

FY21 RESULTS

Growth Strategy Delivering Improved Earnings

A wide-angle photograph of a large stadium seating area, showing rows of white seats and metal railings extending into the distance under a clear blue sky. The seating is arranged in a semi-circular pattern, and the background shows a green field and trees.

Quinton Hildebrand, CEO
Alan Boyd, CFO
Richard Betts, CFO Designate

25 August 2021

FY21 HIGHLIGHTS

Improvement in all financial metrics

EBITDA

(underlying)

\$69m

 +16% YOY growth

NPAT

(reported)

\$25m

 pcp loss \$11m

Health and safety performance

- Resilience to COVID-19 challenges
- Maintained focus on safety: 2.38 LTIFR (pcp 1.41)

Strong earnings and cash generation

- Growth Strategy driving earnings growth (16%YOY)
- Inventory reduction of \$23m

Balance Sheet addressed

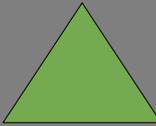
- Disciplined capital management
- Net debt reduction of \$64m

Driving shareholder value

- Return on funds employed of 8.6%
- Dividend payments resumed

Operating Cash Flow

\$82m



+43% YOY

Leverage

1.2x

 pcp 2.6x

ROFE

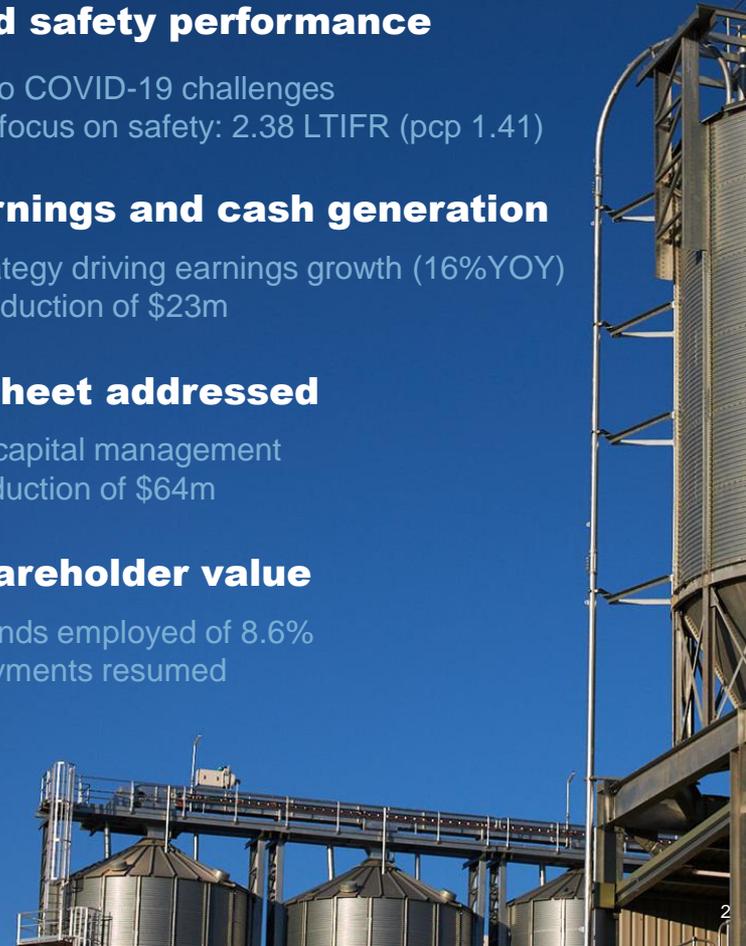
8.6%

 pcp (4.2)%

Dividend

2.0cps

 100% franked



Financial Results.

Strong operating performance.

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PROFIT & LOSS SUMMARY

| Consolidated Result - in (\$m) | FY21 | FY20 | Analysis of result |
|--|-------------|---------------------|---|
| EBITDA - Bulk Stockfeeds | 32.5 | 34.3 | See Segment Performance Reporting (slide 8) |
| EBITDA - Packaged Feeds and Ingredients | 46.5 | 35.1 | See Segment Performance Reporting (slide 9) |
| EBITDA – Ongoing operations before significant items | 79.0 | 69.4 | ▲ Up \$9.6m, or 13.8% on prior year period. |
| Corporate Costs | (9.9) | (9.9) | Consistent between reporting periods. |
| Consolidated EBITDA before individually significant items | 69.1 | 59.5 | ▲ Up \$9.6m, or 16.1% up on prior year period. |
| Individually significant items before income tax | - | (44.3) ¹ | Prior year restated by \$1.1m for SaaS accounting policy change |
| Consolidated EBITDA | 69.1 | 15.2 | ▲ Up \$53.9m following prior year business restructure |
| Depreciation and amortisation | (29.6) | (26.2) | Depreciation of new Wellsford feedmill, opened in August 2020. |
| Consolidated EBIT | 39.5 | (11.0) | ▲ Up \$50.5m. |
| Net Finance costs | (4.5) | (5.8) | Commensurate with lower debt levels and lower interest rates. |
| Income Tax (expense) / benefit | (10.1) | 6.0 ¹ | Tax effective rate of 28.8%. |
| Net profit and total comprehensive income | 24.9 | (10.8) | Up \$35.7m |

¹ FY20 P&L restated for Software-as-a-Service (SaaS) change of accounting policy (refer slide p27).

BALANCE SHEET

| Balance Sheet - in \$m | June 2021 | June 2020 | Analysis of balances and movements |
|---|--------------|--------------------|---|
| Cash & cash equivalents | 39.9 | 45.8 | Balance is a function of timing of receipts/payments and draw down/repayment of bank funding. |
| Inventory | 81.9 | 104.5 | \$22.6m reduction in inventory through effective management and reduction of COVID-19 contingency holdings. |
| Receivables | 113.6 | 111.7 | Debtor days maintained at 33-36 days sales outstanding. |
| Assets available for sale | 46.1 | 0.2 | Assets reclassified comprise Westbury, Bendigo, Murray Bridge and Mooroopna sites. |
| Total Current Assets | 281.5 | 262.2 | |
| Property, plant and equipment & Intangibles | 320.7 | 368.1 ¹ | Movement includes finalisation of construction and commissioning of new feedmill at Wellsford less transfer of Westbury site to Current Asset held for sale. |
| Other Non-current Receivables | 10.8 | 14.3 | Comprises deferred prior year land sale proceeds of \$1.4m due in July 2022. |
| Total Assets | 613.0 | 644.6 | |
| Current payables | 165.5 | 161.3 | Reflects timing of creditor payments within agreed trading terms. |
| Current borrowings | - | 193.0 | Accounting standard requirement to report borrowings as current as noted in 2020 Annual Report. |
| Current Other | 27.4 | 25.6 | Includes provision for site closure and maintenance costs of \$2.4m (FY20: \$6.4m) plus current employee entitlements of \$14.9m. |
| Non-current borrowings | 123.0 | - | Gross debt of \$123.0m reflects a \$70.0m retirement in FY21, with a \$64.1m net debt reduction reported after adjustment for movement in cash balances. |
| Other Non-current liabilities | 9.6 | 5.2 | Movement reflects rollover/ extension for a number of property and plant leases payable beyond 12 months of balance date, plus long service leave entitlements. |
| Total Liabilities | 325.5 | 385.1 | |
| Net Assets / Equity | 287.5 | 259.5 | |

CASH MANAGEMENT & NET DEBT

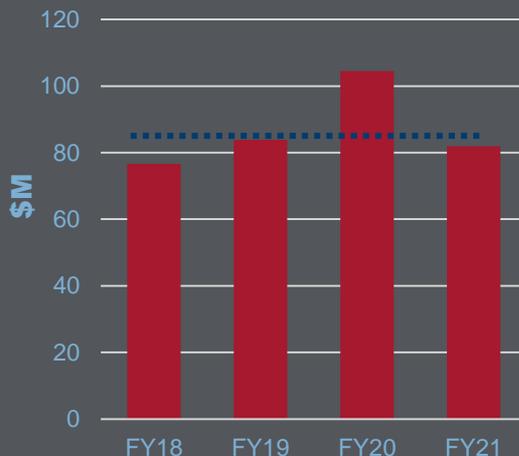
The increased earnings, a reduction in inventory and disciplined capital expenditure management has generated an operating cash flow of \$82.4m at cash conversion ratio of 119%.

This has resulted in a \$64m reduction in net debt and a leverage ratio of 1.2x. The sale of Westbury on 2 August '21 will reduce debt further.

| Consolidated Cash flow - in \$m | FY21 | FY20 |
|---|---------------|---------------|
| EBITDA Before Significant Items | \$69.1 | \$59.5 |
| Decrease / (Increase) in Working Capital | \$21.2 | (\$7.5) |
| Less Maintenance Capital | (\$7.9) | (\$12.2) |
| Operating Cashflow before significant items | \$82.4 | \$39.8 |
| Operating cashflow conversion (before significant items) | 119% | 67% |

¹ FY20 restated.

Inventory back to pre-Covid levels



Net Debt



The Directors believe that the presentation of the unaudited non-IFRS financial information on this slide is useful for users of the accounts as it reflects the underlying cash flows of the business.

Segment Performance.

**New reporting segments
from 1 July 2020.**

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BULK STOCKFEEDS



Comprising the Group's premium quality, high performance animal nutrition stockfeed solutions delivered in bulk.

- A stronger performance in 2H as higher asset utilisation has lowered the operating cost base through:
 - Volume growth in pig and poultry sectors.
 - Seamless transition to the new Wellsford feed mill and closure of the former Mooroopna feed mill in 2H. Full value of investment in Wellsford will be seen in FY22.
- Beef and sheep sales remain below the record “drought feeding” levels of FY20 with the return to normal on-farm pasture.

| | FY21 | FY20 ¹ | Variance |
|---------------------------------|-----------|-------------------|----------|
| EBITDA before significant items | 32,481 | 34,331 | ▼ 5% |
| EBIT | 16,210 | 19,585 | ▼ 17% |
| Segment Assets | 258,618 | 267,009 | |
| Segment Liabilities | (132,316) | (126,426) | |
| Segment net assets | 126,302 | 140,583 | ▼ 10% |
| EBITDA ROFE | 25.7% | 24.4% | ▲ 5% |

¹ FY20 restated.



PACKAGED FEEDS & INGREDIENTS

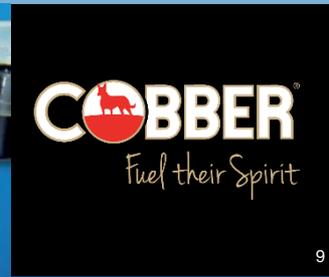


Comprising the Group's premium quality, high performance animal nutrition feed and ingredient solutions delivered in packaged form from 1 tonne bulka bag down to 3kg bags, and includes the Aquafeed Business Unit.

- Significant increase in rendering returns attributable equally to:
 - Sustainable yield improvements / product premiumisation; and
 - Higher market pricing for rendered oils and meals.
- Strong contribution from branded packaged sales in the traditional rural distribution channels and new product lines into the urban pet specialty chains.
- Aquafeed margins were impacted as we sought to grow volumes in a market with surplus feed production capacity.
- Includes a small loss from Novacq™ following commencement of commercial operations for the Thailand site from 1 July 2020.

| | FY21 | FY20 ¹ | Variance |
|---------------------------------|----------|-------------------|----------|
| EBITDA before significant items | 46,507 | 35,164 | ▲ 32% |
| EBIT | 33,165 | 23,763 | ▲ 39% |
| Segment Assets | 305,374 | 302,660 | |
| Segment Liabilities | (60,086) | (59,549) | |
| Segment net assets | 245,288 | 243,111 | ▲ 1% |
| EBITDA ROFE | 19.0% | 14.5% | ▲ 31% |

¹ FY20 restated



Growth Strategy.
**A focus on improvements in
core business, whilst
growing sales.**

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GROWTH STRATEGY

A focus on improvements in core business, whilst growing sales

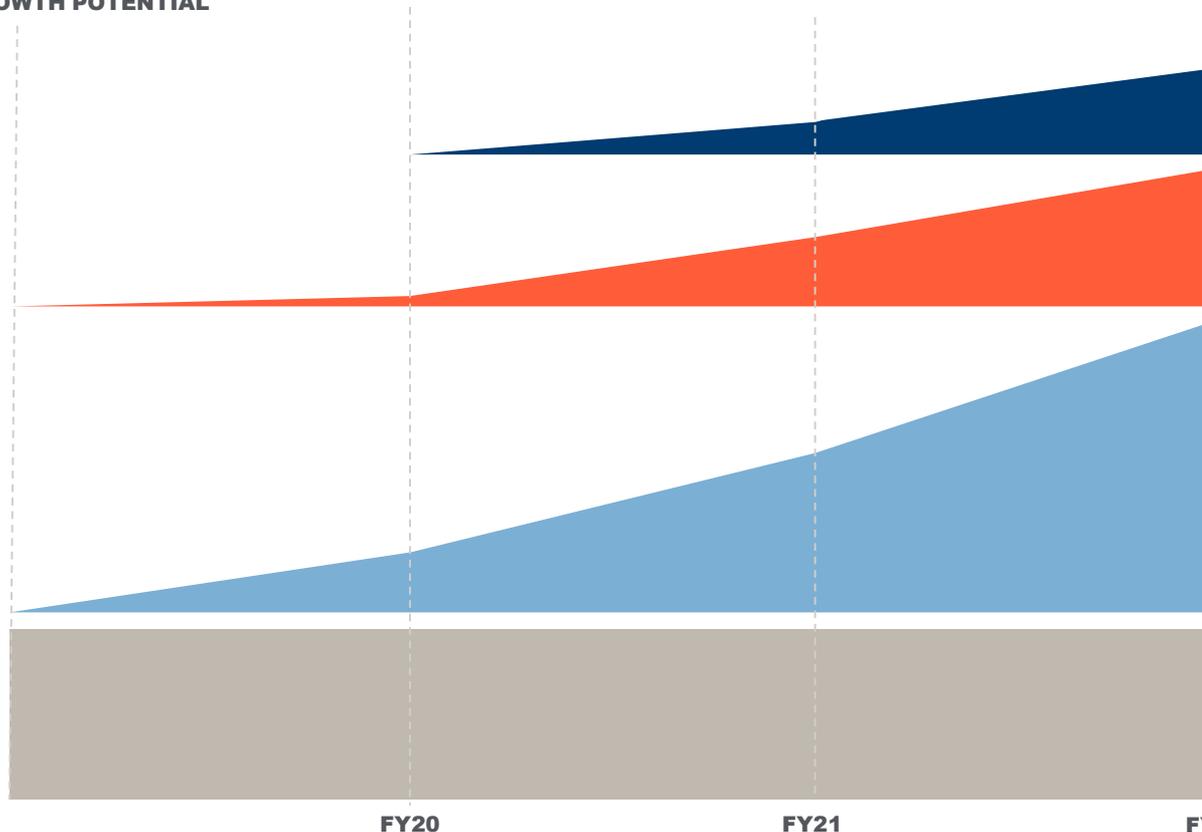
EARNINGS GROWTH POTENTIAL

EXPANSION / INNOVATION

SALES GROWTH

OPTIMISATION

FOUNDATION



- Novacq™ operational efficiencies
- Novacq™ international sales
- New range of Packaged Products
- Rendering product development
- Acquisitions

- Westbury utilisation / Aquafeed reset
- Prawn growth
- Reseller consolidation
- Dairy penetration
- Monogastric growth
- Equine share

- Murray Bridge feedmill closure
- Internal restructure
- Simplification
- Northern Victoria footprint review
- Procurement savings
- Raw material sourcing
- Supply chain rationalisation
- Portfolio review

Demand for proteins
Expanding customers
Scale operator
Nutritional expertise

Note: Growth Strategy does not include any of the newly launched Project Boost initiatives

Yet to commence
Partially executed
Completed

GROWTH STRATEGY

EXPANSION / INNOVATION – Earnings Growth Contributors in FY22



Rendering Product Development

\$4m plant commissioning in 1H FY22 producing land animal protein concentrates.

Benefits:

- Fish meal replacement for aqua industry
- Improved digestibility for premium pet food

New Range of Packaged products

- Launched “Food for Dogs” in pet specialty stores in April
- Cobber range into rural grocery from 1H FY22
- Commencing supply of grocery house brands in FY22



Novacq™

Progress in production efficiencies
Tripled production from same footprint in FY21

Sales

Launch of new prawn diet this season

- Better growth
- Better health/survival
- Lower reliance on marine protein
- Reduced nitrogen discharge

Break-even projected for FY22

GROWTH STRATEGY

SALES GROWTH – Earnings Growth Contributors in FY22

Monogastric* Growth

- Increasing market share with pig and poultry customers
- Increased asset utilisation with marginal costing benefit
- New Wellsford mill transitioning to 7-day operation from September

10% volume growth

(July '21 v July '20)

* 80% of Bulk Stockfeed volume



Aquafeed Reset

- Narangba facility expansion (+20%) successfully completed 19 July 2021
- Westbury facility sold 2 August 2021
- Benefits:
 - higher volumes at Narangba lowers operating costs/tonne
 - eliminates loss making / under-utilised operation at Westbury

**Forecast FY22 benefit of
\$2M EBITDA and
\$2.7M reduction in DA**

GROWTH STRATEGY

OPTIMISATION – Earnings Growth Contributors in FY22



Supply Chain Rationalisation

Specialists engaged to:

- improve scheduling and asset utilization
- reduce current \$44m freight /storage costs
- reduce working capital
- maintain 97% DIFOT

Targeting quick wins to deliver benefits in 2H FY22

Raw Material Sourcing

Ridley Direct

Establishing an ingredients sales desk selling to livestock producers who mix feed on farm:

- targeting new customers outside of our current network
- leveraging our procurement scale
- adding value with our nutrition expertise

Targeting equivalent of 5% of Bulk Stockfeeds weekly volume by FY23

CAPITAL ALLOCATION FRAMEWORK

Embedding greater discipline

Operating Cashflow

Maintenance & ESG Capital and Working Capital

Strong Balance Sheet

Conservative Net Debt / EBITDA

Dividends

% of NPAT
(before significant items)

Organic Growth / Restructuring

Prioritised on ROFE

M&A

Disciplined assessment
against strategy,
capability and ROFE

Maximise Shareholder Value

Measured by TSR

The Capital Allocation Framework:

- prioritises maintenance & ESG capital (FY22 \$12m) and working capital requirements;
- supports the growth strategy through
 - the need for a strong balance sheet;
 - delivering returns to shareholders; and
 - pursuing future growth opportunities.

Delivered in FY21:

- The resumption of dividends
- Net debt reduced to 1.2x (pre Westbury sale)
- TSR of 57%

PROJECT BOOST

A capital reinvestment program to drive profitable growth

\$15M

FY22-23 Targeted Capital Expenditure

\$9M

Annualised earnings boost

<3 years

Combined payback period

A natural extension to the Growth Strategy

A collection of smaller (less than \$2.5m) capital projects have been identified that will extend Ridley’s product offering, debottleneck capacity and reduce cost:

Investment in new capability in:

- Premium pet food ingredient capability
- Tallow storage to support Biodiesel growth
- Baling capability of blended ruminant feed

De-bottlenecking operations to increase:

- Feedmill capacity to meet new sales opportunities
- Investment in additional raw material storage
- Export container packing

Improving operational efficiency by:

- Installing equipment to enhance grain segregation
- Energy saving projects

SUMMARY

Business gaining momentum

- Progress in safety, operational performance and asset utilisation
- Cash generation and earnings growth (14.1% CAGR¹)
- Strong balance sheet (<1.2x leverage) and disciplined capital management
- Key strategic initiatives delivering
- Resumption of shareholder dividends



¹ Past 2 years EBITDA before significant items and excluding favourable impact of lease accounting.

Outlook.

On track to deliver improved earnings.

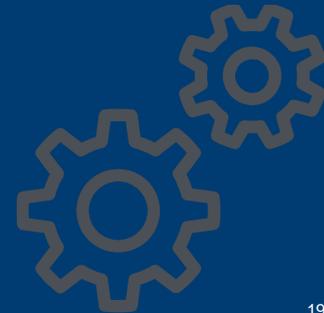
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The FY20 restructure established a new platform to drive accountability and operational efficiencies whilst ensuring a more customer orientated company. This has created sustainable improvements in the underlying performance of the business which continues to gain in momentum.

Ridley considers it is well placed to grow earnings and cash in the year ahead through:

- continued momentum in the underlying business segments (including strong EBITDA performance through the first 7 weeks of FY22);
- the ongoing delivery of the Growth Strategy; and
- the expected returns from Project Boost.

The developing Capital Allocation Framework is aimed at delivering attractive shareholder returns, whilst maintaining a strong balance sheet and supporting business growth.



IMPORTANT NOTICE AND DISCLAIMER

Disclaimer

The material in this presentation is general background information about the activities of Ridley Corporation Limited and its related entities (**Ridley**), current at the date of this presentation, unless otherwise stated.

The content is information given in summary form and does not purport to be complete. It should be read in conjunction with Ridley's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au. This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

Forward looking statements in this presentation should not be relied upon as an indication or guarantee of future performance, and they involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Ridley.

Appendix

**Supporting
information**

PROFIT & LOSS SUMMARY

| Consolidated Result - in (\$m) | FY21 | FY20 | Analysis of FY22 Budget | FY19 | FY18 | FY17 |
|--|-------------|---------------------|--|-------------|-------------|-------------|
| EBITDA – Ongoing operations before significant items | 79.0 | 69.4 | ▲ Up \$9.6m, or 13.8% on prior year period. | 59.4 | 60.8 | 61.0 |
| Corporate Costs | (9.9) | (9.9) | Consistent between reporting periods. | (11.3) | (9.5) | (9.9) |
| Consolidated EBITDA before significant items | 69.1 | 59.5 | ▲ Up \$9.6m, or 16.1% up on prior year period. | 48.1 | 51.3 | 51.1 |
| Significant items before income tax | - | (44.3) ¹ | Prior year restated by \$1.1m for SaaS ² accounting policy change | 6.2 | (4.2) | 2.2 |
| Consolidated EBITDA | 69.1 | 15.2 | ▲ Up \$53.9m following prior year business restructure | 54.3 | 47.1 | 53.3 |
| Depreciation and amortisation | (29.6) | (26.2) | Depreciation of new Wellsford feedmill, officially opened in July 2020. | (18.9) | (17.3) | (15.2) |
| Consolidated EBIT | 39.5 | (11.0) | ▲ Up \$50.5m. | 35.4 | 29.8 | 38.1 |
| Net Finance costs | (4.5) | (5.8) | Commensurate with lower debt levels and lower interest rates. | (5.0) | (4.6) | (5.0) |
| Income Tax benefit / (expense) | (10.1) | 6.0 ¹ | Tax effective rate of 28.8%. | (6.8) | (7.8) | (7.3) |
| Net (loss) / profit | 24.9 | (10.8) | ▲ Up \$35.7m | 23.6 | 17.4 | 25.8 |
| Other comprehensive income / (loss) | - | 0.1 | | (0.4) | 0.5 | - |
| Total Comprehensive (Loss) / Income | 24.9 | (10.7) | ▲ Up \$35.6m | 23.2 | 17.9 | 25.8 |

¹ FY20 P&L restated.

² Software-as-a-Service (SaaS)

The Directors believe that the presentation of the unaudited non-IFRS financial information on this slide is useful for users of the accounts as it reflects the underlying profits of the business.

BALANCE SHEET

Assets

| Balance Sheet - in \$m | June 2021 | June 2020 | Analysis of balances | June 2019 | Jun 2018 | Jun 2017 |
|---|--------------|--------------------|--|--------------|--------------|--------------|
| Cash & cash equivalents | 39.9 | 45.8 | Balance is a function of timing of receipts/payments and draw down/repayment of bank funding. | 17.5 | 23.4 | 16.5 |
| Inventory | 81.9 | 104.5 | \$22.6m reduction in inventory through effective management and reduction of COVID-19 contingency holdings. | 83.8 | 76.7 | 83.7 |
| Receivables & Other debtors and prepayments | 113.6 | 111.7 | Debtor days consistently maintained at 33-36 days sales outstanding. | 108.2 | 104.0 | 116.2 |
| Assets available for sale | 46.1 | 0.2 | Assets reclassified comprise Westbury, Bendigo, Murray Bridge and Mooroopna sites. | 0.2 | 1.1 | - |
| Other - tax asset | - | - | Tax refund receivable after payment of tax instalments. | - | 3.0 | 0.4 |
| Total Current Assets | 281.5 | 262.2 | | 209.7 | 208.2 | 216.8 |
| Investment property | - | - | Former salt field land at Lara and Moolap all now divested. | 1.3 | 1.3 | 3.2 |
| Property, plant and equipment | 244.8 | 293.1 ¹ | Movement includes finalisation of construction and commissioning of new feedmill at Wellsford less transfer of Westbury site to Current Asset held for sale. | 259.3 | 202.6 | 182.8 |
| Investments - equity accounted | - | - | Investment in Thai feedmill consolidated during FY19 following acquisition of remaining 51% shareholding interest therein. | 0.7 | 1.1 | 1.3 |
| Available for sale financial asset | - | - | Available for sale asset sold during FY19. | 1.7 | 2.3 | 1.3 |
| Intangibles | 75.9 | 75.0 | Movement for the period reflects minor additions offset by amortisation charge. | 85.7 | 82.5 | 79.3 |
| Non-current Receivables | 1.4 | 1.7 | Comprises deferred prior year land sale proceeds of \$1.4m due in July 2022. | 11.7 | 8.6 | 0.8 |
| Other non-current assets | 9.4 | 12.6 ¹ | Deferred tax asset. | 3.7 | 3.6 | 5.1 |
| Total Assets | 613.0 | 644.6 | | 573.8 | 510.3 | 490.6 |

¹ FY20 Non-current assets restated.

BALANCE SHEET

Liabilities

| Balance Sheet - in \$m | June 2021 | June 2020 | Analysis of balances | June 2019 | June 2018 | June 2017 |
|--|--------------|--------------------------|--|--------------|--------------|--------------|
| Current payables | 165.5 | 161.3 | Reflects timing of creditor payments within agreed trading terms. | 158.8 | 155.9 | 148.6 |
| Current provisions | 17.3 | 21.1 | Includes provision for site closure and maintenance costs of \$2.4m (FY20: \$6.4m) plus current employee entitlements of \$14.9m. | 16.0 | 14.6 | 13.5 |
| Current tax liabilities | 5.8 | 0.4 | Year end tax payable liability at 30 June 2021. | 2.0 | - | - |
| Current Lease liabilities | 4.3 | 4.1 | Current portion of lease liability payable within 12 months of balance date. | - | - | - |
| Non-current borrowings | 123.0 | 193.0 ² | Gross debt of \$123.0m reflects a \$70.0m retirement in FY21, with a \$64.1m net debt reduction reported after adjustment for movement in cash balances. | 118.9 | 76.2 | 68.1 |
| Non-current Payables, Lease liabilities & Provisions | 9.6 | 5.2 | Movement reflects rollover/ extension for a number of property and plant leases payable beyond 12 months of balance date plus long service leave entitlements. | 0.5 | 0.5 | 0.6 |
| Total Liabilities | 325.5 | 385.1 | | 296.2 | 247.2 | 230.8 |
| Net Assets / Equity | 287.5 | 259.5¹ | | 277.5 | 263.1 | 259.8 |

¹ FY20 Equity restated.

² Reported in FY20 as Current Borrowings

CASH FLOW

| Consolidated Cash flow - in \$m | FY21 | FY20 | Analysis of movement | FY19 | FY18 | FY17 |
|---|---------------|---------------------|---|----------------|---------------|---------------|
| Consolidated EBIT | 39.5 | (11.0) ¹ | Consolidated EBIT after significant items. | 35.4 | 26.4 | 39.2 |
| Depreciation and amortisation | 29.6 | 26.2 | P&L charges for the year. | 18.9 | 17.3 | 15.2 |
| Consolidated EBITDA | 69.1 | 15.2 | Consolidated EBITDA after \$43.2m of significant items. | 54.3 | 43.7 | 54.4 |
| Non-cash impairment | - | 22.8 | Non-cash impairment of Novacq™ and Moolap investment property. | - | - | - |
| Movement in working capital | 21.2 | (7.5) | Reduction in working capital consistent with inventory movement. | (7.3) | 15.3 | (2.6) |
| Maintenance capex | (7.9) | (12.2) ¹ | FY21 reflects expensing of \$3.6m of Capital work in progress under new SaaS accounting policy. | (13.3) | (15.1) | (14.2) |
| Operating cash flow | 82.4 | 18.3 | | 33.7 | 43.9 | 37.6 |
| Development capex | (10.4) | (42.9) | Major portfolio refresh concluded with commissioning of Wellsford feedmill in July 2020. | (60.0) | (21.1) | (19.6) |
| Payment for Intangibles | (2.4) | (4.5) | Payments for commercial contracts and assets under development. | (5.5) | (4.3) | (3.6) |
| Dividends paid | - | (10.9) | No dividends paid in FY21 (FY20 final dividend of 2.75cps settled in cash). | (8.6) | (12.9) | (12.2) |
| Issue of share capital | - | 2.4 | FY20 capital issued under the Dividend Reinvestment Plan. | - | - | - |
| Proceeds from sale of assets | 5.4 | 5.7 | Proceeds from sale of Lara & Moolap properties after legal and commission costs. | 5.0 | 5.4 | 13.5 |
| Net finance costs | (4.0) | (6.2) | Commensurate with lower debt levels and lower interest rates. | (5.7) | (4.6) | (5.5) |
| Net tax payments | (1.7) | (4.3) | Progressive tax instalments and settlement of prior year liability. | (1.7) | (5.9) | (14.7) |
| Payment of lease liabilities | (5.0) | (5.0) | Actual lease payments made under AASB16 from 1 July 2019. | - | - | - |
| Other net cash inflows / (outflows) | (0.2) | 1.6 | Includes share-based payments. | (5.8) | (1.6) | (6.0) |
| Cash inflow / outflow for the year | 64.1 | (45.8) | | (48.6) | (1.2) | (10.5) |
| Opening net debt as at 1 July | (147.2) | (101.4) | | (52.8) | (51.6) | (41.1) |
| Closing net debt | (83.1) | (147.2) | | (101.4) | (52.8) | (51.6) |

¹ FY20 EBIT and Maintenance capex restated. The Directors believe that the presentation of the unaudited non-IFRS financial information on this slide is useful for users of the accounts as it reflects the underlying cash flows of the business.

NET DEBT, GEARING AND LEVERAGE

| Major capital projects – in \$m | FY21 | FY20 | Analysis of movements | FY19 | FY18 | FY17 |
|--|--------------|--------------------------|---|--------------|--------------|--------------|
| Development capital expenditure | 10.4 | 42.9 | FY20 reflects completion of Westbury extrusion plant and bulk of construction costs for Wellsford feedmill. | 60.0 | 21.1 | 19.6 |
| Maintenance capital expenditure | 7.9 | 12.2 ¹ | FY21 reflects expensing of \$3.6m of Capital work in progress under new SaaS accounting policy. | 13.3 | 15.1 | 14.2 |
| Net debt and gearing - in \$m | FY21 | FY20 | Analysis of movements | FY19 | FY18 | FY17 |
| Gross debt | 123.0 | 193.0 | \$70m of gross debt retired in FY21. | 118.9 | 76.2 | 68.1 |
| Less: cash and cash equivalents | 39.9 | 45.8 | Cash balance is an outworking of working capital & debt retirement. | 17.5 | 23.4 | 16.5 |
| Reported net debt | 83.1 | 147.2 | \$64.1m net debt retired in FY21. | 101.4 | 52.8 | 51.5 |
| Total equity | 287.5 | 259.5 ¹ | Total Equity per Consolidated Balance Sheet. | 277.5 | 263.1 | 259.8 |
| Gearing: Net Debt: Closing Equity | 28.9% | 56.7% | Traditional gearing ratio | 36.5% | 20.0% | 19.8% |
| Gearing per banking covenant | 30.0% | 42.6% | Gross debt : [Gross debt plus Closing Equity] ² | 30.0% | 22.4% | 20.8% |
| Leverage ratio ² - in \$m | FY21 | FY20 | Analysis of movements | FY19 | FY18 | FY17 |
| Last 12 months EBITDA | 69.1 | 59.5 ¹ | FY20 waiver before Individually Significant Items capped to \$56.0m. | 54.2 | 43.8 | 54.5 |
| Leverage ratio - actual | 1.20 | 2.63 ¹ | 2.05x headroom on FY21 facility threshold of 3.25x. | 1.87 | 1.20 | 0.94 |

¹ FY20 Equity, Maintenance capex and EBITDA restated.

² Calculated as Net debt / Last 12 months EBITDA per banking facility covenant calculations.

The Directors believe that the presentation of the unaudited non-IFRS financial information on this slide is useful for users of the accounts as it reflects the underlying debt profile of the business.

FY20 RESTATEMENT : SaaS

Change of accounting policy

Cloud Computing Criteria

The customer does not have possession of the underlying software.

Software accessed and used over the internet.

Increasingly common, cost-effective platform for new software applications, such as end to end Enterprise Resource Planning (ERP) systems.

Accounting treatment

ERP systems traditionally capitalised as an Intangible asset on the balance sheet and amortised to Profit and Loss over effective useful life.

New and mandatory interpretation from IFRS Interpretations Committee (IFRIC) is to expense costs for use, data conversion & migration, customisation, training & testing.

Change in accounting policy is required where applicable.

Application to Ridley

Currently in late stages of new cloud-based ERP implementation with \$3.6m of FY21 Capital work in progress now reported as Individually Significant Item (ISI) of expense before tax.

Restatement of FY20 result to expense \$1.1m of pre-tax project costs from Capital work in progress.

Flow through of the new policy to project Go-Live commissioning in 1H FY22.

No change to cash outflows.

Transparency provided through consistent disclosure as an ISI.

Contact details

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