



DUXTON  
BROADACRE FARMS

# DUXTON BROADACRE FARMS

FY2021 PRESENTATION



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## Agenda

Duxton Broadacre Farms Overview

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Full Year Financial Results

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Operational Strategy

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Company Outlook

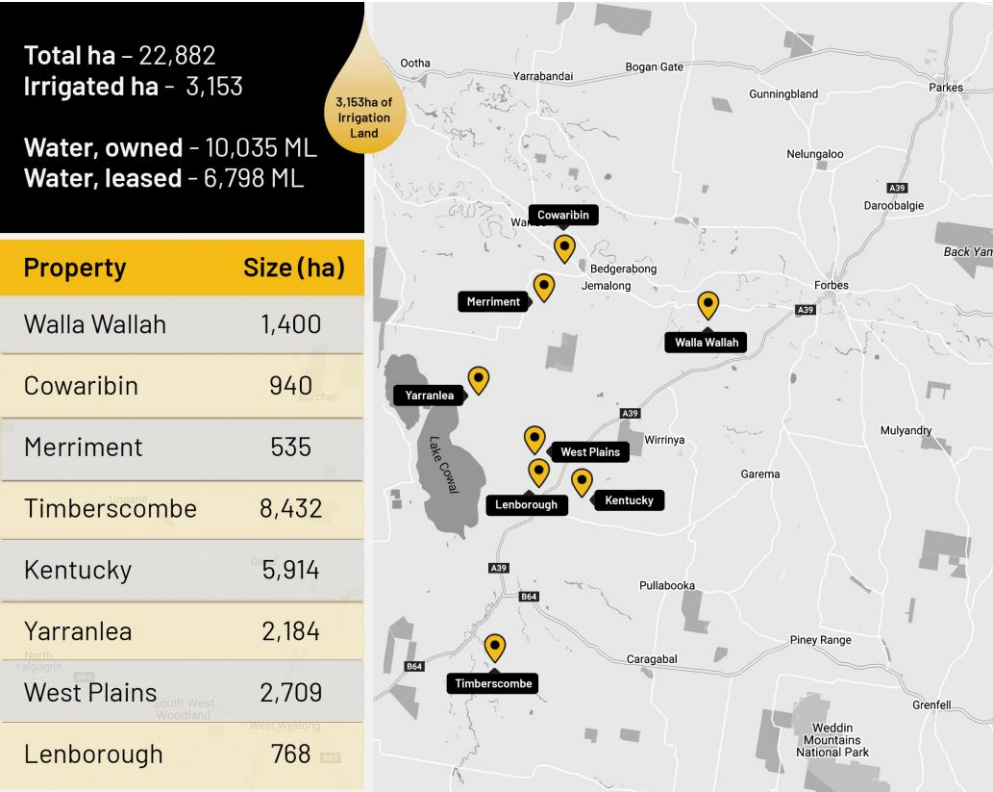
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Questions

# Duxton Broadacre Farms Portfolio

DBF operates a large portfolio of high-quality, efficient Australian agricultural assets.

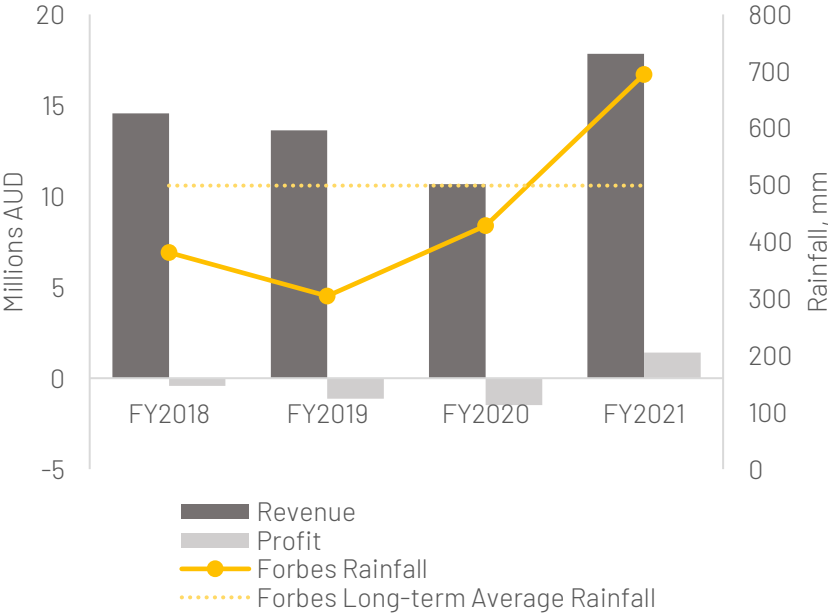
- Duxton Broadacre Farms listed in February 2018 as **Australia’s first and only broadacre farming Company.**
- The DBF portfolio comprises of eight properties that total **22,882 hectares** in size, making us one of the largest farmers in the region.
- The aggregation is located within the Central West region of New South Wales, allowing for **significant economies of scale.**
- The Company **employs a number of farming systems**, including annual pasture, dryland cropping and irrigated cropping.
- DBF produces a **diverse mix of commodities**, including wheat, barley, canola, chickpeas, cotton, sheep and cattle.



# Full Year Results

- The 2020/21 season saw New South Wales **exit the worst drought in its recorded history**, allowing the aggregation to explore its full potential for the first time since listing.
- The 2020/21 season provided DBF with a bumper harvest, which saw **winter crop production up over 300%** from the previous season.
- Full year **revenue increased to \$17.8m**, resulting in top-line growth of 67% from the previous year, with the Company recording a **net profit of \$1.4m**.
- DBF paid out its **maiden dividend of 6.2 cents per share** in July, with the payment of a further dividend in December under consideration, depending on the 2021/22 harvest.
- Climatic conditions permitting, the Company expects to continue improving on operational performance in future years.

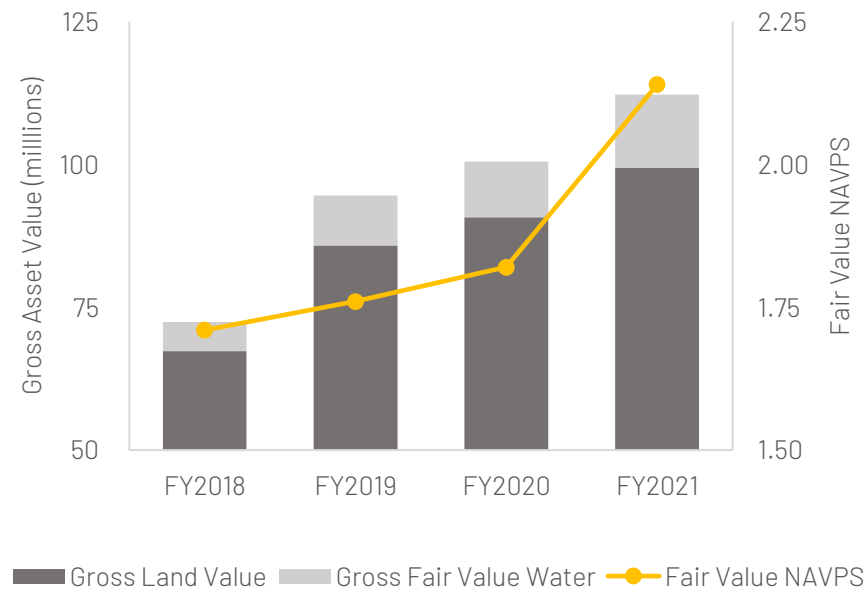
Operational Results and Forbes Annual Rainfall



# Net Asset Value Performance

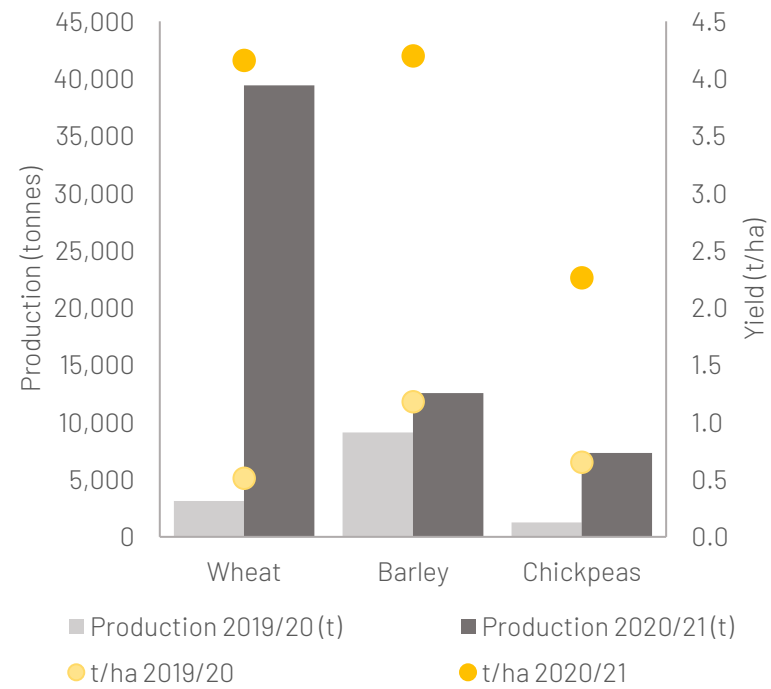
- FY2021 represents the **fourth consecutive year in the growth of the Company's assets**.
- DBF has benefitted from rapid appreciation in the price of land and water assets, which it views as a **validation of its core investment thesis** around mispriced land assets.
- As at 30 June 2021, the Company's **total assets had increased to \$125.9m**, while gearing remained conservative at 26.35%.
- The Company's ability to generate long-term sustainable returns is anchored in its **robust balance sheet**, 77% of which is comprised of blue-chip land and water assets.
- When combined with the annual net profit, **the Company created \$21.2m in aggregate value in FY2021**, bringing the cumulative aggregate value created since listing to \$35.6m.

Growth of Gross Asset Value and Fair Value NAVPS



## Operational Strategy

- The operational strategy in the 2020/21 season was focused on **optimising the cropping mix** in order to capitalise on excellent climatic conditions.
- DBF **increased area planted to wheat by 81%** while planting 60% less barley when compared to the previous season; prices at Port Kembla for wheat rose to around \$300/t by the end of harvest, while barley prices were around \$240/t.
- The Company's livestock programme is supported by **large stockpiles of straw, hay and silage stored on farm**, and by ample high-biomass grazing after recent rainfall.
- **DBF has benefitted from strong livestock prices**, which have seen cattle prices double since June 2019 in the context of high domestic and international demand.
- Livestock remains one of the **most dynamic and flexible aspects of the business**, and Management remains highly responsive to market conditions.







## Company Outlook

- With nearly 23,000 hectares under management, an expanded livestock and cropping programme, full soil moisture, high commodity prices, and a strengthened balance sheet following the Boorala sale, the **near-term outlook for the Company is very positive.**
- The Company has an **active mandate to explore opportunities for expansion**, which will be driven by the pursuit of scale, geographic diversification, and increasing the scope of the Company's commodity mix.
- The DBF Board has **renewed its focus on sustainability**, formalising oversight on environmental, social and governance considerations through the establishment of the ESG Subcommittee, which includes Directors, Operations Staff, DCA Environmental Officers and members of the DCA Investment and Finance Teams.
- The ESG Subcommittee will aim to improve the Company's ESG activity, performance, and reporting in order to ensure that DBF is in the **best possible position to generate sustainable long-term value** for its stakeholders.
- The Company is actively exploring opportunities in **soil carbon sequestration**, emissions reduction and sustainable farm systems management.

DBF Overview

Financial Results

Operational Strategy

Outlook

Q&As





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**Questions**