

1 October 2025

Fertilisers Distribution sale completes as Dyno Nobel closes FY25 with a strong Group performance

Dyno Nobel Limited (ASX:DNL) today announces the completion of the sale of the Fertilisers Distribution business, an update regarding the sale of the Gibson Island land, along with key outcomes of the Fertilisers manufacturing strategic review. The Company also provides an update on new business opportunities in the US focusing on developing and supplying energetics for broad industry use across both the resources and defence sectors.

The Group is expected to deliver a strong underlying EBIT result in FY25. Explosives has made considerable progress on its strategy, with the transformation program continuing to deliver on expectations. The Fertilisers business has benefitted from significant commodity price tailwinds which will drive headline performance in FY25.

Fertilisers separation

Fertilisers sale transactions

The previously announced sale of the Incitec Pivot Fertilisers Distribution business to Ridley Corporation Limited (ASX:RIC) successfully completed on 30 September 2025 and all conditions have now been met to enable completion of the sale of the Gibson Island land to a subsidiary of an ASX-listed property developer and owner:

- **Distribution business:** Upfront proceeds of \$381m were received on completion (\$250m purchase consideration and a net \$131m working capital and net debt adjustment), which remains subject to customary post-completion purchase price adjustments in accordance with the sale agreement.
- **Gibson Island land:** Sale completion is expected in the coming weeks, with final details to be provided as part of the FY25 results announcement in November.

Further detailed planning has progressed for the remediation activities to be performed by Dyno Nobel, which has led to an increase in the expected scope of remediation work and associated extension of leaseback timing. Remediation and leaseback costs are now expected to be approximately ~\$157m (~\$110m after tax), which has increased from the previous estimate of ~\$92m (~\$64m after tax).

As previously stated, Dyno Nobel intends to use the upfront proceeds from these transactions to repay trade working capital and debt facilities, with the remaining sale proceeds to be applied in accordance with Dyno Nobel's capital management framework.

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1 October 2025

- **Perdaman Offtake Agreement:** Sale to Macquarie Group's Commodities and Global Markets business continues to progress towards completion¹. Consideration payments are subject to operational milestones for the project, which is expected to commence production in 2027. An update will be provided as part of the FY25 results announcement in November.

Strategic review of Fertilisers Manufacturing operations

Dyno Nobel has completed its strategic review of Fertilisers Manufacturing with outcomes as follows:

- **Geelong:** Closure planning for manufacturing operations at Geelong has been completed, with final production expected in October 2025. Further detailed planning has been undertaken for remediation activities to be performed by Dyno Nobel, with these costs now expected to be ~\$61m (~\$43m after tax), increasing from the previously forecast estimate of ~\$54m (~\$38m after tax).
- **St Helens:** Dyno Nobel signed an asset sale and purchase agreement with the Columbia River Nitrogen consortium for the sale of the St Helens, Oregon facility. The purchase price of US\$1.8m was the value of the product inventory at the completion date of 31 August 2025, with no ongoing environmental liabilities or future remediation requirements to be incurred by Dyno Nobel.
- **Phosphate Hill:** Securing the economic supply of natural gas and metallurgical gas from the Glencore smelter remains critical to the future of Phosphate Hill and a solution to these critical variables continues to be pursued in collaboration with the Commonwealth and Queensland governments.

The sale process for Phosphate Hill is continuing. If an agreed sale cannot be reached by 31 March 2026, Dyno Nobel will progress an orderly closure of Phosphate Hill by 30 September 2026.

Dyno Nobel remains focused on maintaining safe and reliable operations of the asset during this period and continues to work with stakeholders to achieve a responsible transition of ownership of Phosphate Hill as a going concern to a qualified new owner.

Some ongoing capital investment will be made to ensure the safety of operations, which is expected to be funded from Phosphate Hill's cash flows. Cashflows for the Group are not expected to be negatively impacted by the continued operation of Phosphate Hill in FY26.

In the event of a Phosphate Hill closure, the costs of remediation and closure are expected to be offset by tax loss benefits and the release of working capital.

¹ Completion is subject to internal restructure completing, Macquarie CGM finalising a urea offtake agreement with Ridley Corporation, and certain other conditions. Refer to Dyno Nobel's 2025 Half Year Financial Results Presentation and Profit Report released on 12 May 2025 for further details.

1 October 2025

Summary of Fertilisers separation cash flows

	Upfront (\$m)	Deferred (\$m)	Total (\$m)	Total per 1H25 results (\$m)	Comments
Distribution	250	125	375	375	<ul style="list-style-type: none"> Repayment of \$50m vendor note expected to be received within three years of completion \$75m deferred consideration for Geelong property, expected two years from completion
Perdaman	-	145	145	145	<ul style="list-style-type: none"> Expected consideration payments are subject to completion and operational milestones for the project, which is expected to commence production in 2027
Gibson Island land	198	-	198	194	<ul style="list-style-type: none"> Expected to be received in October 2025
Purchase price adjustments	131	-	131	121	<ul style="list-style-type: none"> Largely reflects upfront working capital payment relating to Geelong import transition and Phosphate Hill separation; Purchase price adjustments to be finalised within 45 business days after completion under sale agreement with Ridley.
Geelong remediation	-	(43)	(43)	(38)	<ul style="list-style-type: none"> \$61m pre-tax remediation costs to be completed over two years post completion
Gibson Island remediation ²	-	(110)	(110)	(64)	<ul style="list-style-type: none"> \$157m pre-tax remediation and related costs to be completed over ~3.5 years post completion
Transaction costs and stamp duty ³	(38)	(5)	(43)	(37)	
Other ⁴	(100)	(8)	(108)	(91)	<ul style="list-style-type: none"> Includes \$100m increase in Phosphate Hill working capital balance relating to the offtake arrangement with Ridley. This value will be released once Phosphate Hill is separated
Total	441	104	545	606	

Dyno Nobel Americas joint venture with Repkon

Dyno Nobel Americas has partnered with US based industrial manufacturer REPkon USA Holdings, Inc. (Repkon USA) for the construction of a new Trinitrotoluene (TNT) manufacturing facility. Headquartered in Tampa, Florida, Repkon USA is a leader in advanced metal formation and manufacturing, and chemical energetics production.

This will be the first facility to produce TNT in the US since the 1980's and will be built by Repkon USA as the prime contractor on Dyno Nobel's existing site in Graham, Kentucky, funded by a ~US\$435m investment from the US Federal Government.

Dyno Nobel will be contracted to operate the TNT facility, obtaining an exclusive commercial offtake supply of TNT for commercial use, while Repkon USA will provide energetics to support the US Army supply chain. This will secure a reliable, low cost domestic supply of TNT for commercial explosives production, ensuring continuity and resilience for Dyno Nobel's customers across the North American mining, quarrying,

² Estimated Gibson Island remediation cost including lease-back.

³ Includes selling costs, transaction costs, separation costs and stamp duty.

⁴ Includes CGT impacts, transaction and other adjustments. Includes a (\$100m) unfavourable movement in Phosphate Hill trade working capital balance relating to the offtake arrangement with Ridley. This is \$16m higher than the estimate at 1H25 due to the higher DAP price. This value will be released once Phosphate Hill is separated.

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1 October 2025

and construction sectors. Production at the new TNT facility is expected to commence in late 2027.

In addition to the TNT project, Dyno Nobel and Repkon have signed a letter of intent to form a joint venture based in the US which will focus on developing and supplying energetics for broad industry use across both the resources and defence sectors. This joint venture will operate independently from Dyno Nobel's core commercial explosives business.

Further information will be provided as part of the FY25 results announcement in November.

FY25 Business performance update^{5,6}

Dyno Nobel Explosives

- The Dyno Nobel explosives business has continued to perform well through 2H25 with the transformation program achieving a ~45% exit run rate for FY25 against the ~40%-50% outlook⁷.
- EBIT for Dyno Nobel explosives (incl. Ag & IC) after corporate costs is expected to be in the range of \$405m-\$413m for FY25.
- FY25 EBIT includes a provision of \$13m regarding costs for patent legal disputes which are not expected to have a material impact on the explosives business.

Fertilisers

- Following the sustained reliable performance of Phosphate Hill and continued strengthening of Ammonium Phosphate pricing through 2H25, Phosphate Hill EBIT is expected to be in the range of \$225m-\$235m for FY25.
- The Distribution business has also had a strong trading performance in 2H25 and is expected to deliver an EBIT in the range of \$64m-\$67m for FY25.

Group

- Group EBIT is expected to be in the range of \$695m-\$715m for FY25.
- \$430m of the \$900m share buyback program has been completed to date. The initial \$400m tranche of the program was completed on 17 September 2025, with the second tranche of \$500m commencing immediately thereafter.

FY25 Results

Dyno Nobel will announce its 2025 full year results on Monday, 10 November 2025.

⁵ For previously provided outlook statements, see Dyno Nobel's 2025 Half Year Financial Results Presentation and Profit Report released on 12 May 2025.

⁶ EBIT ranges provided for FY25 exclude the impact of any potential Individual Material Items.

⁷ The exit run rate is calculated as a percentage of the ~\$300m EBIT ambition growth target.

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1 October 2025

For more information:

Investors

Tom Dixon
Vice President Investor Relations
Mobile: +61 450 541 389
Email: tom.dixon@dynonobel.com

Media

Amity Sturwohld
Communications Manager
Mobile: +61 493 095 043
Email: amity.sturwohld@dynonobel.com

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

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