



# FY24 Results Presentation

May 2024



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## Market and Industry Data

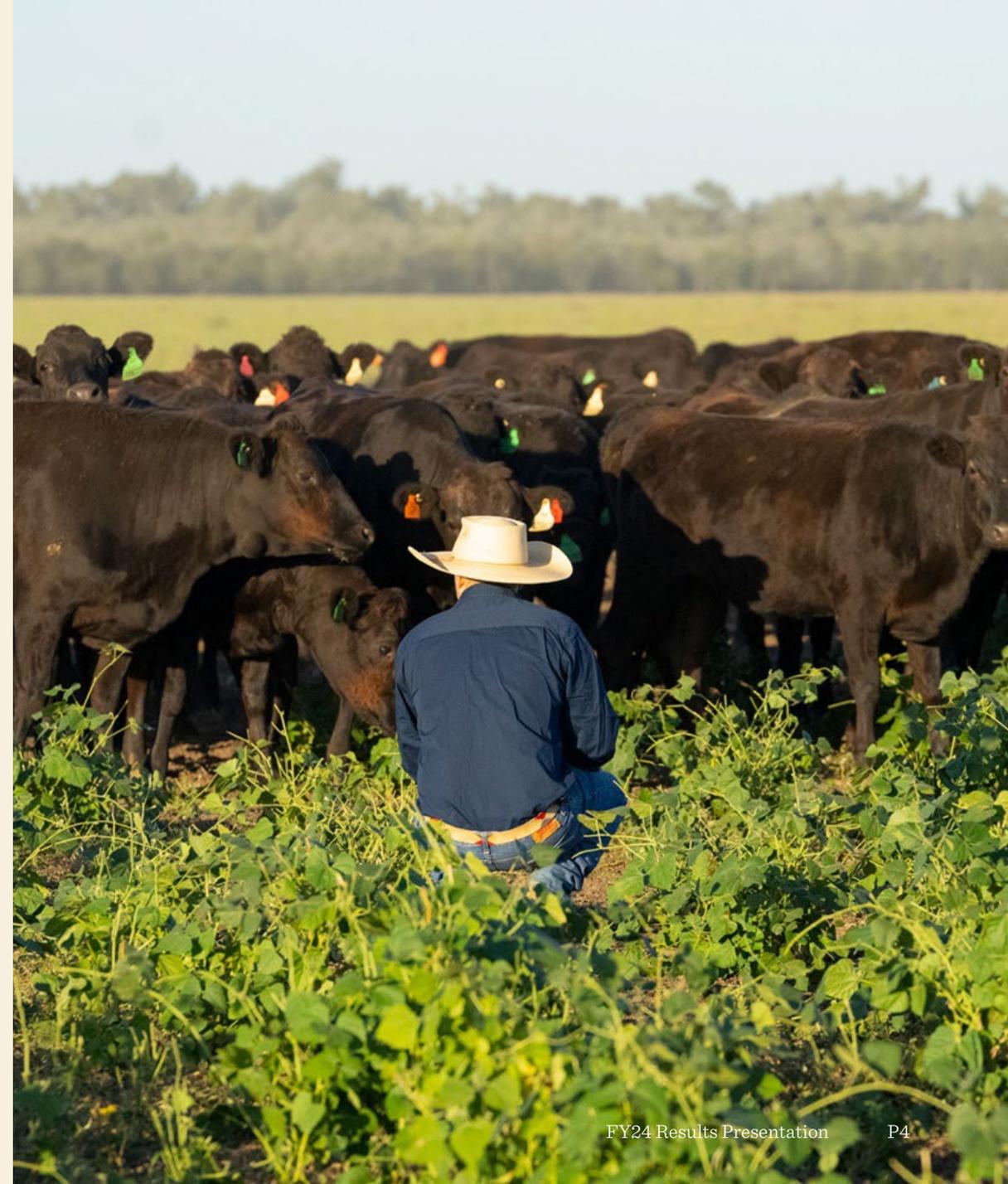
Certain market and industry data used in connection with this presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. This data has not been independently verified by AACo.

An aerial photograph of a wide river meandering through a vast, green landscape. The river is the central focus, reflecting the light from the sky. The surrounding land is a mix of dense, dark green forests and lighter green, open fields with scattered trees. The horizon is flat, and the sky is a pale, hazy blue, suggesting a clear day. The overall scene is one of natural beauty and tranquility.

# Acknowledgement of Country

# Contents

CEO Message	05
Performance Highlights	06
Progress on Key Initiatives	07
Sustainability Update	08
Regional Performance	09
Financial Performance	16
Operating Environment	22



# CEO Message

*In difficult market conditions we have delivered a strong financial result, showing the resilience of our business*

- Market conditions were challenging during the period, with increased global meat supply and reduced live cattle market prices impacting overall financial performance.
- Results were resilient under these conditions. Through leveraging our unique distribution network, our brands continue to command market price premiums.
- Our ability to increase sales volumes has softened pricing impacts and illustrates the strength and scalability of our integrated supply chain.
- As we begin our 200<sup>th</sup> year of operation, we look forward to building on the success of our people and value of our extraordinary assets.

# Performance Highlights

## Operating Profit

Strength and quality of integrated supply chain allowed continued momentum of commercial brands, generating a strong performance in difficult market conditions

**\$50.5M**  
(\$16.9M) vs pcp

## Operating Cashflow

Operating cash inflow achieved through meat sales performance and cost management, with higher interest rates impacting the cost of debt and YoY performance

**\$9.3M**  
(\$6.7M) vs pcp

## Statutory Net Profit after Tax

Unrealised mark-to-market adjustments on herd impacted statutory performance, with a herd valuation adjustment of (\$149.4M)

**(\$94.6M)**  
(\$99.2M) vs pcp

## Continued Business Investment

Investment in the quality, safety and performance of our assets, including the Goonoo Expansion and ongoing asset optimisation programs

**\$36.5M**  
+\$16.2M vs pcp

## Pastoral Property and Improvements

Our Pastoral Portfolio increased \$78.1M in value, driven by investment in our assets and market value increases

**5%**  
Increase in values v PY

## Net Tangible Assets

Strong balance sheet maintained, with growth in herd numbers, improved pastoral property values and secure access to capital

**\$2.51/Share**  
(3%) vs pcp

# Progress on Key Initiatives

## Brand Delivery

10%<sup>↑</sup>

Wagyu Meat sales revenue

New product lines launched including grassfed, Wagyu bacon and burgers



Brand relaunch, with expanded Westholme and Darling Downs investment

## Sustainability Initiatives

Tier-1 Partner in the Zero Net Emissions Ag CRC<sup>1</sup>

\$4.3M

Australian Carbon Credit Unit accrual<sup>2</sup>

## Employee Experience

Executing our Employee Value Proposition

6%<sup>↑</sup>

Women in Leadership

*Senior Leaders are now equally represented in gender*

8%<sup>↑</sup>

Employee Engagement Score vs pcp

## Operational Efficiency

Transitioned to a new processor, supporting scalability and value-add production

5%<sup>↑</sup>

\$/kg LW Cost of production vs pcp, adjusting our herd to further leverage branded Wagyu sale opportunities

## Asset Development

12%<sup>↑</sup>

Developed intensive supply chain capacity from the Goonoo Feedlot expansion

\$36.5M

Spent on business & asset investment<sup>3</sup>

93%

Bores converted to solar

1. CRC stands for Cooperative Research Centre.

2. Estimate required for fourth-year Beef Cattle Herd Management program due to Clean Energy Regulator calculator remaining unavailable from December 2023.

3. Represents payments for Property, Plant and Equipment and Leases per our Cashflow, less landholding lease payments.

# Sustainability Update

## Progressing our Sustainability Program

- Invested as a Tier-1 partner in the Zero-Net Emissions Ag CRC, a 10-year commitment to addressing the challenges around reducing methane emissions in agriculture.
- Completed an intensive analysis of our beef product carbon footprint as it passes through our supply chain.
- Enhanced the sophistication of our emissions accounting, including our understanding of Scope 3 emissions, in preparation for upcoming mandatory reporting requirements.
- Completed the second year of our Rangelands Carbon by Satellite project and delivered a first view of a minimum viable product.
- Continued development of our Accounting for Nature framework, with data capture significantly progressed.
- World's first long fed asparagopsis trial completed.
- Further methane feed additive trials nearing completion.

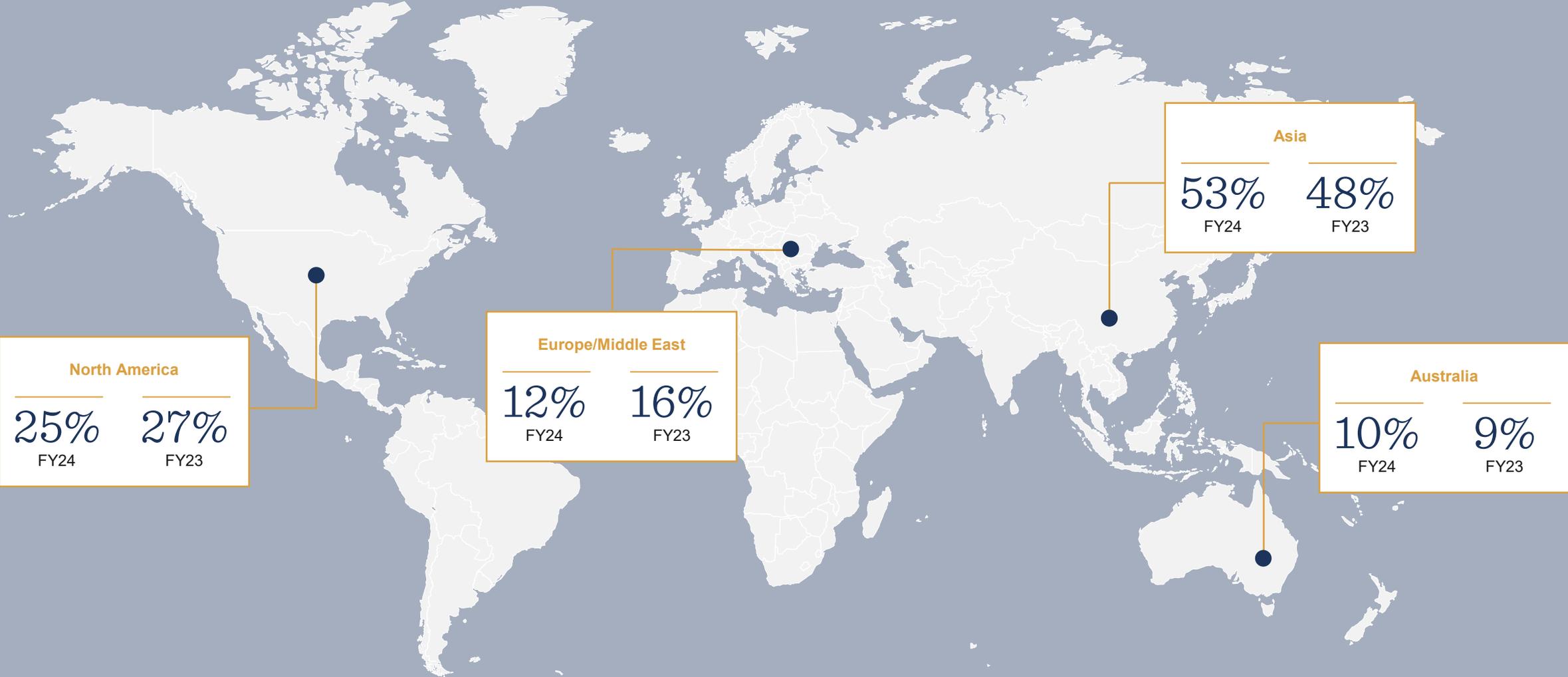




# Regional Performance



# Total Meat Sales Distribution



\* Total Meat Sales Distribution represents Total Sales Revenue by region.



# North America

## Total Branded Meat Sales<sup>1</sup>

7% ↓

Sales Value

1% ↓

Price/Mix

6% ↓

Volume

### Strength of partnerships, distribution network and brand supported price growth across ultra-premium product offerings in challenging market conditions

- Market dynamics including US herd liquidation, inflationary factors and increased Wagyu competition impacted overall market performance.
- Established and new relationships maintained a strong demand profile, with our global distribution network leveraged to maintain competitive price tension.
- Targeted brand and customer marketing activities continued to grow Westholme awareness and distribution.
- Developed new partnerships, achieved coveted menu placements and increased geographical diversity of distribution.

*Note 1: Branded meat sales represents total meat sales excluding unbranded meat sales (MBS 0-3, trim and secondary cuts).*

# Asia

## Total Branded Meat Sales<sup>1</sup>

32%<sup>↑</sup>

Sales Value

4%<sup>↑</sup>

Price/Mix

28%<sup>↑</sup>

Volume

**Increased supply and growth of our branded presence, strengthened both the food service and retail channels, helping maintain overall global price tension**

- Growth in supply supported an expanded foodservice presence across Asia, with an increase in Westholme branded sales.
- Recaptured market share across Korean retailer E-mart and launched our premium Darling Downs tier.
- Invested in brand growth through product activations, expanding our digital platform engagement and online support.
- Further developed our retail presence in Asia, with new branded product partnerships in Indonesia and Thailand.

*Note 1: Branded meat sales represents total meat sales excluding unbranded meat sales (MBS 0-3, trim and secondary cuts).*





# Australia

## Total Branded Meat Sales<sup>1</sup>

24%<sup>↑</sup>

Sales Value

16%<sup>↓</sup>

Price/Mix

40%<sup>↑</sup>

Volume

### Continued focus on partnerships with chefs and investment in brand portfolio

- Price performance was impacted by domestic supply dynamics and mix. Lower value products were introduced to this market to optimise price and supported the maximisation of value achieved globally.
- Continued investment in Westholme increased product engagement, through several exciting chef collaboration events and new product offerings.
- Our foodservice and retail sales expanded, including new partnerships for the distribution of our Darling Downs and 1824 brands.

*Note 1: Branded meat sales represents total meat sales excluding unbranded meat sales (MBS 0-3, trim and secondary cuts).*

# Europe / Middle East

## Total Branded Meat Sales<sup>1</sup>

18% ↓

Sales Value

1% ↑

Price/Mix

19% ↓

Volume

## Strategic, selective market presence across highly competitive regions

- Focus on the foodservice industry and product mix saw prices maintained and product tactically managed through market complexities.
- Continued to expand our in-market team, and undertake activities to invest in long-term, sustainable growth from ongoing partnerships.
- The Middle East is a key product innovation test market, with encouraging response to Wagyu bacon and burger offerings.

*Note 1: Branded meat sales represents total meat sales excluding unbranded meat sales (MBS 0-3, trim and secondary cuts).*





# Other Meat Sales

21%<sup>↑</sup>

Sales Value

6%<sup>↓</sup>

Price/Mix

27%<sup>↑</sup>

Volume

## Pricing of other meat products impacted by global demand and supply dynamics

- Other meat sales currently represents approximately 50% of our total sales value, which incorporates trim and commoditised cuts. This represents an opportunity for the company to extract further value from the entire carcass under our branded beef strategy.
- Global supply and demand dynamics including USA herd liquidation, lower Chinese demand and tightening monetary policy around the world has resulted in price pressure for this segment.
- New branded offerings from this category were sold in late FY24, including new 1824 distribution partnerships.



# Financial Performance



## Growth

Total Revenue

**\$336.1M**

+ 7% vs pcp

## Profit

Operating Profit

**\$50.5M**

(\$16.9M) vs pcp

## Cash Flow / Net Assets

Operating Cash Flow

**\$9.3M**

(\$6.7M) vs pcp

Wagyu Meat  
Sales Price

**\$19.85/kg**

(10%) vs pcp

Statutory Net Profit after Tax

**(\$94.6M)**

(\$99.2M) vs pcp

Net Tangible  
Assets

**\$2.51/Share**

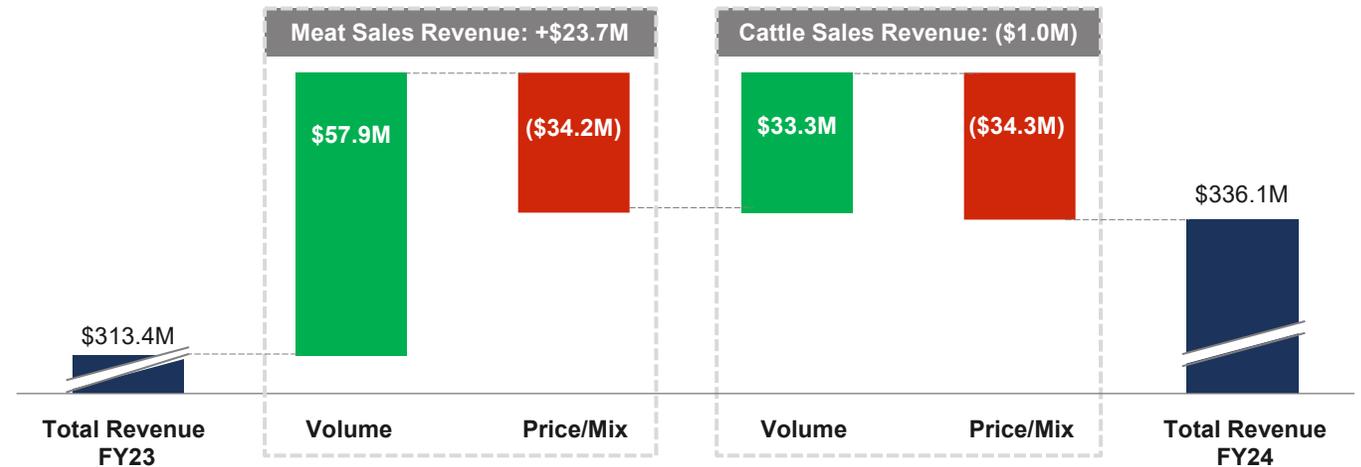
(3%) vs pcp

# Key Financial Results



# Revenue

Increased sales volumes offsetting challenging market prices



- Increased feedlot productivity coupled with the impact of the Goonoo expansion in the last quarter of FY24, increased Wagyu meat sales volumes by ~24%. The strategic allocation of high value products across global markets and the positive impact of brand limited the impact of average price reductions to ~11%.
- Cattle sales volume increase of 49% reflects a favourable season, with heavier cattle and increased herd numbers. Volatility in the live cattle market has negatively impacted price by ~34% throughout the year across both domestic and live export markets.

# Profit and Loss Summary

**Improved sales volumes and investment in brand supporting resilient financial performance in challenging market dynamics.**

## Strength of integrated supply chain supported increased volumes whilst managing costs:

- Meat sales revenue improvement of \$23.7M achieved through higher sales volumes, whilst lower value product pricing remained impacted by supply dynamics in most regions.
- Cattle sales revenue performance materially maintained, with impact of lower live sales pricing offset by higher volumes.
- Overheads controlled and remain in line with pcp, with margin impacted by lower average sales prices.

## Unrealised fair value adjustment to herd as Australian cattle prices remain lower than pcp:

- Statutory EBITDA of (\$87.9M) vs \$49.1M in pcp:
  - \$149.4M of decline attributed to the unrealised mark-to-market of the herd.
- Net Statutory loss after tax of (\$94.6M) vs \$4.6M profit in pcp.

## Operating Profit and Loss Summary (\$M)

	FY24	FY23	Var
Meat Sales Revenue	268.7	245.0	23.7
Cattle Sales Revenue	67.4	68.4	(1.0)
<b>Total Sales Revenue</b>	<b>336.1</b>	<b>313.4</b>	<b>22.7</b>
Cost of Goods Sold valued "at cost"	(227.4)	(192.6)	(34.8)
<b>Gross Margin</b>	<b>108.7</b>	<b>120.8</b>	<b>(12.1)</b>
<b>Operating Profit</b>	<b>50.5</b>	<b>67.4</b>	<b>(16.9)</b>

## Statutory Profit/(Loss) Reconciliation (\$M)

	FY24	FY23	Var
<b>Operating Profit</b>	<b>50.5</b>	<b>67.4</b>	<b>(16.9)</b>
Unrealised mark-to-market of herd	(149.4)	(112.0)	(37.4)
Cost vs Fair Value: Kg sold or produced	10.0	93.8	(83.8)
Other income / (expense)	1.0	(0.1)	1.1
<b>Statutory EBITDA (FV basis)</b>	<b>(87.9)</b>	<b>49.1</b>	<b>(137.0)</b>
<b>Net (Loss) / Profit after Tax</b>	<b>(94.6)</b>	<b>4.6</b>	<b>(99.2)</b>

# Cash Flow Summary

**Positive operating cash flow generation of \$9.3M vs \$16.0M pcp.**

## Net operating cash inflow result driven primarily by:

- Increased revenue from favourable meat sales performance.
- Reduced cattle purchases and costs managed in a higher inflationary environment.
- Higher spending required to support increased volumes produced.
- Weighted average increase in debt of 1.6 ppt YoY, with drawdowns financing strategic capex, including the Goonoo Expansion investment.

## Consolidated Statement of Cash Flows (\$M)

	FY24	FY23	Var
Receipts from Customers	360.8	335.8	25.0
Payments to Suppliers and Employees	(326.5)	(303.5)	(23.0)
Net Financing Costs	(25.0)	(16.3)	(8.7)
<b>Net Operating Cash Flow</b>	<b>9.3</b>	<b>16.0</b>	<b>(6.7)</b>
<b>Net Investing Cash Flow</b>	<b>(29.9)</b>	<b>(16.0)</b>	<b>(13.9)</b>
<b>Net Financing Cash Flow</b>	<b>25.6</b>	<b>(5.3)</b>	<b>30.9</b>
Net Increase / (Decrease) in Cash	5.0	(5.3)	10.3
Opening Cash Balance	4.0	9.3	(5.3)
<b>Closing Cash Balance</b>	<b>9.0</b>	<b>4.0</b>	<b>5.0</b>

# Balance Sheet Summary

**Continued strong financial position  
with net assets of \$1.52B and  
NTA of \$2.51/share.**

## Livestock herd growth, with unrealised fair values unfavourable

- Herd head count up 5% from FY23, with 8% greater kilograms produced from higher average branding weights and favourable seasonal conditions.
- (\$149.4M) unrealised herd fair value adjustment.

## NTA of \$2.51/share, down 3%

- Driven by unrealised fair value adjustment on livestock.

## Continued substantial access to capital

- \$600M total committed borrowing capacity.
- \$186M unutilised.
- Significant headroom under existing covenants.

## Consolidated Statement of Financial Position (\$M)

	31 Mar 2024	31 Mar 2023
Livestock	611.3	735.2
PPE & Intangibles	1,646.9	1,548.8
Right-of-Use Assets	36.1	37.3
Other Assets	70.1	57.9
<b>Total Assets</b>	<b>2,364.4</b>	<b>2,379.2</b>
Interest-Bearing Liabilities	437.6	390.8
Lease Liabilities	40.8	39.3
Deferred Tax Liability	320.2	343.7
Other Liabilities	49.0	43.3
<b>Total Liabilities</b>	<b>847.6</b>	<b>817.1</b>
<b>Net Assets</b>	<b>1,516.8</b>	<b>1,562.1</b>
<i>Gearing ratio (post AASB 16)</i>	23.7%	21.5%
<i>Net Tangible Assets (\$/Share)</i>	\$2.51	\$2.59



# Operating Environment

# Operating Environment



Consecutive favourable seasons across AACo properties are a positive factor contributing to strong pasture growth and increased productivity.

Investment in the intensive supply chain will continue to deliver benefits in FY25, with a full year of benefit being realised from the Goonoo Feedlot expansion.

Global meat sales conditions remain uncertain for FY25, with the Company well placed to further capitalise on benefits from branded beef sales as market conditions change.

Our integrated supply chain provides a major point of differentiation. We continue to focus on driving efficiencies and quality, in an environment of moderating inflation.

Global oversupply of beef and inflation are expected to ease in late FY25 and alleviate pricing pressures across our Wagyu boxed beef and live cattle sales.



# Closing Remarks



# Questions

A person wearing a cowboy hat and a light-colored shirt stands in a field with several horses. The scene is bathed in the warm, golden light of a sunset, with the sun low on the horizon behind a line of trees. The person is positioned in the center, facing slightly to the left, and appears to be interacting with the horses. The horses are dark in color, and their silhouettes are highlighted against the bright background. The overall mood is peaceful and serene.

# Appendix

# Definitions

<b>Cost of Goods Sold (COGS) valued “at cost”</b>	Represents the actual production cost the Company incurred over the multi-year timeline required to produce the meat and cattle that were 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.
<b>Cost of Production</b>	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.
<b>Operating Profit</b>	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.
<b>Operating Profit Margin</b>	Operating Profit Margin is determined as Operating Profit as a percentage of total sales revenue.
<b>Fair Value</b>	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.
<b>Fair Value changes in Livestock</b>	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).
<b>Unrealised Mark-to-Market (MTM) of Herd</b>	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.
<b>Cost vs Fair Value: Kgs Sold or produced</b>	Represents the difference between meat and cattle COGS, as well as attrition measured at Fair Value vs actual cost to produce.
<b>Statutory EBITDA</b>	Statutory EBITDA is unaudited, non-IFRS financial information and represents earnings before interest, tax, depreciation and amortisation, and gain/loss on equity investments.
<b>Kg LW</b>	Kilograms Live Weight
<b>Kg CW</b>	Kilograms Carton Weight
<b>PCP</b>	Prior Comparative Period
<b>NTA</b>	Net Tangible Assets



*Thank You*