

Incitec Pivot Limited

INNOVATION ON THE GROUND

Update on strategic review of Incitec Pivot Fertilisers

21 April 2020

Incitec Pivot Limited (ASX: **IPL**) today announced that it has concluded a strategic review of its Fertilisers business (Incitec Pivot Fertilisers) and has decided to retain the business.

In September 2019, IPL commenced the strategic review of the Incitec Pivot Fertilisers business with three possible outcomes envisaged – sale, demerger, or retain and invest. IPL has recently undertaken a comprehensive and rigorous process to assess each of these options, to enable a thorough assessment of the best outcome for its shareholders.

IPL advises that it has ceased discussion with potential buyers under the sale option, following a formal process to explore market interest. A careful assessment of a potential demerger was also undertaken. IPL has concluded, given the extraordinary market uncertainty and travel restrictions caused by the COVID-19 pandemic, that the right outcome for its shareholders is for the company to retain Incitec Pivot Fertilisers and focus on its core operations, as an industry leader in the supply of fertilisers and services to Australian agriculture.

COVID-19 has not had a significant impact on IPL's business operations to date. IPL has made appropriate operational adjustments to enable continued safe operation while addressing the risks and restrictions associated with COVID-19. The level at which the business is continuing to run reflects the fundamental importance of the agricultural and resources sectors IPL's operations support.

Jeanne Johns, IPL Managing Director and CEO, said:

"The impact of the COVID-19 pandemic on market conditions has created extraordinary uncertainty. The IPL Board has concluded that it is in our shareholders' best interests that we continue to capture the synergies in global nitrogen manufacturing and run the industry leading businesses of Incitec Pivot Fertilisers and Dyno Nobel to deliver quality products and services for our customers in the agricultural and resources sectors.

"During this period of disruption, we have worked closely with our customers, farmers, and Federal and State governments to ensure the fertiliser supply chain remains robust, to provide essential nutrients for farmers to provide food for Australians.

"Recent widespread rainfall across eastern Australia has created significant demand by farmers for fertiliser. The business is also well-placed to benefit from any future improvement in global fertiliser prices."

IPL will release its results for the half year ended 31 March 2020 on 12 May 2020.

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