



Ridley presentation
Credit Suisse F&B Focus day
Balancing short term growth against long term aims in
global markets

4 April 2019



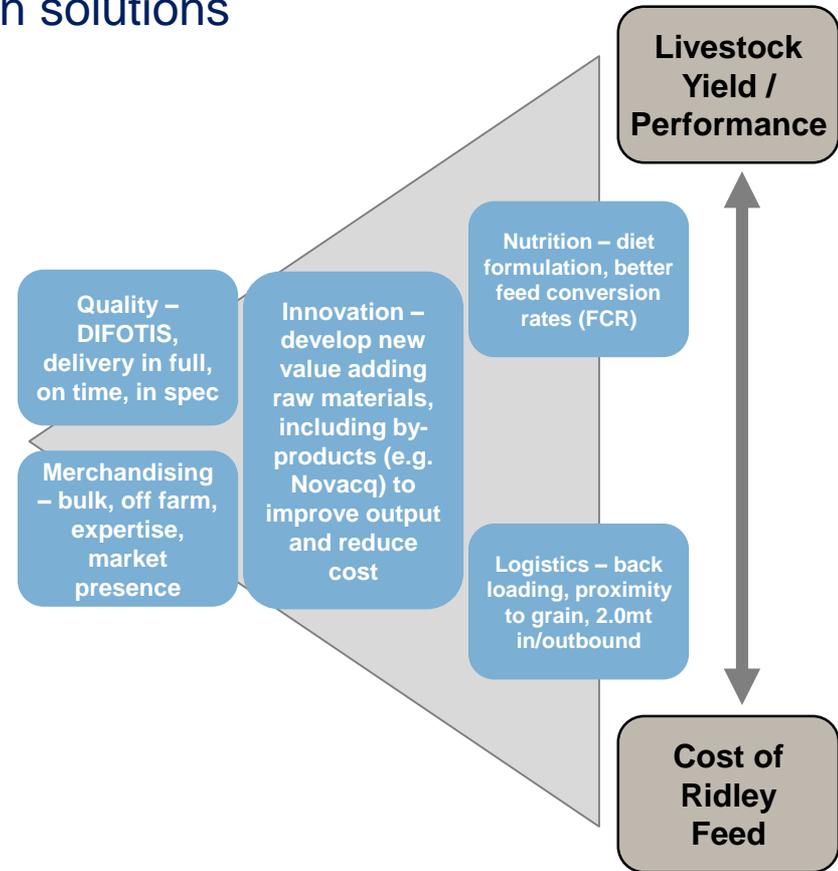
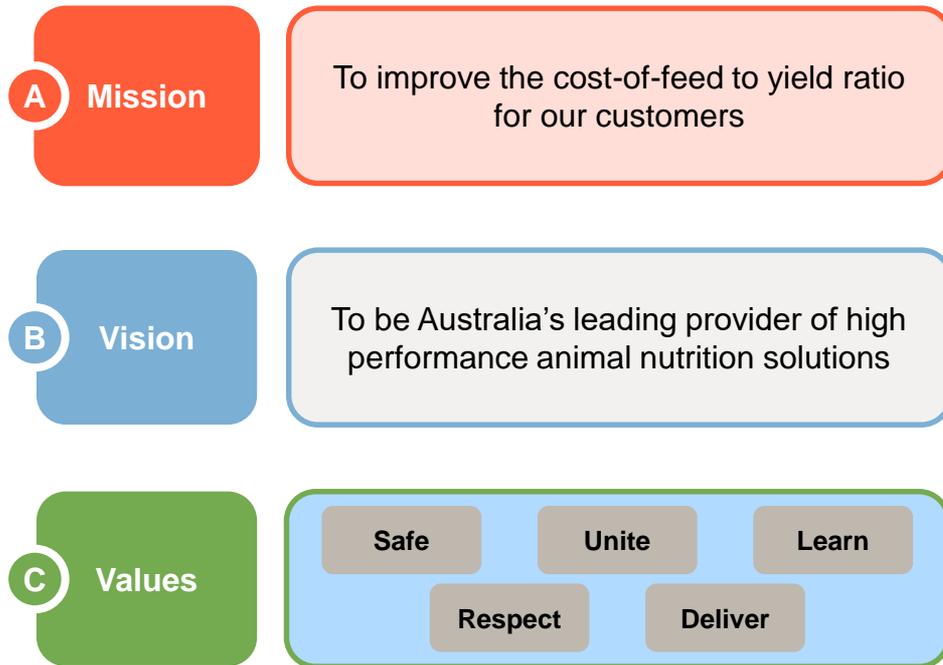
- ❑ Business overview
- ❑ Investing in our assets for long term growth
- ❑ Growing our leading market position in high performance animal nutrition solutions
- ❑ Long term aims in global markets - Novacq™ update

BUSINESS OVERVIEW

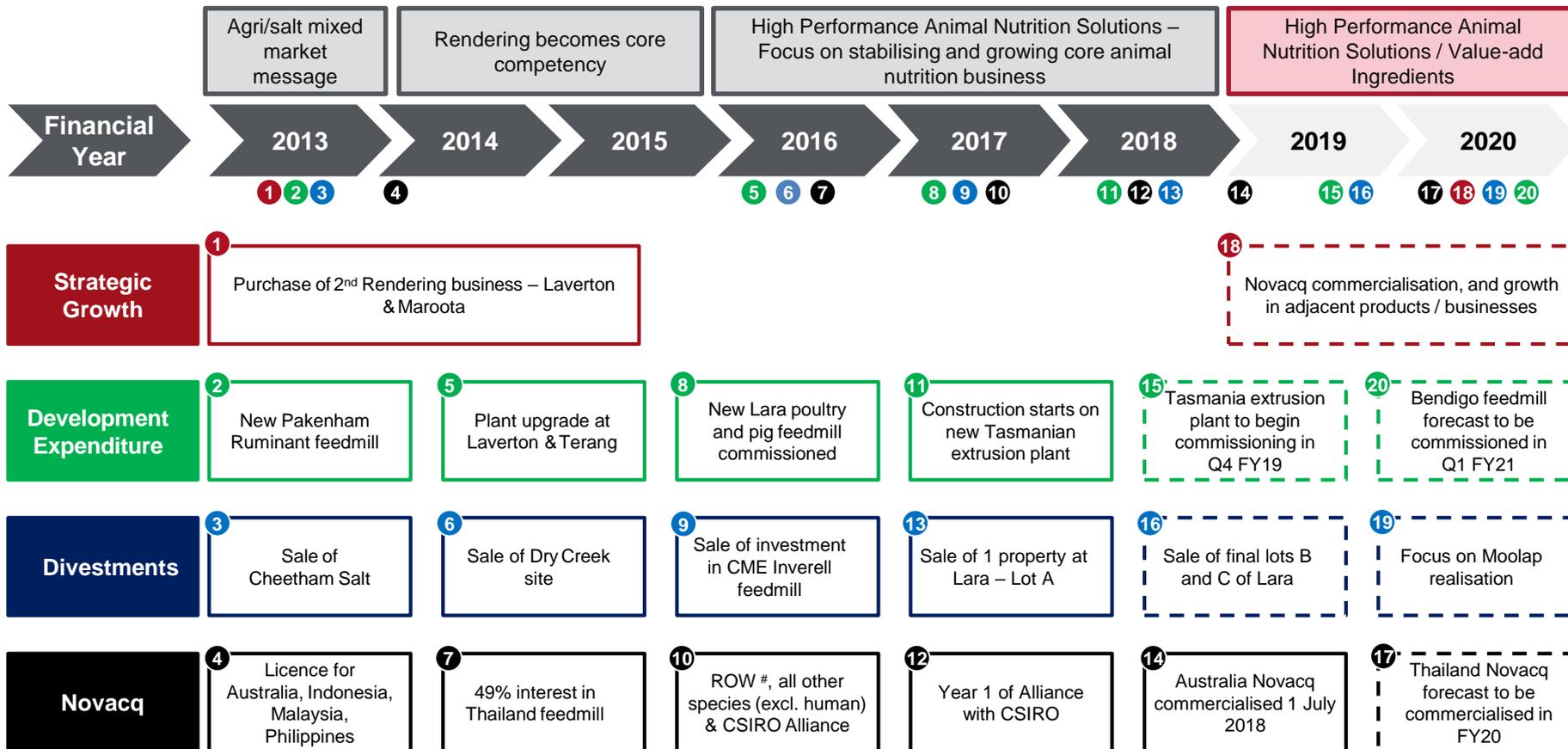
VISION AND MISSION STATEMENT



Ridley consistently enhances its position as the market leader in Australia for high performance high performance animal nutrition solutions



OUR JOURNEY



Excludes China and Vietnam already licensed

1	Australian Market Leader	<i>Ridley's scale and market position as Australia's #1 provider of high performance animal nutrition solutions provide key competitive advantages that cannot be easily replicated</i>
2	Scale Operating Platform	<i>Ridley's unmatched operating platform is a key differentiator from other animal nutrition producers and provides a number of operational advantages</i>
3	Safety	<i>Safety is paramount to Ridley. Ridley has an established track record of safety improvement and industry leading standards</i>
4	Vertically Integrated Feed Business	<i>Ridley's service offering covers the entire spectrum of animal nutrition services, with large scale rendering operations providing a key source of differentiation and competitive advantage</i>
5	Sector Diversification	<i>Ridley has a diverse end market exposure which helps reduce the impact of seasonality and provides greater earnings stability</i>
6	Supportive End-Market Thematics	<i>By virtue of its position as a leading animal nutrition provider, Ridley is well placed to capitalise on the growing Asia Pacific middle class demand for Australia's exported agricultural products</i>
7	Animal Nutrition Innovation	<i>Ridley has a strong focus on research and development and providing a differentiated, value add service offering to its customers</i>
8	Renewed Asset Base	<i>Ridley has invested significant capital in its feed mills over recent years and now operates some of the most modern feed mill assets globally, providing significant operational efficiencies and underpinning longer term volume growth</i>
9	Growth Opportunities	<i>A broad range of potential growth opportunities have been identified by management and are being actively progressed, including across existing operations as well as new growth areas</i>

INVESTING IN OUR ASSETS FOR LONG TERM GROWTH

RENEWED ASSET BASE

Ridley has invested significant capital over recent years to drive long term growth, with two new feed facilities commissioned since 2012 (Pakenham and Lara), one new facility to begin commissioning imminently (Westbury) and one new facility to be commissioned next year (Wellsford)

- ❑ Aggregate capital expenditure for Pakenham (Ruminant) and Lara (both brownfield developments) was \$33.5m ¹
- ❑ Estimated capital expenditure for Westbury (being an extrusion plant) is c.\$50m and Wellsford (to be the largest Ridley mill) is c.\$45-50m (both greenfield developments)
- ❑ Ridley has some of the most modern feed facilities globally
- ❑ Supports volume growth with state of the art technology and location and provides significant operational efficiencies
- ❑ Strong track record of delivering new builds on time and on budget

Mill Investment Program



Pakenham (VIC)

- Commissioned in late 2012
- 120ktpa pellet capacity and 50ktpa grain mix capacity
- Ruminant feed (focus on dairy cattle)



Lara (VIC)

- Commissioned in 2017
- 250ktpa initial capacity
- Poultry and pig feed



Westbury (TAS)

- Start commissioning Q4 FY19
- 50ktpa capacity
- Extrusion plant (aqua feed and pet food)

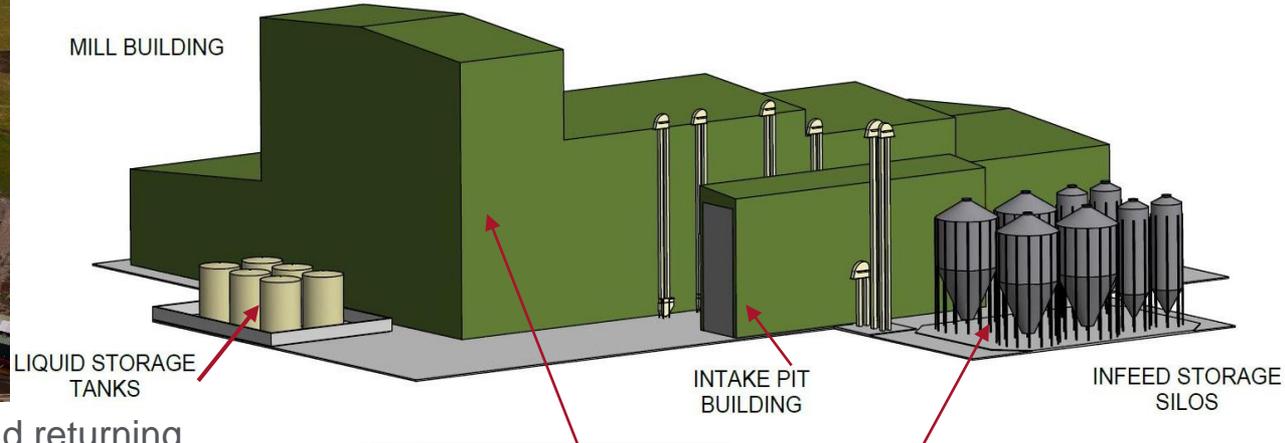


Wellsford (VIC)

- Final site preparation being undertaken
- >350ktpa capacity
- Poultry and pig feed
- Underwritten by 10 year supply agreement with key customer in region

¹ Construction cost for Pakenham (Ruminant) and Lara not comparable to Westbury and Wellsford given respective sizes of mill (Wellsford to have largest capacity across portfolio), complexity of technology (Westbury is extrusion), brownfield versus greenfield developments and general cost inflation.

EXTRUSION PLANT AT WESTBURY, TASMANIA



- ✓ Spare capacity to target new and returning customers & industry growth
- ✓ Salmon production to transfer to Tasmania - improved supply chain, lead times, diet testing capability & customer collaboration
- ✓ Extrusion capacity for Petfood & Aquafeed
- ✓ 50,000t annual capacity on 5 day shift structure
- ✓ Total capital outlay of c.\$50m supported by existing supply contracts and FY17 restructure of Aquafeed
- ✓ To begin commissioning in Q4 FY19



FEEDMILL AT WELLSFORD, CENTRAL VICTORIA



- ✓ Site secured, development approvals obtained, project kicked off in Dec 2018
- ✓ Underpinned by 10 year supply agreement with Hazeldene's Chickens
- ✓ At >350,000t capacity for poultry and pig, significantly the largest feedmill in the Ridley portfolio, able to accommodate regional growth in livestock
- ✓ Total capital outlay of \$45-50m with focus on efficiency and low energy footprint using state of the art technology and mill design

GROWING OUR LEADING MARKET POSITION IN HIGH PERFORMANCE ANIMAL NUTRITION SOLUTIONS

WE ARE THE MARKET LEADER IN HIGH PERFORMANCE ANIMAL NUTRITION SOLUTIONS



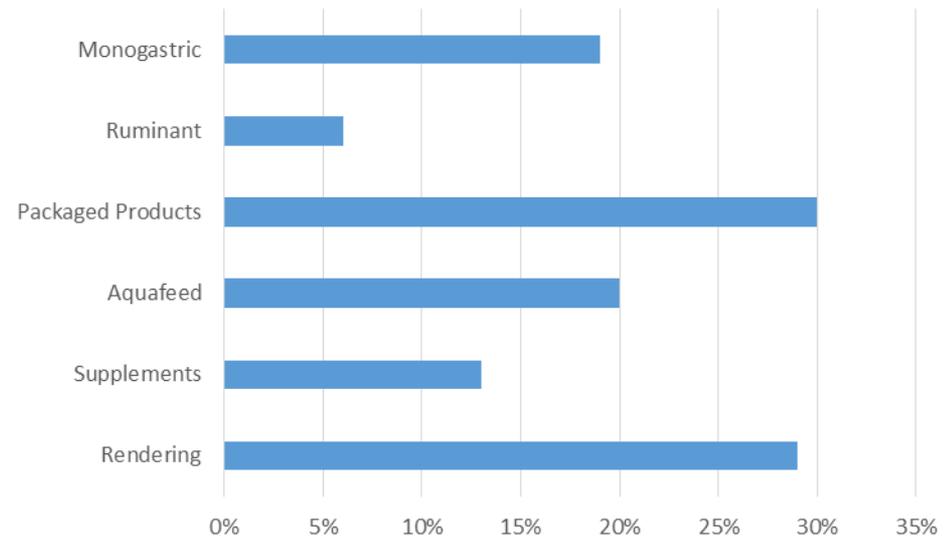
Ridley's scale and market position as Australia's #1 provider of high performance animal nutrition solutions, gives rise to key competitive advantages that cannot be easily replicated

- ❑ Ridley is Australia's largest provider of high performance animal nutrition solutions, supplying approximately 2 million tonnes per annum of animal feed and rendered ingredients
- ❑ Highly defensible market position with high barriers to entry given capital requirements, technical expertise and environmental constraints

Brand Portfolio



Ridley Management Estimated Market Share by Sector ¹



¹ The Packaged Products market in the above market share analysis is defined as the rural farm/feed/fodder store market. The Rendering market is defined by the regions Ridley operates in and excludes petfood competition, which cannot be measured reliably.

Source: Market shares reflect Ridley Management estimates as no independent data exists at this level

LONG TERM AIMS IN GLOBAL MARKETS - NOVACQ™ UPDATE

- Establish product efficacy 
- Scale up Australian production 
- Commercialise in Australia 
- Develop Australian sales price strategy 
- 100% prawn farmer penetration in Australia 
- Scale up Thailand production 
- Commercialise in Thailand 
- Establish corporate structures in selected overseas countries 
- Secure import approval to Ecuador and India for Novacq 
- Identify potential partners for overseas expansion 

NOVACQ™ AT YAMBA



- ✓ First commercial sales of Novacq™-inclusive feed achieved in the period
- ✓ Ongoing process of continuous improvement to further improve yield and drive down the cost of production
- ✓ Further increase in power supply is being scoped to improve aeration and product yield
- ✓ Dewatering and drying solution onsite and currently being commissioned



Oil heater for dryer



Yamba aerial of 2 active ponds plus overflow pond



Prawn feed with Novacq™



Dryer

- ✓ **Ten year lease** - 14 former prawn ponds now converted and all producing Novacq™.



Tank tests

- ✓ **Dewatering and Drying** - working through approval process to locate the dewatering and drying equipment within the feedmill
- ✓ **Pond testing** - dedicated pond established with 48 test cages plus 6 IBC's for further testing
- ✓ **Tank testing** - conducting series of tank tests at accredited third party facility, including disease challenges



IBC's

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