FY2016 Results presentation

21 June 2016

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In this presentation "Forecast" refers to the Prospective Financial Information (PFI) contained in the Product Disclosure Statement (PDS) dated 31 March 2016 and the document entitled "Tegel's Prospective Financial Information, a reconciliation of non-GAAP to GAAP information, and supplementary financial information" available on the offer register at www.business.govt.nz/disclose, offer number OFR10514.

In this presentation underlying EBITDA refers to earnings before interest, tax, depreciation and amortisation. Underlying EBITDA is a non-GAAP profit measure. Tegel uses underlying EBITDA as a measure of operating performance. Underlying EBITDA excludes the effects of certain IFRS fair value adjustments and items that are of a non-recurring nature. It has been calculated on a consistent basis with the "Pro forma EBITDA" presented in the PFI. Pro Forma EBIT refers to earnings before interest and tax prepared on a pro forma and consistent basis with the Pro Forma EBIT presented in the PFI. A reconciliation of underlying EBITDA to net profit after income tax is provided in note 2.1 of the financial statements.

Contents

1 Summary

Summary

FY2016 results are ahead of FY2016 Prospective Financial Information (PFI) and the business continues to track well

Financial Performance	• Record revenue of $582.4m which is $1.3m above PFI revenue of $581.1m and 3.5% up on FY2015 • Underlying EBITDA of $74.9m which is $0.2m above PFI EBITDA of $74.7m and grew 22.7% on FY2015 • Pro forma NPAT of $37.2m which is $0.4m above PFI NPAT of $36.8m
Operational Performance	• Since year end Tegel has met with customers and presented new products in the Philippines and Japan • Market access has been opened to Bahrain and South Africa, with work streams under way for entry
Outlook	• Reconfirm FY2017 PFI forecast, with YTD trading in line with expectations • Domestically, the brand refresh project continues and will roll out through FY2017

Note: Tegel's 2016 financial year concluded on the 24th of April 2016, 9 days prior to the Group completing its initial public offering on 3rd May 2016

2 Financial overview

FY2016 vs FY2015

NZ$m	FY2016 Actual	FY2015 Actual	Variance
Revenue	582.4	562.7	19.7
Cost of Sales	(435.0)	(429.7)	(5.3)
Gross Profit	147.4	133.0	14.4
Gross Profit %	25.3%	23.6%	1.7%
Expenses	(88.6)	(89.0)	0.4
Pro Forma EBIT	**58.8**	**44.0**	14.8
Depreciation & Amortisation (pro forma)[1]	16.1	17.1	1.0
Underlying EBITDA	**74.9**	**61.1**	13.8
NPAT	**11.3**	**8.7**	2.6

Key highlights

Revenue

- Year on year revenue growth driven by strong export performance and underlying growth in domestic volumes contributing to revenue increasing $19.7m to $582.4m

Gross Profit (GP)

- GP achieved was $147.4 million, an increase of $14.4 million against FY2015. The GP% improved from 23.6% to 25.3% as a result of significant investment in the business, improving capacity and efficiency

Underlying EBITDA

- As a result of the strong underlying performance of the business, underlying EBITDA grew $13.8m (22.7%) to $74.9m

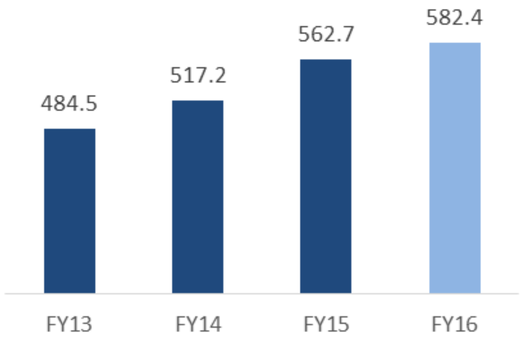
[1] *Depreciation & Amortisation on a pro forma basis excludes amortisation of $2.2m relating to customer relationships in both, FY2015 and FY2016.*

FY2016 Actual vs FY2016 PFI

NZ$m	FY2016 Actual	FY2016 PFI	Actual vs PFI
Revenue	582.4	581.1	1.3
Underlying EBITDA[1]	**74.9**	**74.7**	**0.2**
Pro Forma EBIT	58.8	58.6	0.2
Pro Forma NPAT	37.2	36.8	0.4
EBITDA margin	12.9%	12.9%	-

Key highlights

- **Record revenue for Tegel**



- **Revenue** above forecast by $1.3m as a result of strong sales in the NZ Domestic market
- **Underlying EBITDA** above forecast by $0.2m, driven by strong underlying performance of the business
- **EBITDA margin** of 12.9%, in line with PFI

[1] *Underlying EBITDA is a like for like comparison to Pro forma EBITDA in the PFI*

Balance sheet

Summary Balance Sheet NZ$m	FY2016 Actual	FY2015 Actual	Variance
Assets			
Cash	4.0	12.0	(8.0)
Receivables	78.1	73.9	4.2
Inventory	82.3	59.4	22.9
Deferred IPO costs	12.2	0.0	12.2
Derivatives and Biological Assets	31.9	34.1	(2.2)
Current Assets	**208.5**	**179.4**	**29.1**
PP&E	151.7	141.6	10.1
Intangibles	335.4	337.4	(2.0)
Non-current Assets	**487.1**	**479.0**	**8.1**
Total Assets	**695.6**	**658.4**	**37.2**
Liabilities			
Trade and other payables	82.0	76.9	5.1
Other Accruals	21.8	0.0	21.8
Borrowings	130.0	0.0	130.0
Tax Payable	1.0	2.5	(1.5)
Derivative Financial Instruments	5.6	0.0	5.6
Current Liabilities	**240.4**	**79.4**	**161.0**
Borrowings	123.0	268.5	(145.5)
Deferred Tax Liabilities	18.4	20.6	(2.2)
Derivative Financial Instruments	0.0	1.3	(1.3)
Non-current Liabilities	**141.4**	**290.4**	**(149.0)**
Total Liabilities	**381.8**	**369.8**	**12.0**
Net Assets	**313.8**	**288.6**	**25.2**

- The Net Asset position of the Group finished the year at $313.8m, up $25.2m on FY2015
- Against FY2015, working capital increased by $22m as a result of an increase of $4.2m in receivables due to higher sales and inventories increasing $22.9m to support our growth, offset by a $5.1m increase in trade and other payables
- At balance date $130m of borrowings were classified as current and were repaid upon completion of the IPO on 3 May 2016:

Capitalisation NZ$m	FY2016 Actual	FY2015 Actual	FY2016 PFI	Post IPO
Net Borrowings	(249.0)	(256.5)	(251.4)	(117.8)
Leverage*				1.6

* Pro forma FY2016 leverage = Post IPO Net Borrowings / Underlying FY2016 EBITDA

Cash flow

NZ$m	FY2016 Actual	FY2015 Actual	Variance	FY2016 PFI
Cash inflow from operating activities	46.4	57.6	(11.2)	41.8
Cash outflow from investing activities	(26.6)	(14.8)	(11.8)	(26.3)
Cash outflow from financing activities	(27.8)	(32.8)	5.0	(27.0)
Increase / (decrease) in cash	(8.0)	10.0	(18.0)	(11.5)
Opening cash balance	12.0	2.0	10.0	12.0
Closing cash balance	4.0	12.0	(8.0)	0.5

- Strong cash inflow from operating activities, $4.6m ahead of PFI due to higher sales and cash collection
- Against FY2015, operating cash flow decreased $11.2m as a result of an increase in working capital, particularly inventory to support our growth
- Investing activities in line with PFI and $11.8m higher than FY2015 given high level of investment in process automation and capacity expansion
- FY2016 cash flows from financing activities were a result of refinancing the banking facilities and the IPO
- Overall cash inflow $3.5m higher than forecast

3 Update on business growth

Continuing to achieve growth

Domestic

Volume growth

Market growth

Category growth

New product development

Brand refresh

Increasing sales of value added products to satisfy evolving consumer preferences

Export

Expand existing markets

Enter new export markets

Domestic update

Commentary	
Market growth	• The domestic market continues to grow through a combination of population growth, increasing poultry consumption growth, and "share of plate" gains
Category growth	• Category growth will be driven by innovation (new product development) and communications campaign underpinning brand refresh • Tegel's free range expansion continues with new launches planned throughout FY2017
New product development	• Market launches of new product innovation will continue throughout FY2017, with the first wave of innovation bringing five new frozen value added products, and five new packaged smallgoods products to market at the beginning of Q2 FY2017 • These are the first 10 of the anticipated 29 new products that will come to market in FY2017
Brand refresh	• The initial launch of Tegel's new brand imagery and packaging will occur in the first half of FY2017 • A comprehensive communications campaign will underpin the brand refresh to drive growth for Tegel

Brand Refresh delivers an exciting new identity for Tegel

CURRENT PORTFOLIO

- With innovation over time, the Tegel brand was fragmented
- The objective was to create a recognisable, unified brand across all categories

Brand Refresh delivers an exciting new identity for Tegel

Investment in brand and communications will create a unified product portfolio and packaging design aimed at driving increased brand equity and shopper preference for the Tegel brand. Initial feedback from consumers and trade partners has been positive. The first products will be on shelf early Q2 FY2017.

Export update

Existing markets

- Tegel continues to grow sales in existing markets of Australia, United Arab Emirates (UAE), Hong Kong and the Pacific Islands
- FY2016 saw the launch of Tegel into the Foodservice channel in the UAE, which forms the platform for further growth in FY2017
- Forecast further growth will be driven in these markets through new products, existing customer growth, new customers and sales to additional sales channels

New markets

- Since the last update, customer meetings and product presentations have taken place in the Philippines and Japan
- Market access obtained in both Bahrain and South Africa
- Work continues to seek in-market partners in Japan and to gain market access in Singapore, Korea and Taiwan

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Appendix 1 - Overview of Tegel

Tegel at a glance

Established, well recognised products across a range of categories

Vertically integrated operations

Three vertically integrated and regionally separated operations in New Zealand, each of which contains:

- Hatchery
- Feedmill
- Breeder farms
- Grower farms
- Processing facility
- Distribution centre

Surety of supply to customers

Integrated 'poultry to plate' model

Materially lower feed conversion ratios[1]

Leading market positions

Processes approximately 50% of New Zealand poultry[2]

#1 across all branded poultry product categories[3] in New Zealand

Established and growing export business

Key current export markets include:

Australia

Hong Kong

UAE

Strong biosecurity controls supporting Tegel's premium international brand

1. *Relative to the global average for the Ross breed of chickens*
2. *Calculated as a total share of poultry processed in New Zealand (measured by dress weight), as surveyed by Statistics New Zealand*
3. *New Zealand market data for branded product market share based on Aztec scan data using dollar value of sales for the 52 week period ending April 2016. Aztec data includes only Foodstuffs and Progressive scan data. Branded market share excludes private label products which represent approximately 32% of the poultry grocery market channel*

Vertically integrated operations in three separate locations

INTEGRATED ‘POULTRY TO PLATE’ MODEL ENABLES TEGEL TO EFFECTIVELY MANAGE QUALITY AND COST

Value chain

Feed procurement / Feedmilling

Breeders
Tegel operates 35 breeder farms and outsources other breeding requirements to 5 farms

Hatcheries
One hatchery at each of the 3 regions

Growers
Total of 93 farms located in close proximity to processing facilities

Processing
Three major processing plants in Auckland, New Plymouth and Christchurch

Distribution
Onsite distribution centre (DC) at each processing plant, with an additional 2 independent DCs

Feed sales

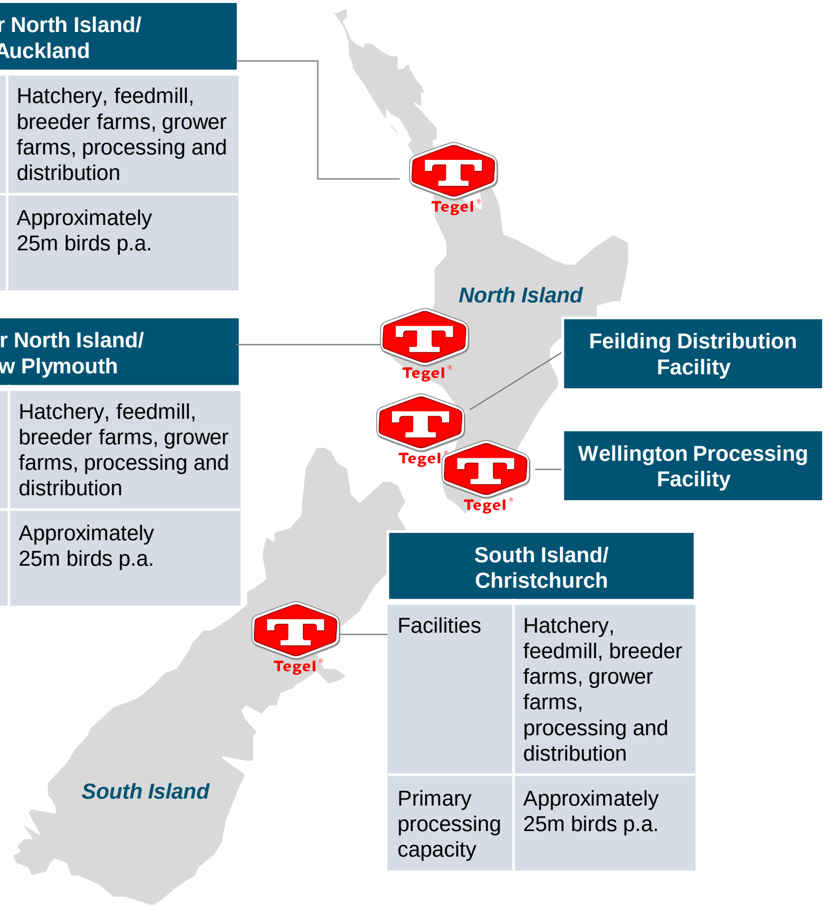
Domestic 3rd parties

Sales channels

Overview of Tegel’s operations and facilities

Upper North Island/ Auckland	
Facilities	Hatchery, feedmill, breeder farms, grower farms, processing and distribution
Primary processing capacity	Approximately 25m birds p.a.

Lower North Island/ New Plymouth	
Facilities	Hatchery, feedmill, breeder farms, grower farms, processing and distribution
Primary processing capacity	Approximately 25m birds p.a.



South Island/ Christchurch	
Facilities	Hatchery, feedmill, breeder farms, grower farms, processing and distribution
Primary processing capacity	Approximately 25m birds p.a.