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ASX Release

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FY2018 Annual General Meeting – Chairman's Address

Ladies and gentlemen, this year we celebrate Ingham's 100-year anniversary. We take great pride in this significant achievement and continue to build on the Ingham legacy of quality, integrity and customer service.

During this year, we have made solid progress on our strategy and delivered a \$114.6 million net profit after tax, an increase of 12.4% relative to financial year 2017. These results have been supported by good progress on implementing our strategy and reflect continued strong demand for Ingham's quality products supported by consumer preference for great value, healthy and versatile poultry products.

Our Acting CEO, Quinton Hildebrand, will provide more detail in relation to the financial results and operational highlights in his presentation.

In addition to the fully franked interim dividend of 9.5 cents per share, the Board is pleased to deliver a fully franked final dividend of 11.6 cents per share, bringing the total fully franked dividend for FY18 to 21.1 cents per share. This is at the top of the target range of 65-70% of NPAT.

As Net Debt has reduced to a leverage ratio of 0.7x, the Board has also approved two capital management initiatives. First, a capital return of \$125m or 33.0cps (subject to a class ruling from the ATO) – a reflection of the business's strong cashflow and trading performance.

Secondly, with the sale of the Mitavite horse feed business now complete, an on-market share buy-back of up to 5% of issued capital will proceed, commencing in December 2018.

The 2018 financial year saw continued progress on the implementation of our transformation program. Project Accelerate delivered benefits in line with expectations and the capital investment program proceeded as planned.

We have made further progress during the year on extending key customers contractual coverage, with more than 60 percent of our chicken volumes subject to agreements that include feed cost pass through mechanisms and cost adjustments. Rising feed, energy, labour and insurance costs across both the Australian and New Zealand businesses continue to be either offset by strategic initiatives and / or passed on to customers where necessary.

We recognise the importance of ensuring our existing and new operations are sustainable. We maintain our commitment to animal welfare and environmental sustainability, with continued improvement throughout the year in areas like farming practices, water usage and energy management.

Ingham's has long been a positive contributor to the many local communities in which we operate. In addition to our ongoing partnership with The Ingham Institute for Applied Medical Research, we formed two additional partnerships during the year, with the Clontarf Foundation, whose work focuses on Indigenous education and employment, and Conservation Volunteers Australia & New Zealand. We look forward to continuing to support the great work of these organisations in the year ahead.



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As previously communicated, after four years of leading Ingham's, Mick McMahon stepped down from the role of Chief Executive Officer after the Company's annual results in August 2018. We thank Mick for his meaningful leadership and service to Ingham's, taking this iconic Australian company on the complex journey from private ownership, through a successful IPO and implementing Project Accelerate. Mick informed the board that he believed it was good governance for him to resign from the board with immediate effect prior to the AGM today.

You will have seen from this morning's announcement after a long domestic and international search the board have appointed a new chief executive- Mr Jim Leighton. We have no doubt Jim is the right person to lead Inghams being the standout candidate and uniquely qualified for the job. His career was built through supply chain and operations, has deep experience in poultry and protein and most importantly has been recognised for his successes in building capability, teams and driving growth. We are pleased to have Jim with us here today- with his wife Fritz- and you will have the chance to meet them both after the meeting.

As recently announced, a search has been initiated for two new Independent Non-Executive board members, as part of the board's renewal process and to recruit additional relevant industry experience to the board. Upon completion of those appointments, Joel Thickins will retire from the board, reducing TPG's board representation from two board members to one, better reflecting its current shareholding in Ingham's.

The management team and all 8,000 staff across Australia and New Zealand are to be congratulated for their commitment to ensuring that the Company delivered its forecasts, but also continued to establish a strong foundation for future growth and sustainable value creation. I also want to acknowledge and thank my Board colleagues for their valuable contribution.

I would now like to ask Acting CEO, Quinton Hildebrand, to take you through more detail of our achievements and activities over the past financial year and the outlook for the 2019 financial year.

Thank you.

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