



## Ridley Corporation Limited

### Appendix 4D Half year report

ABN 33 006 708 765

### Results for announcement to the market

Reporting period: Half year ended 31 December 2022  
 Previous corresponding period: Half year ended 31 December 2021  
 Release date: 16 February 2023

|  |              | <b>\$A millions</b> |
|--|--------------|---------------------|
| Revenue from ordinary activities   | Up 25.4% to  | 637.9               |
| EBITDA before Individually Significant Items <sup>1</sup>  | Up 12.8% to  | 44.1                |
| Consolidated EBITDA  | Down 5.2% to | 44.1                |
| Net profit after tax before Individually Significant Items <sup>1</sup>                              | Up 20.3% to  | 21.0                |
| Net profit after tax from ordinary activities attributable to members and Total comprehensive income | Down 7.2% to | 21.0                |

<sup>1</sup> There were no Individually Significant Items ("ISIs") in the period, refer Note 4 for details on ISIs in the previous corresponding period.

|   | 31 December 2022 | 31 December 2021 |
|---|------------------|------------------|
| Net tangible asset backing per ordinary share | \$0.76           | \$0.72           |

### Dividends

The Board has determined to pay an interim dividend of 4.00 cents per share (**cps**), fully franked and payable on 27 April 2023 for a cash outlay of approximately \$12.7 million (**m**).

|  | Amount per security (cents) | Franked amount per security at 30% tax rate |
|--|-----------------------------|---|
| Final 2022 Dividend per share (Paid 27 October 2022) | 4.00                        | 4.00  |
| Interim 2023 Dividend per share                      | 4.00                        | 4.00  |

Ex-Dividend date: 5.00 pm on 5 April 2023  
 Record date: 5.00 pm on 6 April 2023  
 Payment date: 27 April 2023

Further detail of the above figures is set out on the following pages and in the Group's separate results investor presentation.

16 February 2023



## Delivering the Growth Plan

### FY23 1H Results

The highlights of the Ridley Corporation Limited consolidated group (**Ridley or Group**) FY23 1H results are:

- Earnings before Interest, Tax, Depreciation and Amortisation (**EBITDA**) before Individually Significant Items of \$44.1m, representing an increase of \$5.0m (12.8%) on the previous corresponding period driven by the ongoing execution of Ridley's Growth Strategy.
- Operating cashflow was \$56.5m<sup>3</sup> which is an increase of \$22.7m (67.2%) on the previous corresponding period.

| SUMMARY (\$ million unless otherwise stated)                                       | Dec 2022 | Dec 2021 | Movement |
|--|----------|----------|----------|
| EBITDA <sup>1</sup> - before Individually Significant Items ("ISI's") <sup>2</sup> | 44.1     | 39.1     | ▲ 5.0    |
| NPAT before ISI's  | 21.0     | 17.4     | ▲ 3.6    |
| ISI's (tax effected)   | -        | 5.2      | ▼ 5.2    |
| NPAT and Total comprehensive income  | 21.0     | 22.6     | ▼ 1.6    |
| Operating cashflow <sup>3</sup>  | 56.5     | 33.8     | ▲ 22.7   |
| Consolidated cash inflow   | (2.8)    | 65.9     | ▼ 68.7   |
| Net debt   | 25.7     | 17.2     | ▲ 8.5    |
| Leverage ratio (times) <sup>4</sup>  | 0.3x     | 0.2x     | ▲ 0.1x   |
| Earnings Per Share – before ISI's (cents)  | 6.6      | 5.5      | ▲ 1.1    |
| Earnings Per Share (cents)   | 6.6      | 7.1      | ▼ 0.4    |

<sup>1</sup> Calculated as NPAT of \$21.0m adjusted for Finance Costs (\$2.1m), Tax (\$8.5m), Depreciation and Amortisation (\$12.6m).

<sup>2</sup> There were no Individually Significant Items ("ISI's") in the period, refer Note 4 for details on ISI's in previous corresponding period.

<sup>3</sup> Calculated as EBITDA of \$ 44.1m, plus decrease in Working Capital (\$12.8m)

<sup>4</sup> Calculated as Net debt / Last 12 months EBITDA per banking facility covenant calculations.

The Directors believe that the presentation of the unaudited non-IFRS financial summary above is useful for users of the accounts as it reflects the underlying financial performance of the business.

### Segment Performance

The Packaged Feeds and Ingredients segment contributed EBITDA of \$ 33.0m, a 21.9% increase on the previous corresponding period. The Ingredient Recovery business delivered strong results from accessing premium markets with differentiated products. Higher selling prices for protein meals and tallows more than off-set increased raw material and manufacturing costs. The branded Packaged Products volumes grew 5% (vs pcp) as the business gained market share in the rural farming sector and increased production for urban pet food customers. Sales in the Aquafeed business declined as extrusion capacity was allocated to pet food production. NovaqPro™ increased volumes sold to domestic customers (vs pcp) and made yield improvements in manufacturing NovaqPro™ in Thailand, which more than off-set the rising costs of production.



The Bulk Stockfeeds segment contributed EBITDA of \$17.9m, representing a \$0.7m or 3.9% decline on the pcp. As previously signalled, wet conditions in Q2 provided for a challenging transition to the new crop which impacted on Q2 margins. The segment delivered strong market share gains across the major species – monogastric volumes were up 2%, despite the challenges COVID and the wet conditions had on the poultry sector and ruminant volumes were up by 9%, driven by new diary customer wins. Improved asset utilisation due to increased volumes more than off-set the macro manufacturing cost pressures.

Corporate costs of \$6.7m represent an increase over the corresponding period of \$0.2m (2.9%). This primarily reflects the inflationary impact on salary costs and additional accruals required for the long-term employee incentives, which are linked to the improved financial performance of the Company.

There was a \$0.3m increase in finance costs in the period to \$2.1m which primarily reflects higher interest rates.

### **Cashflows and debt**

Strong operational performance resulted in a net operating cash inflow of \$56.5m for FY23 1H (FY22 1H: \$ 33.8m). This operating cash inflow was offset by capital expenditure of \$15.2m, payment of tax of \$17.1m, payment of dividends of \$12.8m, long term incentive plan share purchase of \$7.2m, share buyback of \$2.9m, lease liabilities of \$2.5m and net finance costs of \$1.9m.

Inventory values decreased from \$117.1m to \$111.0m as the business shortened its hold of strategic inventory held previously to help manage the challenging supply chains that existed in prior periods. This decrease was partially offset by the higher cost of raw materials included in the inventory value. These higher raw material costs related to the impact of macro challenges in the supply chain. Debtors remain well controlled.

Net Debt was \$25.7m at 31 December 2022 compared with \$22.9m at 30 June 2022. With underlying operations and dividends funded through operating cashflow, the increase related to the \$2.9m cost of the share buy-back in the period. The Gearing and Leverage ratios at 31 December 2022 have increased slightly to 17.1% and 0.3x respectively with increases in borrowings, however these ratios remain well within covenant conditions.

### **Outlook**

Second half earnings (EBITDA before significant items) are expected to improve on the previous corresponding period with the business well positioned to grow earnings through;

- the momentum in the underlying business segments,
- increased asset utilisation from de-bottlenecking solutions, and
- the ongoing delivery of the Growth Plan.

Cash generation is expected to support maintenance capital, investment for growth, dividends and the continuation of the share buy-back.

Whilst macro-economic conditions are challenging, the business is taking proactive steps to reduce the potential impact of inflationary pressures.

For further information please contact:

|  |
|--|
| Richard Betts<br>Chief Financial Officer<br>Ridley Corporation Limited<br>+61 (03) 8624 6512 |
|--|

## **RIDLEY CORPORATION LIMITED**

### **Directors' Report for the half year ended 31 December 2022**

The Directors present their report on the consolidated entity consisting of Ridley Corporation Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2022.

#### **Directors**

The Directors of Ridley Corporation Limited at any time during or since the end of the half year and up to the date of this report are as follows:

|                                |                               |                   |
|--------------------------------|-------------------------------|-------------------|
| M McMahon                      | Q L Hildebrand                | R J van Barneveld |
| P M Mann                       | E Knudsen                     | R Jones           |
| J Raffe (appointed 1 Sep 2022) | D Lord (resigned 24 Nov 2022) |                   |

#### **Review of Operations**

The review of operations is set out on pages 2 and 3.

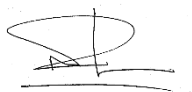
#### **Rounding of Amounts to Nearest Thousand Dollars**

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and the consolidated financial statements have been rounded off to the nearest thousand dollars in accordance with that legislative instrument, unless otherwise indicated.

#### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is on page 5 and forms part of the Directors' report.

Signed and lodged from Melbourne on 16 February 2023 in accordance with a resolution of the Directors.



M P McMahon  
CHAIR



Q L Hildebrand  
MANAGING DIRECTOR AND  
CHIEF EXECUTIVE OFFICER



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Ridley Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Ridley Corporation Limited for the half-year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Julie Carey

*Partner*

Melbourne

16 February 2023

**CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

|  | Note | December<br>2022<br>\$'000 | December<br>2021<br>\$'000 |
|--|------|----------------------------|----------------------------|
| Revenue  | 2    | 637,869                    | 508,725                    |
| Cost of sales  |      | (581,245)                  | (463,439)                  |
| <b>Gross profit</b>  |      | <b>56,624</b>              | <b>45,286</b>              |
| Finance income   | 2    | 144                        | 15                         |
| Other income   | 2    | 240                        | 9,598                      |
| Expenses:  |      |                            |                            |
| Selling and distribution   |      | (7,184)                    | (6,678)                    |
| General and administrative   |      | (18,349)                   | (14,919)                   |
| Finance costs  | 3    | (2,059)                    | (1,736)                    |
| <b>Profit before income tax</b>  |      | <b>29,416</b>              | <b>31,566</b>              |
| Income tax expense   |      | (8,460)                    | (8,986)                    |
| <b>Net profit after tax attributable to members<br/>of Ridley Corporation Limited</b>                      |      | <b>20,956</b>              | <b>22,580</b>              |
| <b>Other comprehensive income</b>  |      |                            |                            |
| Other comprehensive income for the period, net of tax  |      | -                          | -                          |
| <b>Total comprehensive income for the period</b>   |      | <b>20,956</b>              | <b>22,580</b>              |
| <b>Total comprehensive income for the period attributable to<br/>members of Ridley Corporation Limited</b> |      | <b>20,956</b>              | <b>22,580</b>              |
| <b>Earnings per share</b>  |      |                            | <b>Cents</b>               |
| Basic / Diluted earnings per share   |      | <b>6.6 / 6.4</b>           | <b>7.1 / 6.8</b>           |
| Basic / Diluted earnings per share – before individually significant items                                 |      | <b>6.6 / 6.4</b>           | <b>5.5 / 5.3</b>           |

*The above consolidated condensed statement of comprehensive income should be read in conjunction with the accompanying notes.*

**CONSOLIDATED CONDENSED BALANCE SHEET AS AT 31 DECEMBER 2022**

|                                      | Note | December<br>2022<br>\$'000 | June<br>2022<br>\$'000 |
|--------------------------------------|------|----------------------------|------------------------|
| <b>Current assets</b>                |      |                            |                        |
| Cash and cash equivalents            |      | 39,272                     | 27,078                 |
| Receivables                          |      | 144,591                    | 133,126                |
| Inventories                          |      | 111,011                    | 117,131                |
| <b>Total current assets</b>          |      | <b>294,874</b>             | <b>277,335</b>         |
| <b>Non-current assets</b>            |      |                            |                        |
| Property, plant and equipment        | 7    | 250,348                    | 246,902                |
| Intangible assets                    | 8    | 74,736                     | 74,972                 |
| Deferred tax asset                   |      | 4,838                      | 8,157                  |
| <b>Total non-current assets</b>      |      | <b>329,922</b>             | <b>330,031</b>         |
| <b>Total assets</b>                  |      | <b>624,796</b>             | <b>607,366</b>         |
| <b>Current liabilities</b>           |      |                            |                        |
| Payables                             |      | 221,018                    | 206,626                |
| Provisions                           |      | 14,936                     | 15,112                 |
| Tax liability                        |      | -                          | 11,860                 |
| <b>Total current liabilities</b>     |      | <b>235,954</b>             | <b>233,598</b>         |
| <b>Non-current liabilities</b>       |      |                            |                        |
| Payables                             |      | 7,569                      | 7,374                  |
| Borrowings                           |      | 65,000                     | 50,000                 |
| Provisions                           |      | 320                        | 364                    |
| <b>Total non-current liabilities</b> |      | <b>72,889</b>              | <b>57,738</b>          |
| <b>Total liabilities</b>             |      | <b>308,843</b>             | <b>291,336</b>         |
| <b>Net assets</b>                    |      | <b>315,953</b>             | <b>316,030</b>         |
| <b>Equity</b>                        |      |                            |                        |
| Share capital                        |      | 222,248                    | 225,114                |
| Share based payment reserves         |      | 2,832                      | 3,146                  |
| Retained earnings                    |      | 90,873                     | 87,770                 |
| <b>Total equity</b>                  |      | <b>315,953</b>             | <b>316,030</b>         |

*The above consolidated condensed balance sheet should be read in conjunction with the accompanying notes.*

**CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

| \$'000   | Share capital | Share based<br>payment<br>reserve | Retained<br>earnings | Total    |
|--|---------------|-----------------------------------|----------------------|----------|
| <b>Balance at 1 July 2022</b>  | 225,114       | 3,146                             | 87,770               | 316,030  |
| Profit for the period  | -             | -                                 | 20,956               | 20,956   |
| <b>Other comprehensive income</b>  | -             | -                                 | -                    | -        |
| <b>Total comprehensive income for the period</b>                             | -             | -                                 | 20,956               | 20,956   |
| <b>Transactions with owners recorded directly in equity:</b>                 |               |                                   |                      |          |
| Dividends paid   | -             | -                                 | (12,780)             | (12,780) |
| Treasury share buy-back and release of Long Term Incentive Plan <sup>1</sup> | -             | -                                 | (7,176)              | (7,176)  |
| Treasury share buy-back <sup>2</sup>   | (2,866)       | -                                 | -                    | (2,866)  |
| Transfer to Retained Earnings  | -             | (2,103)                           | 2,103                | -        |
| Share-based payment transactions   | -             | 1,789                             | -                    | 1,789    |
| <b>Total transactions with owners recorded directly in equity</b>            | (2,866)       | (314)                             | (17,853)             | (21,033) |
| <b>Balance at 31 December 2022</b>   | 222,248       | 2,832                             | 90,873               | 315,953  |

<sup>1</sup> During the current reporting period, the Group purchased its own shares on- market at a value of \$7.2m for the purpose of allocating these shares to eligible employees as a part of the Group's Long Term Incentive Plan. As at 31 December 2022, all of these shares have been issued to the eligible Employees.

<sup>2</sup> On 18 August 2022, the Group announced the plan to buy back ordinary shares of Ridley Corporation Limited on- market up to a total value of \$20m between 12 October 2022 to 30 June 2023. As at 31 December 2022, 1.5 million shares at a total consideration of \$2.9m have been bought back and cancelled.

**CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR  
ENDED 30 JUNE 2022**

| \$'000  | Share<br>Capital | Share Based<br>Payments<br>Reserve | Retained<br>Earnings | Total    |
|---|------------------|------------------------------------|----------------------|----------|
| <b>Opening balance at 1 July 2021</b>                               | 225,114          | 1,706                              | 60,725               | 287,545  |
| Profit for the year   | -                | -                                  | 42,430               | 42,430   |
| <b>Other Comprehensive (Loss) / Income for the year</b>             | -                | -                                  | -                    | -        |
| <b>Transactions with owners recognised directly in equity:</b>      |                  |                                    |                      |          |
| Issue of share capital  | -                | (1,868)                            | 1,868                | -        |
| Dividends paid / declared   | -                | -                                  | (17,253)             | (17,253) |
| Share based payment transactions                                    | -                | 3,308                              | -                    | 3,308    |
| <b>Total transactions with owners recognised directly in equity</b> | -                | 1,440                              | (15,385)             | (13,945) |
| <b>Balance at 30 June 2022</b>                                      | 225,114          | 3,146                              | 87,770               | 316,030  |

The above consolidated condensed statement of changes in equity should be read in conjunction with the accompanying notes.



**CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

|   | <b>December<br/>2022<br/>\$'000</b> | <b>December<br/>2021<br/>\$'000</b> |
|---|-------------------------------------|-------------------------------------|
| <b>Cash flows from operating activities</b>           |                                     |                                     |
| Receipts from customers                               | 693,670                             | 563,580                             |
| Payments to suppliers and employees                   | (636,901)                           | (530,204)                           |
| Other revenue received                                | 174                                 | 293                                 |
| Net interest and other finance costs paid             | (1,852)                             | (1,403)                             |
| Income taxes paid                                     | (17,080)                            | (6,874)                             |
| <b>Net cash from operating activities</b>             | <b>38,011</b>                       | <b>25,392</b>                       |
| <b>Cash flows from investing activities</b>           |                                     |                                     |
| Payments for property, plant and equipment            | (15,247)                            | (6,062)                             |
| Payments for intangible assets                        | (105)                               | (398)                               |
| Proceeds from assets held for sale                    | -                                   | 57,427                              |
| <b>Net cash from / (used in) investing activities</b> | <b>(15,352)</b>                     | <b>50,967</b>                       |
| <b>Cash flows from financing activities</b>           |                                     |                                     |
| Share based payment transactions                      | (206)                               | (484)                               |
| Share purchases - LTIP                                | (7,176)                             | -                                   |
| Share buyback   | (2,866)                             | -                                   |
| Increase in / (Repayment of) borrowings               | 15,021                              | (78,014)                            |
| Dividends paid  | (12,780)                            | (6,231)                             |
| Payments for lease liabilities                        | (2,458)                             | (3,782)                             |
| <b>Net cash used in financing activities</b>          | <b>(10,465)</b>                     | <b>(88,511)</b>                     |
| <b>Net movement in cash held</b>                      | <b>12,194</b>                       | <b>(12,152)</b>                     |
| <b>Cash at the beginning of the period</b>            | <b>27,078</b>                       | <b>39,904</b>                       |
| <b>Cash at the end of the half year</b>               | <b>39,272</b>                       | <b>27,753</b>                       |

*The above consolidated condensed statement of cash flows should be read in conjunction with the accompanying notes.*

**Notes to the financial statements**  
**For the half year ended 31 December 2022**

**Note 1 – Basis of preparation of interim financial report**

These condensed consolidated interim financial statements, comprising parent entity Ridley Corporation Limited, its subsidiaries and the Group's interest in equity accounted investments, as at, and for the six months ended, 31 December 2022, have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, International Financial Reporting Standard IAS 34 *Interim Financial Reporting* and the *Corporations Act 2001*. This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022.

These interim financial statements were approved by the Board of Directors on 16 February 2023.

The principal accounting policies adopted in the preparation of these interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at, and for the year ended, 30 June 2022. There are no new accounting standards having material impact.

**New accounting standards and interpretations**

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current half year.

**Note 2 – Revenue and other income**

|  | <b>CONSOLIDATED</b> |          |
|--|---------------------|----------|
|  | <b>December</b>     | December |
|  | <b>2022</b>         | 2021     |
|  | <b>\$'000</b>       | \$'000   |
| <b>Revenue</b>                                 |                     |          |
| Sale of goods                                  | <b>637,869</b>      | 508,725  |
| <b>Finance income</b>                          | <b>144</b>          | 15       |
| <b>Other income</b>                            |                     |          |
| Rental income                                  | <b>28</b>           | 30       |
| Gain on sales of residual property site assets | -                   | 2,949    |
| Gain on sale of Westbury extrusion plant       | -                   | 6,356    |
| Other  | <b>212</b>          | 263      |
|  | <b>240</b>          | 9,598    |

**Note 3 – Finance Costs**

|  | <b>CONSOLIDATED</b> |              |
|--|---------------------|--------------|
|  | <b>December</b>     | December     |
|  | <b>2022</b>         | 2021         |
|  | <b>\$'000</b>       | \$'000       |
| Interest expense                             | <b>1,799</b>        | 1,418        |
| Interest expense on lease liabilities        | <b>201</b>          | 246          |
| Amortisation of borrowing costs              | <b>59</b>           | 80           |
| Unwind of discount on deferred consideration | -                   | (8)          |
|  | <b>2,059</b>        | <b>1,736</b> |

**Notes to the financial statements**  
**For the half year ended 31 December 2022**

**Note 4 – Individually Significant Items**

**Individually Significant Items before income tax and related disclosure in Consolidated Condensed Statement of Comprehensive Income:**

|   | <b>December<br/>2022<br/>\$'000</b> | December<br>2021<br>\$'000 |
|---|-------------------------------------|----------------------------|
| Gain on sale of Westbury extrusion plant (Other Income)                     | -                                   | 6,356                      |
| Gain on sale of land assets held for sale (Other Income)                    | -                                   | 2,949                      |
| Software-as-a-Service (General and Administrative expenses)                 | -                                   | (1,926)                    |
| <b>Total Individually Significant Items gain / (loss) before income tax</b> | <b>-</b>                            | <b>7,379</b>               |

There were no individually significant items in the half year ended 31 December 2022.

**Note 5 - Dividends**

**Dividends paid during the half year:**

**Half year ended 31 December 2022** **\$'000**

An FY22 Final Dividend of 4 cents per share, franked to 100%, was paid on 27 October 2022, comprising cash payment of \$12,645,000 and employee loan application of \$135,000.

**12,780**

**Half year ended 31 December 2021**

**\$'000**

An FY21 Final Dividend of 2 cents per share, franked to 100%, was paid on 29 October 2021, comprising cash payment of \$6,231,000 and employee loan application of \$159,000.

**6,390**

**Note 6 – Segment reporting**

**Operating Segments**

The Group determines and presents operating segments based on information that internally is provided to and used by the Managing Director, who is the Group's Chief Operating Decision Maker (**CODM**).

Segment results reported to the Managing Director include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, cash and borrowings, income tax assets and liabilities and surplus property asset holding costs. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

**Notes to the financial statements**  
**For the half year ended 31 December 2022**

**Note 6 – Segment reporting (continued)**

Consistent with the prior period, Ridley is reporting segment information for:

- Packaged Feeds and Ingredients – comprising the Group’s premium quality, high performance animal nutrition feed and ingredient solutions delivered in packaged form ranging from 1 tonne down to 3kg bags. This reporting segment includes the Aquafeed Business Unit.
- Bulk Stockfeeds – comprising the Group’s premium quality, high performance animal nutrition stockfeed solutions delivered in bulk.

|  | <b>BULK<br/>STOCKFEEDS</b> | <b>PACKAGED<br/>FEEDS &amp;<br/>INGREDIENTS</b> | <b>CORPORATE</b> | <b>TOTAL</b>     |
|--|----------------------------|---|------------------|------------------|
| <b>31 December 2022 in \$'000</b>  |                            |   |                  |                  |
| <b>Total sales revenue</b>   | <b>434,439</b>             | <b>203,430</b>                                  | -                | <b>637,869</b>   |
| EBITDA before individually significant items   | 17,855                     | 33,018  | (6,749)          | <b>44,124</b>    |
| Depreciation & Amortisation (DA)   | (7,592)                    | (5,049)   | (8)              | <b>(12,649)</b>  |
| Finance costs  | -                          | -   | (2,059)          | <b>(2,059)</b>   |
| <b>Reportable segment profit before income tax and before individually significant items</b> | <b>10,263</b>              | <b>27,969</b>                                   | <b>(8,816)</b>   | <b>29,416</b>    |
| Individually significant items   | -                          | -   | -                | -                |
| <b>Reportable segment profit before income tax</b>   | <b>10,263</b>              | <b>27,969</b>                                   | <b>(8,816)</b>   | <b>29,416</b>    |
| <b>31 December 2022 in \$'000</b>  |                            |   |                  |                  |
| Segment assets   | 284,406                    | 271,153   | 69,236           | <b>624,795</b>   |
| Segment liabilities  | (175,694)                  | (63,733)  | (69,415)         | <b>(308,842)</b> |

Notes to the financial statements  
For the half year ended 31 December 2022

Note 6 – Segment reporting (continued)

|  | BULK<br>STOCKFEEDS | PACKAGED<br>FEEDS &<br>INGREDIENTS | CORPORATE      | TOTAL            |
|--|--------------------|------------------------------------|----------------|------------------|
| <b>31 December 2021 in \$'000</b>  |                    |                                    |                |                  |
| <b>Total sales revenue</b>   | <b>341,540</b>     | <b>167,185</b>                     | -              | <b>508,725</b>   |
| EBITDA before individually significant items   | 18,588             | 27,063                             | (6,508)        | <b>39,143</b>    |
| Depreciation & Amortisation (DA)   | (7,947)            | (5,264)                            | (9)            | <b>(13,220)</b>  |
| Finance costs  | -                  | -                                  | (1,736)        | <b>(1,736)</b>   |
| <b>Reportable segment profit before income tax and before individually significant items</b> | <b>10,641</b>      | <b>21,799</b>                      | <b>(8,253)</b> | <b>24,187</b>    |
| Individually significant items   | -                  | -                                  | 7,379          | <b>7,379</b>     |
| <b>Reportable segment profit before income tax</b>   | <b>10,641</b>      | <b>21,799</b>                      | <b>(874)</b>   | <b>31,566</b>    |
| <b>30 June 2022 in \$'000</b>  |                    |                                    |                |                  |
| Segment assets   | 280,233            | 269,816                            | 57,315         | <b>607,366</b>   |
| Segment liabilities  | (161,468)          | (66,431)                           | (63,437)       | <b>(291,336)</b> |

Note that all tax assets and liabilities, and all cash and borrowings, have been disclosed within Corporate based on the parent entity responsibilities for the tax consolidated group and banking facilities and consistent with the central treasury function operation for the Ridley consolidated group.

**Notes to the financial statements**  
**For the half year ended 31 December 2022**

**Note 7 – Property, plant and equipment**

| 31 December 2022 in \$'000              | Land and Buildings | Plant and Equipment | Capital work in progress | Right of use assets | Total          |
|---|--------------------|---------------------|--------------------------|---------------------|----------------|
| Cost at 1 July 2022                     | 85,804             | 319,617             | 31,177                   | 25,968              | 462,566        |
| Accumulated depreciation                | (15,424)           | (185,988)           | -                        | (14,251)            | (215,663)      |
| <b>Carrying amount at 1 July 2022</b>   | <b>70,380</b>      | <b>133,629</b>      | <b>31,177</b>            | <b>11,717</b>       | <b>246,903</b> |
| Additions                               | -                  | -                   | 15,571                   | 680                 | 16,251         |
| Transfers from plant under construction | 259                | 7,522               | (8,336)                  | -                   | (555)          |
| Disposals                               | -                  | -                   | -                        | -                   | -              |
| Depreciation                            | (1,029)            | (8,968)             | -                        | (2,254)             | (12,251)       |
| <b>Carrying amount at 31 Dec 2022</b>   | <b>69,610</b>      | <b>132,183</b>      | <b>38,412</b>            | <b>10,143</b>       | <b>250,348</b> |
| <b>At 31 December 2022</b>              |                    |                     |                          |                     |                |
| Cost                                    | 86,063             | 327,139             | 38,412                   | 26,648              | 478,262        |
| Accumulated depreciation                | (16,453)           | (194,956)           | -                        | (16,505)            | (227,914)      |
| <b>Carrying amount at 31 Dec 2022</b>   | <b>69,610</b>      | <b>132,183</b>      | <b>38,412</b>            | <b>10,143</b>       | <b>250,348</b> |
| 30 June 2022 in \$'000                  | Land and Buildings | Plant and Equipment | Capital work in progress | Right of use assets | Total          |
| Cost at 1 July 2021                     | 85,338             | 313,341             | 13,973                   | 22,871              | 435,523        |
| Accumulated depreciation                | (13,326)           | (167,768)           | -                        | (9,627)             | (190,721)      |
| <b>Carrying amount at 1 July 2021</b>   | <b>72,012</b>      | <b>145,573</b>      | <b>13,973</b>            | <b>13,244</b>       | <b>244,802</b> |
| Additions                               | 185                | 15                  | 23,746                   | 3,251               | 27,197         |
| Transfers                               | 281                | 6,261               | (6,542)                  | -                   | -              |
| Other lease movements                   | -                  | -                   | -                        | (154)               | (154)          |
| Disposals                               | -                  | -                   | -                        | -                   | -              |
| Depreciation                            | (2,098)            | (18,220)            | -                        | (4,624)             | (24,942)       |
| <b>Carrying amount at 30 June 2022</b>  | <b>70,380</b>      | <b>133,629</b>      | <b>31,177</b>            | <b>11,717</b>       | <b>246,902</b> |
| <b>At 30 June 2022</b>                  |                    |                     |                          |                     |                |
| Cost                                    | 85,804             | 319,617             | 31,177                   | 25,968              | 462,566        |
| Accumulated depreciation                | (15,424)           | (185,988)           | -                        | (14,251)            | (215,663)      |
| <b>Carrying amount at 30 June 2022</b>  | <b>70,380</b>      | <b>133,629</b>      | <b>31,177</b>            | <b>11,717</b>       | <b>246,903</b> |

Notes to the financial statements  
For the half year ended 31 December 2022

Note 8 – Intangibles

**31 December 2022 in \$'000**

|                                       | Software     | Goodwill      | Contracts  | Assets<br>under<br>development | Total         |
|---------------------------------------|--------------|---------------|------------|--------------------------------|---------------|
| Cost at 1 July 2022                   | 18,077       | 69,904        | 2,685      | 4,997                          | 95,663        |
| Accumulated depreciation              | (17,259)     | (953)         | (1,733)    | (746)                          | (20,691)      |
| <b>Carrying amount at 1 July 2022</b> | <b>818</b>   | <b>68,951</b> | <b>952</b> | <b>4,251</b>                   | <b>74,972</b> |
| Additions                             | 519          | -             | -          | 3                              | 522           |
| Amortisation                          | (221)        | -             | (417)      | (120)                          | (758)         |
| <b>Carrying amount at 31 Dec 2022</b> | <b>1,116</b> | <b>68,951</b> | <b>535</b> | <b>4,134</b>                   | <b>74,736</b> |

**As at 31 December 2022**

|   |              |               |            |              |               |
|---|--------------|---------------|------------|--------------|---------------|
| Cost                                      | 18,596       | 69,904        | 2,685      | 5,000        | 96,185        |
| Accumulated depreciation and amortisation | (17,480)     | (953)         | (2,150)    | (866)        | (21,449)      |
| <b>Carrying amount at 31 Dec 2022</b>     | <b>1,116</b> | <b>68,951</b> | <b>535</b> | <b>4,134</b> | <b>74,736</b> |

**30 June 2022 in \$'000**

|   | Software   | Goodwill      | Contracts  | Assets<br>under<br>development | Total         |
|---|------------|---------------|------------|--------------------------------|---------------|
| Carrying amount at 1 July 2021          | 1,412      | 68,951        | 1,688      | 3,842                          | 75,892        |
| Additions                               | -          | -             | -          | 650                            | 650           |
| Disposals                               | (2)        | -             | -          | -                              | (2)           |
| Amortisation charge                     | (592)      | -             | (736)      | (240)                          | (1,568)       |
| <b>Carrying amount at 30 June 2022</b>  | <b>818</b> | <b>68,951</b> | <b>952</b> | <b>4,251</b>                   | <b>74,972</b> |
| <b>At 30 June 2022</b>                  |            |               |            |                                |               |
| Cost                                    | 18,077     | 69,904        | 2,685      | 4,997                          | 95,663        |
| Accumulated amortisation and impairment | (17,259)   | (953)         | (1,733)    | (746)                          | (20,691)      |
| <b>Carrying amount at 30 June 2022</b>  | <b>818</b> | <b>68,951</b> | <b>952</b> | <b>4,251</b>                   | <b>74,972</b> |

**Notes to the financial statements**  
**For the half year ended 31 December 2022**

**Note 9 – Contingent liabilities**

In the ordinary course of business the Group may be subject to legal proceedings or claims. Where there is significant uncertainty as to whether a future liability will arise in respect of these items, or the amount of liability (if any) which may arise cannot be reliably measured, these items are accounted for as contingent liabilities. Based on information available as of the date of this report, the Group does not expect any of these items to result in a material loss.

**Note 10 – Fair values**

**Fair values versus carrying amounts**

The carrying amount of financial assets and liabilities approximates their fair value. For financial assets and liabilities carried at fair value, the Group uses the following to categorise the method used:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Valuation inputs include forward curves, discount curves and underlying spot and futures prices.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Note 11 – Events occurring after the balance sheet date**

The Board has determined to pay an interim dividend of 4.00 cents per share (cps), fully franked and payable on 27 April 2023.

There are no other matters or circumstances that have arisen since 31 December 2022 that have significantly affected, or may significantly affect:

- (i) the consolidated entity's operations in future financial periods; or
- (ii) the results of those operations in future financial periods; or
- (iii) the consolidated entity's state of affairs in future financial periods.



## Directors' Declaration

In the opinion of the Directors of Ridley Corporation Limited:

- a. the financial statements and notes set out on pages 6 to 16 are in accordance with the Corporations Act 2001 including:
  - i. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
  - ii. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the six month period ended on that date; and
- b. there are reasonable grounds to believe that Ridley Corporation Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



M P McMahon  
CHAIR



Q L Hildebrand  
MANAGING DIRECTOR AND  
CHIEF EXECUTIVE OFFICER

Melbourne  
16 February 2023



# Independent Auditor's Review Report

To the shareholders of Ridley Corporation Limited

## Report on the Half-year Financial Report

### Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Ridley Corporation Limited (the Company).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Ridley Corporation Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2022 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Consolidated condensed statement of financial position as at 31 December 2022;
- Consolidated condensed statement of comprehensive income, Consolidated condensed statement of changes in equity and Consolidated condensed statement of cash flows for the Half-year ended on that date;
- Notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Company and the entities it controlled at the Half year's end or from time to time during the Half-year.

The Half-year Period is the six months ended on 31 December 2022.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



## Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Julie Carey  
*Partner*

Melbourne

16 February 2023