Inghams Group Limited

Food & Beverage Focus Day

6 APRIL 2017

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Recap: Who we are

The largest vertically integrated poultry producer across Australia and New Zealand, with a long-standing reputation for quality and service

FY16 revenue: A$2,309m

	Poultry FY16 revenue: A$2,014m (87% of Group revenue)	**Stockfeed** FY16 revenue: A$293m (13% of Group revenue)[1]
Overview	> Stringent biosecurity regulations restrict imports to ANZ > There are two large producers in each of the Australian and New Zealand markets – Ingham's is the only producer that operates in both > Vertically integrated business model with ~345 facilities[2] > Holds #1 and #2 positions among chicken producers in Australia and New Zealand — Australia: 40%[3] / New Zealand: 34%[3] > Founded in 1918	> The Australian stockfeed industry is highly fragmented > Ingham's preference is to control its own feed supply where possible. Approximately 85% of FY16 demand is currently produced internally > External sales also improve utilisation of milling operations > Produces a range of poultry, pig, horse and dairy stockfeed > 9 pig / poultry feed mills, 1 horse feed mill, and 1 dairy feed mill > Second largest feed producer in Australia
Key products		 Bulk
Production	> Over 440kt of poultry sold in FY16	> Over 1.4Mt stockfeed produced in FY16 — Approximately 870kt for internal use — Approximately 560kt sold externally
Geography	> Australia: 83% of FY16 Group Revenue > New Zealand: 15% of FY16 Group Revenue > Exports: 2% of FY16 Group Revenue	

1. Reflects external sales of stockfeed only. Excludes feed used by Ingham's for the production of poultry.
2. As at 1 September 2016, 225 of these are broiler farms, approximately 97% of whom are owned and operated by contracted third parties. Includes Turkey and four contracted New Zealand breeder farms. Does not account for breeder and hatchery expansion projects approved or underway. Excludes Leppington research and development facility, non-operational sites and offices.
3. Australia based on chicken sales by value. Source: Management estimates based on information from Rabobank; ACMF; OECD; and Aztec. New Zealand based on chicken sales by value. Source: Management estimates based on information from Rabobank; Poultry Industry Association New Zealand; and Statistics NZ.

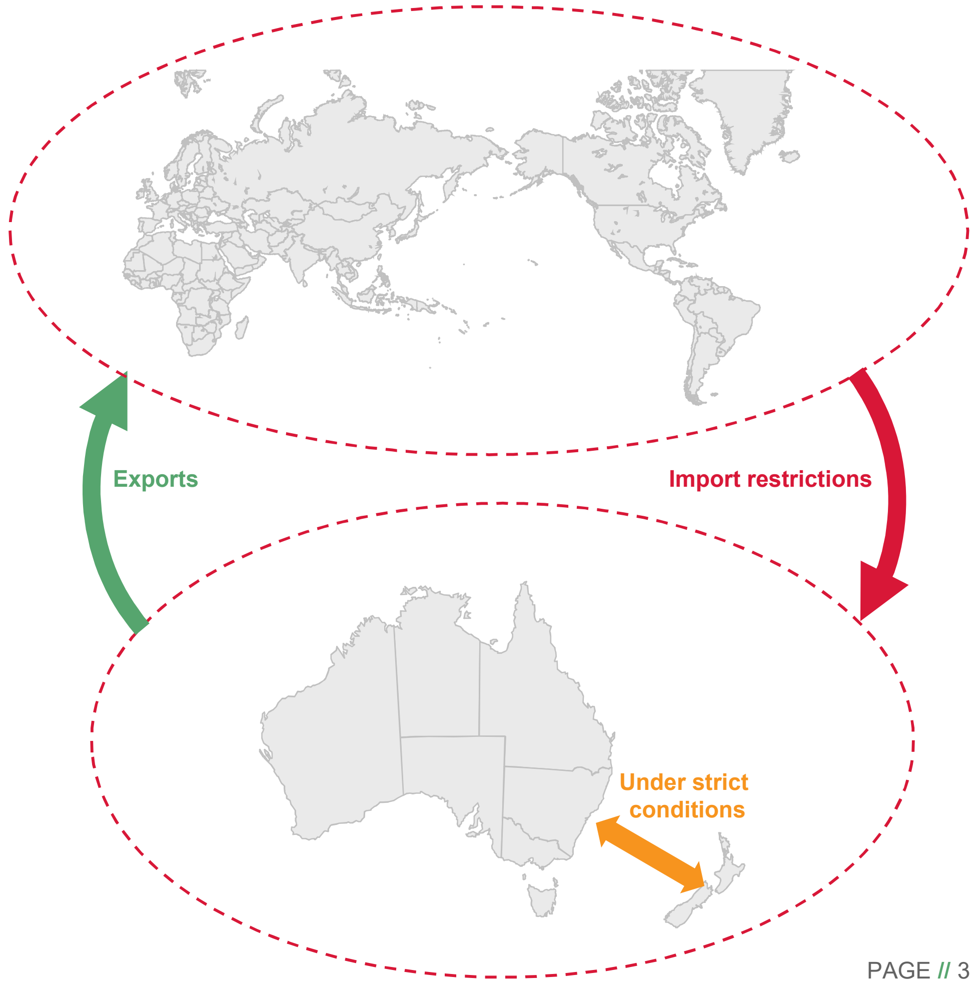
Recap: Attractive industry structure

Domestic demand for chicken is met by domestic producers, with stringent biosecurity regulations restricting imports to Australia and New Zealand

Import restrictions

	Australia	New Zealand
Governing body / regulation	Department of Agriculture and Water Resources[1]	NZ Customs and Ministry for Primary Industries[2]
Legislated import restrictions		
Fresh	✓ Only from New Zealand subject to strict licensing conditions	✗
Frozen	✓ Only from New Zealand under strict conditions	✗
Cooked	✓ Only from New Zealand given its low disease status	✓ Only from Australia given strict biosecurity controls
Retorted[3]	✓	✓

Biosecurity controls



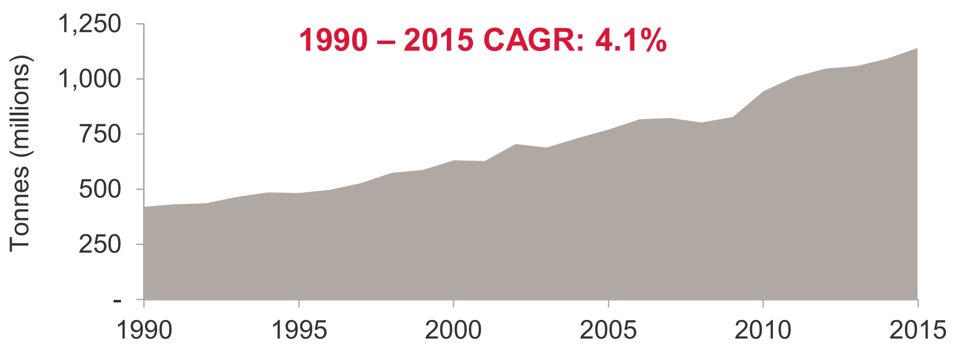
1. http://www.agriculture.gov.au/
2. https://www.mpi.govt.nz/
3. Retorted products are packaged in sealed pouches or containers, then sterilised using heat and pressure, e.g. canned chicken soup.

Recap: Strong underlying demand for poultry

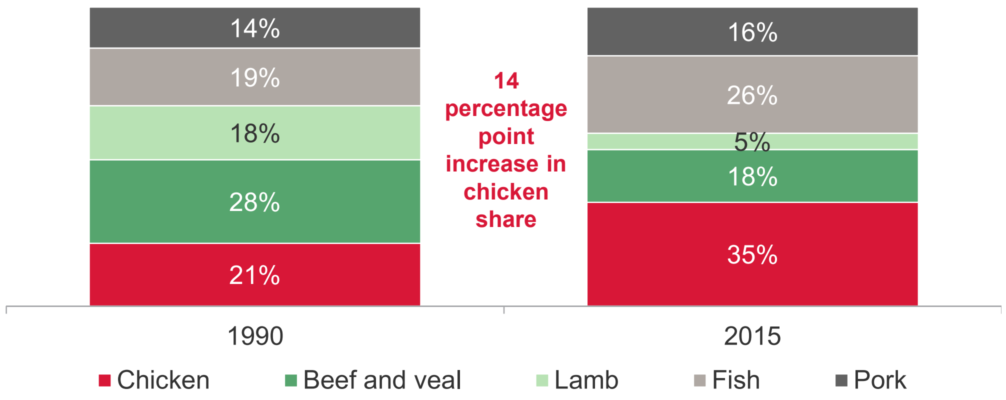
Strong consumption growth, supported by a shift in consumer preferences towards healthier and more affordable forms of protein

Australia

Total chicken consumption - Australia[1]

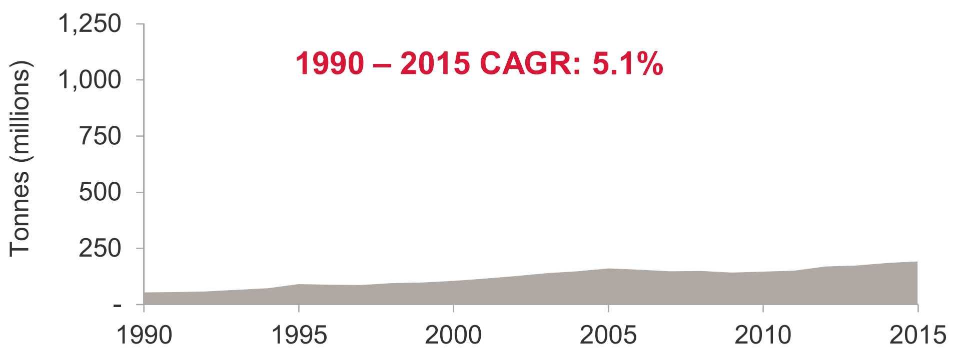


Australian animal protein consumption[2]

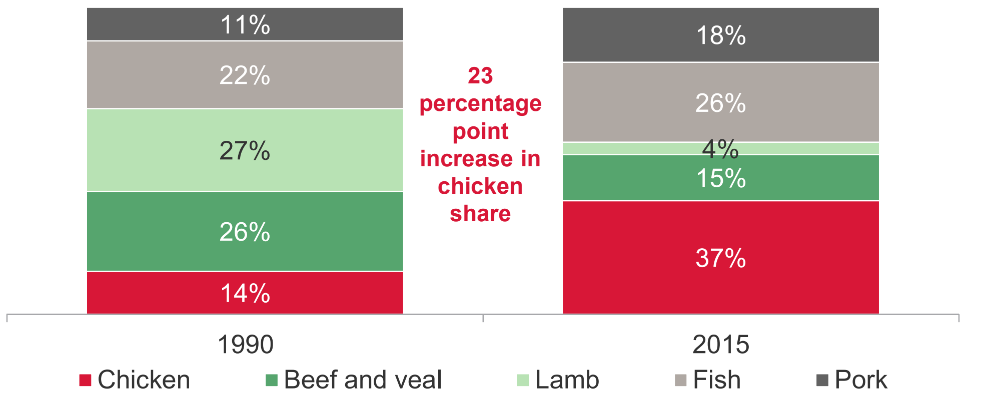


New Zealand

Total chicken consumption – New Zealand[1]



New Zealand animal protein consumption[2]



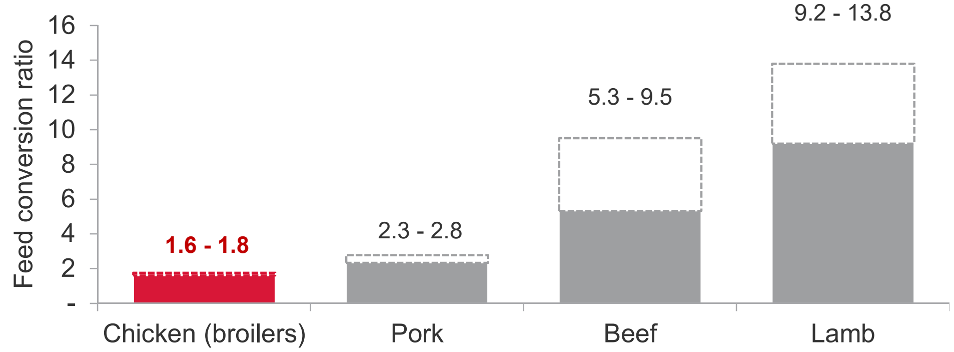
1. Source: OECD-FAO, Agricultural Outlook Dataset (2016-2025).
2. OECD-FAO Agricultural Outlook 2016-2025 Dataset, © OECD, 2016, http://stats.oecd.org/Index.aspx?datasetcode=HIGH_AGLINK_2016. Percentages calculated by dividing a product's human consumption per capita by the sum of chicken, beef and veal, lamb, fish and pork human consumption per capita.

Recap: Favourable production economics

Driven by genetic improvements, feed and nutrition and 'industrialisation' of the supply chain

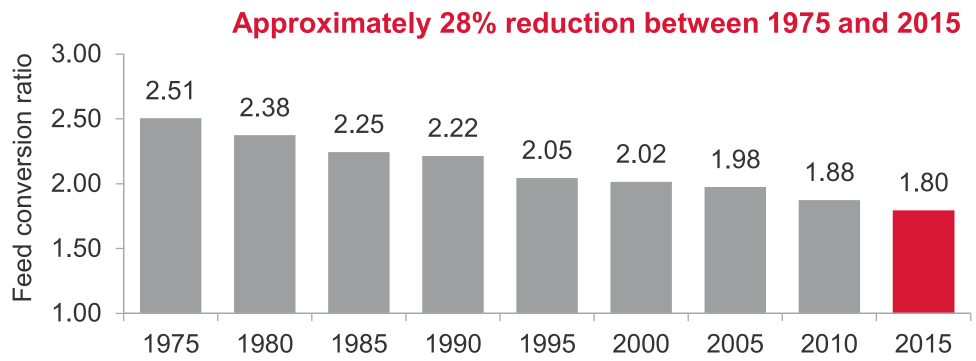
Indicative FCR[1,2]

(kg of feed to produce 1kg liveweight)



Indicative Australian industry historical chicken FCR trends[2,3]

(kg of feed to produce 1kg liveweight)



Improvement drivers

Genetic improvement	> Selective breeding techniques have improved the performance of breeders and broilers > Improved growth rates, feed conversion and liveability > Long term research and development cycle provides multi-year visibility of future improvements
Feed and nutrition	> Producers invested heavily in research and development > Identifying the optimal mix of nutrients to support chicken growth
'Industrialisation' of the supply chain	> Increased use of technology by producers – Climate and lighting control – Automated feed and watering systems

1. Source: Scientific Advisory Council for the UK Department of Energy, Food, and Rural Affairs, Review of nutrient efficiency in different breeds of farm livestock (30 April 2010). Comparative efficiency based on mid-point of FCR range.
2. Feed conversion ratio is an industry-wide efficiency metric that measures the number of kilograms of feed required to create one kilogram of live weight.
3. Source: ACMF, http://chicken.org.au/files/_system/Image/Graphs/Efficiency%20of%20Chicken%20Meat%20Production.jpg?Production=Production+Efficiency.

Recap: Product overview

Ingham's supplies a range of high quality products through both its Poultry and Stockfeed operations. Sales are diversified across channels, with a significant portion of value enhanced and further processed products

Product overview

Primary

- Chilled chicken products sold as whole birds or primary cuts
- Sold in meat chiller and deli

Free Range

- Primary, value-enhanced or further processed products made with free range chicken

Value Enhanced

- Chilled products with additional flavour added through marinating and coatings
- Sold in the meat chiller and deli

Further Processed

- Products that are partially or fully cooked
- Includes chicken smallgoods
- Sold in meat chiller and freezer

Turkey

- Primary, value-enhanced and further processed turkey products
- Includes turkey smallgoods
- Sold in meat chiller and freezer

Stockfeed

- Chicken feed (broiler and layer)
- Turkey feed
- Duck and quail feed
- Pig, horse and dairy feed

Ingredients

- Edible poultry products (e.g. feet and necks)
- Palatants, wet pet food, ingredients and protein conversion products
- Other poultry products

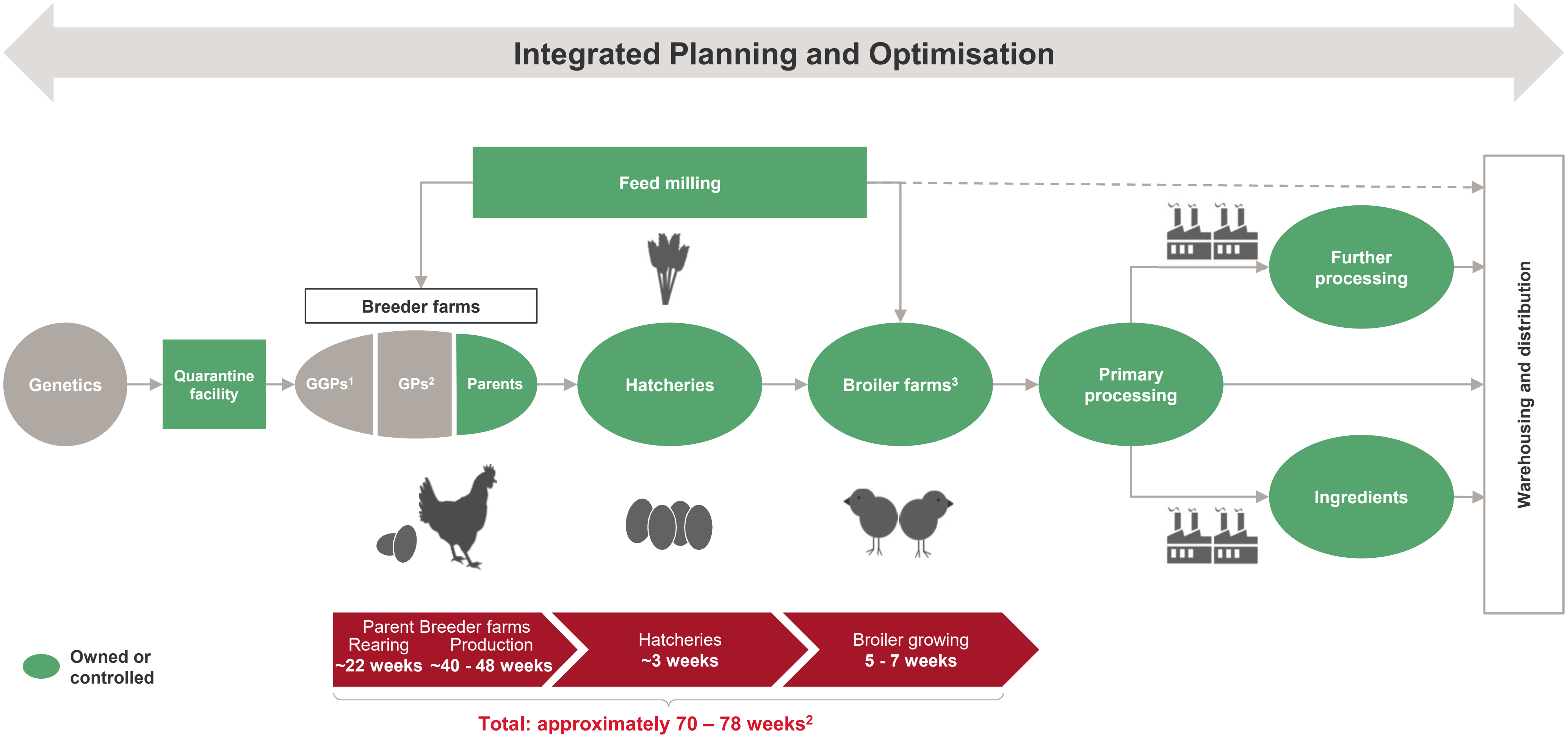
Customers include major retailers, QSR operators, food service distributors (Primary, Free Range, Value Enhanced, Further Processed, Turkey)

Customers include other poultry processors and growers, pig industry, leaders in NZ dairy industry, equestrian industry (Stockfeed)

Customers include retail, food processors and pet food manufacturers (Ingredients)

Recap: Vertically integrated operations

Complex supply chain supported by integrated planning and optimisation

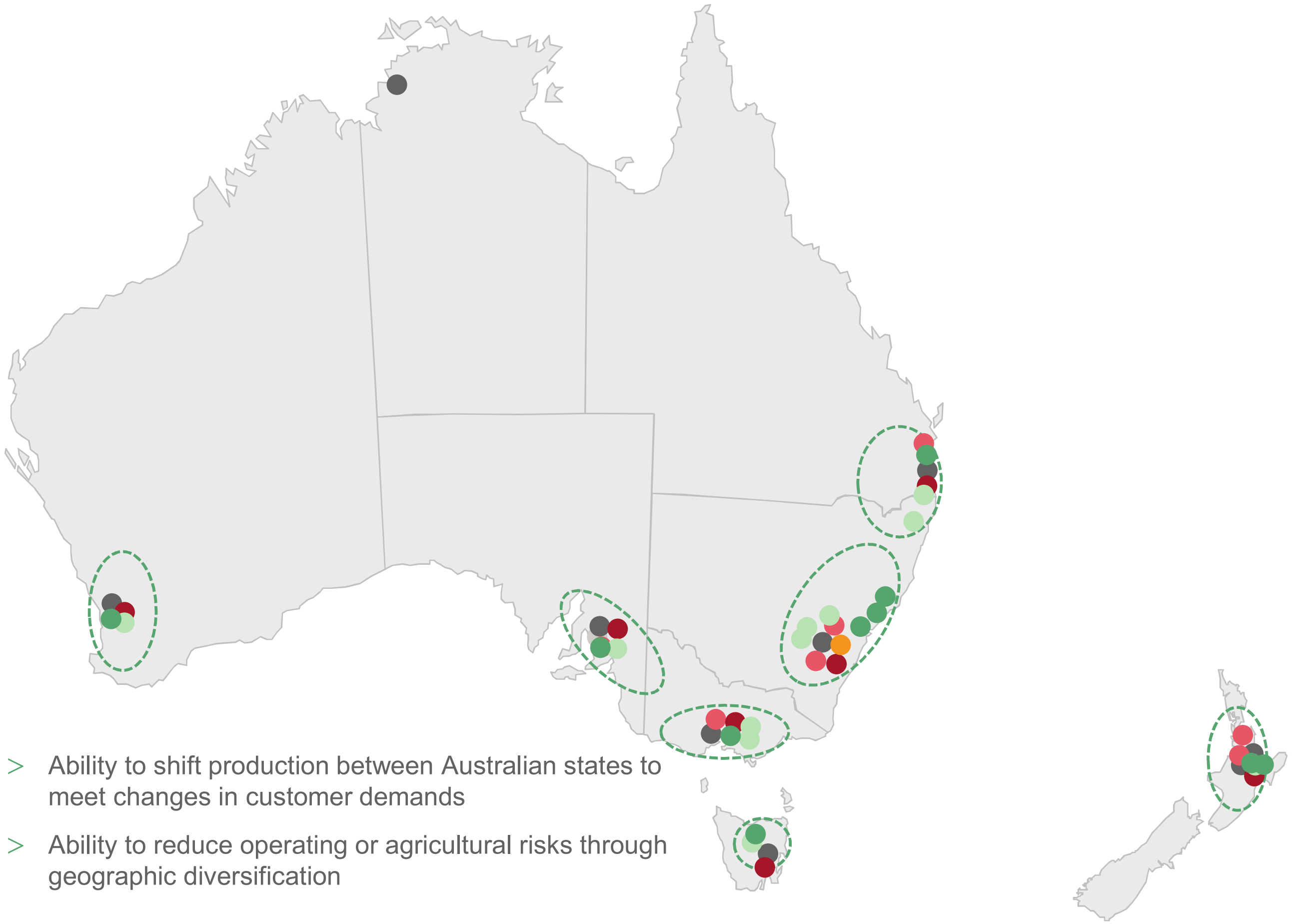


Note: Time-frames are indicative and relate to chicken.

1. Great Grand Parents.
2. Grand Parents.
3. The majority of broiler farms are operated by contracted third party growers.

Recap: Large scale network, with high quality asset base

Ingham's national scale and vertically integrated operations provide a number of benefits, including production flexibility, cost efficiencies and reducing operating or agricultural risks



- Ability to shift production between Australian states to meet changes in customer demands
- Ability to reduce operating or agricultural risks through geographic diversification

Facilities / farms[1]

Type	Australia	NZ	Total
Quarantine	1	-	**1**
Feedmill[2]	8	2	**10**
Breeding farms[3]	60	14	**74**
Hatchery	10	1	**11**
Broiler farms[2,3]	188	37	**225**
Primary processing[3]	6	1	**7**
Further processing	5	2	**7**
Distribution centre	7	2	**9**
Rendering	1	-	**1**
Total	**286**	**59**	**345**

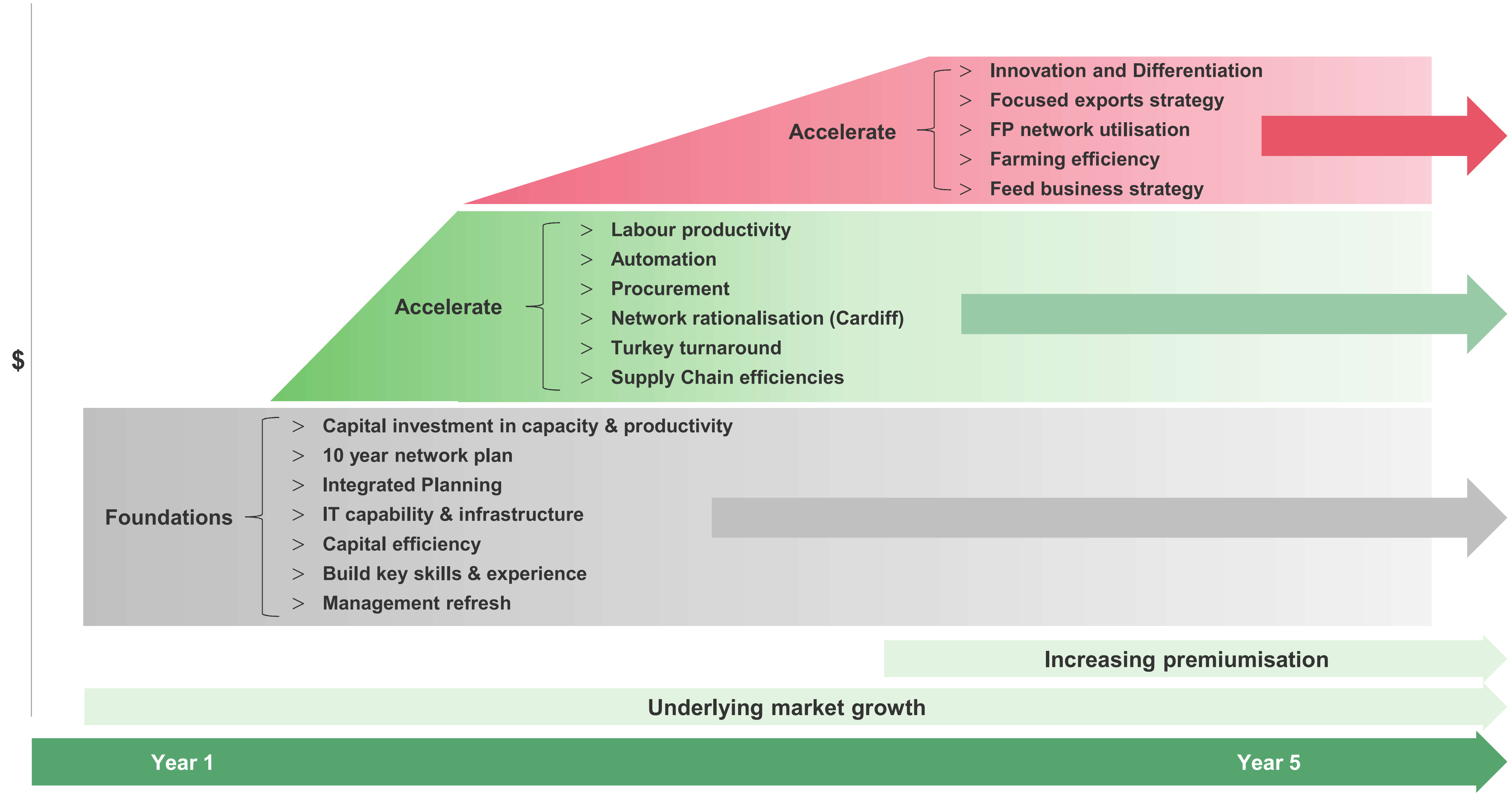
1. Includes turkey and contracted New Zealand breeder farms. Does not account for breeder and hatchery expansion projects approved or underway. Excludes Leppington research and development facility, non-operational sites and offices. Farming areas shown for illustrative purposes only.
2. Includes contracted growers and company owned farms.
3. Excludes the Cardiff primary processing plants and associated contracted growers.

Source: Management (as at June 2016). Map is illustrative only

Ingham’s – A World Class Food Company

Recap: Project Accelerate

Implementation of the multi year transformation project is well underway



The growth benefits from Project Accelerate are designed to allow Ingham's to remain competitive, mitigate inflation in costs and contribute to profit growth

Recap: 1H FY17 Financial highlights

Poultry Volume	Revenue	Gross Profit	EBITDA	NPAT	Net debt	Stub dividend
248.2kt ↑ 12.9%	$1,227.2m ↑ 4.3%	$229.0m ↑ 9.0%	$95.2m ↑ 9.1%	$51.3m ↑ 13.8%	$403.4m	2.6 cps

Financial performance

> Total Poultry volume growth of 12.9% (growth in core chicken and turkey products of 9.0%)

> Pro forma Revenue growth of 4.3% (reflecting volume increase, feed deflation & mix change)

> Pro forma EBITDA growth of 9.1% to $95.2m

> Pro forma NPAT growth of 13.8% to $51.3m (and statutory NPAT of $9.0M)

> Pro forma Net Debt of $403.4m (a decrease from net debt level at listing)

> Stub dividend of 2.6 cents per share (65% of NPAT for the stub period)

Note: Pro forma numbers. A reconciliation between pro forma and statutory results is included in the Appendix
Note: Total Poultry volumes includes core chicken and turkey products in addition to ingredients

Brand and Customer update

- > Brand refresh underway
- > Ongoing supply to key QSR customer finalised for FY2018+
  - — continue as lead supplier and innovation champion
  - — some reduction in base volume from current share
  - — ongoing volume driven by growth and innovation
  - — consistent with prospectus forecasts
- > Continue to extend contractual coverage including feed pass through mechanisms and cost adjustments
- > Some improvement in Australian wholesale channel
- > New Zealand market dynamic unchanged

Branding refresh

Long-term customer relationships

Customer	Years of uninterrupted supply	
Australia		
Major retailer 1	55 years	
Major QSR customer 1	48 years	Since market entry
Major retailer 2	44 years	
Major QSR customer 2	37 years	
Major retailer 3	~30 years	Since market entry
Major retailer 4	15 years	Since market entry
New Zealand		
Major retailer 1	26 years	Since Ingham's entered NZ
Major retailer 2	26 years	Since Ingham's entered NZ
Major QSR customer 2	26 years	Since Ingham's entered NZ

Investing for growth

Capacity

- Key South Australian projects well underway
  - SA hatchery: expansion completed / commissioned
  - SA breeder network: expansion on schedule
  - SA feed mill: civil works underway
- New Zealand hatchery and breeder network projects progressing

Capability

- Further automation initiatives focused on Primary and Further Processing
- IT Data Centre upgrade and shift to cloud services architecture now complete
- Continued investment in enhancing skills and capability across the business

Other

- 'Customer requirement' capex of ~$5m in FY17
- Sale and leaseback process for key capital projects underway (e.g. SA feed mill)
- Some property sales underway (e.g. Cardiff plant post-closure)
- Positive Procurement cash flow benefits


SA hatchery


SA breeder farm

Simplified organisation structure

The organisation structure has evolved in line with strategy implementation

Mick McMahon
Chief Executive Officer

- > Joined Ingham's: 2015
- > Years experience: 30+ years

Ian Brannan
Chief Financial Officer

- > Joined Ingham's: 2015
- > Years experience: 25+ years

Quinton Hildebrand
Chief Commercial Officer

- > Joined Ingham's: 2015
- > Years experience: 20+ years

Jonathan Gray
Sales and Marketing

- > Joined Ingham's: 2008
- > Years experience: 20+ years

Janelle Cashin
Chief Operating Officer

- > Joined Ingham's: 2004
- > Years experience: 20+ years

Farming	Primary processing
Further processing	Supply Chain

Adrian Revell
New Zealand

- > Joined Ingham's: 1997
- > Years experience: 20+ years

Brad Moore
People and Performance

- > Joined Ingham's: 2015
- > Years experience: 20+ years

International expertise brought in within Farming (Alan Parnham, ex-UK), Technical Services (Beth Krushinskie, ex-US) and Senior Advisor (Philip Wilkinson OBE)

Outlook

Reconfirm FY17 prospectus forecast of $98.8M pro forma NPAT based on current trading outlook

> No material impact of QLD / NSW floods

> Australian volume growth is expected to be broadly in line with the prospectus forecast for the full year

— will start to cycle a number of EDLP launches in the 2H and volume increases are expected to moderate

> Strong volume increases through the supply chain and consequent rebalancing of operations remains a challenge in Australia

> Progress continues on extending key customer contractual coverage

> Challenging New Zealand trading conditions continuing into 2H FY2017

> Project Accelerate implementation and investment is continuing and expected to contribute to earnings growth over future years

> Reconfirm intention to pay fully franked dividends of 65 – 70% of pro forma NPAT

Appendix

Prospectus Pro forma profit and loss summary

	Pro Forma Historical			Pro Forma Prospectus
	FY14	FY15	FY16	FY17
$ millions	**52 weeks**	**52 weeks**	**52 weeks**	**52 weeks**
Revenue	2,230.5	2,271.9	2,308.7	2,375.0
Gross profit	379.3	351.1	422.4	458.4
EBITDA	142.1	114.5	167.5	190.1
EBIT	101.9	81.2	133.1	147.9
Profit before tax	82.0	62.0	115.1	132.5
NPAT	57.0	51.7	83.1	98.8
Financial metrics				
Revenue growth	na	1.9%	1.6%	2.9%
EBITDA growth	na	(19.4%)	46.3%	13.5%
NPAT growth	na	(9.3%)	60.7%	18.9%
Gross profit margin	17.0%	15.5%	18.3%	19.3%
EBITDA margin	6.4%	5.0%	7.3%	8.0%
Adjusted operating cash flow conversion[1]	98.2%	121.7%	93.3%	101.0%
Key operating metrics				
Poultry products volume (kt)	432.7	425.2	444.2	478.3
Stockfeed volume (kt)[1]	545.6	580.4	561.9	577.6

- Strong volume growth underpinned by contracted business
- Gross profit expansion driven by economies of scale and Project Accelerate offsetting inflation, EBA's and customer support
- Strong EBITDA growth including investment in IT and capability

1. Calculated as Pro Forma Adjusted Operating Cash Flow divided by Pro Forma EBITDA.
2. Reflects external sales of stockfeed only. Excludes stockfeed used by Ingham's and its contract growers for the production of poultry.

1H FY2017 Pro forma Profit & Loss

$ millions	Pro forma 1H FY2017	Pro forma 1H FY2016	Variance	%
Poultry volumes (kt)	248.2	219.8	28.4	12.9%
Feed volumes (kt)	297.1	288.2	8.9	3.1%
Total Revenue	**1,227.2**	**1,177.0**	**50.2**	**4.3%**
Gross Profit	229.0	210.1	18.9	9.0%
EBITDA	**95.2**	**87.3**	**7.9**	**9.1%**
Depreciation & amortisation	(18.3)	(16.5)	(1.8)	10.9%
EBIT	**76.9**	**70.8**	**6.1**	**8.6%**
Net financing costs	(7.9)	(9.5)	1.6	16.8%
Tax expense	(17.7)	(16.2)	(1.5)	(9.3%)
Net profit after tax	**51.3**	**45.1**	**6.2**	**13.8%**
Gross profit %	18.7%	17.8%	0.9%	
EBITDA %	7.8%	7.4%	0.4%	
Pro forma earnings per share (cents) [1]	15.83	14.63	1.20	8.2%

A reconciliation to Statutory EBITDA of $61.5m and Statutory NPAT of $9.0m is set out in the Appendix

Volume & Revenue Growth

> Strong growth in Australian poultry volume

> NZ volumes flat in response to oversupply

> Revenue growth primarily reflects volume growth and deflationary effect of reduced feed prices

> Growth in Australian third party feed volumes

EBITDA +9.1%

> Strong volume increase provides an operational challenge

> Australian operations stretched due to volume increase and corresponding need to rebalance production and mix

> Project Accelerate initiatives delivering as expected, with higher volume, increased automation and reduced network footprint

NPAT +13.8%

> Net financing costs lower due to lower interest rate on new facilities, and reducing net debt

1. Pro forma net profit after tax / weighted average shares outstanding.

1H FY2017 Pro forma Cash flow and Balance Sheet

$ millions	Pro forma 1H FY2017	Pro forma 1H FY2016	Variance
EBITDA	**95.2**	**87.3**	**7.9**
Non-cash items	(0.3)	(3.5)	3.2
Changes in working capital	(15.9)	(12.4)	(3.5)
Changes in provisions	0.2	0.1	0.1
Cash flow from operations	**79.2**	**71.5**	**7.7**
Cash conversion ratio	**83.2%**	**81.9%**	**1.3%**
Capital expenditure - Inghams	(60.4)	(31.3)	(29.1)
3rd party capital (for recovery) [1]	(7.9)	-	(7.9)
Insurance & third party capital [2]	(7.8)	-	(7.8)
Proceeds from sale of assets	1.1	6.5	(5.4)
Net cash flow before financing & tax	**4.2**	**46.7**	**(42.5)**

$ millions	December 2016	June 2016	Variance
Total Assets	996.1	925.7	70.4
Pro forma Net Debt	403.4	366.9	36.5
Net Debt/LTM EBITDA	**2.3**		

Cashflow

- Improved operating cashflow over 1H FY2016
- Working capital increase due to trade debtors, driven by increased trading with major customers, normal seasonal build, and timing of half year close
- Reduced inventories reflecting strong sales

Working capital	Dec-16	Jun-16	Variance	Jun-15
Receivables	259.9	221.3	38.6	226.7
Biological assets	112.1	115.3	(3.2)	110.9
Inventories	144.5	159.6	(15.1)	138.3
Payables	(241.3)	(236.9)	(4.4)	(224.9)
Total	**275.2**	**259.3**	**15.9**	**251.0**

Capital program

- Capital investment program at peak in 1H FY17
- Third party capital costs yet to be recovered

1. 3rd party funding agreements still to be finalized
2. Third party capital agreements in place, funds to be received

1H FY2017 Reconciliation of Statutory results to pro forma

$ millions		1H FY2017	1H FY2016
Statutory EBITDA		**61.5**	**63.0**
IPO transaction costs	1	28.0	-
Advisory fees	2	1.2	1.6
Write off previous LTI scheme	3	2.2	1.7
Transformation & relocation costs	4	3.3	22.1
Full period public company costs	5	(1.0)	(1.1)
Pro forma EBITDA		**95.2**	**87.3**
Statutory NPAT		**9.0**	**19.6**
IPO transaction costs	1	19.6	-
Advisory fees	2	0.8	1.1
Write off previous LTI scheme	3	2.2	1.7
Transformation & relocation costs	4	2.3	15.5
Full year public company costs	5	(0.8)	(0.8)
Cost of exit from finance facilities	6	12.6	-
Capital structure adjustment	7	4.5	8.0
Tax adjustments	8	1.1	-
Pro forma NPAT		**51.3**	**45.1**

1. Removal of costs of listing on ASX in November 2016
2. Relates to fees for services charged by TPG entities that will not be incurred post listing
3. Relates to the remaining share based payments expense to be recognized in FY17 relating to the previous LTI scheme
4. Consulting and other costs in relation to the transformation program and the costs relating to the relocation of head office incurred in FY16
5. Adjustment to include a full period of public company related costs and replacement LTI scheme
6. Payment for the early termination of interest rate swap contracts and write off of deferred borrowing costs resulting from refinancing as part of the listing
7. Adjustment to reflect the interest and financing costs for the capital structure in place as a result of the listing
8. Adjustments to normalise certain tax related charges half on half