Inghams Group Limited

2022 ANNUAL RESULTS PRESENTATION

19 AUGUST 2022

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EXECUTIVE SUMMARY

- **FY22 impacted by COVID-19 and global events**
  - COVID-19 related impacts on chicken supply/demand dynamics, COVID-related absenteeism, supplier shortages and other supply chain disruption, input cost inflation due to geopolitical events and weather event impacts
- **Operations commenced their recovery during Q4**
  - Employee attendance levels have improved, farming and plants progressively returning to normal operating patterns, channel volumes in the process of normalising and average sale price has continued to recover
- **Price increases have been achieved across all customers and channels**
  - NZ price increases contributing to FY22 while AU price increases will contribute more fully in FY23
  - In active ongoing discussions with customers for further price increases
- **Operational improvement and efficiency program providing ongoing benefits**
  - Continuous improvement initiatives continue to deliver strong results which will be reflected in future period financial results
- **Ingham’s has a strong long-term outlook**
  - Positive long term trends in poultry volume growth, leading protein affordability, market leading scale delivered through a geographically diverse network

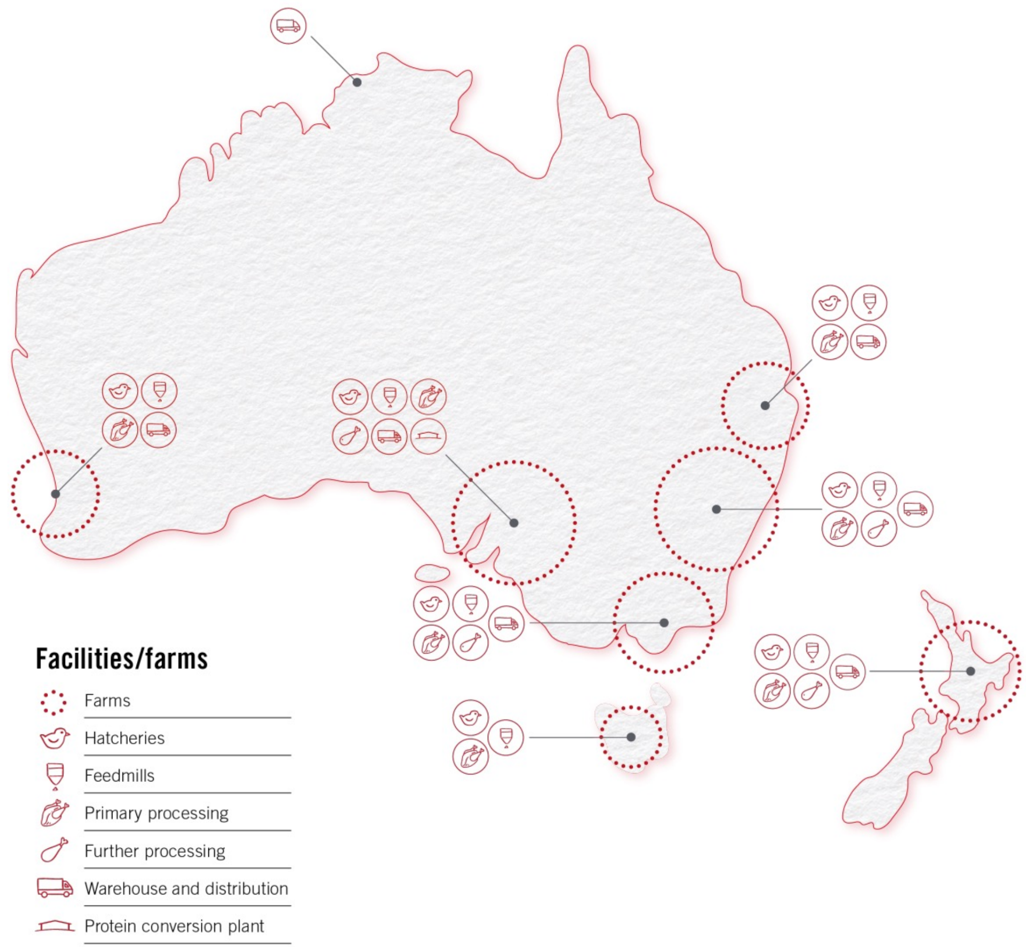
OVERVIEW
&
FY22 UPDATE

ANDREW REEVES

CEO & MANAGING DIRECTOR

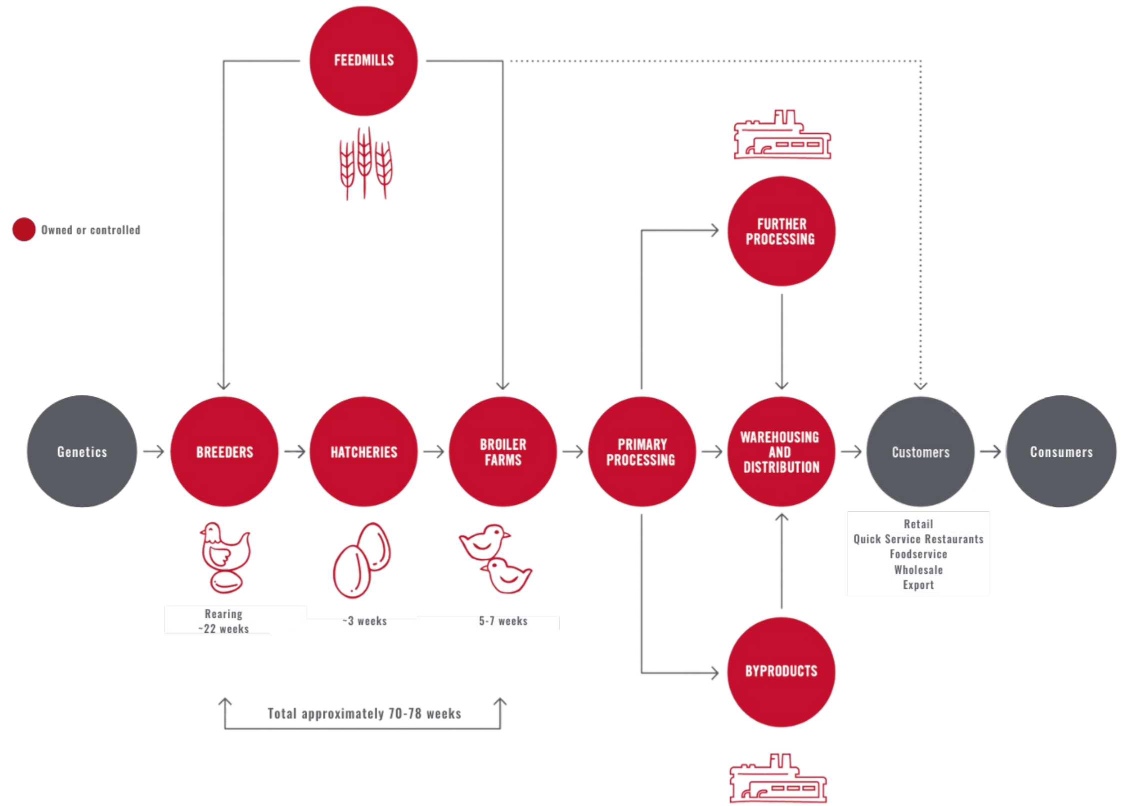
HIGHLY DIVERSIFIED AUSTRALIA & NEW ZEALAND NETWORK

- Largest poultry company across Australia and New Zealand, with significant market share in both countries
- Geographically diverse network
- Biosecurity import barrier
- Ensures we can deliver continuity of supply to meet our customers' needs
- Ability to fully service national and local customer requirements
- Provides flexibility and greater resilience
- Enhances management of agricultural and biosecurity risks
- Strong platform to support future growth



VERTICALLY INTEGRATED OPERATING MODEL

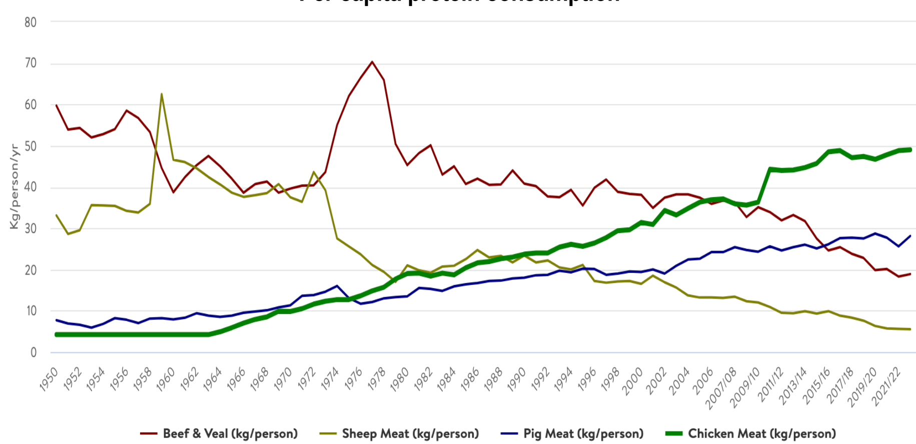
- Enables us to create value and realise efficiencies across a highly complex and large-scale supply chain
- Balance and operational excellence are key to margin capture
- Cost, capability and complexity create barriers to entry
- Diversified customers including tier 1 retail and QSR
- While operational disruptions through CY22 impacted multiple aspects of the business, operations are recovering



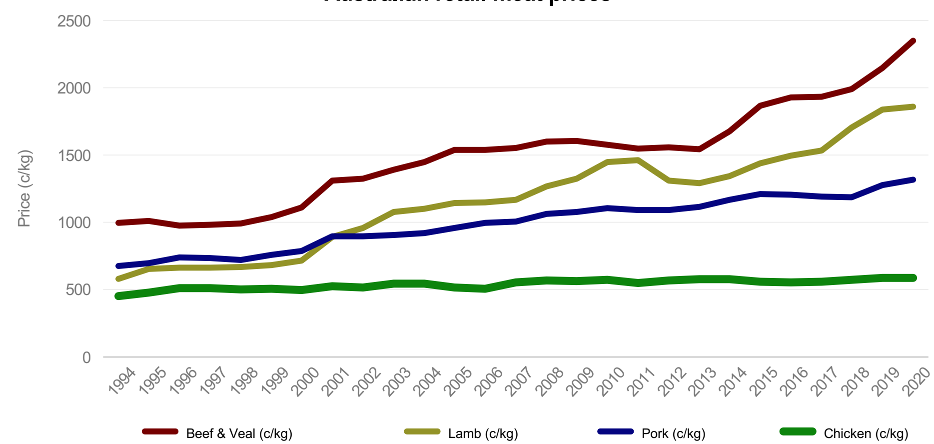
POULTRY IS AN ATTRACTIVE & GROWING SECTOR

- **Affordable** – significant price advantage over other meat proteins
- **Healthy** – a lean and versatile protein that continually finds favour with consumers that is aligned to the macro-trend towards healthier options across all channels
- **Sustainable** – chicken has one of the lowest carbon footprints when compared to other land-based animal proteins, and is 5-times[1] lower than red meat
- Consistent and reliable YoY total consumption growth versus other protein products

Per capita protein consumption[2]



Australian retail meat prices[2]



1. UN Food and Agriculture Organisation   2. **Source**: Australian Chicken Meat Federation; Company data

GROUP FY22 FINANCIAL SUMMARY

CONDITIONS STARTING TO IMPROVE FOLLOWING A CHALLENGING YEAR

- FY22 characterised by COVID-related impacts, effects of geopolitical events on feed/fuel costs and global supply chain
- Operational efficiency programs helping offset some inflation impacts, however impact of COVID-19 Omicron wave disrupted the delivery and realisation of efficiency initiatives in 2H
- Industry-wide volume shift to Wholesale channel due to temporary product rationalisation led to oversupply situation and significant price fall. Strong Wholesale price recovery during 4Q
- Good progress in securing price increases during FY22, with further increases expected in FY23
- **Core Poultry Volume**: +4.2% on FY21, with solid Australian volume growth offset by small decline in NZ result
- **Statutory EBITDA and statutory NPAT**
  - EBITDA -$73.5M lower due principally to the impacts of 2H operating and trading conditions, COVID-19 and higher commodity prices, with NPAT -$48.2M lower on FY21
- **Net Debt**: Modest increase to $267.3M, supported by cash conversion of 101.9% through working capital management and prudent management of capital expenditures
- **Dividend:** Final dividend of 0.5 cps declared, maintaining dividend payout ratio within policy
- **Leverage**: 2.0x, an increase on FY21 as a result of lower full year EBITDA result

	FY22	FY21	Variance	%
Group Core Poultry Volume (kt)	465.5	446.9	18.6	4.2
Statutory EBITDA ($M)	370.4	443.9	(73.5)	(16.6)
Statutory NPAT ($M)	35.1	83.3	(48.2)	(57.9)
Underlying EBITDA ($M)	380.8	448.7	(67.9)	(15.1)
Underlying NPAT ($M)	42.4	86.7	(44.3)	(51.1)
Underlying EBITDA pre AASB 16 ($M)	135.2	209.6	(74.4)	(35.5)
Underlying NPAT pre AASB 16 ($M)	57.1	101.2	(44.1)	(43.6)
Dividend (fully franked) (cps)	7.0	16.5	(9.5)	(57.6)

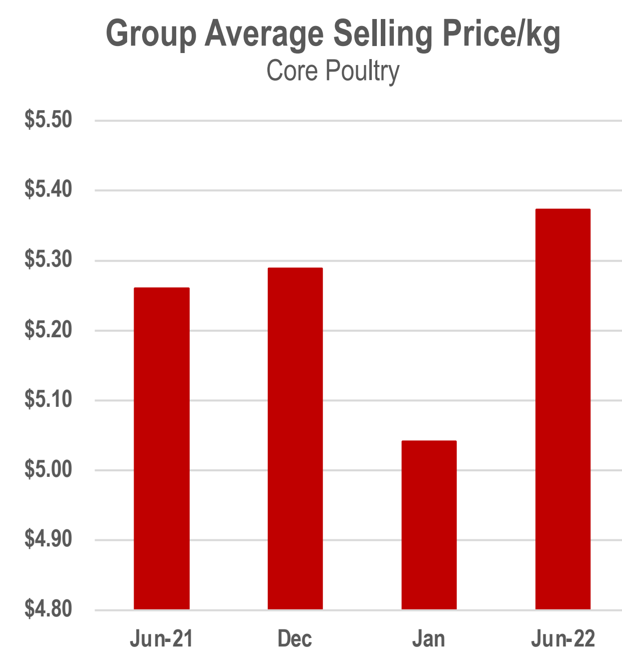
	FY22	FY21	Variance	%
Leverage (underlying pre AASB 16)	2.0x	1.2x	0.8	63.3
Net Debt ($M)	267.3	240.2	27.1	11.3

1. Refer to Definitions for certain Non-IFRS information referred to in this presentation

OPERATIONAL UPDATE

RECOVERY UNDERWAY DURING 4Q

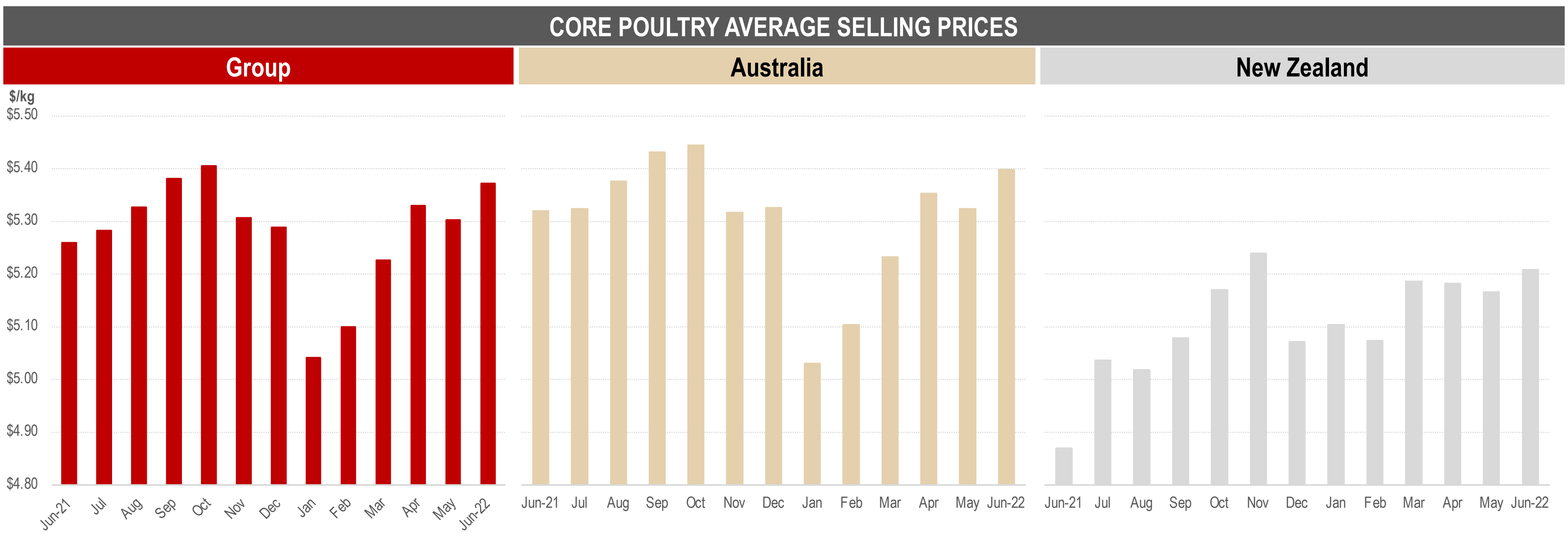
- FY22 results were significantly impacted in 2H by the effects of the COVID-19 pandemic, floods, and global events driving increases in feed/fuel costs, and supply chain disruptions
- Price increases are being achieved across all customers and channels, with ongoing reviews
- Operations recovery underway during 4Q
  - Results confirm continued recovery albeit with an elevated level of variability
  - Operations progressively returning to normal operating levels, shifts, and product range
  - AU agricultural operations are rebalancing with bird numbers and live weights returning to normal
  - NZ further processing operations constrained by ongoing plant commissioning and CO_2 shortages
- Employee attendance levels have significantly improved from 3Q however availability constraints continue to affect operations with higher position vacancies
- Costs remain elevated across the business
  - Mainly driven by feed, supply chain and transport costs
  - Cost increases partially offset by efficiencies including yield, labour standardisation savings, volume recoveries and continuous improvement across Australia and New Zealand
  - COVID-related costs have eased significantly from their peak in 3Q
- Recovery remains underway across all channels from 3Q lows
  - Average selling price (ASP) up 6.6% from January 2022 level
  - Retail performance is recovering but has been somewhat softer than expected due to lower foot traffic and supply disruptions
  - QSR performance supported by customer promotions
  - Wholesale prices have recovered strongly due to market rebalancing



FY22 CORE POULTRY AVERAGE SELLING PRICES

GROUP AVERAGE SELLING PRICES HAVE RECOVERED STRONGLY FROM LOWS IN 3Q

- Average Selling Price (ASP) decline in early 3Q driven by Omicron-related channel and product mix changes, with significant industry-wide increase in supply to Wholesale channel due to the temporary rationalisation of usual Retail SKUs resulting in large price decline
- Variations in ASP will arise reflecting customer pricing changes and changes in channel and product mix
- Group ASP has recovered strongly from 3Q lows, increasing 6.6% between January – June 2022
- Significant price increases are being achieved across all customers and channels - NZ price increases contributing to FY22 results, while benefit of further AU/NZ price increases will be seen in FY23



SUPPLY CHAIN AND INPUT COST CHALLENGES

A DETAILED REVIEW OF FY22

	1H 2022	3Q	4Q
Key feed inputs	• Wheat and soymeal prices increasing due to supply shortages arising from poor northern hemisphere growing conditions	• War in Ukraine effectively removes ~30% of global wheat supply • Large increase in energy prices and transport costs with significant increase in oil/gas prices	• Prices increase due to tight global supply, uncertainty with production in Ukraine/Black Sea region trade flows • Significant increase in farming input prices
Supplier shortages & supply chain	• Freight cost and availability due to prolonged East Coast (AU) lockdowns and global supply chain issues impacting supply of items such as pallets	• Global supply chain delays in key packaging and ingredients; supply chain remained tight due to truck and driver shortages • Fuel levy increases reflecting global price growth • CO_2 supply constraints in both AU and NZ	• Operational disruptions due to variability in availability of packaging and ingredients • Fuel levy increases reflecting global price growth • CO_2 supply constraints in both AU and NZ
Absenteeism	• Extensive lockdowns on the East Coast; moved to shift separation and COVID-19 restrictions as we navigated through these periods	• Extensive staff shortages across all major locations of >50% during some periods • Highly impacted production capability, with large reduction in SKUs produced	• Employee attendance levels significantly improved, though COVID/flu effects remain • Tight labour market conditions continue to affect operations with elevated position vacancies
Chicken supply	• Lockdowns in New South Wales, Victoria and Auckland impacted customer demand and channel mix • Volume and product mix adjustments	• Labour shortages drive volume and product mix adjustments with large reduction in SKUs produced • Increased supply to Wholesale, resulting in oversupply and price falls	• Processing operations substantially recovered • Wholesale market volume rebalanced, resulting in significant price recovery • Farming operations rebalancing impacts bird numbers in the field and weights
Weather events	• Flood impacted the rail line between SA and WA causing significant delays of chicken supply from SA to WA applying pressure to an already constrained freight network	• Eastern seaboard flooding in March/April impacted ability to access grower sites • Tahmoor and Murarrie sites experienced flood related disruption which impacted supply	• Affected sites resumed normal operations in 4Q

OBSERVATIONS ACROSS OUR CHANNELS

CORE POULTRY VOLUMES INCREASED 4.2% AND AVERAGE SELLING PRICE DECLINED 2.3%

- Channel shift was required in dealing with the COVID-19 disruptions

Channel	YoY change in volume by channel (Kt)	Comments
RETAIL	-6.5	• Tray pack continues to grow but Retail volume declined due to processing and supply constraints in 2H and declining demand for roast chicken resulted from reduced foot traffic and growth in online sales • Strict NZ lockdowns resulted in larger, less frequent shops, impacting deli sales • Strong 1H demand was offset by significant processing and supply constraints in Q3 resulting in channel mix shift to Wholesale
QSR	0.7	• Volume increased due to growth with existing customers and new business offsetting lower promotional uplifts in 1H • Revenue increased due to volume, improved promotional mix and price increases achieved • NZ sales declined as trading largely ceased in Aug/Sept 2021 due to lockdowns
FOOD SERVICE	0.9	• Volume growth driven by the increase in takeaway in 1H and growth in regional centres as a result of the increase in domestic travel • Revenue increased due to volume and price increases from 4Q offsetting higher discounting during COVID-19 restrictions
WHOLESALE	19.8	• Processing constraints and softening Retail demand resulted in channel mix shift to Wholesale with substantial increase in core poultry volume being cleared through the channel • Industry-wide increase in volumes directed to the channel through FY22 resulted in significant over-supply and a commensurate significant decline in price • NZ meal kit growth continues to support growth in this channel
EXPORT & OTHER	3.6	• Volume grew strongly cycling prior corresponding period's Export restriction due to the Avian Influenza outbreak and clearance of frozen inventory

FINANCIAL RESULTS

GARY MALLETT

CHIEF FINANCIAL OFFICER

PROFIT & LOSS

STRONG VOLUME GROWTH OFFSET BY REVENUE MIX AND INFLATIONARY PRESSURES

- **Volume**: Growth in core poultry volume of 4.2%
  - Australian volume growth of 5.2% driven mainly by growth in Wholesale with a small contribution from Export as markets re-opened
  - New Zealand volume declined 2.0%, reflecting impact of lockdowns on Retail and QSR demand, supply and processing constraints
- The reduction in **external feed volumes** reflects a transitioning of customer business in preparation for the closure of the WA feedmill in FY23
- **Revenue**: increased 1.7% due to effects of channel mix shift to Wholesale, resulting in oversupply and lower pricing in 3Q, reduction in production of value-add product lines during 2H, partially offset by customer price increases
- **Gross Profit** declined 9.3% due to lower net selling prices, higher input costs and COVID-19 operational impacts
  - FY22 feed cost[1] increased $45.4M
- Operational efficiency programs continue however there has been some disruption to 2H implementation progress due to COVID-19
- **Significant items:** Statutory EBITDA includes $10.1M of FY22 costs incurred in consultation and design of future state ERP system and processes, impairment reversal and restructuring costs
- **Tax expense**: reflects receipt of a $8.5M R&D credit and $2.2M reversal of tax provision upon resolution of a historical tax matter

$M	FY22	FY21	Variance	%
Core Poultry volumes (kt)	*465.5*	*446.9*	*18.6*	4.2
Total Poultry volumes (kt)	*576.5*	*556.1*	*20.4*	3.7
External Feed volumes (kt)	*336.3*	*368.9*	*(32.6)*	*(8.8)*
Revenue	2,713.1	2,668.8	44.3	1.7
Gross Profit	653.3	720.2	(66.9)	(9.3)
Gross Profit % Revenue	*24.1*	*27.0*	*(2.9)*	*(10.7)*
EBITDA	**370.4**	**443.9**	**(73.5)**	**(16.6)**
EBITDA % Revenue	*13.7*	*16.6*	*(3.1)*	*(18.7)*
Depreciation & Amortisation	(270.6)	(265.3)	(5.3)	2.0
EBIT	**99.8**	**178.6**	**(78.8)**	**(44.1)**
Net finance expense	(65.1)	(65.6)	0.5	(0.8)
Tax benefit/(expense)	0.4	(29.7)	30.1	(101.3)
NPAT	**35.1**	**83.3**	**(48.2)**	(57.9)
Underlying EBITDA	**380.8**	448.7	(67.9)	(15.1)
Underlying NPAT	**42.4**	86.7	(44.3)	(51.1)
Underlying (pre AASB 16) EBITDA	**135.2**	209.6	(74.4)	(35.5)
Underlying (pre AASB 16) NPAT	**57.1**	101.2	(44.1)	(43.6)

1. Adjusted for incremental volume sold

BALANCE SHEET

SOLID BALANCE SHEET POSITION DESPITE SOFTER 2H TRADING OUTCOME

- **Inventories**: Increased $55.5M due to an increase in the value of feed materials on hand as a result of cost increases and higher volumes of grain procured directly from growers
- **Payables**: Trade payables increased on the prior period partly due to an increase in the inventory procurement trade payable facility following the purchase of additional feed direct from growers
- **Right-of-use Assets**: Declined $55.5M due to amortisation offset by additions, CPI increases and lease extensions
- **Lease Liabilities**: Decreased $28.7M due to lease payments offset by additions, CPI increases and lease extensions
- **Tax balance**: $5.3M, declined on FY21 due to a decline in the income tax provision from lower earnings
- **Net Debt**: Increased by $27.1M due mainly to lower 2H FY22 earnings, and was broadly in-line with the 1H FY22 outcome

$M	Jun-22	Jun-21	Variance
Inventories/Biologicals[1]	384.0	328.5	55.5
Receivables[1]	223.6	224.7	(1.1)
Payables	(455.5)	(400.6)	(54.9)
Working Capital	**152.1**	**152.6**	**(0.5)**
Provisions	(138.3)	(131.7)	(6.6)
Working Capital & Provisions	**13.8**	**20.9**	**(7.1)**
Property, Plant & Equipment	477.3	457.9	19.4
Right-of-use Assets	1,319.4	1,374.9	(55.5)
Other Assets	13.3	5.8	7.5
Lease Liabilities	(1,403.6)	(1,432.3)	28.7
Other Liabilities	0.0	(3.3)	3.3
Capital employed	**420.2**	**423.9**	**(3.7)**
Net Debt	(267.3)	(240.2)	(27.1)
Net Tax balances	5.3	(20.1)	25.4
Net Assets	**158.2**	**163.6**	**(5.4)**

1. Provisions within Inventories and Trade Receivables have been reclassed to ‘Provisions’

CASHFLOW

CASH CONVERSION CONSISTENT WITH FY21

- **Cash conversion ratio** of 101.9%, in line with FY21, reflects good working capital management during softer trading conditions
- **Capital Investment**: FY22 spend of $61.9M, includes $5.9M spend on the hatcheries, $20.7M on the NSW Breeder Triangle and $6.5m on Auckland FP
- **Proceeds from Sale of Assets**: $3.5M was received on the settlement of the property at Bungonia NSW and $0.3M from land in SA
- **Dividends Paid**: FY21 (final) and HY22 dividends totaling 15.5 cps
- **Tax paid**: Higher due to the FY21 installments being based off higher FY21

$M	FY22	FY21	Variance
Statutory EBITDA	**370.4**	**443.9**	**(73.5)**
Non-cash items	(5.0)	(3.3)	(1.7)
EBITDA excluding non-cash items	**365.4**	**440.6**	**(75.2)**
Changes in operating working capital	(0.5)	(1.3)	0.8
Changes in operating provisions	7.6	11.1	(3.5)
Cash flow from operations	**372.5**	**450.4**	**(77.9)**
Capital expenditure	(61.9)	(66.3)	4.4
Proceeds from sale of assets	3.8	10.7	(6.9)
Other payments / receipts	0.2	0.2	0.0
Net cashflow before financing & tax	**314.6**	**395.0**	**(80.4)**
Dividends paid	(57.6)	(52.8)	(4.8)
Shares purchased / sale share	(0.5)	(1.7)	1.2
Interest paid / received	(11.8)	(12.5)	0.7
Interest & principal – AASB 16 Leases	(239.3)	(243.1)	3.8
Net cashflow before tax	**5.4**	**84.9**	**(79.5)**
Tax paid	(31.9)	(10.9)	(21.0)
Amortisation borrowings / forex	(0.6)	0.5	(1.1)
Net (increase) / decrease net debt	**(27.1)**	**74.5**	**(101.6)**
Cash Conversion Ratio	***101.9%***	***102.2%***	(0.3) bps

CAPITAL MANAGEMENT OUTCOMES

CAPEX PROJECT DELAYS DUE TO COVID-19 IMPACTS; NET DEBT IN-LINE WITH 1H FY22

Cashflow from operations | Cashflow from strategic activities | Cashflow from interest and tax

Strong cash generation

Cashflow from operations of $372.5M, a decline of $77.9M on FY21, due to lower 2H profitability. Cash conversion ratio broadly in-line with prior year

Sustaining capital[1]
Annual spend range of approximately 75-90% of depreciation pre AASB 16

Capex spend of $28.8M (52% of depreciation pre AASB 16), was below the target range due to ongoing limited site access as a result of COVID-19 lockdowns and delays in equipment being shipped

Maintaining a strong balance sheet
Target leverage[2] (underlying pre AASB 16) of 1.0x to 2.0x

Leverage 2.0 times, at the top of target range on depressed EBITDA

Reliable dividends to shareholders
Dividend payout ratio 60-80% of Underlying NPAT

Dividends of 7.0 cps, reflecting a payout ratio of 61.6% of Underlying NPAT. Final dividend reflects reduced 2H profitability; maintaining dividend payout ratio within policy

Investing in growth opportunities & major projects
Where aligned with strategy and expected to deliver returns in excess of specified hurdles

Growth and major project capex of $33.1M, including:
- $5.9M spent on final payments for new HatchTech hatcheries in VIC and WA
- $20.7M on Northern NSW breeder triangle
- $6.5M Auckland Further Processing fully cooked line

Additional returns to shareholders
Capital returns / special dividends / share buybacks

Maximise shareholder value
Over time the objective is to deliver a return on invested capital in excess of WACC

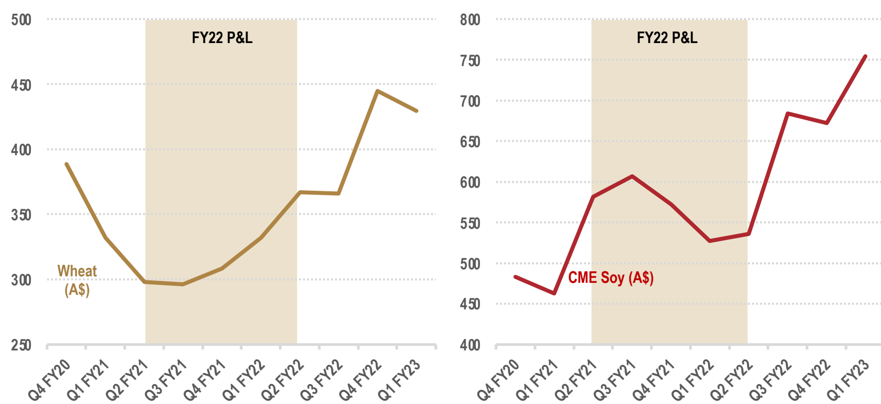
1. Sustaining capital includes maintenance, replacement, regulatory and stay-in-business capital
2. Leverage = Net Debt / LTM Underlying EBITDA pre AASB 16, Net Debt comprises of borrowing facilities less cash and cash equivalents

EXTERNAL FEED MARKET OBSERVATIONS

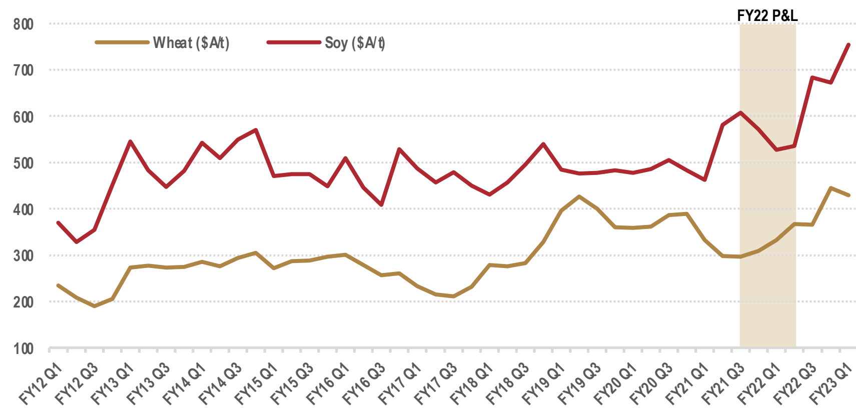
FEED COSTS HAVE INCREASED SUBSTANTIALLY DUE TO VOLATILITY IN INTERNATIONAL MARKETS

- Delivered feed cost contains cereal grains, protein meals, vitamins and minerals. Feed cost also includes transport and milling cost
- Grain imported into New Zealand operations is purchased from the international market

Spot wheat price[1] & spot CME[2] soymeal futures (as observed by Ingham's)
$A per metric tonne



Long term wheat & soymeal pricing[1,2]
$A per metric tonne



- Impact of the Ukraine / Russia conflict has continued to add to an already tight global grain stocks situation keeping global prices at high levels, with higher transport and logistic costs also impacting feed prices
  - Stronger US Dollar is also adding upward pressure to global commodity prices
- In AUD terms, wheat and soymeal prices are at their highest level in 10 years
- The current Australian wheat crop is benefiting from higher than average rainfall in most regions and the harvest in 2Q FY23 is expected to the above average for the third year in a row
  - Strong export demand resulting from a smaller northern hemisphere crop and significantly disrupted trade from the Black Sea region resulting in draw down of domestic wheat stocks
- Wheat prices stabilised early in 1Q FY23 on indications that some wheat shipments from Ukraine ports have recommenced, however ABARES notes prices expected to remain elevated due to tight global supply and uncertainty surrounding production in Ukraine and trade flows from the Black Sea region
- Soymeal prices have increased due to lower crop yields as a result of poor growing conditions in North and South America and higher transport costs

1. Spot prices shown above are for illustrative purposes only. Ingham's actual consumption prices will differ due to the purchase of delivered grain/soymeal as well as level of forward cover of between 3 – 9 months.
2. Chicago Mercantile Exchange

SEGMENT PERFORMANCE

ANDREW REEVES

CEO & MANAGING DIRECTOR

AUSTRALIA

STRONG VOLUME GROWTH OFFSET BY PRODUCT/CHANNEL MIX SHIFT

- Volume growth of 5.2% delivered against a backdrop of significant COVID-19 lockdowns and effects of Omicron in 3Q
- Core poultry revenue growth of 1.7% reflecting lower net selling price due to impact of Wholesale price declines and product/channel mix shift
- Prevalence of Omicron in the community reduced labour availability and required temporary rationalisation of higher value SKUs, and reduced output at processing sites
- **Underlying Gross Profit pre AASB 16:**
  - Good progress in 1H realising operational efficiencies resulting in modest cost growth
  - 2H impacts from COVID-19 disruptions and global events affected supply, selling prices and efficiencies realisation in 2H
  - FY22 feed cost[1] increased $30.1M on FY21

$M	FY22	FY21	Variance	%
Core Poultry volumes (kt)	**400.6**	**380.7**	**19.9**	**5.2**
Total Poultry volumes (kt)	498.0	477.5	20.5	4.3
Feed volumes (kt)	251.1	258.4	(7.3)	(2.8)
Revenue	2,314.7	2,275.2	39.5	1.7
Statutory EBITDA	**312.2**	**371.8**	**(59.6)**	**(16.0)**
EBITDA (% Rev)	13.5	*16.3*	(2.8)	(17.2)
Underlying EBITDA	**322.6**	**375.9**	**(53.3)**	**(14.2)**
Underlying EBITDA (% Rev)	13.9	*16.5*	(2.6)	(15.6)
Underlying pre AASB 16				
Underlying EBITDA	**113.2**	**171.8**	**(58.6)**	**(34.1)**
Underlying EBITDA (% Rev)	4.9	*7.6*	(2.7)	(35.2)
Underlying Gross Profit	**352.7**	**416.4**	**(63.7)**	**(15.3)**
Underlying Gross Profit (% Rev)	15.2	*18.3*	(3.1)	(16.7)

1. Adjusted for incremental volume sold

NEW ZEALAND

LOWER SALES VOLUMES DUE TO LOCKDOWNS OFFSET BY PRICE INCREASES ACROSS ALL CHANNELS

- Trading patterns similar to Australia, however Omicron impacts experienced later in 3Q into early 4Q
- Core poultry volumes declined by 2.0% reflecting impact of stricter lockdown conditions in 1H on Retail and QSR demand, and supply and processing constraints in 2H
- Core poultry revenue increased 1.2%, reflecting price increases across all channels to help offset increasing feed costs and inflationary pressures related to supply chain disruption
- External feed volume and revenue reduction reflect the sale of the Hamilton feed mill in March 2021
- Successful launch of Waitoa Net Carbon-Zero offering with increased ranging, demand and margins as a result of this leadership position
- **Underlying Gross Profit pre AASB 16:**
  - 2H impacts from COVID-19 disruptions and global events affected supply, selling prices and efficiencies realisation in 2H
  - FY22 feed cost[1] increased $15.1M on FY21

$M	FY22	FY21	Variance	%
Core Poultry volumes (kt)	**64.9**	**66.2**	**(1.3)**	**(2.0)**
Total Poultry volumes (kt)	78.6	78.6	0.0	0.0
Feed volumes (kt)	85.2	110.5	(25.3)	(22.9)
Revenue	398.4	393.6	4.8	1.2
Statutory EBITDA	**58.2**	**72.1**	**(13.9)**	**(19.3)**
EBITDA (% Rev)	*14.6*	*18.3*	*(3.7)*	*(20.3)*
Underlying EBITDA	**58.2**	**72.8**	**(14.6)**	**(20.0)**
Underlying EBITDA (% Rev)	*14.6*	*18.5*	*(3.9)*	*(21.0)*
Underlying pre AASB 16				
Underlying EBITDA	**22.0**	**37.8**	**(15.8)**	**(41.8)**
Underlying EBITDA (% Rev)	*5.5*	*9.6*	*(4.1)*	*(42.7)*
Underlying Gross Profit	**77.5**	**92.0**	**(14.5)**	**(15.8)**
Underlying Gross Profit (% Rev)	*19.5*	*23.4*	*(3.9)*	*(16.7)*

1. Adjusted for incremental volume sold

ESG

ANDREW REEVES
CEO & MANAGING DIRECTOR

SUSTAINABILITY

KEY FOCUS AREAS ACROSS OUR OPERATIONS SHOWING GOOD PROGRESS

- Continue to make good progress toward our Sustainability goals despite disruptions caused by COVID-19
- Our plan is to set concrete actions to deliver on our targets, whilst increasing our transparency with improved reporting on progress with our initiatives
- Our measures of GHG emissions, water usage and landfill waste generation have all improved year on year
- 2030 Planet goals include Science Based Targets (SBT) for scope 1 and 2 GHG emissions
  - Targeting a reduction in Scope 1 and 2 absolute GHG emissions by 43 per cent against FY19 baseline by 2030
  - Performance data to be disclosed in our 2022 Sustainability Report
  - Work underway on developing a Scope 3 GHG emissions target
- Solid progress on 2025 Packaging targets, aimed at increasing the recyclability and the recycled content of packaging to 100%
- Ingham's first TCFD (Taskforce on Climate-Related Financial Disclosures) report was published in the 2021 Annual Report, including a disclosure pathway
- Our 2022 Sustainability Report will be published with the Annual Report in October

PEOPLE	0.9% reduction in absolute GHG emissions[1] against previous year	Improvement in LTIFR[2] to 2.8 (FY21: 2.9) Improvement in TRIFR[3] to 5.1 (FY21: 6.1)
PRODUCT	1.8% reduction in Water intensity[1] against previous year	>90% reusable, recyclable or compostable packaging[1] (2025 target: 100%)
PLANET	13.7% reduction in Landfill Waste intensity[1] against previous year	Key Animal Welfare Indicators developed in line with AssureWel and Bristol University standards

1. Data as at April 2022 2. LTIFR refers to Lost Time Injury Frequency Rate 3. TRIFR refers to Total Recordable Injury Frequency Rate

INGHAM'S
Always Good

OPERATIONS & STRATEGY UPDATE

—

ANDREW REEVES
CEO & MANAGING DIRECTOR

CONTINUOUS IMPROVEMENT INITIATIVES

TWO EXAMPLES OF OVER 300 PROJECTS IDENTIFIED FOR FY22

Murarrie waterjet portioning system project

- Site employees utilised Continuous Improvement tools to identify and improve Thigh and Generic Fillet yield through waterjet machine software system enhancement
- **Annual savings: $0.8M**
- Optimised the raw material mix through the waterjet to maximise the yield of the product
  - Software development enabled two piece cutting for all products post implementation
- Project outcome
  - Increased yield
  - Reduced oversupply of secondary value product
- Highlights benefits of empowering our people and training them in the appropriate tools to deliver on the job improvements to minimise waste and maximise output

Thomastown inline kiev rolling project

- Improving two-step offline manual process of loading product prior to flash frying, utilising 13 Full Time Employees (FTE)
- **Annual savings: $0.6M**
- Remove offline handling, with product now processed online
- Project outcome
  - Implemented single step process, resulting in labour reduction of 7 FTE while maintaining line throughput
  - Yield improvement with reduced number of process steps
  - Reduction in manual handling contributed to improvements in safety

REFRESHING OUR STRATEGY

FOCUS ON LEADING THE CATEGORY AND UNLOCKING ITS UNTAPPED POTENTIAL THROUGH SIX STRATEGIC PRIORITIES

Growth through Category Leadership

1. Differentiate with consumer insight & innovation
2. Elevate strategic customer partnerships
3. Build on and leverage our sustainability advantage
4. Optimise and future proof our network
5. Explore growth options
6. Transform culture and capability

SUMMARY

CONDITIONS STARTING TO IMPROVE AND SECTOR FUNDAMENTALS REMAIN INTACT

- Poultry is an attractive and growing sector with a significant price advantage over red meat alternatives
- Looking through the COVID-related disruptions, Inghams has a track record of strong cash generation and investment in our business
- Good progress is being made on securing price increases across all channels and customers
  - ASP has recovered strongly from 3Q lows, increasing 6.6% between January – June 2022
- Recovery continuing across operations, channels and customers, albeit there are still headwinds continuing into FY23
  - Farming and plant operations returning to normal levels and product range production
  - Solid performance in QSR; Retail recovery underway with somewhat slower pace; significant price improvement in Wholesale during 2H
  - Customer service levels have improved since the start of CY22 and are expected to return to normal
  - Labour market expected to remain tight until immigration constraints abate and levels recover in Australia and New Zealand
- Global events and supply chain disruptions expected to continue to place upward pressure on the price of key inputs in FY23
  - Feed ingredients pricing expected to remain elevated due to tight global supply, uncertainty surrounding production in Ukraine and related trade flows, poor growing conditions in North and South America and elevated transport costs
  - Implementing significant price increases across all channels and customers and will continue to offset ongoing feed cost and inflationary pressures
- Extensive continuous improvement program in place – major focus area in FY23
- Business Transformation[1] is a multi-year project and will be excluded from underlying earnings
- Leverage expected to remain elevated in the shorter term as impact of lower 2H earnings will influence 1H23 measurement
  - Capital expenditure expected to progressively return to normal run-rate, with new investment focused on driving Primary Production capacity and capability including automation
- Final dividend of 0.5 cps declared, maintaining dividend payout ratio within policy

1. Refers to business process and IT transformation

APPENDIX

AASB 16 LEASE IMPACT

Balance Sheet:

- Land and Buildings: Ingham's has a large leased property portfolio. Average term remaining on the portfolio is 12.5 years
- Contract Growers: are classified as a Right-of-use assets due to the fixed and capital component of the fee structure. The variable component of the payments are not captured by this standard. Average remaining term of contract grower leases has reduced to 2.9 years

Profit & Loss:

- AASB 16 leases impact to EBITDA is $245.6M of rental expense "add backs" split between cost of sales $222.8M, distribution $18.9M and sales & admin $3.9M
- AASB 16 EBITDA increased $6.5M due to new leases, grower extensions, modifications and CPI rental increases
- AASB 16 NPAT decreased $0.2M due to new leases, grower extensions and modifications

Balance Sheet $M	FY22	AU	NZ	FY21
Land & Buildings	835.5	724.1	111.4	852.0
Growers	461.9	384.7	77.2	515.6
Equipment	22.0	20.5	1.5	7.3
Right-of-use Assets	**1,319.4**	**1,129.3**	**190.1**	**1,374.9**
Lease Liability	**(1,403.4)**	**(1,206.2)**	**(197.2)**	**(1,432.3)**
Capital Employed	**(84.0)**	**(76.9)**	**(7.1)**	**(57.4)**
Tax	26.0	24.1	1.9	20.5
Net assets	**(58.0)**	**(52.8)**	**(5.2)**	**(36.9)**
P&L Impact $M	**FY22**	**AU**	**NZ**	**FY21**
EBITDA	**245.6**	**209.4**	**36.2**	**239.1**
Depreciation	(214.7)	(182.9)	(31.8)	(208.9)
EBIT	**30.9**	**26.5**	**4.4**	**30.2**
Net finance expense	(51.7)	(44.6)	(7.1)	(50.8)
Tax expense	6.1	5.6	0.5	6.1
NPAT	**(14.7)**	**(12.5)**	**(2.2)**	**(14.5)**
Ave. Term (years)	**FY22**	**AU**	**NZ**	**FY21**
Land & Buildings	12.5	12.3	13.2	12.7
Growers	2.9	2.9	3.2	3.4
Equipment	1.9	2.0	1.8	1.2

PROFIT & LOSS RECONCILIATION

Profit & Loss $M	FY22 Statutory	Excluded from underlying	FY22 Underlying	AASB 16 Leases	FY22 Underlying (Pre AASB 16) (Reported)	FY21 Underlying (Pre AASB 16) (Reported)
Core Poultry volume (kt)	*465.5*		*465.5*		*465.5*	*446.9*
By-Products volume (kt)	*111.0*		*111.0*		*111.0*	*109.2*
Total Poultry volume (kt)	*576.5*		*576.5*		*576.5*	*556.1*
Feed Volume (kt)	*336.3*		*336.3*		*336.3*	*368.9*
Core Poultry Revenue	2,458.1		2,458.1		2,458.1	2,415.4
By-Products Revenue	52.4		52.4		52.4	48.7
Total Poultry Revenue	2,510.5		2,510.5		2,510.5	2,464.1
Feed Revenue	202.6		202.6		202.6	204.7
Revenue	**2,713.1**		**2,713.1**		**2,713.1**	**2,668.8**
Cost of sales	(2,059.8)		(2,059.8)	(222.8)	(2,282.6)	(2,160.4)
Gross profit	**653.3**		**653.3**	**(222.8)**	**430.5**	**508.4**
Gross profit %	*24.1%*		*24.1%*		*15.9%*	*19.0%*
Distribution expense	(157.1)	0.0	(157.1)	(18.9)	(176.0)	(162.3)
Sales & admin	(126.2)	**10.4**	(115.8)	(3.9)	(119.7)	(136.9)
JV	0.4	0.0	0.4		0.4	0.4
EBITDA	**370.4**	**10.4**	**380.8**	**(245.6)**	**135.2**	**209.6**
EBITDA %	*13.7%*		*13.7%*		*5.0%*	*7.9%*
Depreciation	(270.6)	0.0	(270.6)	214.7	(55.9)	(56.4)
Interest	(65.1)	0.0	(65.1)	51.7	(13.4)	(14.8)
PBT	**34.7**	**10.4**	**45.1**	**20.8**	**65.9**	**138.5**
Tax	0.4	(3.1)	(2.7)	(6.1)	(8.8)	(37.3)
NPAT	**35.1**	**7.3**	**42.4**	**14.7**	**57.1**	**101.2**

EBITDA & NPAT RECONCILIATION

Significant Items excluded from underlying results:

- Restructuring: FY22 includes redundancy costs of $3.4M for closed sites, offset by the reversal of the Wacol Feedmill impairment ($3.1M) due to property revaluation. The prior year relates to redundancy payments arising in 1H FY21
- Business Transformation Project: FY22 costs incurred in consultation and design of future state ERP system and processes. This will be a multi-year project

$M	FY22	FY21	Var	%
Statutory EBITDA	**370.4**	**443.9**	**(73.5)**	(16.6)
(Profit) / Loss on sale of assets	0.0	0.5	(0.5)	(100.0)
Restructuring	0.3	4.3	(4.0)	(93.0)
Business Transformation Project	10.1	0.0	10.1	0.0
Excluded from Underlying	**10.4**	**4.8**	**5.6**	**116.7**
Underlying EBITDA	**380.8**	**448.7**	**(67.9)**	**(15.1)**
AASB 16 adjustments	(245.6)	(239.1)	(6.5)	0.0
Underlying EBITDA pre AASB 16	**135.2**	**209.6**	**(74.4)**	**(35.5)**

$M	FY22	FY21	Var	%
Statutory NPAT	**35.1**	**83.3**	**(48.2)**	(57.9)
(Profit) / Loss on sale of assets	0.0	0.3	(0.3)	(100.0)
Restructuring	0.3	3.1	(2.8)	(90.3)
Business Transformation Project	7.0	0.0	7.0	0.0
Excluded from Underlying	**7.3**	**3.4**	**3.9**	**114.7**
Underlying NPAT	**42.4**	**86.7**	**(44.3)**	**(51.1)**
AASB 16 adjustments	14.7	14.5	0.2	1.4
Underlying NPAT pre AASB 16	**57.1**	**101.2**	**(44.1)**	**(43.6)**

SEGMENT RECONCILIATION

$M	Group FY22	Group FY21	Var	Australia FY22	Australia FY21	Var	NZ FY22	NZ FY21	Var
Statutory EBITDA	**370.4**	**443.9**	**(73.5)**	**312.2**	**371.8**	**(59.6)**	**58.2**	**72.1**	**(13.9)**
(Profit) / Loss on sale of assets	0.0	0.5	(0.5)	0.0	0.0	0.0	0.0	0.5	(0.5)
Restructuring / Impairments	0.3	4.3	(4.0)	0.3	4.1	(3.8)	0.0	0.2	(0.2)
Business Transformation Project	10.1	0.0	10.1	10.1	0.0	10.1	0.0	0.0	0.0
Underlying EBITDA	**380.8**	**448.7**	**(67.9)**	**322.6**	**375.9**	**(53.3)**	**58.2**	**72.8**	**(14.6)**
AASB 16 adjustments	(245.6)	(239.1)	(6.5)	(209.4)	(204.1)	(5.3)	(36.2)	(35.0)	(1.2)
Underlying EBITDA pre AASB 16	**135.2**	**209.6**	**(74.4)**	**113.2**	**171.8**	**(58.6)**	**22.0**	**37.8**	**(15.8)**

RETURN ON INVESTED CAPITAL (ROIC)

ACHIEVED ROIC OF 13.5% FOR FY22

- Achieved ROIC of 13.5% for the year, versus 22.4% in PCP
- Measure introduced as part of our Capital Management framework
- ROIC defined as:
  - Underlying Net Operating Profit after Tax pre AASB 16 divided by Average capital invested pre AASB 16

$M	FY22	FY21
Return On Invested Capital (ROIC)		
Underlying NPAT pre AASB 16	57.1	101.2
Interest – net of tax	10.4	10.4
Net Operating Profit After Tax	**67.5**	**111.6**
Average Capital Invested pre AASB 16	500.6	497.3
ROIC %	**13.5%**	**22.4%**

DEFINITIONS

CERTAIN NON-IFRS INFORMATION IS REFERRED TO IN THIS PRESENTATION AND ARE DEFINED BELOW

- EBITDA: Earnings before Interest, Tax, Depreciation and Amortisation
- EBIT: Earnings before Interest and Tax
- Gross Profit: Revenue less cost of sales
- Underlying Gross Profit pre AASB 16: Underlying Gross Profit excluding AASB 16 leasing impacts
- Underlying EBITDA: Underlying EBITDA excluding business transformation costs, any profit or loss on sale of assets, restructuring expenses, impairments and trading results for business sold as a going concern, inclusive of AASB 16 Leases
- Underlying EBITDA pre AASB 16: Underlying EBITDA excluding AASB 16 leasing impacts
- Underlying NPAT: Net Profit After Tax excluding business transformation costs, any profit or loss on sale of assets, restructuring expenses, impairments and trading results for business sold as a going concern after being tax effected, inclusive of AASB 16 Leases
- Underlying NPAT pre AASB 16: Underlying NPAT excluding AASB 16 leasing impacts after being tax effected
- Net Debt: Debt less cash and cash equivalents
- LTM: Last twelve months
- PCP: Prior corresponding period
- Total Poultry: includes core chicken and turkey products and by products
- Core Poultry: refers to chicken and turkey products for human consumption, excluding by-products
- Cash Conversion ratio: Cash Flow from Operations divided by EBITDA excluding non-cash items
- Working Capital (Operating): Working capital adjusted for non-operating items including but not limited to interest accruals and proceeds from sale of assets
- ROIC: Return on Invested Capital pre AASB 16
- ESG: Environmental, Social and Governance