



Australian Agricultural Company Limited
ABN 15 010 892 270

Bell Potter Home Grown Agriculture Conference 2022

8 June 2022

Manager
ASX Market Announcements
Australian Securities Exchange

Attached for release to the market is a presentation prepared for AACo Managing Director/Chief Executive Officer, Hugh Killen, for the Bell Potter Home Grown Agriculture Conference 2022 commencing today.

This announcement is authorised for release by the Managing Director/Chief Executive Officer.

Issued by:
Bruce Bennett
Company Secretary and General Counsel



Bell Potter Home Grown Agriculture Conference
8 June 2022

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Summary information only

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Operating Profit and Statutory EBITDA are unaudited, non-IFRS financial information. These terms are further defined in the definition section of the presentation located in the appendix.

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Market and Industry Data

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Presenting Today Hugh Killen - Managing Director & CEO

Hugh has been the Managing Director & CEO of AACo since 2018. He has led the turnaround of the company's performance, with his relentless focus on strategy, while building a high-performing team. This resulted in AACo posting its strongest financial results ever in FY22. Hugh has also steered AACo through some of the worst droughts and floods Australian agriculture has ever seen, along with global impacts of COVID-19.

Creating a sustainable future is one of Hugh's key drivers, and ultimately underpins the success of AACo. In this space, Hugh brings together deep expertise in sustainable finance and its application to large scale agribusiness.

Prior to joining AACo, Hugh spent 25 years as a senior executive working with Westpac and State Street in global financial markets across Australia, the UK and North America where he attended Harvard Business School.

Hugh has a lifelong association with agriculture, born and raised on pastoral properties in northern NSW and south-west Queensland. He continues to have strong personal involvement through his own private farm in southern NSW. Outside of AACo, Hugh sits on a number of advisory boards including the MLA Marketing and Market Access Taskforce Committee and the Bega Valley Circular Economy Initiative, and is regularly invited to present on sustainability, natural capital and sustainable finance.



A person wearing a hat and light-colored clothing is riding a dark horse, herding a large group of dark-colored cattle. The scene is set in a grassy field with scattered trees, and a body of water is visible in the foreground. The lighting is warm, suggesting sunset or sunrise. The text "We're evolving *together* to benefit future generations" is overlaid on the image.

We're evolving *together* to benefit
future generations

Overview of *AACo*

Strong Natural Capital development potential.

Significant natural resources underpinning value

– long term capital growth in pastoral property of 11%¹ since 2014.

Robust global consumer demand for healthy and premium protein

– favourable to AACo's premium product.

Desired portfolio of Brands

– Branded Beef Strategy gaining traction and driving results.

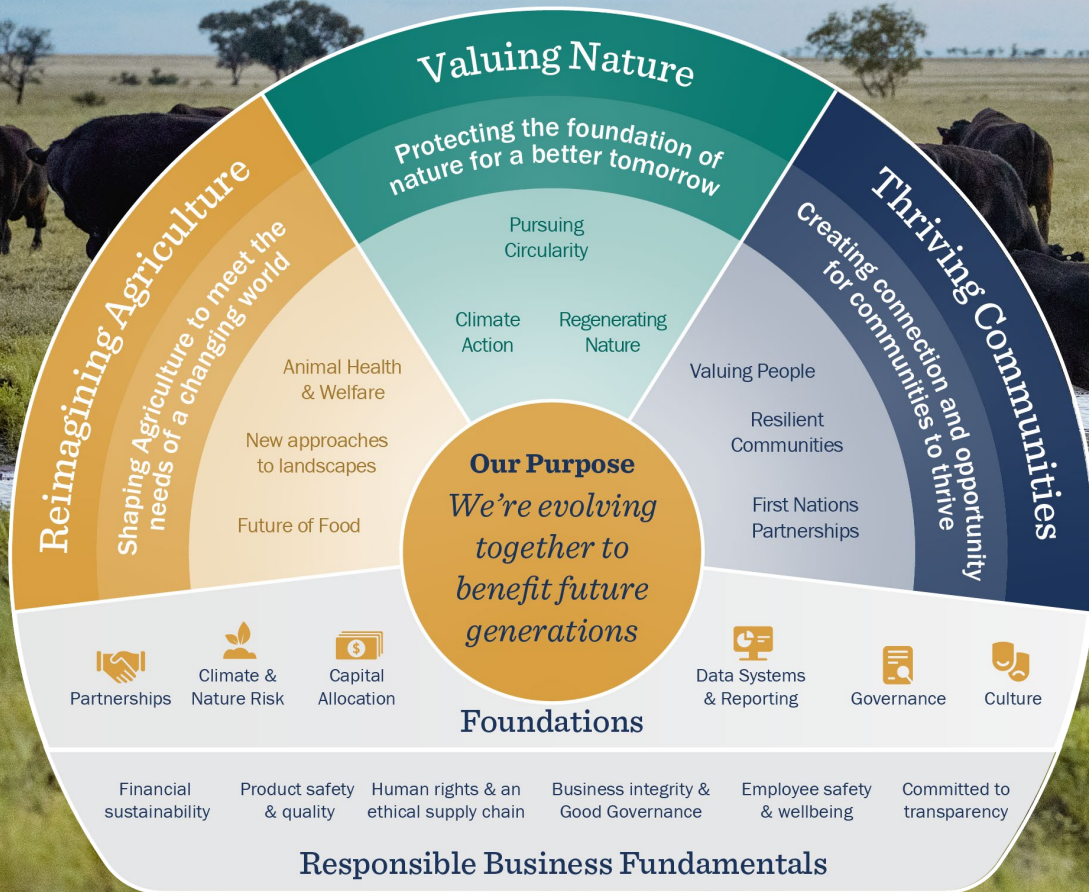
Global distribution arrangements and customer relationships.

Proven operating resilience through challenging periods.

Globally experienced leadership and deep operational expertise forged over nearly 200 years.

Note 1: Represents CAGR of pastoral land value since 2014.

Sustainability Strategy *Framework & Commitments*



Our 5 Commitments

1. Landscape Carbon

With our partners, we will develop an industry leading method for measuring, managing and forecasting soil carbon sequestration by satellite that will bring down the cost barrier for participation in soil carbon markets.

2. Natural Capital

We are working alongside Accounting for Nature to develop a certifiable scientific framework to measure and report on the condition of natural capital, including biodiversity, across AACo's land assets.

3. Methane Emissions

We are working with a number of partners to fast track the development of Asparagopsis as a feed additive for commercial application to reduce methane emissions from long-fed cattle in feedlots.

4. Five Domains AHW Certification

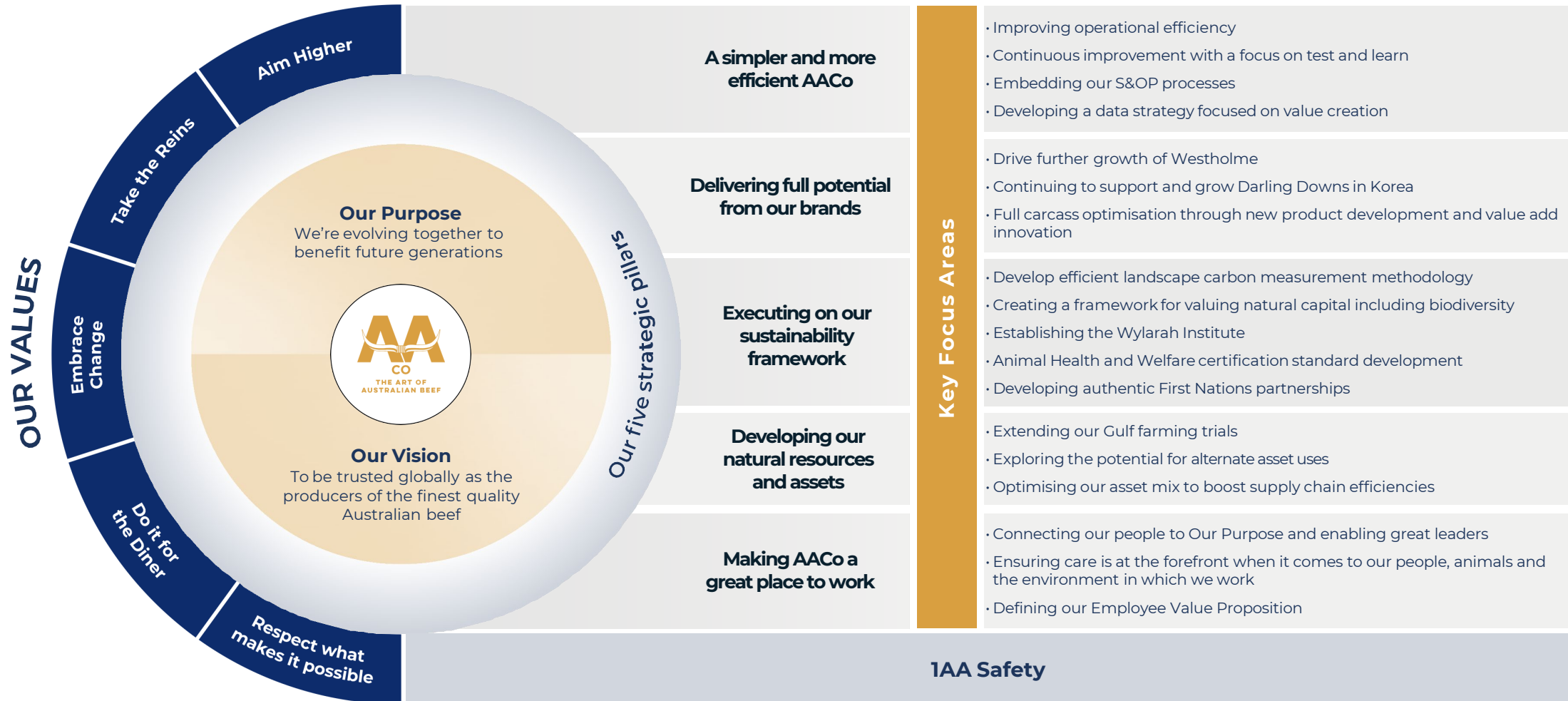
We will work with key industry partners to develop an internationally recognised AHW certification standard for extensive beef production.

5. The Wylarah Institute

We will establish 'The Wylarah Institute' with the objective of driving the rapid adoption and commercialisation of innovative science and practices in the agricultural industry.

Our Strategy – Positioning for growth

Strong growth potential leveraging the foundations put in place over the past four years



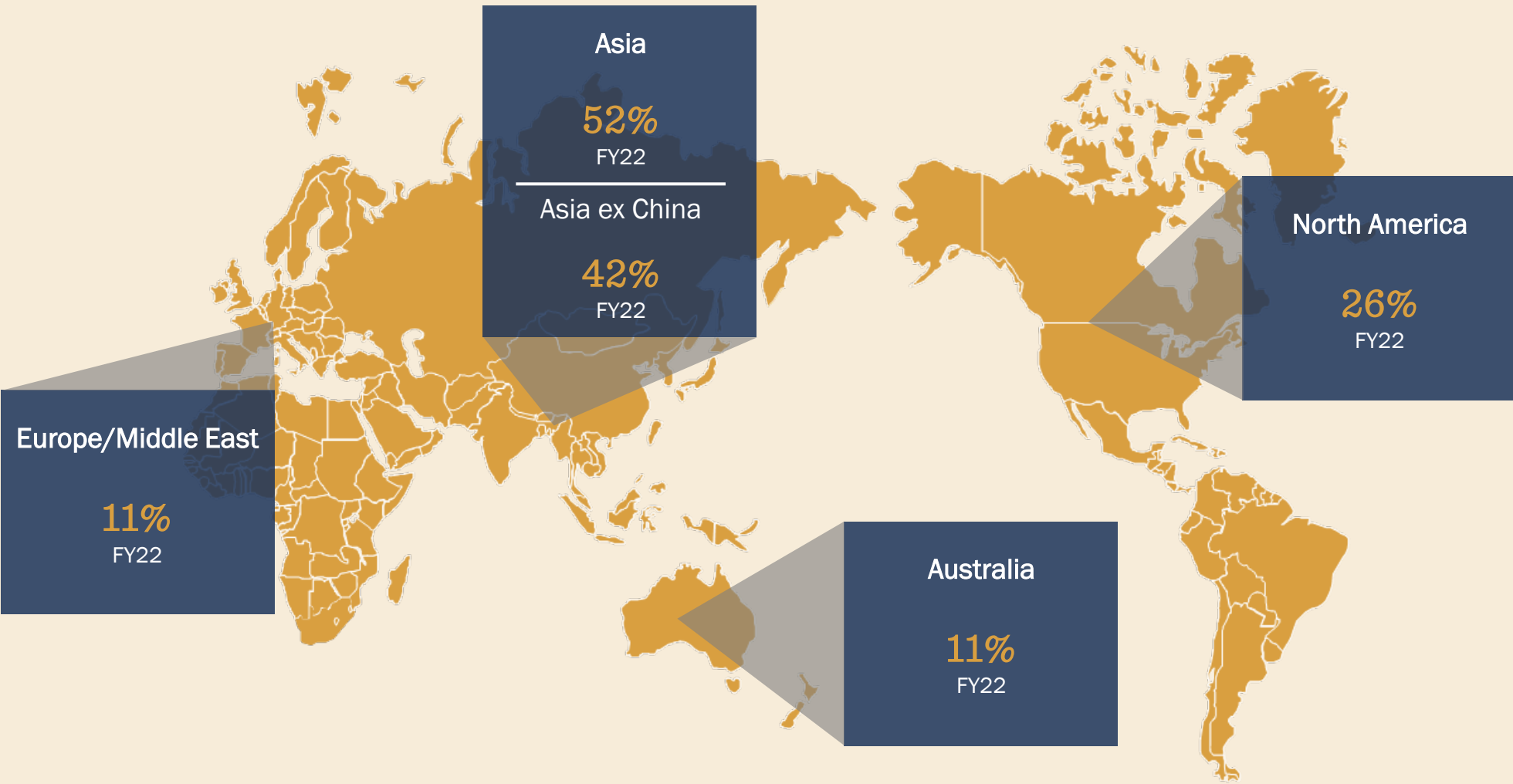
Leading Portfolio of *brands*



WESTHOLME
– QUEENSLAND –
AUSTRALIA



Distribution *footprint*



Note: Percentages represent total meat sales distribution

Our *Crew*



Financial Performance



FY22 Financial Highlights

Growth

Meat
Sales

\$208.5M

+ 4% vs pcp

Profit

Operating
Profit

\$49.9M

+ 105% vs pcp

Cash Flow / Net Assets

Operating
Cash Flow

\$24.2M

+ 32% vs pcp

Wagyu Meat
Sales Price

\$18.74/kg

+ 21% vs pcp

Operating
Profit Margin

18.1%

+ 9 ppt vs pcp

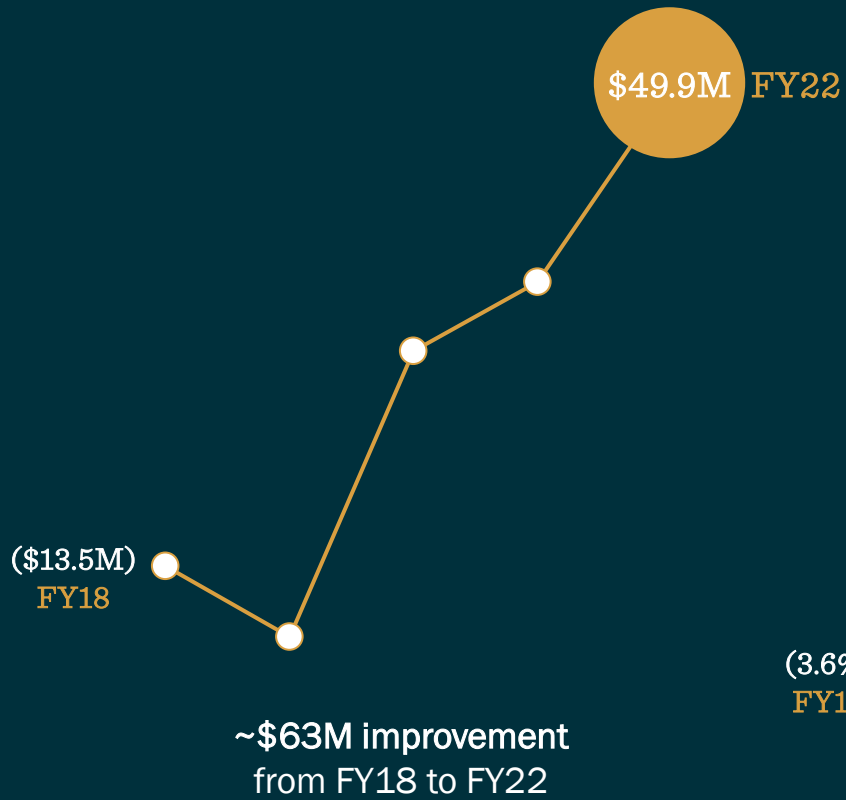
Net Tangible
Assets

\$2.27/Share

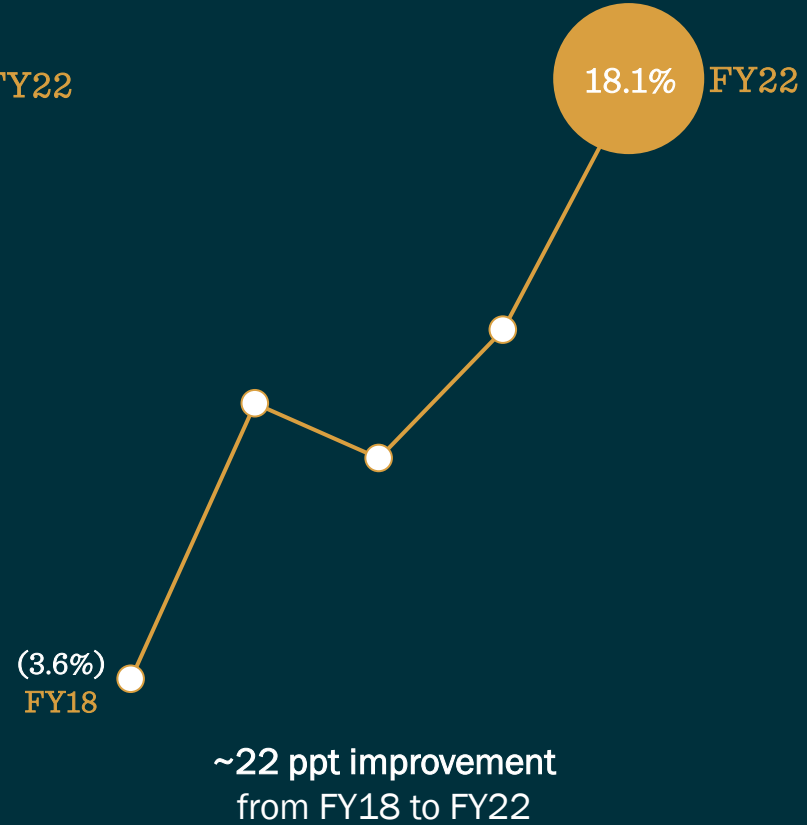
+ 30% vs pcp

Positive Financial *Performance*

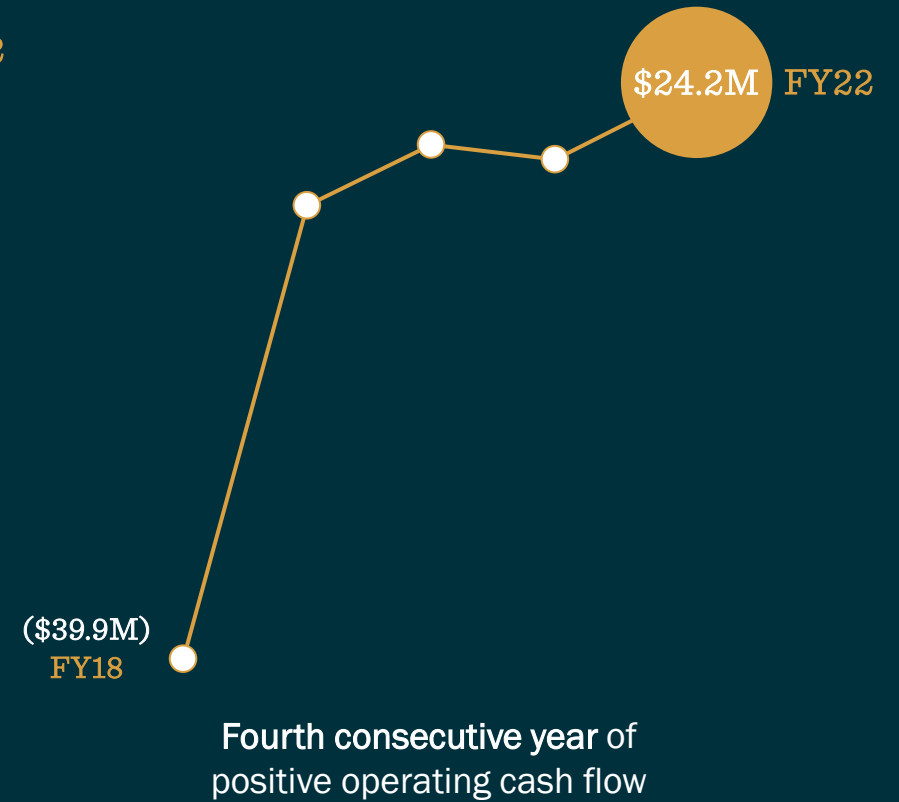
Operating Profit



Operating Profit Margin



Operating Cash Flow



Value underpinned by *asset base*

Strong Balance Sheet with total assets of \$2B as at FY22

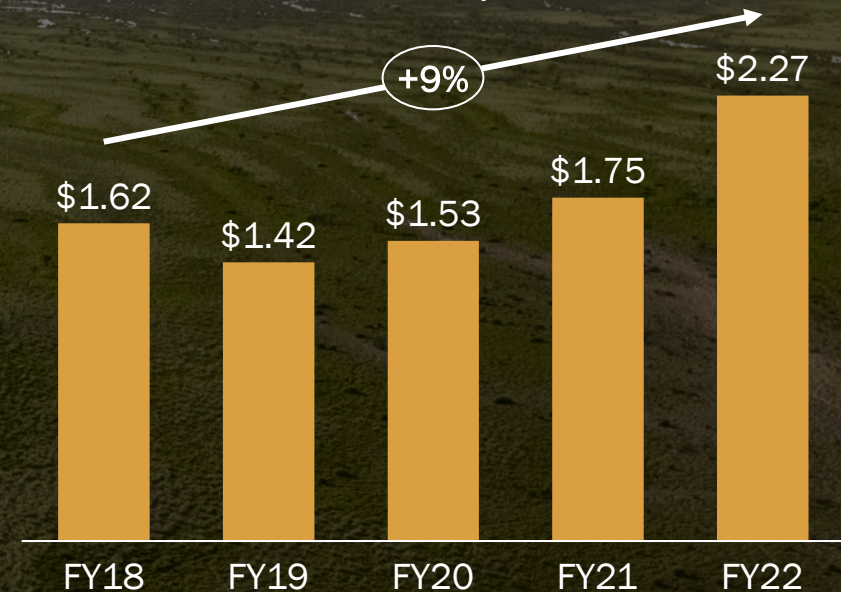
- Pastoral Property – \$1.17B.
- Livestock – \$736.2M.

Well capitalised with substantial remaining Access to Capital

- \$600M in total syndicated borrowing capacity.
- \$231M in available undrawn capacity as at FY22.

Significant headroom under financial covenants

Annualised Growth in NTA/Share since FY18





Sources of future *Value Growth*

Strong Natural Capital development potential.

Strong asset base underpinning value.

Robust global consumer demand for healthy and premium protein.

Continued roll out of Branded Beef and Premiumisation Strategy.

Leveraging global distribution arrangements and customer relationships.

Driving positive change through our business, industry and communities to deliver a better, more sustainable future.

Deeply experienced leadership and operational team.



Questions



Appendix

Definitions

Term	Definition
<i>Cost of Goods Sold (COGS) valued "at cost"</i>	Represents the actual production cost the Company incurred over the multi-year timeline required to produce the meat and cattle that was sold during the period. This is in contrast to Cost of Goods Sold as presented in the statutory financial statements which instead uses the fair value (less costs to sell) of the cattle sold live or used in the production of sold meat. As Fair Value is a market-based measurement and is not entity-specific, Management believe that profit measures using actual costs incurred to calculate COGS, more accurately reflect entity performance than profit measures which use Fair Value to determine COGS.
<i>Cost of Production</i>	Total production costs incurred during the period throughout the breeding, backgrounding and feedlot operations of the Company, divided by the number of total live weight kilograms of cattle produced during the period.
<i>Operating Profit</i>	The measure of Operating Profit is a key indicator which is used to monitor and manage the Company and represents an adjusted statutory EBITDA. Operating profit is a key measure of profitability for AACo which removes unrealised livestock mark-to-market fluctuations from the statutory profit result, and measures cost of goods sold using production costs rather than fair value.
<i>Operating Profit Margin</i>	Operating profit margin is determined as operating profit as a percentage of total sales revenue.
<i>Fair Value</i>	Fair value, as defined by AASB 13 Fair Value Measurement, is an accounting measurement which represents the amount that would be received to sell an asset in an orderly transaction.
<i>Fair value changes in Livestock</i>	Fair value changes in Livestock (less costs to sell) occur through changes in market pricing and quantity or composition changes in the herd due to growth, attrition, natural increase, beef transfers, purchases or sales. All changes to the livestock balance are recorded as fair-value gains or losses in the statutory statement of profit or loss in accordance with AASB 141 Biological Assets and AASB 13 Fair Value Measurement, and can represent both realised (in the case of quantity movements) and unrealised gains/losses (in the case of market price movements).
<i>Unrealised mark-to-market of herd</i>	Represents only the market price component of fair value changes of livestock. This value is calculated by referencing the change in market pricing from the close of the previous period, to the close of the reported period. This price difference is then applied against the quantities represented in the closing herd. This solely represents the impacts of changes in market prices on the value of the closing herd and is therefore an unrealised gain or loss. Fair value changes driven by changes in the herd size and composition, are not included in this number.
<i>Cost vs Fair Value: Kgs sold or produced</i>	Represents the difference between meat and cattle COGS, as well as attrition measured at Fair Value vs actual cost to produce.
<i>Statutory EBITDA</i>	Statutory EBITDA is unaudited, non-IFRS financial information and represents earnings before interest, tax, depreciation and amortisation, and gain/loss on equity investments.
<i>ROCE</i>	Return on Capital Employed determined as current period operating profit as a percentage of opening capital employed.
<i>LTIFR</i>	Lost Time Injury Frequency Rate determined as the number of lost time injuries in a defined period, times by the total number of hours worked in the same period, per 1 million hours worked.
<i>Kg LW</i>	Kilograms Live Weight
<i>Kg CW</i>	Kilograms Carton Weight
<i>PCP</i>	Prior Comparative Period
<i>NTA</i>	Net Tangible Assets



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THE ART OF
AUSTRALIAN BEEF