



21 May 2025

ASX/Media Announcement

AACo delivers positive operating outcome in FY25

- Operating Profit: \$58.4m vs \$51.1m pcp, with increased meat and cattle sales volumes helping offset market and price pressures.
- Revenue: \$387.9m vs \$336.1m pcp, reflecting growth in meat and live cattle sales volumes, whilst holding herd numbers stable.
- Operating Cash Flow: \$27.1m vs \$9.3m pcp, supported by additional sales volumes, and underpinned by a disciplined and balanced approach to cost management across the supply chain.
- Statutory Net Loss After Tax: \$1.1m vs loss of \$94.6m pcp, and Statutory EBITDA of positive \$56.3m vs negative \$87.9m pcp, following improved herd valuation vs pcp.
- Strong balance sheet, with gearing ratio of 24% remaining at the lower end of target range and significant headroom under existing covenants.
- NTA increase of 2% to \$2.55 per share vs \$2.51 pcp.

FY25 Overview

Australian Agricultural Company Limited (ASX:AAC) (AACo) has announced an operating profit of \$58.4m and an operating cashflow of \$27.1m for the 2025 full year, underscoring the company's resilience and ability to manage evolving market and trading circumstances.

Growth in meat sales volumes was a key driver of the result, which is AACo's highest operating cash flow and second-highest operating profit since 2017. It's also the third consecutive full-year operating profit above \$50m.

Meat sales revenue increased by \$25.2 million vs pcp and cattle sales revenue rose by \$26.6m vs pcp, resulting in an overall revenue figure of \$387.9m, \$52m higher than the prior period.

The operating results were supported by a disciplined approach to managing costs, with spending in line with increased production and costs controlled to minimise inflationary impacts. The cost of production per kg produced increased 5%, which reflects the impact of inflation on inputs, as well as having a higher proportion of cattle moving through the finishing stages of the supply chain where costs are higher.

AACo's herd remained largely consistent, at 455,852 head. The unrealised mark-to-market value of the herd declined \$4.7m compared to a \$149.4m reduction in the prior period, which contributed to a statutory net loss of \$1.1m. The result further supports AACo's focus on operating results as the key measure of performance.

When combined with a \$45.9m increase in total property and infrastructure values, the statutory performance pushed the NTA up 2% vs pcp, to \$2.55 per share.

The Wagyu meat sales price per kilogram was down 10% vs pcp to \$17.85 per kilogram, impacted by the challenging market conditions of the first half, including the prolonged herd liquidations in the US and increased local supply in Korea. There were positive signs in the second half though, with the average meat sales price improving as supply dynamics and global inflationary pressures eased.

Managing Director and CEO David Harris says AACo's long-term commercial strategy has positioned the company well, considering the variable global conditions.

"AACo's ability to leverage its distribution network and strategically allocate product enables us to protect price in key regions," Mr Harris said.

"That approach becomes even more influential when conditions are shifting, and while it doesn't insulate the company from price pressures entirely, it does put us in the best position to respond when conditions improve, as we started to see towards the end of the financial year.

"However, while we saw incremental improvement in some product categories and sectors, a downturn in several high paying markets is indicative of the sustained challenging broader economic and market conditions."

Commercial performance

New branded menu placements in established restaurants as well as expanded offerings in gourmet marketplaces were among the highlights this period, indicating that AACo's Wagyu continues to be desired by chefs and consumers.

The company's suite of brands – Westholme, Darling Downs and 1824 – allows it to deliver the offerings and value proposition that most closely align with consumer and market expectations.

That is the foundation of AACo's strategic approach to product allocation, balancing anticipated demand with global conditions, while protecting the position of the brands in key markets.

The increased capacity of the expanded Goonoo facility helped facilitate a 21% increase in volumes vs pcp. This was allocated across the brands, supported by bold brand-building initiatives and nuanced in-market execution.

Westholme

Westholme continues to establish its new positioning – *Nature-led Australian Wagyu* that was launched in the first half. It reflects Westholme's and AACo's desire to keep nature as the foundation of its premium beef production and will continue to set the brand apart in an increasingly competitive global Wagyu market.

AACo strategically increased Westholme volumes following the successful launch, taking an intentional approach to position the brand for future opportunities.

The increased volume resulted in an overall 17% increase in sales value vs pcp, noting global market dynamics resulted in reduced prices in some markets.

Darling Downs

The growth of the Darling Downs brand in Korea, despite an increased supply of the local Hanwoo product, is testament to the brand's quality and presence in that market.

A targeted expansion of Darling Downs through the period contributed to a 19% uplift in volume. Products across multiple tiers are now available at 134 Emart locations across Korea and the brand's footprint expanded across Asia and Australia.

Increases in volume helped offset price pressures which remain in some markets.

1824

1824 achieved strong results in FY25, the first full year since its relaunch in January 2024.

While the results are measured against a partial period, a 9% increase in price vs pcp, alongside notable growth in sales value and volume, demonstrate the market demand and potential for 1824 across both retail and food service opportunities in Australia and overseas.

1824 honours AACo's 200-year history and captures demand in markets and from consumers outside of Westholme and Darling Downs.

Business investment

The strong operating cashflow enabled AACo to continue reinvesting into the business in FY25, helping build a more resilient supply chain while improving station infrastructure.

AACo's sustainability initiatives, including its stocking model are improving land condition, with increased brandings and improved cattle productivity a direct outcome.

The sustainability program is now more embedded into business-as-usual activities, supported by key projects such as AACo's involvement in the Zero Net Emissions Ag CRC, and registration of the company's first soil carbon project, which took place in the period.

Further investment continued in station facility and infrastructure upgrades, fleet optimisation, IT, connectivity and safety programs.

Operating environment

AACo's global operating environment remains dynamic. It is influenced by a range of factors, and while many are outside its control, the company has put measures in place to best respond to potential impacts.

Its high-quality integrated supply chain and strong global network of distributors have positioned the company well to take advantage of emerging conditions.

While the outlook for global beef sales is uncertain, the demand for Australian beef is expected to remain strong, particularly in AACo's key markets, Korea, North America and Europe where local supply is contracting.

Market access remains a priority, and AACo will continue monitoring the evolving global trade policy landscape to ensure it is able to capture the best outcomes and those that align with the company's priorities.

AACo's strategy refresh

The refresh of AACo's strategy that was previously announced, continued through the period.

Better Beef, Partner and Invest and *Unlock the Value of the Land* have been identified as strategic focus areas, and the company is now in the early stages of implementing against these priorities.

The focus areas align with company strengths while seeking new opportunities to innovate and grow through the supply chain.

An important part of the process also included refreshing AACo's purpose, vision and values, and these were launched internally in recent months.

AACo's purpose is: *Reimagining Australian agriculture to share with the world*. This reflects AACo's desire to think beyond what's possible today, challenge assumptions, and create a real difference.

The company's vision is: *To be the leading food and agriculture company delivering nature-led solutions at scale*, which articulates the company's aspirations and the potential that AACo has to lead and influence through its extensive operations.

Mr Harris said AACo's values, *Be curious, Be generous* and *Own your impact* will drive the way employees show up and contribute.

"The purpose and vision are our guide, while the focus areas will be the blueprint to how we deliver on a day-to-day basis," Mr Harris said.

"It's an exciting time for the company as we embark on the next stage of our growth, building on the pleasing results of this period, with the support of engaged teams across our properties and around the world.

"I'm proud of their efforts in FY25 and the results we have achieved together."

[ENDS]

Investor Briefing

The Australian Agricultural Company Limited (ASX:AAC) (AACo) will hold a teleconference and webcast briefing for investors and analysts detailing HY25 Results on **Thursday 22 May, 2025 at 9:30 am AEST**.

Conference details:

Webcast link – <https://ccmediaframe.com/?id=27yk6WIL>

AACo Conference ID: 10046549

All Participants will be asked to provide the Conference ID when joining the Call.

Participant Dial-in Numbers

Australia Toll Free:	1800 809 971	Australia Alt. Toll Free:	1800 558 698
Australia Local:	02 9007 3187	Hong Kong Toll Free:	800 966 806
New Zealand Toll Free:	0800 453 055	UK Toll Free:	0800 051 8245
New Zealand Alt.	09 929 1687	Singapore Toll Free:	800 101 2785
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For the purposes of ASX Listing Rule 15.5, AACo confirms that this announcement has been authorised for release to the market by the Board.	