



**LEADING ANIMAL NUTRITION**

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# **Wilsons Rapid Insights 2022**

Melbourne, 17 November 2022

# RIDLEY'S GROWTH PLATFORM

Ridley delivered against its FY20-FY22 Growth Plan by:

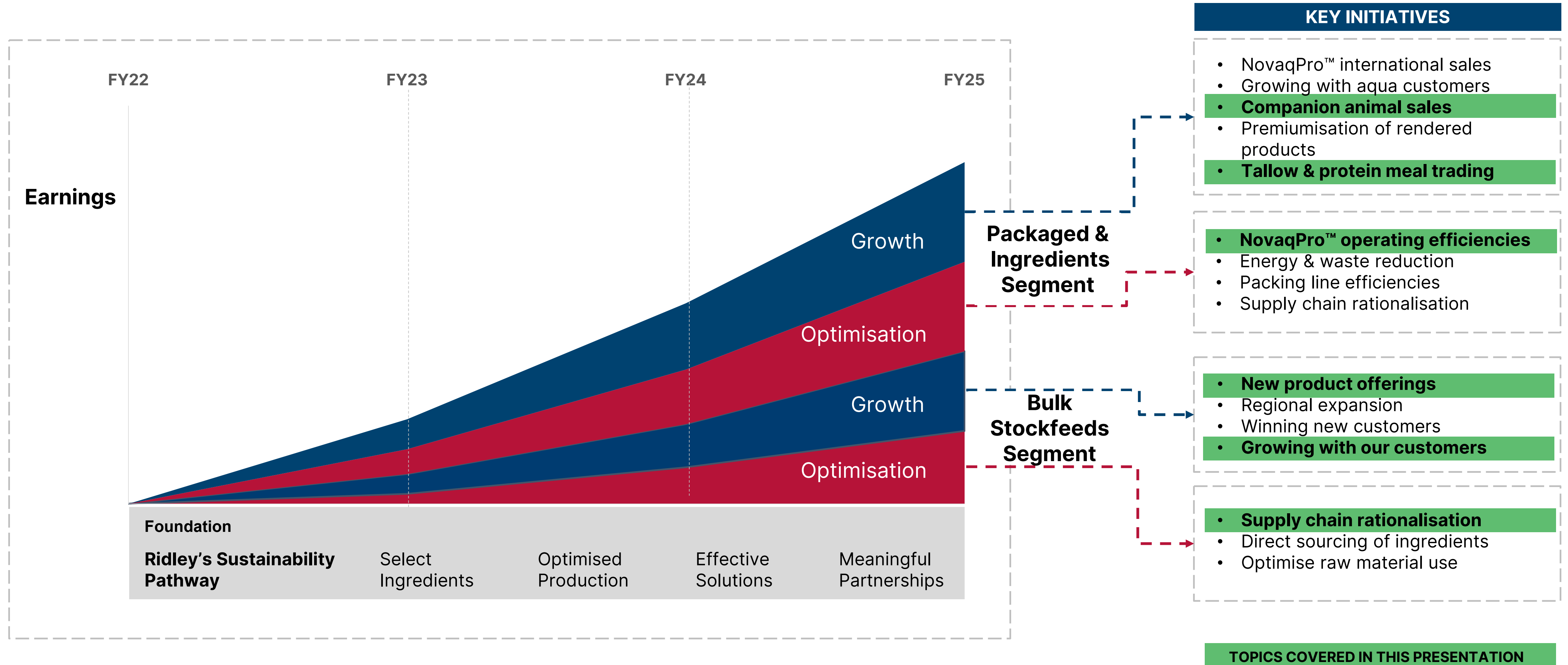
- achieving an EBITDA CAGR of 18.6%;
- implementing a disciplined capital allocation framework;
- investing growth capex in both reporting segments;
- selling under-performing assets; and
- realising a total shareholder return (TSR) of 79%.

The FY23-FY25 Plan builds on the success of the previous Plan

# 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 through weather, disease and market cycles.
- 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.

# GROWTH PLAN FY23 – FY25





# FY23 - FY25 GROWTH PLAN : BULK STOCKFEEDS



## Bulk Stockfeed

### Strategy

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



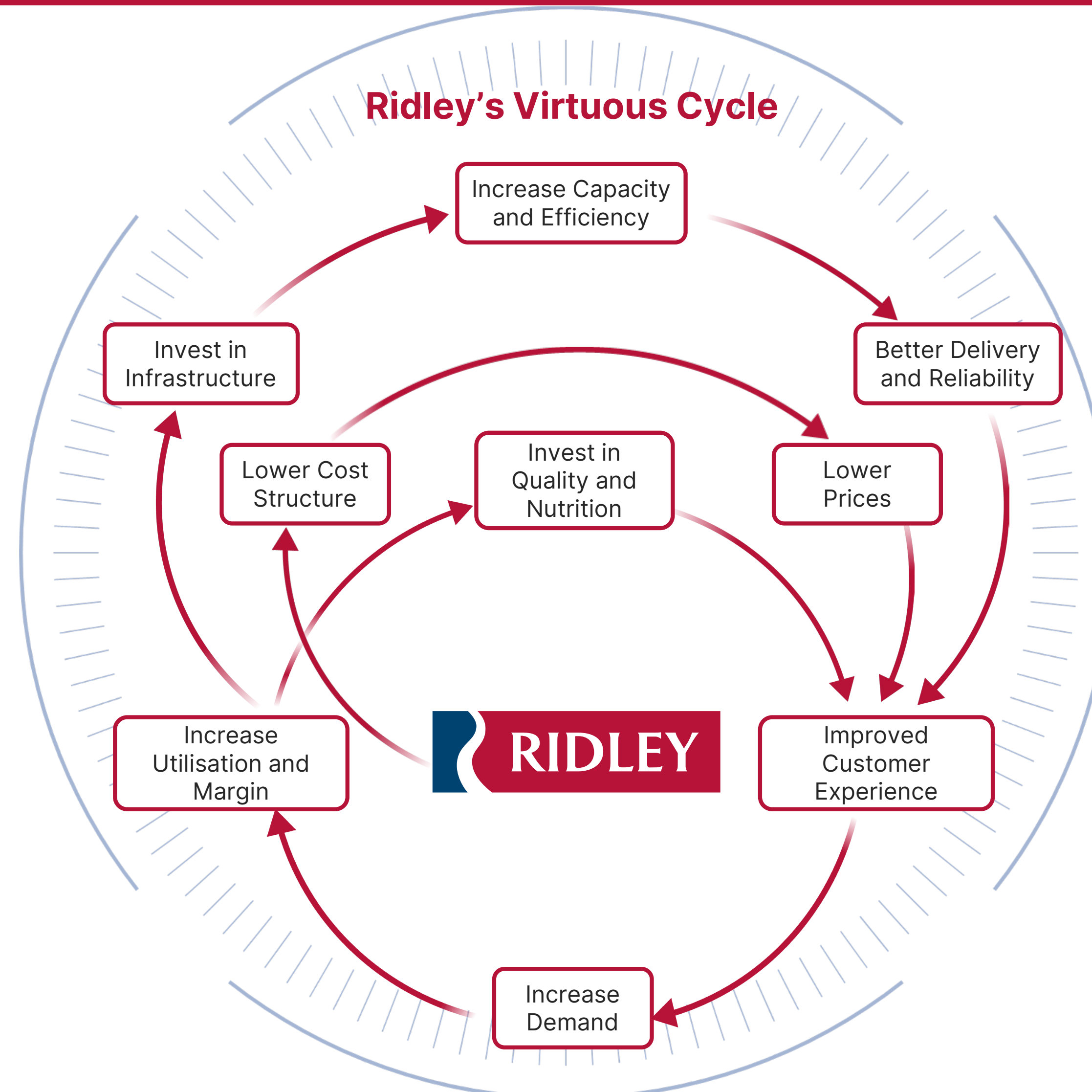
## Key Initiatives

### 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



# BULK STOCKFEEDS

## Delivering on the Growth Plan



### GROWTH - Growing with our customers

- Sales volumes up 4% in Q1 on pcp
- Investment in debottlenecking projects at five feedmills will increase installed capacity by >10% for FY24



### GROWTH - New product offerings

- Launch of Ridley 'smart blends' range of dairy forage feeds in October 2022



### OPTIMISATION - Supply chain rationalisation

- Aggregated and tendered transport contracts in Eastern Victoria and Northern Victoria in Q1



**Smart work doesn't look like work.**

**RIDLEY**  
**SMART BLENDS**

**TRANSITION  
DRY  
MILKING  
HEIFER**

At Ridley, we deliver our Smart Blends range of dairy forage feed straight to your door. And now we're delivering it the smart way too, by introducing baled blends in addition to loose, to suit whatever set-up you have.

Whether you need a TMR or a PMR, a blend for the transition period or a feed for young heifers, we have the product your cows need.

Convenience without compromise. Now that's the smart choice.

Speak to your Ridley representative or give us a call on 1800 100 151 to find out more, or to book your on-farm consultation.

ridley.com.au

Smart Blends print advertisement, Western Districts, VIC - October 2022



# IMPACT OF WET CONDITIONS

Widespread rainfall / flooding through Eastern Australia in recent months has affected our Bulk Stockfeeds operations.

- Sites sustained very minor flood damage.
- Supply to customers disrupted due to restricted road access which:
  - stopped the mills for short periods due to full outloading bins, and
  - required a whole of supply chain response to ensure all animals were fed.
- Ongoing delays to the harvesting of crops making the old season / new season transition challenging.



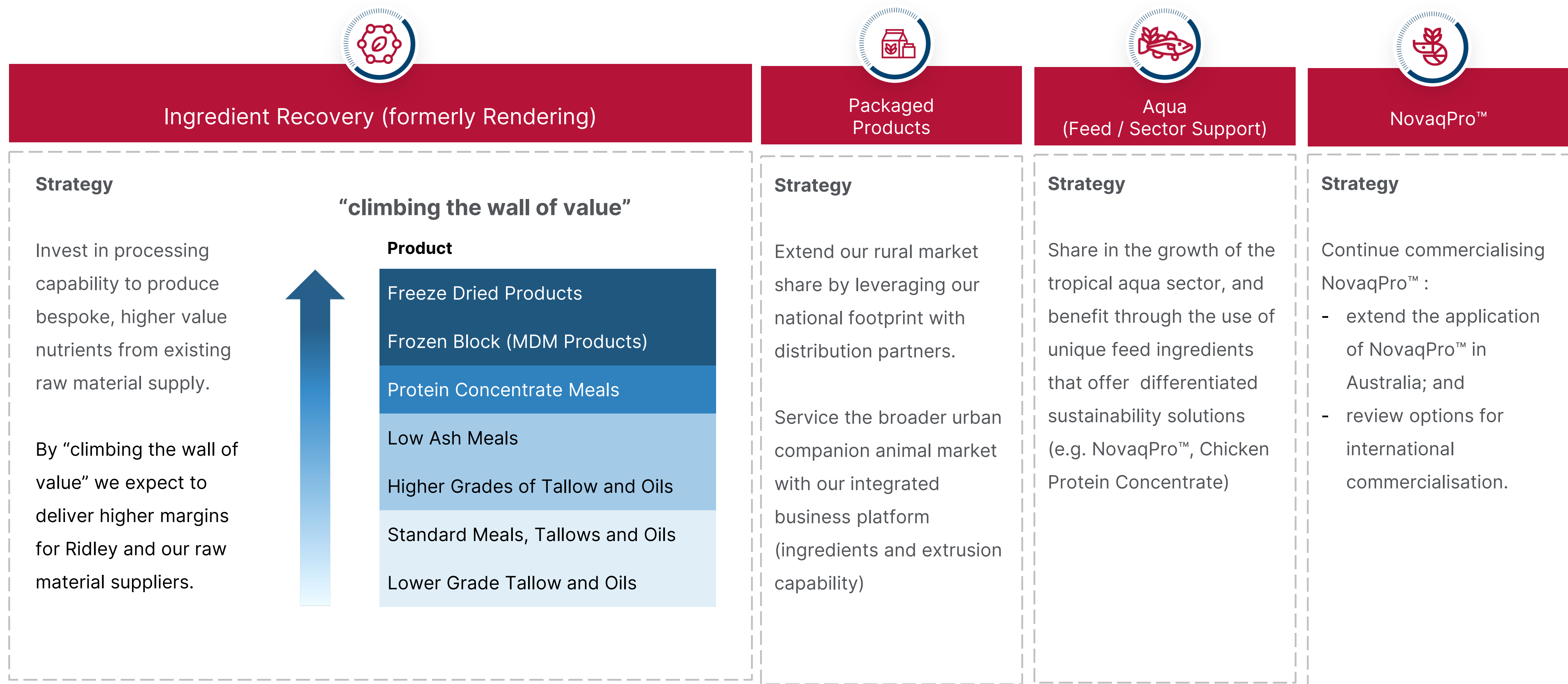
Locals using donated Barastoc bags for sand bags  
Echuca, October 2022



Delivery of feed in bulk bags  
through flooded roads near  
Bendigo, October 2022



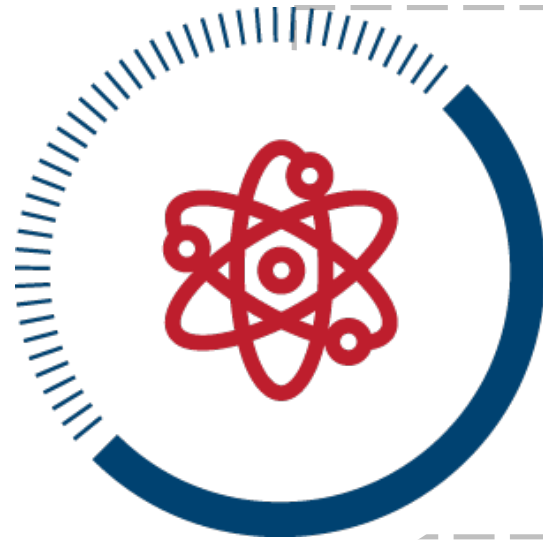
# FY23 – FY25 GROWTH PLAN : PACKAGED & INGREDIENTS





# PACKAGED & INGREDIENTS

## Delivering on the Growth Plan



### Growth : Tallow & protein meal trading

- Increased bulk meal storage in Q1 at NSW facility to enhance trading opportunities.
- VIC facility licensed for EU market access



### Growth : Companion Animal Sales

- Packaged Product sales volumes up 3% in Q1 on pcp
- Strong growth in horse (breeding and racing sector) and dog (multi-channel)



### Optimisation : NovaqPro™ operating efficiencies

- Import pathway changes in Q1 have reduced the landed cost of NovaqPro™ by 15%



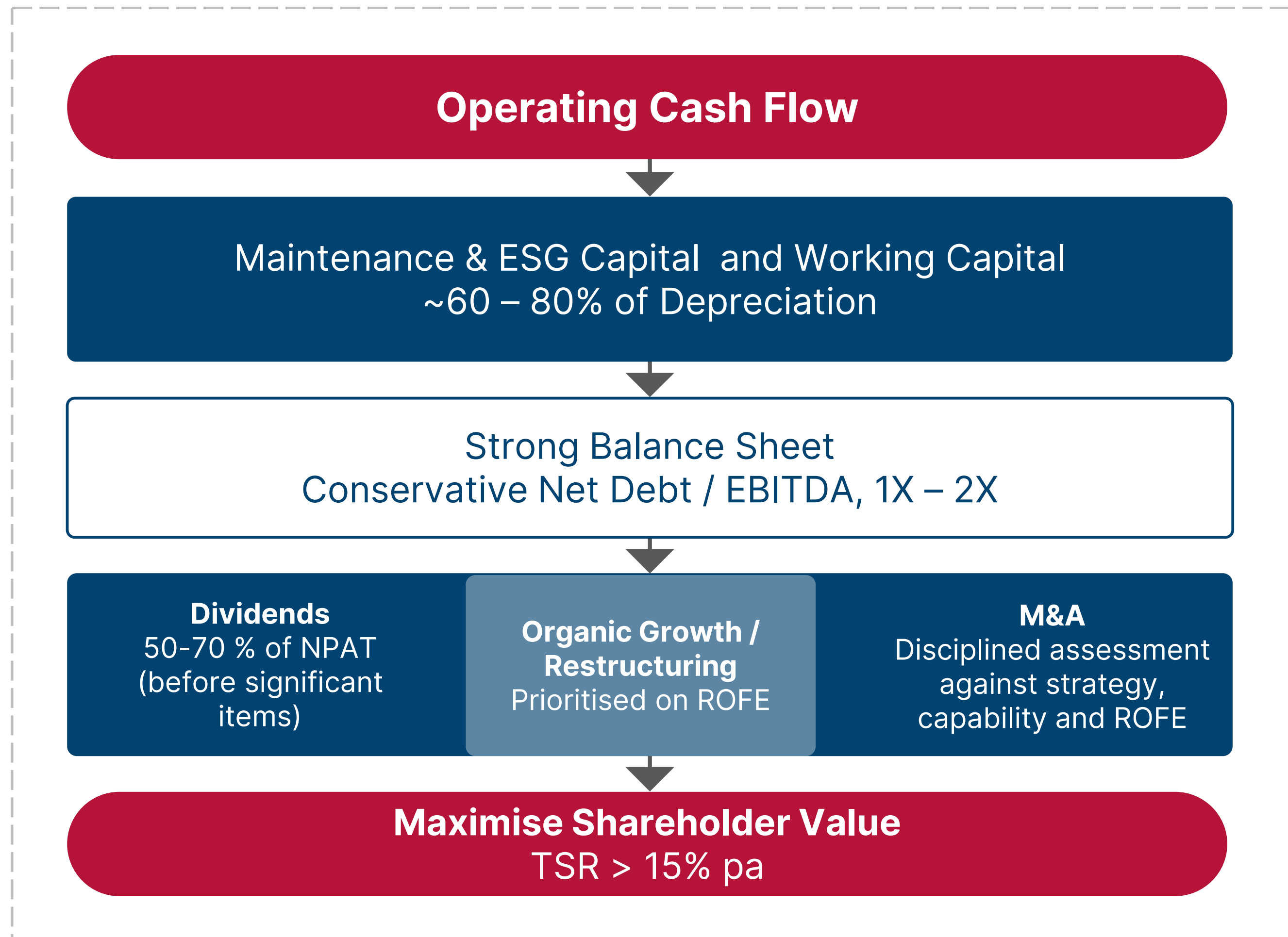
Victorian Ingredient Recovery Plant accredited for EU Ovine access



NovaqPro™ production ponds in operation, Thailand - August 2022

# 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.



# OUTLOOK





# 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.

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THANK YOU