

ASX Announcement
Ruralco Holdings Limited (“Ruralco”) (ASX: RHL)

11 July 2018

Market Update

In response to recent market commentary regarding the potential impact of prevailing seasonal conditions on the performance of agricultural businesses, Ruralco wishes to provide the following market update:

Ruralco expects to deliver a full year underlying net profit after tax (uNPAT) of between \$26-29million (FY17: \$26.2million). The mid-point of this range is consistent with current market consensus uNPAT of \$27.8 million¹. This uNPAT range has been confirmed following the finalisation of Ruralco’s third quarter results as well as its fourth quarter forecasting process.

In May, at the announcement of the Ruralco 2018 half year results, the influence of seasonal conditions, in particular dry conditions in Queensland and northern New South Wales and the delayed autumn season break, were highlighted as potentially shaping gross profit performance for the Company in the second half. These conditions have curtailed crop protection sales in the third quarter whilst recent rainfall across Western Australia, southern Australia and Tasmania are expected to positively impact rural supplies activity in these markets over the course of the fourth quarter. Continuing the trend from the first half, a buoyant wool and sheep market and stable cattle volumes in the third quarter have partially offset the impact from decreases in cattle prices.

Ruralco’s Chief Executive Officer and Managing Director, Travis Dillon, said “Ruralco’s ongoing delivery against its Future Farming Strategy continues to provide broad stability to the Company’s performance through geographical spread, activity diversification and differentiated channels to market. Our focus in the fourth quarter will be on ensuring we continue to execute our strategy, drive business efficiency and support our customers through this challenging cycle.”

ENDS

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¹ Brokers included: Wilsons, Morgans and Bell Potter