



24 November 2022

RIDLEY AGM 2022

ADDRESS – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Ridley Corporation Limited (**Ridley**) (**ASX:RIC**) attaches the address to be presented by the Managing Director and Chief Executive Officer at today's Annual General Meeting, commencing at 10am (AEDT):

At the offices of KPMG, Level 36, Tower 2, Collins Square, 727 Collins Street, Melbourne, Victoria, 3008; and

Webcast live via <https://meetnow.global/M67S9XP>.

For further information please contact:

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This ASX announcement was approved and authorised for release by the Ridley Board of Directors.



ANNUAL GENERAL MEETING

24 NOVEMBER 2022

Managing Director and Chief Executive Officer's Address

Thank you, Mick and good morning ladies and gentlemen.

We appreciate your attendance at our AGM today.

As Mick has indicated, I will provide a brief summary on the performance of the business in FY22, outline the high-level strategy and restate the Outlook statement for 1H FY23 that was provided to the market on 14 November.

Operating Performance

FY22 was a successful year for the business. Despite the challenges of COVID-19 and the fall-out from the war in the Ukraine, we delivered on the needs of our customers, handled greater volume through our operations and maintained our focus on safety.

Both reporting segments grew in FY22 delivering a Group EBITDA from ongoing operations of \$80.1m, up 16% on the prior year.

FY22 was the final year of the FY20-22 Growth Plan. In this three-year period, the business delivered an EBITDA CAGR of 18.6%, implemented a disciplined capital allocation framework, invested growth capex in both reporting segments, sold underperforming assets and realised a total shareholder return of 79%.

Disciplined Capital Management

At the start of FY22, the Ridley Board announced a Capital Allocation Framework to ensure future capital discipline and maximise shareholder returns. This framework prioritises maintenance, ESG and working capital requirements to sustain the future earnings of the Company and supports a conservatively geared balance sheet. Thereafter, surplus cash flows are available to pay dividends and fund organic and inorganic growth opportunities.

Ridley's balance sheet strengthened in FY22, with a reduction in net debt of \$60.2m, achieved with the sale of the Westbury extrusion plant and surplus land parcels, as well as the operational earnings. On the back of the strengthened balance sheet, and reflecting confidence in the sustained performance of Ridley, the Board approved an additional \$15.0m capital program (Project Boost), increased the dividend pay-out ratio guideline to between 50-70% (determining dividends for FY22 close to the upper end of this range), and announced the intention to undertake an on-market share buy-back of up to \$20.0m through to 30 June 2023.

To-date no shares have been acquired under the buy-back, and the Board will maintain a disciplined approach in the execution of the buy-back taking account of prevailing economic conditions, Ridley's valuation multiple relative to its peers, and returns from competing uses of capital.



Sustainability Pathway

In May, Ridley announced its Sustainability Pathway which is designed to embed animal nutrition as a key contributor to more sustainable and profitable farming.

We are working with our customers and suppliers to deliver real value in sustainable ways with a focus on:

- smarter ingredients – sourcing high-quality raw materials that are produced with respect to social and environmental boundaries;
- optimized production – refining our manufacturing and supply chain processes to reduce our footprint;
- effective solutions – developing technical solutions that enable our customers to produce more from less; and
- meaningful partnerships – creating safe, healthy, and diverse workplaces that support vibrant local communities.

We believe that Ridley is well placed to execute on these initiatives and this will further strengthen our competitive advantage with our customers.

FY23-25 Growth Plan

At the end of May, the Board approved the FY23 – FY25 Growth Plan. This Plan supports the ongoing earnings momentum of the business, embeds the Sustainability Pathway within our work streams and operates within the Capital Allocation Framework with the aim of delivering Total Shareholder Returns over 15% per annum.

In summary, both reporting segments have plans to grow. The Bulk Stockfeeds strategy aims to leverage the benefits of scale, extend our role in the supply chain and enhance our market leadership position. The Packaged & Ingredients strategy is to invest in processing capability to produce value-added product for our customers.

I am pleased to report that, 4 months into the three-year Plan, we are making good progress.

Looking Forward

Future demand for Ridley's products is positive with Australian farm gate output forecast to continue increasing. As the market leader in the animal nutrition sector, Ridley enjoys scale benefits and has the capacity to employ specialists and adopt technology which should allow us to continue differentiating our offering and margins.

As expectations rise in regard to sustainability, Ridley is well positioned to partner with our customers to deliver profitable solutions and, through our Sustainability Pathway, provide sector leadership.

Whilst there will always be challenges, the combination of Ridley's geographical spread, multi-species offering, customer mix and disciplined risk management should provide earnings resilience.

With a well-defined Growth Plan, strong balance sheet and disciplined approach to capital allocation, Ridley has a platform to execute on growth opportunities that create shareholder value.



As updated to the market on 14 November, the Board's outlook is unchanged with first half earnings (EBITDA) expected to improve on the previous corresponding period through a mix of:

- positive contributions from the Growth Plan initiatives across the business.
- the Packaged & Ingredients segment benefiting from ongoing favourable tallow and meal pricing, offsetting the impact of wet conditions and a challenging transition to the new crop in the Bulk Stockfeeds segment.

The strong balance sheet supports the ongoing investment in the business, whilst leaving options to execute disciplined capital management and pursue growth opportunities.

Acknowledgements

In closing, I would like to thank the Chair and the Board for their direction, guidance, challenge and encouragement over the past year. I would also like to acknowledge the work of the Leadership Team and all employees of Ridley who continue to go above and beyond and have delivered these successful outcomes for the business.

And finally, to our shareholders, thank you for your ongoing support as we continue on the journey to take Ridley to its full potential.

Attachment A: Managing Director and CEO Address Presentation



LEADING ANIMAL NUTRITION

Managing Director and CEO Address

Annual General Meeting
24 November 2022

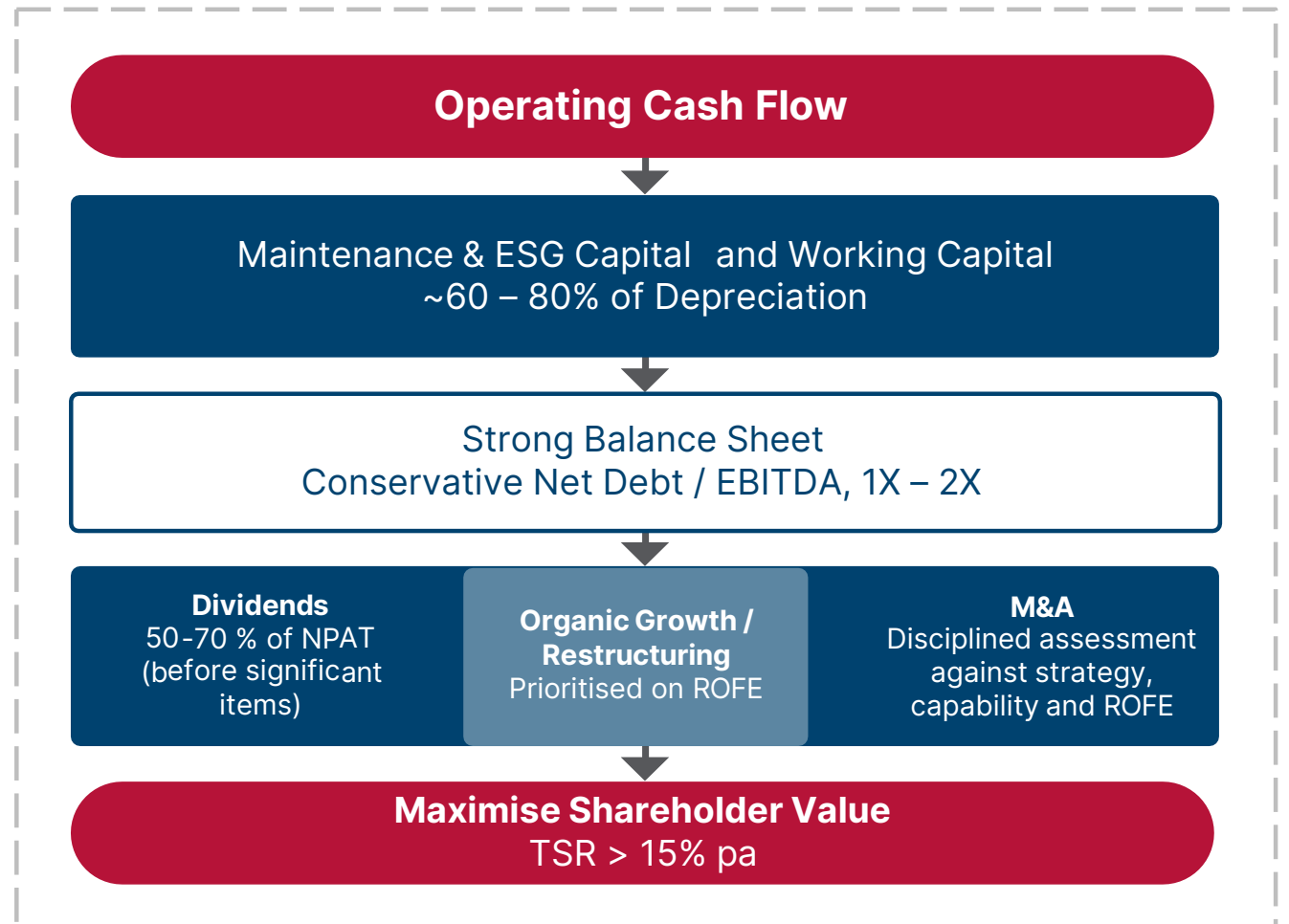
RIDLEY'S GROWTH PLATFORM

Ridley delivered against its FY20-FY22 Growth Plan by:

- achieving an EBITDA CAGR of 18.6%;
- implementing a disciplined capital allocation framework;
- investing growth capex in both reporting segments;
- selling under-performing assets; and
- realising a total shareholder return (TSR) of 79%.

CAPITAL ALLOCATION FRAMEWORK

- The Board remains committed to the Capital Allocation Framework and the disciplined use of shareholders capital.
- On 18 August 2022, the Board announced its intent to conduct an on-market share buy-back through to 30 June 2023*.
- Buy-back execution continues to take account of:
 - prevailing economic conditions,
 - Ridley's valuation multiple relative to its peers, and
 - returns from competing uses of capital.
- The Board will maintain a disciplined approach in the execution of the buy-back.



* as at 14 November 2022 no shares have been acquired

Ridley expects to operate within the Capital Allocation Framework, however, there may be future circumstances where aspects of the framework are varied in the best interests of the Group.

SUSTAINABILITY PATHWAY

In order to lead animal nutrition in Australia, Ridley must embed a sustainable food supply system. Working with our partners at each stage of the food and farming ecosystem better prepares us to take on challenges such as scarce resources, emissions and climate change. Therefore, the following methodology provides the pathway to improve our current levels of production, growing in a manner which is both responsible and sustainable.



1. SMARTER INGREDIENTS

By selecting and developing better performing ingredients, we can reduce our ecological footprint while increasing quality and performance.

We can also close the loop by recapturing resources through our ingredient recovery plants.



3. EFFECTIVE SOLUTIONS

Healthier animals are more resilient, produce greater yields and require less interventions.

By delivering animal nutrition solutions we can make a significant contribution to both environmental and economic outcomes.



2. OPTIMISED PRODUCTION

We aim to deploy a holistic approach to managing our environmental footprint including everything from improving the usage of utilities to more considered factory design and packing materials. This will ensure that we achieve maximum feed production output while also improving our efforts as environmental stewards.

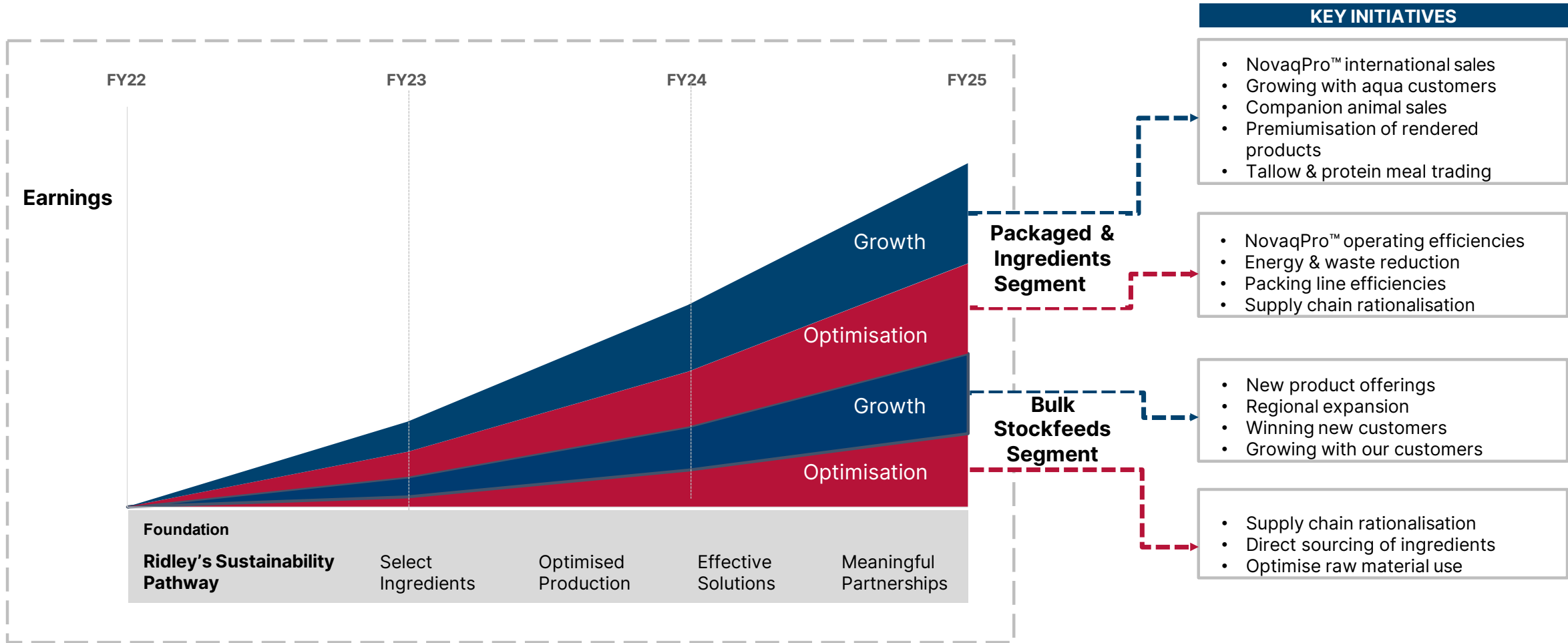


4. MEANINGFUL PARTNERSHIPS

We aim to work with our customers, through technical solutions and services, to meet their sustainability goals.

We strive to contribute towards a safer, more inclusive and prosperous workplace for our people, partners and communities. This builds sustainability and drives progress.

GROWTH PLAN FY23 – FY25



RIDLEY'S GROWTH PLATFORM

- Australian farm gate output is forecast to continue increasing.
- Ridley's position as market leader in the animal nutrition sector provides scale benefits and the capacity to employ specialists and adopt technology.
- Ridley's capability and products can deliver profitable solutions for our customers as sustainability expectations rise.
- Ridley's geographical spread, multi-species offering, customer mix and disciplined risk management provide earnings resilience.
- With a well-defined Growth Plan, a strong balance sheet and a disciplined approach to capital allocation, Ridley is positioned to execute on growth opportunities that continue to create shareholder value.

OUTLOOK

- Outlook unchanged with first half earnings (EBITDA) expected to improve on the previous corresponding period through a mix of:
 - positive contributions from the Growth Plan initiatives across the business.
 - the Packaged & Ingredients segment benefiting from ongoing favourable tallow and meal pricing, offsetting the impact of wet conditions and a challenging transition to the new crop in the Bulk Stockfeeds segment.
- The strong balance sheet supports the ongoing investment in the business, whilst leaving options to execute disciplined capital management and pursue growth opportunities.

Disclaimer

The material in this presentation is general background information about the activities of Ridley Corporation Limited and its related entities (Ridley), current at the date of this presentation, unless otherwise stated.

It is information given in summary form and does not purport to be complete. It should be read in conjunction with Ridley's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au. This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

Forward looking statements in this presentation should not be relied upon as an indication or guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Ridley.

Market size and market share indicators are based upon management estimates and publicly available information.