



30 August 2025

Recommendation: **Sell**

ASX:NUF

Price: \$2.44

Target Price: \$2.21

Downside: 9.61%

Research Analyst

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Nufarm Limited

This report presents an in-depth valuation analysis of Nufarm Ltd (ASX:NUF). Our results indicate, with a high degree of conviction, that Nufarm is current trading at a premium, driven by factors including misaligned growth optimality, comparative benchmarks and limited operational transparency.

Company Overview

Nufarm Limited is a global crop protection and seed technology company with operations spanning over 100 countries. The company develops and manufactures herbicides, insecticides and fungicides, primarily in the off-patent market. Through their seed technologies business, the company produces innovative seed technologies which includes plant-based Omega-3 and advanced bioenergy feedstocks.

Recent trading for the company has been challenging, with FY25 performance missing forecast consensus. The crop protection side of the business delivered resilient demand and margin improvements in Europe and the Asia Pacific region. North American demand however lagged due to weaker cotton planting. Seed technologies recorded a sharp EBITDA decline as a result of falling fish oil prices and associated write downs. Nufarm's elevated leverage is a key concern looking forward with net debt well above the company's medium-term target at the end of FY25.

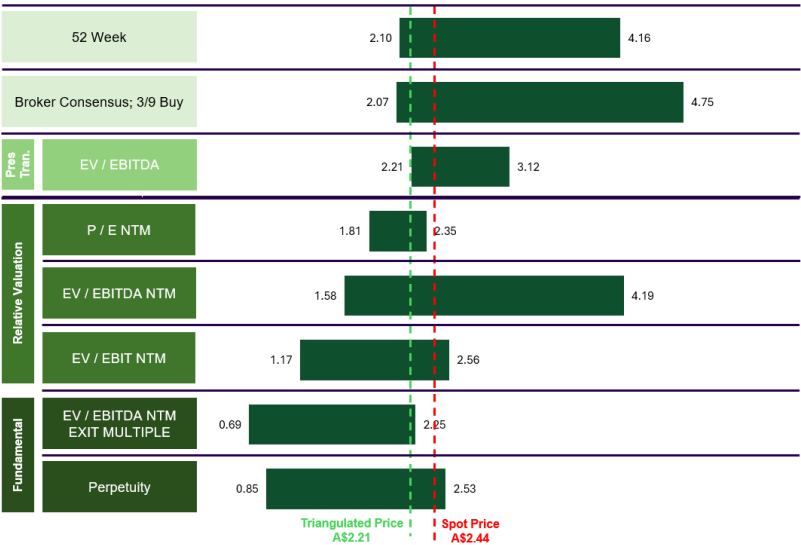
The company aims for material improvement in FY26 earnings and free cashflow, supported by a \$50m cost out program, reduced omega-3 exposure, and improved pricing. However, strategic uncertainty continues given the ongoing review of the seed technologies business, with a partial or complete sale under consideration in order to restore balance sheet strength.

Investment Thesis Overview

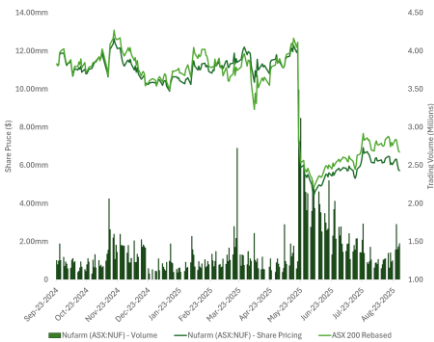
The following thesis points form the basis of our investment strategy:

- Stalled growth in Nufarm's SeedTech Omega-3 platforms failing to reach scale or profitability. Overall, straining its earnings outlook and possible diversification.
- Elevated leverage and weak cash conversion, the company is not hedged for the sectors cyclicity restricting R&D advancements in the long run.
- Structural headwinds across the post-patent crop production portfolio, Nufarm remains sub-scale and vulnerable to industry shifts; increasingly burdened by competitive and regulation pressures

Valuation Football Field



Price Performance



Financial Metrics

Financial Metrics	Units	2H FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Revenue	AUS\$000s	1,854,954	3,831,730	4,004,843	4,214,330	4,440,855	4,681,816
Revenue Growth (%)	%	2.43%	4.53%	4.52%	5.25%	5.36%	5.43%
EBITDA	AUS\$000s	182,878	377,668	398,385	423,216	450,404	475,791
EBITDA Growth (%)	%	-5.77%	0.19%	5.49%	6.23%	6.42%	5.64%
EBIT	AUS\$000s	86,029	177,708	185,737	195,481	205,959	213,857
EBIT Growth (%)	%	-8.46%	-0.16%	4.52%	5.25%	5.36%	3.83%
Net Income	AUS\$000s	31,350	79,853	87,065	90,488	93,406	97,832
Net Income Growth (%)	%	-36.23%	62.42%	77.09%	84.05%	89.99%	96.58%
EPS	AUS	0.08	0.21	0.23	0.24	0.24	0.25
DPS	AUS	0.03	0.07	0.08	0.08	0.08	0.09
Return on Assets	%	1.63%	3.45%	3.62%	3.72%	3.77%	3.78%
Return on Equity	%	1.51%	3.75%	3.98%	4.02%	4.04%	4.11%
Net Debt / Equity	%	63%	52%	48%	50%	52%	52%

Target Share Price	
Base Share Price	2.21
Premium (Discount)	(9.61%)
Bull Share Price	2.47
Premium (Discount)	1.23%
Bear Share Price	1.89
Premium (Discount)	(22.73%)

Business operations are structured around two divisions:

Crop Protection

- Core business encompassing off-patent herbicides, fungicides, and insecticides.
- Distribution in ~100 countries, with 12 manufacturing facilities across 9 countries.
- Key earnings drivers include seasonal conditions, crop planting area, commodity prices, grower adoption, FX and product mix.
- FY25 regional performance:
 - **Europe:** +21.5% EBITDA growth to A\$150m, supported by strong cropping conditions and reliability improvements.
 - **North America:** +14.6% EBITDA growth to A\$94m, with recovery expected in 2H25.
 - **APAC:** +12.1% EBITDA growth to A\$99m, though dry conditions in Australia effected performance

Seed Technologies (Nuseed)

- Focused on canola, sunflower, sorghum and carinata seed technology.
- First company to commercialise plant-based Omega-3 and bioenergy feedstock technology.
- Currently undergoing strategic review; FY25 EBITDA declined 67% to AU\$28m due to Omega-3 losses and inventory write-downs.
- Extremely sensitive to non-plant-based fish oil & Omega-3 pricing.
- Despite short-term weakness, long-term opportunities in biofuels and specialty oils remain.

Current Financial Position

For FY25, Nufarm is forecast to deliver revenue of A\$3.66 billion, representing 9.56% year-on-year growth, while EBITDA is expected to decline by 5% to A\$376 million due to margin compression and weaker omega-3 performance. The company is projected to record a net profit of \$61 million, far below historical averages, however an improvement from the net loss of \$6 million in FY24, reflecting higher financing costs and restructuring impacts. Gearing is anticipated to be around 3.0x EBITDA (pre-IFRS 16 adjusted), with management targeting a reduction to 2.0x net debt EBITDA (pre-IFRS 16 adjusted) ratio by FY26 as earnings stabilise and cost savings materialise. No dividend is expected for FY25, with distributions forecast to resume in FY27 at a measly A\$0.04 per share, signalling a gradual return to capital returns if are able management reach leverage and profitability goals.

Industry Outlook

Agriculture and Chemical Industry Outlook

The agriculture and chemical industries are deeply intertwined, driven by escalating global demand for crop protection products to safeguard food production and optimise yields.

In 2023, the global agrochemical market was valued at USD \$271.4 billion and is projected to reach USD \$390.17 billion by 2030 (Grand View Research, 2024). Herbicides represent around 45% of global usage, followed by fungicides and insecticides, underscoring their critical role in maintaining crop yields and reducing post-harvest losses.

For Nufarm, crop protection remains the core business, accounting for approximately 88% of FY2024 revenue. As bio-based specialty chemicals are forecast to grow 10% annually, sustainability has emerged as a key growth driver, with the market projected to expand at a 5.5% CAGR through to 2030, reflecting increasing pressure from both regulators and consumers to reduce environmental impacts.

Australia's agricultural chemical industry mirrors this trend. The current market value of A\$4.5 billion is projected to reach A\$6.86 billion by 2034, growing at a CAGR of 4.3%, supported by technological advancements and the adoption of bio-based crop protection products.

However, the industries have faced short-term volatility and cost pressures. Between 2021 and 2022, input costs spiked by 22% due to higher energy prices, supply chain bottlenecks, and tighter environmental regulations (McKinsey, 2023). COVID-19 restrictions intensified these challenges, reducing global pesticide trade by 5.6% in China and India (FAO, 2021). Although supply chains began to stabilise, and raw material costs declined by 12% in 2023, driving a 7% year-on-year increase in global agrochemical sales (ICIS, 2024), recent industry disruptions have continued to pressure Nufarm's performance.

Extreme weather events in 2024, including droughts in Australia and Brazil and excessive rainfall across Europe, disrupted planting and spraying windows, resulting in a 5.4% decline in global crop protection volumes. Consequently, these challenges have impacted Nufarm's operations and financial performance, causing significant fluctuations in the company's share price and profitability.

Biotechnology Industry Outlook

The global seed industry is increasingly shaped by climate change, evolving consumer diets, and the demand for high-performing, resilient crops. Valued at USD \$71.9 billion in 2024, the sector is expected to grow to USD \$106 billion by 2030 at a 5.3% CAGR (ResearchandMarkets, 2024). Bio-enhanced seeds already account for over 30% of global sales, reflecting the sector's shift toward food security and sustainability.

Industry progress has not been without setbacks. Droughts in the U.S. Midwest and heatwaves across Europe in 2022, combined with delayed regulatory approvals, weighed on seed demand and yields. Nonetheless, investment in gene-edited and climate-resilient traits is expanding rapidly, supported by digital breeding platforms that cut time-to-market by around 25% (AgFunder, 2023).

Nufarm's seed subsidiary, Nuseed, initially appeared well placed to ride the industry's momentum, with the business expanding its biotech product portfolio in 2023 and contributing to a 12% increase in company revenue, this picture has since deteriorated.

Competitive Positioning

Porters Five Forces Framework is utilised to evaluate Nufarm's position within its competitive environment and assess the long-term profitability prospects within its respective industries.

Threats of New Entrants – Low

Although the sustainable agriculture and biotech sectors present attractive growth opportunities, the industry is highly capital-intensive, and research driven. Significant investment in R&D, lengthy regulatory approval processes, and the need for large-scale distribution networks create substantial entry barriers. Global incumbents such as Bayer, BASF, and Syngenta dominate the market, leveraging brand recognition, patents, and established farmer networks to reinforce structural advantages.

Nufarm holds entrenched market positions in Latin America and Australia, strengthened by extensive agronomic expertise and localised product portfolios. Replicating these distribution networks and building farmer trust is costly and time-consuming creating significant hurdles for new entrants, thus making the likelihood of disruption limited.

Bargaining Power of Suppliers – Moderate

The production of active ingredients within the agrochemical industry are limited, mainly sourced from China and India. This concentration exposes Nufarm to cost fluctuations and supply chain risks, which became particularly evident during the 2020-2022 period of energy price spikes and logistical disruptions.

Nufarm mitigates this vulnerability through production diversification and inventory buffers, which reduces supplier leverage. However, with continued on going trade war tension demand and price recovery of crop protection margins have been slower than expected due to the lack of a major supply reduction from China alongside subdued channel restocking in the near term (Finch Ratings, 2025). Hence supply concentration remains a moderate but growing structural weakness for Nufarm exacerbated by tariffs dampening business sentiment.

Bargaining Power of Buyers – Moderate

Farmers, facing increasingly tight profit margins, are highly price-sensitive to inputs such as crop protection and seed products. Large agricultural distributors and cooperatives further consolidate demand, enhancing their ability to negotiate favourable pricing.

However, the essential role of pesticides and biotech seeds in safeguarding crop yields moderates buyer influence. Nufarm reduces price-based competition through innovation in sustainable solutions and advanced seed traits. Continued investment in product innovation and regulatory compliance

will be crucial to preserving margins in the face of buyer pressure.

Threat of Substitutes – Moderate

Substitution risk is growing as Nufarm competes mainly in a post-patent market with limited product differentiation. Potential substitutes include integrated pest management (IPM), biological control agents, and regenerative agriculture practices. In the long run, policy-driven shifts toward low-chemical farming and biobased alternatives which are often cheaper over time, pose substitution risks. With low switching costs and distributors bundling alternatives, Nufarm is pushed into price-led competition, pressuring volumes and margins, which it is not at the scale or current financial to effectively compete against larger peers.

Nevertheless, chemical crop protection products remain indispensable for large-scale farming, offering unmatched cost efficiency, scalability, and reliability. As such, substitution pressures are more likely to drive a gradual strategic transition toward sustainable inputs rather than to present an immediate threat to Nufarm.

Competitive Rivalry – High

Nufarm faces intense competition from global agrochemical and seed giants that benefit from extensive economies of scale, strong R&D pipelines, and integrated seed-to-chemical portfolios.

In the crop protection market, rivalry is driven largely by price competition due to a post-potent, saturated market with minimal product innovation, and rapid regulatory adaptation across regions. This leaves Nufarm with little differentiation, so competition is mostly on price, compressing already thin margins alongside a lack of economies of scale results in Nufarm having limited leeway to take and defend market share or invest through downturns.

Moreover, even in innovation-led niches like seed tech and bioenergy, Nufarm is restricted by high leverage and limited balance-sheet flexibility, making it far more exposed to sudden input-price swings than larger peers as evidenced by investor's responses to the recent collapse in omega-3 fish oil prices which resulted in margin compression and inventory write-downs that hit Nufarm harder and faster than competitors with stronger capital buffers and diversified profit pools.

Environmental, Social, and Governance

Nufarm continues to embed sustainability into its operations through targeted efficiency and environmental programs, but the picture is mixed. The \$50 million cost-cutting initiative should streamline plants and lower energy use in Europe, yet it also raises questions about sustaining HSE spend at older, higher-risk sites. Nufarm's global environmental, health and safety framework prioritises waste minimisation, safe chemical stewardship, and compliance with stringent EU and Australasian regulations. The company invests in bio-based crop solutions and low-toxicity formulations, aligning with its goal of reducing the environmental footprint of crop protection. Through its Nuseed platform, Nufarm advances plant-based omega-3 and sustainable biofuel feedstocks, supporting

global carbon reduction goals. Governance and disclosure have improved however external ESG scores from LSEG remain middling against extremely ESG friendly peers.

Revenue Drivers

Nufarm's revenue is generated through two key divisions, crop protection and seed technologies, across major operating regions including Asia-Pacific, Europe, and North America. Crop Protection remains the company's core business, accounting for around 85-90% of group revenue, while Seed Technologies provides strategic exposure to innovation in biofuels and plant-based nutrition. The group's earnings are driven by seasonal growing conditions, crop acreage, input pricing, and commodity price cycles, with foreign exchange movements also influencing reported results.

Crop Protection Demand

The company is positioned to benefit from an ongoing recovery in global crop protection demand after two challenging years marked by high inventories and sharp price declines however the upturn looks cautious. Distributor destocking has largely ended, and active ingredient prices particularly for glyphosate and 2,4-D have stabilised off the lows, yet pricing power remains fragile, and volumes are rising at a slower than expected rate. Crop protection revenue, forecasted to grow at ~5% per annum through FY27, is reliant on firmer pricing and normalised volumes, assuming no sudden commodity or tariff shocks which cannot be ruled out.

Soft Commodity Price Cycles

After two years of volatility, commodity prices and planted areas are expected to stabilise across most regions, providing a steady backdrop for input demand. This trend supports an anticipated rise in Crop Protection sales, alongside improving margins as higher-priced inventory from previous seasons is worked through. Group EBITDA margins are forecast to rise from 9.3% in FY24 to around 11.6% in FY27, reflecting better pricing discipline and a more favourable cost base.

Product Mix Innovation Pipeline

The product portfolio is shifting toward higher-margin and more sustainable formulations, improving revenue quality and earnings resilience. The company is expanding its range of biological and environmentally responsible crop protection solutions and investing in new technologies across both divisions to increase market share in the industry and compete with foreign competitors with lower cost bases which offer a greater variety of products.

Fish Oil and Omega-3 Pricing

Seed Technologies revenue remains heavily exposed to global fish oil prices, which determine competitiveness in the Omega-3 market. Weak pricing during FY24-FY25 drove inventory write-downs and temporary margin pressure. Recent developments in the global fish oil market including early closure of the Peruvian fishing season at around 80% of quota have constrained supply any FY26 price recovery is uncertain and could reverse. A gradual improvement in Omega-3 margins is anticipated, with Seed Technologies

EBITDA projected to rise from A\$27.7 million in FY25 to approximately A\$77 million by FY27 as assuming pricing normalises, and production efficiency improves.

Cost Optimisation and Margin Expansion

Profitability improvement is slated to come from structural cost cuts and tighter working-capital management, but execution risk remains. The A\$50 million annualised overhead target by FY25 is largely tied to European plant and corporate efficiencies that may be offset by wage, energy and compliance inflation or one-off restructuring charges. Similarly, expected operating leverage and free cash flow gains from lower manufacturing costs, improved logistics, and disciplined capital allocation are contingent on steady execution in a historically volatile market.

Investment Thesis & Recommendation

Following our comprehensive analysis, GHT Equity Partners initiates a short sell recommendation on Nufarm Limited (ASX:NUF). We have concluded that shares have a potential downside of 9.61% and have strong conviction that the market is overvaluing Nufarm despite the recent sell-off. This is driven by (1) stunted growth potential for its SeedTech and Omega-3 sectors, (2) high leverage and weak cash conversion and (3) major structural headwinds for post-patent crop protection. We believe the current price offers an opportunity to establish short exposure through a short sale ahead of potential earnings downgrades, margin pressure as the market corrects mispricing's.

1.0 Stunted Growth Potential - SeedTech and Omega-3 Vision

Nufarm's supposed "growth engine" - its Seed Technologies and Omega-3 platform - has failed to achieve scale or consistent profitability since its inception, sowing "*seeds of doubt*" in investors. The Omega-3 canola platform competes against a well-established, lower-cost fish oil market. With synthetic fish oil prices falling approximately ~15% below historical levels in FY25 amid oversupply, Nufarm's plant-based alternatives have lost pricing power, slowing market adoption and compressing margins. In H1 FY25, Seed Technologies EBIT fell 71% YoY to A\$15.9m, including a A\$28m inventory impairment tied to unsold Omega-3 stock. The removal of ESG-driven price premiums has further weakened demand as the crop-derived EPA/DHA cannot undercut low-cost fish oil. Overall, limiting uptake and creating a major headwind for the segment.

In response management cited "challenging market conditions" and retracted prior guidance that had projected Omega-3 revenue to double in FY25, further dampening investor confidence. Nufarm's executives have since cut Omega-3 canola plantings by approximately 50% for FY25 to mitigate inventory risk, yet lingering oversupply remains due to weakened demand. Notably, reports of UBS engaging with Nufarm to explore potential divestment of the SeedTech and traits platforms have intensified market scepticism. While buyer appetite is high, a divestment would remove Nufarm's key defensive moat, forcing a redeployment of proceeds into its traditional crop protection portfolio; a historically low-growth

and highly competitive space. This would re-commoditise Nufarm's earnings base, leaving the company as a post-patent with diminished growth optionality and a weaker long-term outlook. Proceeds would offer limited deleveraging benefit and few high-return re-investment opportunities. We have strong conviction that post-divestment, Nufarm would face a structurally weaker growth outlook, with an earnings profile increasingly reliant on cyclical segments.

2.0 High Leverage and Weak Cash Conversion

Nufarm's high leverage and weak cash conversion strain its balance sheet, intensifying exposure across agricultural down-cycles. As of 31 March 2025, net debt was approximately A\$1.4b, equating to an underlying EBITDA/Net Debt ratio of ~4.5x; exceeding management's target of ~1.5-2.0x. The ~30% share price collapse following its weak interim H1 FY25 results reflects heightened investor uncertainty over deteriorating earnings, volatile cash flows and ongoing high capex requirements across its main manufacturing plants and seed research units – particularly within South America. As a result, high gearing has weakened its credit profile, prompting Fitch and the S&P to place the company on a negative watch. In response, the board suspended dividend payments and redirected focus toward debt reduction over shareholder returns.

Despite planned deleveraging, underlying cash flows remain unstable, with a A\$459m seasonal outflow driven by significant inventory buildup and the expansion of Seed Technologies' working capital, including A\$148 m in plant, equipment, R&D, and the bolt-on Yield10's omega-3 acquisition. Nufarm's pledged cost cuts (A\$50m) and targeted capex reduction below A\$200m by FY26 hinge on a rebound in commodity prices, improved cash conversion, and stable agricultural conditions. All of which, are not expected given industry headwinds; thus, execution is unlikely. Additionally, because Nufarm's ABL is sized off inventory at NOLV (e.g., glyphosate), any negative prices movements will shrink the borrowing base, heightening liquidity risk.

Notably, the company's elevated debt restricts its ability to invest in R&D or innovation. In a highly competitive market this is a major disadvantage as Nufarm is no longer able to differentiate from its industry peers through scale and technology. With fragile liquidity and minimal cushion against disruptions, any adverse movements in crop prices or weather extremes could force covenant renegotiations or dilute capital raises. Overall, we believe with weak earnings and high cyclicity, Nufarm's high debt load remains a major burden, leaving little margin for error or financial flexibility.

3.0 Crop Protection Headwinds for Post-patent Market

Nufarm's operates in a highly concentrated, post-patent agrochemical market dominated by global incumbents, such as Bayer Crop Science, BASF Agricultural Solutions, Corteva Agriscience, Syngenta Group and Nutrien. These players make up 55.6% (FY24) of the sectors revenue and have integrated end-to-end value chains (i.e., seeds, R&D, manufacturing, distribution) and proprietary pipelines. This enables economies of scale and premium product portfolios. Unlike its peers Nufarm is a pure-play formulator, relying heavily on third-party suppliers in China. Without patent

protection, the company's herbicides, fungicides, and insecticides, lack exclusive products and hence are undifferentiated from its competitors'; sold entirely on price and service. Overall, Nufarm remains structurally sub-scale and the forecasted upcoming expiration of 19 major patents by 2028 is expected to further intensify price competition. The company generates less than half the revenue of the top five global competitors, missing out on bulk purchasing and limiting market synergies.

The crop protection market remains volatile but relatively inelastic, fluctuating with cyclical and seasonal agricultural conditions such as farm incomes, weather and crop cycles. In H1 FY25, Nufarm's Crop Protection EBITDA declined by approximately ~40% YoY amid softer pricing and widespread customer destocking, highlighting the businesses sensitivity to industry shifts. Although the global market is expanding modestly at ~3-4% CAGR, incremental gains are predominately captured by dominant players with superior scale, integrated R&D pipelines and distribution networks. Growth is unevenly split; new innovations are growing faster than mature segments (i.e., generic herbicides), advantaging global incumbents with biotech solutions.

Regulatory pressures are driving higher compliance costs and reducing Nufarm's addressable portfolio. The EU's Farm-to-Fork strategy aims to halve pesticide use by 2030, leading to a mass reduction and banning of many active ingredients which Nufarm relies on. The Australian Pesticides and Veterinary Medicines Authority (APVMA) re-registrations have enforced product withdrawal, decreasing the company's domestic range. Additionally, many countries are adopting similar restrictions to pledge more bio-based, lower-toxicity alternatives. All of which, favouring companies with more R&D capacity, not generic formulators such as Nufarm.

Valuation – Nufarm Group

To determine an intrinsic value for Nufarm, a suite of valuation methodologies was employed together, yielding a target share price of \$2.21 and implying an 9.61% downside. The methodologies included a discounted cash flow (DCF), relative valuation, and precedent transactions valuation. Each method was weighted accordingly based on its relevance to Nufarm's business model and industry dynamics, as well as the precision with which it captures the company's underlying value.

The DCF methodology was deemed the most reliable and therefore received the highest weighting (50%). The share price estimate was produced through two terminal value techniques – the perpetuity growth method and an exit multiple approach (EV/EBIT). Given that the perpetuity method better reflects the intrinsic value of mature, through-the-cycle, cash-generative businesses and yields a direct forecast of free cash flow to the firm, it was assigned a 30% weight, while the exit multiple accounted for 20%.

The relative valuation contributed 25% of the overall weighting. Comparators were selected based on similarity to Nufarm's operations, business model and operating geographies, with peer weights informed by resemblance to Nufarm's two revenue streams (Crop Protection and Seed Technologies) and by market capitalisation. Additionally,

given Australia and North America combined represented approximately half of Nufarm's revenue, comparators were focused around Australian and North American geographies. Seven comparators were ultimately identified, and intrinsic values were derived using both last twelve months (LTM) and next twelve months (NTM) multiples. However, to ensure the valuation captures the forward-looking earnings profile of Nufarm, GHT Capital chose to focus on NTM multiples rather than LTM multiples.

Finally, the precedent transactions analysis also carried a 25% weighting. Transactions were screened for comparability in operations, revenue characteristics, and market capitalisation, with a focus on deals completed at reasonable valuation levels. While a broader mix of metrics would have been preferable, EV/EBITDA was the only consistently available multiple across the sample and was therefore used to ensure comparability.

WACC

The Weighted Average Cost of Capital (WACC) was estimated from market-based inputs and the company's capital structure and used as the discount rate for the DCF.

Starting with the cost of debt, Nufarm's diverse portfolio of interest-bearing debt instruments necessitated a blended approach incorporating three methodologies: the interest coverage ratio method (15%), weighted average debt yield (75%), and the Altman Z-Score (10%).

The interest coverage ratio, calculated over the past four years, was mapped to a synthetic B+ credit rating using Damodaran's publicly available credit spread table (refer to the WACC sheet in the valuation model). This rating corresponds to a 2.61% credit spread over the moving average yield of 5-, 10-, and 15-year Australian Government bonds, resulting in a risk-free rate of 4.22% as of 31 August and an implied pre-tax cost of debt of 6.83%.

The weighted average debt yield was derived by multiplying each debt facility's interest rate by its relative share of total debt, producing an implied cost of debt of 6.55%.

Finally, the Altman Z-Score is a financial formula that predicts the probability of bankruptcy for a company using five key financial ratios. The Altman Z-score method returned a score of 1.876 corresponding to an indicative CCC- credit rating. This was once again mapped to a 15.5% credit spread using Damodaran's credit spread table above the same 4.22% risk-free rate, implying a cost of debt of 19.72%.

Applying the respective 15:75:10 weightings and adjusting for Nufarm's 30% corporate tax rate, the post-tax cost of debt was calculated at 7.90%, which is considered high relative to the broader market and reflective of the company's elevated credit risk and substantial leverage. It is important to note that the majority of Nufarm's borrowings comprise of bank loans with variable interest rates and senior notes with fixed rates. While variable rates are likely to fluctuate over the forecast horizon, Nufarm's relatively high leverage means that any movement in borrowing costs will have a material impact on the interest expense. As a result, lenders demand a higher risk premium

to compensate for potential earnings volatility and covenant pressure.

Next, the cost of equity was estimated utilising the Capital Asset Pricing Model (CAPM). The risk-free rate was set at 4.22%, based on a moving-average of 5-, 10- and 15-year Australian government bond yields. Additionally, the equity market risk premium (5.16%) was triangulated from three sources, KPMG, Aswath Damodaran and the Australian Energy Regulator (AER), and combined using explicit weights of 55%, 25% and 20% respectively. KPMG's forward-looking estimate was assigned the greatest weight because it blends historical evidence with current market pricing and expectations, which we view as more informative in today's volatile environment. Damodaran's implied MRP provides a cross-check, grounded in long-run fundamentals and historical stability, while the AER's estimate is tailored to Australia's regulatory environment. Combining these estimates provides a balanced view that incorporates historical stability, current conditions and regulatory relevance.

Beta was sourced from Bloomberg rather than manually calculated due GHT Capital's belief in Bloomberg's consistent, statistically robust, and standardised methodology, aligning with industry practice. These inputs imply a levered beta of ~1.10 and deliver a cost of equity of 9.88%, which can be viewed as commensurate with the level of risk equity investors must take given Nufarm's cyclicity, variable-rate exposure, and capital heavy business model.

Overall, the WACC of 7.30% reflects the elevated risk profile and signals lender and investor caution, compressing valuation headroom versus peers operating in more stable, less rate-sensitive sectors.

TGR

The terminal growth rate (TGR) was anchored to long-run real GDP across Nufarm's core geographies. The respective weightings for each geography were calculated based on their share of company revenue. Then for each region, a region-level real growth rate was estimated using a 75:25 blend of historical GDP growth and published forecasts. Aggregating the three regions on this revenue basis produced a TGR of 3.20%, which we view as a prudent proxy for Nufarm's mature, diversified footprint and a check against overestimating long-term growth.

DCF

The DCF with a perpetuity terminal value indicates a price of \$2.28 per share, implying 6.49% downside. Unlevered FCF was projected over five years and discounted at a 7.30% WACC; terminal value was derived using a constant 3.20% terminal growth rate (TGR). Given the methodologies' sensitivity to changes in the TGR and WACC, a sensitivity analysis was performed. A short position is maintained within a range of $\pm 0.04\%$ for TGR and $\pm 0.5\%$ for WACC, resulting in fair values between \$2.02 to \$2.23 for TGR and \$3.28 to \$1.47 for WACC (refer to Appendix – WACC).

As a cross-check to the terminal growth rate assumption, the exit multiple method was chosen to complement the

forementioned perpetuity method. The EBITDA exit-multiple excludes the influence of capital expenditure, depreciation and amortisation which is key as comparators often have different capital structures, PP&E etc. which can significantly alter enterprise and EBITDA values. Using 5.88x EV/EBITDA at exit yields a fair value of \$1.99, implying -18.55% downside. A sensitivity analysis further supported the short sale stance; within the range of $\pm 0.75x$ for the EBITDA multiple produces fair values ranging from \$1.39 to \$2.59 and the range of $\pm 2\%$ for WACC produced fair values of \$1.76 to \$2.23 respectively (refer to Appendix – Exit Multiple)

Dividend Discount Model (DDM)

To cross-check intrinsic value, a DDM valuation was estimated. Dividends for the years FY25-FY30 were projected by applying the historical average dividend payout ratio (34.20%) to the forecasted net income and dividing by diluted shares outstanding to derive DPS Dividends Per Share (DPS). Beyond 2030, DPS was grown at a terminal rate of 3.20% (TGR). This yielded an indicative value of A\$1.55 per share, implying a downside of -36%. The DDM was assigned a 0% weighting because it attributes a firm's intrinsic value to cash returned via dividends making it a poor proxy for underlying equity value relative to other methodologies and hence served purely speculative purposes.

Relative Valuation (RV)

A relative valuation for Nufarm was undertaken by blending EV/EBITDA, EV/EBIT, and P/E multiples as they were deemed the most appropriate when valuing crop protection and biotechnology companies. The comparator set was normalised for geography and reporting standards; in particular, adjustments were for ASX based companies to pre-IFRS 16, which brought operating leases on balance sheet and inflated EBITDA. To keep comparisons “like-for-like,” lease liabilities were removed from debt in enterprise value and EBITDA/EBIT definitions were aligned across companies, limiting the risk that multiples are skewed for more highly leased or leveraged companies. The share price was determined by averaging all three multiples.

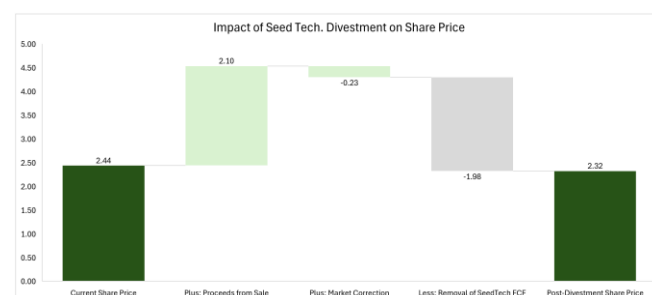
Precedent Transactions (PT)

For the Precedent Transactions valuation, transactions were screened for similarity to Nufarm's operations, business model, and core geographies, with valuation benchmarks based on EV/EBITDA. Since no transaction-specific premiums were disclosed, a 30% control premium was applied, consistent with that used in previous valuations (Stewart, R.), to bridge enterprise values to an implied minority share price. The resulting multiple indicated a \$2.48 target, implying a 2% upside with prices ranging from \$2.23 (Quartile 1) and \$3.12 (Quartile 3).

The comparatively higher valuation versus other methodologies likely stems from additional premiums stemming from synergies, competitive auction dynamics and deal timing. However, despite the headline output suggesting a small upside, the lower quartile still sits within intrinsic estimates from other approaches.

Valuation – SeedTech Divestment

To further support the investment theses, a potential SeedTech divestment was evaluated using a sum-of-the-parts approach. The analysis derived an indicative equity value of A\$646 million (pre control premium) from a blended DCF/exit-multiple framework. Applying a 25% control premium (consistent with outcomes seen in Nufarm's historical transactions per PWC) produces a triangulated SeedTech equity value of ~AU\$808 million. On this basis, a share-price waterfall was constructed: beginning with the current price of AU\$2.44, adding gross per-share proceeds of ~AU\$2.10 (AU\$808 million / 385.6 million diluted shares) and then deducting the removal of SeedTech FCF (-AU\$1.98/share) and a market multiple reset (-A\$0.23/share). The outcome is a post-divestment value of AU\$2.32/share, a 4.82% discount to spot. In other words, divesting SeedTech does not unlock equity value; it largely swaps one cash flow for another while leaving the remaining Crop Protection portfolio more commoditised, price-led and priced on lower EV/EBITDA and EV/EBIT multiples.



A sensitivity analysis does not change this conclusion. Across a WACC range of 6.3% to 8.3% and control premiums of 15% to 32%, the SeedTech divestment indicates fair values ranging from \$2.14 to \$2.42 and \$2.15 to \$2.44 respectively. Even under optimistic assumptions, the implied value does not provide a premium to the current share price. Even if all proceeds were directed towards de-levering, leverage relief is capped because SeedTech's EBITDA (and embedded option value) disappears with the sale. In effect, divestment is not a fix for the core problem; it is at best value-neutral and more likely dilutive over time.

Scenario Analysis

Scenario analysis was conducted to assess a bull and bear case for Nufarm. These scenarios are based on Nufarm's exposure to various market risks in the economic climate.

In the Base Case, Nufarm is expected to recover steadily from the supply-chain and inventory challenges that characterised FY24. Nufarm Group revenue is projected to increase from AU\$3.66 billion in FY25 to AU\$3.83 billion in FY26, representing a compound annual growth rate (CAGR) of approximately 4.5%. EBITDA is forecast to stagnate at around A\$390m over the FY25-FY26, negating the benefits of a targeted A\$50m annual cost-saving program. NPAT is expected to recover to AU\$87m by FY27, but margin expansion is limited, operating leverage remains muted, and interest expense absorbs much of the incremental profit, leaving returns only marginally improved and free cash flow sensitive to any changes in working capital.

The Bull Case assumes favourable seasonal conditions, higher planting activity, and a faster rebound in agricultural input demand with an estimated share price of \$2.41. Under this scenario, revenue reaches AU\$4 billion by FY27, with EBITDA rising to AU\$407 million and NPAT to AU\$95 million. Margin expansion is driven by higher soft commodity prices, improved utilisation rates, and sustained fish oil recovery above US\$2,800 per tonne. However, there is still downside, implying a 1.14% discount, leaving little valuation headroom and high sensitivity to any stumble in pricing, yields, or omega-3 markets.

Conversely, the Bear Case reflects prolonged weather volatility, subdued crop prices, and continued weakness in Omega-3 markets. These market conditions will result in an estimated share price of \$1.89. Revenue growth falls with FY27 no longer hitting AU\$4 billion, with EBITDA falling below AU\$380 million and NPAT remaining limited to AU\$60-\$72 million. Under this scenario, leverage remains elevated above pre-IFRS 3× Net Debt/EBITDA, potentially restricting future investment capacity. Overall, it implies a significant downside of 22.73%.

Overall, Nufarm's performance remains highly sensitive to agricultural cycles and commodity-linked inputs. Even if assuming clean execution on the cost-out and a rebound in Seed Technologies, the upside is thin: the Bull Case offers only 1.23% share-price upside, while the Bear Case implies 22.73% downside, a starkly asymmetric risk profile.

Catalysts

There are several events which would catalyse large revisions in Nufarm's earnings expectations and therefore share price. These events include weather events and seasonal performance, Omega-3 pricing, trade and tariff changes, and patent and regulatory risks.

Agricultural input demand is highly sensitive to seasonal and climatic volatility, making weather a key determinant of Nufarm's earnings performance. The company has repeatedly faced adverse impacts from droughts, delayed rainfall, and extreme weather events, which have compressed demand and disrupted distribution channels. This was particularly evident in 2019, when severe dry conditions across Australia and Europe contributed to a statutory net loss of \$13.6 million for Nufarm. More recently, global crop protection volumes declined by approximately 5.4% in 2024 amid widespread excess rainfall and drought conditions (*Bloomberg, 2024*). Consequently, weather variability remains the most immediate and material catalyst driving Nufarm's earnings volatility and posing persistent downside risk to its outlook.

Furthermore, Nufarm's Omega-3 canola oil segment, commercialised through its Nuseed subsidiary, provides a plant-based alternative to traditional fish oil. However, earnings from this segment remain highly sensitive to global Omega-3 price fluctuations, which are largely dictated by fish oil supply dynamics and evolving consumer demand for sustainable alternatives.

Following a sharp price surge in 2022–2023, the IFFO (The Marine Ingredients Organisation, 2024) reported a subsequent 15% year-on-year decline in fish oil prices due to improving yields. This downturn constrains Nufarm's near-

term pricing power and profitability, particularly given its modest market presence and elevated production costs associated with early-stage commercialisation. As such, while the Omega-3 segment offers strategic diversification, it remains vulnerable to commodity price volatility and limited scale efficiencies, dampening its potential as a near-term earnings driver.

More so, escalating tariff uncertainty represents a downside catalyst for Nufarm's share price, as higher input costs, regulatory friction, and reduced competitiveness compress operating margins and constrain near-term earnings growth. Nufarm's reliance on cross-border supply chains for raw materials and finished products makes the company particularly vulnerable to shifts in trade policy. Bloomberg (2024) noted that U.S. tariffs on Chinese chemical inputs were raised to 25%, amplifying cost pressures across agrochemicals. Given Nufarm's reliance on China for key active ingredients and intermediates, any further escalation risks compressing margins, disrupting procurement, and undermining export competitiveness.

Lastly, expiring patents and intensifying competition from generic crop protection products weigh heavily on Nufarm's earnings outlook. As key formulations lose exclusivity, competitors leverage low-cost manufacturing to replicate and undercut Nufarm's products, weakening pricing power and eroding market share. Notably, more than 60% of Nufarm's crop protection revenue is derived from off-patent or soon-to-expire products (Bloomberg, 2024), significantly constraining the potential for sustained margin expansion. While Nufarm continues to invest in innovation, the declining strength of its patent portfolio is undermining intellectual property protection and slowing the monetisation of R&D efforts, ultimately weighing on profitability and investor sentiment.

Recommendation

We have high conviction in the underweight position for Nufarm with a current target price of \$2.21, implying a downside of 9.61% from its current price of \$2.44. Under the bull case, assuming that Omega-3 pricing recovers, cost savings are achieved, inventory days are reduced and Nufarm continues to de-lever, the upside is minimal compared to that of the downside from the bear case, indicating an asymmetric risk profile that favours the downside.

Despite the conviction, however, a short sale is **not** recommended. Nufarm is a highly cyclical company and can have sudden share price rallies on short term catalysts such as weather, planting and soft-commodity swings, making timing difficult and squeezes likely. This is exacerbated by the current macro backdrop, where abrupt changes in U.S. tariffs and trade policy can quickly swing input costs, margins, and sentiment. In short, the downside case is credible, but maintaining a short is operationally demanding and carries more risk than the valuation gap alone implies.

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Appendix

Revenue Drivers Forecasted Growth

Revenue Summary		Units	FY2022A	FY2023A	FY2024A	1H FY2025A	2H FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Fiscal Period Start Date			1/01/2022	1/01/2023	1/01/2024	1/01/2025	1/07/2025	1/01/2026	1/01/2027	1/01/2028	1/01/2029	1/01/2030
Fiscal Period End Date			31/12/2022	31/12/2023	31/12/2024	30/06/2025	31/12/2025	31/12/2026	31/12/2027	31/12/2028	31/12/2029	31/12/2030
Revenue												
Crop Protection		AUS'000s	3,283,545	3,087,529	2,938,993	1,561,658	1,594,082	3,275,994	3,396,523	3,543,209	3,698,091	3,863,288
Seed Technologies Global		AUS'000s	296,311	393,082	406,916	249,223	258,669	536,850	571,324	611,897	657,330	704,649
Non Operating Corporate		AUS'000s	193,114	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue		AUS'000s	3,772,970	3,480,611	3,345,909	1,810,881	1,852,750.66	3,812,843.80	3,967,846.47	4,155,105.98	4,355,421.07	4,567,936.99
Revenue Growth		%	N/A	-7.75%	-3.87%	3.01%	2.31%	4.07%	4.07%	4.72%	4.82%	4.88%
Crop Protection												
							2082513.15	4866742.688	6083428.959	7604285.449	9505356.812	10455892.49
APAC	Source	Units	FY2022A	FY2023A	FY2024A	1H FY2025A	2H FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
APAC		AUS'000s	1,038,424	970,504	864,600	462,059	\$472,605	\$970,838	\$1,006,769	\$1,056,030	\$1,105,474	\$1,159,841
Revenue Growth		%	N/A	-6.54%	-10.91%		2.28%	3.87%	3.70%	4.89%	4.68%	4.92%
APAC % Total Crop Protection Revenue		%		32%	31%	29%	30%					
North America												
		Units	FY2022A	FY2023A	FY2024A	1H FY2025A	2H FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
North America		AUS'000s	1,350,190	1,259,811	1,266,262	624,156	637,202	1,310,778	1,360,711	1,418,400	1,481,266	1,546,972
Revenue Growth		%	N/A	-6.69%	0.51%		2.09%	3.92%	3.81%	4.24%	4.43%	4.44%
North America % Total Crop Protection Revenue		%		41%	41%	43%	40%	41%	84%	87%	91%	95%
Europe												
		Units	FY2022A	FY2023A	FY2024A	1H FY2025A	2H FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Europe		AUS'000s	894,931	857,214	808,131	475,443	484,273	994,378	1,029,043	1,068,779	1,111,351	1,156,475
Revenue Growth		%	N/A	-4.21%	-5.73%		1.86%	3.61%	3.49%	3.86%	3.98%	4.06%
Europe % Total Crop Protection Revenue		%		27%	28%	27%	30%					
Seed Technologies												
Global	Source	Units	FY2022A	FY2023A	FY2024A	1H FY2025A	2H FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Global		AUS'000s	296,311	393,082	406,916	249,223	258,669	\$536,850	\$571,324	\$611,897	\$657,330	\$704,649
Revenue Growth		%	N/A	32.66%	3.52%	-2.67%	3.79%	5.70%	6.42%	7.10%	7.43%	7.20%
Global % Total Crop Protection Revenue		%		9%	13%	14%	16%	16%	16%	17%	18%	18%

Income Statement	Units	FY2022A	FY2023A	FY2024A	1H FY2025A	2H FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Fiscal Period Start Date		1/10/2021	1/10/2022	1/10/2023	1/10/2024	1/04/2025	1/10/2025	1/10/2026	1/10/2027	1/10/2028	1/10/2029
Fiscal Period End Date		30/09/2022	30/09/2023	30/09/2024	31/03/2025	30/09/2025	30/09/2026	30/09/2027	30/09/2028	30/09/2029	30/09/2030
Revenue											
Crop Protection	AUS'000s	3,283,545	3,087,529	2,938,993	1,561,658	1,594,082	3,275,994	3,396,523	3,543,209	3,698,091	3,863,288
Seed Technologies Global	AUS'000s	296,311	393,082	406,916	249,223	258,669	536,850	571,324	611,897	657,330	704,649
Non Operating Corporate	AUS'000s	193,114	--	--	--	--	--	--	--	--	--
Total Revenue	AUS'000s	3,772,970	3,480,611	3,345,909	1,810,881	1,852,751	3,812,844	3,967,846	4,155,106	4,355,421	4,567,937
Revenue Growth	%	--	-7.75%	-3.87%	-3.01%	2.31%	4.07%	4.07%	4.72%	4.82%	4.88%
Total Cost of Goods Sold	AUS'000s	(2,800,385)	(2,454,241)	(2,505,540)	(1,286,253)	(1,353,652)	(2,785,729)	(2,898,977)	(3,035,792)	(3,182,146)	(3,337,414)
Gross Profit	AUS'000s	972,585	1,026,370	840,369	524,628	499,099	1,027,114	1,068,869	1,119,314	1,173,275	1,230,523
Gross Profit Margin	%	25.78%	29.49%	25.12%	28.97%	26.94%	26.94%	26.94%	26.94%	26.94%	26.94%
Gross Profit Growth	%	--	5.53%	-18.22%	8.97%	-4.87%	0.33%	4.07%	4.72%	4.82%	4.88%
Other Income (Operating)											
Other Income	AUS'000s	9,051	5,039	27,210	3,059	8,875	18,264	19,006	19,903	20,863	21,881
Total Other Income (Operating)		9,051	5,039	27,210	3,059	8,875	18,264	19,006	19,903	20,863	21,881
Operating Expenses											
Sales, marketing and distribution	AUS'000s	(523,344)	(515,590)	(550,779)	(289,332)	(283,113)	(582,629)	(606,314)	(634,929)	(665,538)	(699,383)
General and Administrative	AUS'000s	(198,813)	(230,555)	(197,578)	(111,897)	(111,061)	(228,557)	(237,849)	(249,074)	(261,081)	(275,191)
Research and development	AUS'000s	(51,100)	(44,677)	(54,482)	(34,486)	(35,283)	(72,611)	(75,563)	(79,129)	(82,944)	(87,448)
Total Operating Expenses	AUS'000s	(773,257)	(790,822)	(802,839)	(435,715)	(429,458)	(883,797)	(919,726)	(963,131)	(1,009,562)	(1,062,021)
EBIT	AUS'000s	208,379	240,587	64,740	91,972	78,516	161,581	168,150	176,086	184,575	190,383
EBIT Margin	%	5.52%	6.91%	1.93%	5.08%	4.24%	4.24%	4.24%	4.24%	4.24%	4.17%
EBIT Growth	%	--	15.46%	-73.09%	-2.08%	-14.63%	-5.22%	4.07%	4.72%	4.82%	3.15%
Other Financial Income (Expense)											
Share of Equity Accounted Investees	AUS'000s	(92)	(1,184)	(1,809)	(429)	(690)	(1,421)	(1,478)	(1,548)	(1,623)	(1,702)
Financial Income	AUS'000s	2,381	5,383	6,499	2,934	3,010	9,118	6,359	5,736	6,328	7,332
Financial Expenses excl. FX Gains (Losses)	AUS'000s	(79,727)	(82,798)	(105,252)	(51,750)	(49,398)	(79,879)	(77,123)	(82,937)	(91,458)	(96,355)
Net Foreign Exchange Gains (Losses)	AUS'000s	(2,838)	(7,161)	(9,435)	733	733	(4,492)	(4,492)	(4,492)	(4,492)	(4,492)
Net Other Financial Income (Expense)	AUS'000s	(80,276)	(85,760)	(109,997)	(48,512)	(46,345)	(76,873)	(76,735)	(83,241)	(91,245)	(95,218)
Profit/(LOSS) Before Income Tax (EBT)	AUS'000										

[illegible]

Cash Flow Statement	Units	FY2022A	FY2023A	FY2024A	1H FY2025A	2H FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Fiscal Period Start Date		1/10/2021	1/10/2022	1/10/2023	1/10/2024	1/04/2025	1/10/2025	1/10/2026	1/10/2027	1/10/2028	1/10/2029
Fiscal Period End Date		30/09/2022	30/09/2023	30/09/2024	31/03/2025	30/09/2025	30/09/2026	30/09/2027	30/09/2028	30/09/2029	30/09/2030
Cash Flow from Operations											
Plus: Net Income	AUS\$'000s					31,350	79,853	87,065	90,488	93,406	97,632
Plus: Depreciation and Amortisation	AUS\$'000s				103,160	94,448	198,056	213,544	229,449	245,774	262,475
Less: Change in NWC	AUS\$'000s					636,269	(31,408)	(39,392)	(49,017)	(52,879)	(56,234)
Less: Change in Other Current Assets	AUS\$'000s					301	587	558	530	503	478
Less: Change in Other Assets	AUS\$'000s					1,046	(11,363)	(12,304)	(3,298)	(4,550)	(5,675)
Less: Change in Other Current Liabilities	AUS\$'000s					-	-	-	-	-	-
Less: Change in Other Liabilities	AUS\$'000s					37,504	1,962	3,500	4,248	4,568	5,158
Net Cash from Operations	AUS\$'000s					800,917	237,687	252,971	272,400	286,822	303,834
Cash Flow from Investing											
Less: PP&E CapEx	AUS\$'000s					(75,189)	(146,349)	(146,767)	(146,608)	(145,346)	(142,772)
Less: PP&E Other Changes	AUS\$'000s					12,703	26,368	27,898	29,009	29,694	29,925
Less: Intangible Asset Additions	AUS\$'000s					(41,991)	(86,607)	(92,019)	(97,771)	(103,881)	(110,374)
Less: Right-of-Use CapEx	AUS\$'000s					(16,024)	(35,512)	(36,737)	(38,079)	(39,516)	(41,054)
Less: Right-of-Use Other Changes	AUS\$'000s					1,568	3,164	3,265	3,372	3,487	3,610
Net Cash from Investing	AUS\$'000s					(118,933)	(238,936)	(244,360)	(250,075)	(255,563)	(260,664)
Cash Flow from Financing											
Long Term Debt	AUS\$'000s					(69,747)	(193,753)	(39,173)	48,022	74,503	35,208
Revolver	AUS\$'000s					-	-	-	-	-	-
Short Term Debt	AUS\$'000s					14,391	(46,703)	(8,985)	12,296	18,766	9,191
Share Repurchases	AUS\$'000s					-	-	-	-	-	-
Common Dividends	AUS\$'000s					(10,722)	(27,310)	(29,776)	(30,947)	(31,945)	(33,390)
Net Cash from Financing	AUS\$'000s					(66,078)	(267,766)	(77,934)	29,371	61,324	11,009
Beginning of Period Balance	AUS\$'000s					301,029	916,935	647,919	578,596	630,292	722,874
Net Cash Flow	AUS\$'000s					615,906	(269,015)	(69,323)	51,696	92,583	54,179
End of Period Balance	AUS\$'000s					916,935	647,919	578,596	630,292	722,874	777,054

Comparator Multiples

EV / EBITDA LTM	Units	Low	Median	Mean	High
EV / EBITDA	x	8.3x	10.5x	10.3x	11.5x
EBITDA	AU\$mm	283	283	283	283
Enterprise Value	AU\$mm	2,362	2,965	2,921	3,252
Plus: Cash	AU\$mm	301	301	301	301
Less: Debt	AU\$mm	1,356	1,356	1,356	1,356
Equity Value	AU\$mm	1,307	1,910	1,866	2,197
ASX Share Price	AU\$	3.39	4.96	4.84	5.70

EV / EBIT LTM	Units	Low	Median	Mean	High
EV / EBIT	x	11.6x	12.5x	14.9x	16.3x
EBIT	AU\$mm	161	161	161	161
Enterprise Value	AU\$mm	1,858	2,005	2,399	2,615
Plus: Cash	AU\$mm	301	301	301	301
Less: Debt	AU\$mm	1,356	1,356	1,356	1,356
Equity Value	AU\$mm	803	951	1,345	1,560
ASX Share Price	AU\$	2.08	2.47	3.49	4.05

PRICE / EARNINGS LTM	Units	Low	Median	Mean	High
P / E	x	13.5x	17.4x	17.4x	17.9x
EARNINGS	AU\$mm	0.16	0.16	0.16	0.16
ASX Share Price	AU\$	2.13	2.76	2.76	2.84

EV / EBITDA NTM	Units	Low	Median	Mean	High
EV / EBITDA	x	5.9x	7.7x	8.1x	9.4x
EBITDA	AU\$mm	283	283	283	283
Enterprise Value	AU\$mm	1,665	2,175	2,280	2,671
Plus: Cash	AU\$mm	301	301	301	301
Less: Debt	AU\$mm	1,356	1,356	1,356	1,356
Equity Value	AU\$mm	611	1,121	1,225	1,616
ASX Share Price	AU\$	1.58	2.91	3.18	4.19

EV / EBIT NTM	Units	Low	Median	Mean	High
EV / EBIT	x	10.3x	11.3x	12.7x	14.4x
EBIT	AU\$mm	170	170	170	161
Enterprise Value	AU\$mm	1,748	1,914	2,157	2,317
Plus: Cash	AU\$mm	301	301	301	301
Less: Debt	AU\$mm	1,356	1,356	1,356	1,356
Equity Value	AU\$mm	694	859	1,102	1,262
ASX Share Price	AU\$	1.80	2.23	2.86	3.27

PRICE / EARNINGS NTM	Units	Low	Median	Mean	High
P / E	x	12.0x	13.9x	14.1x	16.4x
EARNINGS	AU\$mm	0.16	0.16	0.16	0.16
ASX Share Price	AU\$	1.89	2.21	2.23	2.60

WACC Summary

WACC Summary

Tax Rate	30.00%
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WACC Summary	
WACC	7.30%

Capital Structure Summary	Unit	Item
Equity Value		934,478,735
E/V	%	40.68%
Cost of Equity	%	9.88%
Debt Value	AU\$	1,362,387,000
D/V	%	59.32%
Cost of Debt	%	7.90%

DCF Free Cashflows

Free Cash Flow Forecast

Free Cash Flow	Units	2H FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Fiscal Period Start Date		1/04/2025	1/10/2025	1/10/2026	1/10/2027	1/10/2028	1/10/2029
Fiscal Period End Date		30/09/2025	30/09/2026	30/09/2027	30/09/2028	30/09/2029	30/09/2030
EBIAT							
Adjusted EBITDA	AU\$'000s	200,357	406,363	414,392	424,135	434,613	442,511
EBIT (Pre-IFRS)	AU\$'000s	85,378	176,362	184,346	194,043	204,474	212,324
Less: Tax Expense	AU\$'000s	(25,613)	(52,909)	(55,304)	(58,213)	(61,342)	(63,697)
Tax Rate	AU\$'000s	30%	30%	30%	30%	30%	30%
EBIAT	AU\$'000s	59,765	123,454	129,042	135,830	143,132	148,626
Unlevered Cash Flow from Operations							
Add: Depreciation and Amortisation	AU\$'000s	80,892	169,108	183,668	198,592	213,866	229,443
Less: Changes in NWC	AU\$'000s	636,269	(31,408)	(39,392)	(49,017)	(52,879)	(56,234)
Less: Changes in Other Assets / Liabilities	AU\$'000s	38,850	(8,814)	(8,246)	1,480	521	(39)
Unlevered Cash Flow from Operations	AU\$'000s	815,776	252,340	265,072	286,885	304,640	321,796
Unlevered Free Cash Flow to Firm							
Less: Capital Expenditures	AU\$'000s	(75,189)	(146,349)	(146,767)	(146,608)	(145,346)	(142,772)
Less: Intangible Assets Additions	AU\$'000s	(41,991)	(86,607)	(92,019)	(97,771)	(103,881)	(110,374)
Unlevered Free Cash Flow to Firm	AU\$'000s	698,596	19,384	26,286	42,507	55,412	68,650
% Growth	%	NA	NA	36%	62%	30%	24%
Discount Factor	x	0.08	1.08	2.08	3.08	4.08	5.08
Present Value of Unlevered FCFF	AU\$'000s	719,409	18,604	23,511	35,433	43,048	49,704

DCF Perpetuity Approach

Perpetuity Approach	Units
Present Value of Stage 1 Cash Flows	AU\$'000s 889,709
FCF ^{t+1}	AU\$'000s 70,847
Terminal Value	AU\$'000s 1,727,701
Present Value of Terminal Value	AU\$'000s 1,207,582
Total Enterprise Value	AU\$'000s 2,097,291
(+) Cash	AU\$'000s 301,029
(-) Debt (Pre-IFRS)	AU\$'000s (1,518,629)
Equity Value	AU\$'000s 879,691
Shares Outstanding	000s 385,560
Share Price	AU\$ \$2.28
Current Share Price	AU\$ \$2.44
Premium (Discount) to Current Price	% -6.49%

DCF Perpetuity Approach Sensitivity Analysis

TGR	WACC					
	\$2.28	6.3%	6.8%	7.3%	7.8%	8.3%
	3.0%	3.23	2.61	2.13	1.75	1.45
	3.1%	3.36	2.70	2.20	1.81	1.50
	3.2%	3.50	2.80	2.28	1.87	1.55
	3.2%	3.57	2.86	2.32	1.90	1.57
	3.3%	3.65	2.91	2.36	1.94	1.60

DCF Exit Multiple Approach

Exit Multiple Approach NTM		Units
Present Value of Stage 1 Cash Flows	AU\$'000s	170,300
FCF ^{t+1}	AU\$'000s	70,847
EV / EBITDA Multiple LTM	x	5.88x
FY2030 EBITDA (Pre-IFRS)	AU\$'000s	441,226
Terminal Value	AU\$'000s	2,594,620
Present Value of Terminal Value	AU\$'000s	1,813,518
Total Enterprise Value	AU\$'000s	1,983,818
(+) Cash	AU\$'000s	301,029
(-) Debt (Pre-IFRS)	AU\$'000s	(1,518,629)
Equity Value	AU\$'000s	766,218
Shares Outstanding (mm)	AU\$'000s	385,560
Share Price	US\$	\$1.99
Current Share Price	AU\$	\$2.44
Premium (Discount) To Current Price	%	-18.55%

EV / EBITDA	WACC					
	\$1.99	6.3%	6.8%	7.3%	7.8%	8.3%
	5.1x	1.60	1.49	1.39	1.29	1.19
	5.4x	1.81	1.70	1.59	1.48	1.38
	5.9x	2.23	2.11	1.99	1.87	1.76
	6.4x	2.65	2.52	2.39	2.26	2.14
	6.6x	2.86	2.72	2.59	2.46	2.33

DDM Valuation

Stage 1 Dividends							
Financial Year	Units	2H FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Fiscal Period Start Date		1/04/2025	1/10/2025	1/10/2026	1/10/2027	1/10/2028	1/10/2029
Fiscal Period End Date		30/09/2025	30/09/2026	30/09/2027	30/09/2028	30/09/2029	30/09/2030
Revenue	AU\$'000s	1,854,954	3,831,730	4,004,843	4,214,930	4,440,855	4,681,816
EBITDA (Pre-IFRS)	AU\$'000s	168,671	347,374	367,118	390,922	417,012	441,226
EBIT (Pre-IFRS)	AU\$'000s	85,378	176,362	184,346	194,043	204,474	212,324
EBT	AU\$'000s	39,683	101,079	110,209	114,541	118,235	123,585
Tax Expense	AU\$'000s	(8,333)	(21,227)	(23,144)	(24,054)	(24,829)	(25,953)
Tax Rate	AU\$'000s	30%	30%	30%	30%	30%	30%
Net Income	AU\$'000s	31,350	79,853	87,065	90,488	93,406	97,632
Dividends per Share	AU\$	0.03	0.07	0.08	0.08	0.08	0.09
Discount Period	AU\$'000s	0.08	1.08	2.08	3.08	4.08	5.08
Present Value of Dividend	AU\$'000s	0.03	0.07	0.07	0.06	0.06	0.06

Stage 2 Dividends		
Value per Share		
PV of Stage 1 Dividends	AU\$	0.34
Period 5 Dividend x (1 + TGR)	AU\$	0.06
Stage 2 Terminal Value	AU\$	0.87
PV of Stage 2 Dividends	AU\$	1.21
Value per Share (\$)	AU\$	1.55
Premium (Discount) to Current Price	%	-36%

DDM Sensitivity Analysis

TGR	Return on Equity					
	\$1.55	7.9%	8.9%	9.9%	10.9%	11.9%
	2.2%	1.81	1.59	1.43	1.30	1.20
	2.7%	1.92	1.67	1.49	1.35	1.23
	3.2%	2.06	1.76	1.55	1.39	1.27
	3.7%	2.23	1.87	1.63	1.45	1.31
	4.2%	2.44	2.00	1.71	1.51	1.36

Precedent Transactions Valuation

NAME
Target Company
Arysta LifeScience Inc
Saptec Portugal
AgroFresh Inc
Adama Agricultural Solutions Ltd
Lomon Land Agricultural Industry Co Ltd
Agriphar SA
Chemtura Corp (Chemtura AgroSolutions)

EV / EBITDA	Units	Low	Median	Mean	High
EV/EBITDA		6.7x	7.3x	7.1x	7.9x
EBITDA		283	283	283	283
Implied EV		1,907	2,069	2,004	2,251
Plus: Cash		301	301	301	301
Less: Debt		(1,356)	(1,356)	(1,356)	(1,356)
Equity Value		852	1,015	950	1,196
Share Price		2.23	2.65	2.48	3.12
Premium (Discount) To Current Price		-9%	9%	2%	28%

SeedTech Divestment Summary

Assumptions Units

General Assumptions

Current Share Price	AU\$	\$2.44
WACC	%	7.30%

Shares Outstanding Assumptions

Diluted Shares Outstanding	000s	385,560
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Valuation of Seed Tech.

Items	Valuation	Weighting
DCF; Perpetuity Approach	762,821	50%
DCF; Exit Multiple Approach LTM EV/EBITDA	705,902	3%
DCF; Exit Multiple Approach NTM EV/EBITDA	555,739	23%
DCF; Exit Multiple Approach LTM EV/EBIT	484,063	3%
DCF; Exit Multiple Approach NTM EV/EBIT	489,403	23%
Triangulated Share Price (AU\$)	646,316	100%

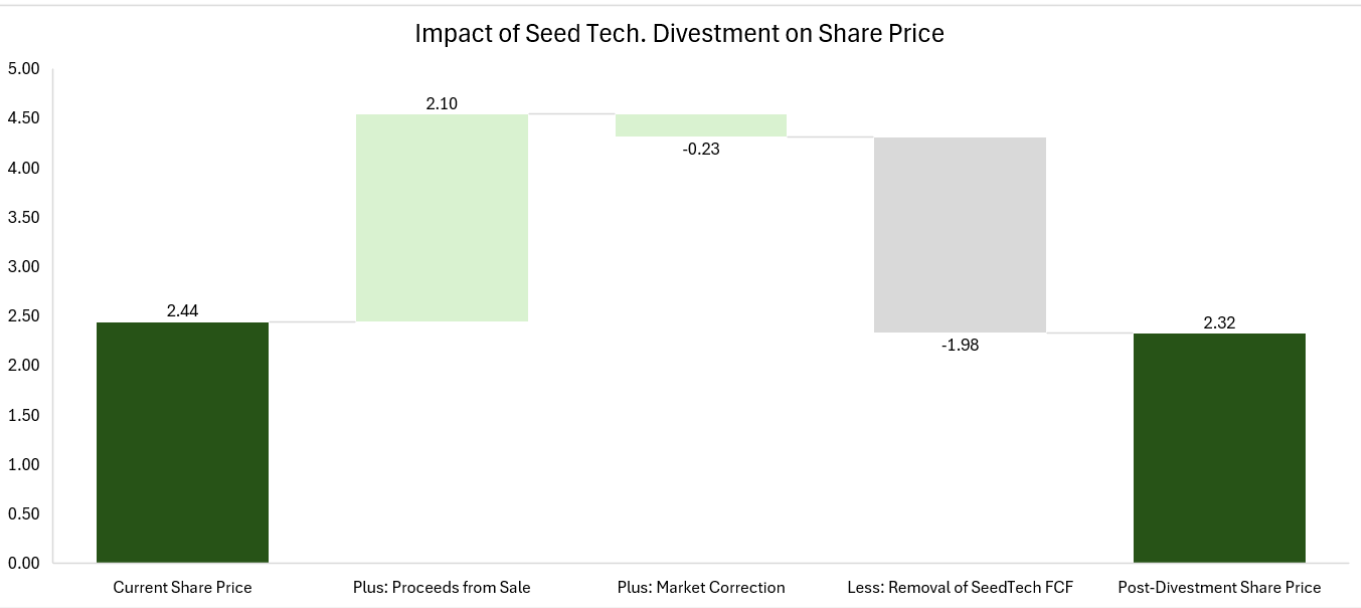
Valuation of Nufarm Post Divestment

Triangulated Share Price (AU\$)	2.32
<i>Premium (Discount) to Current Share Price</i>	<i>-4.82%</i>

SeedTech Divestment Share Price Waterfall

Assumptions		Units
Control Premium	%	25.00%
Indicative Value	AU\$'000s	646,316
Equity Value		Units
Equity Value	000s	807,895

Seed Tech. Divestment Share Price Waterfall	
Current Share Price	2.44
Plus: Proceeds from Sale	2.10
Plus: Market Correction	(0.23)
Less: Removal of SeedTech FCF	(1.98)
Post-Divestment Share Price	2.32



SeedTech Divestment Share Price Sensitivity Analysis

Sensitivitiy Analysis						
Perpetuity Approach						
Sensitivity of WACC against TGR						
WACC; 6.3% - 8.3%						
Premium; 15.0% - 45.0%						
Premium	\$2.32	6.3%	6.8%	7.3%	7.8%	8.3%
	15.0%	1.94	2.06	2.15	2.22	2.28
	22.5%	2.09	2.20	2.28	2.34	2.39
	25.0%	2.14	2.24	2.32	2.38	2.42
	27.5%	2.19	2.29	2.36	2.42	2.46
	30.0%	2.24	2.34	2.41	2.47	2.51
	35.0%	2.34	2.43	2.49	2.54	2.57
Premium	\$2.32	6.3%	6.8%	7.3%	7.8%	8.3%
	15.0%	1.94	2.06	2.15	2.22	2.28
	22.5%	2.09	2.20	2.28	2.34	2.39
	25.0%	2.14	2.24	2.32	2.38	2.42
	27.5%	2.19	2.29	2.36	2.42	2.46
	30.0%	2.24	2.34	2.41	2.47	2.51
	32.0%	2.28	2.37	2.44	2.49	2.53