



**22 May 2024**

## **CONFERENCE PRESENTATION**

Ridley Corporation Limited (**Ridley**) (**ASX:RIC**) provides a copy of a presentation to be delivered at the 2024 Wilsons Rapid Insights Conference on Thursday 23 May 2024 and the 22<sup>nd</sup> Australasian Agfood Conference on Wednesday 29 May 2024 that includes a Trading Update and Outlook statement (see **attachment**).

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



# INVESTOR UPDATE

Rapid Insights Conference 2024

Australasian Agfood Conference

Quinton Hildebrand - MD & CEO

Richard Betts - CFO

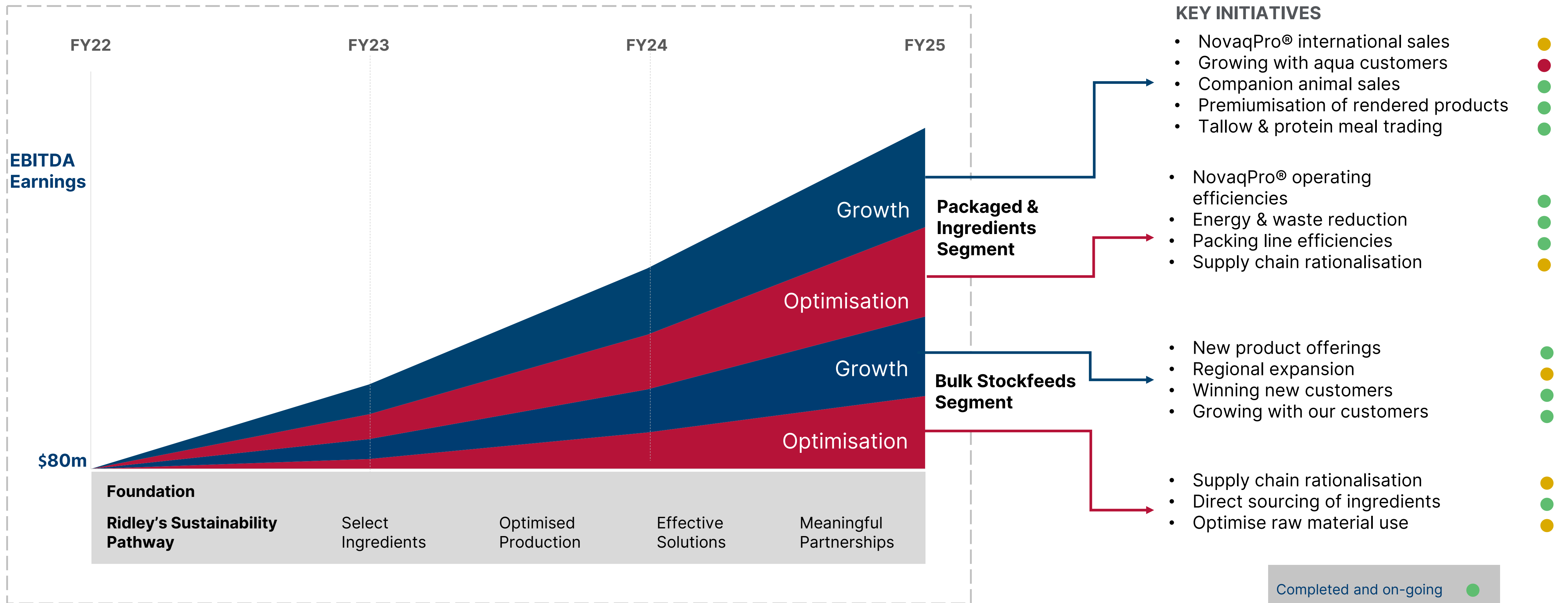
22 May 2024



**FY23 – FY25  
GROWTH PLAN  
UPDATE**

# GROWTH PLAN FY23 – FY25

AS PRESENTED AT AGFOOD CONFERENCE IN MAY 2022



This diagram is for illustrative purposes only.

# FY23 - FY25 GROWTH PLAN: BULK STOCKFEEDS

AS PRESENTED AT AGFOOD CONFERENCE IN MAY 2022



## Bulk Stockfeed

### Strategy

Leverage the flywheel effects of scale, extend our role in the supply chain and enhance our market leadership position



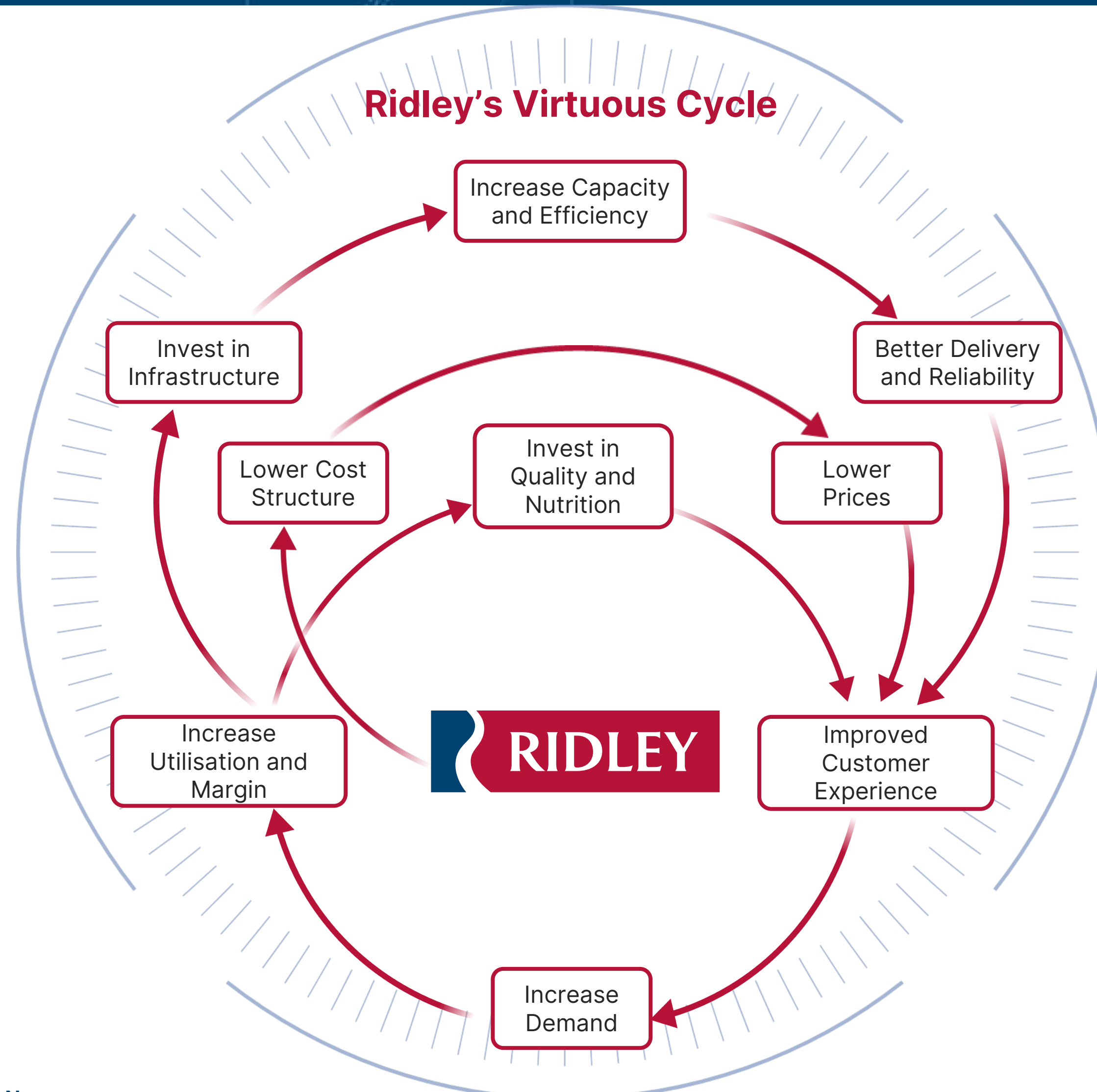
## Key Initiatives

### Growth

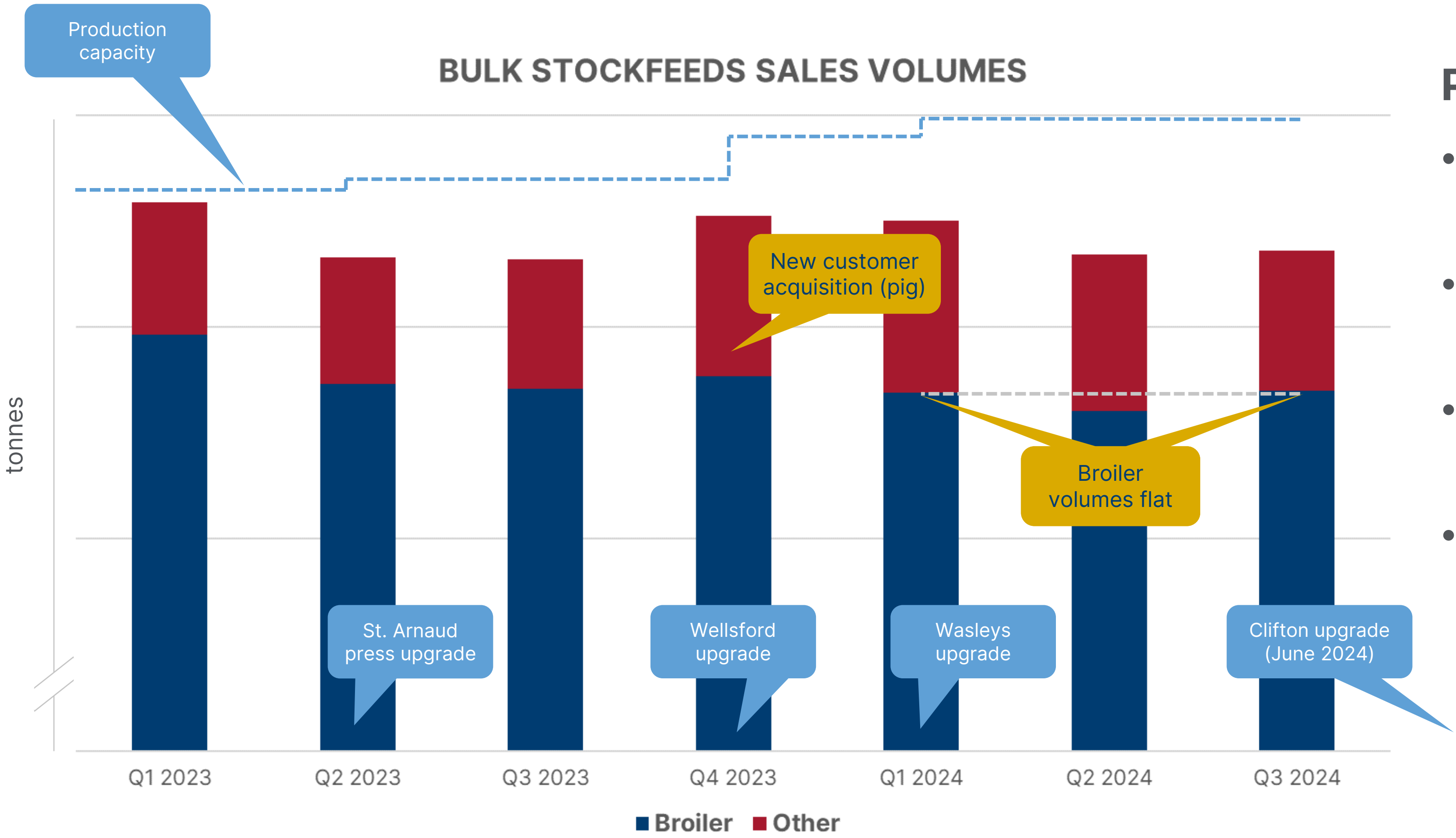
- Increase mill utilisation
- De-bottleneck sites
- New product offerings
- Potential acquisitions (subject to strategy, capability and ROFE)

### Optimisation

- Supply chain rationalisation
- Direct sourcing
- Technology to optimise raw material use



# FY23 - FY25 GROWTH PLAN: BULK STOCKFEEDS (MONOGASTRIC)

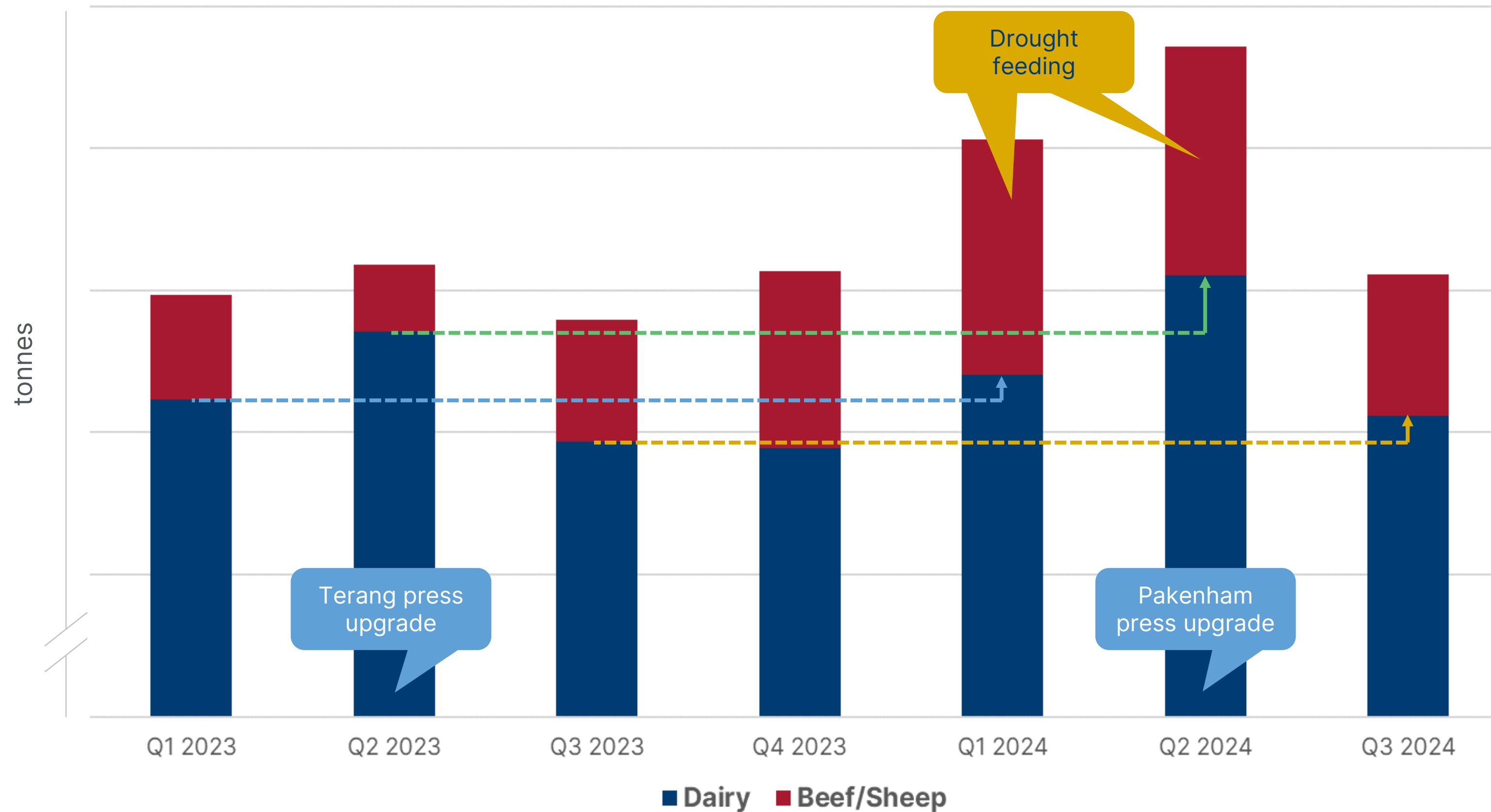


## PROGRESS UPDATE

- Business unit performing in line with Growth Plan
- Debottlenecking initiatives increasing capacity (see chart)
- Customer acquisition off-set by flat broiler volumes
- Available capacity for low-cost volume growth

# FY23 - FY25 GROWTH PLAN: BULK STOCKFEEDS (RUMINANT)

BULK STOCKFEEDS SALES VOLUMES

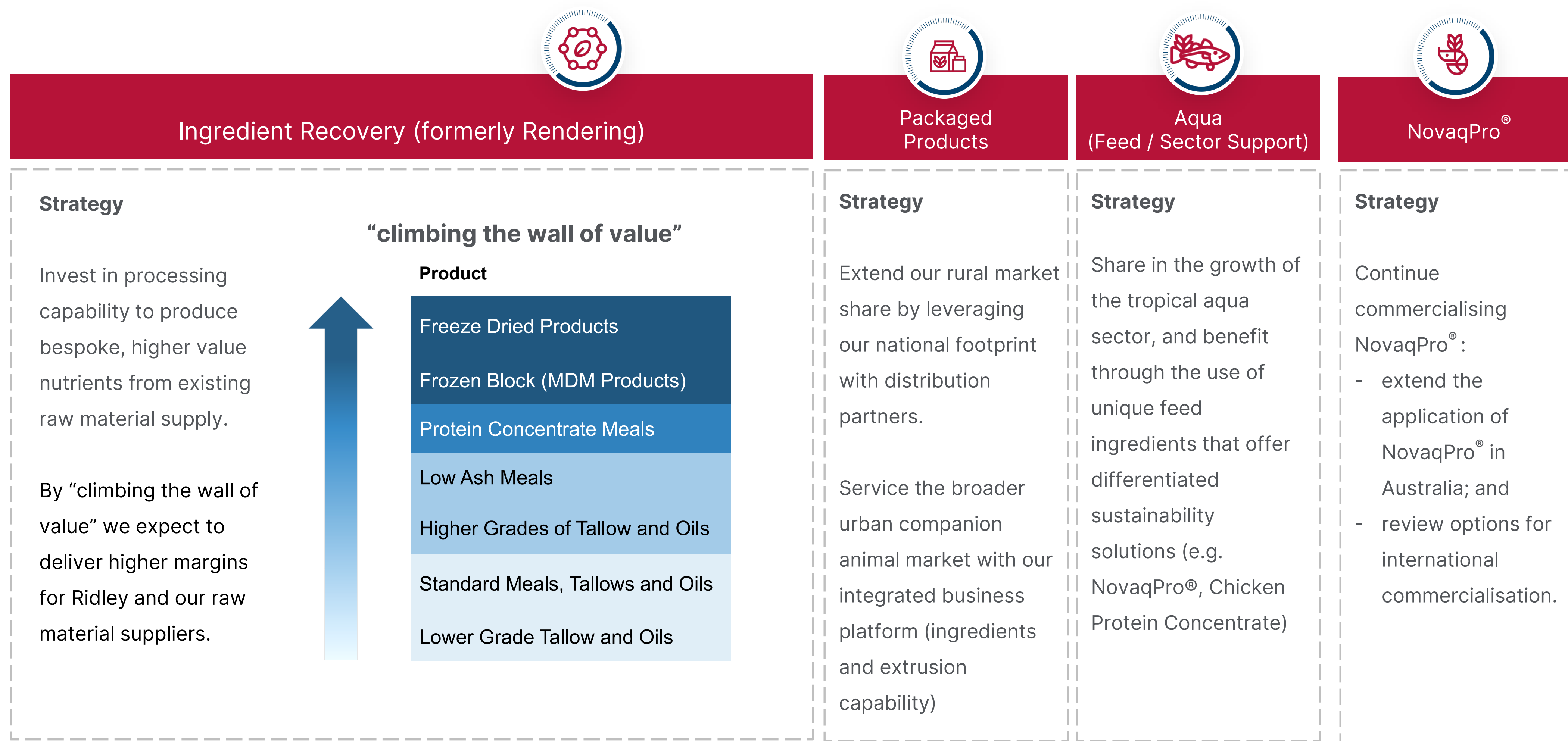


## PROGRESS UPDATE

- Business unit performing in line with Growth Plan
- Debottlenecking initiatives executed per plan
- Incremental capacity delivering low cost volume growth
- Dry conditions created feeding opportunities in Q1 and Q2 2024, however generally wet over Plan period (see chart)
- Strong growth in dairy market share on comparative quarters YoY (see chart)

# FY23 – FY25 GROWTH PLAN : PACKAGED FEED & INGREDIENTS

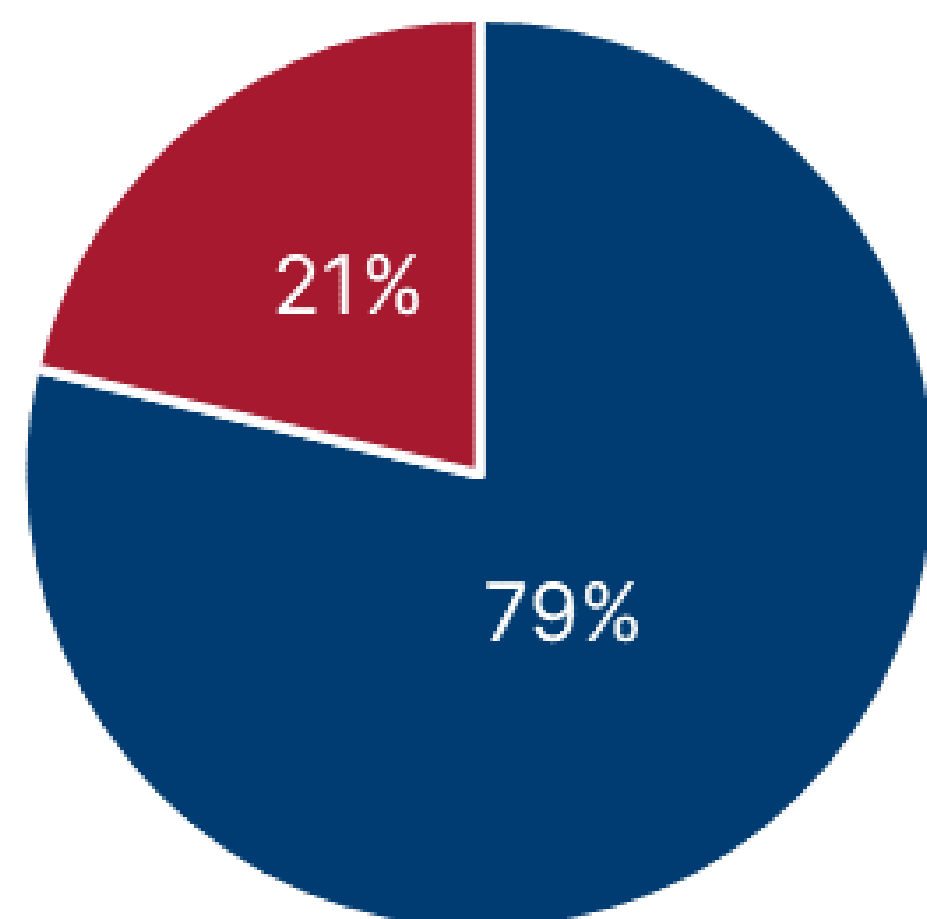
AS PRESENTED AT AGFOOD CONFERENCE IN MAY 2022





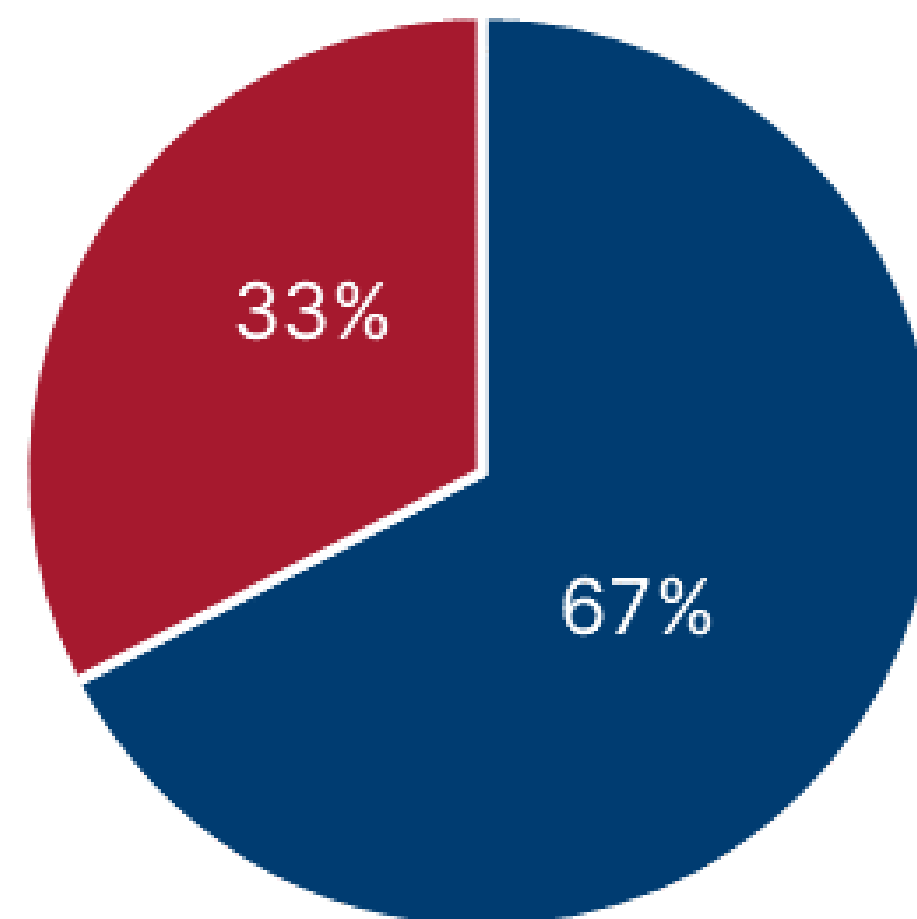
# FY23 - FY25 GROWTH PLAN: INGREDIENT RECOVERY

Standard vs. Premium %  
June 2022 volume



■ Standard ■ Premium

Standard vs. Premium %  
April 2024 volume



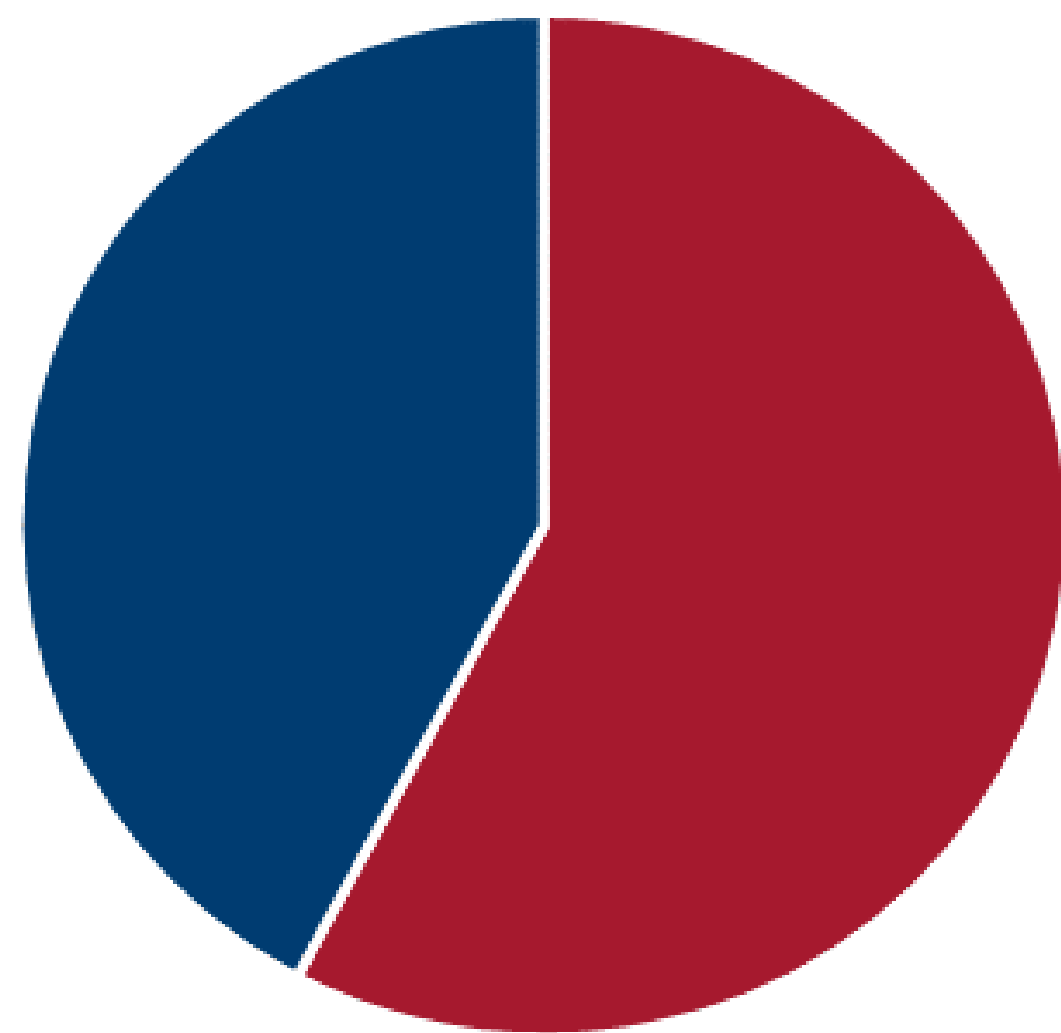
■ Standard ■ Premium

## PROGRESS UPDATE

- Business unit performing ahead of Growth Plan
- Shift to premium products over Plan period, includes OMP in April 2024 (see charts)
- Tallow prices experiencing short-term price softness, but we remain positive on fundamentals

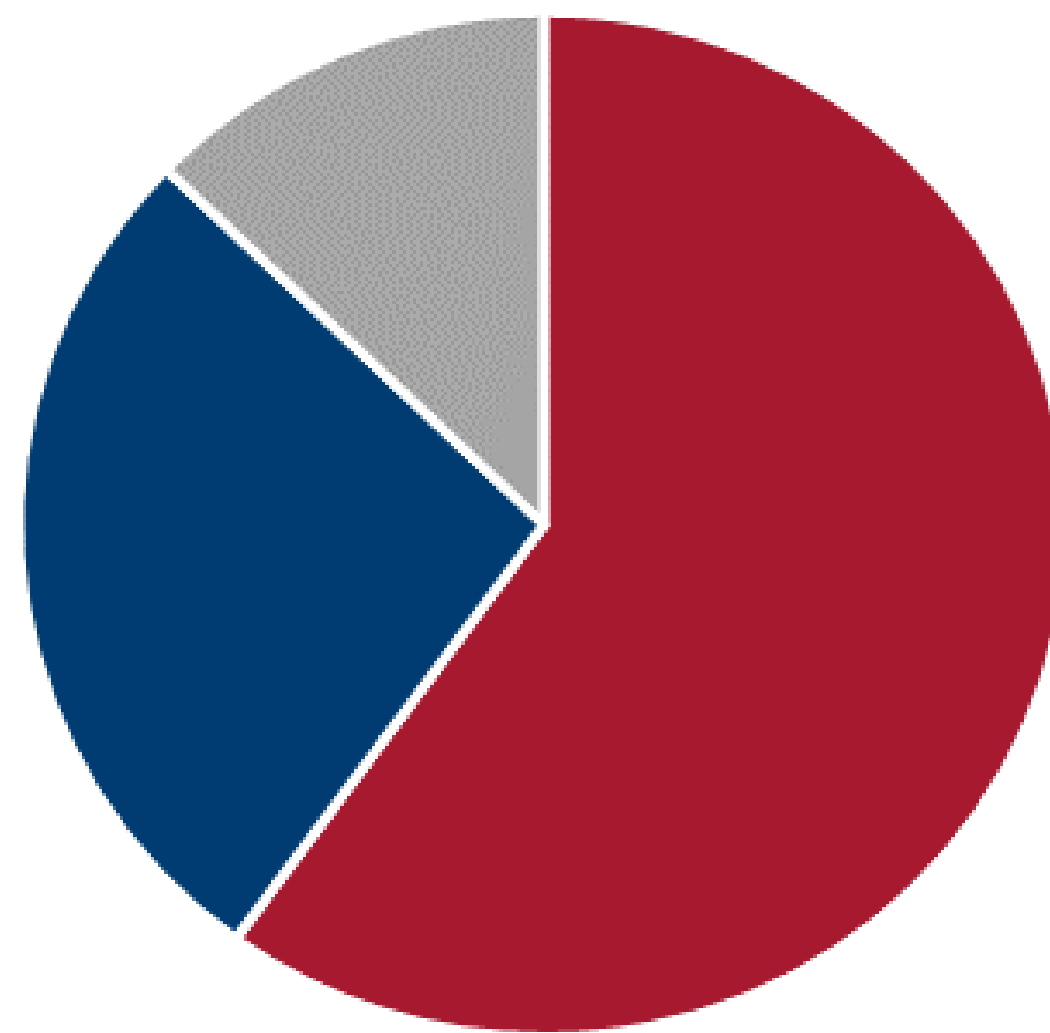
# FY23 - FY25 GROWTH PLAN: AQUA NUTRITION & PACKAGED PRODUCTS

## Production Volumes Pre Restructuring



■ Pet ■ Aqua

## Production Volumes Post Restructuring



■ Pet ■ Aqua ■ Spare Capacity

## PROGRESS UPDATE

- Petfood Packaged Products growth constrained by extrusion capacity
- Aqua business unit restructured:
  - to focus on profitable sales, resulting in reduced sales to fin fish customers
  - Aqua and NovaqPro<sup>®</sup> rationalised into single business unit
  - Extrusion plant reduced from 24/7 operation to 24/5
- Capacity now available to grow petfood volumes in the future

# CAPITAL ALLOCATION FRAMEWORK

## DELIVERED IN FY23 & FY24 TO DATE

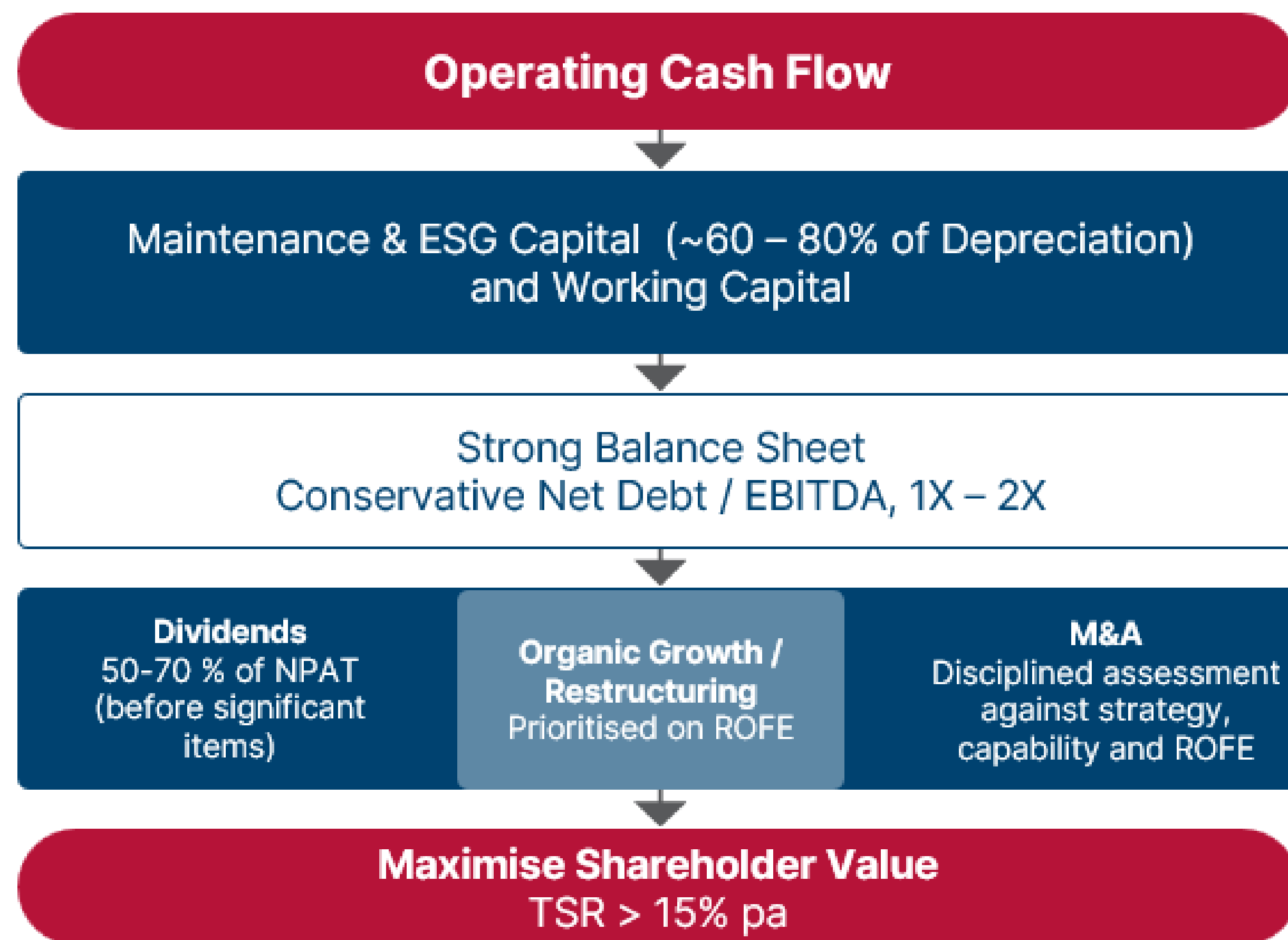
Operating result up 10% in FY23 and 5% FY24 1H

Maintenance & ESG capital prioritised and managed within range; where appropriate have used balance sheet to take on strategic inventory positions

Net Debt / EBITDA is ~1X including OMP acquisition

Dividends progressively increased to ~62% of NPAT  
Capex for organic growth remains a key focus  
OMP acquisition aligned to strategy, capability and ROFE

TSR of 18.7% from end FY22 to 15<sup>th</sup> May 2024



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.

# RIDLEY SUSTAINABILITY PILLARS<sup>1</sup>

PRESENTED AT AGFOOD CONFERENCE IN MAY 2022

Working with our partners, we have identified four pillars to deliver real value in sustainable ways:



## SMARTER INGREDIENTS

Sourcing high-quality raw materials that are produced with respect to social and planetary boundaries

- Create and utilise high performance circular ingredients
- Source from well-managed production systems
- Support Australian growers



## OPTIMISED PRODUCTION

Optimising our manufacturing and supply chain processes to reduce our footprint

- Measure and reduce green house gas intensity of our operations
- Respect for our local environment through sustainable packaging
- Reduce waste to landfill



## EFFECTIVE SOLUTIONS

Developing nutritional solutions that enable farmers to produce more from less

- Assess the environmental footprint of our feed and offer lower CO<sub>2</sub>-e intensity options
- Produce safe feeds that support animal health and welfare
- Help farmers to address climate challenges
- Reduce reliance on finite marine resources



## MEANINGFUL PARTNERSHIPS

Creating safe, healthy, and diverse workplaces that support local communities

- Support customers to meet their sustainability goals
- Ensure safe and healthy employees
- Create diverse workplaces
- Provide training and development opportunities
- Support local communities



Ridley's Sustainability Pathway aims to align with the United Nations Sustainable Development Goals. Refer to <https://www.un.org/sustainabledevelopment/>

Identify and mitigate climate risk

<sup>1</sup> Ridley has refined the scope of some activities under the Pillars during phase 3 and 4 of the Strategy and Implementation Process.

# RIDLEY SUSTAINABILITY 2030 SCORECARD – PROGRESS UPDATE

## FOCUS OF OUR 2030 COMMITMENTS

The full text of our 2030 Commitments are set out in Ridley's Annual Report FY23

FY24  
Target\*

← 2030  
Commitment →

Purchase soybean products from suppliers committed to offering DCF supply



Reduce CO2-e per tonne of finished feed from energy consumption



Reduce use of non-recyclable plastics in outgoing packaged product



Implement initiatives to reduce waste to landfill



Offer lower footprint feed options to customers



Enhance biosecurity standards at higher-risk sites



Develop and/or invest in methods to reduce GHG in ruminant production



Reduce Fish In Fish Out & Feed Fish Inclusion Factor in Ridley Aquafeeds



Assist customers to reduce GHG intensity of their products



Continue to foster a safe environment for our people



Increase the percentage of women in our workforce



Embed a formalised learning & development program targeting future fit skills



Support engagement in our local communities



Manage climate-related risks and integrate into strategic decision-making



\*Management assessment as at March 2024



### SMARTER INGREDIENTS

Sourcing high-quality raw materials that are produced with respect to social and planetary boundaries



### OPTIMISED PRODUCTION

Optimising our manufacturing and supply chain processes to reduce our footprint



### EFFECTIVE SOLUTIONS

Developing nutritional solutions that enable farmers to produce more from less



### MEANINGFUL PARTNERSHIPS

Creating safe, healthy, and diverse workplaces that support local communities



### CLIMATE CHANGE



# TRADING UPDATE

# FY24 TRADING UPDATE

Earnings\* growth in the Bulk Stockfeeds Segment is expected to offset the lower earnings in the Packaged Feeds & Ingredients Segment. Separately the contribution from OMP is forecast to be in line with expectations.

Drivers of performance in FY24 H2:

## **Bulk Stockfeeds**

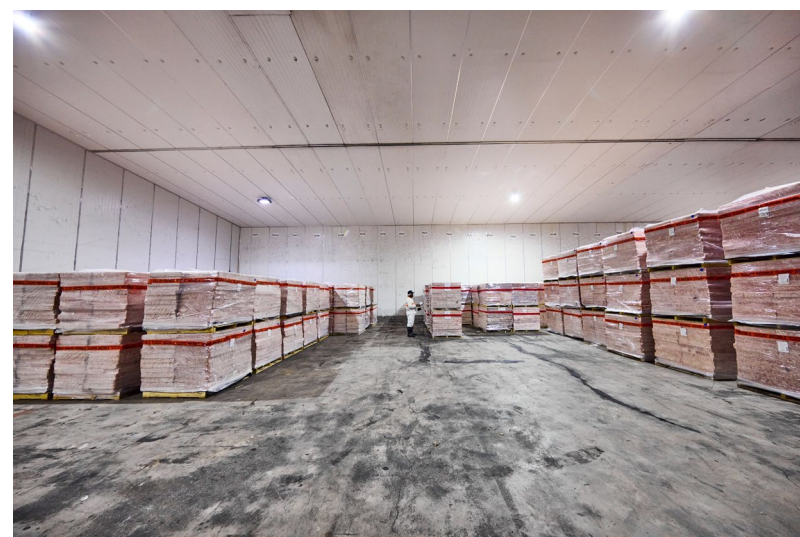
- Strong growth in dairy market share continues
- Poultry feed demand constrained by industry breeder limitations
- The dry conditions that created supplementary feeding opportunities in H1, not repeating in H2 2024

## **Packaged Feeds & Ingredients**

- Ingredient Recovery continues to be impacted by lower tallow and meal prices
- Supplier volumes increasing at the Ingredient Recovery plants due to structural change in the industry
- Reset of Aquafeed business in H2 to position for growth in petfood

\* EBITDA before significant items

# FY24 TRADING UPDATE – OMP



## PROGRESS UPDATE

- Acquisition successfully completed 28 March 2024
- Integration progressing to plan
- Initial interaction with customers, suppliers and staff has been very positive
- Key focus on servicing customers and delivering operational efficiencies
- Financial performance in April 2024 ahead of expectations



# OUTLOOK



# OUTLOOK

Ridley expects ongoing earnings growth by delivering:

- further premiumisation for the petfood sector in the Packaged & Ingredients segment,
- volume increases in the Bulk Stockfeeds segment enabled by the de-bottlenecking projects, and
- benefits from the restructuring activities undertaken in FY24.

Cash generation is expected to support maintenance capital, investment for growth, dividends and the potential for other capital management strategies.

# Important notice and disclaimer

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**LEADING ANIMAL NUTRITION**