Inghams Group Limited

2023 ANNUAL RESULTS PRESENTATION

17 AUGUST 2023

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Gadigal people of the Eora nation, on whose land we meet today. We pay our respects to their Elders past, present and emerging, and to all Aboriginal and Torres Strait Islander Peoples here today.

Artist: Kelly Taylor *www.ktaboriginalfineart.store*

EXECUTIVE SUMMARY

- **FY23 results demonstrate the breadth and momentum of our operational recovery**
  - Recovery underpinned by the progressive return to operational stability
  - Revenue increased 12.2%, NPAT increased 72.1% and Underlying EBITDA pre AASB 16 increased 35.8% on PCP
  - Strong 2H earnings run-rate provides platform for earnings growth
  - Continued improvement in safety – TRIFR 4.8 (5.1 in PCP)
  - Farming performance continuing to recover and supply chain conditions normalising
  - Maintaining our long-term focus on operational efficiency
- **Price increases implemented across key channels in response to cost inflation**
  - Price increases necessitated by the significant increase in costs, including feed, other commodity and key input costs
  - Pricing of feed ingredients has stabilised and expected to remain elevated due to tight global supply
  - Focus on ensuring pricing levels appropriately reflect ongoing feed, other commodity and general cost pressures
- **Robust demand for poultry**
  - Market and consumer demand for poultry remains buoyant despite supply constraints impacting FY23 growth
- **Investing in business capability, capacity and resilience**
  - Results support continued investment in our network and automation to meet current and future consumer requirements
- **Capital management**
  - Leverage returned within our target range at 1.4x
  - Fully franked final dividend of 10.0 cps, delivering a full year payout of 75.8% of Underlying NPAT

FY23 FINANCIAL SUMMARY

INGHAM'S Always Good

RESULTS DEMONSTRATE THE MOMENTUM OF THE RECOVERY

REVENUE

$3,044.0M

+12.2% on PCP

CORE POULTRY VOLUME

463.5KT

-0.4% on PCP

EBITDA

UNDERLYING PRE AASB 16

$183.6M

+35.8% on PCP

NET PROFIT AFTER TAX

STATUTORY	UNDERLYING
$60.4M	**$71.1M**
+72.1% on PCP	+67.7% on PCP

LEVERAGE RATIO[1]

1.4x

-1.1x on Dec-22 and -0.6x on Jun-22

FULLY FRANKED DIVIDENDS

14.5 CENTS/SHARE

+107.1% on PCP

1. Leverage = Net Debt / LTM Underlying EBITDA pre AASB 16; Net Debt comprises of borrowing facilities less cash and cash equivalents

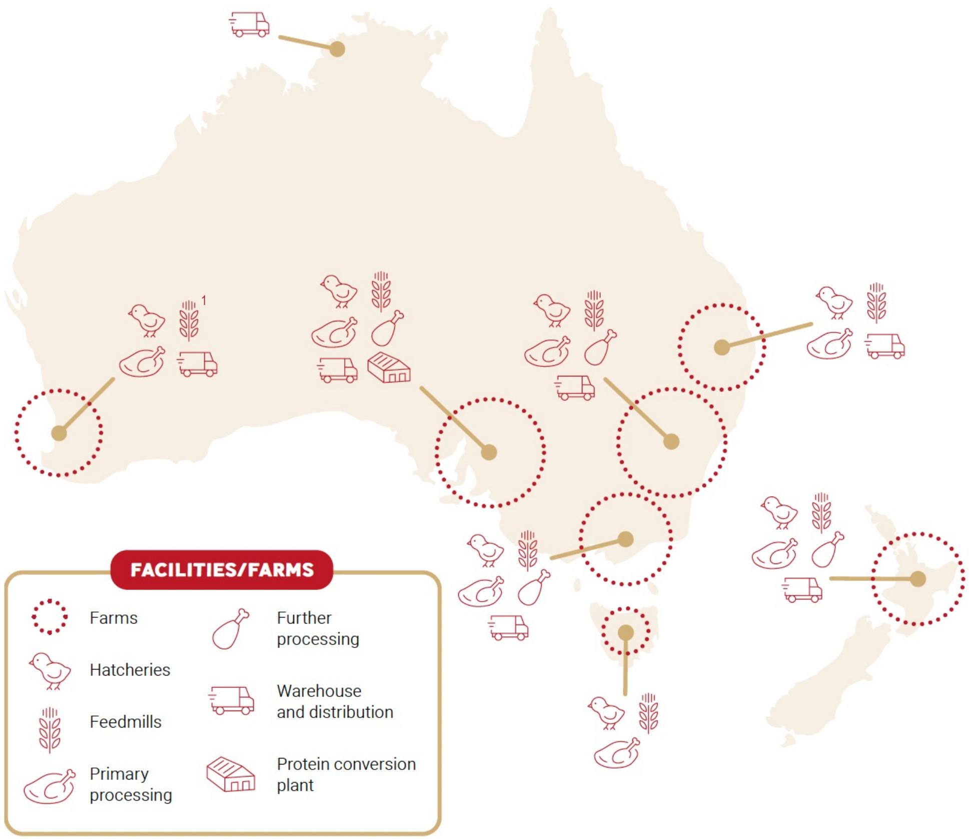
BUSINESS & FY23 OVERVIEW

ANDREW REEVES
CEO & MANAGING DIRECTOR

HIGHLY DIVERSIFIED AUSTRALIA & NEW ZEALAND NETWORK

LARGEST POULTRY COMPANY ACROSS AUSTRALIA AND NEW ZEALAND

- Unmatched geographically diverse network
- Biosecurity import barrier
- Inghams is uniquely placed to deliver continuity and diversity of supply to meet customers' needs
- Ability to fully service national and local customer requirements. Solid balance of primary and value-add processing
- Provides flexibility and greater resilience
- Enhances management of agricultural and biosecurity risks
- Strong platform to support future growth

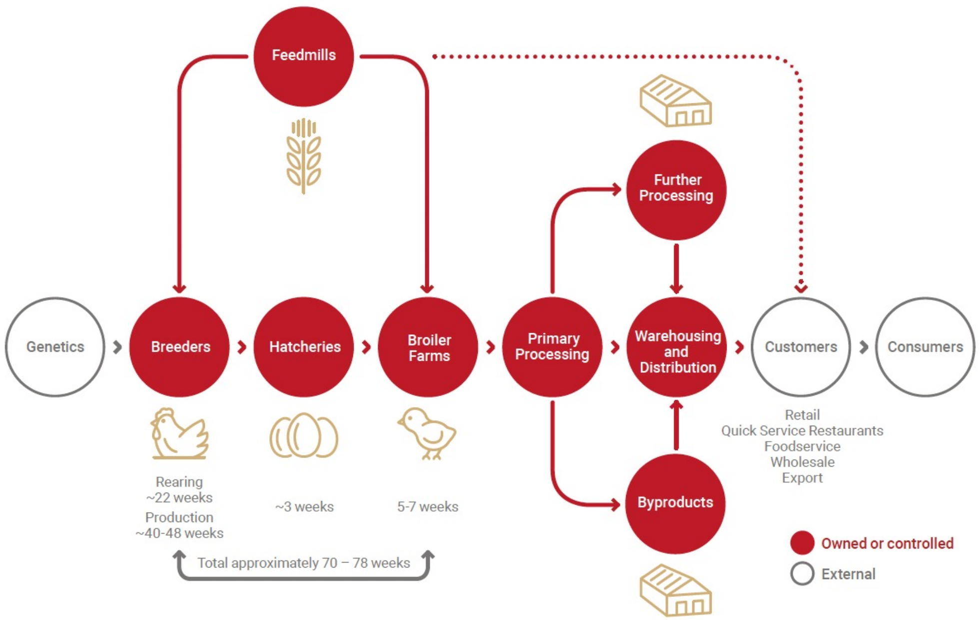


1. WA feedmill represents a long-term supply agreement with an external provider

VERTICALLY INTEGRATED OPERATING MODEL

OPTIMISING VALUE FROM OUR OPERATING MODEL THROUGH INTEGRATED PLANNING AND OPERATIONAL EXCELLENCE

- Enables Inghams to create value and realise efficiencies across a highly complex and large-scale supply chain
- Balance and operational excellence are key to margin capture
- Diversified customers including tier 1 retail and QSR

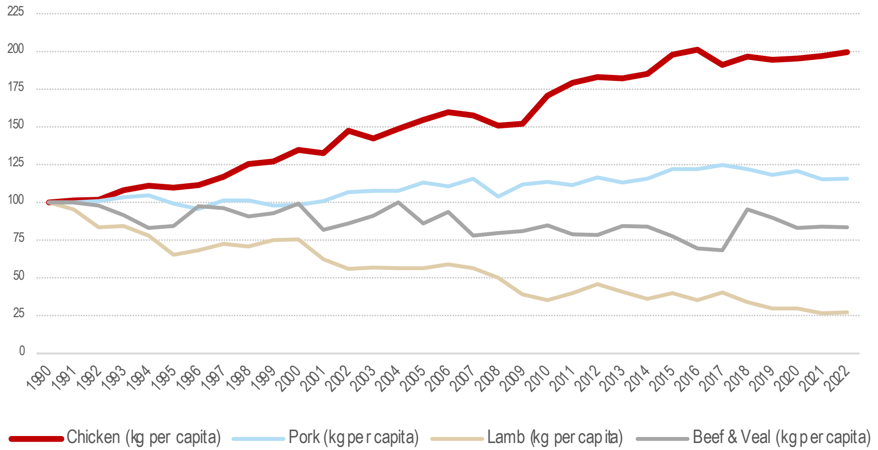


POULTRY IS AN ATTRACTIVE & GROWING SECTOR

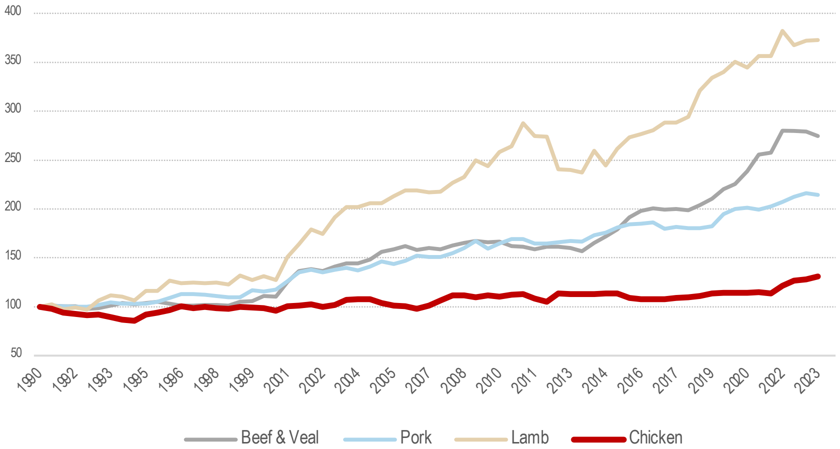
INGHAMS CORE POULTRY VOLUMES HAVE GROWN AT 2.8% PER ANNUM SINCE FY19

- **Affordable** – significant consumer price advantage over other meat proteins
- **Healthy** – a lean and versatile protein that continually finds favour with consumers that is aligned to the macro-trend towards healthier options across all channels
- **Sustainable** – chicken has one of the lowest carbon footprints when compared to other land-based animal proteins, and is 5-times[1] lower than red meat
- Consistent and reliable YoY total consumption growth versus other protein products – long-term trends remain intact

Per capita consumption (indexed)[2]



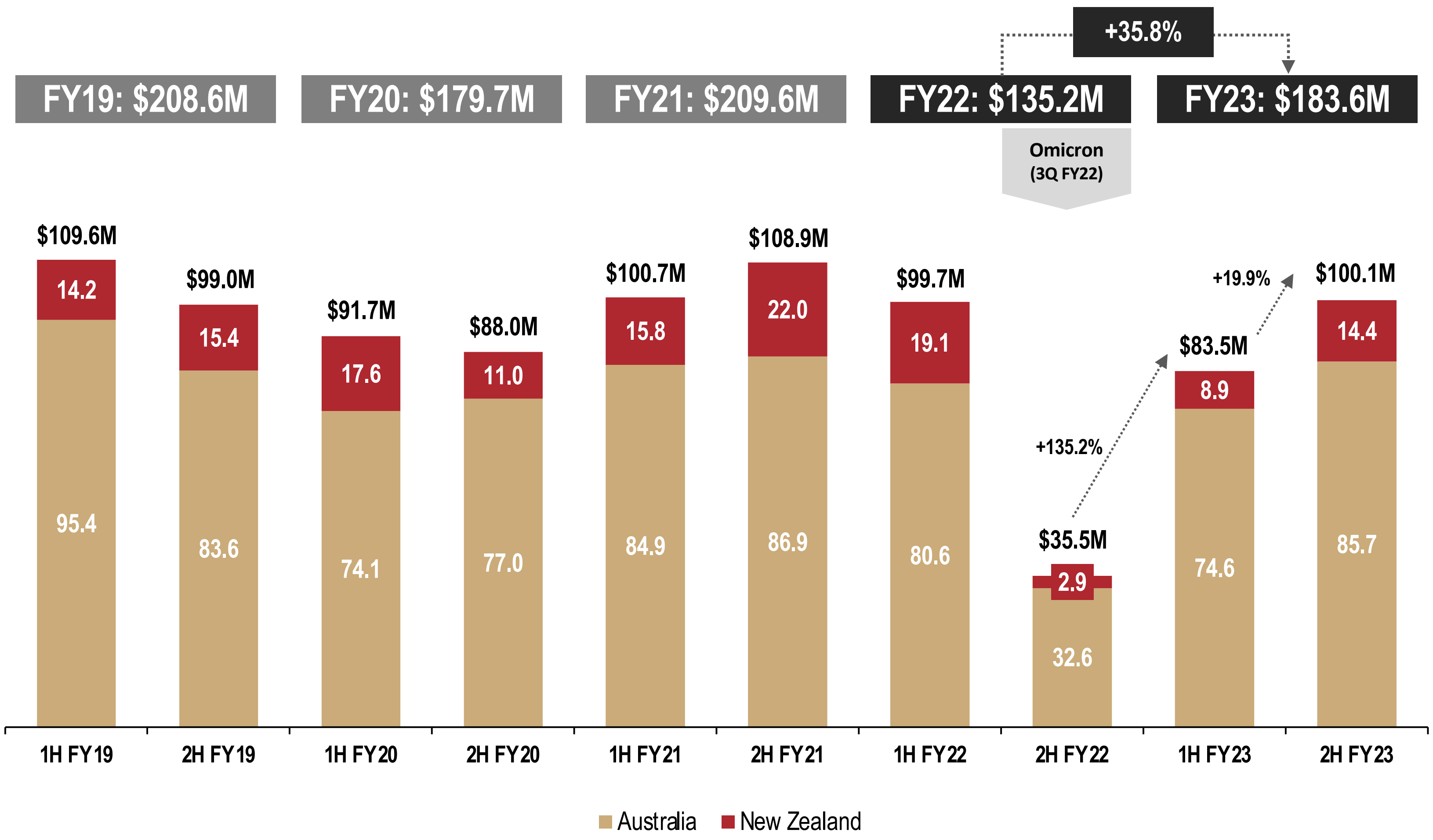
Australian consumer meat prices (indexed)[3]



1. **Source**: OECD 2. **Source**: OECD; Macquarie 3. **Source**: ABS (Consumer Price Index)

PROFITABILITY ON A STRONG RECOVERY PATH

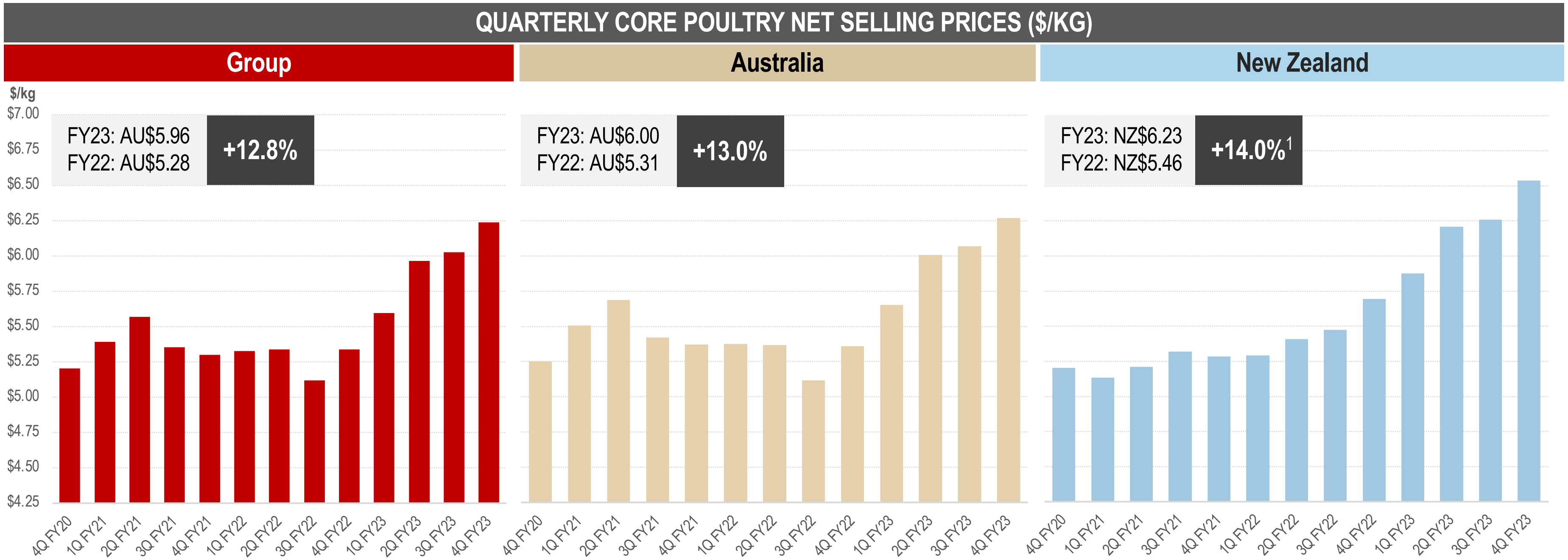
EBITDA PRE AASB 16 INCREASED 35.8% ON FY22 AS 2H EARNINGS REBOUND TO HISTORICAL LEVELS



FY23 CORE POULTRY NET SELLING PRICES

IMPLEMENTED PRICE INCREASES ACROSS ALL CHANNELS AND CUSTOMERS

- NSP growth reflects implementation of price increases in response to input cost pressures, and tighter poultry supply / demand conditions
- Group core poultry NSP increased 12.8% versus PCP (+6.0% on 1H23)
  - FY23 Australian core poultry NSP growth was 13.0% vs PCP while NZ core poultry NSP (in NZD) increased 14.0% over the same period (NZ NSP grew 11.1% in AUD terms)
- Variations in NSP over time reflect both customer pricing changes and shifts in channel and product mix



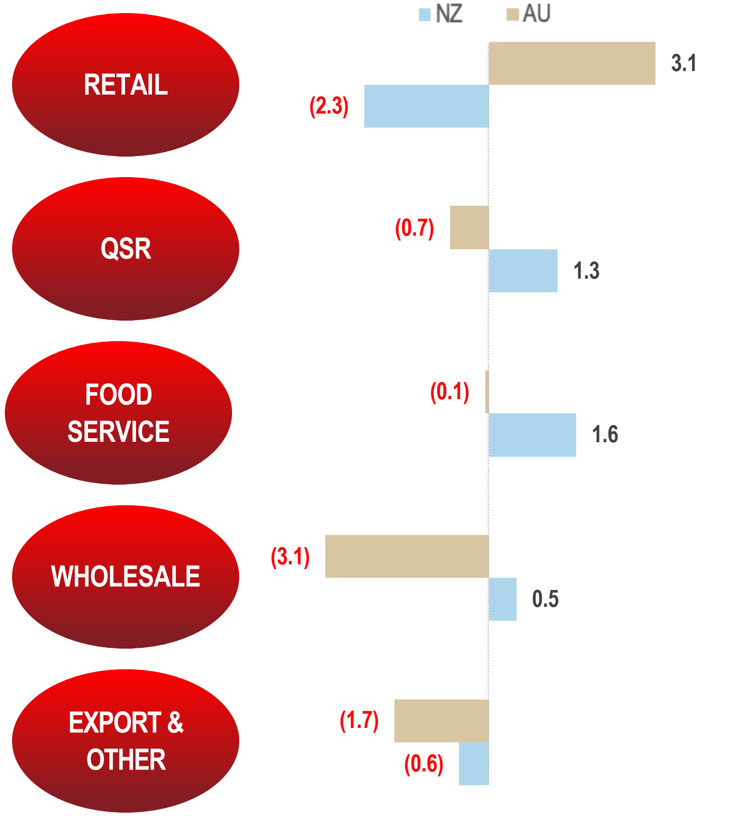
1. New Zealand dollars

OBSERVATIONS ACROSS OUR CHANNELS

CHANNEL MIX CHANGES REFLECT REBALANCING OF DEMAND WHILE CORE POULTRY VOLUME DECLINED SLIGHTLY BY 0.4%

- Australian volume declined 0.6% (-2.5kt) due to lower bird numbers resulting from a decline in farming performance in 1H23
- New Zealand volume grew 0.8% (+0.5kt), as the recovery in 2H offset the lower 1H performance from lower egg setting in response to labour shortages and reduced further processing production driven by nation-wide shortage of CO_2 early in 2H

Core Poultry volume (KT) change vs PCP



Comments[1]

RETAIL
- Australia observed channels rebalancing from Wholesale to Retail, as key customer category growth increased from consumers shifting to in-home-dining options
- New Zealand was cycling 1H22 COVID impact, where volume shifted into Retail from Food Service and Wholesale

QSR
- Australia observed a softening in demand, while volume sold was impacted by supply limitations
- New Zealand was cycling 1H22 COVID impact, while FY23 was supported by promotional QSR programs

FOOD SERVICE
- New Zealand observed customers returning to pre-pandemic lifestyles, habits and travel activities reopening, further supported by growth in the meal kit market

WHOLESALE
- Despite a rebalancing to Retail, Australia observed strong for demand poultry products. Rebound in underlying customer demand and rebalancing of channel mix/demand supporting price growth

EXPORT & OTHER
- ANZ Channel used to balance supply and manage excess stock. Stable underlying demand and tight supply has resulted in less stock requiring clearing, with clearance and export volumes declining

1. Commentary relative to the prior corresponding period, unless otherwise noted

FINANCIAL RESULTS

GARY MALLETT

CHIEF FINANCIAL OFFICER

PROFIT & LOSS

PRICE INCREASES AND OPERATIONAL RECOVERY OFFSET SMALL VOLUME DECLINE

- **Volume**: marginal decline in core poultry volume of 0.4%
- **External Feed** volumes declined 43.6kt due to the planned closure of Wanneroo Feedmill (WA) in April 2023
- **Revenue**: increased 12.2% as higher input costs were progressively passed on across all channels
- **Underlying costs**[1] increased 11.9% versus PCP due to:
  - Internal feed cost of $122.6M
  - Other costs grew $155.4M with fuel, freight, ingredients, cooking oil and repairs and maintenance all exceeding general inflation
- **Net finance expense**: higher due to the increase in interest rates on the drawn debt and inventory procurement facility
- **Tax expense**: effective tax rate 18.5% (FY22: -1.2%), FY23 included $8.5M R&D credit (FY22: $8.5M)
- **Items excluded from Underlying**: Business transformation and restructuring costs of $18.2M, less a $3.0M benefit relating to the Cleveland facility lease assignment (FY22: $10.4M)

$M	FY23	FY22	Variance	%
Core Poultry volumes (kt)	*463.5*	*465.5*	*(2.0)*	*(0.4)*
Total Poultry volumes (kt)	*577.5*	*576.5*	*1.0*	0.2
External Feed volumes (kt)	*292.7*	*336.3*	*(43.6)*	*(13.0)*
Revenue	3,044.0	2,713.1	330.9	12.2
Gross Profit	754.8	653.3	101.5	15.5
Gross Profit % Revenue	*24.8*	*24.1*	*0.7*	*2.9*
EBITDA	**418.5**	**370.4**	**48.1**	**13.0**
EBITDA % Revenue	*13.7*	*13.7*	*0.0*	*0.4*
Depreciation & Amortisation	(268.2)	(270.6)	2.4	(0.9)
EBIT	**150.3**	**99.8**	**50.5**	**50.6**
Net finance expense	(76.2)	(65.1)	(11.1)	17.1
Tax expense	(13.7)	0.4	(14.1)	NM
NPAT	**60.4**	**35.1**	**25.3**	**72.1**
Underlying EBITDA	433.7	380.8	52.9	13.9
Underlying NPAT	71.1	42.4	28.7	67.7
Underlying (pre AASB 16) EBITDA	183.6	135.2	48.4	35.8
Underlying (pre AASB 16) EBITDA % Revenue	*6.0*	*5.0*	*1.0*	*20.0*

1. Underlying costs included in Underlying EBITDA

BALANCE SHEET

EARNINGS RECOVERY DELIVERS IMPROVEMENT IN LEVERAGE

- **Biologicals**: increased $24.2M (+17.8%) as the higher cost of feed cycles through the asset class
- **Inventories**: declined $20.0M due to a decline of $33.4M in Feed inventories due to a shift away from purchasing and holding inventory at 3rd party locations, offset by an increase in processed and other inventory due to higher input prices
- **Receivables**: increase of $46.6M was predominantly due to an increase in Trade Receivables of $42.9M, comprising a $26.3M (+10.5%) increase in Accounts Receivable and a reduction in Rebates due to the resolution of a FY22 claim
- **Payables**: increased $10.9M due to an increase in Trade Creditors of $19.6M (+12.1%) due to input cost inflation offset by a reduction in the inventory procurement trade payable of $9.3M
- **Right-of-use Assets**: declined $43.8M, due to depreciation offset by lease extensions, additions and CPI increases
- **Lease Liabilities**: decreased $35.1M due to $26.3M in disposals[2] and lease payments exceeding extensions, modifications and interest payments

$M	Jun-23	Jun-22	Variance
Inventories/Biologicals	388.2	384.0	4.2
Receivables	270.2	223.6	46.6
Payables	(466.4)	(455.5)	(10.9)
Working Capital[1]	**192.0**	**152.1**	**39.9**
Provisions	(145.6)	(138.3)	(7.3)
Working Capital & Provisions	**46.4**	**13.8**	**32.6**
Property, Plant & Equipment	493.8	477.3	16.5
Right-of-use Assets	1,275.6	1,319.4	(43.8)
Other Assets	5.7	13.3	(7.6)
Lease Liabilities	(1,368.5)	(1,403.6)	35.1
Capital employed	**453.0**	**420.2**	**32.8**
Net Debt	(262.5)	(267.3)	4.8
Net Tax balances	11.3	5.3	6.0
Net Assets	**201.8**	**158.2**	**43.6**

1. Working capital adjusted for financing and non-operating items including deferred revenue and interest accrued 2. Cleveland lease re-assignment and contracts growers transitioning to variable contracts

CASHFLOW

HIGHER NET SELLING PRICES AND FEED COSTS DRIVING INCREASE IN WORKING CAPITAL

- **Cash conversion ratio**: declined to 90.4% due to an increase in working capital of $44.7M
- **Non-cash items**: includes reversal of previously recognised Cleveland facility lease liability in 1H23
- **Capital expenditure**: includes $9.3M on the WA Primary Processing facility water treatment plant, $20.3M on NSW Breeder Triangle and $8.8M on initial payments for automation investments
- **Proceeds from settlement of derivatives**: proceeds resulting from aligning interest rate hedging to extended debt facility maturities in 1H23
- **Interest paid**: increase due to an increase in BBSY rate and bank facility movements during the year
- **Tax paid**: lower than PCP due to lower FY22 earnings
- **Net Debt**: broadly inline with PCP. Increase in working capital largely offset by significantly improved earnings

$M	FY23	FY22	Variance
Statutory EBITDA	**418.5**	**370.4**	**48.1**
Non-cash items	(8.7)	(5.0)	(3.7)
EBITDA excluding non-cash items	**409.8**	**365.4**	**44.4**
Changes in operating working capital	(45.2)	(0.5)	(44.7)
Changes in operating provisions	7.3	7.6	(0.3)
Cash flow from operations	**371.9**	**372.5**	**(0.6)**
Capital expenditure	(71.9)	(61.9)	(10.0)
Proceeds from sale of assets	0.2	3.8	(3.6)
Government grant received	3.3	0.0	3.3
Other payments / receipts	0.4	0.2	0.2
Net cashflow before financing & tax	**303.9**	**314.6**	**(10.7)**
Dividends paid	(18.6)	(57.6)	39.0
Shares purchased / sold	(0.5)	(0.5)	0.0
Proceeds from settlement of derivatives	7.5	0.0	7.5
Interest paid / received	(25.4)	(11.8)	(13.6)
Interest & principal – AASB 16 Leases	(247.1)	(239.3)	(7.8)
Net cashflow before tax	**19.8**	**5.4**	**14.4**
Tax paid	(15.2)	(31.9)	16.7
Amortisation borrowings / forex	0.2	(0.6)	0.8
Net (increase) / decrease net debt	**4.8**	**(27.1)**	**31.9**
Cash Conversion Ratio	***90.4%***	***101.9%***	**(11.5) pp**

1. Working capital adjusted for financing and non-operating items

CAPITAL MANAGEMENT OUTCOMES

FULLY FRANKED FINAL DIVIDEND OF 10.0 CPS DRIVING FULL YEAR PAYOUT RATIO OF 75.8%

Cashflow from operations	Cashflow from strategic activities	Cashflow from interest and tax

Strong cash generation

Sustaining capital[1]
Annual spend range of approximately 75-90% of depreciation pre AASB 16

Maintaining a strong balance sheet
Target leverage[2] (underlying pre AASB 16) of 1.0x to 2.0x

Reliable dividends to shareholders
Dividend payout ratio 60-80% of Underlying NPAT

Investing in growth opportunities & major projects
Where aligned with strategy and expected to deliver returns in excess of specified hurdles

Additional returns to shareholders
Capital returns / special dividends / share buybacks

Maximise shareholder value
Over time the objective is to deliver a return on invested capital in excess of WACC

- Cashflow from operations of $371.9M, broadly flat vs PCP due to higher EBITDA offset by an increase in working capital driven by higher commodity prices and input costs in Biological Assets, Trade Receivable and processed poultry inventory
- Sustaining capex spend of $33.5M (61.8% of depreciation pre AASB 16), below the target range due to COVID-related delays. Capex spend expected to increase through FY24
- Leverage of 1.4x within target range reflecting significant improvement in earnings. Extended key debt facilities for a further 2 years to November 2025
- Fully franked dividends of 14.5 cps, representing a payout ratio of 75.8% of Underlying NPAT, at upper end of policy
- Growth and major project capex of $38.4M includes $9.3M on the WA Primary Processing facility water treatment plant, $20.3M on NSW Breeder Triangle and $8.8M on initial payments for automation investments
- Return on Invested Capital (Underlying, pre AASB 16) (ROIC) of 19.0% (FY22: 13.7%)

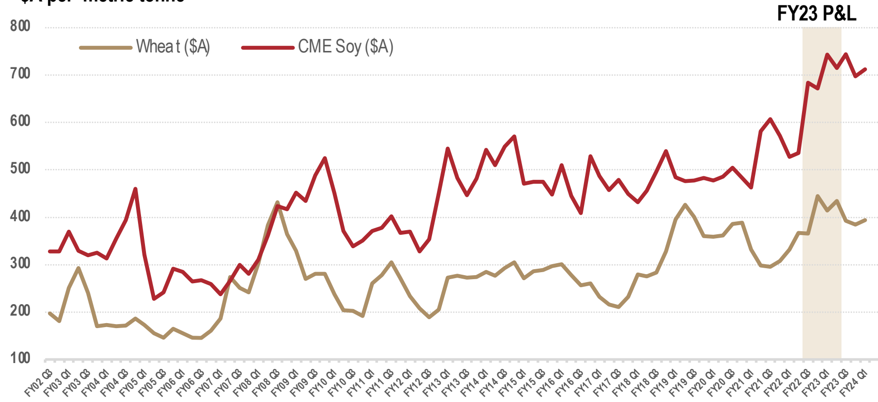
1. Sustaining capital includes maintenance, replacement, regulatory and stay-in-business capital
2. Leverage = Net Debt / LTM Underlying EBITDA pre AASB 16, Net Debt comprises of borrowing facilities less cash and cash equivalents

EXTERNAL FEED MARKET OBSERVATIONS

PRICES TO REMAIN ELEVATED DUE TO STRONG GLOBAL GRAIN DEMAND & TRADE UNCERTAINTIES

- Delivered internal feed cost contains cereal grains, protein meals, vitamins and minerals
- Inghams feed cost includes transport and milling costs
- Grain imported by New Zealand operations is purchased on the international market

Long term wheat & soymeal pricing (to 28 July 2024)[1,2]
$A per metric tonne



Wheat

- Despite some recent easing in global supply tightness, strong global demand combined with ongoing uncertainty surrounding Ukrainian grain exports out of the Black Sea region, grain prices are expected to remain relatively elevated over the coming year
- Forecast onset of El Niño conditions from July this year may see a reduction in Australian winter crop production with yields forecast to be below average. ABARES forecast world wheat production to fall slightly in 2023–24, driven by lower production in major exporting countries including Australia, Kazakhstan and the Russian Federation; this is expected to more than offset higher production in Argentina, the European Union and North America

Soymeal

- Soybean production in South America is expected to materially increase during 2023-2024, in both Brazil and Argentina, with Argentina expected to recover from severe drought conditions
- Global demand for soybeans is expected to increase in 2023–24 reflecting rising demand in Argentina and import demand from China

1. Quarterly spot price data is based on the average of daily observations during the period and is shown for illustrative purposes only. Inghams actual consumption prices will differ due to the purchase of delivered grain/soymeal as well as level of forward cover of between 3 – 9 months. 2. Chicago Mercantile Exchange

SEGMENT PERFORMANCE

ANDREW REEVES

CEO & MANAGING DIRECTOR

AUSTRALIA

PRICE GROWTH AND OPERATIONAL PERFORMANCE RECOVERY PROVIDE OFFSET TO COST INFLATION

- **Core poultry volume** declined 0.6% driven mainly by lower bird numbers processed as a result of a small reduction in fertility levels from the performance of breeding roosters
- **External Feed volumes** continue to decline, with volume reduction of 14.1% due to customers transitioning away from WA feed mill in preparation for its planned closure
- **Revenue** growth of 12.2% reflecting:
  - Core poultry net selling prices increased 13.0% as higher input costs were progressively passed on across all channels
  - External feed prices increased 26.7%, reflective of the steep increase in commodity prices
- **Underlying costs**[1] increased 11.8% versus PCP due to:
  - Internal feed cost of $97.8M
  - Other costs grew $136.3M with fuel, freight, ingredients, cooking oil and repairs and maintenance all exceeding general inflation

$M	FY23	FY22	Variance	%
Core Poultry volumes (kt)	***398.1***	***400.6***	***(2.5)***	***(0.6)***
Total Poultry volumes (kt)	*499.4*	*498.0*	*1.4*	*0.3*
Feed volumes (kt)	*215.6*	*251.1*	*(35.5)*	*(14.1)*
Revenue	2,597.3	2,314.7	282.6	12.2
EBITDA	**357.0**	**312.2**	**44.8**	**14.3**
EBITDA (% Rev)	*13.7*	*13.5*	*0.2*	*1.5*
Underlying EBITDA	**371.1**	**322.6**	**49.6**	**15.4**
Underlying EBITDA (% Rev)	*14.3*	*13.9*	*0.4*	*3.1*
Underlying – pre AASB 16				
Underlying EBITDA	**160.3**	**113.2**	**47.1**	**41.6**
Underlying EBITDA (% Rev)	*6.2*	*4.9*	*1.2*	*24.4*
Underlying Gross Profit	**442.2**	**352.7**	**89.4**	**25.3**

1. Underlying costs included in Underlying EBITDA

NEW ZEALAND

2H PERFORMANCE TURNAROUND OFFSETS 1H OPERATIONAL CHALLENGES

- **Operating environment** improved significantly in 2H following challenges during 1H due to shortages in both labour and CO_2
  - Improvements in labour availability levels as 1H progressed
  - In response to the national CO_2 shortage, the Auckland and Cambridge FP plants were converted to nitrogen
  - Weather events (Cyclone Gabrielle and Auckland Floods) had a short-term impact on operating performance in Q3
- **Core poultry volumes** grew by 0.8%, with significant Q4 recovery
- **Revenue** growth of 12.1%, reflecting:
  - Core poultry net selling prices increase of 14.0% (NZD)
  - External feed net selling prices increased 38.4% (NZD) reflecting commodity prices
- **Underlying costs**[1] increased 12.9% versus PCP due to:
  - Internal feed cost of $24.8M
  - Other costs grew $19.1M with fuel, freight, ingredients, cooking oil, utilities and repairs and maintenance exceeding general inflation

$M	FY23	FY22	Variance	%
Core Poultry volumes (kt)	***65.4***	***64.9***	***0.5***	***0.8***
Total Poultry volumes (kt)	*78.1*	*78.6*	*(0.5)*	*(0.6)*
Feed volumes (kt)	*77.1*	*85.2*	*(8.1)*	*(9.5)*
Revenue	446.7	398.4	48.3	12.1
EBITDA	**61.5**	**58.2**	**3.3**	**5.7**
EBITDA (% Rev)	*13.8*	*14.6*	*(0.8)*	*(5.5)*
Underlying EBITDA	**62.6**	**58.2**	**3.3**	**5.7**
Underlying EBITDA (% Rev)	*14.0*	*14.6*	*(0.8)*	*(5.7)*
Underlying – pre AASB 16				
Underlying EBITDA	**23.3**	**22.0**	**1.3**	**5.9**
Underlying EBITDA (% Rev)	*5.7*	*5.5*	*0.2*	*3.0*
Underlying Gross Profit	**87.8**	**77.5**	**10.4**	**13.4**

1. Underlying costs included in Underlying EBITDA

ACQUISITION OF BROMLEY PARK HATCHERIES (NZ)

APPROVALS RECEIVED FROM COMMERCE COMMISSION & OVERSEAS INVESTMENT OFFICE

- Inghams acquiring the Bromley Park Hatcheries business for NZ$8.6M[1]
- Acquisition encompasses the working capital and fixed assets associated with the business
- 3rd party lessor to acquire land and facilities and to enter into a long-term lease with Inghams

Benefits

- Reduces network risk and improves hatchery contingency with a modern hatchery, whilst providing for future growth
- Provides the opportunity for Inghams NZ to become self-sufficient in respect of its Day Old Chick requirements
- Purchase avoids the longer lead time, additional costs and associated risks of undertaking greenfield development project

Update

- Commerce Commission approval received in July
- Overseas Investment Office approval received in August
- Settlement expected during 2Q FY24

1. Subject to normal working capital adjustments on completion

NEW ZEALAND SPCA CERTIFICATION

LEADING THE MARKET IN ANIMAL WELFARE WITH 100% SPCA CERTIFICATION

- Inghams has become the first NZ poultry company to achieve 100% SPCA[1] certification across its broiler operations
  - Strong point of differentiation in an increasingly relevant customer and consumer attribute
- Notable changes to farming practices include 3rd party audits, greater space per bird, and the inclusion of enrichment and perches which contribute to the ability to comfortably move, exercise and socialise with other chickens
- Achieving certification is a key achievement as part of Inghams broader ESG strategy, and aligns with growing demand for higher animal welfare standards

1. Royal New Zealand Society for the Prevention of Cruelty to Animals Incorporated

OPERATIONS UPDATE

ANDREW REEVES

CEO & MANAGING DIRECTOR

NORTHERN NEW SOUTH WALES BREEDER TRIANGLE

DELIVERING CURRENT & FUTURE NETWORK CAPACITY AND OPERATIONAL RESILIENCE

- Located in the Casino area in Northern NSW, the 'triangle' will service the Queensland market (~3hrs from Brisbane)
  - Close to existing Inghams owned breeder farms, enabling sharing of resources and other efficiency synergies
- Owned and operated by Inghams, maintaining control of operations
- Investment made to meet growing capacity requirements and avoid potential capacity bottlenecks
- The rearing farm has come on-stream and first egg-producing farm commenced operations in April 2023
  - Second production farm scheduled to commence operations in November 2023
  - Expected to produce approximately 700,000 eggs per week when fully operational
- Total project cost estimate: $50–55M

INVESTING IN THE BUSINESS

INVESTING IN ENHANCING NETWORK CAPACITY, CAPABILITY AND EFFICIENCY

- **Investing in automation**
  - Implementing higher levels of automation is a key element of our network analysis and planning
  - Acquisition of four waterjet cutters ($30M) and four modern leg deboning machines ($17M). Installation has commenced and will occur progressively into FY25
- **Delivering the next phase of our distribution network strategy**
  - In August 2022, opened a new temperature-controlled distribution centre in Truganina, Victoria
  - In April 2023, our new 15,380sqm state-of-the-art and sustainably designed temperature-controlled distribution centre near Edinburgh Parks, Adelaide, commenced operations
    - The facility has enabled the consolidation of existing distribution operations, bringing the remaining outsourced frozen storage and operations inhouse; expected to generate significant transport and freight efficiency savings
- **Supporting future growth combined with environmental sustainability benefits**
  - Commenced construction in December 2022 of a new $15M water recycling and treatment plant at our Osborne Park, WA primary processing facility
  - Provides capacity for future growth and strengthens local supply chain
- **Upgrading Tasmanian processing facility and launch of carbon-zero certification in Tasmania**
  - The Federal Government awarded grant of $11 million ($3.3M received in FY23) to upgrade the Sorell, Tasmania, primary processing facility
  - The grant will be invested in key plant upgrades as part of a landmark sustainability project, with works expected to commence in 4Q 2024 and completion by 2Q 2025
  - The upgrades will support future product innovation

ESG

INGHAMS IS A LEADER IN ANIMAL WELFARE, SUSTAINABILITY, FOOD QUALITY AND SAFETY

Key FY23 outcomes

Improvement in LTIFR[1] to **2.4** (FY22: 2.8)
Improvement in TRIFR[2] to **4.8** (FY22: 5.1)

A or AA rated Global Food Safety Initiative British Retail Consortium across all sites

9.3% reduction in absolute GHG scope 1 & scope 2 emissions against previous year

Diverted **86%** of generated waste from landfill

- Continued Safety improvements across the business, with our Total Recordable Injury Frequency Rate (TRIFR) declining by 5.9%
- MSCI ESG rating of AA for the second year running
- Commenced construction in December 2022 of a new water recycling and treatment plant at our Osborne Park, WA
- Achieved an A or AA Global Food Safety Initiative British Retail Consortium (BRC) rating across all sites
- Commenced Phase 2 of our TCFD roadmap, with workshops to quantify and qualify current and future risks and opportunities, and the evaluation of the financial implications of extreme climate events on our assets
- First poultry producer in New Zealand to have all its broiler farms RNZSPCA certified
- New Victorian and South Australian distribution centres are 4-star and 5-star Green star accredited respectively
- Submitted our Science Based Targets (SBT) calculation to the SBTi for approval in March 2023. Our Climate commitments include:
  - Targeting a reduction in Scope 1 and 2 absolute GHG emissions by 43% against FY19 baseline by 2030
  - Work underway on developing a Scope 3 2030 GHG emissions target
  - Source 75% green electricity by 2030
- Our 2023 ESG Report will be published with the Annual Report in October

1. LTIFR refers to Lost Time Injury Frequency Rate 2. TRIFR refers to Total Recordable Injury Frequency Rate

SUMMARY

MOMENTUM OF RECOVERY ESTABLISHES PLATFORM FOR EARNINGS GROWTH

- Poultry remains an attractive and growing sector with significant consumer price and sustainability advantages over red meat and seafood alternatives – poultry is a strategic focus area for our key customers, reaffirming our strong outlook for the category over the medium to longer term
- **FY23 was a period of business stabilisation and recovery**
  - Pace and momentum of the operational and financial recovery during 2H23 establishes a solid platform for continued growth and future investment
  - Operational improvements support further earnings growth
- **Poultry volumes** recovering and expected to return to longer term growth trend[1], underpinned by continued improvements in farming performance. Demand growth underpinned by affordability, health and sustainability benefits
- **Net selling price** increases completed in response to cost inflation
  - Pricing of key feed ingredients has stabilised and expected to remain elevated versus longer-term levels due to tight global supply and trade concerns
  - Remain focused on ensuring pricing offsets ongoing feed and other cost pressures and will implement further price increases as required
- **Operational performance** stabilised
  - Farming performance continues to recover
  - 2H23 recovery in operational performance across a broad range of metrics has underpinned a positive start to FY24
  - Continuous improvement initiatives a major focus area as program resumes normal cadence following FY22 disruptions
- **Investing in automation and network**, increasing capital expenditure to approximately $100M in FY24 to improve our capability to meet current and future consumer requirements
- **Impact of AASB 16 on earnings is reducing over time** as leases expire and contract growers move to variable contracts – over 30 grower contracts transitioning in FY24
- Investor day to be held on 15 November (Sydney CBD)

1. Adjusting for FY24 53-week year

APPENDIX


INGHAM'S
Always Good
100% AUSSIE CHICKEN
CHICKEN BREAST
TENDERS
SWEET CHILLI

AASB 16 LEASE IMPACT

Balance Sheet:

- Land and Buildings: Inghams has a large leased property portfolio. Average term remaining on the portfolio is 12.5 years
- Contract Growers: classified as right-of-use assets due to the fixed and capital component of the fee structure. The variable component of the payments are not captured by the AASB 16 standard. While there is a trend of grower contracts transitioning to a variable basis in FY23, the average grower term increased due to the extension of existing NZ grower contracts during the period

Profit & Loss:

- AASB 16 leases impact to EBITDA is $250.1M of rental expense “add backs” split between cost of sales $224.8M, distribution $20.6M and sales & admin $4.7M
- AASB 16 EBITDA increased $4.5M due to new leases, grower extensions, modifications and CPI rental increases
- AASB 16 NPAT improved $2.6M due to 19 growers transitioning to variable performance contracts, which are no longer included within the right-of-use assets or lease liabilities, resulting in lower interest costs

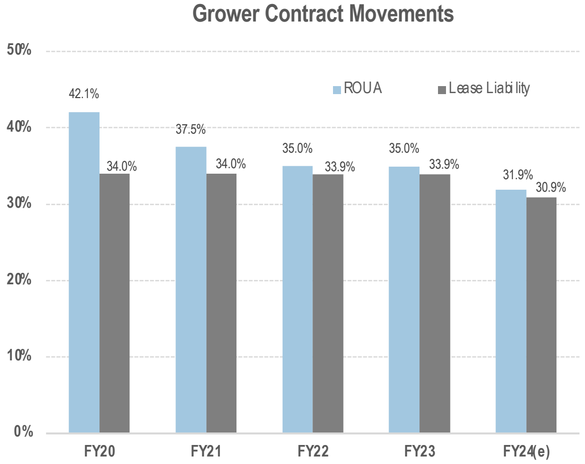
BALANCE SHEET $M	FY23	AU	NZ	FY22
Land & Buildings	811.5	701.1	110.4	835.5
Growers	446.0	303.2	142.8	461.9
Equipment	18.1	16.7	1.4	22.0
Right-of-use Assets	**1,275.6**	**1,021.0**	**254.6**	**1,319.4**
Lease Liability	**(1,368.5)**	**(1,104.5)**	**(264.0)**	**(1,403.4)**
Capital Employed	**(92.9)**	**(83.5)**	**(9.4)**	**(84.0)**
Tax	31.2	28.6	2.6	26.0
Net assets	**(61.7)**	**(54.9)**	**(6.8)**	**(58.0)**

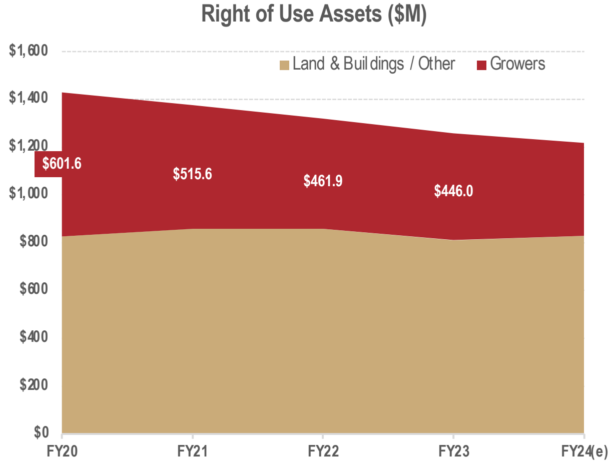
P&L IMPACT $M	FY23	AU	NZ	FY22
EBITDA	**250.1**	**210.8**	**39.3**	**245.6**
Depreciation	(214.0)	(180.7)	(33.3)	(214.7)
EBIT	**36.1**	**30.1**	**6.0**	**30.9**
Net finance expense	(53.3)	(44.8)	(8.5)	(51.7)
Tax expense	5.1	4.4	0.7	6.1
NPAT	**(12.1)**	**(10.3)**	**(1.8)**	**(14.7)**

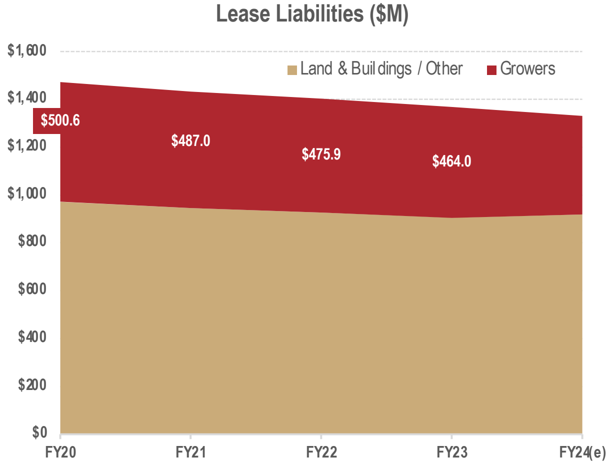
AVG. TERM (YRS)	FY23	AU	NZ	FY22
Land & Buildings	12.5	12.5	12.5	12.5
Growers	4.1	3.4	6.5	2.9
Equipment	2.0	2.0	1.9	1.9

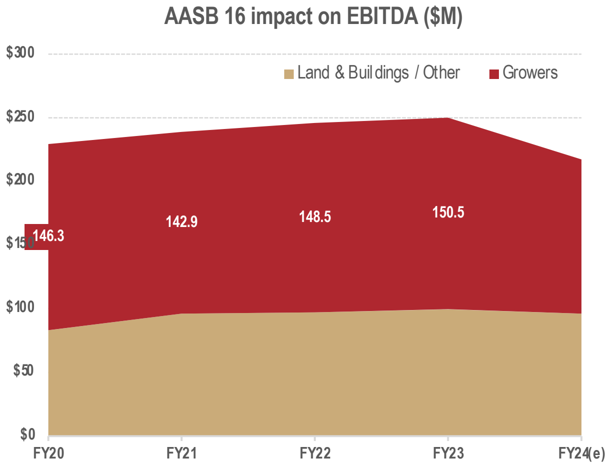
AASB 16 COMPOSITION

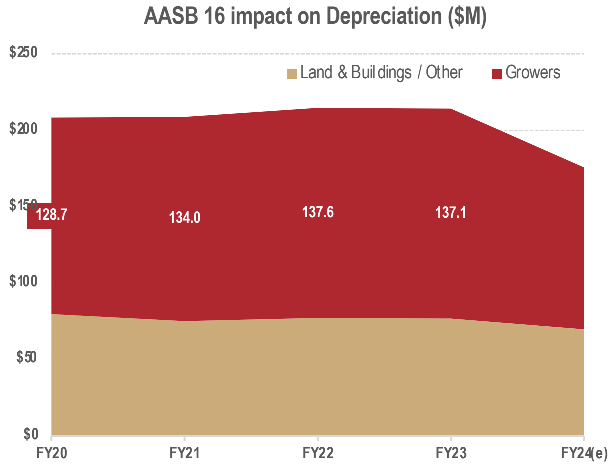
IMPACT REDUCING OVER TIME AS CONTRACT GROWERS TRANSITION TO VARIABLE CONTRACTS, WITH STEP-DOWN EXPECTED IN FY24

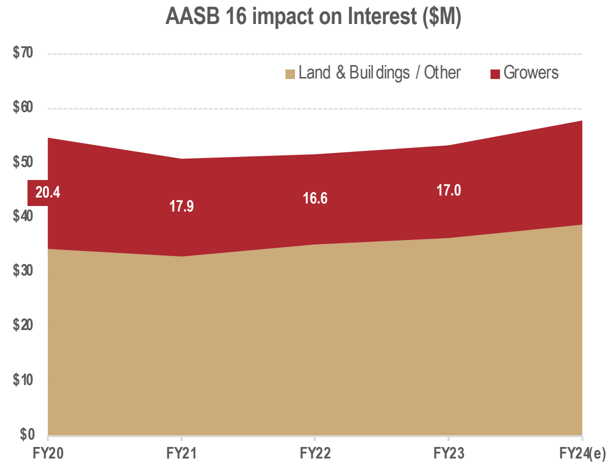












PROFIT & LOSS RECONCILIATION

PROFIT & LOSS ($M)	FY23	EXCLUDED FROM UNDERLYING	FY23 UNDERLYING	AASB 16 LEASES	FY23 UNDERLYING (PRE AASB 16) (REPORTED)	FY22 UNDERLYING (PRE AASB 16) (REPORTED)
Core Poultry volume (kt)	***463.5***		***463.5***		***463.5***	***465.5***
By-Products volume (kt)	*113.7*		*113.7*		*113.7*	*111.0*
Total Poultry volume (kt)	***577.2***		***577.2***		***577.2***	***576.5***
Feed Volume (kt)	*292.7*		*292.7*		*292.7*	*336.3*
Core Poultry Revenue	**2,760.2**		**2,760.2**		**2,760.2**	**2,458.1**
By-Products Revenue	60.8		60.8		60.8	52.4
Total Poultry Revenue	**2,821.0**		**2,821.0**		**2,821.0**	**2,510.5**
Feed Revenue	223.0		223.0		223.0	202.6
Revenue	**3,044.0**		**3,044.0**		**3,044.0**	**2,713.1**
Cost of sales	(2,289.2)		(2,289.2)	(224.8)	(2,514.0)	(2,282.4)
Gross profit	**754.8**		**754.8**	**(224.8)**	**530.0**	**430.7**
Gross profit %	*24.8%*		*24.8%*		*17.4%*	*15.9%*
Distribution expense	(185.3)		(185.3)	(20.6)	(205.9)	(175.9)
Sales & admin	(154.6)	**15.2**	(139.4)	(4.7)	(144.1)	(120.4)
Other income	3.2		3.2		3.2	0.4
JV	0.4		0.4		0.4	0.4
EBITDA	**418.5**	**15.2**	**433.7**	**(250.1)**	**183.6**	**135.2**
EBITDA %	*13.7%*		*13.7%*		*13.7%*	*5.0%*
Depreciation	(268.2)		(268.2)	214.0	(54.2)	(55.9)
Interest	(76.2)		(76.2)	53.3	(22.9)	(13.4)
PBT	**74.1**	**15.2**	**89.3**	**17.2**	**106.5**	**65.9**
Tax	(13.7)	(4.5)	(18.2)	(5.1)	(23.3)	(8.8)
NPAT	**60.4**	**10.7**	**71.1**	**12.1**	**83.2**	**57.1**

EBITDA & NPAT RECONCILIATION

Significant Items excluded from underlying results:

- **Business Transformation**: costs relating to program pre-implementation, design and costs associated with postponement
- **Gain on assignment of lease**: Comprises reversal of prior impairment and recognition of outstanding lease obligation in relation to Cleveland lease assignment

$M	FY23	FY22	Var	%
EBITDA	**418.5**	**370.4**	**48.1**	**13.0**
Restructuring	1.5	3.4	(1.9)	(55.9)
Reversal of lease impairment	0.0	(3.1)	3.1	NM
Business Transformation	16.7	10.1	6.6	65.3
Property Reassignment	(3.0)	0.0	(3.0)	NM
Excluded from Underlying	**15.2**	**10.4**	**4.8**	**46.2**
Underlying EBITDA	**433.7**	**380.8**	**52.9**	**13.9**
AASB 16 adjustments	(250.1)	(245.6)	(4.5)	1.8
Underlying EBITDA pre AASB 16	**183.6**	**135.2**	**48.4**	**35.8**

$M	FY23	FY22	Var	%
NPAT	**60.4**	**35.1**	**25.3**	**72.1**
Restructuring	1.1	2.5	(1.4)	(56.0)
Reversal of lease impairment	0.0	(2.2)	2.2	NM
Business Transformation	11.7	7.0	4.7	67.1
Property Reassignment	(2.1)	0.0	(2.1)	NM
Excluded from Underlying	**10.7**	**7.3**	**3.4**	**46.6**
Underlying NPAT	**71.1**	**42.4**	**28.7**	**67.7**
AASB 16 adjustments	12.1	14.7	(2.6)	(17.7)
Underlying NPAT pre AASB 16	**83.2**	**57.1**	**26.1**	**45.7**

SEGMENT RECONCILIATION

$M	GROUP			AUSTRALIA			NEW ZEALAND		
	FY23	FY22	Var	FY23	FY22	Var	FY23	FY22	Var
EBITDA	**418.5**	**370.4**	**48.1**	**357.0**	**312.2**	**44.8**	**61.5**	**58.2**	**3.3**
Restructuring	1.5	3.4	(1.9)	0.5	3.4	(2.9)	1.0	0.0	1.0
Reversal of lease impairment	0.0	(3.1)	3.1	0.0	(3.1)	3.1	0.0	0.0	0.0
Business Transformation	16.7	10.1	6.6	16.6	10.1	6.5	0.1	0.0	0.1
Property reassignment	(3.0)	0.0	(3.0)	(3.0)	0.0	(3.0)	0.0	0.0	0.0
Underlying EBITDA	**433.7**	**380.8**	**52.9**	**371.1**	**322.6**	**48.5**	**62.6**	**58.2**	**4.4**
AASB 16 adjustments	(250.1)	(245.6)	(4.5)	(210.8)	(209.4)	(1.4)	(39.3)	(36.2)	(3.1)
Underlying EBITDA pre AASB 16	**183.6**	**135.2**	**48.4**	**160.3**	**113.2**	**47.1**	**23.3**	**22.0**	**1.3**

RETURN ON INVESTED CAPITAL (PRE AASB 16) (ROIC)

ACHIEVED ROIC OF 19.0% FOR FY23

- Achieved ROIC of 19.0% for the year, versus 13.7% in PCP
- ROIC defined as:
  - Underlying Net Operating Profit after Tax pre AASB 16 divided by Average capital invested pre AASB 16
  - Underlying interest pre AASB 16 (i.e. net interest on the external debt facility) net of tax of 30%
  - Two point average calculated over two financial year end periods

$M	FY23	FY22
Return On Invested Capital (ROIC)		
Underlying NPAT pre AASB 16	83.2	57.1
Interest – net of tax	16.7	10.4
Net Operating Profit After Tax	**99.9**	**67.5**
Average Capital Invested pre AASB 16	525.1	492.8
ROIC %	**19.0%**	**13.7%**

DEFINITIONS

CERTAIN NON-IFRS INFORMATION IS REFERRED TO IN THIS PRESENTATION AND ARE DEFINED BELOW

- Average Capital Invested: Net assets plus net debt plus tax balance plus net liabilities of AASB 16; average calculated over two financial year end periods
- Business Transformation: business process, ERP and IT transformation
- Cash Conversion ratio: Cash Flow from Operations divided by EBITDA excluding non-cash items
- Core Poultry: refers to chicken and turkey products for human consumption, excluding by-products
- EBITDA: Earnings before Interest, Tax, Depreciation and Amortisation
- EBIT: Earnings before Interest and Tax
- ESG: Environmental, Social and Governance
- Gross Profit: Revenue less cost of sales
- LTM: Last twelve months
- Net Debt: Debt less cash and cash equivalents
- Net Operating Profit after Tax (NOPAT): Underlying NPAT pre AASB 16, plus interest (net of tax)
- PCP: Prior corresponding period
- ROIC: Return on Invested Capital pre AASB 16
- Total Poultry: includes core chicken and turkey products and by products
- Underlying Gross Profit pre AASB 16: Underlying Gross Profit excluding AASB 16 leasing impacts
- Underlying EBITDA: Underlying EBITDA excluding business transformation costs, any profit or loss on sale of assets, restructuring expenses, impairments and trading results for business sold as a going concern, inclusive of AASB 16 Leases
- Underlying EBITDA pre AASB 16: Underlying EBITDA excluding AASB 16 leasing impacts
- Underlying NPAT: Net Profit After Tax excluding business transformation costs, any profit or loss on sale of assets, restructuring expenses, impairments and trading results for business sold as a going concern after being tax effected, inclusive of AASB 16 Leases
- Underlying NPAT pre AASB 16: Underlying NPAT excluding AASB 16 leasing impacts after being tax effected
- Working Capital (Operating): Working capital adjusted for non-operating items including but not limited to interest accruals and proceeds from sale of assets

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