

**Annual General Meeting** 

**20 November 2024** 

**Darren Lurie: Managing Director** 





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### **2024 Corporate Summary**

- Financial Year Ending 30 June 2024 (FY24): Total Revenue of \$101.8m with Net Loss of (\$2.3m). Increase in Revenue of \$19m and \$6.8m reduction in Net Loss from Financial Year Ending 30 June 2023 (FY23).
- EBITDA improvement of \$6.8m in FY24 from FY23.
- March and April 2024: Loans from directors (or associated interests) of \$2.325m advanced
- May 2024: Sale of Lethbridge Rocks land sub-division \$2.35m proceeds before costs
- June 2024: Extension of \$12.55m debt facility with MC Farm Pride Fund until 31 December 2025
- June 2024: Resignation of Bruce de Lacy as Non-Executive Director
- August 2024: Conversion of director (or associated interests) loans of \$1.035m to Equity
- August 2024: Renewal of the \$2m debt facility with Tradeplus24 Australia until 31 August 2025.
- September 2024: Completed the 3:7 non-renounceable fully underwritten pro-rata entitlement offer (Rights Issue). \$6.165m was raised less transactions costs of \$0.449m.



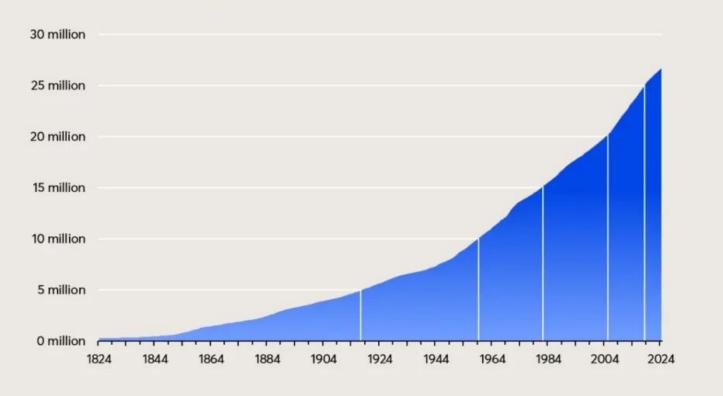






## **Population Growth**

### Australian population growth 1824-2024

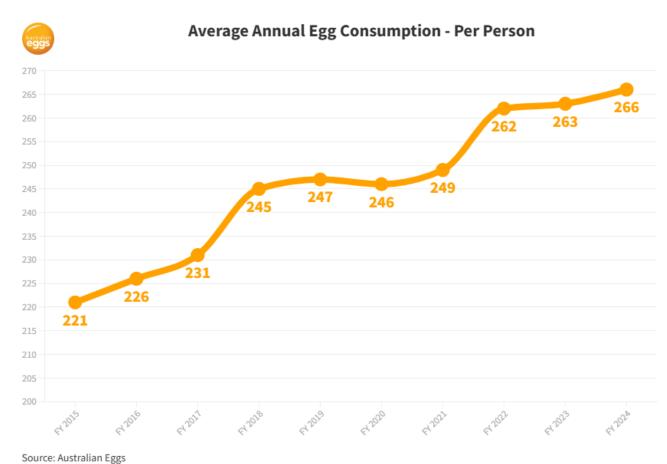


- 27.1 million people in 2024
- Annual growth of 615,000 people (2.3%)
- Net overseas migration of 510,000\*

<sup>\*</sup> Sourced: Australian Bureau of Statistics https://www.abs.gov.au/statistics/people/populat ion/national-state-and-territory-population/mar-2024



# **Australian Egg Consumption per Capita**



Source: Australian Eggs https://www.australianeggs.org.au/egg-industry



# **Industry Trends - FY24 Highlights**

### Australian Egg Industry Size

- 582 million dozen eggs produced in Australia
- 29.35 million pullets and layers hens as at 30 June 2024 (30.08m: 2023)
- 21.25 million layer hens as at 30 June 2024 (21.83m: 2023)
- Source Australian Eggs





# **Industry Trends - FY24 Highlights**

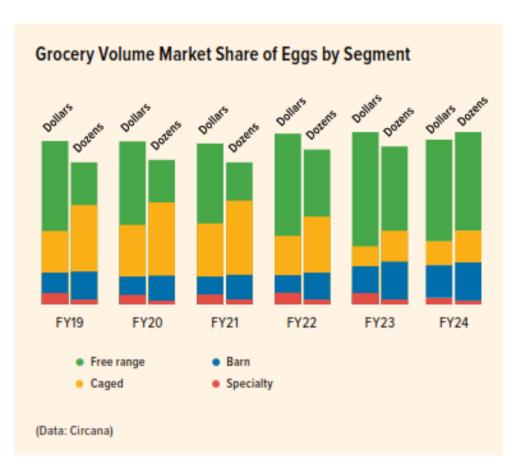
### **Major Supermarkets**

- Egg sales branding market share
- Private Label value 50.3%, volume 57.1%
- Proprietary Label value 49.7%, volume 42.9%
- Farming system market share in table below
- Source Circana via Australian Eggs

FY 2024 (Source: Circana via Australian Eggs)	Value Market Share %	Volume Market Share %	Growth by segment dozen (000)	Growth by segment %
Cage eggs	15.7%	19.7%	(48,742)	-22.0%
Free range eggs	61.9%	57.4%	142,236	+6.1%
Barn laid eggs	18.4%	20.9%	51,789	+43.3%
Specialty eggs	4.0%	2.1%	5,221	+10.2%



## **Industry Trends - Farm Segment Changes**



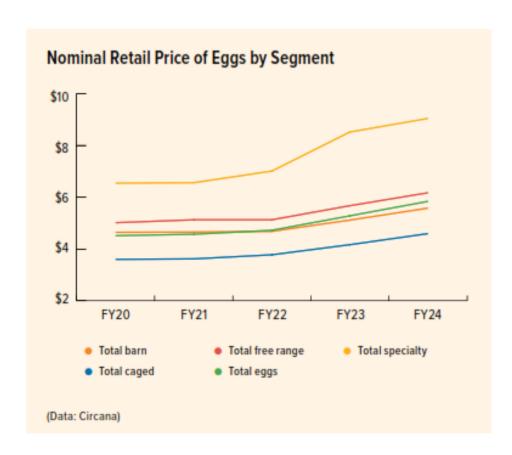
### Farm Segment Major Supermarkets

- Continued growth in all cage- free egg farming systems.
- Barn laid largest % growth off a smaller base.
- Free range continues to show steady growth.
- Cage eggs exit at major retailers targeted for end of 2025.
- Source Circana via Australian Eggs

Source - Circana via Australian Eggs



## **Industry Trends - Price and Volume**





Source - Circana via Australian Eggs





### Avian Influenza (AI) - May to July 2024

- Three Farm Pride farms located in the Lethbridge (Victoria) region returned positive results for Al.
- Closure of Lethbridge Rocks, Aviary and Kings farms (~360k birds lost).
- Australia wide 2 million birds lost across 16 farms with 3 different strains of Al.\*
- The Company received \$4.2m compensation from the Emergency Animal Disease Compensation Scheme.
- Further payments received for shed cleaning, equipment replacement and other works of \$1.7m.
- End-to-end review operations review identified improvement areas including:
  - Consolidation of administration roles with multiple redundancies
  - Reduction in casual and contract labour across grading floors
  - Increased prices based on reduced volumes and tightened industry supply
  - Supporting volume requirements of major customers

<sup>\*</sup> Source: ABC, https://www.abc.net.au/news/2024-10-01/bird-flu-h5n1-australia-chicken-native-birds-egg-farmerscsiro/104413006

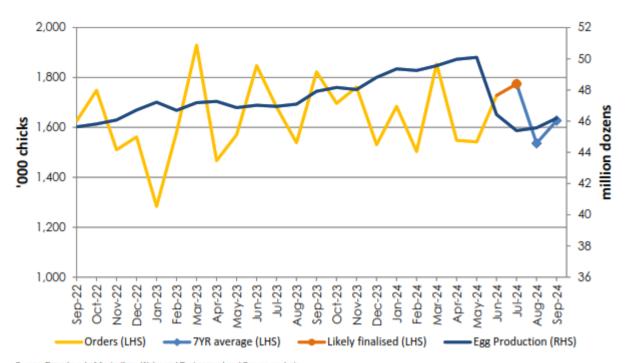






### Australian Flock Size and Forecast Egg Production

### Egg production



Source: Department of Agriculture, Water and Environment and Sapere analysis

Source: Australian Eggs, Monthly Industry Statistics Report - September 2024

- This chart is based on chick orders and a bird laying cycle of 60 weeks with an additional two weeks for disposal.
- Monthly egg production broadly trended upwards from the second half of 2022 until May 2024, reflecting an upward trend in chick orders in the 24 months prior to the outbreak.
- Significant drop in June 2024 egg production reflecting the major impact of the Avian Influenza outbreak.



### **Operations**

Continuous improvement focus for improved farm production, manufacturing efficiency and lower costs:

- Further changes to senior management team.
- New farm managers appointed.
- Changes in feed supply arrangements.
- Increased preventative repairs and maintenance to minimize process disruption and reduce losses.
- Direct sourcing of spare and replacement parts from local and overseas suppliers.
- Tender processes for consumables.
- Comprehensive updating of standard operating procedures at Keysborough manufacturing site.







## **Historical Profitability and Cash Flow (5 Years)**

	Historical Profit and Loss Results				
	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23	30-Jun-24
Revenue	90,327	76,991	76,577	82,842	101,854
EBITDA	7,261	(3,052)	(4,615)	(205)	7,045
Net Profit/(Loss)	(2,169)	(11,971)	(19,782)	(9,112)	(2,345)

	Historical Cash Flow Results				
	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23	30-Jun-24
Operating Cash Flow	6,882	(215)	(3,734)	(2,108)	2,931
Investing Cash Flow	(3,664)	2,715	16,775	(523)	1,138
Financing Cash Flow	1,978	(5,627)	(12,176)	2,468	(4,370)
Net Cash Flow	5,196	(3,127)	865	(163)	(301)



### **FY24 Income Statement**

- **Trade revenue** increased by 17.4% on prior year. The improvement in sales is attributed to both price and volume impacts.
- Other income includes AI compensation and a \$486k gain on the sale of land at Lethbridge.
- Employee Costs costs increased by \$3.9M, attributable to higher production throughput, increased investment in people on farm, workcover and other on-cost increases and redundancies
- Overheads 22.5% improvement on previous year driven by savings in transport, utilities and consumables.
- Profitability improved 74% or \$6.76M on prior year.

Farm Pride	2024	2023	
Income Statement	\$'000	\$'000	
Revenue and other income			
Revenue - trade	97,069	82,677	
Other income	4,785	165	
Total Revenue	101,854	82,842	
Less: Expenses			
COGS	70,255	59,922	
Inventory movement	( 1,355)	307	
Employee costs	22,531	18,635	
Overheads	3,378	4,137	
Loss on disposal	-	46	
Total Expenses	94,809	83,047	
EBITDA	7,045	( 205)	
	6.9%	-0.25%	
less			
Finance costs (Interest)	3,221	2,518	
Depreciation	6,169	6,389	
(Loss) before income tax	( 2,345)	( 9,112)	
Income tax (expense)	-	-	
(Loss) for the year	( 2,345)	( 9,112)	



Thank you to our team, customers, suppliers and shareholders for all of your efforts and support this year.

