



FY23 Results Presentation

May 2023



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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.

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We're evolving together to benefit future generations

Executive Summary

Operating Profit

- Total revenue of \$313.4M, representing growth of \$37.4M (~14%)
- Strong price growth driving higher meat margins
- Continued focus on costs in high inflationary environment

\$67.4M

vs \$49.9M pcp

Operating Cashflow

- 19% increase in liveweight kgs produced, requiring greater cash outlay
- Increased working capital driven by higher meat and commodity inventories

\$16.0M

vs \$24.2M pcp

Sustainability Progress

- Avoided 191k tonnes of carbon emissions, generating \$7.3M in ACCUs
- Progressed carbon and methane initiatives
- Ongoing focus on landscape management, initiatives in nature capital and biodiversity

Statutory Net Profit after Tax

- Unrealised fair value gains from live kg production and herd growth of 13% to 433k head
- \$112.0M unrealised herd valuation loss as a result of softening cattle prices

\$4.6M

vs \$136.9M pcp

Net Tangible Assets

- \$294.2M increase in fair value of Pastoral properties
- Growth in NTA of ~14%; net assets increase to \$1.6B

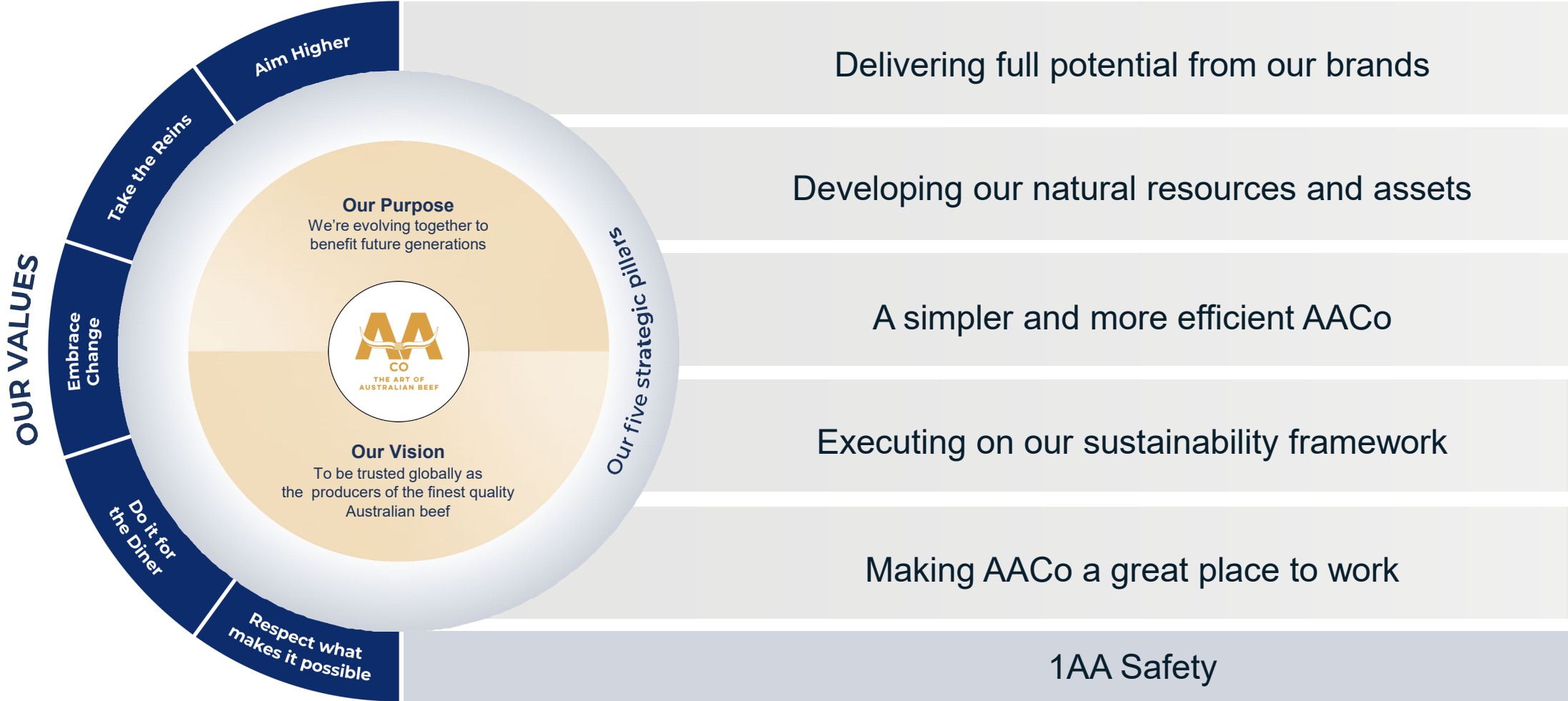
\$2.59/share

vs \$2.27/share pcp

Leadership

- Completed the appointment of key executive leadership roles:
- Dave Harris appointed MD/CEO on 27 September 2022
 - Glen Steedman appointed CFO on 13 February 2023

Our Strategy



Progress in FY23

Delivering full potential from our brands

+17%
Wagyu Meat Sales¹
\$/Kg CW

+22%
Branded Meat Sales²
in North America

Developing our natural resources & assets

Increasing capacity of
Intensive Supply Chain

388
Solar Bores
(>60% Converted)

6k ha Trial dryland
cropping
underway

A simpler and more efficient AACo

(2%) Reduction in cost of
production per kg

Executing on our sustainability framework

Executing our Sustainability
Commitments

+\$7.3M Australian Carbon
Credit Unit generation
(ACCU)
191k tonnes avoided

Making AACo a great place to work

+37%
Improved LTIFR

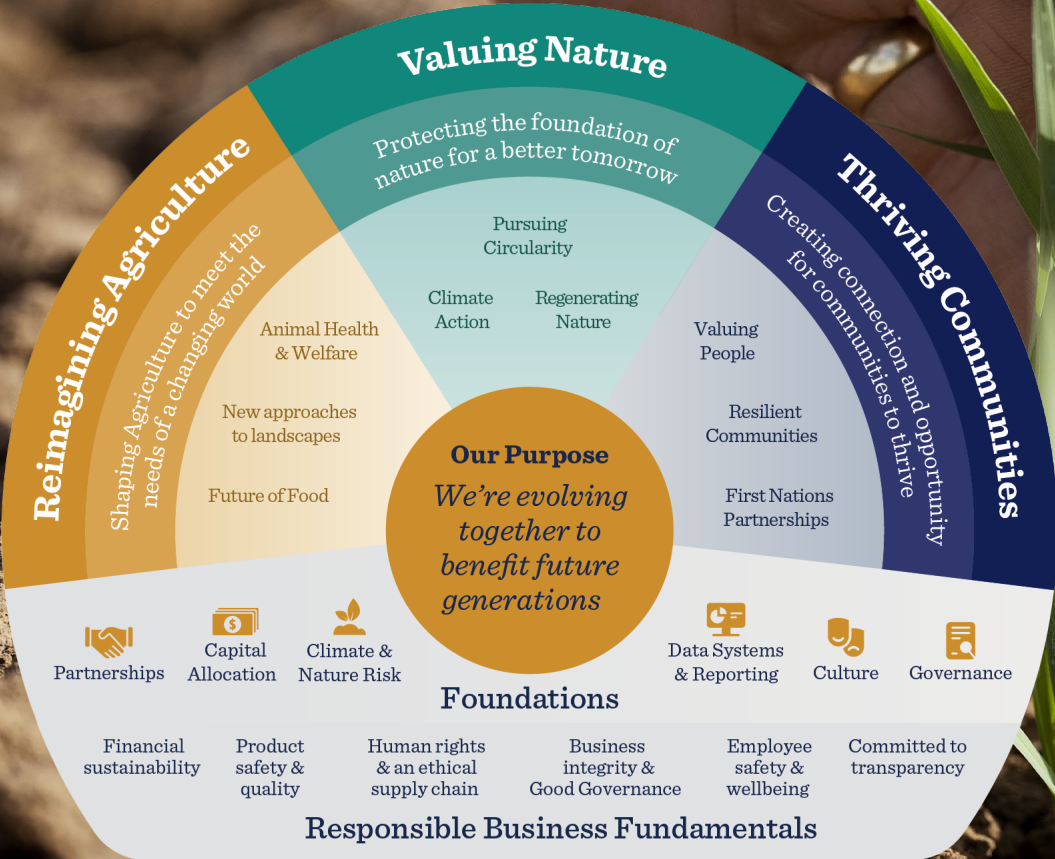
(21%)
Injury severity reduction

40%
Women in leadership

Note 1: Wagyu meat sales represents total meat sales excluding by-products

Note 2: Branded meat sales represents total meat sales excluding trim and by-products

Sustainability Update



Continued progress against our commitments

- Avoided 191k tonnes of carbon emissions, generating \$7.3M in ACCUs
- 388 bores now converted to solar (62%); on-track for FY24 completion
- First stage asparagopsis trial completed
- Continued innovation, focused on improving the environment

Regional Performance





Chef Nancy Silverton
Chi Spacca
Los Angeles, USA

North America

Branded Meat Sales¹



Key strategic region, a continued priority for expansion

- Deepening our engagement and collaboration within established networks of customers across this highly strategic market, supporting price growth
- Westholme collaborations with high profile chefs utilising digital channels, growing brand awareness
- Increased distribution in the food service channel underpins volume growth

Note 1: Branded meat sales represents total meat sales excluding trim and by-products.

Asia

Branded Meat Sales¹



Represents a core strategic market

- Price uplifts on slightly lower volumes
- Expanded brand visibility, value-add promotions and in-store tastings to support premiumisation of Darling Downs in Korea
- Further investment in digital presence to expand consumer reach and engagement

Note 1: Branded meat sales represents total meat sales excluding trim and by-products.



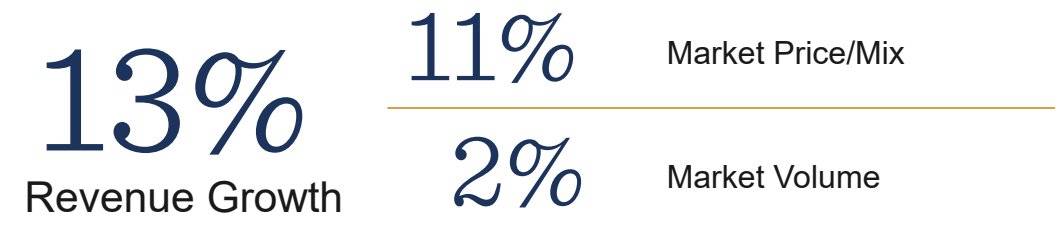
Emart
In-store activation
Seoul, Korea



Chef Scott Pickett
Matilda
Melbourne, Australia

Australia

Branded Meat Sales¹



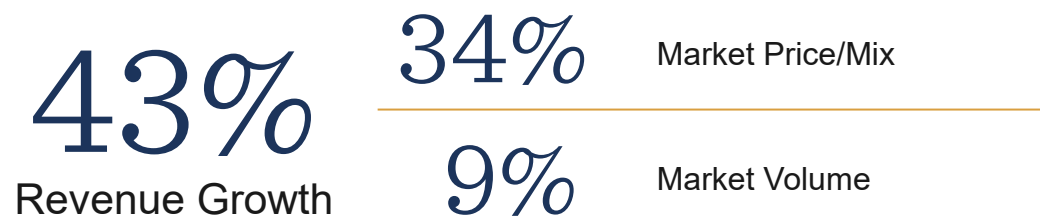
Our spiritual home and always a key focus

- Targeted menu placements with influential chefs and iconic restaurants who best represent the Westholme brand
- Continuing to build brand awareness

Note 1: Branded meat sales represents total meat sales excluding trim and by-products.

Europe/Middle East

Branded Meat Sales¹



Area of selective growth, expanding into new, affluent markets

- Strengthening our partnerships and collaborations with our distribution partners
- Building credibility of Westholme with key chefs across key cities
- Expanding Westholme into new markets, aligning brand with market to achieve price premiums

Note 1: Branded meat sales represents total meat sales excluding trim and by-products.

Chef Jonathan Capitaine
Le Boeuf Volant
Paris, France





Financial Performance



Growth

Total Revenue

\$313.4M

+ 14% vs pcp

Profit

Operating Profit

\$67.4M

+ 35% vs pcp

Cash Flow/Net Assets

Operating Cash Flow

\$16.0M

(34%) vs pcp

Wagyu Meat Sales Price

\$21.98/kg

+ 17.3% vs pcp

(+11.4% constant currency basis)

Operating Profit Margin

21.5%

+ 3.4 ppt vs pcp

Net Tangible Assets

\$2.59/Share

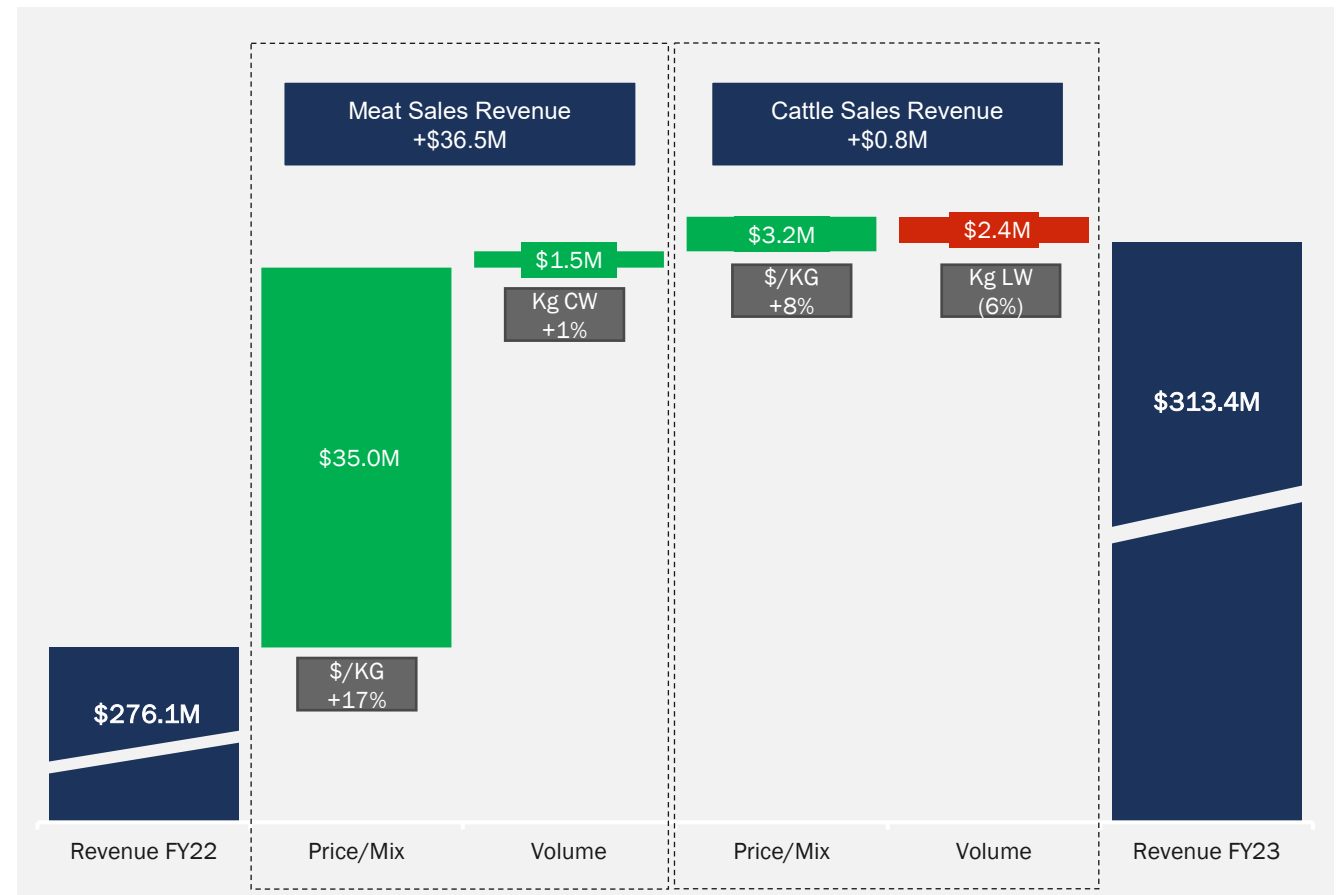
+ 14% vs pcp

Highlights

Revenue

Higher meat sales pricing and strategic mix and market allocation driving improved overall revenue

- Average Wagyu beef sales price increase of 17.3% (11.4% constant currency basis) driven by improved average pricing across all markets and strategic allocation of product across markets
- Strong trading and “restocker” cattle market in H1 supported cattle sales, offset by lower volumes sold compared to FY22



Profit and Loss Summary

Stronger sales margins driving operating profit of \$67.4M vs \$49.9M

Increase in gross margin to \$120.8M vs \$95.6M:

- Meat sales revenue improved by \$36.5M, 17% higher price realisation on consistent volume
- Cattle sales price up 8%, offset by lower volumes sold
- Higher processing, freight and storage costs impacting margin

Unrealised fair value adjustment to herd as Australian cattle prices closed lower:

- Statutory EBITDA of \$49.1M vs \$228.6M
- Net profit after tax of \$4.6M vs \$136.9M

Profit and Loss Summary (\$M)

	FY23	FY22	Var
Meat Sales	245.0	208.5	36.5
Cattle Sales	68.4	67.5	0.9
Total Sales Revenue	313.4	276.1	37.4
Cost of Goods Sold valued "at cost"	(192.6)	(180.4)	(12.2)
Gross Margin	120.8	95.7	25.1
Operating Profit	67.4	49.9	17.5

Statutory Profit/(Loss) Reconciliation (\$M)

	FY23	FY22	Var
Operating Profit	67.4	49.9	17.5
Unrealised mark-to-market of herd	(112.0)	129.6	(241.6)
Cost vs Fair Value: Kgs sold or produced	93.8	46.2	47.6
Other income / (expense)	(0.1)	2.9	(3.0)
Statutory EBITDA (FV basis)	49.1	228.6	(179.5)
Net Profit after Tax	4.6	136.9	(132.3)

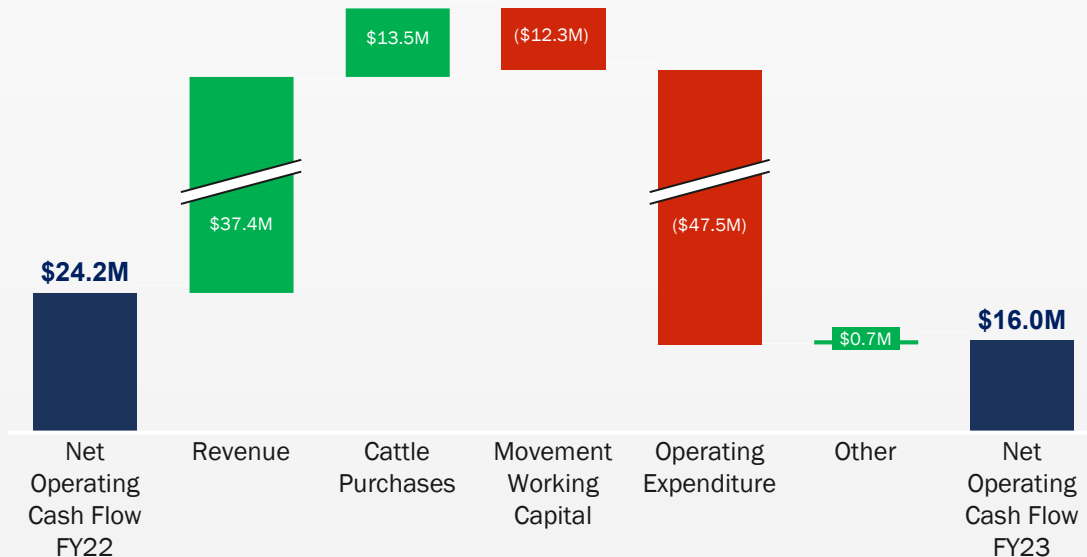
Cash Flow Summary

Positive operating cash flow generation of **+\$16.0M (+\$24.2M pcp)**

Reduced net operating cash flow driven primarily by:

- 19% increase in liveweight kgs produced, requiring greater cash outlay
- Funding of market growth initiatives
- Increased working capital driven by higher meat and commodity inventories

Net Operating Cash Flow Bridge



Consolidated Statement of Cash Flows (\$M)

	FY23	FY22	Var
Receipts from Customers	335.8	297.3	38.5
Payments to Suppliers and Employees	(303.5)	(257.8)	(45.7)
Net Financing Costs	(16.3)	(15.3)	(1.0)
Net Operating Cash Flow	16.0	24.2	(8.2)
Net Investing Cash Flow	(16.0)	(13.6)	(2.4)
Net Financing Cash Flow	(5.3)	(10.2)	4.9
Net Increase / (Decrease) in Cash	(5.3)	0.4	(5.7)
Opening Cash Balance	9.3	8.9	0.4
Closing Cash Balance	4.0	9.3	(5.3)

Balance Sheet Summary

Net assets increase to \$1.6B supporting strong financial position

Livestock balance materially consistent

- Unrealised fair value gains from herd growth of 13% to 433k head
- \$112.0M unrealised herd valuation loss as a result of softening cattle prices

Substantial access to capital

- \$600M total committed borrowing capacity
- \$227M unutilised
- Significant headroom under existing covenants

Gearing ratio of 21.5%


- Strong balance sheet positions AACo well for the future

NTA of \$2.59/share, up 14%

- Pastoral properties gain of \$294M

Consolidated Statement of Financial Position (\$M)

	31 Mar 2023	31 Mar 2022
Livestock	735.2	736.2
PPE & Intangibles	1,548.8	1,245.4
Right-of-Use Assets	37.3	21.9
Other Assets	57.9	51.4
Total Assets	2,379.2	2,054.9
Interest-Bearing Liabilities	390.8	378.6
Lease Liabilities	39.3	23.8
Deferred Tax Liability	343.7	254.4
Other Liabilities	43.3	35.5
Total Liabilities	817.1	692.3
Net Assets	1,562.1	1,362.6
<i>Gearing ratio (post AASB 16)</i>	21.5%	22.5%
<i>Net Tangible Assets (\$/Share)</i>	2.59	2.27

An aerial photograph of a wetland or marsh area. The landscape is characterized by a complex pattern of green and brown patches, likely representing different types of vegetation or water levels. The green areas are interspersed with brown and tan areas, creating a textured, organic appearance. The overall scene is captured from a high angle, providing a top-down view of the terrain.

Operating Environment

Operating Outlook

Strong demand for quality Australian beef, with the Company well positioned to navigate challenging global conditions

- Exceptional wet season across AACo's properties puts the Company in a good position, with strong pasture growth
- AACo has begun an expansion of Goonoo, increasing production capacity
- AACo's herd is well positioned with increased brandings and production in FY23
- Recent herd liquidations in key US and Korean markets may present further headwinds
- Inflationary pressures around the globe may continue to impact supply chain costs
- Increased geopolitical risk continues to create disruption and volatility in global economies and financial markets



Closing Remarks



Questions



Appendix

Definitions

Term	Definition
Cost of Goods Sold (COGS) valued “at cost”	<i>Represents the actual production cost the Company incurred over the multi-year timeline required to produce the meat and cattle that were sold during the period. This is in contrast to Cost of Goods Sold as presented in the statutory financial statements which instead uses the fair value (less costs to sell) of the cattle sold live or used in the production of sold meat. As Fair Value is a market-based measurement and is not entity-specific, Management believe that profit measures using actual costs incurred to calculate COGS, more accurately reflect entity performance than profit measures which use Fair Value to determine COGS.</i>
Cost of Production	<i>Total production costs incurred during the period throughout the breeding, backgrounding and feedlot operations of the Company, divided by the number of total live weight kilograms of cattle produced during the period.</i>
Operating Profit	<i>The measure of Operating Profit is a key indicator which is used to monitor and manage the Company and represents an adjusted statutory EBITDA. Operating profit is a key measure of profitability for AACo which removes unrealised livestock mark-to-market fluctuations from the statutory profit result, and measures cost of goods sold using production costs rather than fair value.</i>
Operating Profit Margin	<i>Operating profit margin is determined as operating profit as a percentage of total sales revenue.</i>
Fair Value	<i>Fair value, as defined by AASB 13 Fair Value Measurement, is an accounting measurement which represents the amount that would be received to sell an asset in an orderly transaction.</i>
Fair value changes in Livestock	<i>Fair value changes in Livestock (less costs to sell) occur through changes in market pricing and quantity or composition changes in the herd due to growth, attrition, natural increase, beef transfers, purchases or sales. All changes to the livestock balance are recorded as fair-value gains or losses in the statutory statement of profit or loss in accordance with AASB 141 Biological Assets and AASB 13 Fair Value Measurement, and can represent both realised (in the case of quantity movements) and unrealised gains/losses (in the case of market price movements).</i>
Unrealised mark-to-market of herd	<i>Represents only the market price component of fair value changes of livestock. This value is calculated by referencing the change in market pricing from the close of the previous period, to the close of the reported period. This price difference is then applied against the quantities represented in the closing herd. This solely represents the impacts of changes in market prices on the value of the closing herd and is therefore an unrealised gain or loss. Fair value changes driven by changes in the herd size and composition, are not included in this number.</i>
Cost vs Fair Value: Kgs sold or produced	<i>Represents the difference between meat and cattle COGS, as well as attrition measured at Fair Value vs actual cost to produce.</i>
Statutory EBITDA	<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>
ROCE	<i>Return on Capital Employed determined as current period operating profit as a percentage of opening capital employed.</i>
Kg LW	<i>Kilograms Live Weight</i>
Kg CW	<i>Kilograms Carton Weight</i>
PCP	<i>Prior Comparative Period</i>
NTA	<i>Net Tangible Assets</i>