1,000 PRODUCTS ENDLESS POSSIBILITIES

1H25

RESULTS PRESENTATION

20 February 2025

REDOX LIMITED (RDX.ASX)

Agenda

1H25 Highlights

Raimond Coneliano

Chief Executive Officer & Managing Director

1H25 Highlights

$632m
Sales Revenue
+8.6% growth vs PCP

21.6%
Gross Profit Margin
(within historical range)

New channel partner agreements

$137m
Gross Profit up 1.7% vs PCP

45.8%
Conversion Margin
(Gross Profit to EBITDAFX)

$138m
Cash or Cash Equivalents
Zero Net Debt

6 cps
Interim Dividend
payout ratio 78%

Acquisitions Completed

Sales Revenue

1H25 sales increased by 8.6% vs PCP driven by strong volume growth in a subdued demand environment

Industry segment performance

- Crop Production & Protection sales increased 38% vs PCP driven by industry demand and integration of the Oleum product suite
- Water Care sales increased 16% due to portfolio addition, share of wallet initiatives and new customers
- Mining & Explosives declined 16% driven by the lower cyclical demand in various sub-sectors such as Nickel

Regional performance

- APAC sales grew 9.7% vs PCP driven by stronger growth in Australia & NZ
- US sales fell 7.7%, offset in part by strong Mexican sales
- The US business grew the number of active customers and invoices in 1H25, however as this region is in its early stages of development, business will be lumpy period to period.

Unit Prices & Gross Profit

Unit Prices

- Global commodity prices generally stabilised in 1H25, however higher prices in Q1 FY24 were a headwind during Q1 FY25

Gross Profit

- 1H25 gross profit margin of 21.6% sits within the historical range

- Gross profit margin driven by higher commodity volumes (e.g fertilisers) with structurally lower margins and lower margin acquired businesses

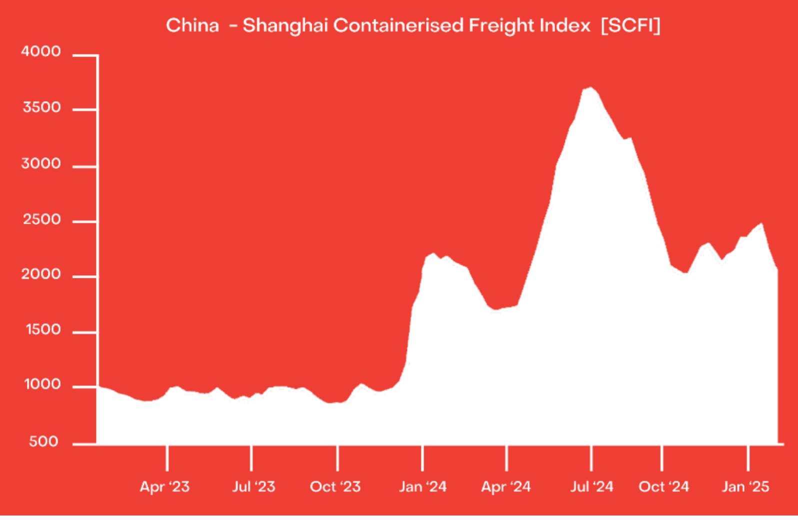
Logistics & Sea Freight

Logistics

- 1H25 total storage and logistics costs increased with higher sales volume

Sea Freight

- Sea freight remained elevated in 1H25 vs PCP as geopolitical events impacted availability, costs and shipping times
- Redox passes costs of increased sea freight onto clients and assists them to smooth out impact of delays



M&A

Redox completed 2 acquisitions * in 1H25 –

Oleum (completed July 2024) an Australian distributor of surfactants and specialty chemicals to a variety of industry sectors

Auschem (completed November 2024) an Australian distributor of solvents & specialty chemicals with bulk storage and blending capabilities including distribution deal with Viva Energy Australia

* Redox acquired Oleum Holdings Pty Ltd, and certain assets and liabilities from Auschem (NSW) Pty Ltd

1H25 Financials

Kim Yap
Chief Financial Officer

Profit & Loss overview

$632m

Top line revenue grew 8.6% in spite of price headwinds in Q1 FY25

7.7cps

Proforma Basic Earnings Per Share +1.7%

	1H25	1H24	Change
	$m	$m	%
Revenue	632	582	8.6%
Gross profit	137	134	1.7%
Gross margin	21.6%	23.1%	-1.5ppts
Underlying EBITDAFX [1]	63	71	-12.9%
Underlying EBITDAFX [1] margin	9.9%	12.3%	-2.4ppts
Underlying NPATFX [1]	41	48	-12.9%
Underlying NPATFX [1] margin	6.6%	8.2%	-1.6ppts
Proforma basic Earnings Per Share (cents)	7.7	7.5	1.7%
ROIC [2]	14.8%	18.1%	-3.3ppts

Notes:

1. Underlying EBITDAFX and NPATFX excludes unrealised currency revaluations relating to non-cash mark-to-market adjustments on Redox's open forward exchange contracts and foreign currency denominated balances at period end . The mark to market adjustments arise as Redox does not qualify for hedge accounting treatment under the terms of AASB 9 Financial Instruments & AASB 121 The Effects of Changes in Foreign Exchange Rates and so is required to include the non-cash gain or loss on open foreign currency denominated exchange positions at period end within its statutory result. Redox does not consider these amounts to form part of the Group's "underlying" earnings, and accordingly presents NPATFX metrics which exclude the impacts of these balances.
2. Return on Invested Capital ("ROIC") is defined as net operating profit after tax (NOPAT), divided by average invested capital (total equity plus net debt and lease liabilities).

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Revenue and Gross Profit

10%

ANZ Revenue growth achieved driven by acquired businesses and turnaround in Crop Production

21.6%

Gross Profit Margin eased 1.5ppts as volumes of commodities recover

	1H25	1H24	Change
	$m	$m	%
Revenue – Australia	537	493	8.9%
Revenue – New Zealand	55	45	22.2%
Revenue – USA	36	39	-7.7%
Revenue – Other	4	5	-20.0%
Total revenue*	632	582	8.6%
COGS	-495	-448	10.5%
Gross profit	137	134	1.7%
Gross margin	21.6%	23.1%	-1.5ppts

Note
- **Revenue impact of acquisition in 1H25 not material.**

$6m

Increase in administration cost equally spread between salary inflation, increase in headcount and higher incentive payments

$5m

Increase in storage and distribution costs driven by volume growth ($4m) and cost inflation ($1m)

Operating costs

	1H25	1H24	Change
	$m	$m	$m
Administration expenses	38	32	-6
Distribution and storage expenses	30	25	-5
Other expenses	11	10	-1
Total underlying operating expenses[1]	**79**	**67**	**-12**

Notes:

1. Total underlying operating expenses exclude unrealised currency revaluations relate to non-cash mark-to-market adjustments on Redox's open forward exchange contracts and foreign currency denominated balances at period end. These amounts arise as Redox does not qualify for hedge accounting treatment under the terms of AASB 9 Financial Instruments Instruments & AASB 121 The Effects of Changes in Foreign Exchange Rate and so is required to include the non-cash gain or loss on open foreign currency denominated exchange positions at period end within its statutory result. Redox does not consider these amounts to form part of the Group's "underlying" earnings.

Cash flow

$12m

Cash from operations lower driven by higher inventory and timing of lunar New Year shipments

30.7%

Net working capital driven by higher inventories but within historical range

	1H25	1H24	Change
	$m	$m	$m
Cash from operations	**12**	**80**	**-68**
Cash flows from investing [1]	22	-84	**106**
Cash before financing	**34**	**-4**	**38**
Free cash flow conversion [2]	19.7%	125.9%	
Net working capital (NWC) [3]	**387**	**337**	**50**
NWC as % of revenue [3]	30.7%	29.0%	
Net cash & cash equivalents	**138**	**177**	**-39**

Notes:
1. $80 million was invested in short term deposit
2. Free cash flow conversion is calculated as underlying cash from operations divided by underlying EBITDA
3. Net working capital as a percentage of sales is calculated as period end working capital (the sum of trade and other receivables, inventory, prepayments, other assets, trade and other payables, accruals, provision for income tax and other liabilities) divided by revenue.

Dividend & Dividend Policy

Interim Dividend

Interim Dividend for FY25 of 6 cents per share, representing a pay out of 78% of profits

Dividend to be paid on the 25th March 2025

Record date 4th March 2025.

Dividend Policy

Long term Dividend payout ratio will be 60%-80% of profits

Strategy & Outlook

Raimond Coneliano
CEO and Managing Director

Strategy

- Expand product portfolio
- Develop technical expertise to provide customers with added value
- Refine Redebiz CRM/ERP to ensure it remains a source of strength
- Explore new industry sectors and establish a presence in new geographies
- Make strategic acquisitions in ANZ/US to speed growth

Outlook

- Macroeconomic and geopolitical headwinds expected to continue into 2H25
- The company is strongly positioned for recovery
- Volume growth above historical average expected
- 2H25 gross profit margins expected at similar levels to 1H25
- 2H25 cost overheads expected to be in line with 1H25

Summary

- Large and attractive sector with numerous avenues to grow across various industries, geographies and products
- Fragmentation of the industry provides ample opportunity to acquire strategically
- Strong volume growth achieved in 1H25 to continue for the remainder of the year despite the challenging environment
- Flexible balance sheet with no net debt and healthy cash balance which will be used to fund future growth
- Delivering growth through our scale, systems and strategies
- Strong operating metrics

Q&A

Raimond Coneliano
CEO and Managing Director

Kim Yap
Chief Financial Officer

Supplementary information

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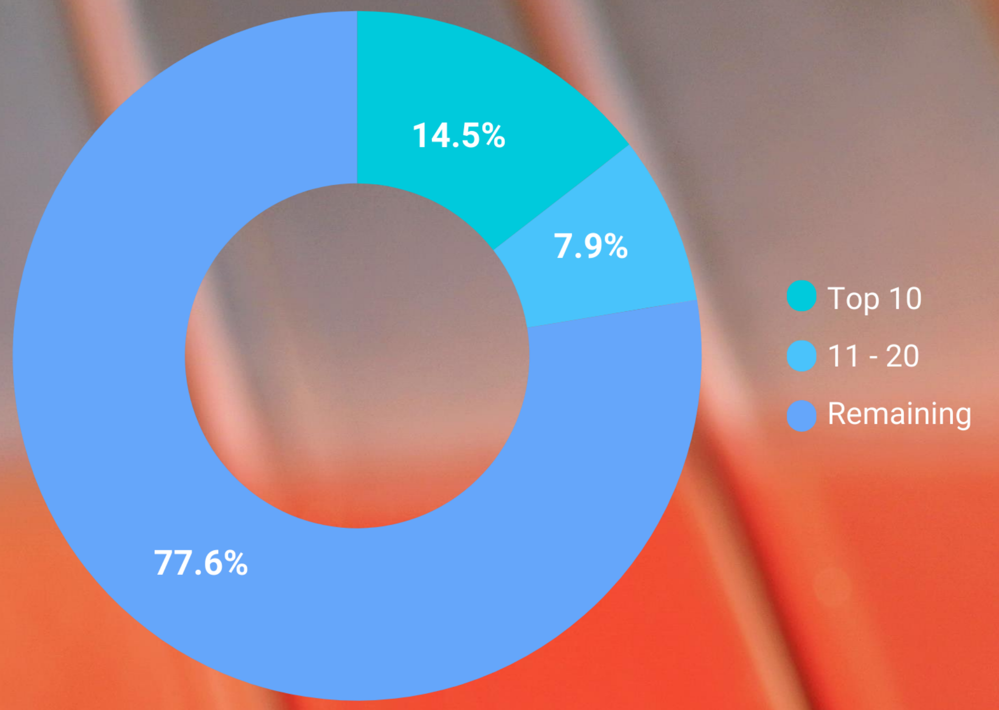
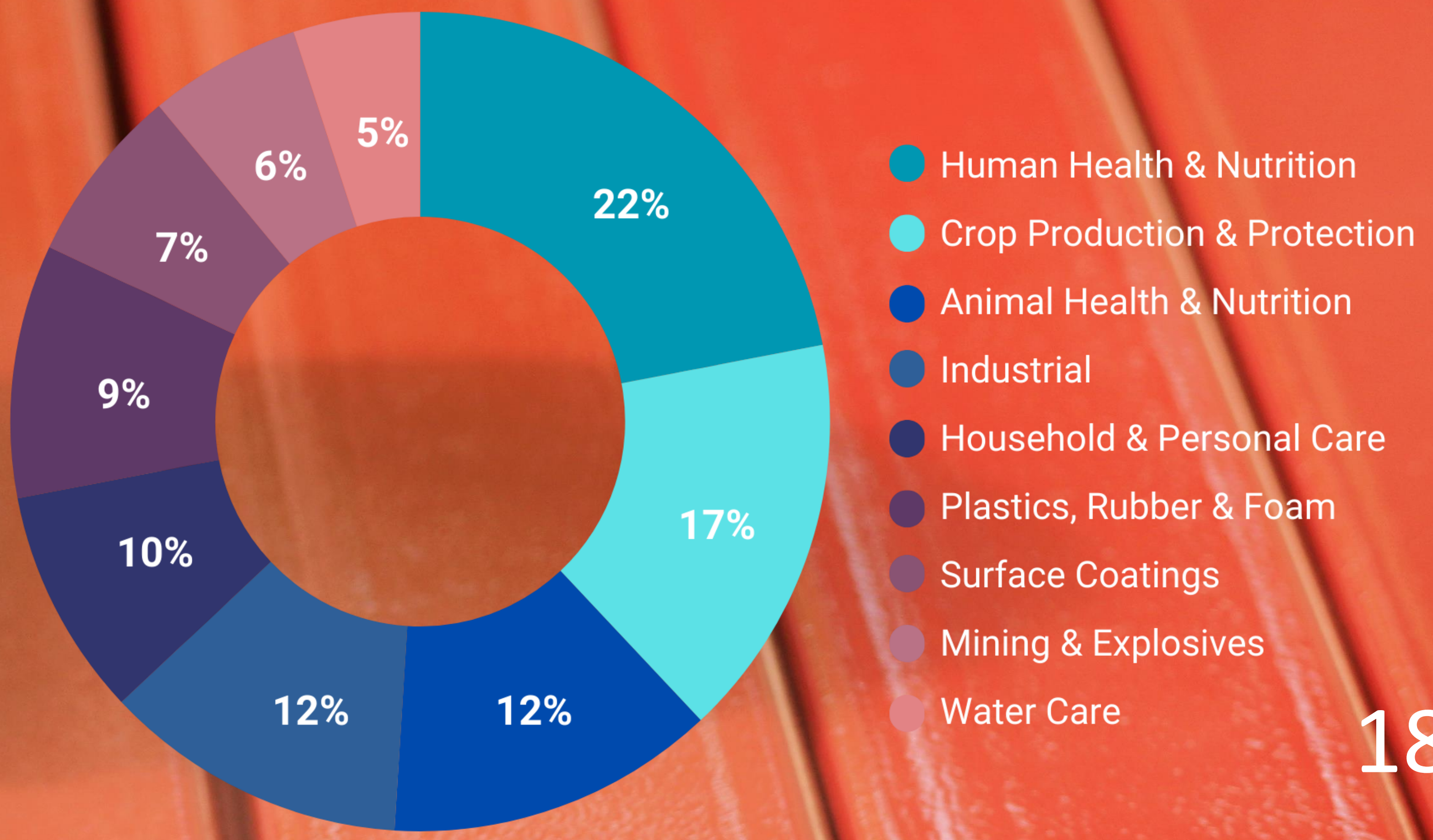
Diverse client, industry, product and supplier base

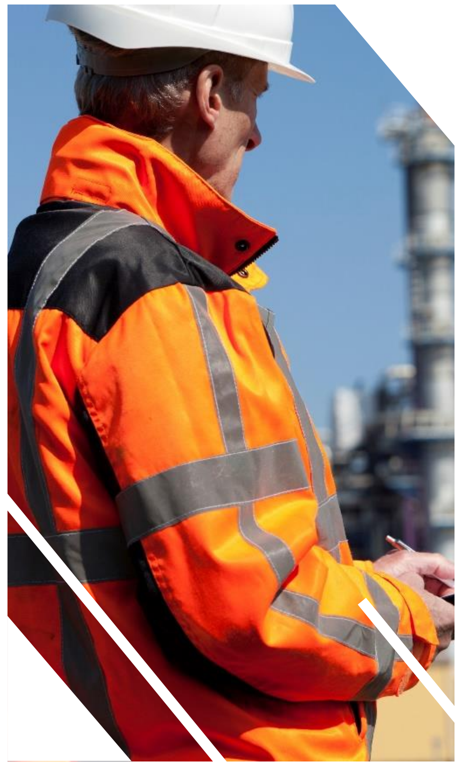
Customer Concentration 1H25



Sales by Industry Segment 1H25



Chemical Distribution is highly attractive



Thousands of specialty & commodity chemical manufacturers

+

Tens of thousands of potential SKU's/products

REDOX

Hundreds of thousands of potential customers globally

- Large market growing at GDP++ across diverse industry sectors providing multiple growth pathways
- Fragmented sector that provides opportunity for a well-financed, well organised business like Redox to grow through acquisition
- Demand for specialty storage, logistics, formulation and repackaging rising
- Distributors deliver valuable technical assistance & provide assurance against vulnerable supply chains
- Increasing complexity & regulatory burden preferences larger more established players with scale

Leading distributor of chemicals, ingredients and raw materials

8,000+
ACTIVE CUSTOMERS

5,000+
SKU'S

100+
STOCK LOCATIONS

1,000+
ACTIVE SUPPLIERS

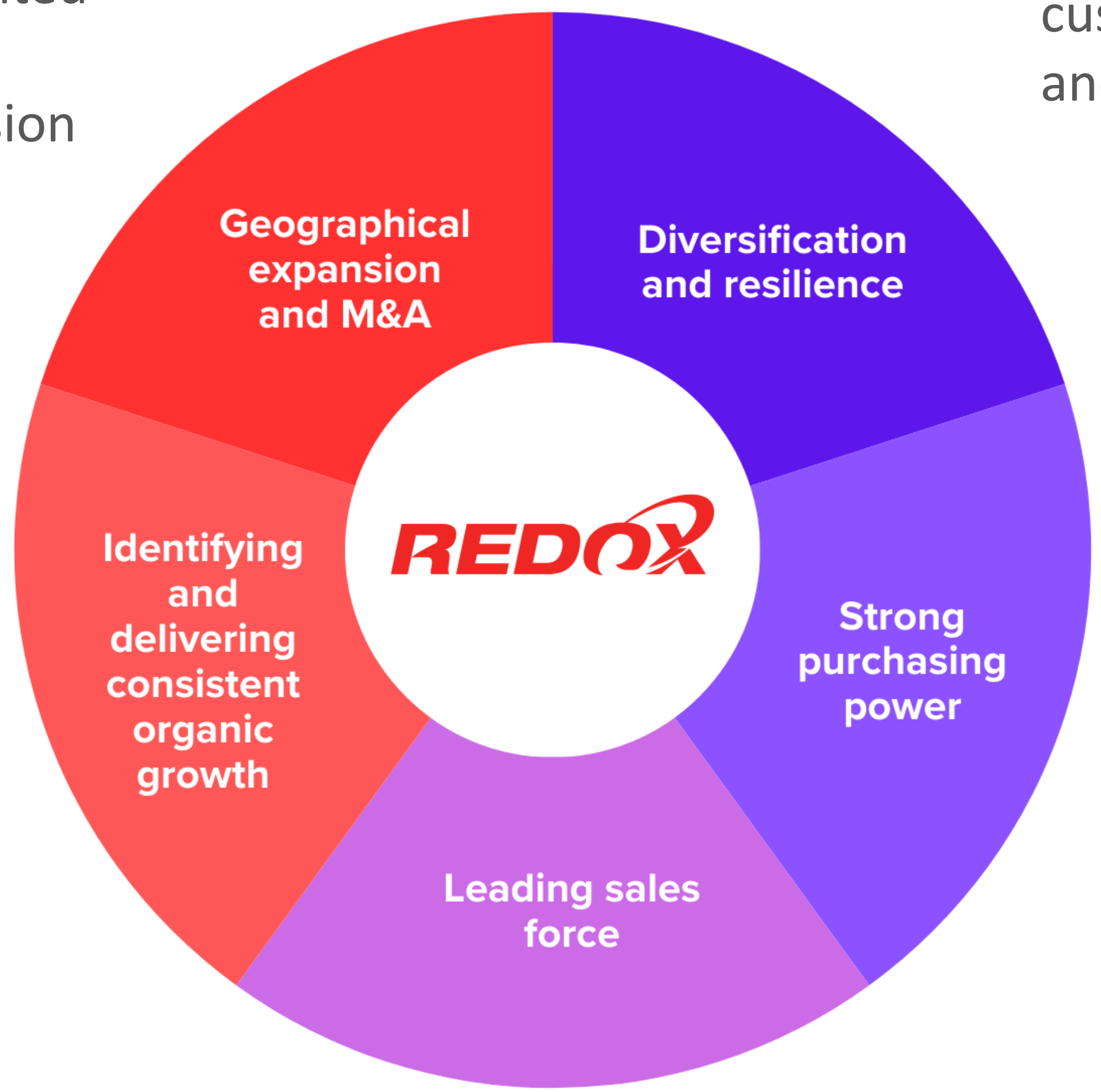
400+
STRONG TEAM*

1,200+
PRODUCT GROUPS

* Team includes 190+ salespeople across APAC & USA

Primary focus organic growth complimented by acquisitions & geographic expansion

Extensive and growing customer, supplier and product base



30-year revenue CAGR of 10.84%

Largest supplier in Australia by revenue

Trained the Redox way

Sustainable business model underpinned by Redox's in-house developed ERP/CRM IT platform REDEBIZ

Profit & Loss 1H25

REDOX

	1H25	1H24	Change
	$m	$m	$m
Revenue	632	582	50
COGS	-495	-448	-47
Gross profit	137	134	3
Operating expenses excluding depreciation	-74	-63	-11
Underlying EBITDAFX	63	71	-8
Depreciation and amortisation	-5	-4	-1
Underlying EBITFX	58	67	-9
Net finance costs	2	2	0
Underlying profit before tax	60	69	-9
Effective tax	-19	-21	2
Underlying NPATFX	41	48	-7
Unrealised loss on foreign exchange contracts	-1	-5	4
Listing cost	0	-3	3
Statutory NPAT	40	40	0

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