories.

In relation to tariffs, this has been a volatile and very uncertain environment. Many of the products that we import from China are exempt from the reciprocal tariffs. For those that were subject to higher tariffs, in the six-week period up until last week's announcement to reduce the reciprocal tariff level to 10%, we took the decision not to import, and this could have some impact on sales in the second half.

In Europe, we reported EBIT of \$43 million, nearly doubling on the prior year. We experienced a strong recovery in sales and profitability and benefited from positive cropping conditions across the region. We have improved manufacturing reliability at Wyke, however, experienced ongoing margin pressure.

We achieved a significant year-on-year in net working capital to sales, driven by lower inventories.

Turning to Seed Technologies, where we reported revenue of \$249 million and underlying EBIT of \$15.9 million. The decline in EBIT on the prior year was due to lower licensing revenues, lower margins in omega-3, and drier conditions in Australia.

In hybrid seeds, we had solid performances from canola, sorghum, and sunflower. Although Australian canola was impacted by recent dry conditions. Sorghum volume increased year-on-year, and sunflower was broadly in line with the prior year.

The fish oil market has seen a significant reduction in pricing over recent months, which has impacted sales and profitability for Aquaterra, leading to a negative \$28 million write down of omega-3 inventories in the half. In this environment, as I said earlier, we have reduced the production program for 2025 and are undertaking steps to reduce cost of goods.

In carinata, we concluded a successful crop year in South America, with production in Argentina and Brazil. The 2024 South American grain harvest is in the process of being shipped to Europe for crush and sales via our partners. We achieved additional carinata Proof of Sustainability certifications, which build the GHG value of our carinata.

The production program 2025 carinata crop is in progress, and we expect to significantly increase production hectares and zones across South America.

Before handing over to Brendan, I'd like to summarise our near-term priorities. We are clear on the actions needed to improve profitability, generate higher returns and de-leverage the balance sheet. We are embedding a culture of continuous improvement with clear targets and enhanced governance to drive improvement efforts.

We continue to accelerate actions towards improved return on funds and cash flow. We've made good progress on actions to realise the \$50 million in annualised run rate savings by the end of '25. We delivered a 22-day year-on-year reduction in inventory days at the half and are on track for a 25-day year-on-year reduction in inventory by the end of financial year '25.

With the completion of major works at our manufacturing plants, we are now moving to a lower capital expenditure envelope, which we expect to be around \$200 million in the financial year '26. So we are through peak CapEx.

We expect to update you on our review of Seed Technologies towards the end of the calendar year '25, and I'll now hand you over to Brendan.

Brendan Ryan: Thank you, Greg. Good morning, everyone.

Revenue for the half increased 3% year-on-year. Underlying gross profit margin increased by 50 basis points year-on-year, due to a solid recovery in crop protection underpinned by stabilising active ingredient prices.

Gross margin for omega-3 declined year-on-year. Underlying EBITDA was \$206 million, a decrease of 6% year-on-year. Underlying EBIT was \$103 million, a decrease of 15% year-on-year. Note that we are moving to using EBIT as our primary measure of operating profit.

Statutory net profit after tax was \$30 million. A year-on-year decline in statutory net profit was primarily due to omega-3 and portfolio expenditure. We are pleased with the progress in reducing average net working capital to sales, which is an important measure of our efficiency in using our balance sheet.

Average net working capital to sales was 39.2%, driven by disciplined inventory reduction in crop protection. Improvements in crop protection were partly offset by an increase in omega-3 oil and grain inventories.

Net working capital in Seed Technologies at the end of the half was approximately \$75 million higher year-on-year.

Overall, the results for average net working capital at 39.2% is a substantial improvement on the prior year. Underlying earnings per share before material items was \$0.072 per share. Return on funds employed was 3.2% compared to 3.6% to the prior year.

Overall, relative to the prior year, a strong crop protection result on revenue, underlying EBITDA, and net working capital, offset by omega-3 reduced earnings, and net working capital build.

At March '25, net debt was \$1,362 billion, an increase of 12% on the prior year. The increase in net debt was due to lower profitability, our capital expenditure program, the impact of omega-3 on net working capital, and currency translation.

Importantly, funding headroom at the balance date was at \$265 million. Noting March is the peak drawdown on seasonal funding. Our asset-backed lending facility is an important aspect of our liquidity management, which is secured against receivables and inventory, and flexes up and down to accommodate movement in these balances.

Net leverage was 4.5 times underlying EBITDA compared to 3.6 times in the prior year. Leverage was impacted by higher net debt and a lower rolling 12-month EBITDA. Excluding omega-3 and

currency translation impacts, leverage ratio would be approximately 3.8 times compared to the reported 4.5 times.

I make this reference in the context of our response plan to de-leveraging. There is a solid plan to reduce net debt and leverage. Using the charts here to represent the actions we are taking to de-leveraging, on the debt aspect, we are reducing the scale of omega-3 program to balance the pace of commercialisation with regulatory development. We are continuing the focus and strong momentum on net working capital reduction, in particular on inventory management.

In terms of CapEx, significant investment has been made in our manufacturing plants and Seed Technologies growth platforms of omega-3 and bioenergy over the past three years. We have now moved through peak CapEx. Financial year '26 target capital expenditure is circa \$200 million. We will continue to have a seasonal build to half year and a significant unwind in the second half.

Moving to the EBITDA aspect of leverage, we do not expect omega-3 to have the same negative impact that it had on this result. Our cost savings program, \$50 million run rate is expected to mitigate cost growth. We expect organic earnings growth supported by our portfolio of new product introductions. These actions are expected to improve free cash flow generation and reduce net debt.

In terms of targeting to net debt reduction, we expect financial year '25 net debt to be above financial year '24, largely due to current year omega-3 impacts. Financial year '26 largely benefits from the actions outlined above to have us operating within the target leverage range of 1.5 to two times underlying EBITDA.

The review of Seed Technologies could also provide a catalyst to materially de-leverage. Crop protection revenue growth of 4% was supported by volume growth across all regions, and a favourable shift in product mix, partly offset by softer pricing reflecting the lower active ingredient prices year-on-year.

Revenue from Seed Technologies decreased by 2.7% year-on-year. The decline was mainly due to drier conditions in Australia, negatively impacting canola revenue. Licensing revenue was also lower year-on-year.

The charts on operating cash flow and net working capital demonstrate the seasonal nature of the working capital, which peaks in the first half and significantly unwinds in the second half of the financial year.

At the end of the first half, net working capital was \$100 million below the prior year, reflecting a strong improvement in crop protection, partly offset by additional inventory on expansion of omega-3.

The half year net operating cash flow movement was an outflow of \$459 million. The primary reason for this cash outflow was the seasonal net working capital build as we experience every half year. Cash inflow in the second half of financial year '25 is expected to be consistent with the unwind of net working capital of previous years.

In terms of the components of net working capital, I've already mentioned the significant improvement in inventory performance. Performance with respect to trade receivables continues

to reflect strong discipline on commercial terms in the competitive trading environment and strong collections performance.

Trade payables continue to normalise as the business moves to more normal cadence and replenishment. These working capital improvements have resulted in a significant improvement in the average net working capital to sales to 39.2% from 47.1% in the prior year.

At the FY24 briefing, we committed to a 25-day inventory reduction. At the end of the first half, we have reduced inventory days by 22 days, measured on a rolling 12-month basis. Discipline focused on the key levers of demand forecast accuracy, supply planning, supply chain agility and inventory turnover is expected to enable the continued momentum in this area. We expect to achieve our target of a 25-day reduction in inventory days by the year end. This excludes any carry-over of omega-3 product that we may choose to hold in the second half.

Capital expenditure for the six-month period was \$148 million, compared to \$110 million for the prior period. The year-on-year increase is largely due to timing of spend. Capital expenditure for the full year is expected to be around \$240 million.

The increase of up to \$230 million expectation given at the full year is due to strategic investment opportunities that arose with Yield10 camelina acquisition and KingAgroot herbicide agreement with the Australian market. These investments are captured within intangibles.

Underlining capital spend was rationalised, however, the benefit of this is expected to be offset by currency translation from a weaker Australian dollar. Property, plant, and equipment investment focused on plant reliability and safety-critical programs with substantial reinvestment into phenoxy manufacturing at Wyke.

While there is some residual investment required in the second half, as Greg stated earlier in the presentation, we expect to reduce the rate of the investments in the future.

I would now like to hand you over to Brent Zacharias, who will provide an update on omega-3 and canola platform.

Brent Zacharias: Good morning, everyone. We have had a very challenging period for our omega-3 business. I would like to take you through our development journey, why we are where we are, and why we believe in the future prospects for this platform.

Several years ago, we made a decision to begin growing our omega-3 program ahead of achieving deregulation in key markets. As we launched our 2024 production campaign about 18 months ago, fish oil markets were at all-time highs, close to US\$7,800 per metric tonne for Peru, 24% omega-3 oil, and US\$5,300 per metric tonne for North Atlantic 18% omega-3 fish oil.

At that time, industry consensus expected prices to forward correct by approximately 25% to 30% and remain very tight in supply, even with recovery of the Peru quotas. In recent months, Peru, the largest fish oil supply region, has announced two quotas which combined represent the largest quotas granted since 2012.

This has resulted in a significant increase in supply and prices falling about 70% from peak for certified, sustainable oils. The increase in supply is shown by the left-most chart on this page. In 2024, we saw the second-largest Peruvian anchovy quota in the past 10 years. This was followed in April 2025 by the second-largest first quota over the same period.

Those quota increases have had a significant impact on pricing. The price impact is shown in the second chart from left. There are various reference prices that can be used. We have tried to simplify by focusing on two reference prices. The North Atlantic price is a benchmark for sustainably sourced fish oils.

In April, the North Atlantic reference price was 15% below the five-year average. There are other benchmarks in the market as well, and we have shown in the chart a Chile blended import price. The average price of fish oil imports reported into Chile last month was approximately US\$2,300 per metric tonne. This was 15% below the North Atlantic price.

While Aquaterra is a sustainable oil, in untypical times when the market is long in supply like today, we are having to trade that competitive spot market levels into Chile. This has created the \$28 million inventory value adjustment that we have noted in our accounts at the half year. We are currently assessing market options for moving inventory for the remainder of the year.

Over the long term, we are confident in omega-3's demand. We are confident because over the long term, fish oil supply is constrained despite the temporary impact of above-average Peru quotas.

We are working towards the acceptance of Aquaterra, which is the GM product which supports entry in the higher-value European market. Growing demand for omega-3 is expected to continue to be driven by aquaculture production, rising incomes, urbanisation, and dietary trends.

Now, let's turn to where we are with our omega-3 program. The current market environment has highlighted the need to refocus on ensuring not only production stability but also cost efficiency, and therefore the key goals over the next few years are to optimise our production zones and drive down cost of goods to ensure the long-term profitability of our oil products through pricing cycles.

To achieve this, we are focused in three key areas: (1) improving our technology from an agronomic performance perspective, (2) progressively reducing logistics and stewardship costs, and (3) looking to optimise production zones and supply routes.

As it relates to agronomic performance, we validated meaningful grain and oil yield improvements with new generation hybrid genetics, which has enabled to reduce grower premiums by 37% in our 2025 contracts enabling cost of goods reduction for oil sales in 2026.

Secondly, our truck, rail, and storage logistics costs have been relatively high based on our production zones' distance to crush and our commitment to maintain a separate grain supply chain from standard canola for stewardship purposes.

As we optimise direct to crush production zones, our logistic costs have already come down 9% overall in our 2025 footprint and are expected to drop more significantly as we further shift in 2026 and 2027.

Thirdly, and most significant, as we have stated previously, upon fully completing our regulatory approvals, we will be able to shift larger proportional volumes into significantly lower cost production and logistic positioned countries such as South America and Australia.

Deregulation is expected to drive a step-change reduction in cost of goods, and we are working to obtain regulatory approval in the appropriate markets. We have conducted pre-commercial production trials in Australia, and the results support a lower cost of goods position. We have also

applied for permission to conduct stewarded trials in Argentina and are assessing other South American countries.

We have also completed trials in Chile under cooperation with a government program, also demonstrating strong performance.

Our experience of hybrid canola genetics across the southern hemisphere suggest that we should expect to see strong performance. The potential to produce within Latin America for the Chile market is expected to drive substantial advantage in cost efficiency.

The combination of these three initiatives provides us a pathway to sustained profitability in our continued pursuit to be the most scalable and cost-efficient omega-3 alternative to fish oil. Over the last several years, we have learnt about our technology and have established a significant revenue and customer base.

In summary, whilst we are in a tough market today, the market fundamentals and need for this technology remains strong. We are also expediting clear and meaningful steps to drive cost improvement.

Over the next several years, as we progressively establish those production cost positions, the next phase of commercialisation will be focused on serving dedicated customer agreements with a balance of best cost production zone and targeted volume delivery.

Thank you. I will now hand back to Greg.

Greg Hunt: Thanks, Brent. Just some closing comments before we move to Q&A. So we had a solid start to the year in crop protection. We feel that we're well-positioned, however, several uncertainties could impact the second half.

If the current weakness in fish oil pricing continues to hold, we expect that EBITDA from Seed Technologies for the second half to be around \$20 million below the prior year. Due to lower-than-anticipated fish oil prices, we no longer expect to achieve \$100 million in revenue from omega-3 in financial year '25.

We are currently assessing options for managing omega-3 inventory, which will influence where revenue and inventory lands for the full year.

While we saw the good improvement in crop protection in half one, there are a number of uncertainties that make it difficult for us to project the second half. The US tariff situation is fluid and is creating uncertainty with respect to supply, demand, and pricing outcomes. We believe that we are well-positioned with our supply chains and manufacturing operations at Wyke and Laverton.

However, the potential behaviour of the broader industry creates some uncertainty. Although we expect some benefit from our UK and Australian-based manufacturing products, the benefit is likely to be relatively small because of the increased volume imported in anticipation of tariffs being implemented.

The anti-dumping duties apply to China and India 2,4-D products, which are in place for five years, will likely provide some flexibility for our Australian manufactured product.

Europe experienced a strong recovery in the first half, supported by favourable seasonal conditions and actions that we took to begin right-sizing the cost base. We're not expecting the same rate of improvement in the second half.

Australia benefited from a more stable cost goods position in the first half, and we expect that to continue with the caveat in respect to potential tariff impacts that I mentioned earlier.

However, a continuation of current dry conditions in Australia would negatively impact the second half. Management remains focused on reducing costs and improving return on capital. We are on track to deliver a 25-day year-on-year reduction in inventory, excluding the impact of omega-3, and we're on track to deliver \$50 million in run rate annualised cost savings by the end of financial year '25.

In relation to other financial items for the full year, we now expect capital expenditure to be around \$240 million. The increase since the full year outlook is due to our decisions with respect to Yield10 and the Australian herbicide agreement with KingAgroot. Excluding these items, we would expect to come in at approximately \$230 million in constant currency terms.

We expect D&A of around \$220 million and net interest expense of around \$95 million, including the cost of FX hedging. Despite the setback for this year with omega-3, we have delivered a solid first half result and are confident in the future. Grain prices have improved from recent lows, stocks to use ratio for major grains remain tight, planting conditions in major markets are generally positive, and demand for seed and crop protection products remain strong.

Active ingredient prices are generally stabilised, and general inventories are at low levels. We have a strong pipeline of differentiated products with several key products anticipated to launch by 2028. We maintain a leading position in Australia with our canola varieties and are experiencing continued growth for our hybrid seeds in South America. We see a pathway to long-term profitability in our omega-3 canola platform.

Fish oil prices are at five-year lows. We will manage production to reflect industry conditions and continue to advance regulatory approvals and cost of goods reduction. We anticipate strong growth in bioenergy. The adoption of SAF mandates in the European and other markets gives us confidence in the demand for biofuels. Increasing carinata plantings in '25 for '26 oil and sales.

Brent Zacharias and Rico will be joining Brendan and I for Q&A, and I'll now hand back to the operator.

Operator: Thank you. If you wish to ask a question, please press star one on your telephone and wait for your name to be announced. If you wish to cancel your request, please press star two. If you're on a speaker phone, please pick up the handset to ask your question.

Your first question comes from John Purtell from Macquarie. Please, go ahead.

John Purtell: (Macquarie, Analyst) Good morning, Greg, and Brendan. Just had a couple of questions, please. Obviously, the Seeds Tech review, I suppose the question as to why now? I mean I appreciate there's different parts to the seeds business, but I suppose the why now, when fish oil prices are depressed, and understanding that there is short-term versus longer term perspectives, but you're obviously at a depressed earnings level, certainly for the omega-3 business.

Greg Hunt: Yes. Thanks for the question, John. I guess when Seed Technologies was a smaller business, we think it made sense for it to sit within Nufarm and be funded by the cash flows that we generated from the crop protection business.

Now that it's moving to the next stage of growth, it really requires more funding than can be provided by Nufarm alone. So, you know, we think the best solution is to bring in outside capital and support that next stage of growth.

We have, over recent times, received some inbound interest and given the need for capital to continue to grow and support that growth, we think now is the right time to explore those opportunities.

In relation to omega-3 specifically, as Brent called out, it has been impacted by temporary oversupply, but we think the longer-term demand for omega-3 is positive, and it can't be supplied consistently by wild fish. So we believe that our technology at scale can be a sustainable and competitive source of supply. I guess our view is that sophisticated investors will look through the temporary situation and hopefully see what we believe is long-term value in that platform.

John Purtell: (Macquarie, Analyst) Thanks, Greg. Just a second question on the Australian business. Obviously, you've referenced the dry conditions there. Can you just talk to the outlook for the second half? I appreciate that's still sort of playing out, but also any sort of - I suppose the seasonal effects and maybe anything sort of structural there from increased China imports, if indeed they look to find other homes outside of the US.

Greg Hunt: Well, I think, as we said, we have seen improved margin because of lower COGS. The dry conditions have impacted trading since March, so in April and May. I would say the rest of Asia, so Indonesia, and the rest of Asia is pretty much similar to last year.

We do have some flexibility with our 2,4-D products, and we will prioritise supplying the domestic market, but we're - and we will have additional production. We will look to put that into the North American market to maximise returns.

So I guess it is difficult to call at this stage. I think - we believe that on our current forecast that Australia can probably - sorry - APAC will deliver a similar result in the second half to what we experienced last year.

John Purtell: (Macquarie, Analyst) Thank you.

Operator: Thank you. Your next question comes from Owen Birrell from RBC. Please, go ahead.

Owen Birrell: (RBC Capital Markets, Analyst) Yes, thanks, guys. Maybe if I turn attention to North America, the market over there seems to be struggling at the - I guess, on the floor. We were sort of, I guess, getting the sense of some green shoots in terms of demand coming through early this year, and while we hadn't seen it in price, I think there was the expectation of price to start to recover.

I'm just wondering if that is still the case, and this, I guess, poor market environment at the moment is just temporary uncertainty, or is there something a little bit more structural that's going on there?

Greg Hunt: Thanks, Owen. Thanks for the question. Look - no, look, I wouldn't say it's structural. I think the market there continues to operate on a just-in-time basis. Certainly, the uncertainty around tariffs has created some cautiousness around channel purchasing, but I think with channel inventories at low levels, we would expect to see a second half due to improved volume.

So, I guess, sort of unlike Australia, we're - I'd say we would expect to see something similar in the second half. I think we're well-positioned for an improved second half in North America based on increased volumes.

Owen Birrell: (RBC Capital Markets, Analyst) Is that comment based on the fact that you said that there was a delayed season in North America? So I know a delay obviously means that it costs later and then impacts the second half, is that reason you're confident in that?

Greg Hunt: Yes, that's correct. So the season's running probably two or three weeks later than normal. So, sales that we would normally have seen in the first half, what I'm saying is we'll - we pick up some of those in the second half.

Owen Birrell: (RBC Capital Markets, Analyst) Can I ask about the competitive environment over there? Because obviously then when we look at the pricing on that volume, you've obviously got a fair number of competitors out there chasing that volume. Are we expecting to see that demand pull prices up, or should prices really continue to sort of remain underwhelming into the second half?

Greg Hunt: Yes. No, look, I think it is - you're correct, it is a very competitive environment. So I would expect to see volume increase, but I'm not expecting to see a significant improvement in margin second half.

Owen Birrell: (RBC Capital Markets, Analyst) That's excellent. Thank you.

Operator: Thank you. Your next question comes from Jonathan Snape from Bell Potter. Please, go ahead.

Jonathan Snape: (Bell Potter Securities, Analyst) Yes, guys. Look, two questions. I might ask them in two lots because the first one's a pretty easy one. I just noticed this time I couldn't find the payables financing utilisation in the first half. Are you able to provide that number as to what was in those off-balance sheet facilities?

Brendan Ryan: Thank you, Jonathan. Yes, so far as finances at balance statement, it's approximately \$125 million, which is pretty consistent when it gets to the position it was at the full year last year.

Jonathan Snape: (Bell Potter Securities, Analyst) Great. Thank you. Look, the second one's around the seeds side of the equation. Look, I noticed the other week, I think UPL sold another 12.5% stake in their Advanta business, which I think was, like, a look-through valuation of almost US\$2.8 billion, if I'm doing the maths right. That was for a business, I think, that was doing about \$140 million in EBITDA. Which I don't think is too dissimilar to what they sold that stake for to KKR a couple years back in terms of the multiple - like, it's getting up near 20 times.

When you've started this process, are you looking at - or has the inbound interest been around kind of multiples that we can look at elsewhere? Because I know you've got it in the books at \$950

million, and you haven't impaired it at all. It just seems like there's some big transactions going on, and I'm just trying to figure out if that's maybe what's prompted this or if it's the performance?

Greg Hunt: Well, it's certainly not the performance. As I said earlier, I think we've got a unique and scalable - of scale at the moment. I just don't think we're going to be commenting specifically on valuation expectations. As I've said, I think we've got very valuable platforms, a strong earnings base from our hybrids seeds business and future potential growth in bioenergy and omega-3.

I guess, process will allow us to assess value of various growth opportunities. Whether it's the whole business or whether it's hybrid seeds canola, or whether it's a bioenergy platform, I'd say that we've made significant investments in building these platforms over - I guess, over the last five years. We've invested nearly \$300 million in CapEx, which are roughly, in prices, nearly 30% of the CapEx that investment - that Nufarm's invested over that period.

Jonathan Snape: (Bell Potter Securities, Analyst) Maybe I'll ask it a different way. The \$950 million, am I doing the maths right in terms of what that's carried at, at the moment, [as I guess the net assets of that Seed Technologies platform? When you, I guess, started this process, I imagine you did a valuation test against that to see whether you should be impairing it or not. Is that an accurate comment or not?

Brendan Ryan: Yes, Jonathan. I'll just comment on that. I guess in terms of the earnings impact that omega-3 came through with this year, that did initiate a review of the current value of the asset. We did the appropriate testing and review of the carrying value relative to the recoverable amount, and then that was - had headroom for - no need to - for an impairment or an adjustment to that value.

Jonathan Snape: (Bell Potter Securities, Analyst) Yes, but is the book value \$950 million, the total platform? I'm just going through segment notes, so is there stuff buried in corporate I can't see?

Brendan Ryan: Yes, my estimate - I'll come back and confirm with you, I don't think it's as high as \$950. My numbers are more in the \$750 million/\$800 million range, but we can confirm that back to you.

Jonathan Snape: (Bell Potter Securities, Analyst) Great. Thank you.

Operator: Your next question comes from Evan Karatzas from UBS. Please, go ahead.

Evan Karatzas: (UBS, Analyst) Good morning, guys. Apologies if these have been asked, I'm juggling a few calls. With the crop protection price headwind at \$75 million, at current prices, I assume you have some visibility into this, but when does that stop becoming, I guess, a headwind for the Group, please?

Brendan Ryan: Yes, it's \$75 million in the half. I guess, back to Greg's comment earlier, I guess it's very hard to predict and estimate when, I guess, the recovery to long-term averages will happen. In terms of, I guess, stimulus in the market around demand, we are seeing the growth and inventory positions destocking, but I guess the unknown is when we see that sort of price come back up.

So, I guess, in relation to the North America comment, we continue to see probably gross margin holding. That's in terms of a rate percentage. Revenue will be influenced more by volume as opposed to pricing.

Evan Karatzas: (UBS, Analyst) Yes. Yes, okay. Got it. That makes sense. Then, just on the tariffs and the impact. I get that it's obviously a moving beast. Do you want to maybe just provide some - just a bit more information? Just how do we think about the impact from tariffs in North America to Nufarm, maybe if you can in sort of range of dollar million and how you've seen the impact on farmer demand as well, if it leads to higher prices to.

Greg Hunt: Yes, look, thanks, Evan. I think that the point I'd make there is that, as I said in the prepared remarks, a lot of the products that we import from China are actually exempt from the tariffs. So the current tariff, 10%, but all of the products do have a 20% functional tariff. I think the view is that those additional costs will simply be passed through to customers.

We've got a 90-days pause on reciprocal tariffs. So I don't expect that we're going to see a significant impact in the second half. The only thing that I did call out earlier in the six-week period where there were the 125% tariffs; we took the decision not to import products. Now that could impact sales in the second half because we simply don't have tariffs - sorry, we don't have the stock.

The third bucket is the 2,4-D, antidumping, and countervailing duties. So they were introduced, I think from memory, sometime in May and are at about 150%. That does provide - and that's on 2,4-D. That does provide some flexibility for our Australian 2,4-D once we've satisfied the demand in the domestic market to put volumes into the North American market.

I would see that more as an impact in '26. Simply because I think there was some front running volumes into the US in expectation that those dumping duties would be introduced as they were in - I think it was in May. So more of a - given that they're in place for five years, more of an impact in '26 and beyond.

Evan Karatzas: (UBS, Analyst) Yes. Yes, okay. All right. Thanks, Greg. I appreciate that.

Operator: Thank you. Once again, if you wish to ask a question, please press star one. Your next question comes from Andrew Scott from Morgan Stanley. Please, go ahead.

Andrew Scott: (Morgan Stanley, Analyst) Thank you. Good morning. Greg, I just want to focus on the balance sheet. I mean, 4.5 times net debt to EBITDA, in response to Snapey's question, there's off-balance sheet items. There's the Step-Up [unclear] as well, which I know don't come under covenant guise but they're relatively expensive financing. How can you get us comfortable that this is an appropriate balance sheet?

Brendan Ryan: Thanks, Andrew. Just on the leverage, as I covered off earlier, the critical point, I guess, is (1) we have a funding structure that is covenant-light. We have passed through our peak borrowing requirement at the balance date. So therefore, we don't have an issue just around liquidity. The reasons for the increase in the debt are related to omega-3 and some currency translation.

There is a timing aspect there around CapEx expenditure as well, which from a full year perspective comes back relative to - from a full year perspective, around \$240 million. So I outlined, I guess, the actions that we are taking to de-leverage, which is around the CapEx reduction, it is around the redundant scaling back on omega-3 and that it won't have the same impact in terms of working capital and earnings perspective. Those also the aspect around the cost savings in terms of getting that run rate of the \$50 million at the end of the year.

Then the likelihood is we'll also see some - from an earnings perspective, the new product introductions that they have continue to help on the earnings prompt. So the benefits of all those actions, I guess, will largely come into FY26 in terms of then bringing us back to that leverage range of 1.5 to two times underlying EBITDA.

Andrew Scott: (Morgan Stanley, Analyst) Okay. Thank you. Then, just second, I'm just - the stock's down 25% at the moment. There seems to be a meaningful miss versus the underlying EBIT/EBITDA. I'm just wondering why we're hearing this for the first time? Is it that you actually feel the full year numbers are broadly consistent, and we're just getting the SKU wrong? Or why are we only hearing about this today?

Brendan Ryan: Yes, just on - look, from a disclosure perspective, it's always top of mind and we carefully consider that on a day-to-day basis. I guess the reference points around expectations do vary I guess, across the market. Our expectations on EBITDA in that regard was \$230 million. So in terms of underlying EBITDA for the half it was circa around 10%.

I guess, in terms of the overall result for the full year, there's a lot of uncertainties, particularly I guess two key ones around fish oil pricing, where that is today and where potentially that will be for an outlook perspective. Then particularly across, I guess, the tariffs in terms of those changing in dynamic nature, which actually changes day-by-day, week-by-week. So I guess they were the considerations that we've considered over this, and I guess this is when we reflected, I guess, our narrative around the outlook.

Andrew Scott: (Morgan Stanley, Analyst) Okay. Thank you. I'll leave it there.

Operator: Thank you. There are no further questions at this time. I'll now hand back to Mr Hunt for closing remarks.

Greg Hunt: Well, thank you, everyone, for your time today, and we look forward to catching up with some of you over the next few days. Thank you.

[END OF TRANSCRIPT]