



## **RIDLEY ORGANISATIONAL RESTRUCTURE AND MILL RATIONALISATION**

Melbourne, Australia, 11 November 2019: Ridley Corporation Limited (**Ridley**) (**ASX:RIC**) announces the implementation of a new organisational structure and further mill rationalisation with implications for Ridley's 2020 financial year (FY20) results.

Following a detailed review of Ridley's operations and organisational structures, the Ridley Board has approved an internal restructure plan which will see a significant reduction in staffing levels throughout the organisation to be implemented in the month of November 2019. A leaner, simplified and flatter reporting structure has been proposed which is designed to improve customer alignment while removing an estimated \$5 million of annualised costs from the organisation. The estimated total cost of the restructure to be brought to account in FY20 is c.\$3 million.

After nearly three months in the role, Ridley Chief Executive Officer and Managing Director Mr Quinton Hildebrand commented "The new structure will remove a number of layers in certain parts of the organisation, will provide clear lines of accountability, and will facilitate a more proactive relationship with our customers. We will continue to leverage our centralised procurement purchasing and nutrition expertise to deliver a compelling customer value proposition."

Ridley Chair Dr Gary Weiss commented "We have charged our new CEO with responsibility to focus Ridley on its domestic growth plans, leverage its state of the art facilities, and accelerate the commercialisation of its Novacq™ franchise internationally. In order to maintain our customer value proposition and facilitate growth in all of our markets, it is essential to have a competitive cost structure from which to leverage Ridley's nutritional expertise, merchandising capability and production knowhow. This restructure is an important step towards meeting the Board's objectives."

Ridley also wishes to advise that the construction of the new feedmill at Wellsford, Bendigo in Central Victoria is progressing well and remains on target for completion in the last quarter of the current financial year. Upon commissioning of this new feedmill, there will be a rationalisation of Ridley's existing mill capacity for the region which will incur c.\$6 million of one-off costs to be brought to account in FY20. The majority of these costs relate to asset impairments and write downs and are therefore non-cash in nature.

This announcement follows the previously announced 25 October 2019 closure of the Murray Bridge feedmill in South Australia which is expected to incur a net restructuring cost of c.\$6.1 million in FY20 but to deliver annualised cash savings of c.\$1.5 million. The majority of these costs also relate to asset impairments and write downs and are non-cash in nature.

### **For further information please contact:**

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