



Australian Agricultural Company Limited
ABN 15 010 892 270

Bell Potter Home Grown Agriculture Conference 2021

16 September 2021

Manager
ASX Market Announcements
Australian Securities Exchange

Attached for release to the market is a presentation prepared for AACo Managing Director/Chief Executive Officer, Hugh Killen, for the Bell Potter Home Grown Agriculture Conference 2021.

This announcement is authorised for release by the Managing Director/Chief Executive Officer.

Issued by:
Bruce Bennett
Company Secretary and General Counsel



Bell Potter Home Grown Agriculture Conference
16 September 2021



Important *Information*

Summary information only

This presentation contains general information about the Australian Agricultural Company Limited and its consolidated entities (“AACo”) and its activities current as at the date of this presentation. It is provided in summary and does not purport to be complete. You acknowledge and agree that you will rely on your own independent assessment of any information, statements or representations contained in this presentation and such reliance will be entirely at your own risk.

Disclaimer

AACo and its related bodies corporate and associated entities and each of their respective officers, employees, associates, agents, auditors, independent contractors and advisers, do not make any representation, guarantee or warranty, express or implied, as to the accuracy, completeness, currency or reliability (including as to auditing or independent verification) of any information contained in this presentation and do not accept, to the maximum extent permitted by law:

- a) any responsibility arising in any way for any errors in or omissions from any information or for any lack of accuracy, completeness, currency or reliability of any such information made available;
- b) any responsibility to provide any other information or notification of matters arising or coming to their notice which may affect any information provided; and
- c) any liability for any loss or damage (whether under statute, in contract or tort for negligence or otherwise) suffered or incurred by any person as a result of or in connection with a person or persons using, disclosing, acting on or placing reliance on any information contained in or omitted from this presentation, whether the loss or damage arises in connection with any negligence, default or lack of care or from any misrepresentation or any other cause.

Forward-looking statements


This presentation may contain forward-looking statements. All statements other than statements of historical facts included in this presentation are forward-looking statements. Forward-looking statements may include, without limitation, statements relating to AACo’s financial position and performance, business strategy, plans and objectives of management for future operations. Forward-looking statements involve known and unknown risks, uncertainties and other factors (many of which are beyond AACo’s control) and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. Some of the important factors that could cause AACo’s actual results, performance or achievement to differ materially from those in any forward-looking statements include (among other things): the risks and uncertainties associated with the ongoing impacts of COVID-19, levels of demand and market prices, climatic conditions, the impact of foreign exchange currency rates on market prices and operating costs, political uncertainty and general economic conditions in Australia and overseas, the ability to produce, process and transport goods and livestock profitably, the actions of competitors and activities by governmental authorities. Forward-looking statements should not be relied on, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. No representation, guarantee, or warranty (express or implied) is given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, projections or forward-looking statements contained in this presentation. Except as required by applicable regulations or by law, AACo does not undertake any obligation to publicly update or review any forward-looking statements, whether as a result of new information or future events. This presentation should not be relied upon as a recommendation or forecast by AACo.

No offer of securities

Nothing in this presentation should be construed as either an offer or invitation to sell or a solicitation of an offer to buy or sell AACo securities in any jurisdiction.

Non-IFRS information

Operating Profit and Statutory EBITDA are unaudited, non-IFRS financial information. These terms are further defined in the definition section of the presentation located in the appendix.

A man with short grey hair, wearing a dark blue suit jacket over a light blue striped shirt, is smiling and looking towards the right. He is standing in a kitchen with a wooden countertop and a window in the background. A semi-transparent dark box with white text is overlaid on the right side of the image.

Presenting Today Hugh Killen - Managing Director & CEO

Hugh has been the Managing Director & CEO of AACo since 2018. Over the last three years he has overseen the turnaround of the performance of the company. He's done this while the Australian agriculture industry has experienced some of the worst droughts and floods ever seen, with the added impact of COVID-19.

Prior to this he spent 25 years as a senior executive working with Westpac and State Street in global financial markets across Australia, the UK and North America.

He has a lifelong association with agriculture having been raised on pastoral properties in northern NSW and south west Queensland. Today he still has strong personal involvement in the agriculture industry, through his own private farm on the south coast of NSW, which is also his family home.

Our Story is forged from *The Land*

Established in 1824, we are Australia's oldest continuously operating company.

Today we are the proud custodians of 6.4 million hectares of land in Queensland and the Northern Territory, which represents ~1% of Australia.

We are one of Australia's largest integrated cattle and beef producers, operating a network of stations and farms across our properties.

Our Australian hard-working attitude combined with years of experience cultivating cattle on our pristine pastoral assets is unique to our country and our company; we take great pride in that.

A person wearing a hat and light-colored clothing is riding a horse, herding a large group of dark-colored cattle through tall grass. The scene is set near a body of water in the foreground, with trees in the background under a warm, golden sky. The text "We're evolving *together* to benefit future generations" is overlaid on the image.

We're evolving *together* to benefit
future generations

A high-angle, close-up photograph of a chef's hand pouring a thick, light-brown sauce from a metal gravy boat onto a plate of food. The plate contains a portion of seared beef, a side of fresh green salad, and a garnish of small dark seeds. To the left, another plate with a golden-brown baked dish is partially visible. The scene is set on a white tablecloth with a blue-rimmed plate. A silver fork lies on the table in the foreground. A semi-transparent text box is overlaid in the center of the image.

Our vision is to be trusted as producers of the finest
quality beef

Overview of AACo

Enviably natural resources underpinning value

- long term capital growth in pastoral property of 8%¹ since 2014.

Robust global consumer demand for healthy and premium protein

- favourable to AACo's premium product.

Desired portfolio of Brands

- Branded Beef Strategy gaining traction and driving results.

Global distribution arrangements and customer relationships.

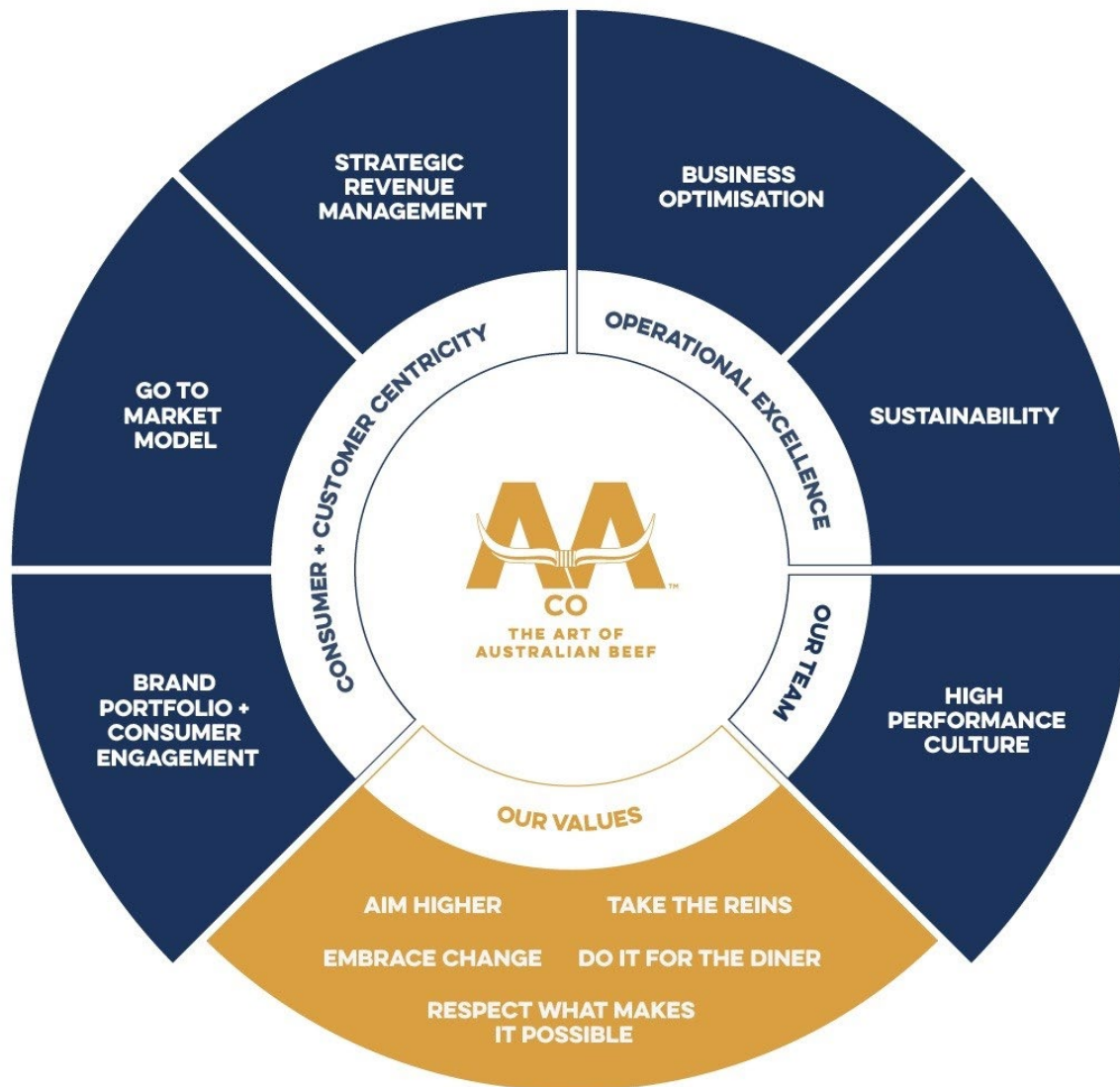
Proven operating resilience through challenging periods.

Globally experienced leadership and deep operational expertise forged over nearly 200 years.

Note 1: Represents CAGR of pastoral land value since 2014.



What we are *focused* on



Driving positive change through our business, industry and communities to deliver a better, more sustainable future.

Accelerating execution of our Premiumisation Strategy through our leading brand portfolio.

Enhancing value and margin through innovation.

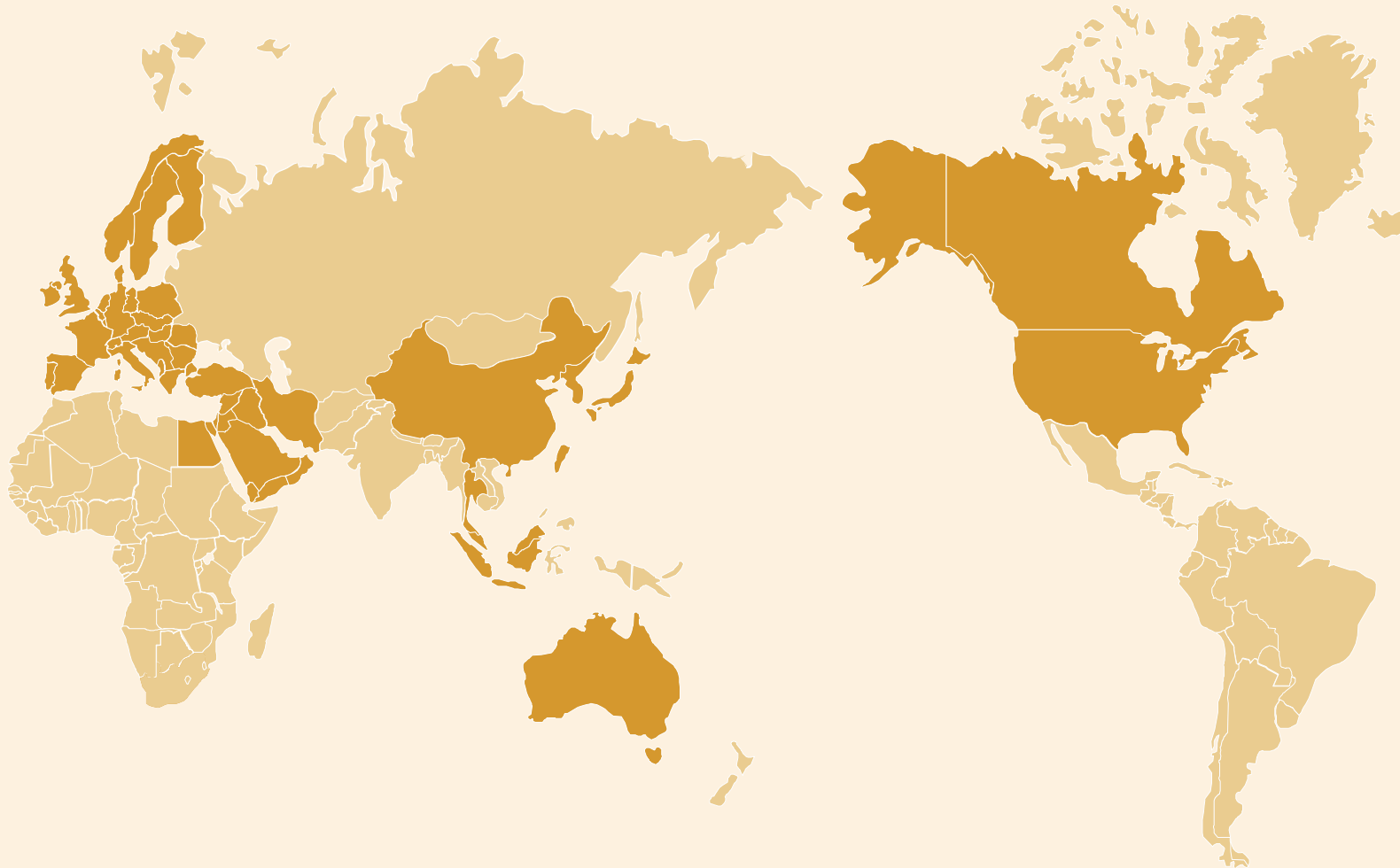
Continuing to grow and evolve our global distribution networks and customer relationships.

Creating a simpler and more efficient AACo.

Creating value through our diverse asset portfolio and natural resources.

Building leaders and talent in rural and regional communities.

Where we sell our *product*



We leverage our strong distribution arrangements to reach consumers and customers on a global scale across Asia, the Middle East, Europe, the United States and at home in Australia.



W
WYLARAH



WESTHOLME





A man and a young boy, both wearing cowboy hats and blue shirts, are crouching in a field of tall, dry grass. The man is on the left, wearing a dark brown hat, and the boy is on the right, wearing a light tan hat. They are both looking down at a clump of grass they are holding together. In the background, several dark-colored cows are grazing in the field, and a line of trees is visible under a clear blue sky.

We are excited about our sustainable future, and our
potential to drive positive change through our
business, industry and communities to deliver a
better world for future generations

Carbon Abatement

97,804

Tonnes CO₂-e abated

Approximately

78,000

Net ACCUs generated

Our AACo *Team*



Diversity

Female Representation

39%
of workforce

38%
of leadership team

25%
of people leaders

11%
of Board Members

Female appointments

43%
of new appointments

40%
of promotions



Wellbeing, Health and *Safety*

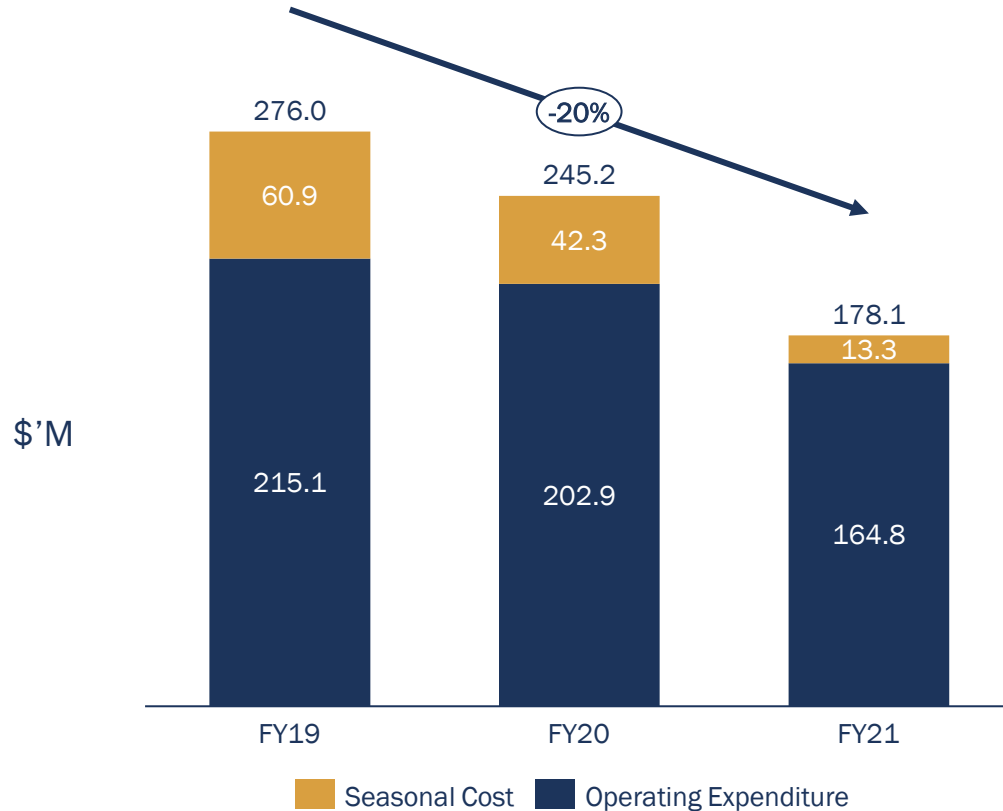


SWITCH ON

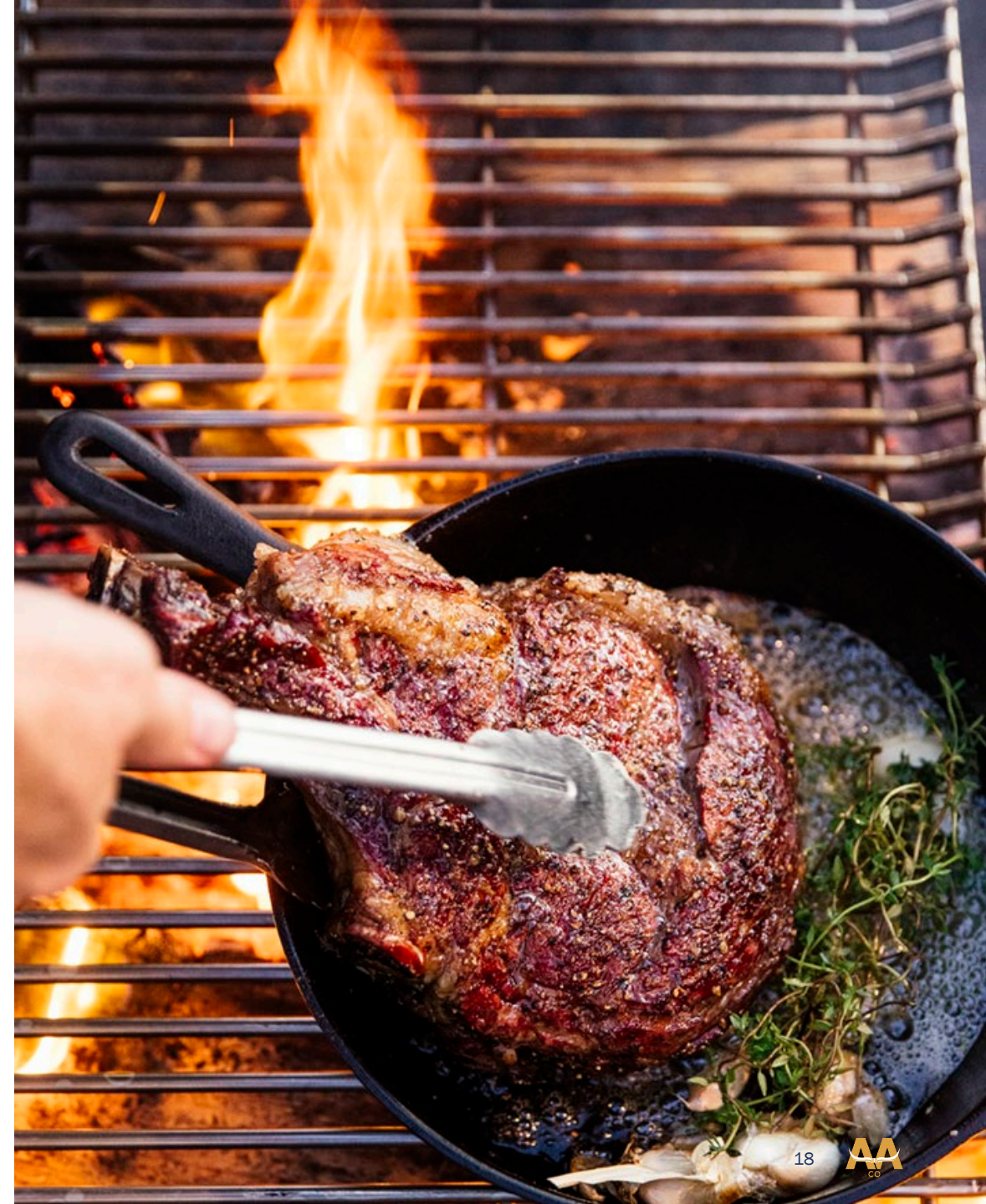


A simpler & more efficient *AACo*

Operating Expenditure



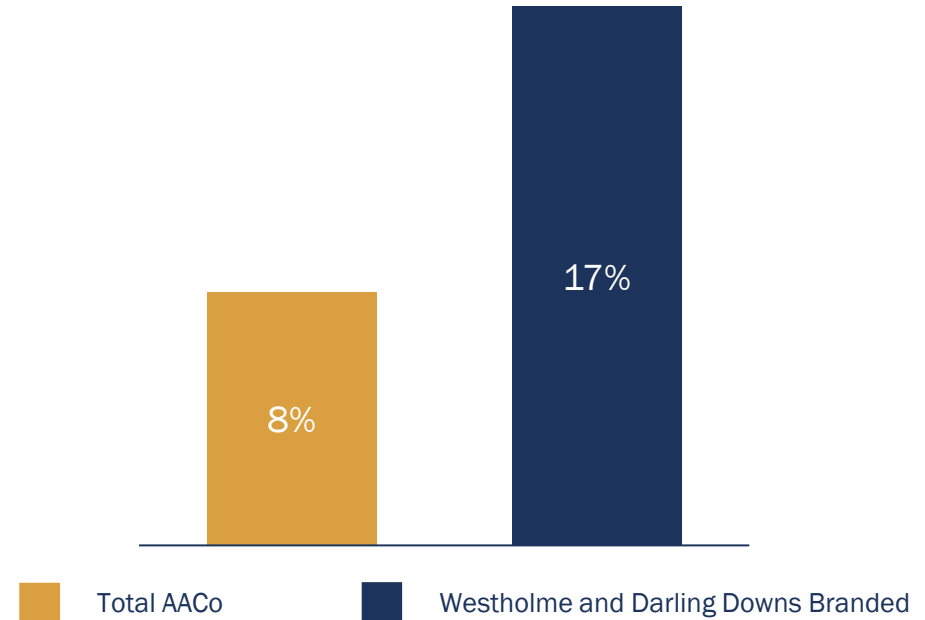
- Seasonal costs have reduced since FY19.
- Further reductions seen in line with lower herd volumes in FY20 and FY21.
- Remainder of cost base decreasing as we have focused on creating a simpler & more efficient AACo.





Branded Beef Strategy gaining *Traction*

Branded \$/kg CAGR since 2019 vs AACo \$/kg CAGR



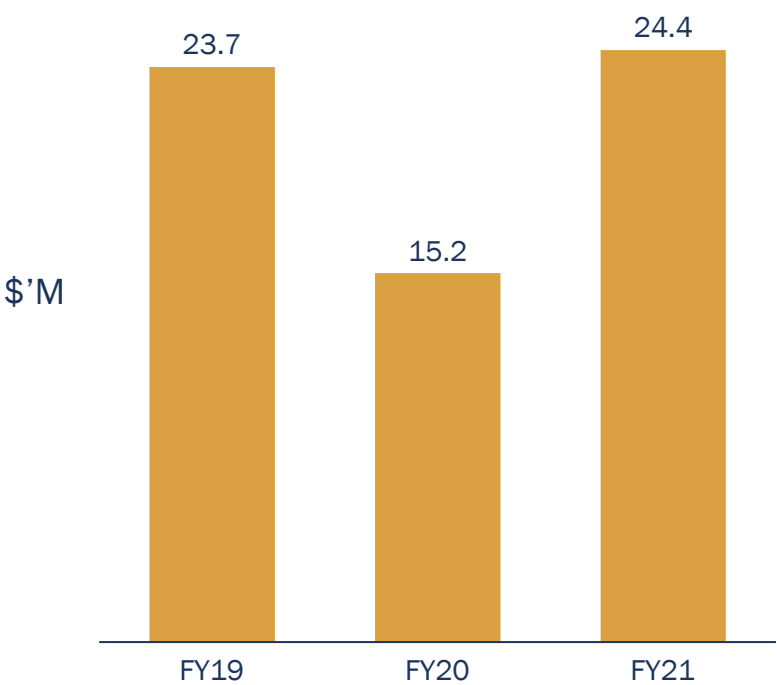
- Westholme and Darling Downs represent ~74% of branded meat sales¹.
- Loin and Rump cuts have been core focus of Branded Beef Strategy to date, with good progress made.
- Lower brand transition in BBQ and Secondary cut category, with opportunity to further support price growth through brand transition.
- Progressing opportunities to further add value through innovation and continue to get closer to the customer.

Note 1: Branded meat sales represents total meat sales excluding trim.

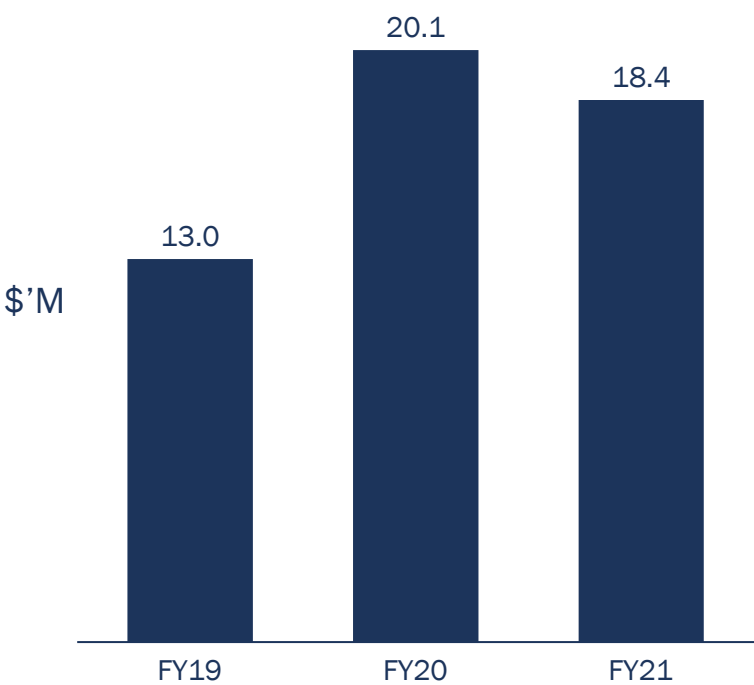
Positive *Financial Performance*

Positive Underlying Operating Profit and Cash Flow¹ despite challenging operating environment in past 3 years.

Underlying Operating Profit¹



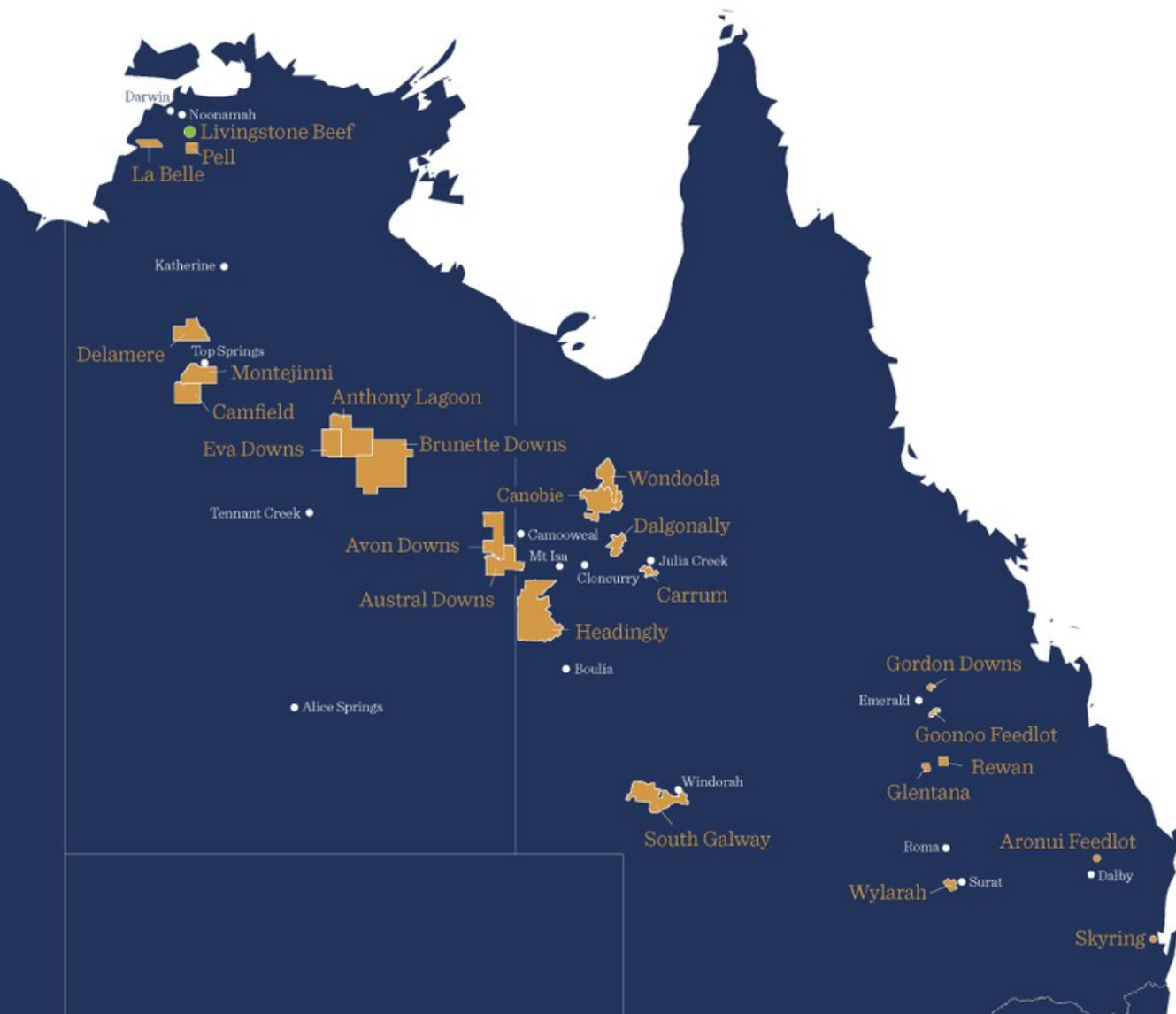
Underlying Operating Cash Flow¹



Note 1: JobKeeper assistance totalled \$6.7M operating profit and operating cash flow FY21.



Value underpinned by a strong *asset base*



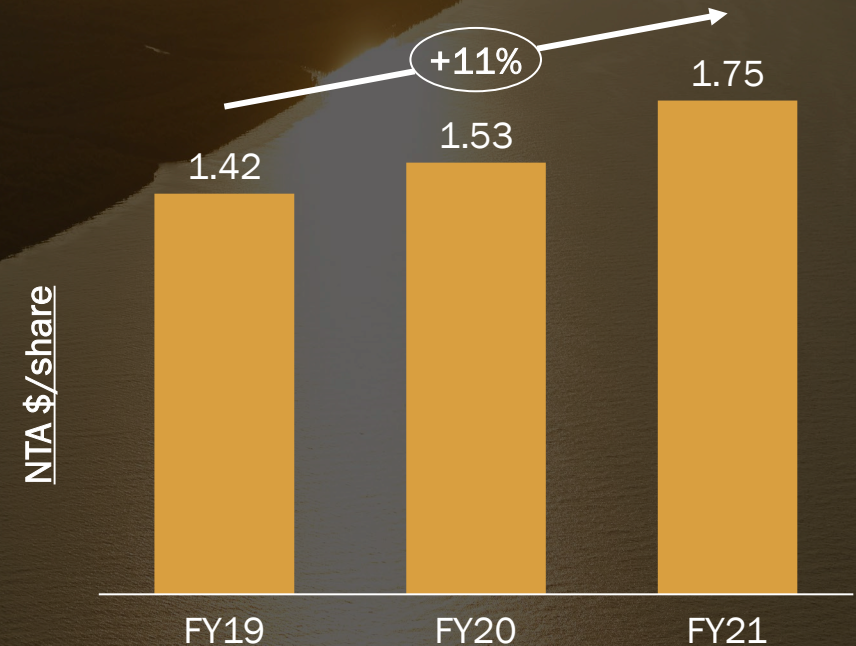
Strong Balance Sheet with total assets of ~\$1.6B

- Pastoral Property – \$915.8M.
- Livestock – \$537.4M.

Well capitalised with substantial remaining Access to Capital

- \$550M in total syndicated borrowing capacity.
- \$186M in available undrawn capacity.

Significant headroom under financial covenants





Sources of future *Value Growth*

Strong asset base underpinning value.

Robust global consumer demand for healthy and premium protein.

Continued roll out of Branded Beef and Premiumisation Strategy.

Leveraging global distribution arrangements and customer relationships.

Driving positive change through our business, industry and communities to deliver a better, more sustainable future.

Deeply experienced leadership and operational team.



Q&A



Thank You

Definitions

Term	Definition
<i>Operating Profit</i>	<i>The measure of Operating Profit is a key indicator which is used to monitor and manage the Company. It eliminates the potential distraction caused by unrealised cattle valuation adjustments being recorded in the financial results and is a better reflection of actual financial performance under the control of management. Hence the Company believes that external stakeholders benefit from this metric being reported. Operating Profit is unaudited, non-IFRS financial information. Operating Profit assumes movement in Livestock and inventory volume at cost of production, while Statutory EBITDA results include revaluations based on livestock market values.</i>
<i>Statutory EBITDA</i>	<i>Statutory EBITDA is unaudited, non-IFRS financial information and represents earnings before interest, tax, depreciation and amortisation, and gain/loss on equity investments.</i>
<i>Cost of Production</i>	<i>Cost of production is a measure of the operating costs incurred to produce a kilogram of live weight of cattle throughout the breeding, backgrounding and feedlot operations of the Company during the period.</i>
<i>CAGR</i>	<i>Compound annual growth rate.</i>