

7 March 2024



# ASX Release

## Acquisition of Bostock Brothers Limited in New Zealand

Inghams Group Limited (ASX: ING) (Inghams, Company) today announces its intention to acquire 100% of the Bostock Brothers organic chicken business in New Zealand for NZ\$35.3 million (approximately A\$33.0 million).

### Key points

- **Acquisition of New Zealand's only organic poultry producer with premium market position is strongly aligned with Inghams strategy**
- **Acquiring 100% of the shares in Bostock Brothers Limited (BBL), including the brand with respect to poultry products, three freehold farming properties and the primary processing plant**
- **Completion expected by end September 2024**

Inghams CEO and Managing Director, Andrew Reeves, said: "With the strong recovery in operational and financial performance of our New Zealand business, this acquisition represents a unique opportunity to further enhance our capabilities, extend our range and advance our plans for the business."

Commenting on the acquisition, Inghams Chief Executive, New Zealand, Edward Alexander, said: "The addition of the highly regarded premium Bostock brand and team strongly aligns with our objective to establish Inghams as the leading premium operator in the market."

### BBL overview

Established in 2014, BBL is the only certified organic producer of poultry in New Zealand. BBL's operations are located in Hastings, on the central east coast of the North Island, approximately four hours from Inghams Waitoa operations.

BBL is expected to deliver FY24 EBITDA of between NZ\$3.5 – 4.0 million<sup>1</sup>. The acquisition is forecast to be immediately EPS accretive to FY25 earnings and, including identified synergies, is expected to generate a Return on Invested Capital meaningfully in excess of Inghams hurdle rate.

### Strong alignment with strategy

The acquisition strongly aligns with Inghams strategy to establish the Company as the leading premium operator in the New Zealand market in the following ways:

- **Exclusive Market Positioning and Brand Equity:** BBL is uniquely positioned in the New Zealand poultry sector, boasting strong brand recognition and a premium product range.
- **Vertically Integrated Supply Chain with Capacity for Future Growth:** BBL's vertically integrated supply chain enhances our operational resilience, provides contingency, and additional capacity to support future growth initiatives.
- **Access to new markets:** Opportunity to leverage established high-value export channels to expand Inghams reach into new geographic markets and customer segments.

### Funding & completion

The acquisition will be fully funded from existing debt facilities, and is contingent upon the satisfaction of conditions, including with respect to the Commerce Commission and Overseas Investment Office.

Completion is expected by end September 2024.

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<sup>1</sup> Unaudited. FY24 refers to BBL financial year (year end 30 September 2024).

This announcement has been authorised by the Inghams Group Limited Board.



Marta Kielich  
Company Secretary

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