



ASX RELEASE

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## **AACo announces FY17 Operating EBITDA of \$45.0 million, up 202% on FY16**

- AACo's stated strategy is beginning to deliver results
- Operating EBITDA of \$45.0m, up \$30.1m
- 10% Operating EBITDA margin, vs 3% in FY16
- Net Operating Cash Flow of \$29.3 million, up \$7.5 million
- NTA per share \$1.82, up \$0.16

The Australian Agricultural Company today announced Operating EBITDA (earnings before interest, tax, depreciation and amortisation) for the twelve months to March 31, 2017 (FY17) of \$45.0 million and Statutory EBITDA of \$133.2 million.

AACo is a luxury branded beef business focused on: Branding & Marketing, Integrated Supply Chain and Innovation & Technology. Operational highlights for the FY17 period included:

- AACo's Brand & Marketing strategy being confirmed through a successful Singapore launch in October 2016;
- A 27% reduction in production costs;
- A 12% increase in Wagyu and Shortfed average meat sale price;
- Strategic investment in cattle inventory, to ensure continuous supply through each of AACo's three supply chains;
- Further efficiency gains at Livingstone – 30% increase in kg's processed and a 30% decrease in the cost of conversion; and
- An improvement in working capital as the result of a focused effort on inventory and receivables management.

AACo Managing Director Jason Strong said the continued execution of the company's stated strategy was delivering returns for AACo's shareholders.

"It is pleasing to see AACo's path of growth continue as a result of our intense focus on executing on the strategic plan we set out three years ago.

"The improved financial results in FY17 are a result of our focus on investing in our brands, opening new market opportunities like we have done in Singapore, driving margin through our integrated supply chains and enhancing efficiency and product quality through innovation.

"We see great opportunity to continue to leverage our unique position as a luxury branded beef business, and expect further improvements in company performance through FY18."

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