



INVESTOR DAY

22 OCTOBER 2019



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PETER BUSH
INDEPENDENT CHAIRMAN

WELCOME AND INTRODUCTION



AGENDA

10:00 am	Registration	
10:30 am	Welcome and introduction	Peter Bush, Independent Chairman
10:35 am	My perspective – The building blocks of Ingham's – Why I joined Ingham's	Jim Leighton, Chief Executive Officer
10:45 am	The roadmap to unlock our future	Jim Leighton, Chief Executive Officer
11:00 am	Unlocking our potential – Marketing – Sales – Feed	Seb Brandt, Chief Marketing Officer Chris Croese, Chief Customer Officer Anne Marie Mooney, Feed Business Director
11:30 am	Q&A	All
12:00 pm	Break – product tasting	
12:15 pm	– Supply chain and network overview – Farming – Primary Production – Further Processing – New Zealand	Tim Singleton, Chief Operations Officer Alan Parnham, General Manager Farming Art Lankford, General Manager Primary Processing John Alldis, General Manager Further Processing Jonathan Gray, CEO New Zealand
1.15 pm	Summary	Jim Leighton, Chief Executive Officer
1.25 pm	Q&A	All
2.30 pm	Ends	





TODAY'S SPEAKERS



Jim Leighton
*CEO and
Managing Director*



Jonathan Gray
CEO New Zealand



Tim Singleton
Chief Operations Officer



Anne-Marie Mooney
Feed Business Director



Alan Parnham
*General Manager
Farming*



Art Lankford
*General Manager
Primary Processing*



John Aldis
*General Manager
Further Processing*



Chris Croese
Chief Customer Officer



Seb Brandt
Chief Marketing Officer



COMBINED EXPERIENCE FROM THE WORLD'S LARGEST POULTRY AND CONSUMER COMPANIES



GLOBAL POULTRY COMPANIES



WE ARE UNLOCKING OUR POTENTIAL

- Attractive sector
- Strong foundations
- Clear strategy
- Material efficiency and capacity upside
- Right team to deliver





JIM LEIGHTON
CHIEF EXECUTIVE OFFICER

MY PERSPECTIVE



A RICH HISTORY

GROWTH

- Stringent biosecurity import restrictions
- Most efficient low-cost protein
- Sustained category growth

100 YEAR HISTORY

- Successive owners have built a strong and valuable business
- Diversified network
- Well invested asset base
- Project Accelerate set the foundations for world-class efficiency

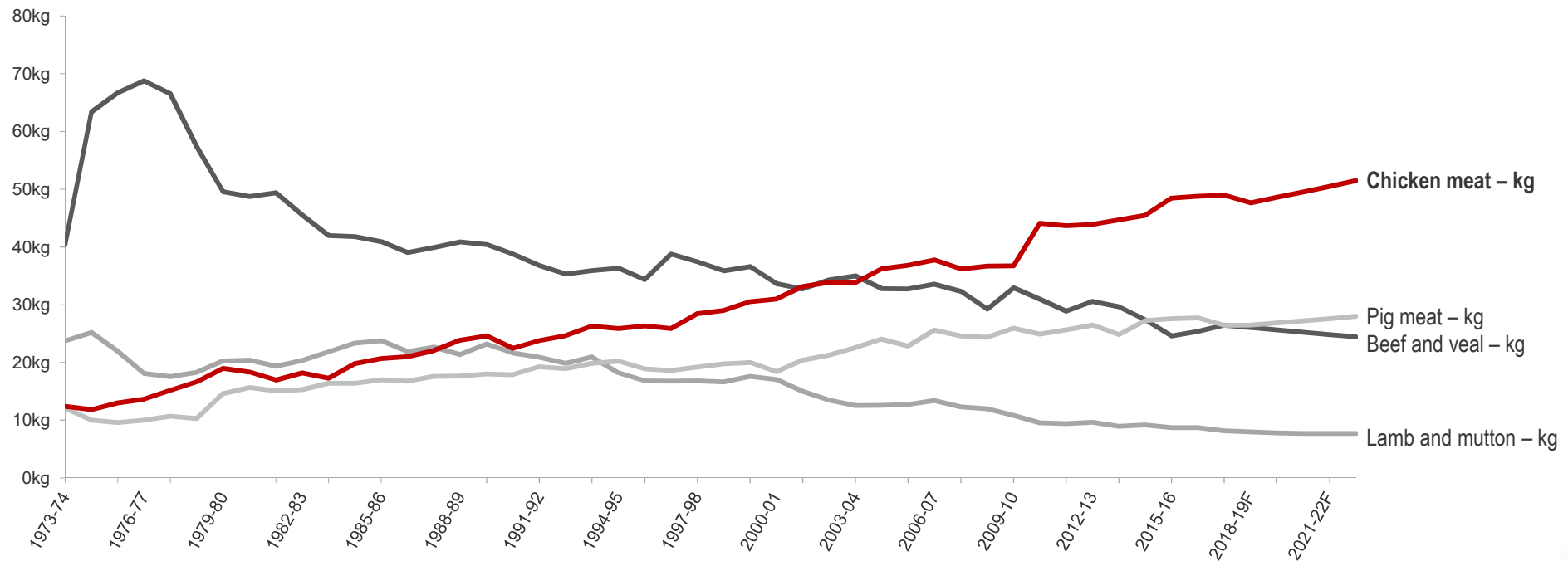
RELATIONSHIPS

- Long-term, trusted relationships (grocery, QSR, food service)
- Well known poultry company



SUSTAINED DEMAND GROWTH FOR POULTRY

PER CAPITA CONSUMPTION OF MEAT TYPES
(KG PER PERSON P.A.)

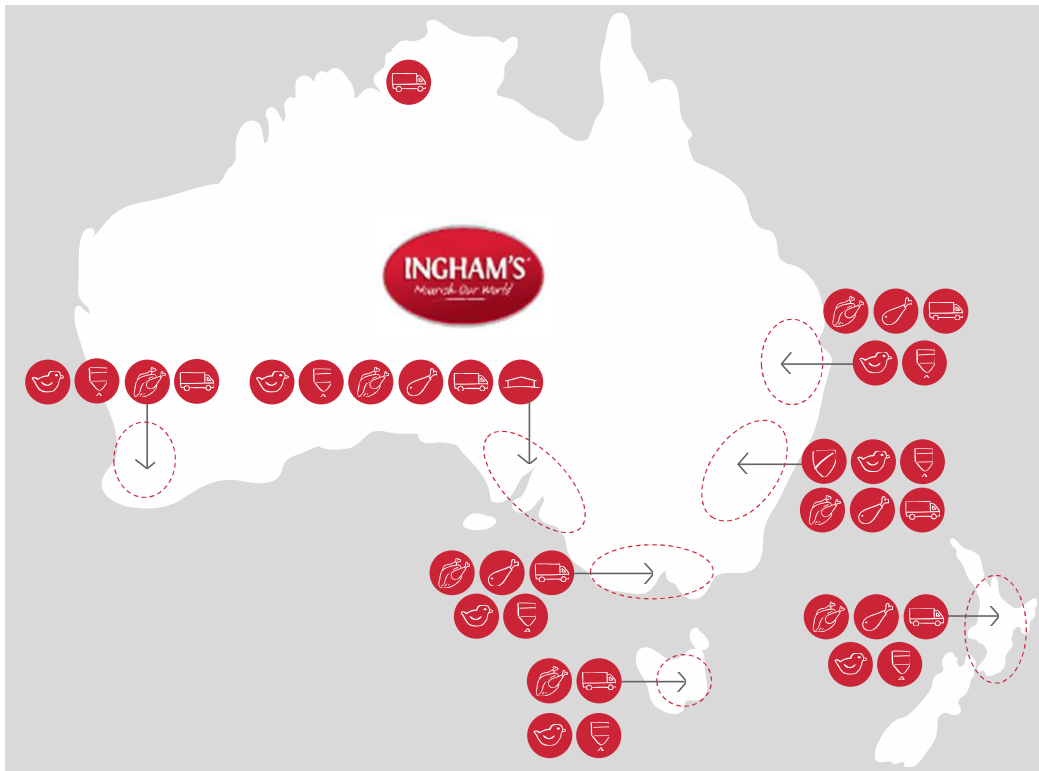


Source: ABARES.









OUR NATIONAL NETWORK IS A GREAT ASSET

- Manage biosecurity risk
- Mitigate feed price volatility
- Production clusters ensure local supply
- Network provides ability to optimise supply nationally



Facilities/farms

- | | |
|--|--|
|  Quarantine |  Primary processing |
|  Farms |  Further processing |
|  Hatcheries |  Warehouse and distribution |
|  Feedmills |  Protein conversion plant |



LONG-TERM CUSTOMER RELATIONSHIPS



A GREAT OPPORTUNITY

A GREAT BUSINESS

- Market structure and position
- Strong asset base
- Customer relationships

A strong platform for growth

IN A CHANGING MARKET

- The protein market is changing as consumer and customer expectations evolve

But we need to adapt to the new

ALIGNED TO MY PASSION

- International experience building corporate cultures and fully integrated teams
- Track record of driving innovation and profitable growth in food and protein

We can innovate to win



WITH CHALLENGES I AM FAMILIAR WITH

**OUR SUCCESS IN GROWING
VOLUMES HAS
STRETCHED OPERATIONS**

**OUR FOCUS WAS TO BE A
SUPPLIER NOT A STRATEGIC
PARTNER IN GROWTH**

**OUR STRUCTURE AND
LEADERSHIP NEEDED A
REFRESH**





JIM LEIGHTON
CHIEF EXECUTIVE OFFICER

THE ROADMAP TO UNLOCK OUR FUTURE



THE PROCESS

DEFINE OUR PURPOSE

- “Nourish Our World”

Establish Meaning

ESTABLISH OUR PRINCIPLES

- Open
- Honest
- Collaborative

Our Behaviours

SET OUR STRATEGY

- Optimise the core
- Innovate to grow
- Reinvest in the new

Our Direction

RESET OUR STRUCTURE

- Horizontal vs vertical
- Balanced

Accountability

BUILD OUR TEAM

- Deep operational expertise
- International experience

Execution



OUR PURPOSE



Gives us meaning in the present and inspiration for creating future value

- **Physical:** Nourishing people with protein and good nutrition
- **Emotional:** Creating meaningful experiences
- **Community:** Nurturing communities our business is part of
- **Environment:** Limiting the physical impact we have on our world



OUR STRATEGIC FRAMEWORK

OUR OBJECTIVE

To deliver more consistent, predictable and reliable returns

STRATEGIC
PILLARS

OPTIMISE
THE CORE

INNOVATE
TO GROW

REINVEST
IN THE NEW

STRATEGIC
ENABLERS

Consumer

Cost

Culture



OUR PILLARS

OPTIMISE THE CORE

- Deliver asset efficiency with minimal capital spend
- Implement a 'continuous improvement' culture
- Reframe customer relationships
- Maximise the value of every bird

INNOVATE TO GROW

- Manage our core new product development (NPD) and portfolio mix to maximise margin
- Build poultry and protein products / brands to deliver higher margins and offset cost base volatility

INVEST IN THE NEW

- Be flexible, disciplined and well capitalised to take advantage of growth opportunities



OUR ENABLERS

CONSUMER

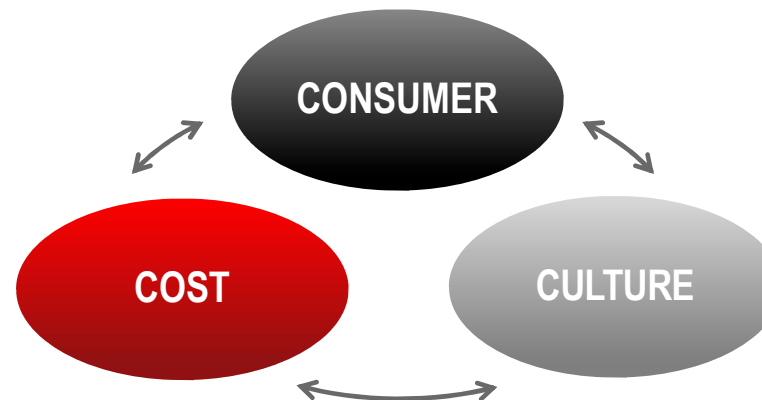
Innovation and profitable growth

- Become a consumer-centric organisation
- Work with customers in new ways – align with and support their growth
- Invest in new value-added products and channels

COST

Efficiency and focus

- Grow efficiency in our network and operations
- Simplify the business
- Strengthen 'horizontal' alignment and decision making



CULTURE

Engagement and capability

- Engage people in our purpose
- Empower people to make a difference
- Build leadership skills and capability

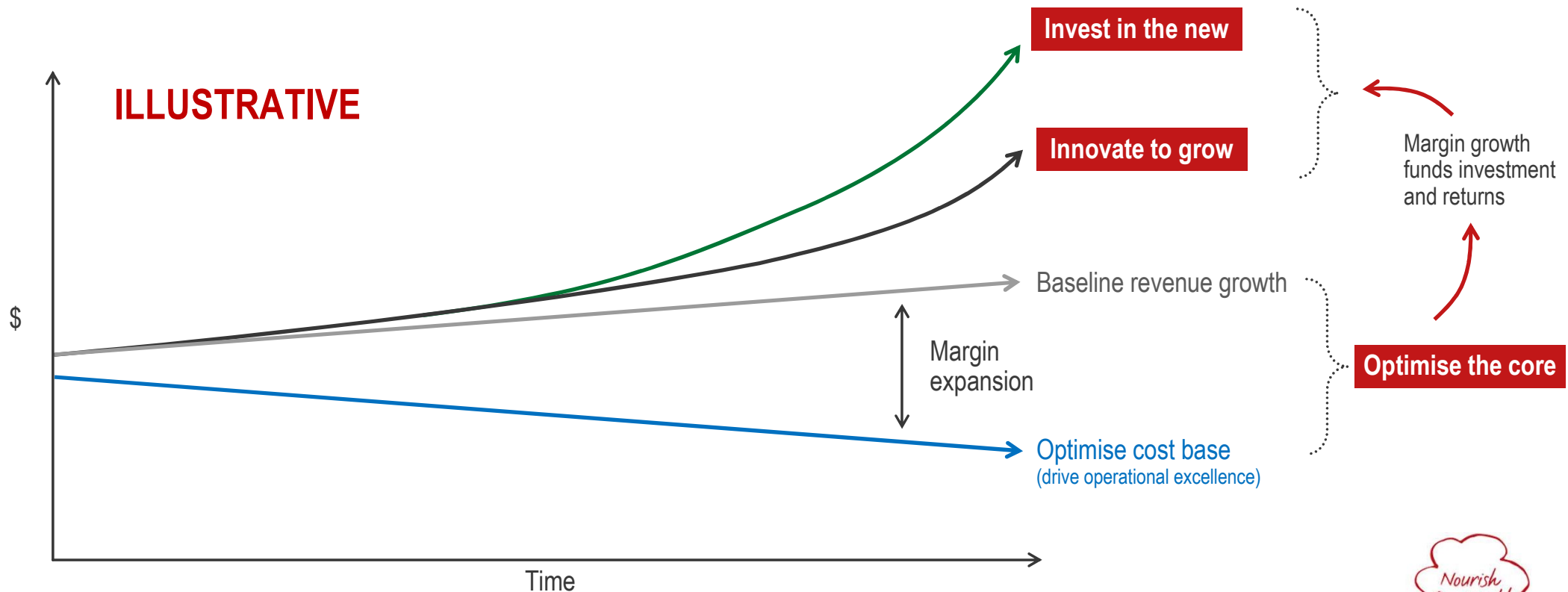


CULTURE

- Our people have a great deal of passion for the company and are proud to be an Ingham's team member
- Opportunities to improve our organisational performance, through focusing on developing the culture and our approach to leadership
- Accompanied by capability development focused on developing our current and future leaders
- 'Enabling our leaders' will drive improved performance, accountability and the attraction and retention of talent



TO DELIVER MORE CONSISTENT, PREDICTABLE AND RELIABLE RETURNS



HOW WE WIN

RIGHT SECTOR
Poultry remains a great sector, with entrenched advantage, and growth prospects

RIGHT ASSETS
Well invested assets and significant capacity upside

RIGHT STRATEGY
Fit for growth, to deliver more consistent, predictable and reliable returns

RIGHT LEADERSHIP
We have assembled a team of leaders who have deep experience and know what great looks like





SEB BRANDT

CHIEF MARKETING OFFICER

UNLOCKING OUR POTENTIAL

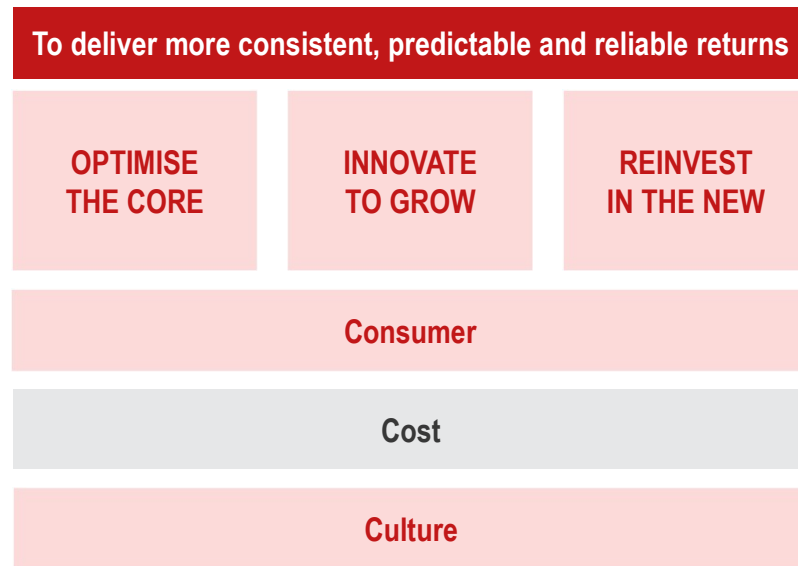
MARKETING



MARKETING FOCUS AREAS

Objective: Drive growth agenda through consumer-led brand building and innovation

INGHAM'S STRATEGIC FRAMEWORK



SHORT TERM PRIORITY INITIATIVES

- 01** Consumer segmentation driving innovation
- 02** Implementing a rebuilt NPD process
- 03** Refreshed branding model
- 04** Launching new, margin accretive, differentiated Innovation



CASE STUDY – NEEDS-BASED SEGMENTATION MODEL

NEED STATE

KEY DRIVERS OF PURCHASE AND CONSUMPTION

HEAT & EAT



I need something easy and quick to make. But it needs to be quality and premium and close to something I could make.



WEEKEND ENTERTAINER



I cook for pride – I'm looking for social currency with my food. I buy the best ingredients and enjoy time preparing them.



BUSY BALANCER



I'm a good basic cook – I'm looking for healthy convenience at a good price. Mid week, I want some but not all of the work done for me.



GOOD FOR ME & THE PLANET



It's all about animal welfare and health for me. Natural, ethical and a bent towards Vegan and Vegetarian options.



CONFIDENT ALL ROUNDERS

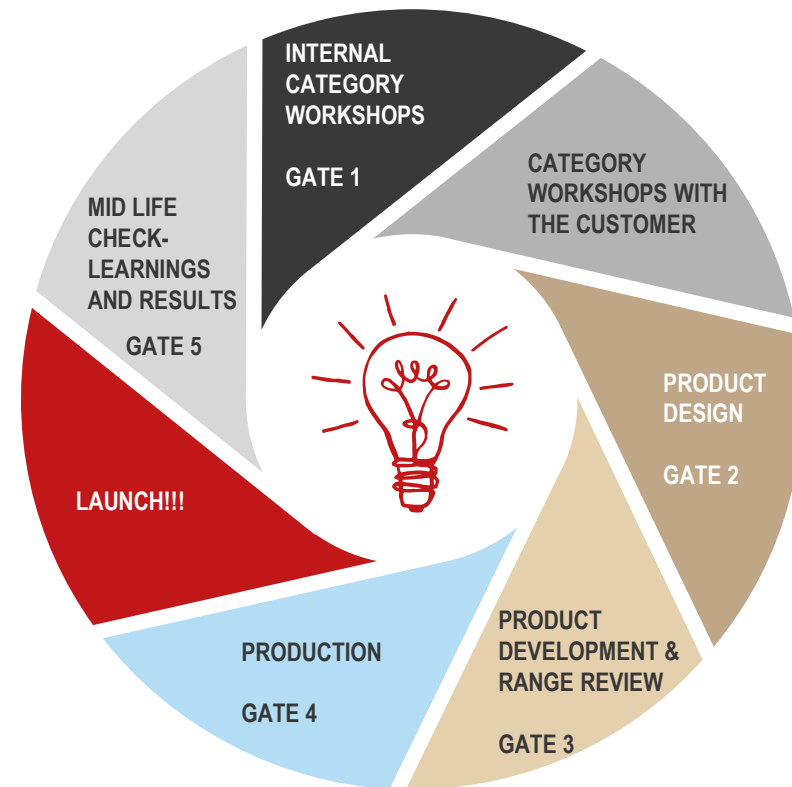


I'm a confident cook – I look for food I can cook from scratch. Whole birds are my game. It's a forgiving protein that I can dress up or down



CASE STUDY – REBUILDING OUR INNOVATION MODEL

- Informed by consumer needs and segmentation
- Category workshops identified unmet needs and areas for improvement
- Built an innovation and ideation funnel with input from consumers, suppliers and partners
- Created an NPD toolkit to support the new process
- Focused on margin accretive, 'Fewer, Bigger, Better' Innovation



CASE STUDY – DIFFERENTIATED INNOVATION

AMERICAN BITES



- Purchasers in the recent campaign had never purchased Ingham's products before

FREE RANGE



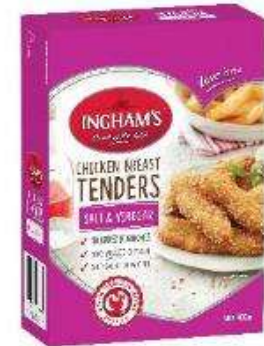
- Unique, first to category premium raw material and crumb

BONELESS WYNGZ



- Built out Foodservice product range
- PFD New Product of the Year
- Pizza Hut Product Excellence Award

SALT & VINEGAR TENDERS



- Capitalising on flavor trends from snacks



CHRIS CROESE
CHIEF CUSTOMER OFFICER

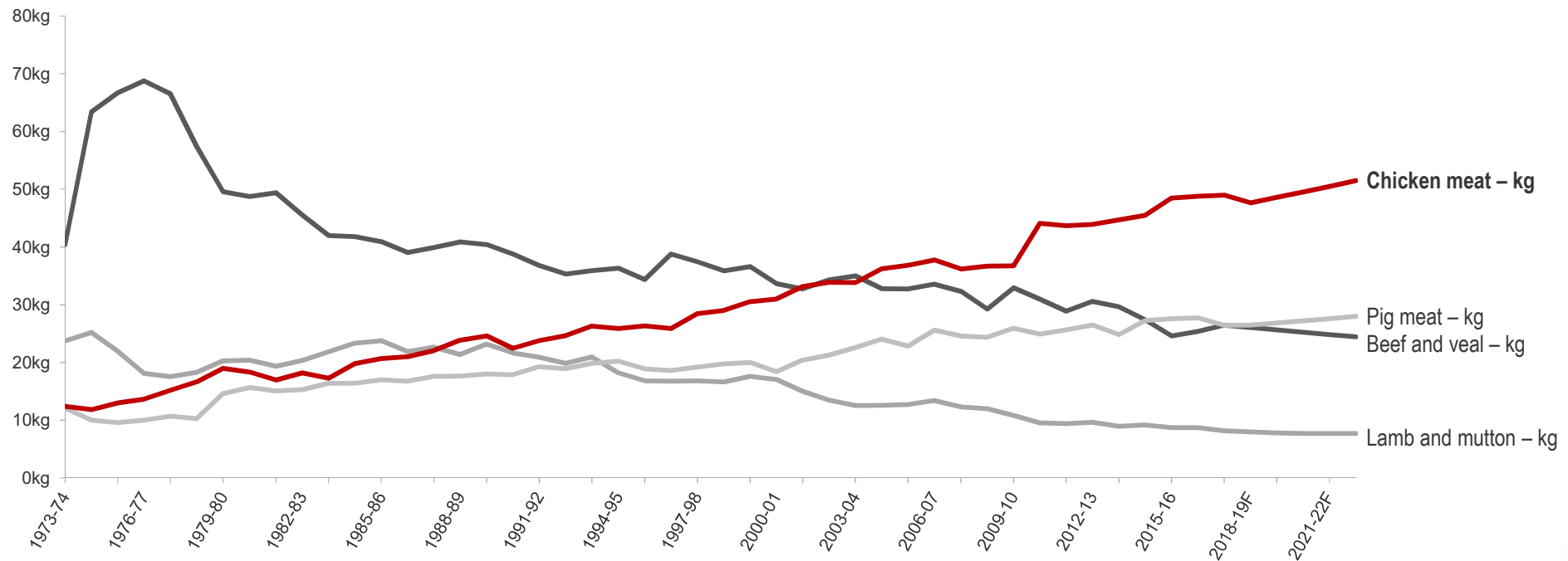
**UNLOCKING
OUR POTENTIAL**

SALES



SUSTAINED DEMAND GROWTH FOR POULTRY

PER CAPITA CONSUMPTION OF MEAT TYPES
(KG PER PERSON P.A.)



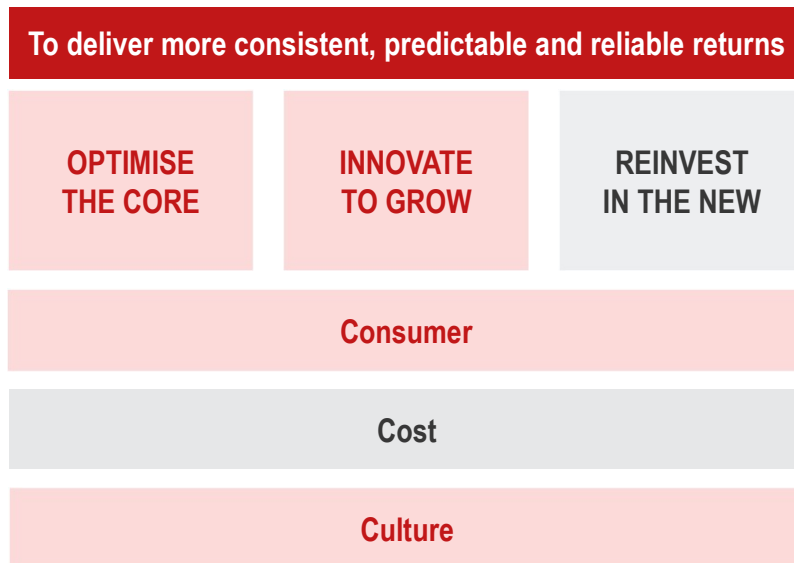
Source: ABARES.



SALES FOCUS AREAS

Objective: To work with customers to unlock incremental value through best-in-class innovation and account management

INGHAM'S STRATEGIC FRAMEWORK



 Short term focus

SHORT TERM PRIORITY INITIATIVES

- 01 Stronger collaboration with strategic partners
- 02 Maximise value of every bird
- 03 Empower sales leads to drive a profitable growth agenda
- 04 Improve collaboration with operations to profitably utilise latent production capacity



CASE STUDY – FROM TRANSACTIONAL SUPPLIER TO STRATEGIC PARTNER

- Identified opportunities to increase collaboration with key customers across the business
- To address this opportunity, we
 - Clearly defined bilateral expectations
 - Introduced project management methodology and systems
 - Brought the right people from across the business on board to execute
 - Executed quickly and methodically
- Benefits derived include improved speed of execution and incremental value

EXAMPLE	FROM	TO
Leveraging Online	<20% of ING branded products supported with online content	100% of ING branded products with online content
Fixed Weight	Insufficient clarity regarding transition to fixed weight processing	Plans to transition priority products to fixed weight before the end of CY20





ANNE-MARIE MOONEY
FEED BUSINESS DIRECTOR

UNLOCKING OUR POTENTIAL

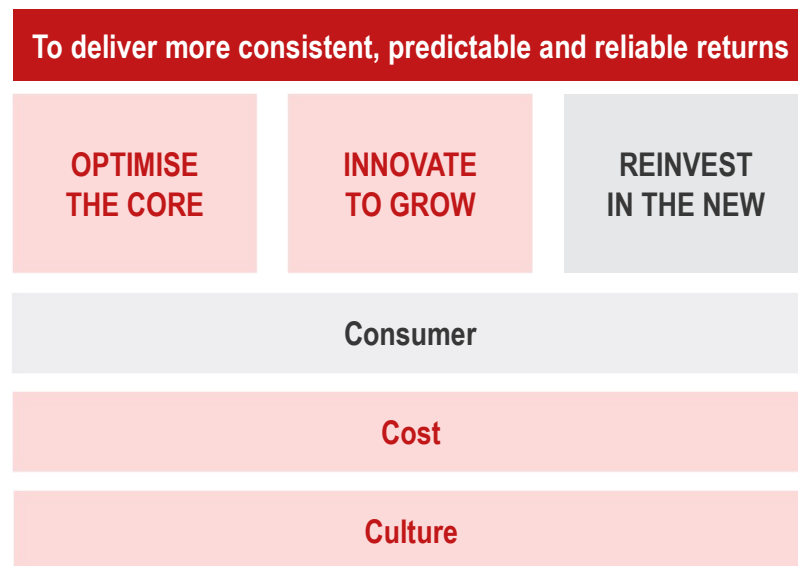
FEED



FEED FOCUS AREAS

Objective: Deliver high quality nutrition to allow our farmers to grow and deliver healthy and consistent birds to our plants at the lowest possible cost

INGHAM'S STRATEGIC FRAMEWORK



Short term focus

SHORT TERM PRIORITY INITIATIVES

- 01 Optimise raw material basket
- 02 Work horizontally to improve feed cost per kilogram of bird liveweight
- 03 Innovation farm – test and learn



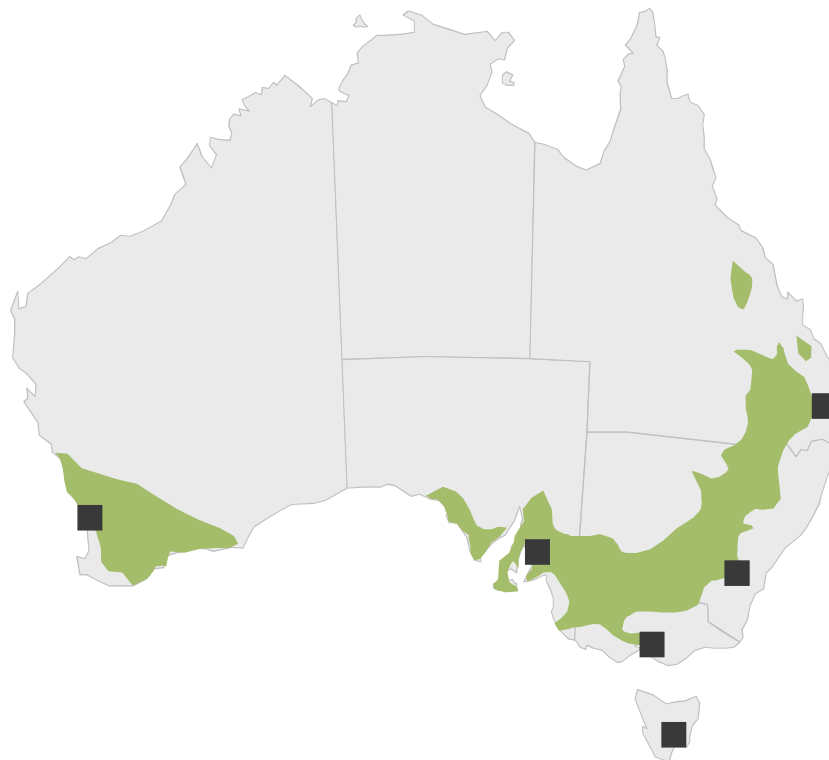
OUR NATIONAL NETWORK MITIGATES RISK TO DELIVERED COST AND CREATES A COMPETITIVE ADVANTAGE



TOTAL	('m MT)
5 year average	23.2
'18/19E.	17.0
'19/20F – Oct 19	17.5

WA	('m MT)	%
5 year average	9.0	39%
'18/19E.	10.2	59%
'19/20F – Oct 19	7.7	44%

SA	('m MT)	%
5 year average	4.3	19%
'18/19E.	3.0	17%
'19/20F – Oct 19	3.6	21%



QLD	('m MT)	%
5 year average	1.0	4%
'18/19E.	0.4	2%
'19/20F – Oct 19	0.4	2%

NSW	('m MT)	%
5 year average	6.0	26%
'18/19E.	1.8	10%
'19/20F – Oct 19	2.4	14%

VIC	('m MT)	%
5 year average	3.0	13%
'18/19E.	2.0	12%
'19/20F – Oct 19	3.4	19%

- Major wheat growing regions
- Ingham's processing facility

Source: Map (USDA), Market Data



CASE STUDY – INNOVATION FARM

- New state-of-the-art research farm in Queensland commissioned in **October 2019**, to deliver R&D for feed and farming initiatives in a controlled environment
- Key network asset to deliver on our goal to be the leader in consumer protein innovation and growth:
 - Supporting the consumer innovation pipeline
 - Staying ahead of the curve in efficiency in chicken production
 - De-risking the raw material basket
 - Evaluating novel and new ingredients
 - Evaluating new animal health products
 - Supporting ag tech initiatives for farming





Q&A





BREAK





TIM SINGLETON
CHIEF OPERATIONS OFFICER

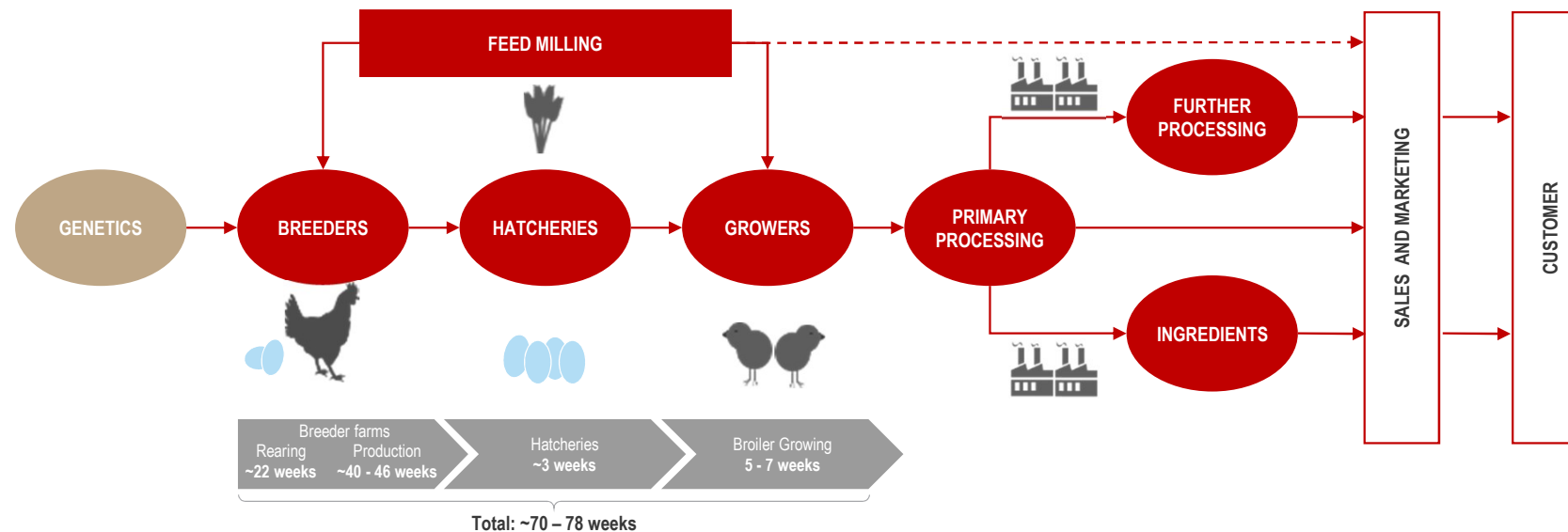
UNLOCKING OUR POTENTIAL

SUPPLY CHAIN AND NETWORK OVERVIEW

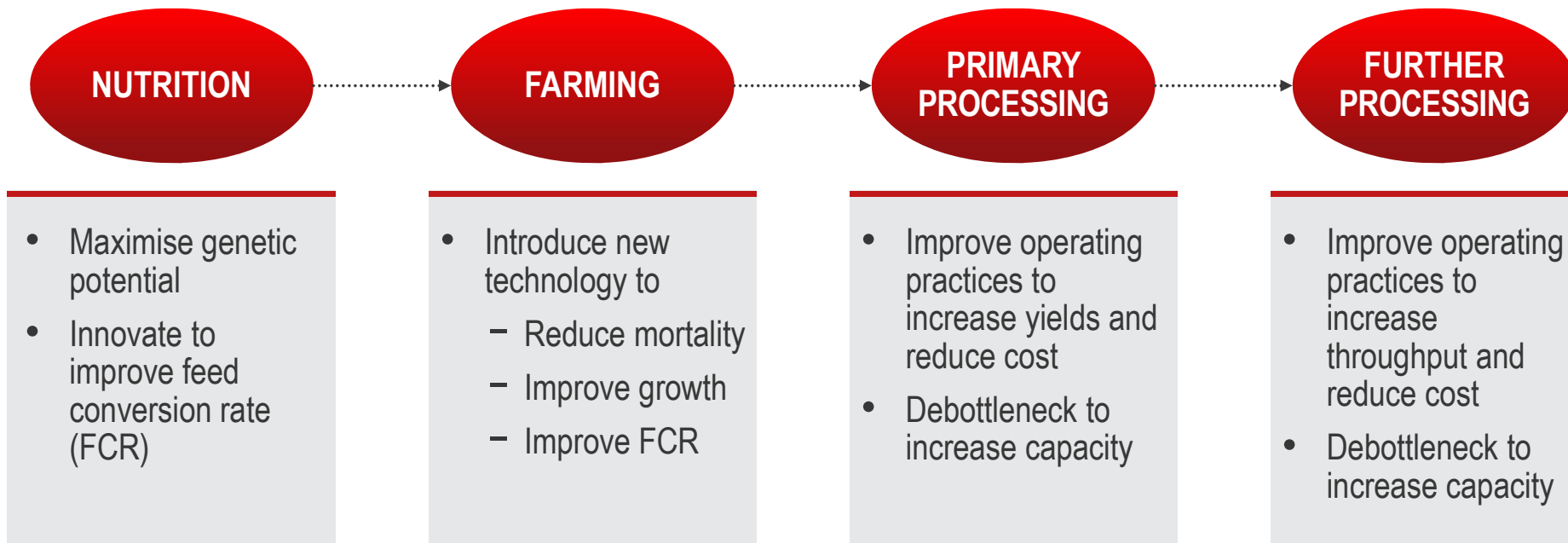


OUR FULLY INTEGRATED OPERATING MODEL

- Value is created across a highly complex and inter-related supply chain
- Cost, capability and complexity creates barriers
- Balance and operational excellence are key to margin capture



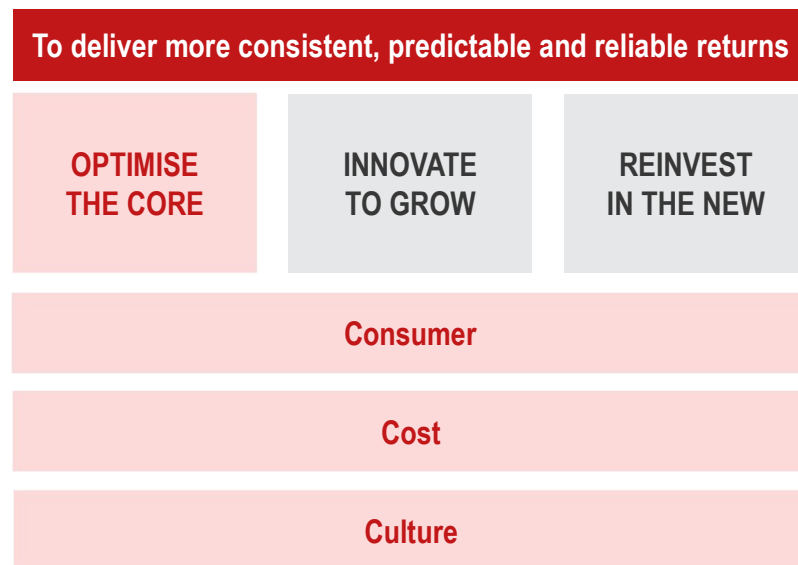
UNLOCKING VALUE ACROSS THE SUPPLY CHAIN



SUPPLY CHAIN AND NETWORK FOCUS AREAS

Objective: Ensure planning and decision making across the network is co-ordinated to safely deliver high quality products to our customers consistently and reliably at the lowest cost

INGHAM'S STRATEGIC FRAMEWORK



SHORT TERM PRIORITY INITIATIVES

- 01 Establish coordinated decision making – “horizontal mindset”
- 02 Right people, right capability in leadership
- 03 Optimise capital plan
- 04 Deliver step change asset utilisation and overall equipment efficiency (OEE)



WE MUST STANDARDISE OPERATIONS

IMPROVE THE BASICS

- Run processes to specification
- Maintain our assets

STEP CHANGE ASSET EFFICIENCY

- Standardise and right size staffing
- Implement best practice playbooks

REALISE CAPACITY POTENTIAL

- Identify current bottlenecks
- Define solutions to increase throughput

Improved Overall Equipment Effectiveness (OEE)





ALAN PARNHAM

GENERAL MANAGER FARMING

UNLOCKING OUR POTENTIAL

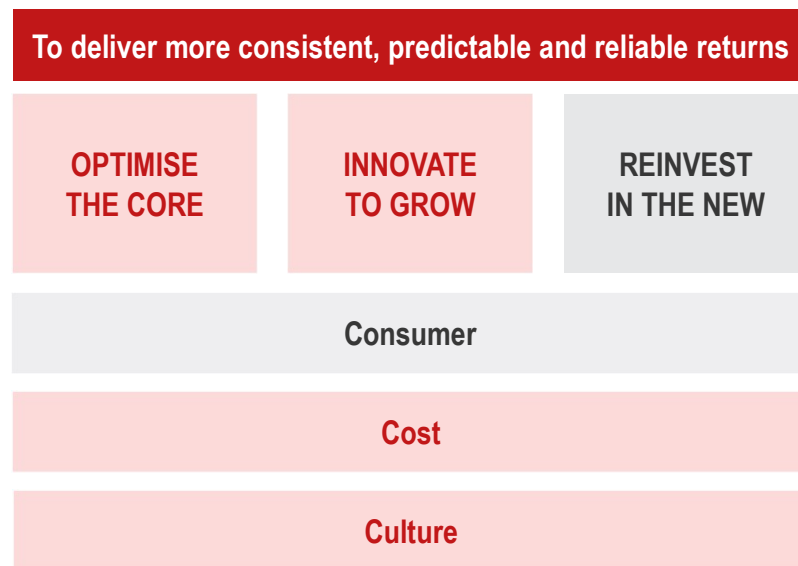
FARMING



FARMING FOCUS AREAS

Objective: Set the standard for animal welfare and deliver a consistent size and quality bird to our processing plants at the lowest cost

INGHAM'S STRATEGIC FRAMEWORK



Short term focus

SHORT TERM PRIORITY INITIATIVES

- 01 Improve network utilisation
- 02 Partner to achieve genetic potential
- 03 Automate to improve efficiencies and ensure sustainable production
- 04 Implement best practice systems and technologies



CASE STUDY – HATCHCARE

- ✓ Improved living conditions for more animal-friendly production
- ✓ Feed and water for stronger and healthier day-old chicks
- ✓ MicroClimer technology for superior and uniform chick quality
- ✓ Bio-security for healthy chick production
- ✓ Energy efficiency for operational sustainability
- ✓ To be installed in new hatcheries, starting with VIC



Improved animal welfare and performance





ART LANKFORD

GENERAL MANAGER PRIMARY PROCESSING

UNLOCKING OUR POTENTIAL

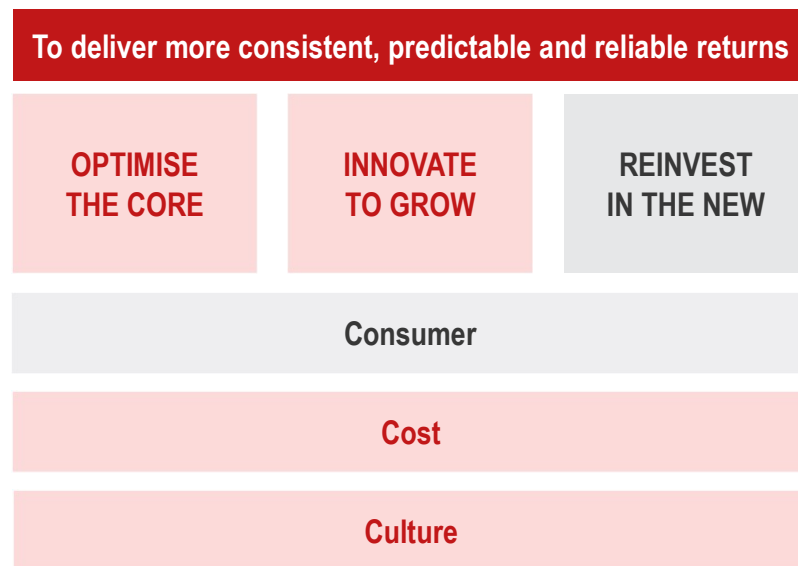
PRIMARY PROCESSING



PRIMARY PROCESSING FOCUS AREAS

Objective: Maximise throughput and yield to deliver our products at the lowest unit cost, whilst maintaining the highest standards of employee and food safety and quality

INGHAM'S STRATEGIC FRAMEWORK



Short term focus

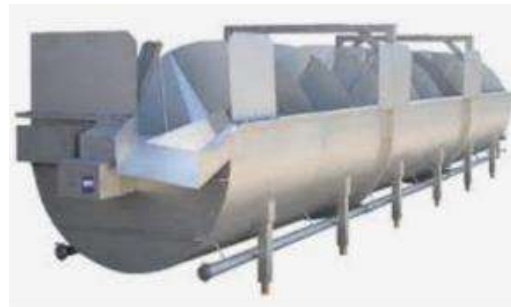
SHORT TERM PRIORITY INITIATIVES

- 01 Increase OEE
- 02 Debottleneck capacity
- 03 Standardise and optimise asset management
- 04 Reduce labour costs



CASE STUDY – UNLOCKING LATENT CAPACITY

- Internal review identified spin chillers as the major bottleneck impacting plant throughput at Somerville (VIC) and Osborne Park (WA) primary processing facilities
- New spin chillers will double capacity at each facility and unlock an incremental +20% network capacity to support future growth
 - Somerville project completed
 - Osborne Park project to be completed
- Managed growth in line with sales and marketing plans



Capital spend (2 plants)

~\$14m

Incremental plant capacity

+100%

Incremental network capacity

+20%

CASE STUDY – DELIVERING YIELD UPSIDE

INDICATIVE

- Internal review identified rapid breast deboners performing significantly below global standards
- Minor capital required to unlock incremental +1.0% breast yield
- Best practise playbook developed and rolled out nationally

Incremental yield	+1.0%
Incremental breast meat harvested per week	40 tpw
Retail price per kilogram	\$9.50
Total retail value per week	\$380k
Total retail value per annum	~\$20M





JOHN ALLDIS

GENERAL MANAGER FURTHER PROCESSING

UNLOCKING OUR POTENTIAL

FURTHER PROCESSING



CASE STUDY – TURKEY TURNAROUND

A horizontal view of the business can unlock incremental value

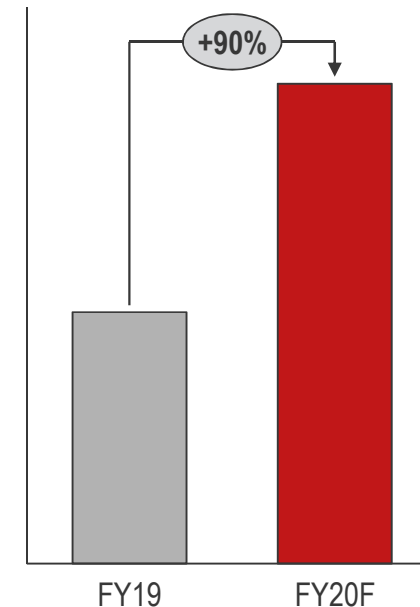
Siloed ways of working coupled with short term planning was resulting in sub-optimal decision making

John Alldis introduced a “Back to Basics” program to improve business performance

KEY INITIATIVES

- Established “One Team” mentality – *“success requires integrated planning and thinking”*
- Established long-term planning function
- Focused on yields and balancing the bird
- Invested savings back into products
- Refocused NPD toward refreshing core range

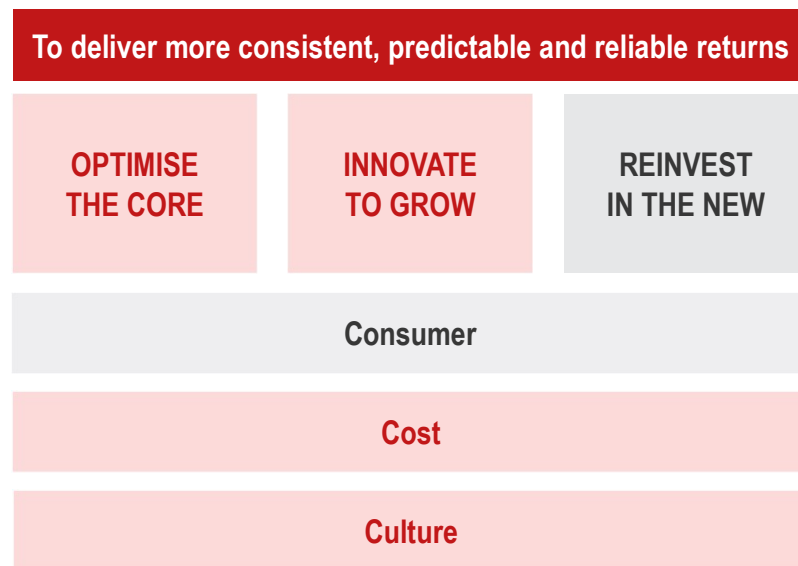
TURKEY ACTUAL MARGIN (\$)



FURTHER PROCESSING FOCUS AREAS

Objective: Maximise throughput and yield to deliver our products at the lowest unit cost, whilst maintaining the highest standards of employee and food safety and quality

INGHAM'S STRATEGIC FRAMEWORK



Short term focus

SHORT TERM PRIORITY INITIATIVES

- 01 Optimise production scheduling
- 02 Improve OEE
- 03 Focus on people – capability and cost
- 04 Plant specialisation



CASE STUDY – UNLOCKING CAPACITY AND EFFICIENCY POTENTIAL



INITIAL STEPS TAKEN TO MANAGE SIGNIFICANT PRODUCTION GROWTH AT EDINBURGH PARKS (EP)

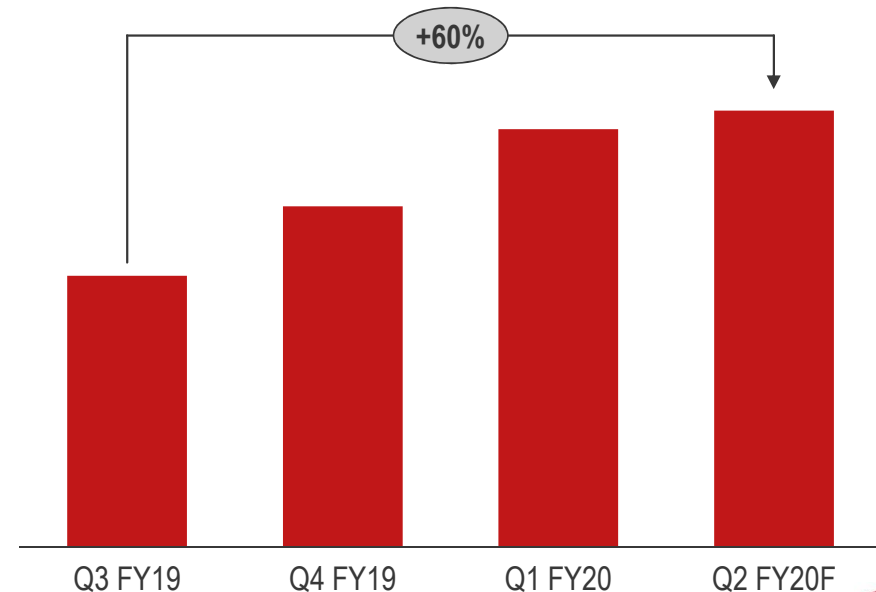
1. Simplify production scheduling

- Reduce changeovers
- Longer runs

2. Debottleneck process to increase throughput

- Packing identified as production bottleneck
- New process implemented will result in reduced cost

EP AVERAGE WEEKLY PRODUCTION VOLUME





JONATHAN GRAY
CEO NEW ZEALAND

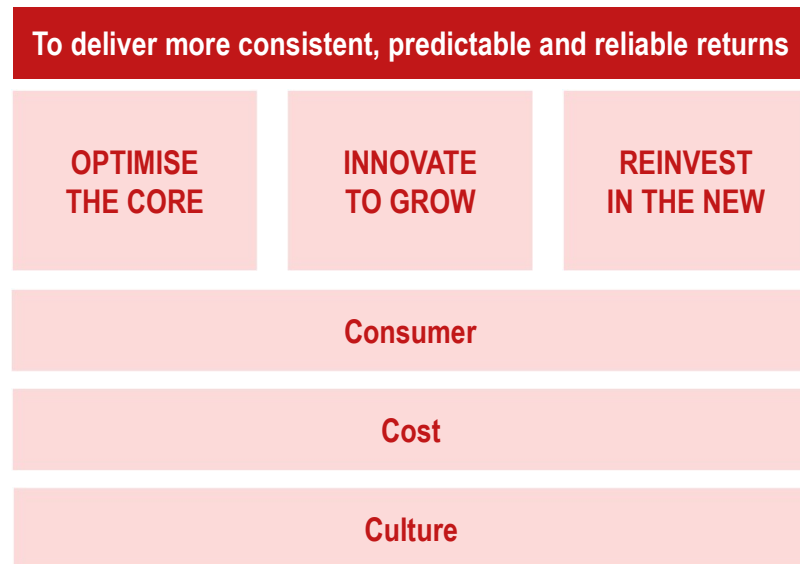
UNLOCKING OUR POTENTIAL

NEW ZEALAND



NEW ZEALAND FOCUS AREAS

INGHAM'S STRATEGIC FRAMEWORK

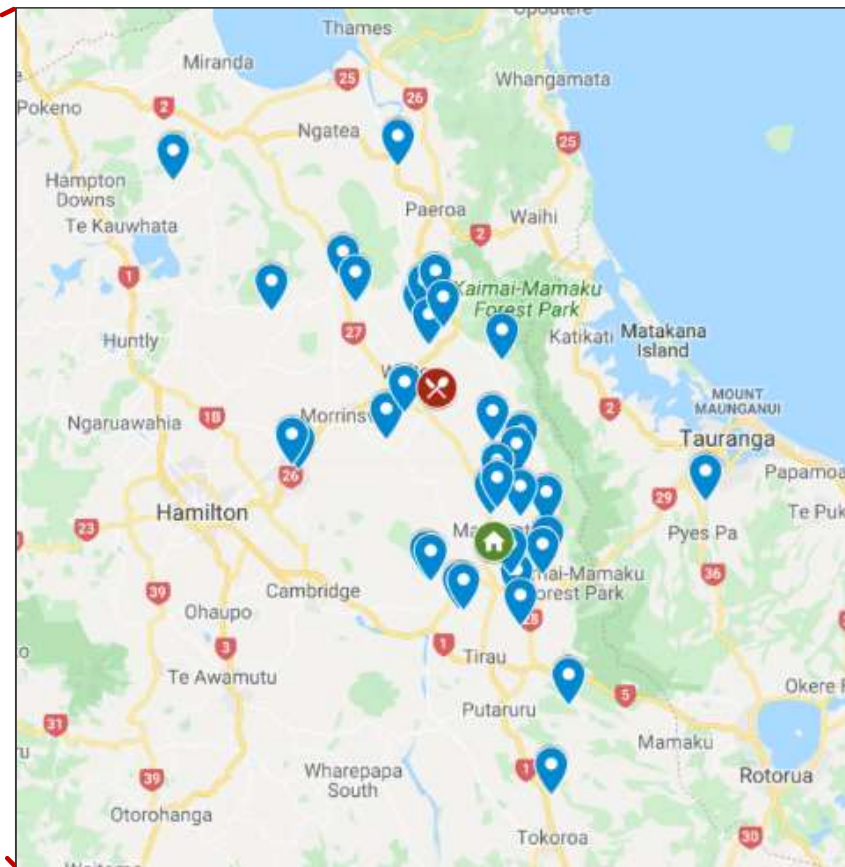


SHORT TERM PRIORITY INITIATIVES

- 01 Complete rebuild of broiler farm infrastructure
- 02 Continued improvement in operational efficiencies and performance
- 03 Extend Waitoa's brand leadership
- 04 Watching brief on IBDV



BROILER FARM INFRASTRUCTURE



OPERATIONAL EFFICIENCY AND PERFORMANCE

- Productivity improvements being realised, however further opportunities remain
- Detailed review of primary plant layout, flow and capacity underway to unlock efficiency improvements
- Primary Plant automation with breast deboner
- Introduction of new cooking capability and efficiency in our Further Processed network
- Utilisation of group expertise and international best practice



Multi-head weigher



Automated bagger

CASE STUDY – BRAND ARCHITECTURE





JIM LEIGHTON

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

SUMMARY



OUTLOOK

- Trading to plan through Q1 FY2020
- EBITDA run rate expected to be lower in the 1H than the 2H of FY2020 reflecting impact of feed prices and Further Processing (as previously discussed)
- Adoption of AASB16 will have no economic impact to the group
- Initial recognition of a right of use asset and lease liability of circa \$1.8 billion
- Review of operating capital plan is nearing conclusion
- A broader capital management plan, including financing strategy for hatcheries, is also being developed
- Strong operating cash flow generation will continue
- Dividend policy unchanged - pay-out ratio of 60-70% of underlying NPAT (excludes impact of leasing)



WE ARE UNLOCKING OUR POTENTIAL

- Attractive sector
- Strong foundations
- Clear strategy
- Material efficiency and capacity upside
- Right team to deliver





Q&A





thank
you

