Inghams Group Limited

Inghams Group Limited (ACN: 162 709 506) and its controlled entities

Appendix 4E for the year ended 29 June 2024 (FY24)

Results for announcement to the market

	FY24 $'000	FY23 $'000	Change $'000	Change %
Revenue from ordinary activities	3,262,000	3,044,000	218,000	7.2%
Profit for the period after tax from ordinary activities attributable to members	101,500	60,400	41,100	68.0%
Net profit for the period attributable to members	101,500	60,400	41,100	68.0%

Dividends

The directors have determined that a fully franked final dividend of 8.0 cents per share be declared, payable on 9 October 2024. The dividend was not declared before 29 June 2024 and as such no provision has been recognised. The record date for determining entitlements to the dividend is 23 September 2024.

A fully franked interim dividend of 12.0 cents per share was declared and paid on 5 April 2024.

Explanatory note on results

This report should also be read in conjunction with any public announcements made by Inghams in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 (Cth) and ASX Listing Rules.
The information provided in this report contains all the information required by ASX Listing Rule 4.3A.

Net tangible assets backing

Net tangible assets backing at 29 June 2024 was $0.58 per share (24 June 2023: $0.52 per share).

Entities where control has been gained or lost

There were no entities acquired or disposed of during the current period or the previous corresponding period.

During FY24, two new companies were incorporated being Inghams Property Hold Co Pty Limited and Inghams Property Co Pty Limited. Inghams Property Hold Co Pty Limited acquired the units in Inghams Burton Property Trust.

Joint Venture

The Group has a 50% (FY23: 50%) investment in AFB International Pty Limited (AFB). AFB manufactures and markets a leading range of wet and dry palatants, sprayed onto pet food to enhance its palatability. The business has two processing facilities in Somerville (VIC) and Murarrie (QLD) and services Australia and South East Asia with pet food flavours (palatants). The Group's share of AFB's results is not material to the Group's results for the current period or for the previous corresponding period.

Annual General Meeting

The annual general meeting will be held at The Langham Hotel, 89-113 Kent Street, Millers Point, Sydney NSW 2000 commencing on 14 November 2024 at 10AM.

The approximate date the Annual Report will be available is 4 October 2024.

This Appendix 4E should be read in conjunction with the Inghams Group Limited Financial Report for the year ended 29 June 2024.

Inghams Group Limited

ACN 162 709 506

Financial Report

For the year ended 29 June 2024

Contents

Directors' report

This audited general purpose financial report for the 53 weeks ended 29 June 2024 covers the consolidated entity comprising Inghams Group Limited (the Company) (ACN 162 709 506) and its controlled entities ('The Group', 'Inghams'). The Group's functional and presentation currency is Australian dollars ($), rounded to the nearest hundred thousand, except where stated otherwise.

Directors

The following persons were Directors of Inghams Group Limited during the year and until the date of this report unless otherwise noted:

Name	Role	Date of appointment	Date of resignation
Helen Nash	Chair	20 August 2022[1]	
Rob Gordon	Non-Executive Director	11 April 2019[2]	
Margaret Haseltine	Non-Executive Director	1 September 2023	
Michael Ihlein	Non-Executive Director	16 April 2020	
Timothy Longstaff	Non-Executive Director	20 January 2022	
Linda Bardo Nicholls AO	Non-Executive Director	7 October 2016	
Andrew Reeves	CEO & Managing Director	14 January 2019[3]	
Jackie McArthur	Non-Executive Director	18 September 2017	7 November 2023

(1) Helen Nash served as a Non-Executive Director from 16 May 2017 until her appointment as Chair on 20 August 2022.

(2) Rob Gordon was on a Board approved leave of absence from 23 January 2024 to 31 July 2024.

(3) Andrew Reeves served as a Non-Executive Director from 14 January 2019 until his appointment as CEO & Managing Director on 29 March 2021.

Present Director profiles of the Company

Helen Nash (Chair)

Bachelor of Arts (Hons), Graduate of the Australian Institute of Company Directors

Chair of the Board of Directors, Chair of the Nomination Committee, Member of the Risk and Sustainability Committee

Helen started her career in finance with the Certified Institute of Management Accountancy. On completion of these professional exams, she transitioned to a marketing career spanning more than 20 years and three industries: consumer packaged goods, publishing and media, and quick service restaurants. Helen was Senior Vice President and Chief Marketing Officer for McDonald's Australia and New Zealand, before taking on strategic, commercial and operational responsibility for the business as Chief Operating Officer for McDonald's Australia. Helen is currently an independent Non-Executive Director of Metcash Limited and Southern Cross Media Group Limited. She was formerly a Non-Executive Director of Blackmores Limited and Pacific Brands Limited.

Rob Gordon (Non-Executive Director)

Bachelor of Science (Honours), Chartered Engineer, Member of the Australian Institute of Company Directors

Member of the Finance and Audit Committee, and Member of the Nomination Committee

Rob has 40 years' experience in the FMCG and agribusiness sectors. This includes more than 25 years in chief executive officer and managing director roles for companies including Dairy Farmers Pty Limited, Goodman Fielder Limited (Meadow Lea and consumer goods divisions) and Viterra Inc. Rob has retired as Chief Executive Officer of Ricegrowers Limited and associated entities but remains a member of the Rabobank Agribusiness Advisory Board. He has also served as Non-Executive Deputy Chair of the Australian Food and Grocery Council and as a Member of Gresham Private Equity Advisory Board.

Margaret Haseltine (Non-Executive Director)

Bachelor of Arts, Secondary Teachers Diploma, Fellow of the Australian Institute of Company Directors

Chair of the Risk and Sustainability Committee, and Member of the Nomination Committee

Margie has more than 30 years of business experience across manufacturing, end-to-end supply chains and logistics, and is experienced in product, brand, strategy, risk, change management and governance. Her career includes 20 years with Mars Inc, with five years as Chief Executive Officer of Mars Food Australia (formerly Masterfoods Australia New Zealand). Margie currently serves as Non-Executive Director of Metcash Limited, and Chair and Non-Executive Director of Bapcor Limited. She also serves on the Boards of Kennards Hire Pty Limited and The Real Pet Food Company. Her experience includes various board roles, across business, government and not-for-profit, including National Food Precinct, Agrifood Skills and BagTrans.

Directors' report (continued)

Present Director profiles of the Company (continued)

Michael Ihlein (Non-Executive Director)

Bachelor of Business (Accounting), Fellow of the Australian Institute of Company Directors, Fellow of Certified Practising Accountants, Fellow of the Financial Services Institute of Australasia, Member of the Financial Executives Institute of Australia

Chair of the Finance and Audit Committee, Member of the People and Remuneration Committee, and Member of the Nomination Committee

Mike has significant experience across FMCG, supply chain and logistics companies. He has held senior roles at Coca-Cola Amatil Limited, including Executive Director and Chief Financial Officer and Managing Director of Coca-Cola Amatil Poland. He was also Executive Director and Chief Financial Officer of Brambles Limited prior to becoming Chief Executive Officer until his retirement from this role in 2009. Mike also serves on the Boards of Ampol Limited, Scentre Group Limited and the not-for-profit mentoring organisation Kilfinan Australia, and was formerly a Non-Executive Director of CSR Limited.

Timothy Longstaff (Non-Executive Director)

Bachelor of Economics, Fellow of the Institute of Chartered Accountants in Australia and New Zealand, Senior Fellow of the Financial Services Institute of Australia, and Graduate of the Australian Institute of Company Directors

Chair of the People and Remuneration Committee, Member of the Finance and Audit Committee, Member of the Nomination Committee

A chartered accountant, Tim had a 25-year career in investment banking, with many years in managing director and senior executive roles at top tier global investment banking firms, where he advised the boards and chief executive officers of leading Australian and international companies on transformational strategic mergers and acquisitions, and capital markets transactions. More recently, Tim served as Senior Advisor to a Federal Cabinet Minister in the trade & investment, and finance portfolios. Tim is also a Non-Executive Director of Perenti Global Limited, The George Institute for Global Health, Snowy Hydro Limited and Aurizon Holdings Limited. He is a Member of Australian Government's Takeovers Panel.

Linda Bardo Nicholls AO (Non-Executive Director)

Bachelor of Arts (Economics), Master of Business Administration, Life Fellow of the Australian Institute of Company Directors

Member of the Finance and Audit Committee, Member of the People and Remuneration Committee, Member of the Risk and Sustainability Committee, and Member of the Nomination Committee

Linda has more than 25 years' experience as a non-executive director and chair of large ASX-listed companies, government business enterprises, private firms and not-for-profit organisations. Her executive career was in banking, insurance and funds management in Australia, New Zealand and the United States. Linda is currently Chair of Melbourne Health (operating as Royal Melbourne Hospital), and a Non-Executive Director of Medibank Private Limited and Museums Victoria. Previously, she was Chair of Japara Healthcare Limited and Keolis Downer, and a Director of Fairfax Media Limited.

Andrew Reeves (Chief Executive Officer and Managing Director)

Bachelor of Arts (Economics), Advanced Management Program – Harvard Business School

Andrew was appointed Chief Executive Officer and Managing Director of Inghams Group Limited on 29 March 2021. He has more than 40 years' experience in leadership and governance roles across the food and beverage, and agribusiness industries in Australia and internationally. From 2019 to 2021, Andrew was a Non-Executive Director of Inghams Group Limited, and a member of the Finance and Audit Committee, and Risk and Sustainability Committee. He was previously the Chief Executive Officer of George Weston Foods Limited, Managing Director and Executive Director of Lion Nathan Limited, Managing Director Australia of Coca-Cola Amatil Limited, Managing Director of The Smith's Snackfood Company and a Non-Executive Director of Halo Food Co. Limited.

Directors' report (continued)

Directors' meetings

The number of meetings of directors (including meetings of Board Committees) held during the year and the number of meetings attended by each director, during their time in office, were as follows:

	Director meetings held	Director meetings attended	F&AC meetings held	F&AC meetings attended	P&RC meetings held	P&RC meetings attended	R&SC meetings held	R&SC meetings attended	Nom C meetings held	Nom C meetings attended
H Nash[1]	7	7(c)	-	3*	-	5*	2	6*	6	6(c)
R Gordon[2]	7	3	4	2	-	2*	3	3	6	3
M Haseltine[3]	6	5	-	1*	-	2*	5	5(c)	5	4
M Ihlein	7	7	4	4(c)	5	5	-	4*	6	6
T Longstaff	7	7	4	4	5	5(c)	-	6*	6	6
J McArthur[4]	2	2	-	1*	1	1	2	2	2	2
L Bardo Nicholls	7	7	4	4	5	5	6	5	6	6
A Reeves	7	7	-	4*	-	5*	-	6*	-	-

F&AC = Finance and Audit Committee
P&RC = People and Remuneration Committee
R&SC = Risk and Sustainability Committee
Nom C = Nomination Committee

* Denotes attendance by a Director while not a member of the Committee
(c) Denotes Chair of the Board or Committee as at the end of the reporting period
Meetings held applies to the number of meetings held while a Director was on the Board or a member of the relevant Committee
Meetings attended applies to both Committee & Non-Committee members

(1) Helen Nash was appointed a member of the R&SC in January 2024, when Rob Gordon commenced a Board approved leave of absence, and has remained as a member of that Committee.
(2) Rob Gordon was appointed as Chair of the R&SC on 7 November 2023. Rob Gordon was on a Board approved Leave of Absence from 23 January 2024 until 31 July 2024. Since his return from the leave of absence, he has remained a member of the Board, F&AC and Nom C.
(3) Margie Haseltine was appointed as a Non-Executive Director and member of the Nom C and the R&SC on 1 September 2023. Margie was appointed as Chair of the R&SC in January 2024 when Rob Gordon's leave of absence commenced and she has remained in this position.
(4) Jackie McArthur retired from the Board at the conclusion of the Company's 2023 AGM held on 7 November 2023. This included retiring as Chair of the R&SC and as a member of the Nom C and P&RC.

In addition to the formal meetings of the Board and its Committees, Directors attended seven Board calls plus ad-hoc meetings to deal with urgent or out-of-cycle matters. Members of the Board also conducted in-person visits to Company operations at various sites and met with operational management during the year.

Group Legal Counsel and Company Secretary

Marta Kielich, Bachelor of Laws (Honours), Bachelor of Commerce

Marta joined Inghams on 24 July 2023. Marta has more than 15 years' listed company experience providing legal counsel, company secretarial and governance support at companies including City Chic Collective, 3P Learning, Origin Energy and the Australian Securities Exchange. She is a Fellow of the Governance Institute of Australia, a Member of the Australian Institute of Company Directors and a Member of the Law Society of NSW.

Chief Financial Officer and Company Secretary

Gary Mallett, Chartered Accountant, Bachelor of Business (Accounting)

Gary joined Inghams in 2019. He is responsible for the Company's financial management and reporting, treasury, investor relations, company secretarial and legal, risk management, procurement, property management, mergers and acquisitions, and information technology.

Gary has more than 30 years' experience in various senior finance roles with ASX-listed companies, including Brambles Limited and Origin Energy Limited. Before joining Inghams, he was Chief Financial Officer at Senex Energy Limited. He also serves as Secretary and Director of several Inghams Group Limited subsidiary companies.

Principal activities

The principal activities of the Group during the year consisted of the production and sale of chicken and turkey products across its vertically integrated free-range, value enhanced, primary processed, further processed and by-product categories. Additionally, stockfeed was produced primarily for internal use but also for the poultry and pig industries.

Directors' report (continued)

Corporate Structure

Inghams is a company limited by shares that is incorporated and domiciled in Australia. Details of all companies in the Group are outlined in Note 22 to the Financial Statements.

Significant changes in the state of affairs

There were no significant changes in the nature of the Group's activities during the year.

Dividends

An interim fully franked dividend of 12.0 cents per share totalling $44.6M was paid on 5 April 2024 (FY23: 4.5 cents per share totalling $16.7M).

Subsequent to the year end, a final fully franked dividend of 8.0 cents per share has been declared totalling $29.7M (FY23: 10.0 cents per share totalling $37.2M) to be paid on 9 October 2024. The financial effect of this dividend has not been brought to account in these consolidated financial statements and will be recognised in the subsequent financial report.

The full year fully franked dividend of 20.0 cents per share (FY23: 14.5 cents per share), represents a payout ratio of 73.1%, at the mid range of the 60-80% payout range of Underlying Net Profit After Tax (NPAT).

Significant events after the balance date

Subsequent to the year end, on 1 July 2024, Inghams completed the acquisition of Bostock Brothers Limited business in New Zealand (Refer to note 28).

Other than the dividend declaration and the matter noted above, the directors of the Company are not aware of any other matter or circumstance not otherwise dealt with in the financial report that significantly affected or may significantly affect the operations or financial results of the Group subsequent to year end.

Environmental regulation

The Group is subject to particular and significant environmental regulations.

Inghams seeks to be compliant with all applicable environmental laws and regulations relevant to its operations in Australia and New Zealand. We monitor operations' environmental controls on a regular basis, to minimise the risk of non-compliance. We engage regularly with all relevant authorities.

The Group takes its environmental obligations seriously and has had an environmental policy in place for more than 30 years. The policy provides the framework for a comprehensive management strategy that is integrated with overall business strategy and ensures individual sites are managed in a consistent way to a high standard.

The policy contains a commitment to protecting the environment including:

- Development of an environmental management system integral to overall management;
- Prevention of pollution and carbon management;
- Water, energy and material conservation;
- Continuous environmental improvement; and
- Working towards sustainability internally and with the supply chain.

It includes requirements for each site to develop and implement a site-specific environmental management plan (EMP), aligned to ISO14001:2015 standard requirements, with the following objectives:

- Compliance with applicable legal and other requirements;
- Identification of environmental impacts of our activities, products and services;
- Procedures for managing activities with a potential to impact the environment;
- Continuous environmental improvement through setting and reviewing specific objectives and targets;
- Clear responsibilities and accountability.

It also outlines the annual self-assessment and the periodic environmental review processes.

The Group is subject to legislation including but not limited to:

- Planning and Environmental Protection legislation and policies relevant to each state of Australia and New Zealand.
- Each site has the required environmental protection licence or resource consent.
- The EMP contains a list of the applicable legislation for each site.

Directors' report (continued)

In FY2024 Inghams incurred two fines at operated assets in relation to non-compliance with environmental laws and regulations, the total amount payable is less than AU$0.1M. One of the incidents was a historical incident from FY21, with enforcement finalised in FY24. The other occurred during the reporting period.

Directors' interests

The relevant interest of each director in the shares and rights over such instruments issued by the companies within the Group, as notified by the directors to the Australian Securities Exchange (ASX) in accordance with s205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

	Ordinary shares	Performance rights
Helen Nash	91,953	–
Rob Gordon	45,772	–
Margaret Haseltine	–	–
Michael Ihlein	45,455	–
Timothy Longstaff	29,850	–
Linda Bardo Nicholls, AO	55,846	–
Andrew Reeves	44,563	2,168,140

Directors' report (continued)

Share options

Performance rights

Executive Key Management Personnel (KMP) and senior executives are invited annually to participate in a three-year Long-Term Incentive Plan (LTIP), awarded in share rights with these share rights being performance based and only vesting if minimum performance hurdles are met. The share rights do not attract voting rights or entitle the holder to receive dividends.

In addition, Executive KMP and certain senior executives have a portion of any actual Short-Term Incentive Plan (STIP) award deferred into share rights, that are required to be held for a period of 12 months before vesting into shares. No performance conditions exist for these share rights to vest and they are time-based vesting on the completion of the service period.

Share rights outstanding at the end of the year have the following expiry dates and exercise prices (where relevant):

		2024		2023	
Grant Date	Expiry Date	Exercise price	Number of rights	Exercise price	Number of rights
21 February 2024	01 July 2026	–	1,927,849	–	–
15 September 2023	15 September 2024	–	295,525	–	–
21 June 2023	01 July 2025	–	2,144,169	–	2,323,507
17 November 2022	19 August 2025	–	367,015	–	367,015
27 September 2022	19 August 2025	–	193,830	–	193,830
05 November 2021	01 July 2024	–	1,220,769	–	1,401,302
10 June 2021	01 July 2023	–	–	–	814,815
01 September 2020	31 July 2023	–	–	–	15,031
Total Rights Outstanding			**6,149,157**		**5,115,500**

Included in the below table are rights outstanding to the following directors and officers of the company and the Group as at the date of the report:

Name of officer	Date granted	Number of rights
Andrew Reeves	21 February 2024	546,265
Andrew Reeves	15 September 2023	158,373
Andrew Reeves	21 June 2023	688,152
Andrew Reeves	17 November 2022	367,015
Andrew Reeves	05 November 2021	408,335
Gary Mallett	21 February 2024	138,292
Gary Mallett	15 September 2023	26,765
Gary Mallett	21 June 2023	180,907
Gary Mallett	27 September 2022	193,830
Gary Mallett	05 November 2021	112,601

No options were granted to the directors or officers of the company since the end of the financial year.

Directors' report (continued)

Indemnities and insurance of officers and auditors

Indemnities

Inghams constitution indemnifies each officer of Inghams and its controlled entities against a liability incurred by that person as an officer unless that liability arises out of conduct involving a lack of good faith. The constitution also provides that Inghams may make a payment to an officer or employee (by way of advance, loan or otherwise) for legal costs incurred by them in defending legal proceedings in their capacity as an officer or employee. Inghams has entered into a Deed of Access, Indemnity and Insurance with each director which applies during their term in office and after their resignation (except where a director engages in conduct involving a lack of good faith). Inghams constitution provides that it may indemnify its auditor against liability incurred in its capacity as the auditor of Inghams and its controlled entities. Inghams has not provided such an indemnity.

Indemnification and insurance of officers

During the reporting period and since the end of the reporting period, the consolidated entity has paid premiums in respect of a contract insuring directors and officers of the consolidated entity in relation to certain liabilities. The insurance policy prohibits disclosure of the nature of the liabilities insured and the premium paid.

Lead auditor's independence declaration

The lead auditor's independence declaration required under section 307C of the *Corporation Act 2001* is included on page 57.

Non-audit services

The following non-audit services were provided by the entity's auditor, KPMG. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. This assessment has been confirmed to the Board by the Finance & Audit Committee.

KPMG received or are due to receive the following amounts for the provision of non-audit services:

	2024 $000	2023 $000
*Other assurance services	4	24
Total non-audit services	**4**	**24**

* Other assurance services provided for FY24 relate to the compliance of bank covenants

Rounding of amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest hundred thousand dollars, except where stated otherwise.

Directors' report (continued)

Operating and financial review

Non-IFRS measures

This Report contains both IFRS and non-IFRS information. Inghams believes that the presentation of certain non-IFRS measures, including EBITDA and EBIT provides useful information to recipients for assessing the underlying operating performance of the Company.

Purpose

The purpose of the Operating and Financial Review (OFR) is to provide shareholders with information regarding the Group's performance, financial position and prospects. The OFR should be read in conjunction with the Financial Report on pages 58 to 105.

Reconciliation of FY24 result

A reconciliation of the FY24 result, between the As Reported results and the Underlying Pre AASB 16 result is set out in table 5 on page 14 of this Report.

2024 Financial Year 53-week period

The 2024 financial year represents a 53-week trading period. The review of Inghams' FY24 financial performance in the Directors' Report is compared to the financial results for the previous (2023) financial year, which was a 52-week trading period.

Table 1: Results for FY24 actual compared to FY23

Consolidated income statement	Result FY24 (53 weeks) Actual $000	Result FY23 (52 weeks) Actual $000	Change $000
Revenue	3,262,000	3,044,000	218,000
Cost of sales	(2,418,700)	(2,289,200)	(129,500)
Gross profit	**843,300**	**754,800**	**88,500**
Other income	300	3,200	(2,900)
Distribution expense	(195,400)	(185,300)	(10,100)
Administration and selling expense	(178,000)	(154,600)	(23,400)
Share of net profit of joint venture	900	400	500
EBITDA	**471,100**	**418,500**	**52,600**
Depreciation and amortisation	(244,300)	(268,200)	23,900
EBIT	**226,800**	**150,300**	**76,500**
Net interest expense	(83,700)	(77,200)	(6,500)
FX gain	100	1,000	(900)
Net profit before tax	**143,200**	**74,100**	**69,100**
Income tax expense	(41,700)	(13,700)	(28,000)
Net profit after tax	**101,500**	**60,400**	**41,100**

Inghams delivered a very strong FY24 result, with earnings and profit metrics showing strong growth on FY23, underpinned by a solid operating performance and growth in volume and net selling prices.

Core poultry volume increased 2.8% on the prior corresponding period, benefitting from a shift in Australia's channel mix to in-home dinning from out-of-home channels, and a significant improvement in New Zealand operations as a result of a strong recovery in operational performance compared to FY23. Retail volumes experienced growth of 20.9KT as consumers responded to cost-of-living pressures by increasing the frequency of in-home dining, which was partially offset by a reduction in volumes in QSR and other out-of-home channels. Total Poultry volume growth was lower at 1.9%, due to a decline in external feed volumes.

Revenue increased 7.2% on the prior corresponding period to $3.3B, driven by growth in both total poultry volume, and growth in core poultry net selling prices (NSP $/kg) of 5.4% following price increases implemented in the second half of FY23 and during FY24 in response to the significant increase costs borne by the business due to the current inflationary environment.

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased 12.6% on FY23 to $471.1M. Underlying EBITDA pre AASB 16 increased 30.8% to $240.1M, which is the highest reported result for the Company since listing in 2016. Net profit after tax (NPAT) increased 68.0% on the prior corresponding period to $101.5M.

Following a record half-year earnings result in the first half of FY24 with EBITDA pre AASB 16 of $138.4M, EBITDA pre AASB 16 declined in the second half of FY24 to $101.7M. There were several factors contributing to the lower second half performance; a volume reduction in second half due to normal seasonality; a firm Wholesale price with an average second half pricing lower than

Directors' report (continued)

Operating and financial review (continued)

first half offset by a significant shift in channel mix toward in-home dining from out-of-home channels as consumers responded to cost-of-living pressures; lower processing volumes due to demand shift and temporary change in settings to address inventory levels and lower bird weights, partially offset by various cost saving initiatives implemented during the period.

Total costs within EBITDA increased by 6.2% (+$165.4M) on PCP. Internal feed costs increased $10.1M, while cost of sales increased $129.5M due to growth in volume and inflation and the impact of a reduction in grower contracts treated as AASB 16 Leases, partially offset by efficiencies and an improvement in operational performance. While the rate of cost inflation moderated during the period, higher cost growth was observed across salary & wages, utilities, husbandry, ingredients and repairs & maintenance. The increase in total costs on PCP includes $19.0M impact mainly in cost of sales from the conversion of a significant number of grower contracts from fixed to performance based variable contracts. As a result more grower contract costs are in costs within EBITDA rather than AASB 16 Lease costs of interest and depreciation. Employee costs increased during FY24, with increases in salaries and wage costs and the provision for short and long-term incentive costs in line with improved financial and operational results.

Net interest expense increased 8.5% on the prior corresponding period due to both higher interest rates, and a higher average debt balance during the year due to the various investments and acquisitions completed in FY24.

The underlying effective tax rate increased to 29.2% (2023: 21.9%). FY23 included the receipt of the FY21 R&D tax credit of $8.5M.

Segment results

Australia

Table 2a: Selected financial information for the Australia segment

Consolidated income statement	Actual FY24 $000	Actual FY23 $000	Change $000
Poultry Revenue	2,615,700	2,439,200	176,500
External Feed Revenue	144,400	158,100	(13,700)
Revenue	**2,760,100**	**2,597,300**	**162,800**
EBITDA Segment	**377,900**	**357,000**	**20,900**
EBITDA AASB 16	(182,500)	(210,800)	28,300
EBITDA Significant items	(2,100)	14,100	(16,200)
EBITDA Pre AASB 16	**193,300**	**160,300**	**33,000**

New Zealand

Table 2b: Selected financial information for the New Zealand segment

Consolidated income statement	Actual FY24 $000	Actual FY23 $000	Change $000
Poultry Revenue	439,600	381,800	57,800
External Feed Revenue	62,300	64,900	(2,600)
Revenue	**501,900**	**446,700**	**55,200**
EBITDA Segment	**93,200**	**61,500**	**31,700**
EBITDA AASB 16	(48,600)	(39,300)	(9,300)
EBITDA Significant items	2,200	1,100	1,100
EBITDA Pre AASB 16	**46,800**	**23,300**	**23,500**

In Australia, core poultry volumes grew 1.9% in FY24. The growth in core poultry volume performance reflects a shift in channel mix toward Retail, largely offsetting a decline in volume in QSR and other out-of-home channels as consumers responded to cost-of-living pressures through a shift to in-home dining options.

Revenue increased 6.3% on the prior corresponding period, driven by volume growth, a 5.3% increase in total poultry net selling prices in response to cost growth across the business, and a decline in external feed revenue of 8.6% due to the full year effect of the closure of the Wanneroo feedmill in April 2023.

Total costs (excluding AASB 16 and items excluded from underlying) increased 5.2%, driven by higher processing volumes and small increase in internal feed cost. Growth in other costs include the provision for short and long-term incentive costs related to improved financial and operating results, cyber security and IT investments, electricity, ingredients, and repairs and maintenance costs.

Directors' report (continued)

Operating and financial review (continued)

New Zealand core poultry volume grew by 8.4% versus the prior corresponding period, with volume growth reflecting a recovery in production as operations returned to a normal cadence following the significant disruptions experienced in prior periods due to labour and CO2 shortages. Cost-of-living pressures were also evident in New Zealand channel performance as consumers reduced expenditure on out-of-home dining in favour of in-home options.

New Zealand revenue increased 12.4% on the prior corresponding period, driven by core poultry volume growth and an increase of 4.8% in core poultry net selling prices, mainly reflecting the effect of FY23 increases. Total costs (excluding AASB 16 and items excluded from underlying) increased 7.5% versus the prior corresponding period. Internal feed cost declined due to a decline in international feed pricing, partially offset by the increase in volume, while growth in other costs was the result of higher promotion and brand related costs, distribution, labour, utilities, and repairs and maintenance costs.

Balance Sheet

Table 3: Selected consolidated statement of financial position for the year ended 29 June 2024

Consolidated statement of financial position	FY24 $000	FY23 $000	Change $000
Current assets	747,500	787,100	(39,600)
Non-current assets	1,652,500	1,787,200	(134,700)
Total assets	**2,400,000**	**2,574,300**	**(174,300)**
Current liabilities	693,300	718,000	(24,700)
Non-current liabilities	1,487,100	1,654,500	(167,400)
Total liabilities	**2,180,400**	**2,372,500**	**(192,100)**
Net assets	**219,600**	**201,800**	**17,800**

Net Assets

Current assets decreased $39.6M due to a $34.0M reduction in Trade and Other Receivables (note 8) due to an improvement in Debtor Days. Inventories increased by $16.8M on the prior corresponding period, due largely to an increase in both feed and processed poultry inventories during the period. Part of the increase in processed poultry inventories was to support improved customer service level performance, while Further Processed poultry inventories increased due to a softening in consumer demand in out-of-home channels including Quick Service Restaurants (QSR). During the second half of FY24, the Company implemented initiatives to reduce inventory levels compared to the level reported in the first half of FY24.

Non-current asset values have decreased $134.7M due to the reduction in the Right-of-use assets (note 12) of $243.9M, relating to the removal of the Bolivar lease following the acquisition of the property in December 2023, and the conversion of grower contracts from fixed to performance based variable contracts. Total capital expenditure and acquisitions during the period was $168.3M, following the Company's acquisition of the previously leased Bolivar Primary Processing facility in South Australia for $76.0M and Bromley Park Hatcheries for $4.5M (excluding working capital of $2.1M), and investments in automation equipment of $21.4M in addition to stay in business investment ($64.4M). As a result, Property, Plant and Equipment increased by $100.5M.

Two key network-related acquisitions were completed in FY24. Inghams acquired Bromley Park Hatcheries in New Zealand in October for NZ$4.5 million (excluding working capital of $2.1 million). As part of this acquisition, Inghams entered into a long-term lease with a third party for the land and facilities. In December, the Company completed the acquisition of the strategically important Bolivar Primary Processing facility in South Australia for $75.6 million (excluding acquisition costs).

In January 2024, the new distribution centre in Hazelmere, WA, became operational. The Hazelmere DC is the third of a three-facility DC investment program and is expected to provide significant operational efficiencies as we supply fresh and frozen chicken to Western Australia.

Current Liabilities decreased $24.7M due to a reduction in lease liabilities of $7.3M, driven by the Bolivar acquisition and grower contracts transitioning to variable.

Non-current liabilities decreased $167.4M due to a $222.8M reduction in lease liabilities driven by the Bolivar acquisition and grower contracts transitioning to variable partially offset by an increase in borrowings of $59.8M due to the drawdown of Facility C of $60.0M.

Directors' report (continued)

Operating and financial review (continued)

Table 4: Consolidated net debt

Net debt	FY24 $000	FY23 $000
Bank loans	(460,000)	(400,000)
Capitalised loan establishment fees included in borrowings	1,400	1,200
Total borrowings	**(458,600)**	**(398,800)**
Less: Cash and cash equivalents	110,700	136,300
Net debt	**(347,900)**	**(262,500)**

Net debt

Net debt increased $85.4M versus the prior corresponding period to $347.9M due to the various processing equipment, business and property acquisitions completed during the period. Leverage remained stable at 1.5 times versus the prior corresponding period and is comfortably within our target range of 1.0 to 2.0 times Underlying EBITDA pre AASB 16.

Cash flow from operations was $418.5M for FY24, an increase of $59.5M versus the prior corresponding period, reflecting higher EBITDA and improved cash conversion. The Company's cash conversion ratio increased 7.3 percentage points versus the prior corresponding period to 97.7%, reflecting strong cash collection during the period.

Reconciliation of results as reported to underlying (Pre AASB 16)

Table 5: Results for FY24

Consolidated income statement	Reported Actual $000	Excluded from Underlying $000	Underlying Actual $000	AASB 16 Impact $000	Underlying (Pre AASB 16) $000
Revenue	3,262,000	–	3,262,000	–	3,262,000
Cost of sales	(2,418,700)	–	(2,418,700)	(208,300)	(2,627,000)
Gross profit	**843,300**	**–**	**843,300**	**(208,300)**	**635,000**
Other income	300	–	300	–	300
Distribution expense	(195,400)	–	(195,400)	(17,700)	(213,100)
Administration and selling expense	(178,000)	100	(177,900)	(5,100)	(183,000)
Share of net profit of joint venture	900	–	900	–	900
EBITDA	**471,100**	**100**	**471,200**	**(231,100)**	**240,100**
Depreciation and amortisation	(244,300)	–	(244,300)	186,800	(57,500)
EBIT	**226,800**	**100**	**226,900**	**(44,300)**	**182,600**
Net interest expense	(83,700)	–	(83,700)	55,100	(28,600)
FX gain	100	–	100	–	100
Net profit before tax	**143,200**	**100**	**143,300**	**10,800**	**154,100**
Income tax expense	(41,700)	–	(41,700)	(3,200)	(44,900)
Net profit after tax	**101,500**	**100**	**101,600**	**7,600**	**109,200**

Directors' report (continued)

Operating and financial review (continued)

Table 6: Results for FY23

Consolidated income statement	Reported Actual $000	Excluded from Underlying $000	Underlying Actual $000	AASB 16 Impact $000	Underlying (Pre AASB 16) $000
Revenue	3,044,000	–	3,044,000	–	3,044,000
Cost of sales	(2,289,200)	–	(2,289,200)	(224,800)	(2,514,000)
Gross profit	**754,800**	**–**	**754,800**	**(224,800)**	**530,000**
Other income	3,200	–	3,200	–	3,200
Distribution expense	(185,300)	–	(185,300)	(20,600)	(205,900)
Administration and selling expense	(154,600)	15,200	(139,400)	(4,700)	(144,100)
Share of net profit of joint venture	400	–	400	–	400
EBITDA	**418,500**	**15,200**	**433,700**	**(250,100)**	**183,600**
Depreciation and amortisation	(268,200)	–	(268,200)	214,000	(54,200)
EBIT	**150,300**	**15,200**	**165,500**	**(36,100)**	**129,400**
Net interest expense	(77,200)	–	(77,200)	53,300	(23,900)
FX gain	1,000	–	1,000	–	1,000
Net profit before tax	**74,100**	**15,200**	**89,300**	**17,200**	**106,500**
Income tax expense	(13,700)	(4,500)	(18,200)	(5,100)	(23,300)
Net profit after tax	**60,400**	**10,700**	**71,100**	**12,100**	**83,200**

In relation to the AASB 16 impact, the reduction in EBITDA of $19.0M from FY23 is due to the disposal of the Bolivar lease due to the acquisition of the property along with the conversion of contract growers from fixed to performance based variable contracts.

Interest increased $1.8M due to higher incremental borrowing rates at inception of new leases which included two replacement Distribution Centres.

The AASB 16 impact on NPAT is reducing, this is predominantly due to contract growers transitioning to performance based variable contracts and no longer recognised as Right of Use Asset and Lease Liability.

Directors' report (continued)

Operating and financial review (continued)

Reconciliations - statutory to underlying

The items outlined below have been tax effected to determine an underlying Net Profit After Tax (NPAT) to allow shareholders to make a meaningful comparison of the Group's underlying NPAT performance against prior year.

Table 7: Reconciliation of EBITDA to Underlying EBITDA

Consolidated EBITDA ($000)	*Note*	FY24 Actual	FY23 Actual
Revenue		**3,262,000**	**3,044,000**
EBITDA		**471,100**	**418,500**
Restructuring[1]		100	1,500
Business transformation[2]		–	16,700
Property reassignment[3]		–	(3,000)
Underlying EBITDA		**471,200**	**433,700**
AASB 16 impact on EBITDA		(231,100)	(250,100)
Underlying EBITDA pre AASB 16		**240,100**	**183,600**

Table 8: Segment split of items excluded from Underlying EBITDA

EBITDA impact ($000)	*Note*	FY24 Actual	FY23 Actual
Australia		(2,100)	14,100
New Zealand		2,200	1,100
EBITDA impact		**100**	**15,200**

(1) In FY24, AU relates to the net lease liability release and fair value gain from the Bolivar acquisition. NZ is the Bromley and Bostock Acquisition related costs. In FY23 this relates to the removal of restructuring expenses.
(2) Removal of business transformation costs associated with the scope and design of the now deferred ERP program.
(3) Removal of the gain on assignment of property sublease (Cleveland, QLD)

Directors' report (continued)

Operating and financial review (continued)

Material business risks

Inghams is exposed to a range of strategic, and operational risks associated with operating a vertically integrated poultry company. Robust governance and risk management processes are in place to support the effective management of these risks.

Inghams has a comprehensive enterprise risk management framework which incorporates a 'three lines of defence' approach, which provides a sound basis for managing material risks. Risk appetite statements have been updated with the Board and are challenged and monitored during the year. In addition, strategic and emerging risk reports and material operational risk 'deep dive' reports are regularly tabled to Inghams Risk & Sustainability Committee.

Material business risks faced by the Group that may have a significant effect on the financial prospects of the Group include:

Strategic Risks:

Risk	Implication	Mitigating Actions
Changes in poultry demand and supply impacting poultry pricing due to regulation or social change	Any material increase in the supply of chicken in the Australian and New Zealand markets that exceeds the increase in demand could lead to an oversupply of chicken, which may result in reduced prices, negatively affecting Inghams financial performance.	• We participate in a competitive market involving a number of suppliers of chicken products in Australia and New Zealand. • We carefully plan and manage our poultry flock numbers, and network capacity to match expected demand over the short term and long-term. • We maintain access to domestic wholesale and export markets to help manage supply excesses. • We monitor local and global consumption macro-economic trends.
Import restrictions	Changes to import or quarantine conditions in Australia and/or New Zealand that would allow additional forms of poultry to be imported could result in changes to the poultry market that would adversely impact Inghams financial performance. New Zealand currently relies on imported feed. If imports were restricted, this would raise grain commodities/feed costs in New Zealand and potentially make farming unviable.	• We contribute or respond to research on the topic of poultry food safety and disease. • Close monitoring of trade policy, and advocacy via industry bodies.
Customer volumes or mix	A change in the volume or mix of Inghams business could negatively impact its operational or commercial performance.	• We have embedded a commercial strategy that is focused on strengthening core customer relationships, and sustainably building new business in order to strengthen and diversify revenue streams and improve product mix over time. • We conduct reviews of our integrated supply network from time to time to partner our customers strategic business plans over time. • Refer to "Customer Relationships" on subsequent pages.
Assets stranded geographically or due to new business models/ technology	Inghams may be locked into long-dated leases that do not align with future operating requirements and/or the economic life of the assets.	• Inghams base network plan has been developed in light of long-term forecast demand (at least 5 years), to make the best use of existing assets, and to provide substantial lead time to plan and manage our network footprint.

Directors' report (continued)

Operating and financial review (continued)

Material business risks (continued)

Operational Risks:

Risk	Implication	Mitigating Actions
Food safety and disease outbreak	Poor product quality or unsafe products and processes may potentially result in injury, harm or illness to consumers, claims, regulatory impacts and significant reputational damage. Outbreak of an avian disease in Inghams flocks or within the same geographic regions may affect the use and transportation of the affected stock and disrupt supply causing financial loss. If products of Inghams or a competitor became unsafe or were perceived as being unsafe, reduced demand for poultry products could follow.	• We have a food safety and quality governance framework and dedicated quality and food safety staff across the business to meet both mandatory and internal food safety requirements. • Inghams is certified to British Retail Consortium (BRC) Food Safety Issue for the processing sites and BRC Storage and Distribution Issue 4 for the Distribution Centres with an overall rating of AA across all Australia and New Zealand sites. This is a Global Food Safety Initiative (GFSI) world class standard. • Inghams is also certified to Customer Owned Standards for both Retail outlets and Quick Service Restaurants. • Procedures are in place as to how we effectively manage, handle, store, recall and withdraw products. • Our competitive landscape is monitored in Australia and New Zealand for immediate impacts to our poultry demand and the global context continues to be monitored. • Our Product Pride program involves quality assurance, training and awareness across the whole supply chain. • High biosecurity measures are in place to control the risk of infections on our sites. • We have documented procedures which are regularly reviewed to manage and minimise the impact should an avian disease outbreak occur.
Animal welfare & Bird supply failure	Poor animal welfare practices or industry activism could result in significant reputational damage for Inghams and the poultry industry more broadly. As a vertically integrated company, our farming supply chain can be impacted by availability of great grandparent stock and breeder or broiler performance issues.	• Our commitment to high animal welfare standards is underpinned by comprehensive programs developed in collaboration with international animal welfare experts, customers and regulatory authorities. • We hold accreditations with the Royal Society for the Prevention of Cruelty to Animals. In Australia this is the Approved Farming Scheme (RSPCA Approved), and the Animal Welfare Certified Scheme (SPCA Certified) for all of our New Zealand Farms. • We maintain a close relationship with our great grandparent bird stock supplier to understand breeder stock availability and performance trends. Inghams has comprehensive protocols and procedures that cover farm management and biosecurity. Close oversight of breeder and broiler farms enables us to verify that farms are meeting our standards and ensures we can respond promptly to mitigate the impact of any flock performance issues. We aim to maintain a sufficient egg stock buffer to respond to breeder or broiler performance issues

Directors' report (continued)

Operating and financial review (continued)

Material business risks (continued)

Risk	Implication	Mitigating Actions
Climate Change and Feed Input Costs	If feed ingredients supply is reduced following a prolonged period of drought, higher feed prices may arise from lower production levels resulting in higher input costs for Inghams. Feed prices can also be impacted by events outside of drought, such as floods and fires as well as international supply shortages, creating challenges to the business to pass through rising costs. Exposures to physical and transition climate related risks are not effectively mitigated.	• Inghams national production footprint mitigates the risk of concentrated production in one region. In addition, the diversity of grain suppliers across the regions provides access to multiple grain supply chains, further mitigating the risk of grain shortages. • Input costs, including grain prices and pricing of other commodities, are managed through customer pricing negotiations as well as forward contracts. • Inghams 2030 Sustainability roadmap developed to manage climate related risks. This is supported by a robust governance framework to manage risk.
Plant failure & Site Security	A range of events, including natural disaster, fire, explosion and other force majeure related events, may result in the failure of one of our plants. Our plants include feed mills, primary processing plants and further processing plants. Site access remains a focus point for interruption at primary and secondary processing plants, farms and distribution centres which may impact on supply.	• We have a rolling program of regular site inspection of a plant's pressure vessels, boiler, gas supply and fire detection and response. • Inghams would address any loss of plant using its business continuity plans, disaster recovery and network planning. This would mean that spare or contingent capacity is identified at a group level to accommodate a loss of the largest site. There may be instances where our spare or contingent capacity is insufficient to cover the loss of plant. • Inghams continue to focus on contingency planning for all of its farms, production and distribution sites. This includes site and network level business continuity plans.
Customer relationships	The risk of reduced sales volumes, or a missed opportunity to increase sales volumes, across our customer network, could have a significant financial consequence for Inghams.	• We focus on delivering and exceeding our customer expectations. • We extend supply agreements to key customers to both mitigate the risk of loss of business and allow for effective network planning. • Inghams has a centralised customer complaints management process and network-wide tracking and remediation of outcomes arising from customer audits. • Quality assurance teams undertake comprehensive quality assurance testing of products prior to customer approvals.
Information asset failure and cyber	Information assets may fail, including denial of access as a result of a cyber attack, supplier incidents or human error, resulting in the inability to operate and support critical business processes.	• We continue to invest in our cyber security capability and controls, including business continuity plans. Processes are in place to continuously improve continuity plans and embed lessons learned as the threat landscape evolves. • We have a range of IT and IT security controls within an overarching IT risk management framework. We regularly test our disaster recovery plans and continue to roll out a cyber awareness program and have developed cyber specific security processes. • We have a forward-looking network-level strategy to refresh legacy information assets.

Directors' report (continued)

Operating and financial review (continued)

Material business risks (continued)

<table>
<tr><th>Risk</th><th>Implication</th><th>Mitigating Actions</th></tr>
<tr><td>Legal, regulatory and governance</td><td>Our operations are subject to a range of legal and regulatory matters including work health and safety, food safety, consumer protection, competition and the environment.</td><td>We have a range of policies, procedures and plans to help us manage our legal and regulatory compliance.
Our Code of Conduct sets out the guiding principles for 'doing the right thing' and living up to our Purpose and Principles.
We evaluate and respond to legal proceedings and claims, with our response correlated to the potential risk exposure.
We monitor and engage with government and regulatory bodies on policy, regulatory compliance and impacts to the regulatory environment.</td></tr>
<tr><td>Business interruption, e.g. industrial action, labour resourcing & pandemic</td><td>Interruption to our operations can be caused by a range of issues including, but not limited to, natural disaster, supply chain, talent retention/acquisition, industrial action and other regulatory incidents, loss of plant, cyber incident or IT system failure and pandemic/epidemic.

Business interruptions could impact our operations, our partners and our employees and may cause business and reputational damage as well as significant financial impacts.</td><td>We monitor and respond to threats in the continuity of our operations.
We undertake a range of business continuity exercises to test the ability of our business to respond effectively.
We invest in our technology infrastructure and applications and regularly review our IT recovery plans to enhance our offsite back-up and recovery capabilities.
We have embedded robust short and long-term planning processes to monitor, scenario plan and manage our business.
We manage the effects of potential labour absenteeism or the challenges in retaining or sourcing staff for our business through workforce planning.</td></tr>
<tr><td>Environmental regulation and community</td><td>Our operations are subject to a range of environmental laws and regulations including,
Planning and environmental protection legislation relevant to states in Australia and New Zealand.
Environmental protection licences or resource consents which can change over time.
Failure to adequately manage environment obligations could result in environmental impacts, community action, regulatory intervention and impact our licence to operate and reputation.</td><td>We have an environment policy which provides a framework for a comprehensive management strategy that is integrated in the overall business strategy.
Site specific environmental management plans which are aligned to a format independently assessed against ISO14001:2015. Our plans include procedures for responding to community complaints.
We monitor progress and make appropriate investments towards reaching our 2030 Sustainability Commitments.</td></tr>
</table>

Directors' report (continued)

Operating and financial review (continued)

Strategy and future prospects

Our ambition is to be Australia and New Zealand's 'first choice for Poultry'. Our purpose and why we exist is to produce 'Deliciously good food, in the best way'. This purpose underpins our strategic objectives, and our commitment to making a positive difference. FY24 marked our third year on this journey to delivering that purpose and living the Inghams way and we believe Ambition and Purpose take time and shouldn't change.

Our strategy is focussed on growing returns over time, and we have progressed our framework in FY24 for how we achieve this across all critical aspects of our business:

Our marketplace:

- Products: We made further progress on crafting a brand and product portfolio that creates more value for our shareholders, Customers, employees and Inghams. SKUs like the Memphis BBQ Bird in Woolworths, Jacks Fried Chicken in Hungry Jacks and Hot and Crispy in KFC progressed our vison of value added and enhanced products. We also saw significant growth in Macro (Woolworths home brand) supply.
- Customers: We continue to elevate our customer relationships to be less transactional and more strategic, with a longer-term focus. We use best in class category management, deep consumer and shopper insights, data and analytics to ensure ongoing poultry category growth with and for our customers.

Our workplace:

- Sustainability: We continue to develop industry leadership in sustainable processes and practices, with clear progress outlined in our ESG report.
- People: We are still on our journey to create a constructive culture; inspiring people to develop themselves and give their best everyday.
- Efficiency: We made significant progress in continuous improvement across all parts of our business, delivering savings but more importantly, embedding the right behaviours.
- Capability: Investing behind critical manufacturing capabilities continued to support areas of growth for the business, efficiency improvement, and meet evolving marketplace needs.

This strategy is in year 3 of execution and will continue through the ongoing development of systems, processes and people. This includes systems that embed continuous improvement capability, engage integrated business planning, and that evolve and integrate key technology systems and processes.

Directors’ report (continued)

Chair of the People and Remuneration Committee

On behalf of the Board of Directors, I am pleased to present our Remuneration Report for the 2024 financial year (FY24). The Report summarises Inghams Group Limited’s (Inghams) remuneration strategy and outcomes for Executive Key Management Personnel (Executive KMP) and Non-Executive Directors.

The Board continues to govern Inghams remuneration strategy and structure to support our purpose, ambition, values and behaviours with incentives to create value for our shareholders, customers and the community over the short, medium, and long-term. This structure includes an equity component that fosters a business-ownership approach for our senior leaders. It is underpinned by good governance, consultation with key stakeholders and alignment with the Company’s business strategy.

Our year

Inghams financial results in FY24 represents a record result for the Company. Key components with profit measures on an underlying basis were:

- Increasing Revenue 7.2% to $3.26B;
- Increasing Earnings Before Interest Taxes, Depreciation and Amortisation (EBITDA) by 8.6% to $471.2M;
- Increasing pre AASB 16 EBITDA by 30.8% to $240.1M;
- Increasing Earnings Per Share (EPS) to 27.3 cents, a 68.0% increase;
- Leverage in the middle of the target range at 1.5x; and
- Increasing full-year dividends declared from 14.5 cents per share to 20.0 cents per share, a 37.9% increase.

As covered elsewhere in this annual report, in addition to the record financial outcome there was also significant progress during the year on the integration of Bromley Park in New Zealand, the implementation of mental health first aid training with frontline leaders having also completed mental health awareness training, and the completion of the FY22-FY24 Safety for Life Program.

I would like to thank our people in particular, and our leadership team for delivering improved profit performance and leading with care. We continue to keep our people safe while being agile in our operations to continuously deliver quality products to our customers.

FY24 remuneration outcomes – short-term incentive plan (STIP) and long-term incentive plan (LTIP)

In FY24, there was a benchmarking process undertaken to assess Executive KMP remuneration. The Board determined there would be an increase of 4.2% to TFR for the CEO/MD, effective 1 September 2023, awarded to align to benchmarking market data. For the CFO, effective 1 July 2023, an adjustment for minimum superannuation guarantee contributions was made (an increase of 0.03%). For further information on TFR see page 35.

For the FY24 STIP, Inghams returned to the use of pre AASB 16 EBITDA, consistent with the financial performance measure used in FY22 and prior years, as the sole financial measure and increased the EBITDA measure to a weighting of 70% of the STIP scorecard. We removed the core poultry volume measure to reflect Inghams focus on higher margin value-added products as a profit driver, and to make way for an additional ESG measure. This additional ESG item adopted was a water consumption measure that recognises the importance of this precious resource to a business that uses 5.9 GL of water per annum.

Based on the overall company performance during the financial year, the FY24 STIP Balanced Scorecard outcome was 96 out of a possible 120. As a result, the individual final STIP outcome for Executive KMP was 64.0% of the maximum outcome for the CEO/MD and 64.0% of the maximum outcome for the CFO, with the balance for each participant forfeited, in line with our remuneration framework and policies. The Board did not exercise any discretion to alter the STIP outcome. For further information on the STIP outcomes see page 39.

For the FY22-FY24 LTIP, there was 33.29% vesting at the conclusion of this Plan. The performance of the Company on the relative Total Shareholder Return (TSR) measure was at the 58th percentile, which resulted in 66.58% TSR-based rights vesting for 50.0% of the LTIP scorecard, however, the Return on Invested Capital (ROIC) measure that is the other 50.0% of the LTIP scorecard was below the minimum levels required for vesting. For further information on individual Executive KMP see page 43.

In FY24, a benchmarking process was undertaken to assess Board Fees. The fee structure had remained unchanged since IPO in 2016, except for 2020 when the Committee fees were introduced. The Board determined there would be an increase to the Non-Executive Director Board fees and to fees of the fee-paying Committees, with no increase to the Chair’s Board fees. For further information on Board fees see page 44.

Directors’ report (continued)

Update on short-term and long-term incentive plans

In FY25 Inghams proposes to retain an unchanged 70% weighting and composition for the STIP financial measures with Environmental, Social and Governance (ESG) measures retained at 30%.

Inghams includes non-financial incentive measures in the STIP to support our commitment to delivering the ESG strategy. For FY25 Water Consumption, People Safety and Food Safety (with a refined test definition) remain. The ESG measures are all subject to the safety and welfare modifier. In the event of a significant people or food safety or animal health and welfare incident the STIP payout on the ESG metrics, 30% of the award, may be reduced as low as nil.

The table below shows the FY24 and intended FY25 STIP scorecard.

Metric		FY24		FY25
Financial: EBITDA (pre AASB 16)		70%		70%
ESG (non-financials):				
Environment: Water consumption		10%	Safety and Animal Welfare Modifier	10%
Social: People safety	Safety Modifier	10%		10%
Social: Food safety		10%		10%
Total		100%		100%

Consistent with prior years, the FY25-FY27 LTIP will be based on Underlying pre AASB 16-based Return on Invested Capital (ROIC) and relative Total Shareholder Return (TSR) as the performance measures. The way in which ROIC is calculated will include a small change to adjust the interest component of the calculation to exclude the amount related to the inventory trade payable facility and make additional financial statement disclosure of this interest amount (not otherwise required to be separately disclosed) to enable independent calculation. As a guide, if that adjustment had applied to FY23 ROIC of 19.0%, it would have reduced this to 18.2%. The inventory trade payable facility is used for all feed purchased across Australia and New Zealand within the business. It is utilised for all feed purchases and only used for feed, not only because of management policy, which is overseen by the Board, but also because of the terms of the facility. This policy ensures that changes in facility utilisation cannot be used to vary the ROIC outcome. More information on this change and how it differs to previous calculations will be shared in the notice of meeting documents for 2024 AGM.

The Board retains the performance period of 3 years for the FY25-FY27 LTIP and will continue to evaluate the suitability of this period for future awards.

The Board is committed to ensuring the remuneration strategy reflects good governance and is transparent in its design to support the business strategy and drive sustainable out performance for shareholders over the short, medium and long-term.

On behalf of the Board, we invite you to read our report. We look forward to receiving your feedback at the Annual General Meeting (AGM).

Yours faithfully,

Timothy Longstaff

Chair, People and Remuneration Committee

Directors' report (continued)

Remuneration report - audited

Contents

Directors' report (continued)

Remuneration report - audited (continued)

1 Remuneration report overview

The Remuneration Report has been audited as required by section 308 (3C) of the *Corporations Act 2001*.

This Report covers Non-Executive Directors and Executive Key Management Personnel (Executive KMP) of Inghams who have the authority and responsibility for planning and controlling the activities of Inghams. The Executive KMP comprises the Chief Executive Officer and Managing Director (CEO/MD), and the Chief Financial Officer (CFO) (Executive KMP).

The table below outlines the Non-Executive Directors of Inghams and any movement during FY24.

Name	Position	Term
Non-Executive Directors		
Helen Nash	Non-Executive Chair	Full financial year
Linda Bardo Nicholls AO	Non-Executive Director	Full financial year
Rob Gordon	Non-Executive Director	Full financial year[1]
Margaret Haseltine	Non-Executive Director	Since 1 September 2023
Michael Ihlein	Non-Executive Director	Full financial year
Timothy Longstaff	Non-Executive Director	Full financial year
Jackie McArthur	Former Non-Executive Director	To 7 November 2023

(1) Rob Gordon was on a Board approved leave of absence from 23 January 2024 to 31 July 2024.

The table below outlines the Executive KMP of Inghams and any movement during FY24.

Current Executive KMP	Position	Term as Executive KMP
Executive Director		
Andrew Reeves	CEO/MD	Full financial year
Senior executives		
Gary Mallett	CFO	Full financial year

Directors' report (continued)

Remuneration report - audited (continued)

2 How remuneration is governed

Remuneration decision making

The Board, People and Remuneration Committee, Executive KMP and Management work together to apply Inghams Remuneration Governance Framework (see below) and ensure our strategy supports sustainable shareholder value. Our Framework is designed to support our purpose, ambition, values and behaviours that underpin our strategy and long-term approach to creating value for our shareholders, customers and the community.

Inghams has several policies that govern the framework and promote responsible management and conduct. These policies include an Inclusion, Equity and Diversity Policy, Code of Conduct, Continuous Disclosure Policy and Securities Dealing Policy. Further information is available at: http://investors.Inghams.com.au.

Membership of the People and Remuneration Committee during the period 25 June 2023 to 29 June 2024 included the following four independent Non-Executive Directors and chaired by an independent Non-Executive Director:

- Timothy Longstaff — Independent Non-Executive Committee Chair (full financial year)
- Linda Bardo Nicholls AO — Independent Non-Executive Committee Member (full financial year)
- Michael Ihlein — Independent Non-Executive Committee Member (full financial year)
- Jackie McArthur — Independent Non-Executive Committee Member (to 7 November 2023)

The Committee's Charter allows the Committee access to specialist external advice about remuneration structure and levels and is utilised periodically to support the remuneration decision making process.

Directors' report (continued)

Remuneration report - audited (continued)

2 How remuneration is governed (continued)

Remuneration Governance Framework

INGHAM'S BOARD

- Responsible for the remuneration strategy and outcomes for executives and Non-Executive Directors.
- Reviews and approves recommendations from the People and Remuneration Committee.
- Approves the appointment of non-Executive Directors.

PEOPLE AND REMUNERATION COMMITTEE (PRC)

- Non-executive members, all of whom are independent, including the Chair of the Committee, make recommendations to the Board on remuneration strategy, governance and policy for executives and Non-Executive Directors.
- Key responsibilities of the PRC are:

01. Approve major changes and developments in the remuneration policies and superannuation arrangements for the Group.

02. Approve the appointment of the remuneration consultants for the purposes of the *Corporations Act 2001*.

03. Take appropriate action to ensure the Committee, Board and management have available to them sufficient information and external advice to ensure informed decision-making regarding remuneration.

04. Oversee the process of setting Group salary policies and regularly reviewing overall remuneration levels against relevant benchmarks.

05. Review annually and recommend to the Board the remuneration arrangements for the Board Chair and the non-executive directors of the Board, including fees, travel and other benefits.

06. Review and recommend to the Board the Remuneration Report prepared in accordance with the *Corporations Act 2001* for inclusion in the annual Directors' Report.

07. Oversee and recommend to the Board an equitable, consistent and responsible reward approach – including incentive targets for achieving remuneration outcomes – having regard to the performance of Inghams, the performance of the executives and the general remuneration environment.

NOMINATION COMMITTEE

- Develop and update Board skills matrix.
- Review and recommend Board size and composition.
- Plan succession for Chair and CEO/MD.
- Recommend new directors or re-election of directors.
- Evaluate performance of Board and Committees.
- Induct and oversee continuous professional development of directors.

INDEPENDENT EXTERNAL CONSULTANTS

- Provide external independent advice, information and support relevant to remuneration decisions where required.
- Provide benchmarking data on executive remuneration to the People and Remuneration Committee.
- Advisors did not provide a remuneration recommendation during FY24 as defined in Section 9B of the *Corporations Act 2001*.

CEO/MD AND CHIEF PEOPLE OFFICER

Provide information to the PRC who will in turn recommend to the Board:

01. Incentive targets and outcomes.

02. Remuneration Policy.

03. Short and long-term incentive participation eligibility.

04. Individual remuneration and contractual arrangements for executives.

Directors' report (continued)

Remuneration report - audited (continued)

3 Overview of company performance

OVERVIEW OF COMPANY PERFORMANCE

UNDERLYING EBITDA PRE AASB 16

$240.1M

IN FY24

UNDERLYING NPAT PRE AASB 16

$109.2M

IN FY24

TSR

+2.5%

FROM FY22 TO FY24

	FY24 Reported	FY24 Underlying[1]	FY23 Reported	FY23 Underlying[1]	FY22 Reported	FY22 Underlying[1]	FY21 Reported	FY21 Underlying[1]	FY20 Reported	FY20 Underlying[1]
Revenue ($'000)	3,262,000	3,262,000	3,044,000	3,044,000	2,713,100	2,713,100	2,668,800	2,668,800	2,553,300	2,553,300
EBITDA ($'000)	471,100	240,100	418,500	183,600	370,400	135,200	443,900	209,600	387,800	179,700
Profit after tax ($'000)	101,500	109,200	60,400	83,200	35,100	57,100	83,300	101,200	40,100	78,800
Dividends per year (cents per share)	20.0	20.0	14.5	14.5	7.0	7.0	16.5	16.5	14.0	14.0
Movement in share price (dollars per share)[2]	0.97	–	0.03	–	(1.37)	–	0.79	–	(0.82)	–

(1) Underlying pre AASB 16 excludes AASB 16 impact, the profit or loss on sale of assets, impairment, business transformation and restructuring charges. These items have been tax effected to determine an underlying Net Profit after Tax (NPAT) to allow shareholders to make a meaningful comparison of the Group's underlying NPAT performance against prior year. Underlying results are not calculated in accordance with accounting standards.

(2) Movement in share price is calculated by taking the last price of the financial year compared to the previous last day of the financial year.

Directors’ report (continued)

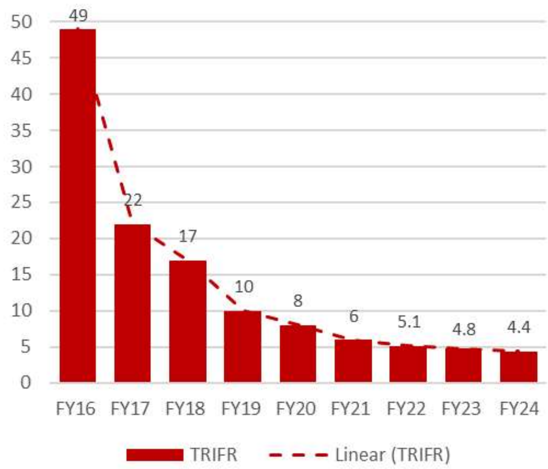
Remuneration report - audited (continued)

3 Overview of company performance (continued)

Non-financial company performance

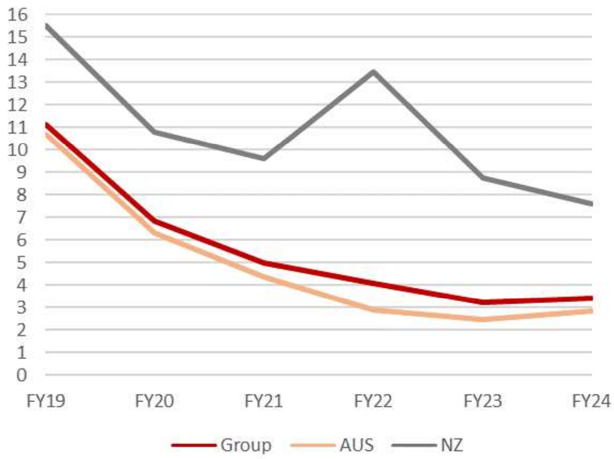
People Safety: Year-on-year TRIFR (unaudited)

TRIFR is the combined number of accepted lost time, and all medically treated injury claims per million hours worked



Food Safety: Year-on-year CPmKg (unaudited)

Customer complaints per million kilograms (CPmKg)



Five-year Total Shareholder Return (TSR) Performance (unaudited)

Directors' report (continued)

Remuneration report - audited (continued)

3 Overview of company performance (continued)

3.1 Actual Remuneration Table (non-statutory)

The remuneration earned by each Executive KMP in FY24 and FY23 is set out below. This information is relevant as it provides shareholders with a view of the remuneration 'paid or vested' to executives in FY24 for performance. This information has not been prepared in accordance with the accounting standards and differs from the statutory tables presented on page 45.

	Year	Fixed remuneration[1] $000	STIP paid[2] $000	Total cash $000	Other short-term benefits[3] $000	STIP vested[4] $000	LTIP vested[5] $000	Total actual remuneration $000
CEO/MD								
Andrew Reeves	2024	1,242	544	1,786	40	–	–	1,826
	2023	1,183	–	1,183	27	88	–	1,298
Other Executive KMP								
Gary Mallett	2024	708	214	922	–	–	–	922
	2023	672	–	672	–	69	–	741
Total Actual 'Paid'	**2024**	**1,950**	**758**	**2,708**	**40**	**–**	**–**	**2,748**
Remuneration	**2023**	**1,855**	**–**	**1,855**	**27**	**157**	**–**	**2,039**

(1) Fixed remuneration entitlements include salary, superannuation, annual leave and sick leave entitlements.

(2) STIP paid during the financial year. The amount disclosed for FY23 reflects the STIP paid in FY23 for FY22 performance. The amount disclosed for FY24 reflects the STIP paid in FY24 for FY23 performance.

(3) Other short-term benefits include a company provided motor vehicle for the CEO/MD currently valued at $39,512 per annum.

(4) STIP vested represents the total value of deferred STIP rights in FY23 vested for FY22 performance.

(5) LTIP vested represents the portion of the grant date fair value of share rights vested. The amount recognised is adjusted to reflect the expected number of instruments that will vest for non-market based performance conditions. No adjustment for non-vesting is made for failure to achieve the relative TSR performance hurdle, as this is taken into account in the fair value at grant date.

Directors' report (continued)

Remuneration report - audited (continued)

4 Overview of executive remuneration

A. How we determine executive remuneration policies and structures

The Remuneration Governance Framework is designed to attract, motivate and retain high performing executives as well as to align executive remuneration with our purpose, ambition, values and behaviours so as to create value over the short, medium and long-term for our shareholders and other stakeholders. The remuneration of the Executive KMP and Executive Leadership Team (direct reports to the CEO/MD), is set on appointment to the role and reviewed annually. The People and Remuneration Committee oversees both fixed and total remuneration by considering a range of factors including experience, capabilities and performance in the role, relevant market data, talent availability and the role's impact. The variable components of executive remuneration are closely linked to successful execution of strategic objectives, balancing delivery in both the short and long term and linking pay primarily to shareholder interests. The below table highlights the key principles supporting Inghams' remuneration framework.

Principle	Objective	Application
Competitive Remuneration	Reward Executives competitively for their contributions to Inghams success, ensuring consistency with shareholder, community and consumer expectations.	• Total remuneration is based on the Executive's capabilities and experience. • Remuneration is benchmarked against appropriate peer companies and independent remuneration data from a variety of sources. • The Board approves recommendations on total remuneration packages for the Executive Leadership Team.
Performance Driven	Reward Executives for achieving business outcomes that support sustainable growth in shareholder value only when this is achieved through the expected behaviours.	• Variable rewards are intended to provide a robust link between remuneration outcomes and key drivers of long-term shareholder value. • Variable rewards are designed to motivate strong performance against short-term and long-term performance objectives.
Behaviour Driven	Reward Executives for Inghams' performance when the manner in which this performance is achieved is aligned with Inghams purpose, values and expected behaviours. Only when we achieve our results through these expected behaviours will Inghams fully realise its strategic objectives.	• An Individual Multiplier has been applied to the STIP award to ensure the behaviours of each Executive are driven to create strong, sustainable performance for both the Company and shareholders. Our four values and 12 behaviours also help us to make better decisions, to achieve better outcomes and achieve our strategy. • All incentive awards are subject to malus and claw-back provisions to ensure that no rewards are received by Executives where the outcomes are materially misaligned with our values, code of conduct or other circumstances detailed on page 42.

B. Our executive remuneration principles, policies and structures

Remuneration principles

- Contribute to Inghams key strategic business objectives and desired business outcomes.
- Align the interest of employees with those of shareholders.
- Assist in attracting and retaining employees required to execute the business strategy by providing competitive remuneration and benefits.
- Manage risks in rewarding desired behaviours and balance of short and long-term focus.
- Deliver equal average pay for men and women within each job grade.

Directors' report (continued)

Remuneration report - audited (continued)

4 Overview of executive remuneration (continued)

B. Our executive remuneration principles, policies and structures (continued)

- Support Inghams' high-performance culture driven by desired leadership behaviours.
- Develop an ownership mindset.
- Be simple, clear and easily understood.

Inghams Executive remuneration consists of Total Fixed Remuneration (TFR), short-term incentives (with a deferral to rights component (called STIP)) and long-term incentives in the form of performance rights (called LTIP).

Non-Executive Directors do not have a variable performance related component to their remuneration, hence none of their remuneration is at risk.

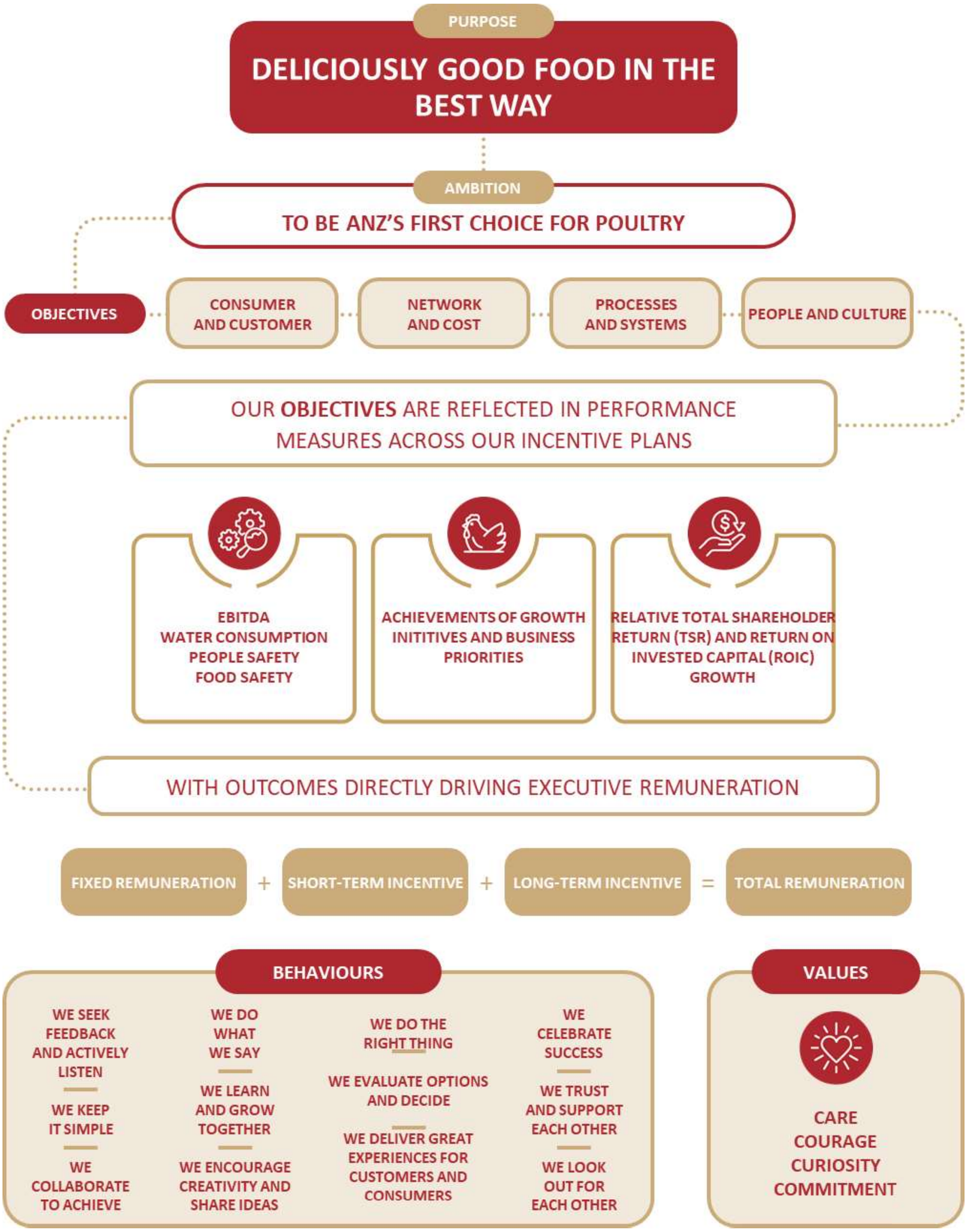
Directors’ report (continued)

Remuneration report - audited (continued)

4 Overview of executive remuneration (continued)

B. Our executive remuneration principles, policies and structures (continued)

Inghams FY24 remuneration strategy and framework



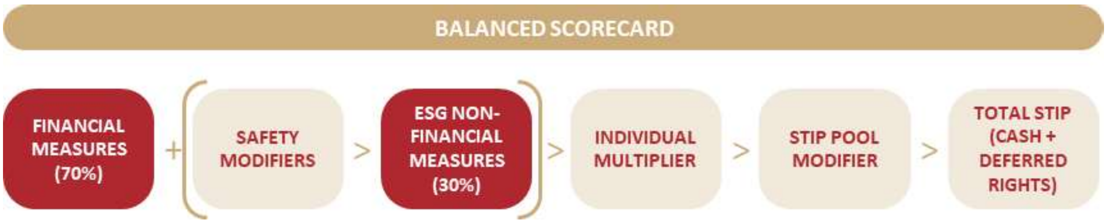
Directors' report (continued)

Remuneration report - audited (continued)

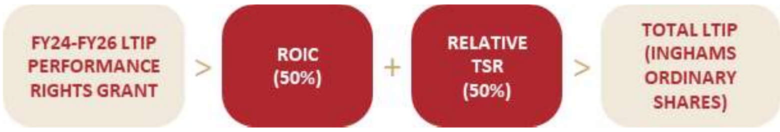
4 Overview of executive remuneration (continued)

B. Our executive remuneration principles, policies and structures (continued)

FY24 Short-Term Incentive Plan



FY24 – FY26 Long-Term Incentive Plan



Fixed to variable remuneration mix

The graphs below set out the remuneration mix for the CEO/MD and the other Executive KMPs at Inghams in FY24, illustrating the fixed and variable proportions of remuneration at target and maximum levels.

Executive KMP Remuneration Mix at Target

	TFR	STIP		LTIP
CEO/MD	TFR 36.4%	STIP 36.4%		LTIP 27.2%
		50% Cash	50% Deferred rights	Performance rights
CFO	TFR 54.1%	STIP 27.0%		LTIP 18.9%
		70% Cash	30% Deferred rights	Performance rights

Executive KMP Remuneration Mix at Maximum

	TFR	STIP		LTIP
CEO/MD	TFR 25.0%	STIP 37.5%		LTIP 37.5%
		50% Cash	50% Deferred rights	Performance rights
CFO	TFR 40.8%	STIP 30.6%		LTIP 28.6%
		70% Cash	30% Deferred rights	Performance rights

Directors' report (continued)

Remuneration report - audited (continued)

5 Executive remuneration framework and outcomes

Total Fixed remuneration (TFR)

TFR is comprised of base salary, salary sacrificed items and employer superannuation contributions, in line with statutory obligations.

TFR is reviewed annually taking into consideration: performance and experience in role; organisational level; role and responsibilities; impact on the business; commercial outputs; market benchmarking; recognition of desired behaviours; and risk management.

In FY24, there was a benchmarking process undertaken to assess Executive KMP remuneration. The Board determined there would be an increase of 4.2% to TFR for the CEO/MD, effective 1 September 2023, awarded to align to benchmarking market data. For the CFO, effective 1 July 2023, an adjustment for minimum superannuation guarantee contributions was made (an increase of 0.03%).

Incumbent	Position	FY24 TFR	FY23 TFR	% Change from FY23 to FY24
Andrew Reeves	CEO/MD	$1,250,000	$1,200,000	4.2%
Gary Mallett	CFO	$678,106	$676,000	0.03%

Short Term Incentive Plan (STIP)

The STIP provides the Executive KMP and other senior members of the management team a cash or cash/equity incentive where specific outcomes have been achieved in the financial year. STIP payments are calculated as a percentage of total TFR and are conditional on achieving performance objectives against a key financial measure (underlying pre AASB 16 EBITDA), three non-financial ESG measures (Water Consumption, People Safety and Food Safety), and the individuals' overall performance to the achievement of our group strategic objectives.

Key features of the FY24 STIP

<table>
<tr><th>Term</th><th colspan="3">Description</th></tr>
<tr><td>Objective</td><td colspan="3">To reward participants for achieving strategic business objectives in a manner consistent with our purpose, ambition, values and behaviours.</td></tr>
<tr><td>Participants</td><td colspan="3">Executive KMP and invited senior management.</td></tr>
<tr><td>Performance Period</td><td colspan="3">Financial year ended 29 June 2024</td></tr>
<tr><td rowspan="3">Opportunity</td><td>Executive KMP</td><td>On Target</td><td>Maximum</td></tr>
<tr><td>CEO/MD</td><td>100% of TFR</td><td>150% of TFR</td></tr>
<tr><td>CFO</td><td>50% of TFR</td><td>75% of TFR</td></tr>
<tr><td>Safety Modifiers</td><td colspan="3">In the event of a significant people safety or food safety incident, (e.g. death, major injury, major loss of plant, consumer recall, etc.) the STIP payout on the safety metrics may be reduced to nil for all participants (20% of total balanced scorecard payout reduced to nil).
Board retains discretion to make further adjustments to STIP payout based on individual accountability.
To ensure any payout remains fully funded, the STIP pool modifier allows STIP payouts to be adjusted to remain within the available pool.</td></tr>
</table>

Directors’ report (continued)

Remuneration report - audited (continued)

5 Executive remuneration framework and outcomes (continued)

Financial Measures (70% of balanced scorecard)

Inghams financial performance is measured by the Group’s underlying EBITDA (pre AASB 16).

Our underlying pre AASB 16 EBITDA (70% weighting) performance is measured at four levels.

	Full Year Target	% of Target STIP
Below Threshold	<$189.0M	0%
Threshold	$189.0M	30%
Target	$210.0M	100%
Maximum	$231.0M	120%

ESG

Non-Financial Measures (30% of balanced scorecard)

The Board reviews the performance objectives against non-financial measures as these are key contributors to short, medium and long-term sustainable value creation for the Company, shareholders and other stakeholders. The non-financial measures ensure the business prioritises community and consumer expectations for ensuring the environmental impact and safety of our employees and our products and to maintain our reputation as a high-quality food producer.

Water Consumption

The environmental impact of our operations has on the environment that we operate in plays an important part of how we operate.

Our Water Consumption (kilolitres of water consumed per tonne of production, kL/T) Year-On-Year Reduction (10% weighting) performance is measured at two levels.

	Full Year Target	% of Target STIP
Target	2.5% reduction on FY23A (2.920 kL/T)	100%
Maximum	3.2% reduction on FY23A (2.899 kL/T)	120%

People Safety

The safety of our people across the business, be it Inghams employees or contractors, is paramount to ensure we are conducting our business in the most ethical community-focused way. A safe and healthy workplace not only protects workers from injury and illness, it can also lower injury/illness costs, reduce absenteeism and turnover, increase productivity and quality, improve retention and raise employee morale.

Our Group TRIFR (is the combined number of accepted lost time, and all medically treated injury claims per million hours worked) Year-On-Year (YOY) Reduction (10% weighting) performance is measured at two levels.

	Full Year Target	% of Target STIP
Target	5% reduction on FY23A (TRIFR of 4.51)	100%
Maximum	7% reduction on FY23A (TRIFR of 4.42)	120%

Directors' report (continued)

Remuneration report - audited (continued)

5 Executive remuneration framework and outcomes (continued)

<table>
<tr><td></td><td>
Food Safety

Reducing customer complaints is an organisational responsibility. Complaints have been selected as the STIP measure as the legal, reputational and financial implications have a direct impact on the company's performance, and therefore we ensure all facets of the business contribute to and are invested in a successful outcome.

Our Customer Complaints (customer complaints per million kilograms CPmKg) YOY Reduction (10% weighting) performance is measured at two levels.

<table>
<tr><th></th><th>Full Year Target</th><th>% of Target STIP</th></tr>
<tr><td>Target</td><td>5% reduction on FY23A (CPmKg of 3.06)</td><td>100%</td></tr>
<tr><td>Maximum</td><td>7% reduction on FY23A (CPmKg of 3.00)</td><td>120%</td></tr>
</table>
</td></tr>
<tr><td>Individual Multiplier</td><td>
The Individual Multiplier is determined through the consideration of bespoke individual performance and behavioural factors. This multiplier serves to link an individual's overall performance to the achievement of our group strategic objectives (Balanced Scorecard) by an executive achieving specific individual objectives and behaving in line with our purpose, ambition, values and behaviours. Leading the business as a senior executive at Inghams is about both an individual's contribution to business performance and leading through the right behaviours. Our leaders' behaviour drives our culture and the right behaviours drive enhanced business performance.

<table>
<tr><th colspan="2">Multiplier</th></tr>
<tr><td>Rating:
Straight-line vesting from threshold performance to significant outperformance</td><td>% Applied to Balance Scorecard Outcome
0% - 125%</td></tr>
</table>

The Individual Multiplier enables an Executive KMP to achieve the maximum opportunity of the award, as without this, the maximum award an executive can receive is 120% of the target. The multiplier acts in a way that can both increase or decrease the total final award. Any Individual Multiplier below 100% of target will decrease the total award, while the inverse is also true. Three examples of how the multiplier works are provided below:

1. 100/120 scorecard outcome is multiplied by a 125/125 Individual Multiplier outcome
= final outcome of 83% of maximum.
2. 100/120 scorecard outcome is multiplied by a 75/125 Individual Multiplier outcome
= final outcome of 50% of maximum.
3. 40/120 scorecard outcome is multiplied by a 75/125 Individual Multiplier outcome
= final outcome of 20% of maximum.

In the first two circumstances, the scorecard outcome remains the same, however, the Individual Multiplier determines the final quantum of the STIP award.

Any final STIP award is subject to the balanced scorecard outcome and modifiers before taking these calculations into consideration.
</td></tr>
<tr><td>Deferral</td><td>
50% of CEO/MD and 30% of other Executive KMP STIP payouts will be deferred into Inghams equity rights (Rights) for 12 months subject to a 12-month service condition.

The deferred component supports increased share ownership and is a risk management lever to facilitate Malus policy application during the deferral period. An amount of 25% of any vested equity award will need to be held for any relevant Executive KMP until the minimum shareholding requirement is met. Minimum shareholder requirements are detailed on page 46.
</td></tr>
</table>

Directors' report (continued)

Remuneration report - audited (continued)

5 Executive remuneration framework and outcomes (continued)

STIP Payment Method	CEO/MD = 50% is paid as cash and the other 50% is awarded as Rights. Other KMP = 70% is paid as cash and the other 30% is awarded as Rights. Rights are deferred for a period of 12 months from the STIP payment date, 15 September 2024. Following the deferral period, the Rights are converted into Inghams ordinary shares. Deferred Rights are equity grants which are not subject to any further performance conditions except continuous employment. The Rights will vest on 15 September 2025 and the fair value on the deferred Rights is calculated as the market price of Inghams shares traded on the ASX on grant date of the deferred Rights. The Rights carry no voting or dividend rights. Shares once allocated carry the same voting and dividend rights as all other Inghams ordinary shares.
Quantum of Rights	The final number of Rights awarded to each participant is calculated by dividing the face value of the deferred portion of their STIP award by the volume weighted average price (VWAP) of Inghams shares traded on the ASX in the 10 days after 23 August 2024 (the announcement date of Inghams FY24 annual results).
Discretion	At all times, the Board may exercise discretion on STIP payments. Discretion will only be applied in a manner that aligns the experience of both the Company and shareholders. Any discretion applied will be disclosed and explained in the Remuneration Report.
Change of Control	Under the Plan rules and the terms of the STIP awards, the Board may determine in its absolute discretion that some or all of the Executive KMP Deferred Rights will vest on a likely change of control. In the event of an actual change in the control of the Company then, unless the Board determines otherwise, all unvested Deferred Rights will immediately vest or cease to be subject to restrictions (as applicable).
Cessation of employment	The following are circumstances where the Rights will lapse or be forfeited, unless the Board determines otherwise: • where an employee resigns or is dismissed for cause before the completion of the deferral period, or • where a notice of resignation is given before the completion of the deferral period, even where employment will end after the completion of the deferral period, or • if while during employment it is found that an employee has engaged in any misconduct, or serious breach of policy, or conduct that brings Inghams into disrepute, including where such conduct is discovered post the ending of employment and prior to the date the shares are awarded, or • any other circumstance which in the Board's judgement warrants the Rights to be lapsed or forfeited. Where an Executive KMP's exit is related to any other reason (e.g. retrenchment, bona fide executive retirement, or illness / death), the Executive usually remains eligible on a pro-rata basis where applicable (unless the Board determines otherwise) to be considered for a STIP award with regard to actual performance against performance measures (as determined by the Board in the ordinary course following the end of the performance period).

Directors’ report (continued)

Remuneration report - audited (continued)

5 Executive remuneration framework and outcomes (continued)

STIP outcomes for FY24

In determining the Executive KMP remuneration outcomes this year and how these outcomes will be delivered, the Board has considered the needs and expectations of various stakeholders, the business performance and the efforts undertaken by management. The Board has not exercised discretion on the STIP outcomes for FY24.

FY24 Balanced Scorecard Outcome

Type of performance measure and weighting at target	Executive KMP Performance measure		Targets	FY24 Actual Performance	Scorecard Outcome
Group Financial **70% of balanced scorecard**	Group underlying EBITDA (pre AASB 16) **(70%)**		Threshold = $189.0M Target = $210.0M Maximum = $231.0M	Group underlying EBITDA (pre AASB 16) adjusted for Bolivar acquisition = $237.8M[1]	120% outcome achieved for EBITDA pre AASB 16
ESG Non-Financial Strategic Goals include **30% of balanced scorecard**	Environment	Water Consumption (kL/T) **(10%)**	Target = kL/T of 2.920 Maximum = kL/T of 2.899	kL/T of 2.929	0% outcome achieved for Water Consumption
	Social	People Safety (TRIFR) **(10%)**	Target = TRIFR of 4.51 Maximum = TRIFR of 4.42	TRIFR of 4.41	Maximum 120% outcome achieved for People Safety
		Food Safety (Customer Complaints) **(10%)**	Target = CPmKg of 3.06 Maximum = CPmKg of 3.00	Customer complaints or a CPmKg of 3.42	0% outcome achieved for Food Safety

(1) Adjusted downwards for Bolivar acquisition. Reported group underlying EBITDA pre AASB 16 $240.1M.

Overall FY24 STIP Outcome Calculation

For the Executive KMP detailed below, the Board assessed that the results for both individual contribution to business performance and leading through the right behaviours for Andrew Reeves which resulted in a 100% out of a maximum of 125% outcome for the Individual Multiplier and for Gary Mallett resulted in a 100% out of a maximum of 125% outcome for the Individual Multiplier.

Executive KMP	Scorecard Outcome (% of the maximum score)	Individual Multiplier (% of the maximum score)	Overall Individual STIP Outcome (applied against maximum STIP)	Overall Individual STIP Outcome as a % of TFR
Andrew Reeves	96.0/120 = **80.0%**	100/125 = **80.0%**	80.0% multiplied by 80.0% = **64.0%**	**96.0% of TFR** awarded out of a **maximum of 150% of TFR**
Gary Mallett	96.0/120 = **80.0%**	100/125 = **80.0%**	80.0% multiplied by 80.0% = **64.0%**	**48.0% of TFR** awarded out of a **maximum of 75% of TFR**

Directors' report (continued)

Remuneration report - audited (continued)

5 Executive remuneration framework and outcomes (continued)

FY24 STIP Awarded

Executive KMP	STIP target - $	STIP maximum - $	Total STIP awarded - $[1]	STIP Cash awarded - $	STIP Rights awarded - $[2]	Forfeit against STIP maximum - $	Forfeited % against STIP maximum
Andrew Reeves	1,250,000	1,875,000	1,200,000	600,000	600,000	675,000	36.00%
Gary Mallett	339,053	508,580	325,491	227,844	97,647	183,089	36.00%

(1) Total STIP awarded at 64% of maximum.
(2) The estimated number of rights is calculated by dividing the face value of their award by the volume weighted average price (VWAP) of Inghams shares traded on the ASX in the 10 days after grant date.

Long Term Incentive Plans

FY24-FY26 LTIP Offer

The FY24-FY26 LTIP Offer has been made to the following current Executive KMP, receiving shareholder approval of 87.43% at the 2023 AGM. The below table outlines the key terms of the Offer:

Eligibility to participate in LTIP Offer	Offers may be made at the Board's discretion to employees of Inghams. The FY24-FY26 LTIP Offer has been made to the following current Executive KMP, with the CEO & MD subject to shareholder approval: • Andrew Reeves (CEO/MD), (75% of TFR on Target and 150% of TFR at Maximum), and • Gary Mallett (CFO), (35% of TFR on Target and 70% of TFR at Maximum) To calculate the on Target Total Remuneration LTIP component, the Threshold performance conditions are used.
Offers under the Plan	The LTIP Offer is a grant of performance rights.
Grant of Rights	A Right entitles the participant to acquire an Inghams share for nil consideration at the end of the performance period, subject to meeting specific performance conditions. The Board retains the discretion to make a cash payment to participants on vesting of the Rights in lieu of an allocation of shares.
Quantum of Rights	The aggregate face value at maximum of the LTIP Offer to all participants (Executive KMP and Senior Management) is $6.9M. The final number of Rights awarded to each participant was calculated by dividing the face value of their LTIP award by $3.4324, being the volume weighted average price (VWAP) of Inghams shares traded on the ASX in the 10 days after 17 August 2023 (the announcement date of Inghams FY23 annual results).
Performance Period	Three years, commencing on 25 June 2023 and ending on or about 1 July 2026.

Directors' report (continued)

Remuneration report - audited (continued)

5 Executive remuneration framework and outcomes (continued)

<table>
<tr><td>Performance conditions</td><td>
Relative TSR (50% of Award)
For this component, the Company's relative TSR will be compared to a comparator group comprising the ASX Small Ordinaries and vest according to the following schedule:
<table>
<tr><th>Company's relative TSR rank in the comparator group over performance period</th><th>% of Rights that Vest</th></tr>
<tr><td>Less than 50th percentile</td><td>Nil</td></tr>
<tr><td>At 50th percentile (threshold)</td><td>50%</td></tr>
<tr><td>Between 50th and 75th percentile</td><td>Straight line pro rata Vesting between 50% and 100%</td></tr>
<tr><td>At 75th percentile or above</td><td>100%</td></tr>
</table>
Return on invested capital (50% of award)
For this component, the Company's underlying Return on Invested Capital pre AASB 16 ("ROIC") will be calculated as the equivalent of net operating profit after tax divided by average invested capital (2 point average). The Company's ROIC for each of the three years forming the performance period will be averaged to provide an overall outcome, with ROIC performance targets set out below (rather than retrospectively), following shareholder feedback.
As noted in the Chair of the People and Remuneration Committee letter section of this report, the inventory trade payable facility is used for all feed purchased across Australia and New Zealand within the business. It is utilised for all feed purchases and only used for feed, not only because of management policy which is overseen by the Board, but also because of the terms of the facility. This policy ensures that changes in facility utilisation cannot be used to vary the ROIC outcome.
The Board reserves discretion to make adjustments to ROIC in exceptional circumstances such as to take account of corporate actions undertaken by the Company, for example the acquisition of Bolivar in FY24.
The level of vesting of this component will be determined according to the following schedule:
<table>
<tr><th>Company's ROIC Outcome</th><th>% of Rights that Vest</th></tr>
<tr><td>Less than Threshold</td><td>Nil</td></tr>
<tr><td>At Threshold of 16.4% p.a.</td><td>50%</td></tr>
<tr><td>Between Threshold and Target</td><td>Straight line pro rata Vesting between 50% and 75%</td></tr>
<tr><td>At Target</td><td>75%</td></tr>
<tr><td>Between Target and Maximum</td><td>Straight line pro rata Vesting between 75% and 100%</td></tr>
<tr><td>At Maximum of 21.5% p.a. or more</td><td>100%</td></tr>
</table>
</td></tr>
<tr><td>Voting and dividend entitlements</td><td>Performance rights granted under the LTIP do not carry dividend or voting rights prior to vesting. Shares allocated upon vesting of performance rights carry the same dividend and voting rights as other Inghams shares.</td></tr>
</table>

Directors' report (continued)

Remuneration report - audited (continued)

5 Executive remuneration framework and outcomes (continued)

Re-testing	Performance will not be re-tested if the performance conditions are not satisfied at the end of the performance period. Any Rights that remain unvested at the end of the performance period will lapse immediately.
Restrictions on dealing	The Executive KMP must not sell, transfer, encumber, hedge or otherwise deal with performance rights. The Executive KMP will be free to deal with the shares allocated on vesting of the performance rights, subject to the requirements of Inghams Securities Dealing Policy at that time. A minimum amount of 25% of any vested equity award will need to be held for any relevant Executive KMP until the minimum shareholding requirement is met. Minimum shareholder requirements are detailed on page 46.
Change of control	Under the Plan rules and the terms of the LTIP awards, the Board may determine in its absolute discretion that some or all of the Executive KMP performance rights will vest on a likely change of control. In the event of an actual change in the control of the Company then, unless the Board determines otherwise, all unvested performance rights will immediately vest or cease to be subject to restrictions (as applicable) on a pro rata basis based on the portion of the vesting period that has elapsed.
Clawback	Under the Plan rules and the terms of the LTIP awards, the Board has claw back powers which it may exercise if, among other things: • the Executive KMP has acted fraudulently or dishonestly; • has engaged in gross misconduct, brought Inghams, the Inghams Group or any Inghams group company into disrepute or breached their obligations to the Inghams Group; • Inghams is required by or entitled under law or Inghams policy to reclaim remuneration from the Executive KMP; • there is a material misstatement or omission in the accounts of an Inghams Group company; or • the Executive KMP entitlements vest or may vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the performance rights would not have otherwise vested.
Cessation of employment	If the participant ceases employment for cause or due to their resignation, unless the Board determines otherwise, any unvested Rights will automatically lapse. The Board has the discretion to designate a 'good leaver' (e.g. retrenchment, bona fide executive retirement or death), whereby Rights will not automatically lapse. In these circumstances, the Rights will generally be pro-rated (based on the proportion of the performance period that has elapsed) and remain on foot and subject to the original performance conditions, unless the Board exercises a discretion to treat them otherwise.
Fair Value	The fair value of the LTIP offer at grant date was determined using an adjusted form of Black Scholes model for the TSR component. The ROIC component is valued using a discounted cashflow technique. The weighted average grant date fair value of rights granted in the year was $2.86 (2023: $1.98, 2022: $2.58). The model inputs for performance rights granted during the year ended included: a) Exercise price $Nil (2023: $Nil, 2022: $Nil) b) Share price at grant date $3.53 (2023: $2.69, 2022: $3.60) c) Expected price volatility 30% (2023: 29%, 2022: 33%) d) Expected dividend yield 5.0% (2023: 4.0%, 2022: 4.6%) e) Risk-free interest rate 3.76% (2023: 4.07%, 2022: 0.81%)

Directors’ report (continued)

Remuneration report - audited (continued)

5 Executive remuneration framework and outcomes (continued)

LTIP Outcomes during FY24

Performance against LTIP measures

FY22-24 LTIP vesting outcomes

The FY22-FY24 LTIP scheme was tested for eligibility on 1 July 2024. The ROIC performance was below threshold and resulted in all ROIC-based rights lapsing. The TSR performance was at the 58th percentile, which resulted in 66.58% TSR-based rights vesting.

The total amount that vested is 33.29% of total rights granted. With these vesting in the FY25 financial year they will be included in the statutory disclosures in next year’s Remuneration Report.

The details of the outcomes against the relative TSR hurdles are set out below.

Relative TSR Hurdle:

Company's TSR rank in the relevant comparator group	% of rights that vest
Less than 50th percentile	Nil
At 50th percentile	50%
Between 50th and 75th percentile	Straight line pro-rata vesting between 50% and 100%
At 75th percentile	100%
Outcome:	
TSR percentile rank at the 58th percentile	66.58% vesting

ROIC Hurdle:

Company's Underlying pre AASB 16 ROIC	% of rights that vest
Less than Threshold 20.8%	Nil
At Threshold 20.8%	50%
Between Threshold 20.8% and Maximum 24.1%	Straight line pro-rata vesting between 50% and 100%
At Maximum 24.1%	100%
Outcome: Underlying pre AASB 16 ROIC is below threshold at 18.0% (18.4% adjusted for Bolivar)	0.0% vesting

The following outcome of the FY22-24 LTIP applies:

Executive KMP	LTIP Rights Granted	LTIP Rights Vested	LTIP Rights Forfeited
Andrew Reeves [(1)]	408,335	135,975	272,400
Gary Mallett [(1)]	112,601	37,496	75,116

(1) Andrew Reeves and Gary Mallett granted FY22-FY24 LTIP on 4 November 2021 and the rights vest on the 1 July 2024.

6 Other Key Information

Executive Employment Agreements

Key terms of the Executive Service Agreements for the CEO/MD and other Executive KMP members are presented in the table below:

Executive KMP	Position	Contract duration	Notice Period	Termination payments applicable
Andrew Reeves	CEO/MD	Unlimited	12 months	Up to 12 months fully paid
Gary Mallett	CFO	Unlimited	6 months	Up to 6 months fully paid

Directors' report (continued)

Remuneration report - audited (continued)

7 Overview of non-executive director remuneration

The details of fees paid to Non-Executive Directors in FY24 are outlined in section 8 of this Remuneration Report. Non-Executive Directors' fees were fixed, and they did not receive any performance-based remuneration.

The table below outlines the fee structure for Non-Executive Directors in FY24 (inclusive of superannuation as applicable). In FY24, there was a benchmarking process undertaken to assess the fee structure. The fee structure had remained unchanged since IPO in 2016, except 2020 when Committee fees were introduced. The Board determined there would be an increase to the Non-Executive Director Board fees and of the fee-paying Committees, with no increase to the Chair Board fees, that would apply from 1 January 2024.

The annual aggregate fee pool for Non-Executive Directors is capped at $2.0M. Board and Committee fees inclusive of statutory superannuation contributions are included in this aggregate fee pool.

Board fees		FY24	FY23
Chair		$350,000 (no additional Committee fees)	$350,000 (no additional Committee fees)
Non-Executive Director		$150,000	$140,000
Committee fees			
Finance and Audit	Chair	$25,000	$20,000
People and Remuneration	Chair	$25,000	$20,000
Risk and Sustainability	Chair	$25,000	$20,000
Nomination	Chair/Member	–	–
Committee Fees	Membership per committee	$12,500	$10,000

Directors’ report (continued)

Remuneration report - audited (continued)

8 Statutory and share-based reporting

A. Director and Executive KMP remuneration for the year ended 29 June 2024

The following tables of Director and Executive KMP remuneration has been prepared in accordance with accounting standards and the *Corporations Act 200*1 requirements, for the period from 25 June 2023 to 29 June 2024. Share-based payments are calculated as deferred STIP and LTIP awards.

		Short-term benefits			Long-term/ post-employment benefits		Share-based payments			
	Year	Salary and fees[1] $000	STIP bonus $000	Monetary Benefits[2] $000	Superan-nuation $000	Long service leave $000	Performance Rights[3] $000	Deferred benefits[4] $000	Total remun-eration $000	Performance related $000
Non-Executive Directors										
Helen Nash	2024	323	–	–	27	–	–	–	350	–
	2023	300	–	–	24	–	–	–	324	–
Peter Bush	2024	–	–	–	–	–	–	–	–	–
	2023	54	–	–	4	–	–	–	58	–
Rob Gordon	2024	141	–	–	15	–	–	–	156	–
	2023	144	–	–	15	–	–	–	159	–
Michael Ihlein	2024	179	–	–	–	–	–	–	179	–
	2023	155	–	–	16	–	–	–	171	–
Timothy Longstaff	2024	179	–	–	–	–	–	–	179	–
	2023	149	–	–	11	–	–	–	160	–
Jackie McArthur	2024	54	–	–	6	–	–	–	60	–
	2023	154	–	–	16	–	–	–	170	–
Linda Bardo Nicholls AO	2024	166	–	–	13	–	–	–	179	–
	2023	147	–	–	13	–	–	–	160	–
Margaret Haseltine	2024	137	–	–	–	–	–	–	137	–
	2023	–	–	–	–	–	–	–	–	–
Robyn Stubbs	2024	–	–	–	–	–	–	–	–	–
	2023	166	–	–	–	–	–	–	166	–
Sub-total Non-Executive	**2024**	**1,179**	**–**	**–**	**61**	**–**	**–**	**–**	**1,240**	**–**
Directors' Remuneration	**2023**	**1,269**	**–**	**–**	**99**	**–**	**–**	**–**	**1,368**	**–**
CEO/MD										
Andrew Reeves	2024	1,214	600	40	27	20	1,253	463	3,617	2,316
	2023	1,158	600	27	25	20	479	300	2,609	1,379
Sub-total Directors'	**2024**	**1,214**	**600**	**40**	**27**	**20**	**1,253**	**463**	**3,617**	**2,316**
Actual Remuneration	**2023**	1,158	600	27	25	20	479	300	2,609	1,379
Other Executive KMP										
Gary Mallett	2024	681	228	–	27	10	362	77	1,385	667
	2023	647	237	–	25	11	52	51	1,023	340
Total Other Executive KMP	**2024**	**681**	**228**	**–**	**27**	**10**	**362**	**77**	**1,385**	**667**
Remuneration	**2023**	**647**	**237**	**–**	**25**	**11**	**52**	**51**	**1,023**	**340**
Total Directors' and Executive	**2024**	**3,074**	**828**	**40**	**115**	**30**	**1,615**	**540**	**6,242**	**2,983**
Executive KMP Remuneration	**2023**	**3,074**	**837**	**27**	**149**	**31**	**531**	**351**	**5,000**	**1,719**

(1) Salary and fees are inclusive of salary and annual leave entitlements.
(2) Monetary benefits represent a company provided motor vehicle for the CEO/MD valued at $39,512 per annum.
(3) The LTIP award is subject to 50% Relative TSR and 50% ROIC performance hurdles. For further details of performance hurdles and conditions refer to section 5.
(4) Deferred benefits include deferred equity incentives.
(5) FY24 reporting period had 53 weeks and FY23 had 52 weeks.

Directors' report (continued)

Remuneration report - audited (continued)

8 Statutory and share-based reporting (continued)

B. Rights awarded, vested and lapsed during the year

The table below discloses the number of rights granted, vested or lapsed during the year. Rights do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met, until their expiry date.

		No. of rights awarded during the year[3]	Award date	Fair value per right at grant date ($)	Vesting date	Value of rights granted during the year ($000)	No. rights vested during the year	No. rights lapsed/ forfeited during the year
Andrew Reeves	FY24-FY26 LTIP[2]	546,265	21 Feb 2024	2.860	1 Jul 2026	1,562	–	–
	FY23 STIP[1]	158,373	15 Sep 2023	3.432	15 Sep 2024	544	–	–
	Total	**704,638**				**2,106**	–	–
	FY24-FY26 LTIP[2]	138,292	21 Feb 2024	2.860	1 Jul 2026	396	–	–
Gary Mallett	FY23 STIP[1]	26,765	15 Sep 2023	3.432	15 Sep 2024	92	–	–
	FY21-FY23 LTIP[2]	–	15 Sep 2021	4.040	15 Sep 2023	–	–	(128,368)
	Total	**165,057**				**487**	**–**	**(128,368)**

(1) Deferred rights were granted on 15 September 2023 subsequent to the calculation of the volume weighted average price of Inghams shares traded on the ASX, 10 days after 17 August 2023. The fair value of the deferred rights is calculated as the market price of Inghams shares traded on the ASX on grant date of the deferred rights.
(2) The fair value of the LTIP offer at grant date was determined using an adjusted form of the Black Scholes Model. Fair value on performance rights is a weighted average of rights values under the ROIC and TSR portion of the awards.
(3) These are reported as maximum.

C. Performance rights holdings of Directors and Executive KMP

	Balance 25 June 2023	Granted as remuneration[2]	Rights vested	Rights lapsed/ forfeited	Balance 29 June 2024
Andrew Reeves	1,463,502	704,638	–	–	2,168,140
Gary Mallett[1]	615,706	165,057	–	(128,368)	652,395
Total	**2,079,208**	**869,695**	**–**	**(128,368)**	**2,820,535**

(1) The FY21-FY23 LTIP scheme was tested for eligibility on 1 July 2023 and both the ROIC and TSR based rights did not meet the performance threshold, and hereby a total of 128,368 rights lapsing for Gary Mallett on 1 July 2023.
(2) FY23 STIP deferred rights and FY24-FY26 LTIP rights granted as remuneration during FY24.

D. Minimum Shareholding Requirements

The shareholding requirement of Non-Executive Directors is a minimum shareholding of 100% of their base Board fees and for the CEO/MD a minimum of 100% of TFR and other KMP 50% of TFR. The minimum shareholding will need to be achieved after 5 years of their appointment or 5 years after the minimum shareholding requirements were implemented in FY22. To assist with achieving the minimum shareholding requirement an amount of 25% of any vested equity award will need to be held for any relevant KMP until the minimum shareholding requirement is met.

Directors' report (continued)

Remuneration report - audited (continued)

8 Statutory and share-based reporting (continued)

E. Shareholdings of Directors and KMP

	Balance 25 June 2023	Granted as remuneration	On exercise of rights/options	Net change other	Balance 29 June 2024
Non-Executive Directors					
Helen Nash	91,953	–	–	–	91,953
Linda Bardo-Nicholls, AO	55,846	–	–	–	55,846
Rob Gordon	45,772	–	–	–	45,772
Margaret Haseltine	–	–	–	–	–
Michael Ihlein	45,455	–	–	–	45,455
Timothy Longstaff	29,850	–	–	–	29,850
Jackie McArthur[1]	30,688	–	–	–	30,688
CEO					
Andrew Reeves	44,563	–	–	–	44,563
Other Executive KMP					
Gary Mallett	30,567	–	–	–	30,567
Total	**374,694**	**–**	**–**	**–**	**374,694**

(1) Jackie McArthur retired from the Board on 7 November 2023. As such, the Balance is at this date.

Signed in accordance with a resolution of the directors made pursuant to s298(2) of the *Corporations Act 2001*.

Helen Nash
Chair

Michael Ihlein
Non-Executive Director

Sydney
23 August 2024

Corporate Governance Statement

This statement summarises the Corporate Governance framework, policies and practices of Inghams Group Limited (ACN 162 709 506) ('Inghams' or 'the Company') for the financial year ended on 29 June 2024 ('reporting period') in accordance with the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ('ASX Recommendations'). Inghams Board of Directors has approved this Corporate Governance Statement.

Inghams Board and Committee Charters and the key Corporate Governance policies referred to in this statement are available on the Company website at: https://investors.inghams.com.au/Investor-Centre/Governance.html?page=corporate-governance

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Board Responsibilities

The Board is responsible for the overall governance of Inghams, including overseeing and appraising the Company's strategies, policies, performance and reporting to shareholders. In accordance with the Board Charter, the Board sets, reviews and monitors compliance with the Company's values, strategies, policies and performance, and ensures that shareholders are kept informed of the Group's performance and any major developments affecting its state of affairs.

The Company's purpose and values form the basis of Inghams culture and are disclosed on the Company website.

The Board Charter sets out the Board's role, powers and duties, and establishes the functions reserved for the Board and those delegated to management. The Charter is available on the Company website at: https://investors.inghams.com.au/Investor-Centre/Governance.html?page=corporate-governance

The Board's responsibilities as set out in the Board Charter include:

- Selecting, appointing and evaluating, from time to time, the performance of, determining the remuneration of, and planning succession of the Chief Executive Officer and Managing Director (CEO/MD)
- Contributing to and approving management's development of corporate strategy, setting performance objectives and approving operating budgets
- Reviewing, ratifying and monitoring systems of risk management and internal control, and ethical and legal compliance
- Monitoring corporate performance and implementation of strategy and policy
- Approving major capital expenditure, acquisitions and divestitures, and monitoring capital management
- Monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting
- Overseeing the Company's Environmental, Social and Governance (ESG) commitments, initiatives and reporting, and
- Developing and reviewing corporate governance principles and policies.

The Board delegates authority to the CEO/MD for the day-to-day operations of the Company, its subsidiaries and their respective operations. The Company Secretary is accountable to the Board, through the Chair, for the proper functioning of the Board.

Board Reviews and Appointments

The Board regularly reviews the performance and effectiveness of the Board, its committees and individual directors. This is done to ensure individual directors, Board committees, and the Board as a whole work effectively in meeting their responsibilities. During the reporting period, a review was undertaken, facilitated by an external consultant. The review covered the performance and effectiveness of the Board, its committees, committee Chairs, and individual directors.

The Company has written agreements in place with its directors setting out the terms of their appointment. Before the appointment of a new director, the Company arranges for appropriate checks to be undertaken relevant to a decision on whether to elect a director. Material information relevant to each director's qualifications and experience is disclosed to security holders through a number of channels, including via the Notice of Meeting, and the directors' resumés and other information in this report. Margaret ('Margie') Haseltine was appointed to the Board on 1 September 2023 and stood for election at the 2023 AGM. Additionally, Helen Nash and Michael Ihlein stood for re-election at the 2023 AGM. Information relevant to the election of Margie Haseltine, and to the re-election of Helen Nash and Michael Ihlein was made available to shareholders in the Notice of Meeting for the 2023 AGM.

During the reporting period there were changes to Board Committee membership to accommodate Margie Haseltine's appointment, Jackie McArthur's resignation effective from 7 November 2023, and Rob Gordon's Board approved leave of absence from 23 January 2024 to 31 July 2024.

Corporate Governance Statement (continued)

Inclusion, equity and diversity

The Company has an Inclusion, Equity and Diversity Policy, which includes a requirement that the Board sets measurable objectives for diversity, including gender diversity. The Company's FY24 targets for gender diversity were that women should comprise at least 35% (in aggregate) of the Board and senior leaders within Inghams' management. The measurable objective with respect to the Board meets the recommendations applying to Inghams as an S&P/ASX 300 company under the ASX Recommendations. As a 'relevant employer' under the Workplace Gender Equality Act 2012, the Company submitted its annual filing to the Workplace Gender Equality Agency (WGEA) by 31 May 2024 for the 12-month period ending 31 March 2024, disclosing our Gender Equality Indicators. When published, the report can be accessed in accordance with the ASX Recommendations at: https://data.wgea.gov.au/organisations/464.

During FY24, women comprised 43% of our Board, 14% of our Executive Leadership Team, 31% of our Organisational Leadership Team (OLT) and 43% of our people across Australia and New Zealand. Our 35% target for representation of women in the OLT fell short by three women. This was due to a restructure of the Senior Leadership Team (SLT) to a much smaller Organisational Leadership Team group, reduced from approximately 90 to 60 people, and some vacant roles that were previously held by women, being replaced by men. We remain committed to our long-term target of 40% of women in the OLT by the end of 2025 driven by a commitment to support 50/50 gender representation in interview shortlists with both internal and external recruiters. While our recruitment approach remains focused on always finding the best candidate for the job, in FY24, 69% of salaried and senior roles had a woman candidate on the shortlist and 55% of those applicants were successful in securing the role. Further to achieving our target, we also have a number of talent initiatives in place including talent identification, and development programs and initiatives that focus on growing and/or accelerating the building of capability, to support the advancement of women. This includes access to learning and mentoring programs, such as the Chief Executive Women program.

Executive responsibilities and reviews

Each member of the Executive Leadership Team, including the CEO/MD, has a written service agreement that clearly sets out their role and responsibilities. The goals and objectives of the Executive Leadership Team are aligned with Inghams strategic objectives. The performance of each member of Inghams Executive Leadership Team is evaluated during the reporting period. The performance of the CEO/MD is reviewed by the Board and the Chair.

The Company undertakes appropriate background checks on Executive Leaders before appointment. Details of the experience of the Executive Leadership Team are set out in this report and https://investors.inghams.com.au/Investor-Centre/.

Corporate Governance Statement (continued)

PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

For most of the reporting period, the Board comprised of seven Directors - six independent Non-Executive Directors and one Executive Director (being the CEO/MD)[1]. The Chair of the Board, Helen Nash, is an independent Non-Executive Director. The Board seeks directors with an appropriate range of skills, knowledge, experience, independence and diversity to deal with current and emerging business issues. The table below summarises the key skills of the directors and forms the basis of the skills matrix against which Non-Executive Directors are assessed, to ensure that the skills and experience of the Board reflect the various areas relevant to Inghams core capabilities and strategic objectives. Details of the experience, qualifications, and length of service of current directors are set out in this report.

Independence of directors

The Board only considers a director to be independent where they are free of any interest, position, association or relationship that might influence, or might reasonably be perceived to influence, in a material respect, their capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of Inghams and its shareholders generally. The Company's Board Charter sets out guidelines for the purpose of determining independence of directors in accordance with the ASX Recommendations and has adopted a definition of independence based on the ASX Recommendations. The Board will consider the materiality of any given interest, position, association or relationship on a case-by-case basis and reviews each director's independence in light of interests disclosed to the Board from time to time. During the reporting period, the Board considered that each of Helen Nash (Chair), Rob Gordon, Michael Ihlein, Timothy Longstaff, Jackie McArthur, Linda Bardo Nicholls AO and Margie Haseltine[1] were free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their respective judgment as directors, and were able to fulfil the role of an independent director for the purposes of the ASX Recommendations.

Nomination Committee and Board education and succession

Throughout the reporting period, the Board's Nomination Committee had at least three members and all members, including the Chair, were considered independent.

As at the end of the reporting period the Nomination Committee comprised of six Non-Executive Directors: Helen Nash (Chair), Rob Gordon[2], Michael Ihlein, Timothy Longstaff, Linda Bardo Nicholls AO and Margie Haseltine. The roles, responsibilities, composition and structure of the Nomination Committee are set out in the Nomination Committee Charter available on the Company website.

The Nomination Committee assists the Board with the selection and appointment of directors. The number of times the Nomination Committee met throughout the reporting period and individual attendance is set out elsewhere in this report.

The Board has a program for inducting new directors and considers ongoing professional development for directors to maintain the skills and knowledge needed to perform their roles effectively.

The Board will continue to review its composition with a view to enhancing its base of skills and experience, and to develop succession plans to maintain an appropriate balance of skills, knowledge, experience, independence and diversity on the Board.

(1) During the reporting period, Jackie McArthur retired as a Non-Executive Director, effective 7 November 2023 and Margie Haseltine joined the Board as a Non-Executive Director, with effect from 1 September 2023.
(2) Rob Gordon was on a Board approved leave of absence from 23 January 2024 to 31 July 2024.

Corporate Governance Statement (continued)

Gender diversity

■ Men ■ Women

Tertiary qualifications

■ Science ■ Business MBA
■ Accounting and Finance ■ Commerce and Marketing

Tenure

■ 0-2 years ■ 2-4 years ■ 4+ years

Skills and experience[1]

	Specialist	Experienced	Developing
ASX listed & Governance	●●●●●●●		
Financial & Accounting	●●●	●●●	●
Risk management (including Cyber)	●●●	●●●●	
ESG	●	●●●●●●	
Strategic Planning (including Government Relations)	●●●●●●●		
Agribusiness	●●	●●●●	●
Customer, food retail & QSR	●●●●●	●●	
Consumer, marketing & brand	●●●●	●●	●
Manufacturing operations	●●●●	●●●	
Innovation, business transformation & continuous improvement	●●●	●●●●	

● Specialist ● Experienced ● Developing

(1) This table reflects the composition of the Board at the end of the reporting period.

Corporate Governance Statement (continued)

PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

The Company is committed to act with honesty, integrity and ethically in all its dealings. It has adopted a Code of Conduct that underpins the Company's commitments, ethical standards and policies. It also outlines the standards of conduct expected of Inghams business and people, taking into account the Company's legal and other obligations to its stakeholders. The Company's values – care, courage, curiosity and commitment – form the basis of Inghams culture and are disclosed on the Company website.

The Company has an Anti-Bribery and Anti-Corruption Policy and a Whistleblower Policy. These policies outline the Company's commitment to prevent fraud, bribery and corruption and provides a mechanism for individuals to report concerns regarding potentially improper practices or behaviours. The Board is advised of all material breaches of those policies and the Code of Conduct through the People and Remuneration Committee. Copies of these policies are available on Inghams website at: https://investors.inghams.com.au/Investor-Centre/Governance.html?page=corporate-governance

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Finance & Audit Committee

The Finance & Audit Committee (F&AC) assists the Board in fulfilling its corporate governance and oversight responsibilities in relation to:

- the integrity of the Company's financial reporting
- the Company's financial controls and systems, and
- the Company's relationship with each of the external auditor and internal auditor, and the external and internal audit functions generally.

The F&AC Charter sets out the roles, responsibilities, composition and structure of the Committee.

Throughout the reporting period, the F&AC had at least three members and all members, including the Chair, were considered to be independent.

At the end of the reporting period, the F&AC was comprised of four Non-Executive Directors: Michael Ihlein (Chair), Rob Gordon[1], Timothy Longstaff and Linda Bardo Nicholls AO.

The CEO/MD, the Chief Financial Officer (CFO), the external auditor and the internal auditor must attend Committee meetings if requested. The Committee has unrestricted access to management and the auditors, and the right to seek explanations and additional information. The Committee meets with the external auditor and the internal auditor without management present. The number of times the F&AC met throughout the reporting period and individual attendance is set out elsewhere in this report.

CEO & Managing Director and Chief Financial Officer certifications

Prior to the Board's approval of the half year and full year financial statements, the CEO/MD and the CFO provided assurances to the Board for each of those reporting periods, that in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. As part of the FY24 full year financial statements, the CEO/MD and the CFO also provided confirmation that the consolidated entity disclosure statement was true and correct.

External Audit

Inghams external auditor is KPMG. The Company's auditor attends the Company's Annual General Meeting (AGM) each year and is available to answer questions from shareholders relevant to the audit and the preparation and content of the auditor's report.

Internal Audit

The Internal Audit department provides independent and objective assurance on the adequacy and effectiveness of the Group's systems for risk management, internal control and governance. Internal Audit also offers recommendations to improve the efficiency and effectiveness of Inghams internal control systems and processes. The Internal Auditor reports to the Board through the F&AC on Inghams compliance against its governance framework and policies, and has direct access to the Chair of the F&AC. The Internal Auditor oversees the implementation of Inghams risk framework across the organisation and provides the F&AC with reports and information relevant to assisting the Committee with discharging its responsibilities.

(1) Rob Gordon was on Board approved Leave of Absence from 23 January 2024 to 31 July 2024.

Corporate Governance Statement (continued)

Verification

Inghams is committed to providing shareholders and other stakeholders with timely and transparent corporate reporting. For any periodic report that is not audited or reviewed by an external auditor, including disclosures in this report on operations, sustainability, risk and corporate governance, the Company has implemented internal verification processes to validate the statements made and support the data used. During the reporting period, ASX announcements (other than administrative announcements) were reviewed and approved before publication by the Inghams Board and/or the Company's Disclosure Committee comprising the CEO/MD, CFO, GM – Investor Relations and Company Secretary.

Inghams' process to verify the integrity of corporate reports is based on the nature of the relevant report, its subject matter and where it will be published. Generally, the following processes and principles are applied for preparation and verification of its corporate reporting:

- relevant subject matter experts provide corporate reports with oversight by relevant Executive Leadership Team members,
- all reports are required to be accurate and not misleading, and to comply with applicable legislation or regulation, and
- relevant reports must be authorised for release by any appropriate approver.

The Annual Report for the reporting period, which includes Inghams Financial Statements, the Operating and Financial Review, the Remuneration Report, Sustainability Report and Corporate Governance Statement, were prepared by the relevant subject matter experts and reviewed and verified by relevant Inghams executives and senior leaders prior to receiving Board approval.

For sustainability disclosures, the reporting is prepared with reference to the Global Reporting Initiative and the Australian Sustainability Reporting Standards. Bureau Veritas provided limited assistance on selected environmental key performance indicators, and the information subject to assurance is identified in the report. Sustainability reporting is prepared in line with Inghams FY24 Sustainability Basis of Preparation, which is also reviewed by Bureau Veritas. Our FY24 assurance statement is available on the Company website.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

The Company has a Continuous Disclosure Policy for the purposes of complying with its continuous disclosure obligations. The policy outlines the processes the Company implements to ensure compliance with its continuous disclosure obligations, including the role of the Disclosure Committee. The Company releases any new and substantive investor or analyst presentations prepared by the Company on the ASX Market Announcements Platform ahead of any presentations.

Directors are promptly provided with copies of all material announcements after they have been made.

A copy of the Continuous Disclosure Policy is available on Inghams website at: https://investors.inghams.com.au/Investor-Centre/Governance.html?page=corporate-governance

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Communication with shareholders

Inghams' investor relations program aims to promote effective two-way communication between the Company, and both investors and market analysts. This ensures they are kept informed of all major developments affecting the Company's state of affairs. In addition, Inghams values the opportunity to hear the views and concerns of investors and analysts and, where appropriate, management distils and communicates those views to the Board.

Shareholder communications include half yearly and annual reports, market announcements and media releases. All are available in the Investor Centre of the Company website, together with corporate governance information and background information on the Group. Shareholders have the option to receive communications from and send communications to Inghams and its security registry electronically to ensure information is received in a timely manner. Digital communications also support our commitment to more sustainable operations.

The Company provides the full text of all notices of meetings and explanatory material on its website. The Company also encourages shareholders to provide email addresses so that notices of meetings and explanatory material can be sent to shareholders electronically. A notice setting out the rights of shareholders to request that documents be sent to them in a manner required by section 110K of the Corporations Act is available on the Company's website: https://investors.inghams.com.au/Investor-Centre/AGM.html?page=annual-general-meetings

The Company encourages the participation of shareholders at its AGM each year. All substantive resolutions at meetings of shareholders of the Company are decided by poll.

Corporate Governance Statement (continued)

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Risk & Sustainability Committee

Inghams' Risk and Sustainability Committee (R&SC) is responsible for overseeing the implementation and effectiveness of both the Company's risk management system and its sustainability strategy and reporting.

The R&SC Charter sets out the responsibilities of the Committee in relation to risk.

Throughout the reporting period, the R&SC had at least three members and all members, including the Chair, were considered independent.

As at the end of the reporting period, the R&SC was comprised of three Non-Executive Directors: Margie Haseltine (Chair), Helen Nash and Linda Bardo Nicholls AO[1].

Prior to her resignation following the Company's 2023 annual meeting, Jackie McArthur was Chair of the R&SC. Rob Gordon assumed the Chair position from November 2023 until 23 January 2024, with the commencement of his Board approved leave of absence in early 2024.

The number of times the R&SC met throughout the reporting period and individual attendance is set out elsewhere in this report.

Evaluate and manage risk

The Board and the Risk & Sustainability Committee monitor and evaluate risks through a variety of existing systems, programs and policies. The Finance & Audit Committee monitors and evaluates financial risks, while the People & Remuneration Committee monitors and evaluates people risks. The Board and/or Risk & Sustainability Committee also review the following areas:

- the Company's risk management and compliance framework, including an at least annual review of the entity's risk management framework to satisfy itself that the framework continues to be sound and that Inghams is operating with due regard to the Board's risk appetite statements, which are agreed annually and monitored biannually,
- health, safety, quality and environmental risks,
- all other material and emerging risks including but not limited to risks associated with cyber security, brand and reputation, climate change and regulatory matters (but excluding financial and people risks, which are the responsibility of the Finance & Audit Committee and People & Remuneration Committee respectively),
- strategic risks facing the Company,
- the annual insurance program structure,
- the adequacy of business continuity plans, and
- the Company's sustainability strategy, reporting and implementation plans.

The Company's management is responsible for managing strategic, financial and operational risk, and implementing risk mitigation measures, within parameters established and overseen by the Board and its Committees. Management incorporates risk management into strategic planning and decision-making to understand and prioritise the management of material business risks. The R&SC reviews key risks within the Company's risk management framework to ensure Inghams' strategy is applied in a responsible, ethical and sustainable way.

Inghams' Sustainability Report, contained within the Annual Report, addresses material risks and opportunities without our spheres of influence and considered key for sustainable performance, including animal welfare, climate action, water stewardship, sustainable agriculture, waste and sustainable packaging, people and safety, and procurement.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

People & Remuneration Committee

Inghams People & Remuneration Committee (P&RC) assists and advises the Board on remuneration policies and practices for the Board and Executive Leadership Team, including equity-based remuneration for executive management.

The roles, responsibilities, composition and structure of the P&RC are set out in the P&RC Charter.

Throughout the reporting period, the P&RC had at least three members and all members, including the Chair, were considered to be independent.

(1) Rob Gordon stepped down from the R&SC during the reporting period.

Corporate Governance Statement (continued)

As at the end of the reporting period, the P&RC comprised three Non-Executive Directors: Timothy Longstaff (Chair), Michael Ihlein and Linda Bardo Nicholls AO.

Jackie McArthur was also a member of the P&RC during the reporting period.

The number of times the P&RC met throughout the reporting period and individual attendance is set out on page 6 in this report.

Director and executive remuneration

The Remuneration Report included in this report details Inghams policies and practices for remunerating directors and executives. The Company distinguishes the remuneration of Executive Directors and Executive Leaders from Non-Executive Directors by offering Executive Leaders a mix of fixed and at-risk remuneration through the Company's short-term and long-term incentive plans. These plans are designed to enable Inghams to realise its strategic objectives by rewarding sustainable performance and behaviour that is aligned to our purpose and values.

Non-Executive Directors' remuneration is fixed and includes superannuation. It does not include any retirement benefits.

Securities trading policy

Inghams' Securities Dealing Policy includes terms which provide that the Directors, the CEO/MD and other Company executives (each being 'Designated Persons' under the Policy) are prohibited from entering into transactions or arrangements which could have the effect of limiting their exposure to risk relating to an element of their remuneration that has not vested or is held subject to escrow restrictions.

Consolidated Entity Disclosure Statement

Local Tax Residency Disclosure

Name of entity	Country of incorporation	Entity structure	% of share capital held directly or indirectly by IGL	Tax residency
Inghams Group Limited	Australia	Corporate	N/A	Australian
Inghams Holding II Pty Limited	Australia	Corporate	100	Australian
Inghams Holding III Pty Limited	Australia	Corporate	100	Australian
Adams Bidco Pty Limited	Australia	Corporate	100	Australian
Inghams Enterprises Pty Limited	Australia	Corporate	100	Australian
The Free Ranger Pty Limited	Australia	Corporate	100	Australian
Ingham 2 Pty Limited	Australia	Corporate	100	Australian
Aleko Pty Limited	Australia	Corporate	100	Australian
Agnidla Pty Limited	Australia	Corporate	100	Australian
Inadnam Pty Limited	Australia	Corporate	100	Australian
Ovoid Insurance Pty Limited[c]	Australia	Corporate	100	Australian
Inghams Property Management Pty Limited	Australia	Corporate	100	Australian
Inghams Enterprises (NZ) Pty Limited[a]	Australia	Corporate	100	Australian
Inghams Group Limited Employee Share Trust	Australia	Trust	N/A	Australian
Inghams (NZ) No 2 Limited[b]	New Zealand	Corporate	100	Foreign
Ovoid Insurance Limited[c]	Bermuda	Corporate	100	Foreign
AFB International Pty Limited	Australia	Partnership	50	Australian
Inghams Property Hold Co Pty Limited	Australia	Corporate	100	Australian
Inghams Property Co Pty Limited	Australia	Corporate	100	Australian
Inghams Burton Property Trust	Australia	Corporate	N/A	Australian

IGL = Inghams Group Limited

(a) Operates a permanent establishment in New Zealand
(b) Foreign tax jurisdiction is New Zealand
(c) Foreign tax jurisdiction is Bermuda

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- For Australian tax residency, the consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5;
- For foreign tax residency, the consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Inghams Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Inghams Group Limited for the financial year ended 29 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Trent Duvall

Partner

Sydney

23 August 2024

Financial Statements

Consolidated income statement

For the year ended 29 June 2024

	Notes	53 weeks ended 29 June 2024 $000	52 weeks ended 24 June 2023 $000
Revenue	4	3,262,000	3,044,000
Other income	5(a)	300	3,200
Expenses			
Cost of sales		(2,641,100)	(2,532,700)
Distribution		(210,000)	(201,300)
Administration and selling		(185,300)	(163,300)
Operating profit		**225,900**	**149,900**
Finance income and costs			
Finance income		3,000	2,400
Finance costs		(86,600)	(78,600)
Net finance costs	5(c)	**(83,600)**	**(76,200)**
Share of net profit of joint venture	24	900	400
Profit before income tax		**143,200**	**74,100**
Income tax expense	6(a)	(41,700)	(13,700)
Profit for the year attributable to: Owners of Inghams Group Limited		**101,500**	**60,400**
Basic EPS (cents per share)	27	27.3	16.3
Diluted EPS (cents per share)	27	27.2	16.2

The above consolidated income statement should be read in conjunction with the accompanying notes.

Financial Statements

Consolidated statement of comprehensive income

For the year ended 29 June 2024

	Notes	53 weeks ended 29 June 2024 $000	52 weeks ended 24 June 2023 $000
Profit for the year		**101,500**	**60,400**
Other comprehensive income			
Items that have been reclassified to profit or loss			
Changes in the fair value of cash flow hedges	19(a)	(8,800)	(12,100)
Tax on changes in fair value of cash flow hedges		–	3,100
Total items that have subsequently been reclassified to profit or loss		**(8,800)**	**(9,000)**
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	19(a)	(1,400)	700
Changes in the fair value of cash flow hedges	19(a)	3,900	9,000
Total items that may subsequently be reclassified to profit or loss		**2,500**	**9,700**
Items that will not be reclassified to profit or loss			
Total comprehensive income for the year, attributable to:			
Owners of Inghams Group Limited		**95,200**	**61,100**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Financial Statements

Consolidated statement of financial position

As at 29 June 2024

	Notes	29 June 2024 $000	24 June 2023 $000
ASSETS			
Current assets			
Cash and cash equivalents	7	110,700	136,300
Trade and other receivables	8	234,100	268,100
Biological assets	9	163,500	159,800
Inventories	10	237,500	220,700
Derivative financial instruments	16	1,700	2,200
Total current assets		**747,500**	**787,100**
Non-current assets			
Property, plant and equipment	11	594,300	493,800
Investments accounted for using the equity method	24	3,000	2,300
Right-of-use assets	12	1,031,700	1,275,600
Derivative financial instruments	16	600	1,200
Deferred tax asset	6(c)	22,900	14,300
Total non-current assets		**1,652,500**	**1,787,200**
Total assets		**2,400,000**	**2,574,300**
LIABILITIES			
Current liabilities			
Trade and other payables	13	426,100	462,100
Current tax liability		15,800	3,000
Provisions	15	104,100	98,300
Lease liabilities		147,300	154,600
Total current liabilities		**693,300**	**718,000**
Non-current liabilities			
Trade and other payables	13	200	4,300
Borrowings	14	458,600	398,800
Provisions	15	37,200	37,500
Lease liabilities		991,100	1,213,900
Total non-current liabilities		**1,487,100**	**1,654,500**
Total liabilities		**2,180,400**	**2,372,500**
Net assets		**219,600**	**201,800**
Equity			
Contributed equity	17(a)	109,300	109,300
Reserves	19(a)	45,500	47,400
Retained earnings		64,800	45,100
Total equity		**219,600**	**201,800**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Financial Statements

Consolidated statement of changes in equity

For the year ended 29 June 2024

	Notes	Contributed Equity $000	Retained Earnings /(Accumulated losses) $000	Asset revaluation reserve $000	Other reserves $000	Total Equity $000
		Attributable to owners of Inghams Group Limited				
Balance at 26 June 2022		**108,800**	**3,300**	**17,700**	**28,400**	**158,200**
Profit for the year		–	60,400	–	–	60,400
Other comprehensive income	19(a)	–	–	–	700	700
Total comprehensive income		**–**	**60,400**	**–**	**700**	**61,100**
Transfer of reserves		–	**–**	**–**	–	–
Transactions with owners of the Company						
Dividends provided for or paid	18	–	(18,600)	–	–	(18,600)
Share based payment expense	19(a)	–	–	–	1,300	1,300
Settlement of share plan		(200)	–	–	–	(200)
Transfer of shares for settlement of share plan		700	–	–	(700)	–
		500	(18,600)	–	600	(17,500)
Balance at 24 June 2023		**109,300**	**45,100**	**17,700**	**29,700**	**201,800**
Balance at 25 June 2023		**109,300**	**45,100**	**17,700**	**29,700**	**201,800**
Profit for the year		–	101,500	–	–	101,500
Other comprehensive income		–	–	–	(6,300)	(6,300)
Total comprehensive income		**–**	**101,500**	**–**	**(6,300)**	**95,200**
Transactions with owners of the Company						
Dividends provided for or paid	18	–	(81,800)	–	–	(81,800)
Share based payment expense	19(a)	–	–	–	4,800	4,800
Transfer of shares for settlement of share plan	19(a)	–	–	–	(400)	(400)
		–	(81,800)	–	4,400	(77,400)
Balance at 29 June 2024		**109,300**	**64,800**	**17,700**	**27,800**	**219,600**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Financial Statements

Consolidated statement of cash flows

For the year ended 29 June 2024

	Notes	53 weeks ended 29 June 2024 $000	52 weeks ended 24 June 2023 $000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,391,200	3,106,500
Payments to suppliers and employees (inclusive of GST)		(2,938,100)	(2,734,700)
		453,100	**371,800**
Interest received		3,000	2,400
Income taxes paid		(37,600)	(15,200)
Net cash provided by operating activities	21	**418,500**	**359,000**
Cash flows from investing activities			
Capital expenditure		(85,700)	(71,900)
Property purchases		(76,000)	–
Proceeds from sale of assets		–	200
Dividends received from investments		300	400
Government grant received		3,900	3,300
Acquisition of a business*	28	(6,600)	–
Net cash used in investing activities		**(164,100)**	**(68,000)**
Cash flows from financing activities			
Settlement of share plan		(400)	(500)
Proceeds from borrowings		60,000	–
Dividends paid		(81,800)	(18,600)
Lease payments - principal		(172,900)	(193,800)
Lease payments - interest		(55,300)	(53,300)
Interest and finance charges paid		(29,900)	(27,800)
Proceeds from settlement of derivatives		600	7,500
Net cash used in financing activities		**(279,700)**	**(286,500)**
Net (decrease)/increase in cash and cash equivalents		**(25,300)**	**4,500**
Cash and cash equivalents at the beginning of the financial year		136,300	131,600
Effects of exchange rate changes on cash and cash equivalents		(300)	200
Cash and cash equivalents at end of year	7	**110,700**	**136,300**

* For the period ended 29 June 2024, $4.5M of the $6.6M ‘Acquisition of a business’ relates to capital expenditure and asset purchases for Bromley Park.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

1 Corporate information

The financial statements of Inghams Group Limited and its subsidiaries (collectively, the Group) for the 53 weeks ended 29 June 2024 (comparative period was 52 weeks ended 24 June 2023) were authorised for issue in accordance with a resolution of the directors on 23 August 2024. Inghams Group Limited (the Company) is a for-profit company limited by shares incorporated in Australia.

The registered office and principal place of business of Inghams Group Limited is:

Level 4
1 Julius Avenue
North Ryde
NSW 2113 Australia

The principal activities of the Group during the year consisted of the production and sale of chicken and turkey products across its vertically integrated free-range, value enhanced, primary processed, further processed and by-product categories. Additionally, stockfeed is produced primarily for internal use but also for the poultry and pig industries.

2 Changes in accounting policies

(a) Impact on the financial statements

AASB 18 was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements.* The new standard introduces new requirements for the Statement of Profit or Loss, including:

- new categories for the classification of income and expenses into operating, investing and financing categories, and
- presentation of subtotals for “operating profit” and “profit before financing and income taxes”.

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements and the presentation of interest and dividends in the statement of cash flows. The new standard is effective for annual periods beginning on or after 1 January 2027 and will first apply to the Group for the financial year ending 24 June 2028.

This new standard is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses, however there will likely be changes in how the Statement of Profit or Loss and Statement of Financial Position line items are presented as well as some additional disclosures in the notes to the financial statements. The Group is in the process of assessing the impact of the new standard.

At 29 June 2024, certain accounting standards and interpretations have been published or amended which will become mandatory in future reporting periods. These new or amended accounting standards and interpretations are either not material or not applicable to Inghams.

The Group adopted Disclosure of Accounting Policies (Amendments to AASB 101) from 25 June 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Summary of material accounting policies (2023: Summary of significant accounting policies) in certain instances in line with the amendments.

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to AASB 12) from 25 June 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences.

The Group previously accounted for deferred tax on leases and decommissioning liabilities by applying the ‘integrally linked’ approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of AASB 12. There was also no impact on the opening retained earnings

Notes to the consolidated financial statements (continued)

2 Changes in accounting policies (continued)

(a) Impact on the financial statements (continued)

as at 27 June 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised in page 77.

3 Summary of material accounting policies

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied from the first annual period following the effective date of the new standard, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

(i) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Financial assets and liabilities (including derivative instruments) and certain classes of plant and equipment measured at fair value.
- Assets held for sale - measured at the lower of cost (including revaluation adjustments where applicable), or fair value less cost of disposal.

(ii) Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

- Fair value determination of freehold land and buildings - note 11;
- Fair value of options granted under the long term incentive scheme, as determined at grant date - note 20.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to these financial statements.

Notes to the consolidated financial statements (continued)

3 Summary of significant accounting policies (continued)

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Group and its subsidiaries and the results of all subsidiaries for the year ended 29 June 2024.

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The acquisition method of accounting is used to account for business combinations by the Group (see note 28). Acquisitions are accounted for in accordance with AASB 3 Business Combinations.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

(ii) Joint Ventures

The Group's interests in equity-accounted investees comprise interests in a joint venture. Interests in the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and Other Comprehensive Income of equity-accounted investees, until the date on which significant influence or joint control ceases.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which it operates (‘the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Inghams Group Limited's functional and presentation currency.

(ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at period end exchange rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in consolidated income statement, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

(iii) Group companies

The results and financial position of foreign operations of the Group (none of which have the currency of a hyperinflationary economy), that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for the statement of financial position are translated at the closing rate at balance date,
- Income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Sale of goods

A sale is recorded when goods have been delivered to a customer pursuant to a sales order and control of the goods has passed to the carrier or customer.

Notes to the consolidated financial statements (continued)

3 Summary of significant accounting policies (continued)

(e) Income tax

(i) Income tax treatment

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give risk to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income. In this case, the tax is also recognised in other comprehensive income.

Where there are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain, the Group recognises liabilities for uncertain tax positions in accordance with IFRS interpretation IFRIC 23. Each uncertain tax treatment is considered separately unless consideration together with one or more other uncertain tax treatments gives rise to a better prediction of the resolution of the uncertain treatments on examination by the relevant taxation authority. Where the final tax outcome of these matters is different from the amounts provided, such differences will impact the current and deferred tax provisions in the period in which such an outcome is obtained.

(ii) Tax consolidation legislation

Inghams Group Limited, the ultimate Australian controlling entity, and its subsidiaries, have implemented the tax consolidation legislation.

Inghams Group Limited and its subsidiaries in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a stand-alone taxpayer in its own right. In addition to its own current and deferred tax amounts, Inghams Group Limited, the ultimate Australian controlling entity, also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from subsidiaries in the tax consolidated Group.

Assets or liabilities arising under tax funding arrangements within the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Under the tax funding arrangement the members of the tax consolidated Group compensate Inghams Group Limited for any current tax payable assumed, and are compensated by Inghams Group Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Inghams Group Limited.

Notes to the consolidated financial statements (continued)

3 Summary of significant accounting policies (continued)

(f) Impairment of assets

Assets are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term and highly liquid investments with maturities of three months or less from inception date, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are generally collected within 30 days of invoice date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is calculated using an expected credit losses provision matrix. The provision matrix is based on the Group's historical observed default rates, adjusted for forward looking estimates. The historical observed default rates are updated to reflect current and forecast credit conditions on each reporting date. Provisions for specific receivables are recognised in addition to the general provision originating from the expected credit losses matrix.

The amount of the provision is recognised in the consolidated income statement within Administration and selling expenses.

(i) Biological assets

Biological assets are recognised at cost less accumulated depreciation. The fair value of biological assets cannot be reliably measured, as quoted market prices are not available and it is difficult to estimate the fair value based on the eventual sales price. Depreciation of breeder chickens occurs on an egg-laying basis with the depreciation representing a portion of the egg cost and subsequently the day-old broiler cost in the capitalised cost of broilers. Biological Assets approximately have up to a 70-78 week age that changes on a daily basis.

Biological assets are reclassified as inventory once processed.

(j) Inventories

Poultry, feed and other classes of inventories are stated at the lower of cost and net realisable value. Cost comprises all overheads except selling, distribution, general administration and interest. Net realisable value is the estimated selling price in the ordinary course of business less the estimate costs of completion and the costs necessary to make the sale.

Notes to the consolidated financial statements (continued)

3 Summary of significant accounting policies (continued)

(k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI) - debt investment;
- Fair value through other comprehensive income (FVOCI) - equity investment;
- Fair value through profit or loss (FVTPL).

Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This category generally applies to all derivative financial assets. For more information on derivative financial instruments, refer to note 16.

Loans and receivables

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- Its contractual terms give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

This category generally applies to trade and other receivables. For more information on receivables, refer to note 8.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  (a) the Group has transferred substantially all the risks and rewards of the asset; or

  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as measured at amortised cost, FVTPL or as derivatives designated as hedging instruments in an effective hedge, as appropriate. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such as initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest

Notes to the consolidated financial statements (continued)

3 Summary of significant accounting policies (continued)

(k) Financial instruments (continued)

expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group's financial liabilities include trade and other payables, borrowings and derivative financial instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(l) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- Hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 16. Movements in the hedging reserve in shareholders' equity are shown in note 19(a). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the comprehensive income statement, together with any changes in the fair value of the hedge asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps and hedging fixed rate borrowings is recognised in the comprehensive income statement within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the comprehensive income statement within other income or other expenses. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the consolidated income statement over the period to maturity using a recalculated effective interest rate.

(ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity.

Amounts accumulated in equity are reclassified to the comprehensive income statement in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance costs'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in profit or loss within 'sales'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation or impairment in the case of fixed assets.

Notes to the consolidated financial statements (continued)

3 Summary of significant accounting policies (continued)

(l) Derivatives and hedging activities (continued)

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

The Group may also enter into derivative contracts in order to hedge the translation of results of its New Zealand business. As this result is an uncertain amount at the date the derivative is entered into, it is not eligible for designation as a hedging instrument under Australian Accounting Standards, and as such any applicable contracts are measured at fair value through profit or loss, with gains or losses being recognised in profit or loss in the period incurred.

(m) Property, plant and equipment

Freehold land and buildings are shown at fair value based on formal periodic valuations (with sufficient regularity to ensure materially accurate valuations reflected) by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Freehold land and buildings and leasehold buildings	3 - 50 years
Plant and equipment	1 - 20 years
Leased plant and equipment	5 - 15 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(n) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(i) Lease Liability

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the

Notes to the consolidated financial statements (continued)

3 Summary of significant accounting policies (continued)

(n) Leases (continued)

lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

(ii) Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

(iii) Depreciation expense

Depreciation is calculated on a straight-line basis on the right-of-use asset over the term of each lease. In line with Group's policy of classifying expenses by function, depreciation is included within the elements of Operating Profit as appropriate.

(iv) Extension and termination options

Land and building lease agreements are typically entered for fixed periods of 5 to 20 years, with some leases for periods of 30 years. Extension and termination options are included in a number of these leases across the Group.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Management's assessment is that lease options cannot be reasonably certain and are therefore excluded in the calculation of the lease liability.

Contract Growers have a set expiry date after which the lease continues indefinitely until either party gives 12 months' notice to terminate. As Inghams continues to review the company's strategic objectives, a number of Chicken Contract Growers have already moved to performance-based agreements. More are expected in the future. Turkey Contract Growers have had a notice of termination provided on the existing contract. A new agreement is in discussion with the growers.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group.

(v) Practical expedients applied

The Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease;
- payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.

(vi) Short term leases exempt from recognition under AASB 16 Leases

All short term leases (less than 12 months), low value or performance based leases are recognised under AASB 16 Leases but not disclosed on balance sheet. These leases continue to be recognised in the Profit & Loss as an operating lease expense.

Notes to the consolidated financial statements (continued)

3 Summary of significant accounting policies (continued)

(o) Investments

Investments in subsidiaries and joint venture entities are accounted for at cost. Dividends received from subsidiaries and joint venture entities are recognised in the parent entity's profit, rather than being deducted from the carrying amount of these investments.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(q) Interest bearing liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed as incurred.

(r) Provisions

Provisions for make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of each reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Workers compensation provisions are determined by actuarial assessment every financial period. The provision represents the expected liability of the entity in relation to each state's self-insurance licence.

(s) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is presented as provision for employee benefits. All other short term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave which are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Notes to the consolidated financial statements (continued)

3 Summary of significant accounting policies (continued)

(s) Employee benefits (continued)

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

Share-based compensation benefits are provided to executives and select key management under Long Term Incentive Plans.

The fair value of shares granted under Long Term Incentive Plans are recognised as an employee benefits expense with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the shares. The total amount to be expensed is determined by reference to the fair value of the shares granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting condition.

Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of shares that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. Where such adjustments results in a reversal of previous expenses these are recognised as a credit to profit and loss in the period that it is assessed that certain vesting conditions will not be met.

(iv) Short term incentive scheme

The Group recognises a certain liability and expense for bonuses based on a formula that takes into consideration financial and non-financial outcomes of the Group.

(t) Contributed equity

Ordinary shares are classified as equity.

(u) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(v) Government grants

The Group initially recognises government grants related to assets as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognised as a reduction upfront in the fair value of the fixed asset to which they relate and a reduction in depreciation expense over the useful life of the asset.

(w) Good and services tax (GST)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

(x) Rounding of amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest hundred thousand dollars except where otherwise stated.

(y) Parent entity

The financial information for the parent entity, Inghams Group Limited, has been prepared on the same basis as the consolidated financial statements.

Notes to the consolidated financial statements (continued)

4 Segment information

Description of segments

Inghams operations are all conducted in the feed and poultry industry in Australia and New Zealand.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Group's operations in Australia and New Zealand are each treated as individual operating segments. The CEO monitors the operating results of business units separately, for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on earnings before interest, tax, depreciation and amortisation (EBITDA). Inter-segment pricing and inter segment revenue is generated from a royalty charge for the services provided by the Australian operation.

Two customers generated revenue in excess of 10% of Group revenue (2023: Two).

Allocations of assets and liabilities are not separately identified in internal reporting so are not disclosed in this note.

	Australia 2024 $000	New Zealand 2024 $000	Consolidated 2024 $000
Poultry	2,615,700	439,600	3,055,300
Feed	144,400	62,300	206,700
Total revenue from contracts with customers	**2,760,100**	**501,900**	**3,262,000**
Other income	100	200	300
Inter segment revenue/(expense)	13,000	(13,000)	–
	2,773,200	**489,100**	**3,262,300**
Adjusted operating expenses*	(2,396,200)	(395,900)	(2,792,100)
Share of net profit of joint venture	900	–	900
EBITDA	**377,900**	**93,200**	**471,100**
Depreciation and amortisation			(244,300)
EBIT			**226,800**
Net finance costs			(83,600)
Profit before tax			**143,200**

* Adjusted operating expenses include cost of sales, distribution, selling and administration, excluding depreciation and amortisation.

	Australia 2024 $000	New Zealand 2024 $000	Consolidated 2024 $000
Total capital expenditure*	142,500	23,200	165,700
Total property, plant and equipment	507,900	86,400	594,300
Total impairment losses (trade receivables)	1,500	–	1,500
Total impairment losses (inventory)	17,400	2,600	20,000

* Total Capital expenditure includes assets acquired as part of the Bolivar acquisition ($76.0M) and Bromley Park acquisition ($4.5M).

Notes to the consolidated financial statements (continued)

4 Segment information (continued)

	Australia 2023 $000	New Zealand 2023 $000	Consolidated 2023 $000
Poultry	2,439,200	381,800	2,821,000
Feed	158,100	64,900	223,000
Total revenue from contracts with customers	**2,597,300**	**446,700**	**3,044,000**
Other income	3,000	200	3,200
Inter segment revenue/(expense)	10,600	(10,600)	–
	2,610,900	**436,300**	**3,047,200**
Adjusted operating expenses*	(2,254,300)	(374,800)	(2,629,100)
Share of net profit of associate	400	–	400
EBITDA	**357,000**	**61,500**	**418,500**
Depreciation and amortisation			(268,200)
EBIT			**150,300**
Net finance costs			(76,200)
Profit before tax			**74,100**

* Adjusted operating expenses include cost of sales, distribution, selling and administration, excluding depreciation and amortisation.

	Australia 2023 $000	New Zealand 2023 $000	Consolidated 2023 $000
Total capital expenditure	64,200	7,700	71,900
Total property, plant and equipment	420,100	73,700	493,800
Total impairment losses (trade receivables)	300	–	300
Total impairment losses (inventory)	18,700	2,100	20,800
Total impairment losses (property, plant and equipment)	1,000	–	1,000

Notes to the consolidated financial statements (continued)

5 Other income and expenses

(a) Other income and expenses

	2024 $000	2023 $000
Rent and other income	300	3,200
Other items	**300**	**3,200**

(b) Expenses

Employee benefits expense		
Employee benefits expense	676,100	598,000
Defined super contributions	54,000	48,200
Share-based payment expense	4,900	1,300
Employee benefits expense	**735,000**	**647,500**
Impairment losses		
Trade receivables	1,500	300
Inventories	20,000	20,800
Property, plant and equipment	–	1,000
Impairment losses	**21,500**	**22,100**

Impairment losses on trade receivables, including amounts written off and amounts provided for, are recognised within administration and selling expenses. Impairment losses on inventories, including amounts written off and amounts provided for, are recognised within cost of sales.

(c) Finance income and costs

Lease financing interest expense	55,300	53,300
Interest and borrowing costs	30,200	24,500
Unwind of discount	300	–
Amortisation of borrowing costs	800	800
Interest income	(3,000)	(2,400)
Finance income and costs	**83,600**	**76,200**

Included within interest and borrowing costs is interest related to the inventory procurement trade payable of $6.8M (FY23: $6.4M).

Notes to the consolidated financial statements (continued)

6 Income tax expense

(a) Income tax expense

	2024 $000	2023 $000
Current tax	53,200	29,500
Deferred tax	(8,600)	(7,300)
Adjustments for current tax of prior periods	(2,900)	(8,500)
Income tax expense	**41,700**	**13,700**

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit from continuing operations before income tax expense	143,200	74,100
Tax at the Australian tax rate of 30% (2023 - 30%)	43,000	22,200
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	(500)	200
Prior period R&D tax offset	–	(8,500)
Revaluation of inventory tax base in associate	(200)	(100)
	42,300	**13,800**
Difference in overseas tax rates	(600)	(100)
Income tax expense	**41,700**	**13,700**

(c) Deferred taxes

The movements in deferred tax balances for the Group are shown in the tables below:

	Opening balance $000	Charged to income $000	Charged to equity $000	Closing balance $000
2024				
Doubtful debts	700	300	–	1,000
Employee benefits	26,500	1,500	–	28,000
Inventories	(34,700)	(200)	–	(34,900)
Accruals	4,700	1,300	–	6,000
Property, plant and equipment	(22,000)	1,200	–	(20,800)
AASB 16 - Right of Use Assets	(377,600)	71,000	–	(306,600)
AASB 16 - Lease Liabilities	411,700	(69,300)	–	342,400
Provisions	3,200	900	–	4,100
Make good	800	100	–	900
Cash flow hedges	(100)	100	–	–
Business related costs s40-880[1]	100	400	–	500
Deferred income	1,000	1,300	–	2,300
Net deferred tax assets/(liabilities)	**14,300**	**8,600**	**–**	**22,900**

(1) Relate to 5 years deduction for project snowflakes and Ovoid liquidation.

Notes to the consolidated financial statements (continued)

6 Income tax expense (continued)

	Opening balance $000	Charged to income $000	Charged to equity $000	Closing balance $000
2023				
Doubtful debts	600	100	–	700
Employee benefits	26,400	100	–	26,500
Inventories	(40,400)	5,700	–	(34,700)
Accruals	2,400	2,300	–	4,700
Property, plant and equipment	(11,700)	(10,300)	–	(22,000)
AASB 16 - Right of Use Assets	(392,000)	14,400	–	(377,600)
AASB 16 - Lease Liabilities	419,900	(8,200)	–	411,700
Provisions	900	2,300	–	3,200
Make good	1,000	(200)		800
Cash flow hedges	(3,200)	–	3,100	(100)
Business related costs s40-880	–	100	–	100
Deferred income	–	1,000	–	1,000
Net deferred tax assets/(liabilities)	**3,900**	**7,300**	**3,100**	**14,300**

7 Cash and cash equivalents

	2024 $000	2023 $000
Cash at bank and on hand	110,400	136,000
Short-term deposits	300	300
Cash and cash equivalents	**110,700**	**136,300**

Short-term deposits are presented as cash equivalents as they have a maturity of less than three months.

Notes to the consolidated financial statements (continued)

8 Trade and other receivables

	2024 $000	2023 $000
Trade receivables	221,000	257,000
Provision for doubtful debts	(3,600)	(2,100)
Net trade receivables	**217,400**	**254,900**
Other receivables	10,800	9,300
Prepayments	5,900	3,900
Trade and other receivables	**234,100**	**268,100**
Movement in the provision for doubtful debts:		
At start of period	(2,100)	(1,900)
Impairment expense recognised during the year	(1,500)	(300)
Receivables written off during the year as uncollectable	–	100
Balance at end of period	**(3,600)**	**(2,100)**

Due to the short-term nature of current receivables, their carrying amount is assumed to approximate their fair value.

The Group has considered the collectability and recoverability of trade receivables. A provision for doubtful debts is calculated using an expected credit losses provision matrix. The provision matrix is based on the Group's historical observed default rates, adjusted for forward looking estimates. The historical observed default rates are updated to reflect current and forecast credit conditions on each reporting date. Provisions for specific receivables are recognised in addition to the general provision originating from the expected credit losses matrix.

Inghams continues to execute a variety of different credit management strategies to mitigate credit risk and collect cash.

	2024 $000	2023 $000
Current	214,100	245,000
1 to 30 days	2,500	5,000
31 to 60 days	700	2,100
61 to 90 days	–	1,600
90+ days	100	1,200
Impaired (provision for doubtful debts)	3,600	2,100
Trade receivables	**221,000**	**257,000**

Notes to the consolidated financial statements (continued)

9 Biological assets

	2024 $000	2023 $000
Breeder	54,900	48,000
Broiler	92,800	96,500
Eggs	15,800	15,300
Biological assets	**163,500**	**159,800**

All movements in the value of biological asset classes are due to purchases and consumption in the ordinary course of business.

The Group is exposed to a number of risks relating to its biological assets:

(i) Regulatory and environmental risk

The Group is subject to laws and regulations in the countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

(ii) Climate and other risks

The Group's biological assets are exposed to the risk of damage from climatic changes, diseases and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular health inspections. The Group is also insured against natural disasters.

10 Inventories

	2024 $000	2023 $000
Processed Poultry	140,600	112,300
Feed	55,100	68,900
Other	52,000	47,200
Inventories (gross)	**247,700**	**228,400**
Inventory obsolescence provision	(10,200)	(7,700)
Inventories	**237,500**	**220,700**

Inventory is assessed for excess or slow moving stock, stock sold below cost and other indicators of obsolescence in calculating inventory obsolescence provision. Other inventories include medication, packaging and consumables.

Notes to the consolidated financial statements (continued)

11 Property, plant and equipment

	Freehold land $000	Freehold buildings $000	Leasehold buildings $000	Plant and equipment $000	Capital work in progress $000	Total $000
2024						
Cost						
Opening balance	47,500	96,100	14,000	694,100	62,800	914,500
Additions*	22,800	52,400	800	1,200	76,300	153,500
Business acquisition	–	–	–	4,500	–	4,500
Transfers	100	2,000	–	78,600	(80,700)	–
Disposals	–	–	–	(100)	–	(100)
Closing balance	**70,400**	**150,500**	**14,800**	**778,300**	**58,400**	**1,072,400**
Accumulated Depreciation						
Opening balance	–	(5,700)	(6,400)	(408,600)	–	(420,700)
Depreciation charge	–	(4,400)	(1,000)	(52,100)	–	(57,500)
Disposals	–	–	–	100	–	100
Closing balance	**–**	**(10,100)**	**(7,400)**	**(460,600)**	**–**	**(478,100)**
Net book value	**70,400**	**140,400**	**7,400**	**317,700**	**58,400**	**594,300**
2023						
Cost						
Opening balance	38,400	80,300	15,100	674,300	47,500	855,600
Additions	–	–	–	–	71,900	71,900
Transfers	9,100	15,900	–	31,600	(56,600)	–
Impairment	–	–	–	(1,000)	–	(1,000)
Disposals	–	(200)	(1,100)	(12,700)	–	(14,000)
Exchange differences	–	100	–	1,900	–	2,000
Closing balance	**47,500**	**96,100**	**14,000**	**694,100**	**62,800**	**914,500**
Accumulated Depreciation						
Opening balance	–	(3,000)	(6,600)	(368,700)	–	(378,300)
Depreciation charge	–	(2,800)	(900)	(50,500)	–	(54,200)
Disposals	–	100	1,100	12,200	–	13,400
Exchange differences	–	–	–	(1,600)	–	(1,600)
Closing balance	**–**	**(5,700)**	**(6,400)**	**(408,600)**	**–**	**(420,700)**
Net book value	**47,500**	**90,400**	**7,600**	**285,500**	**62,800**	**493,800**

*Included within additions is the Bolivar acquisition ($76.0M).

The valuation basis of freehold land and buildings is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition.

Independent valuations are performed every three years and the last was performed in FY22. In FY24 management assessed the reasonableness of the carrying value of Land and Buildings. No adjustments were required to the carrying values.

Notes to the consolidated financial statements (continued)

12 Right-of-use assets

	Land and Building $000	Contract Growers $000	Equipment and Motor Vehicle $000	Total $000
2024				
Balance at 26 June 2023	**811,500**	**446,000**	**18,100**	**1,275,600**
Additions	65,500	73,700	3,200	142,400
Disposals	(37,400)	(159,600)	–	(197,000)
Depreciation	(62,700)	(121,000)	(6,200)	(189,900)
Net foreign currency movement	(500)	1,100	–	600
Balance at 29 June 2024	**776,400**	**240,200**	**15,100**	**1,031,700**

	Land and Building $000	Contract Growers $000	Equipment and Motor Vehicle $000	Total $000
2023				
Balance at 27 June 2022	**835,500**	**461,900**	**22,000**	**1,319,400**
Additions	47,400	134,300	2,000	183,700
Disposals	(900)	(13,700)	(100)	(14,700)
Depreciation	(71,100)	(137,100)	(5,800)	(214,000)
Net foreign currency movement	600	600	–	1,200
Balance at 25 June 2023	**811,500**	**446,000**	**18,100**	**1,275,600**

Extension options are not included in the measurement of the right-of-use assets and lease liabilities unless they are exercised.

	2024 $000	2023 $000
Variable lease payments not included in the measurement of lease liabilities	151,400	107,800
Expenses relating to low value leases	6,500	5,600
Total	**157,900**	**113,400**

The total cashflow payments related to leases in FY24 was $386,100,000 (FY23: $360,500,000).

Notes to the consolidated financial statements (continued)

13 Trade and other payables

	2024 Current $000	2024 Non-Current $000	2024 Total $000	2023 Current $000	2023 Non-Current $000	2023 Total $000
Trade payables	259,400	200	259,600	296,300	1,000	297,300
Inventory procurement trade payable	128,500	–	128,500	132,200	–	132,200
Other payables	38,200	–	38,200	33,600	3,300	36,900
Trade and other payables	**426,100**	**200**	**426,300**	**462,100**	**4,300**	**466,400**

The Group has an inventory procurement trade payable with a third party financial institution, which is interest bearing. Trade bills of exchange are paid by the financial institution direct to the supplier and the Group settles the payable on extended payment terms. The amount utilised and recorded within trade and other payables at 29 June 2024 was $128.5M (24 June 2023: $132.2M).

14 Borrowings

(a) Interest bearing loans

	Carrying amount 2024 $000	Carrying amount 2023 $000	Principal amount drawn 2024 $000	Principal amount drawn 2023 $000	Interest rate	Maturity
Unsecured liabilities						
Tranche A [b]	198,700	199,200	200,000	200,000	Floating rate [a]	November 2025
Tranche B [b]	199,900	199,600	200,000	200,000	Floating rate [a]	November 2027
Tranche C [b]	60,000	–	60,000	–	Floating rate [a]	November 2025
Borrowings	**458,600**	**398,800**	**460,000**	**400,000**		

(a) Floating rates are at Bank Bill Swap Rate plus a predetermined margin. The Group has entered into hedging of the floating interest rate, as further described in note 23. Tranche A and Tranche B are fully drawn as at 29 June 2024 and Tranche C is partially drawn ($60M of $145M available).
(b) Currency is in AUD

(b) Fair value

For external borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on the borrowings is either close to current market rates or the borrowings are of a short-term nature. The Group has entered into interest rate swaps in relation to the interest payable.

Notes to the consolidated financial statements (continued)

15 Provisions

	2024			2023		
	Current $000	Non-Current $000	Total $000	Current $000	Non-Current $000	Total $000
Workers compensation	11,800	21,800	33,600	9,900	22,300	32,200
Employee benefits	87,000	6,500	93,500	82,000	6,500	88,500
Make good	200	2,100	2,300	1,200	1,600	2,800
Onerous contracts	500	6,800	7,300	800	7,100	7,900
Restructuring	–	–	–	200	–	200
Other provisions	4,600	–	4,600	4,200	–	4,200
Provisions	**104,100**	**37,200**	**141,300**	**98,300**	**37,500**	**135,800**

(a) Workers compensation

Workers compensation provisions are determined by actuarial assessment by Mr William Szuch Bsc, BA, MBA, FIA, FIAA Principal of WSA Financial Consulting Pty Limited and Mr Bruce Harris, BEng(Hons) FIAA Consultant of AM actuaries, considering the liability for reported claims still outstanding, settled claims that may be reopened in the future, claims incurred but not reported as at balance date and a provision for future expenses, adjustments for claims cost escalation and investment earnings on the claims provision.

(b) Make good provision

The Group is required to restore certain leased premises to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove leasehold improvements.

(c) Onerous contracts

The onerous provision relates to the remaining obligations for the Cleveland lease that has been reassigned to a new tenant for the remainder of the lease term.

(d) Restructuring provision

For the prior year, provisions for restructuring are recognised when a detailed formal plan has been approved and either commenced or a valid expectation has been raised to those persons affected. The provision is based on expenditure to be incurred which is directly caused by the restructuring and does not include costs associated with ongoing activities. The adequacy of the provision is reviewed regularly and adjusted if required. Revisions in the estimated amount of a restructuring provision are reported in the period in which the revision in the estimate occurs.

Notes to the consolidated financial statements (continued)

15 Provisions (continued)

(e) Movements

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Workers Compensation $000	Make good $000	Onerous Contracts $000	Restructuring $000	Other $000	Total $000
Balance at 26 June 2022	29,600	3,400	–	3,400	2,300	38,700
Charged to profit or loss	12,900	800	8,700	7,200	1,900	31,500
Amounts used during the period	(10,300)	(1,400)	(800)	(10,400)	–	(22,900)
Unwind of discount	–	–	–	–	–	–
Balance at 24 June 2023	**32,200**	**2,800**	**7,900**	**200**	**4,200**	**47,300**
Balance at 25 June 2023	**32,200**	**2,800**	**7,900**	**200**	**4,200**	**47,300**
Charged to profit or loss	24,400	800	300	–	400	25,900
Amounts used during the period	(23,000)	(1,300)	(1,200)	(200)	–	(25,700)
Unwind of discount	–	–	300	–	–	300
Balance at 29 June 2024	**33,600**	**2,300**	**7,300**	**–**	**4,600**	**47,800**

16 Derivative financial instruments

The Group has the following derivative financial instruments:

	2024			2023		
	Current $000	Non-Current $000	Total $000	Current $000	Non-Current $000	Total $000
Interest rate swap contracts						
- Cash flow hedges (asset)	1,200	600	1,800	1,500	1,200	2,700
Forward foreign exchange contracts						
- Cash flow hedges (asset)	500	–	500	700	–	700
Derivative financial instruments	**1,700**	**600**	**2,300**	**2,200**	**1,200**	**3,400**

Classification of derivatives

Derivatives are classified as held for trading and accounted for at fair value through profit or loss unless they are designated as hedges. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

The Group's accounting policy for its cash flow hedges is set out in note 3(l). For hedged forecast transactions that result in the recognition of a non-financial asset, the Group has elected to include related hedging gains and losses in the initial measurement of the cost of the asset.

Notes to the consolidated financial statements (continued)

17 Equity

Contributed equity

(a) Share capital

	2024 Shares	2023 Shares	2024 $000	2023 $000
Ordinary shares issued	371,679,601	371,679,601	109,300	109,300

(b) Movements in ordinary shares

	Shares	$000
Balance at 26 June 2022	**371,679,601**	**108,800**
Settlement of share plan	–	700
Amounts paid for treasury shares	–	(200)
Balance at 24 June 2023	**371,679,601**	**109,300**
Balance at 25 June 2023	**371,679,601**	**109,300**
Balance at 29 June 2024	**371,679,601**	**109,300**

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and to share the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(d) Treasury shares

Treasury shares outstanding of nil shares (FY23: 3,707) are shares in Inghams Group Limited that are held in trust by Ingham 2 Pty Limited, a subsidiary, and Pacific Life Custodians Pty Limited for the purpose of issuing shares under the employee share scheme. Information relating to the Inghams Long Term Incentive Plan, including details of shares issued, exercised and lapsed during the financial period and outstanding at the end of the reporting period, is set out in note 20.

18 Dividends

(a) Ordinary shares

	2024 $000	2023 $000
Dividends paid	81,800	18,600

The directors declared a final dividend of 8.0 cents per ordinary share on 23 August 2024 payable on 9 October 2024. The FY24 final dividend will be fully franked for Australian tax purposes. The financial effect of this dividend has not been brought to account in these consolidated financial statements and will be recognised in subsequent financial reports.

(b) Franking credits

	2024 $000	2023 $000
Amount of Australian franking credits available for subsequent periods to the shareholders of Inghams Group Limited	4,500	3,400

The ability to utilise the franking credits is dependent upon the ability to declare dividends in the future. Franking credits of $16.4M (2023: $16.4M), not included above, are only available to be used under very limited and specific circumstances. These credits relate to the period when the former shareholder TPG was treated as an exempting entity with greater than 95% foreign ownership and can only be used by TPG and member holding eligible employee shares.

Notes to the consolidated financial statements (continued)

19 Reserves

(a) Other reserves

	2024 $000	2023 $000
Asset revaluation reserve	17,700	17,700
Foreign currency translation reserve	7,000	8,400
Cash flow hedge reserve	4,200	9,100
Share-based payments reserve	16,600	12,200
Other reserves	**45,500**	**47,400**
Movements:		
Asset revaluation reserve		
Balance at beginning of financial year	17,700	17,700
Revaluation of land and buildings	–	1,800
Deferred tax	–	(1,800)
Balance at end of the financial year	**17,700**	**17,700**
Foreign currency translation reserve		
Balance at beginning of financial year	8,400	7,700
Currency translation differences arising during the year	(1,400)	700
Balance at end of the financial year	**7,000**	**8,400**
Cash flow hedge reserve		
Balance at beginning of financial year	9,100	9,100
Balance reclassified to profit and loss in year	(8,800)	(12,100)
Revaluation - gross	3,900	9,000
Deferred tax	–	3,100
Balance at end of the financial year	**4,200**	**9,100**
Share-based payments reserve		
Balance at beginning of financial year	12,200	11,600
Share based payment expense	4,800	1,300
Settlement of share plan	(400)	(700)
Balance at end of the financial year	**16,600**	**12,200**

(b) Nature and purpose of other reserves

(i) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in note 11. The balance of the reserve may be used to satisfy the distribution of bonus shares to shareholders and is only available for the payment of cash dividends in limited circumstances as permitted by law. Upon sale of the asset, the balance relating to that asset is transferred to retained earnings.

(ii) Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 3(c) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(iii) Cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income, as described in note 3(l). Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

(iv) Share-based payments

The share-based payments reserve is used to recognise the grant date fair value of shares issued to employees but not vested.

Notes to the consolidated financial statements (continued)

20 Share-based payments

Inghams Employees Share Plan

Executive KMP and senior management are invited annually to participate in a three-year Long-Term Incentive Plan (LTIP), awarded in share rights with these share rights being performance based and only vesting if minimum performance hurdles are met. The share rights do not attract voting rights or entitle the holder to receive dividends.

In addition, Executive KMP and certain senior executives have a portion of any actual Short-Term Incentive Plan award deferred into share rights, that are required to be held for a period of 12 months before vesting into shares. No performance conditions exist for these share rights to vest as they are time-based vesting on the completion of the service period.

Share rights outstanding at the end of the year have the following expiry dates:

		2024		2023	
Grant Date	Expiry Date	Exercise price	Number of rights	Exercise price	Number of rights/options
21 February 2024	1 July 2026	–	1,927,849	–	–
15 September 2023	15 September 2024	–	295,525	–	–
21 June 2023	1 July 2025	–	2,144,169	–	2,323,507
17 November 2022	19 August 2025	–	367,015	–	367,015
27 September 2022	19 August 2025	–	193,830	–	193,830
05 November 2021	1 July 2024	–	1,220,769	–	1,401,302
10 June 2021	1 July 2023	–	–	–	814,815
01 September 2020	31 July 2023	–	–	–	15,031
			6,149,157	**–**	**5,115,500**

STIP Offer

The STIP provides the Executive KMP and other senior members of the management team a cash or cash/equity incentive where specific outcomes have been achieved in the financial year. STIP payments are calculated as a percentage of total Total Fixed Remuneration, as per contractual arrangements and conditional on achieving performance objectives against key financial measures (underlying pre AASB 16 EBITDA), three non-financial measures (People Safety, Food Safety and Water Consumption), and the individual's overall performance to the achievement of the Group's strategic objectives.

Notes to the consolidated financial statements (continued)

20 Share-based payments (continued)

Long Term Incentive Plans

FY24-FY26 LTIP Offer

The FY24-FY26 LTIP Offer has been made to the following current Executive KMP, receiving shareholder approval at the 2023 AGM. The below table outlines the key terms of the Offer:

<table>
<tr><td>Eligibility to participate in LTIP Offer</td><td>Offers may be made at the Board’s discretion to employees of Inghams or any other person the Board determines to be eligible to receive a grant under the Plan.

The FY24-FY26 LTIP Offer has been made to the following current Executive KMP, subject to shareholder approval:
Andrew Reeves (CEO/MD), (75% of TFR on Target and 150% of TFR at Maximum), and
Gary Mallett (CFO), (35% of TFR on Target and 70% of TFR at Maximum)
To calculate the on Target Total Remuneration LTIP component, the Threshold performance conditions are used.</td></tr>
<tr><td>Offers under the Plan</td><td>The LTIP Offer is a grant of performance rights.</td></tr>
<tr><td>Grant of Rights</td><td>A Right entitles the participant to acquire an Inghams share for nil consideration at the end of the performance period, subject to meeting specific performance conditions. The Board retains the discretion to make a cash payment to participants on vesting of the Rights in lieu of an allocation of shares.</td></tr>
<tr><td>Quantum of Rights</td><td>The aggregate face value at maximum of the LTIP Offer to all participants (Executive KMP and Senior Management) is $6.9M.

The final number of Rights awarded to each participant was calculated by dividing the face value of their LTIP award by $3.4324, being the volume weighted average price (VWAP) of Inghams shares traded on the ASX in the 10 days after 17 August 2023 (the announcement date of Inghams FY23 annual results).</td></tr>
<tr><td>Performance Period</td><td>Three years, commencing on 25 June 2023 and ending on or about 1 July 2026.</td></tr>
<tr><td>Performance conditions</td><td>Relative TSR (50% of Award)

For this component, the Company’s relative TSR will be compared to a comparator group comprising the ASX Small Ordinaries and vest according to the following schedule:
<table>
<tr><th>Company’s relative TSR rank in the comparator group over performance period</th><th>% of Rights that Vest</th></tr>
<tr><td>Less than 50th percentile</td><td>Nil</td></tr>
<tr><td>At 50th percentile (threshold)</td><td>50%</td></tr>
<tr><td>Between 50th and 75th percentile</td><td>Straight line pro rata Vesting between 50% and 100%</td></tr>
<tr><td>At 75th percentile or above</td><td>100%</td></tr>
</table>
Return on invested capital (50% of award)

For this component, the Company’s underlying Return on Invested Capital pre AASB 16 (“ROIC”) will be calculated as the equivalent of net operating profit after tax divided by average invested capital (2 point average). The Company’s ROIC for each of the three years forming the performance period will be averaged to provide an overall outcome, with ROIC performance targets set out below (rather than retrospectively), following shareholder feedback.</td></tr>
</table>

Notes to the consolidated financial statements (continued)

20 Share-based payments (continued)

<table>
<tr><td></td><td>As noted in the Chair of the People and Remuneration Committee letter section of this report, the inventory trade payable facility is used for all feed purchased across Australia and New Zealand within the business. It is utilised for all feed purchases and only used for feed, not only because of management policy which is overseen by the Board, but also because of the terms of the facility. This policy ensures that changes in facility utilisation cannot be used to vary the ROIC outcome.

The Board reserves discretion to make adjustments to ROIC in exceptional circumstances such as to take account of corporate actions undertaken by the Company, for example the acquisition of Bolivar in FY24.

The level of vesting of this component will be determined according to the following schedule:

<table>
<tr><th>Company’s ROIC Outcome</th><th>% of Rights that Vest</th></tr>
<tr><td>Less than Threshold</td><td>Nil</td></tr>
<tr><td>At Threshold of 16.4% p.a.</td><td>50%</td></tr>
<tr><td>Between Threshold and Target</td><td>Straight line pro rata Vesting between 50% and 75%</td></tr>
<tr><td>At Target</td><td>75%</td></tr>
<tr><td>Between Target and Maximum</td><td>Straight line pro rata Vesting between 75% and 100%</td></tr>
<tr><td>At Maximum of 21.5% p.a. or more</td><td>100%</td></tr>
</table>
</td></tr>
<tr><td>Voting and dividend entitlements</td><td>Performance rights granted under the LTIP do not carry dividend or voting rights prior to vesting. Shares allocated upon vesting of performance rights carry the same dividend and voting rights as other Inghams shares.</td></tr>
<tr><td>Re-testing</td><td>Performance will not be re-tested if the performance conditions are not satisfied at the end of the performance period. Any Rights that remain unvested at the end of the performance period will lapse immediately.</td></tr>
<tr><td>Restrictions on dealing</td><td>The Executive KMP must not sell, transfer, encumber, hedge or otherwise deal with performance rights. The Executive KMP will be free to deal with the shares allocated on vesting of the performance rights, subject to the requirements of Inghams Securities Dealing Policy at that time.

A minimum amount of 25% of any vested equity award will need to be held for any relevant Executive KMP until the minimum shareholding requirement is met. Minimum shareholder requirements are detailed on page 46.</td></tr>
<tr><td>Change of control</td><td>Under the Plan rules and the terms of the LTIP awards, the Board may determine in its absolute discretion that some or all of the Executive KMP performance rights will vest on a likely change of control.

In the event of an actual change in the control of the Company then, unless the Board determines otherwise, all unvested performance rights will immediately vest or cease to be subject to restrictions (as applicable) on a pro rata basis based on the portion of the vesting period that has elapsed.</td></tr>
<tr><td>Clawback</td><td>Under the Plan rules and the terms of the LTIP awards, the Board has claw back powers which it may exercise if, among other things:
• the Executive KMP has acted fraudulently or dishonestly;
• has engaged in gross misconduct, brought Inghams, the Inghams Group or any Inghams group company into disrepute or breached their obligations to the Inghams Group;
• Inghams is required by or entitled under law or Inghams policy to reclaim remuneration from the Executive KMP;</td></tr>
</table>

Notes to the consolidated financial statements (continued)

20 Share-based payments (continued)

	• there is a material misstatement or omission in the accounts of an Inghams Group company; or • the Executive KMP entitlements vest or may vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the performance rights would not have otherwise vested.
Cessation of employment	If the participant ceases employment for cause or due to their resignation, unless the Board determines otherwise, any unvested Rights will automatically lapse. The Board has the discretion to designate a 'good leaver' (e.g. retrenchment, bona fide executive retirement or death), whereby Rights will not automatically lapse. In these circumstances, the Rights will generally be pro-rated (based on the proportion of the performance period that has elapsed) and remain on foot and subject to the original performance conditions, unless the Board exercises a discretion to treat them otherwise.
Fair Value	The fair value of the LTIP offer at grant date was determined using an adjusted form of Black Scholes model for the TSR component. The ROIC component is valued using a discounted cashflow technique. The weighted average grant date fair value of rights granted in the year was \$2.86 (2023: \$1.98, 2022: \$2.58). The model inputs for performance rights granted during the year ended included: a) Exercise price \$Nil (2023: \$Nil, 2022: \$Nil) b) Share price at grant date \$3.53 (2023: \$2.69, 2022: \$3.60) c) Expected price volatility 30% (2023: 29%, 2022: 33%) d) Expected dividend yield 5.0% (2023: 4.0%, 2022: 4.6%) e) Risk-free interest rate 3.76% (2023: 4.07%, 2022: 0.81%)

Notes to the consolidated financial statements (continued)

21 Cash flow information

	2024 $000	2023 $000
Reconciliation of profit after income tax		
Profit after tax for the period	101,500	60,400
Depreciation	244,300	268,200
Finance costs	86,500	78,600
Share based payment expense	4,800	1,300
Share of Profit - joint venture	(900)	(400)
Fair value gain on acquisition of leased asset	(2,100)	–
Net loss on disposal of assets	–	1,400
Net (gain)/loss on leases disposal	(9,600)	600
Lease liability reassignment	–	(11,600)
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	34,000	(46,400)
(Increase)/decrease in biological assets	(3,700)	(24,200)
(Increase)/decrease in inventories	(16,800)	18,000
(Increase)/decrease in deferred tax asset	(8,600)	(10,400)
Increase/(decrease) in trade and other payables	(32,600)	9,500
Increase/(decrease) in income tax payable	12,800	4,400
Increase/(decrease) in other provisions	8,900	9,600
Net cash provided by operating activities	**418,500**	**359,000**

Notes to the consolidated financial statements (continued)

22 Related party disclosures

Group Structure

(a) Parent entity

The ultimate parent entity of the group is Inghams Group Limited.

(b) Subsidiaries

The consolidated financial statements include the financial statements of Inghams Group Limited and its subsidiaries as follows:

Name of entity	Country of incorporation	Equity Holding 2024 %	Equity Holding 2023 %
Ingham Holdings II Pty Limited [(a), (c)]	Australia	100	100
Ingham Holdings III Pty Limited [(a), (c)]	Australia	100	100
Adams Bidco Pty Limited [(a), (c)]	Australia	100	100
Ingham Enterprises Pty Limited [(a), (c)]	Australia	100	100
Inghams Enterprises Pty Limited [(a), (c)]	Australia	100	100
The Free Ranger Pty Limited (formerly Ingham Finco Pty Limited) [(b), (c)]	Australia	100	100
Ingham 2 Pty Limited [(b), (c)]	Australia	100	100
Agnidla Pty Limited [(b), (c)]	Australia	100	100
Aleko Pty Limited [(b), (c)]	Australia	100	100
Inghams Enterprises (NZ) Pty Limited [(a), (c)]	Australia	100	100
Inghams Property Management Pty Limited [(b), (c)]	Australia	100	100
Inghams Property Hold Co Pty Limited [(c)]	Australia	100	–
Inghams Burton Property Trust	Australia	100	–
Inghams Property Co Pty Limited [(c)]	Australia	100	–
Ovoid Insurance Limited	Bermuda	100	100
Ovoid Insurance Pty Limited [(b)]	Australia	100	100
Inadnam Pty Limited [(b), (c)]	Australia	100	100
Inghams (NZ) No 2 Limited	New Zealand	100	100

(a) These subsidiaries have been granted relief from the necessity to prepare financial reports under the option available to the Company under ASIC Corporations (Wholly Owned Companies) Instrument 2016/785
(b) These subsidiaries are not audited as they are small proprietary companies which are not required to prepare audited financial statements under ASIC Corporations (Audit Relief) Instrument 2016/784
(c) These subsidiaries, along with Inghams Group Limited, form the Deed of Cross Guarantee Group described further from Note 31

(c) Key management personnel compensation

	2024 $000	2023 $000
Short-term employee benefits	3,941	3,937
Other long term benefits	30	31
Share based payments	2,154	880
Post employment benefits	117	151
Key management personnel compensation	**6,242**	**4,999**

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 and 2M.6.04 is provided in the Remuneration Report section of the Directors' Report.

No director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

(d) Transaction with other related parties

There are no loans to KMP and the directors do not intend to offer any loans in the future.

Notes to the consolidated financial statements (continued)

23 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by a central treasury department. Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. Treasury provides overall risk management, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments in accordance with the Group's facilities agreement and company policies.

The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for economic hedging purposes and not as trading or speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and aging analysis for credit risk.

Fair value hierarchy

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Fair value inputs are summarised as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value inputs are summarised as follows:

	Fair value hierarchy	**Note**	**Valuation technique**
Derivatives	Level 2	16	Calculated as the present value of estimated future cash flows using a market based yield curve sourced from available market data quoted for all major interest rates.
Freehold land	Level 2	11	Freehold land based on prices for similar transactions of similar assets that have occurred recently in the market. Prices are adjusted to reflect differing terms of the actual transactions as well as differences in legal, economic and physical characteristics.
Freehold buildings	Level 3	11	Buildings based on the amount required to replace the service capacity of the asset considering the physical deterioration, function or economic obsolescence.

Freehold land and buildings are valued using independent valuers who use recent land and property sales adjusted for characteristics of the asset(s) being valued such as location and use.

Fair value hierarchy is re-assessed annually for any change in circumstance that may suggest a revised level be assigned to a type of balance measured at fair value.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Management has a policy requiring Group companies to manage their foreign exchange risk against their functional currency. The Group companies are required to hedge their foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using forward contracts. Additionally, the Group will look to manage the translation exposure to foreign denominated profits through the use of derivatives such as forward contracts.

Notes to the consolidated financial statements (continued)

23 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange sensitivity

The Group has some exposure to exchange rate risk as it purchases some of the supplies in foreign currencies and has subsidiaries with a New Zealand dollar (NZD) functional currency. The exposure to other currencies is collectively immaterial and as such the Group's foreign currency exposure is material in respect of NZD.

	Impact on post tax profits		Impact on other components of equity	
	2024 $000	2023 $000	2024 $000	2023 $000
+100 bp variability in exchange rate	–	100	900	700
-100 bp variability in exchange rate	–	(100)	(900)	(700)

(iii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates, expose the Group to cash flow interest rate risk. Group policy is to maintain at least 50% of its term borrowings at fixed rate using interest rate swaps to achieve this. During the year ended 29 June 2024, the Group's borrowings at variable rate were denominated in Australian Dollars.

The Group's borrowings and receivables are carried at amortised cost. They are therefore not subject to interest rate risk as defined in *AASB 7*.

The Group manages its cash flow interest rate risk by using interest rate swaps. Under these swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

As at the end of the reporting period, the Group had the following interest rate swap contracts outstanding:

	Notional principal amount		Interest rate	
	2024 $000	2023 $000	2024 $000	2023 $000
Interest rate swap	200,000	200,000	nil-0.51%	nil-1.9%

The contracts require settlement of net interest receivable or payable every month. The settlement dates align with the dates on which interest is payable on the underlying debt.

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of change in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges of borrowings.

	Impact on post tax profits		Impact on other components of equity	
	2024 $000	2023 $000	2024 $000	2023 $000
+100 bp variability in interest rate	(2,100)	(2,200)	4,100	3,200
-100 bp variability in interest rate	2,100	2,200	(4,200)	(3,300)

(iv) Commodity Price

The Group's exposure to commodity price risk arises from the requirement to purchase grain commodities to support the operations of the business. To manage the commodity price risk, the Group enters into forward contracts to purchase grain to provide forward coverage on price and volume. This is performed through monitoring market movements in commodity prices. As these are forward contracts for items to be used in the ordinary course of business, no derivative asset or liability is recognised at year end.

Notes to the consolidated financial statements (continued)

23 Financial risk management (continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, in the money derivative financial instruments, deposits with banks and financial institutions and the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group has a credit policy which provides guidelines for the management of credit risk. The guideline provides for the manner in which the credit risk of customers is assessed and the use of credit ratings and other information in order to set appropriate account limits. Customers that do not meet minimum credit criteria are required to pay up front. Customers who fail to meet their account terms are reviewed for continuing credit worthiness.

The maximum exposure to credit risk at the reporting date is the carrying amount of the accounts receivable. For some trade receivables the Group may obtain security in the form of credit insurance. Revenues from two key customers accounted for 55% to 65% of revenue for the year ended 29 June 2024 (2023: 55% to 65%) relating to both operating segments.

Individual receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The Group considers receivables to be in default when the following indicators are present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments.

Receivables for which an impairment provision was recognised are written off against the provision when there is no reasonable expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

Notes to the consolidated financial statements (continued)

23 Financial risk management (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the Group's undrawn re-drawable term cash advance facility below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios.

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2024		2023	
	$000 Drawn	$000 Available	$000 Drawn	$000 Available
Floating rate				
Expiring beyond one year	460,000	85,000	400,000	139,000

The following liquidity risk disclosures reflect all contractually fixed repayments and interest resulting from recognised financial liabilities and derivatives as of 29 June 2024. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract.

	Carrying value $000	Contractual cash flows $000	Less than 1 year $000	1 year to 5 years $000	More than 5 years $000
2024					
Trade payables	259,600	259,600	259,400	200	–
Inventory procurement trade payables	128,500	128,500	128,500	–	–
Other payables	38,200	38,200	38,200	–	–
Interest bearing liabilities	458,600	460,000	–	460,000	–
Lease liabilities	1,138,400	1,417,900	154,700	453,500	809,700
	2,023,300	**2,304,200**	**580,800**	**913,700**	**809,700**
2023					
Trade payables	297,300	297,300	296,300	1,000	–
Inventory procurement trade payables	132,200	132,200	132,200	–	–
Other payables	36,900	36,900	33,600	3,300	–
Interest bearing liabilities	398,800	400,000	–	400,000	–
Lease liabilities	1,368,500	1,797,500	205,600	819,100	772,800
	2,233,700	**2,663,900**	**667,700**	**1,223,400**	**772,800**

The Group has an inventory procurement trade payable with a third party financial institution, which is interest bearing with the principal purpose of facilitating efficient payment processing of supplier invoices. Trade bills of exchange are paid by the financial institution direct to the supplier and the Group settles the payable on extended payment terms. While the terms do not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating, the programme assists in making cash outflows more predictable. The amount utilised and recorded within trade and other payables at 29 June 2024 was $128.5M (24 June 2023: $132.2M).

Notes to the consolidated financial statements (continued)

24 Interest in joint arrangements

A subsidiary has a 50% interest in the joint venture entity, AFB International Pty Limited, the principal activity of which is the supply of high quality and performance palatability products under Bioproducts BioFlavor brand name to the pet food industry in Australia, New Zealand and the Pacific Rim. Information relating to the joint venture entity, presented in accordance with the accounting policy described in note 3(b), is set out below.

	Ownership interest		Carrying value of investment	
	2024	2023	2024	2023
	%	%	$000	$000
AFB International Pty Limited				
Pet food manufacturer	50	50	3,000	2,300
Movement in investment in joint arrangements:				
Opening balance			2,300	2,300
Add: share of net profit of joint venture			900	400
Less: dividend received from joint venture			(200)	(400)
Closing balance			**3,000**	**2,300**

During the year the Group sold goods and services to AFB International Pty Limited to the value of $7,321,969 (2023: $7,153,776). At balance date the amount owed from AFB International Pty Limited to the Group is $604,997 (2023: $671,267).

25 Contingent liabilities

Workers' Compensation

State WorkCover authorities require guarantees against workers' compensation self-insurance liabilities. The guarantee is based on independent actuarial advice of the outstanding liability. Workers' compensation guarantees held at each reporting date do not equal the liability at these dates due to the timing of issuing the guarantees.

The probability of having to make a payment under these guarantees is considered remote.

No provision has been made in the consolidated financial statements in respect of these contingencies, however provisions for self-insured risks, which includes liabilities relating to workers' compensation claims, have been recognised in the Consolidated Statement of Financial Position at the reporting date.

Claims

Inghams is subject to some lawsuits, claims and audits or reviews by regulatory bodies. As at reporting date, it is not possible to reasonably estimate the outcome of these matters or the outflow of resources (if any) that will be required to close the matter. Where outcomes can be reasonably predicted, provisions are recorded.

Inghams has been undergoing an audit by the Australian Taxation Office ('ATO'), and the ATO has recently issued a draft position paper of its contentions. The ATO has asserted that Inghams' R&D tax offset claims require adjustment under the Income Tax Assessment Act 1997 for each of the income years 2019, 2020 and 2021 (the adjustment is approximately equal to the offset claimed of $8.5m in each year). If the ATO is successful, Inghams' income tax assessments would be amended for those years. The R&D expenditure claimed would remain subject to the normal tax deductibility rules already applied. R&D claims for income years 2022, 2023 and 2024 have not yet been submitted in Inghams' tax returns as there are further substantive steps including registrations and certifications required to complete the scope and measurement process. These matters are unrelated to the ATO concerns raised with respect to the 2019, 2020 and 2021 tax returns.

The accounting position involves significant judgement in the interpretation and application of the R&D offset provisions in the income tax laws and estimation uncertainty, however, is supported by advice obtained from the Company's tax advisors. Inghams intends to vigorously defend its position and contest the matter through litigation proceedings, if required.

Based on information available, Inghams does not consider it probable that the company's income tax assessment will be amended in relation to this matter and no uncertain tax provision was recognised as at 29 June 2024.

Notes to the consolidated financial statements (continued)

26 Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2024 $000	2023 $000
Property, plant and equipment	19,900	31,600

27 Earnings per share

Basic EPS is calculated by dividing profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	2024 $000	2023 $000
Earnings		
Profit attributable to ordinary equity holders for calculating basic and diluted EPS calculations	101,500	60,400

	Number of shares	
Number of ordinary shares	'000	'000
Weighted average number of ordinary shares used in the calculation of basic EPS	371,700	371,700
Dilutive effect of share options	2,100	1,310
Weighted average number of ordinary shares for diluted EPS	**373,800**	**373,010**
Basic EPS (cents per share)	27.3	16.3
Diluted EPS (cents per share)	27.2	16.2

Notes to the consolidated financial statements (continued)

28 Acquisition of a business

(a) Acquisition of Bromley Park Hatcheries

On 20 October 2023, Inghams Enterprises (NZ) Pty Limited, a wholly owned subsidiary, acquired the Bromley Park Hatcheries (BPH) business in New Zealand.

This acquisition enables the Group to secure a continued supply of breeder egg volumes in New Zealand.

The identifiable assets and liabilities acquired as a part of the BPH acquisition included biological assets, inventory and property, plant and equipment (inputs), production processes and an organised workforce, all of which contribute to the ability to generate revenue. On this basis the acquisition meets the definition of a business combination in accordance with *AASB 3*, and has been accounted for as such.

(i) Identifiable assets acquired and liabilities assumed

	$000
Biological assets (birds and eggs)	3,300
Inventories	200
Property, Plant & Equipment	4,500
Employee provisions	(500)
Deferred tax liability	(900)
Total identifiable net assets acquired	**6,600**

The cash consideration transferred for this acquisition is equal to the fair value of the above identifiable net assets acquired, resulting in no goodwill or gain on bargain purchase being recognised in the financial statements.

(ii) Acquisition-related costs

The Group incurred acquisition-related costs of $0.5M on legal fees and due diligence costs in FY24. These costs have been included in 'Administration and selling'.

BPH's overall revenue and profit contribution are immaterial to the Group as Inghams was formerly the largest customer. This acquisition would not have contributed significantly to the Group's performance had the Group acquired BPH at the beginning of the year.

Notes to the consolidated financial statements (continued)

28 Acquisition of business (continued)

(b) Acquisition of Bostock Brothers

On 1 July 2024, Inghams Enterprises (NZ) Limited, a wholly owned subsidiary, acquired the Bostock Brothers (BBL) organic chicken business in New Zealand for NZD $35.3M.

This acquisition aligns with the Inghams strategy to establish the Company as the leading premium operator in New Zealand market via exclusive market positioning and brand equity, vertically integrated supply chain with capacity for future growth and access to new markets.

The identifiable tangible assets and liabilities acquired as part of the BBL acquisition include biological assets, inventory and property plant and equipment, production processes and organised workforce, all of which contribute to the ability to generate revenue. On this basis the acquisition meets the definition of a business combination in accordance with AASB 3 and therefore will be consolidated into Inghams Group Limited from 1 July 2024.

The figures provided in the table below are provisional and a formal independent external valuation is to be completed and will be finalised within 12 months of acquisition date.

(i) Identifiable assets acquired and liabilities assumed (Provisional)

	NZD $000	AUD $000
Trade and other receivables	2,700	2,500
Biological assets	700	600
Inventories	2,100	1,900
Property, plant and equipment	29,600	27,200
Right-of-use-assets	800	700
Intangible assets	6,000	5,500
Trade and other payables	(1,700)	(1,600)
Provisions	(500)	(500)
Lease Liabilities	(800)	(700)
Deferred tax liability	(3,600)	(3,300)
Total provisional net assets acquired	**35,300**	**32,300**

(ii) Acquisition-related costs

The Group incurred acquisition costs of NZD $1.9M on legal fees and due diligence costs in financial year 2024. These costs have been included in 'Administration and selling'.

Notes to the consolidated financial statements (continued)

29 Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firm.

	2024 $000	2023 $000
Amounts received or due and receivable by KPMG for:		
Audit and review services	894	850
Other services	–	–
Other assurance services*	4	24
Total amount paid or payable to auditors	**898**	**874**

* Other assurance services provided for FY24 relate to the compliance of bank covenants

30 Parent entity financial information

Summary financial information

	2024 $000	2023 $000
Current assets	1,200	400
Non-current assets	596,200	522,700
Total assets	**597,400**	**523,100**
Current liabilities	15,500	2,000
Non-current liabilities	458,200	401,300
Total liabilities	**473,700**	**403,300**
Net assets/(liabilities)	**123,700**	**119,800**
Equity		
Contributed equity	107,200	107,200
Accumulated profit/(losses)		
Accumulated losses	(92,300)	(92,300)
Profit reserve	91,100	89,500
Cash flow hedge reserve	3,400	8,900
Share-based payments reserve	13,800	6,500
	123,200	**119,800**
Profit for the year	83,400	74,800
Total comprehensive income	83,400	74,800

The parent entity continues to be a going concern despite the net current liability, as the Group has a Deed of Cross Guarantee in place, along with undrawn funding lines.

The parent entity does not have any commitments, contingent liabilities or guarantees as at 29 June 2024.

Notes to the consolidated financial statements (continued)

31 Deed of cross guarantee

Inghams Group Limited and all of the subsidiaries shown as (c) in note 22 are parties to a deed of cross guarantee dated 22 May 2017, under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly Owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

(a) Consolidated income statement, statement of comprehensive income and summary of movements in retained earnings

The companies shown as (c) in note 22 represent a 'closed group' for the purposes of the Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Inghams Group Limited, they also represent the 'extended closed group'.

Set out below is a condensed consolidated income statement, consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the period ended 29 June 2024 of the closed group.

	2024 $000	2023 $000
Consolidated income statement		
Revenue from continuing operations		
Revenue	3,262,000	3,044,000
Other income		
Other income	500	3,200
Expenses		
Cost of sales	(2,641,300)	(2,532,900)
Distribution	(210,000)	(201,300)
Administration and selling	(185,100)	(163,300)
Net finance costs	(83,600)	(76,200)
Share of net profit of associate	900	400
Profit before income tax	**143,400**	**73,900**
Income tax expense	(41,700)	(13,700)
Profit for the year	**101,700**	**60,200**
Consolidated statement of comprehensive income		
Profit for the year	101,700	60,200
Other comprehensive income	(6,300)	700
Total comprehensive income for the year	**95,400**	**60,900**

Notes to the consolidated financial statements (continued)

31 Deed of cross guarantee (continued)

(b) Consolidated balance sheet

Set out below is a consolidated balance sheet of the closed group.

	2024 $000	2023 $000
Cash and cash equivalents	107,000	134,200
Trade and other receivables	234,100	268,300
Biological assets	163,500	159,800
Inventories	237,500	220,500
Derivative Financial Instruments	1,700	2,200
Total current assets	**743,800**	**785,000**
Property, plant and equipment	602,000	493,800
Equity accounted investments	3,000	2,300
Right-of-use assets	1,011,700	1,275,600
Derivative Financial Instruments	600	1,200
Deferred tax assets	22,900	14,300
Total non-current assets	**1,640,200**	**1,787,200**
Total assets	**2,384,000**	**2,572,200**
Trade and other payables	425,300	462,100
Current tax payable	15,800	3,000
Provisions	104,100	98,300
Lease liabilities	127,400	154,600
Related party payables	9,500	11,200
Total current liabilities	**682,100**	**729,200**
Trade and other payables	7,700	3,300
Borrowings	458,600	398,800
Provisions	37,200	37,500
Lease liabilities	991,000	1,213,900
Total non-current liabilities	**1,494,500**	**1,653,500**
Total liabilities	**2,176,600**	**2,382,700**
Net assets	**207,400**	**189,500**
Equity		
Contributed equity	104,600	104,600
Other reserves	44,700	46,500
Retained earnings	58,100	38,400
Total equity	**207,400**	**189,500**

Notes to the consolidated financial statements (continued)

32 Events after the reporting period

Subsequent to the year end a dividend of 8.0 cents per share has been declared on 23 August 2024 totalling $29.7M, payable on 9 October 2024. The financial effect of this dividend has not been brought to account in these consolidated financial statements and will be recognised in subsequent financial reports.

Also subsequent to the year end, on 1 July 2024, Inghams completed the acquisition Bostock Brothers Limited business in New Zealand (Refer to note 29).

Other than the dividend declaration and matter noted above, the directors of the Company are not aware of any other matter or circumstance not otherwise dealt with in the financial report that significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs in the period subsequent to the year ended 29 June 2024.

Directors' declaration

1. In the opinion of the directors:

   (a) the consolidated financial statements and notes set out on pages 58 to 105 are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 29 June 2024 and of its performance for the financial year ended on that date, and

      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

   (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 3(a); and

   (c) the Consolidated entity disclosure statement as at 29 June 2024 set out on page 56 is true and correct; and

   (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe the Company and the Group entities identified in note 31 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those Group entities pursuant to ASIC Corporations (Wholly Owned Companies) Instrument 2016/785.

3. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer, for the financial year ended 29 June 2024.

4. The directors draw attention to note 3(a) to consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the directors.

Helen Nash
Chair

Michael Ihlein
Non-Executive Director

Sydney
23 August 2024

Independent Auditor's Report

To the shareholders of Inghams Group Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Inghams Group Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 29 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated Statement of financial position as at 29 June 2024
- Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 29 June 2024
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.
The year is the 53-week period ended on 29 June 2024.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Inghams Group Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Accounting for revenue
- Accounting for Leases AASB16

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for revenue - ($3,262.0 million)

Refer to Notes 3 (d) and 4 to the Financial Report

The key audit matter	How the matter was addressed in our audit

The Group's policy is to recognise revenue at the fair value of the consideration received or receivable and is net of returns, trade allowances, rebates and amounts collected on behalf of third parties, when goods have been dispatched to a customer pursuant to a sales order and control of the goods has passed to a carrier or customer.
 	
The accounting for revenue is a key audit matter due to the:
 	
• Materiality of revenue, trade allowances and rebates to the financial report;
• Variety of customer-specific contractual arrangements for trade allowances and rebates, increasing the audit effort to address these specific conditions;
• The audit effort to test the high volume of individual revenue transactions; and
• The Group has manual processes and controls which may increase the risk of potential error in the recognition of product revenue, in particular in the last week of the reporting period. This increased our audit effort to test higher samples of revenue transactions in the last week of the reporting period.
 	
In assessing this key audit matter, we involved senior audit team members who understand the Group's business, industry and the economic environment it operates in.
	Our procedures included:
	
	• Considering the appropriateness of the Group's accounting policies regarding revenue recognition, trade allowances and rebates against the requirement of the Australian Accounting Standards;
	• Obtaining an understanding of the revenue recognition process, including trade allowances and rebates. We tested key revenue process controls such as system configuration to generate complete and accurate sales invoices from sales orders and review and authorisation of price changes.
	• Utilising advanced and rules-based data analysis to identify gross revenue transactions with specific characteristics to focus our further testing. We selected a sample for further testing to underlying documentation.
	• For each sample selected, we:
	  - Checked the amount of revenue recorded by the Group to the amount of the sales invoice and cash receipts obtained from the Group's bank statements; and
	  - Checked the date the revenue was recognised by the Group to proof of delivery documents and/or customer correspondence, assessing the date the customer obtained control, and products were delivered and accepted by the customer.

	• Selecting a sample of revenue transactions, for the period of one week before and one week after year end due to the increased risk of potential error. For each sample selected we: - Checked the amount of revenue recorded by the Group to the amount of the sales invoiced to the customer; and - Checked the date the revenue was recognised to proof of delivery documents and/or customer correspondence, assessing the date the customer obtained control, and products were delivered and accepted by customers. • Checking a sample of rebates and trade allowances recorded to claims received by customers; • Comparing the amount of the trade allowances and rebates by customer as a percentage of gross revenue to the prior year; • Assessing the trade allowance and rebate accruals recognised at balance date for a sample of significant customers by: - Calculating an expected trade allowance and rebate accrual per customer based on specific customer trading and settlement terms and the gross revenue amount for the time period since last payment date to balance date; and - Comparing this to the Group's recognised balance date accrual; and • Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.

Accounting for AASB 16 Leases – (right of use assets and lease liabilities amounting to $1,031.7 million and $1,138.4 million respectively)	
Refer to Notes 3 (n), 12 and 23 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
AASB 16 Leases ("AASB 16") is complex with specific lease-features driving different accounting outcomes, increasing the need for interpretation and judgement. AASB 16 Leases is a key audit matter due to the: • Relative materiality of the right of use assets and lease liabilities to the financial report. • Number of leases in the Group, including the individual nature of the lease agreements used to estimate the lease liability and right-of-use asset. A focus for us was the accuracy of multiple and varied inputs which may drive different accounting outcomes, including key dates, fixed and variable rent payments, renewal options and incentives. The key areas of judgement we focussed on was in assessing the Group's: • Renewal options contained within leases. Assessing the Group's determination of whether it is reasonably certain renewal options will be exercised impacts the measurement of the lease, therefore is critical to the accuracy of the accounting. • Grower contractual arrangements and the features of the underlying grower contracts against the definition of a lease under the accounting standards. • Incremental borrowing rates determined by the Group. These are meant to reflect the Group's entity specific credit risk and vary based on each lease term. We involved our senior audit team members in assessing these areas.	Our procedures included: • Considering the appropriateness of the Group's accounting policies against the requirements of the accounting standard and our understanding of the business and industry practice; • Obtaining an understanding of the Group's processes used to calculate the lease liability, right-of-use asset, depreciation, and interest expense; • Reading a sample of contracts, including the grower contracts. We compared the relevant features of the underlying contracts to the definition of a lease in the accounting standards to assess the accounting treatment recognised by the Group; • Comparing the Group's inputs in the AASB 16 lease calculation model, such as key dates, fixed and variable rent payments, renewal options and incentives, for consistency to the relevant terms of a sample of underlying signed lease agreements; • Challenging the Group's assumptions, such as the Group's assessment of each lease's incremental borrowing rate and contracted extension options by: – Using our understanding of the Group's business; – Independently developing an incremental borrowing rate by considering the: ○ Group's external credit rating; ○ Each lease's remaining tenor; ○ Corporate bond yield curves; and ○ The Group's strategic direction for each leased site; – Comparing the independently developed expected lease liability range to the lease liability value recorded by the Group

	• Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard

Other Information

Other Information is financial and non-financial information in Inghams Group Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf
This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Inghams Group Limited for the year ended 29 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 24 to 47 of the Directors' report for the year ended 29 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Trent Duvall

Partner

Sydney

23 August 2024

Corporate Directory

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Rob Gordon
Michael Ihlein
Margaret Haseltine
Timothy Longstaff
Linda Bardo Nicholls AO
Andrew Reeves

Company Secretaries

Marta Kielich
Gary Mallett

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