INGHAM'S
Nourish Our World

INGHAMS GROUP LIMITED

Half Year 2021 Results Presentation

19 FEBRUARY 2021

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Presentation of underlying financial information

Underlying results are post AASB 16 unless otherwise stated

On 5 November 2020 Ingham's announced that it will report its underlying results inclusive of the new leases standard AASB 16. As such the underlying results in this document include the impact of AASB 16 unless otherwise stated. To support understanding of the impact of AASB 16 Ingham's has also provided underlying results pre AASB 16 for 1H FY21 and the prior comparative period in the Appendix or as stated elsewhere in this document.

GROUP PERFORMANCE HIGHLIGHTS

Jim Leighton
Managing Director & CEO

GROUP HIGHLIGHTS

Strong 1H FY21 results driven by resilience in demand & strategic initiatives delivering operational momentum

Solid growth in poultry volume	▪ Group core poultry volume growth of 4.0% on pcp and 5.6% on 2H FY20 ▪ Strengthened demand across most channels and the return of overall trading volumes to pre COVID-19 levels
Delivering for our customers through COVID-19	▪ Performed as an essential service provider throughout the second wave and subsequent COVID-19 disruptions, sustaining supply to customers and maintaining operations
Improved safety performance	▪ Continued improvement in safety with the Lost Time Injury Frequency Rate and the Total Recordable Injury Frequency Rate improved by 26%
Strong growth in financial results	▪ Statutory EBITDA of $215.6M up 5.0%, Statutory NPAT of $35.3M ▪ Underlying EBITDA of $218.6M up 4.3%, Underlying NPAT $37.5M ▪ Underlying EBITDA pre AASB 16 of $100.7M up 9.8%, Underlying NPAT pre AASB16 $46.5M ▪ Interim dividend 7.5 cps fully franked, up 0.2 cps ▪ Cash generation resulted in leverage improving to 1.7x from 1.8x at Jun-20
Strategy delivering positive results	▪ Five-year strategy is delivering operational momentum and underpinning resilience of financial results

1H FY21 FINANCIAL HIGHLIGHTS

Improved financial performance driven by increased sales volume

	HY21	Variance to HY20		% Variance
Group Core Poultry Volume	224.6kt	8.7	▲	4.0
Statutory EBITDA	$215.6M	10.3	▲	5.0
Statutory NPAT	$35.3M	9.1	▲	34.7
Underlying EBITDA	$218.6M	9.1	▲	4.3
Underlying NPAT	$37.5M	8.3	▲	28.4
Underlying EBITDA pre AASB 16	$100.7M	9.0	▲	9.8
Underlying NPAT pre AASB 16	$46.5M	4.5	▲	10.7
Dividend (fully franked)	7.5cps	0.2	▲	2.7

	HY21	Variance to Jun-20		% Variance
Leverage (underlying pre AASB16)	1.7x	0.1	▼	5.5
Net Debt	$327.5M	(12.8)	▲	(4.1)

- Increase in core poultry volume reflecting solid demand across retail, QSR, wholesale and food service channels, slightly offset by some headwinds in the export channel due to the closure of certain poultry markets
- Strong progress in reduction of excess poultry inventory down $42.3M during the half year period, poultry inventory now close to normal levels
- Solid revenue growth of 4.6% despite declining external feed volume sales, delivering strong growth in EBITDA
- Interim dividend of 7.5 cps – fully franked – reflecting a payout ratio of 74% of Underlying NPAT, up 0.2 cps
- Leverage 1.7x down from 1.8x at June 2020. Net debt of $327.5M up $12.8M on June 2020 due to seasonally driven trade receivables and capital investment in HatchTech hatcheries

OBSERVATIONS ACROSS OUR CHANNELS

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Strengthened customer demand across most channels as COVID-19 restrictions eased

RETAIL

Volatility during the period due to COVID-19 restrictions, strong overall

- Demand volatility associated with freezer stocking during lockdowns across Australia & New Zealand
- Ongoing shift in customer demand to tray pack
- Strong volumes in Victoria due to extended COVID-19 restrictions and opportunities due to supply limitations by other providers

QSR

Strong recovery supported by easing restrictions, new products and customer promotions

- Solid rebound as COVID-19 restrictions eased across geographic areas
- Negative impact of prolonged dining-in restrictions in Victoria
- Increased volume driven by promotional activity by customers and the launch and promotion of new product ranges

FOOD SERVICE

Channel recovering as restrictions ease

- Slow recovery throughout the period as dining-in restrictions eased with continued lower demand from customers impacted by international tourism
- Volume across the channel has now largely returned to pre COVID-19 levels

WHOLESALE

Improved volume driven by increased market share

- Reduced tourism across Australia and New Zealand continues to provide a headwind
- Broadening of customer relationships has enabled greater coverage of wholesale markets to partially offset COVID-19 headwinds

EXPORT

Australia constrained by Avian influenza export restrictions

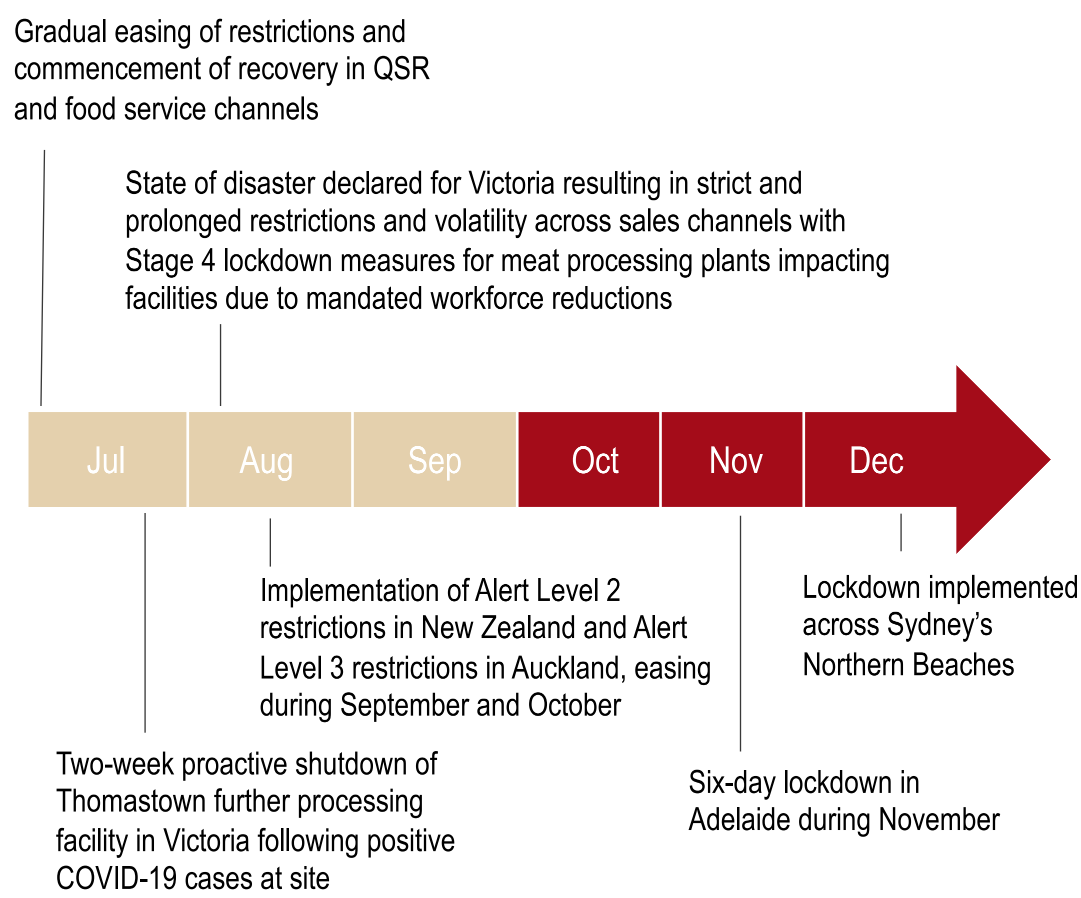
- Australian volumes impacted by closure of channel due to an industry Avian influenza outbreak in Victoria[1]
- Pacific Islands partially re-opened during the half year with slow improvements in volume
- New Zealand export channel benefited from closed Australian export market, supporting their surplus inventory reduction

1. Biosecurity incidents in Victoria did not occur at Ingham's facilities

COVID-19 IMPACTS DURING THE HALF YEAR

First quarter more significantly impacted by COVID-19 restrictions than second quarter. Successfully implemented lessons learned from first wave to meet customer demand and ensure continuity of supply to customers

- Leading Government engagement to proactively influence restrictions implemented for meat processing facilities while maintaining a safe working environment
- Close and collaborative customer engagement to meet demand pressures through reduced SKUs to increase production efficiency
- Rapid implementation of split roster system and physical separation of workforce plus additional sick leave benefits
- Utilising our broad network coverage and inventory to support continuity of supply



STRATEGY UPDATE

Jim Leighton
Managing Director & CEO

OUR STRATEGIC FRAMEWORK

Continued focus on five-year strategic plan while managing ongoing COVID-19 challenges

OUR OBJECTIVE	To deliver more consistent, predictable and reliable returns	
STRATEGIC PILLARS	OPTIMISE THE CORE	▪ Deliver asset efficiency with modest capital spend ▪ Implement a continuous improvement culture ▪ Reframe customer relationships ▪ Maximise the value of every bird
	TRANSFORM FOR TOMORROW	▪ Manage our core new product development (NPD) and portfolio mix to maximise margin ▪ Build poultry and protein products / brands to deliver higher margins and offset cost base volatility
	CREATE THE NEW	▪ Be flexible, disciplined and well capitalised to take advantage of growth opportunities

PROGRESS ON OUR STRATEGY

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Key focus on embedding strong foundations to support future growth opportunities

STRATEGIC PILLARS	ACHIEVEMENTS IN DELIVERY OF STRATEGY
OPTIMISE THE CORE	▪ Continuous improvement culture delivering improved effectiveness and capacity to lower costs, enhance yield, deliver a better product mix and reduce waste ▪ Transforming our strong organisational culture into an ideal culture to drive workforce engagement, efficiency and innovation ▪ Integrated Business Planning delivering product optimisation and aligning production with customer requirements ▪ Sale of non-core Hamilton NZ feed mill and associated NZ dairy feed supply business for NZ$11.5M[1]
TRANSFORM FOR TOMORROW	▪ Construction of HatchTech hatcheries in Victoria and Western Australia to further improve animal welfare and drive lower costs of production. Victoria commissioning expected in mid 2021 and Western Australia in 1H FY22 ▪ Redland Bay research farm operational with focusing on optimising feed and raising the bar on animal welfare standards
CREATE THE NEW	▪ Enhanced focus on the premium market through branded and private label product innovation: • Free Ranger launched in April 2020 and now present in over 300 supermarkets; • New Supercrunch range launched with sales volume above expectations; • Successful launch of private label and branded plant-based products across retail, food service and QSR channels in New Zealand and Australia; and • Identified adjacent protein centric categories to grow in the new

1. Subject to standard working capital adjustments on completion

FINANCIAL RESULTS

Gary Mallett
Chief Financial Officer

PROFIT & LOSS – STATUTORY

Strong half year result despite navigating the continuing challenges of COVID-19 & high grain costs

$M	1H FY21	1H FY20	Var	%
Revenue	**1,363.0**	**1,303.5**	**59.5**	**4.6**
Gross Profit	356.8	337.8	19.0	5.6
EBITDA	**215.6**	**205.3**	**10.3**	**5.0**
Depreciation & Amortisation	(132.4)	(131.0)	(1.4)	1.1
EBIT	**83.2**	**74.3**	**8.9**	**12.0**
Net finance expense	(33.3)	(37.5)	4.2	(11.2)
Tax expense	(14.6)	(10.6)	(4.0)	37.7
NPAT	**35.3**	**26.2**	**9.1**	**34.7**

- Revenue growth of +4.6% is reflective of continued demand for poultry (poultry revenue up 6.1% on PCP), offset by lower external feed revenue and volumes as feed customers were impacted by the challenges of COVID-19
- Net Profit After Tax up 34.7% or $9.1M which includes a +$3.8M improvement in AASB 16 impacts

EBITDA & NPAT RECONCILIATION

Items excluded from underlying results in the half

$M	1H FY21	1H FY20	Var	%
Statutory EBITDA	**215.6**	**205.3**	**10.3**	**5.0**
(Profit) / Loss on sale of assets		*0.7*		
Impairment of assets		*2.0*		
Restructuring	*3.0*	*1.5*		
Excluded from Underlying	**3.0**	**4.2**	**(1.2)**	**(28.6)**
Underlying EBITDA	**218.6**	**209.5**	**9.1**	**4.3**
AASB 16 leases impact	(117.9)	(117.8)	(0.1)	(0.1)
Underlying EBITDA pre AASB 16	**100.7**	**91.7**	**9.0**	**9.8**

$M	1H FY21	1H FY20	Var	%
Statutory NPAT	**35.3**	**26.2**	**9.1**	**34.7**
(Profit) / Loss on sale of assets		*0.5*		
Impairment of assets		*1.5*		
Restructuring	*2.2*	*1.0*		
Excluded from Underlying	**2.2**	**3.0**	**(0.8)**	**(26.7)**
Underlying NPAT	**37.5**	**29.2**	**8.3**	**28.4**
AASB 16 leases impact	9.0	12.8	(3.8)	(29.7)
Underlying NPAT pre AASB 16	**46.5**	**42.0**	**4.5**	**10.7**

- **AASB 16 leases impact:** Included in EBITDA ($117.9M) is cost of sales ($105.3M), distribution ($10.0M) and sales & admin ($2.6M). NPAT includes a +$3.8M improvement on PCP with lower interest expense
- **(Profit)/Loss on sale of assets:** 1H FY20 relates to the disposal of some small surplus farms across Australia
- **Impairment of assets:** The former Pakenham (VIC) hatchery building was impaired in 1H FY20 in preparation for the demolition and construction of the new hatchery building
- **Restructuring:** 1H FY21 costs relates to redundancy payments arising from structural changes

Refer to Appendix for segment breakdown of items excluded from underlying results

PROFIT & LOSS – UNDERLYING

Growth in NPAT as a result of volume growth and continued improvements in operational efficiencies

$M	1H FY21	1H FY20	Var	%
Core Poultry volumes (kt)	224.6	215.9	8.7	4.0
Total Poultry volumes (kt)	279.4	266.6	12.8	4.8
External Feed volumes (kt)	189.4	218.4	(29.0)	(13.3)
Revenue	**1,363.0**	**1,303.5**	**59.5**	**4.6**
Underlying Gross Profit	**356.8**	**337.8**	**19.0**	**5.6**
Gross Profit %	*26.2%*	*25.9%*	*0.3*	
Underlying EBITDA	**218.6**	**209.5**	**9.1**	**4.3**
EBITDA %	*16.0%*	*16.1%*	*(0.1)*	
Depreciation	(132.4)	(131.0)	(1.4)	1.1
Underlying EBIT	**86.2**	**78.5**	**7.7**	**9.8**
Net finance expense	(33.3)	(37.5)	4.2	(11.2)
Tax expense	(15.4)	(11.8)	(3.6)	30.5
Underlying NPAT	**37.5**	**29.2**	**8.3**	**28.4**

Underlying results are presented post AASB 16

Volume & Revenue Growth

- A strong first half performance in total poultry with revenue up 6.1% from a 4.8% growth in volume
- External feed revenues down 10.3% on PCP from a 13.3% decline in volume due to favourable pasture conditions in NZ and COVID-19 challenges being navigated by external feed customers

Gross Profit

- Growth in Gross Profit margins supported by volume growth and improvements in operational efficiencies
- As good progress has been made clearing the higher frozen inventory, $3.7M was unwound from the inventory provision

AASB 16 included in Underlying Profit

- The key area driving the NPAT improvement +$3.8M was the reduction in the tax effected interest charge on the reducing leased liability

Interest and tax

- Interest decreased due to a reduction in the BBSY and a reduced AASB 16 impact due to smaller lease liability
- Effective tax rate was consistent with the PCP

BALANCE SHEET

Robust balance sheet maintained with leverage declining to 1.7x and inventory reduced

$M	Dec-20	Jun-20	Variance
Inventories/Biologicals	308.5	337.7	(29.2)
Receivables	266.0	202.9	63.1
Payables	(404.7)	(406.4)	1.7
Working Capital	**169.8**	**134.2**	**35.6**
Provisions	(106.5)	(103.5)	(3.0)
Working Capital & Provisions	**63.3**	**30.7**	**32.6**
PP&E	454.3	450.3	4.0
Right-of-use Assets	1,368.8	1,429.2	(60.4)
Other Assets	13.2	14.2	(1.0)
Lease Liabilities	(1,419.3)	(1,472.3)	53.0
Other Liabilities	(7.8)	(7.6)	(0.2)
Capital employed	**472.5**	**444.5**	**28.0**
Net Debt	(327.5)	(314.7)	(12.8)
Net Tax balances	(5.2)	(0.7)	(4.5)
Net Assets	**139.8**	**129.1**	**10.7**

- **Inventories:** Decreased $29.2M in 1H due to a reduction in poultry inventory of $42.3M, offset by higher feed inventory of $9.1M as we secured physical supply of feed post harvest with no material change to forward cover. Around $5M of frozen excess poultry remains to be cleared across 2H FY21.
- **Receivables:** Increased $63.1M in 1H due to seasonally stronger sales in Dec-20 and an early close on 26 Dec. They are comparable to Dec-19 levels and are expected to reverse in 2H.
- **Right-of-use Assets:** Decreased $60.4M due to amortisation offset by additions, CPI increases and extensions
- **Lease Liabilities:** Decreased $53.0M due to lease payments offset by additions, CPI increases and extensions

CASH FLOW

Operating cash generation and prudent approach to capex driving improved cash conversion

$M	Dec-20	Dec-19	Variance
Statutory EBITDA	**215.6**	**205.3**	**10.3**
Non-cash items	0.8	0.8	(0.0)
EBITDA excluding non-cash items	**216.4**	**206.1**	**10.3**
Changes in operating working capital [1]	(37.5)	(27.9)	(9.6)
Changes in operating provisions	3.0	(7.8)	10.8
Cash flow from operations	**181.9**	**170.4**	**11.5**
Capital expenditure/property purchases	(31.5)	(40.5)	9.0
Proceeds from sale of assets [1]	1.1	7.4	(6.3)
Other payments / receipts	0.2	0.2	0.0
Net cashflow before financing & tax	**151.7**	**137.5**	**14.2**
Dividends paid	(24.9)	(39.0)	14.1
Shares purchased/sale share	(0.5)	(3.3)	2.8
Interest paid / received	(7.0)	(7.1)	0.1
Interest & principal - AASB16 Leases	(123.0)	(117.8)	(5.2)
Net cashflow before tax	**(3.7)**	**(29.7)**	**26.0**
Tax paid	(10.0)	(29.5)	19.5
Amortisation borrowing / Forex	0.9	(0.4)	1.3
Net (increase) / decrease net debt	**(12.8)**	**(59.6)**	**46.8**
Cash Conversion Ratio	***84.1%***	***82.6%***	***1.5***
Cash Conversion Ratio pre AASB16 [2]	***59.8%***	***59.5%***	***0.3***

- **Cash conversion:** The cash conversion has been impacted by seasonal working capital increase of $37.5M. Inventory procurement trade payable increased in 1H FY21 by $2.2M (versus 1H FY20 $3.1M)
- **Capital Investment:** Capital expenditure has been controlled during the challenges of COVID-19. Major items include $22.3M spend on the VIC and WA hatcheries and $2.1M for the Auckland FP plant expansion
- **Proceeds from Sale of Assets:** $1.1M reflects the deposit on the sale of Hamilton feed mill, 1H FY20 relates to the disposal of surplus farms
- **Dividend:** FY20 final dividend of 6.7 cps
- **Leases:** Cash outflows exceeded the rental expense due to some FY20 lease payments being paid in 1H FY21
- **Tax paid:** 1H FY20 included payment on the sale of Mitavite business

1. Working capital movement adjusted Dec-20 for $1.1M proceeds reflected as a deposit and $0.8M relating to non-operating interest accruals
2. Cash conversion ratio pre AASB16 = [Cashflow from Operations – Interest & principal – AASB16 Leases] / [EBITDA excluding non-cash items & AASB 16 P&L Lease impact]

CAPITAL MANAGEMENT

Gary Mallett
Chief Financial Officer

CAPITAL MANAGEMENT METRICS

Leverage of 1.7x down from 1.8 at June 2020

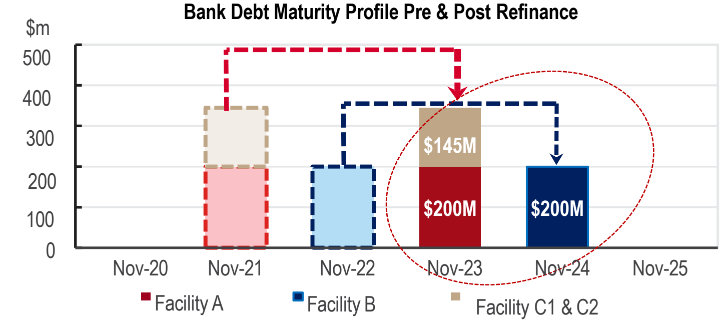
$M	Dec-20	Jun-20	Dec-19
Leverage			
Net Debt – Bank Facility	327.5	314.7	323.4
Net Debt / LTM Underlying EBITDA pre AASB16 [1]	**1.7**	**1.8**	**1.7**
Working Capital			
Working Capital (Operating) [2]	171.7	134.2	153.2
Inventory procurement trade payable*	123.9	121.7	97.8
* Included in working capital above			
Return On Invested Capital (ROIC)			
Underlying NPAT pre AASB 16 - LTM	83.3	78.8	
Interest – net of tax	9.7	9.5	
Net Operating Profit After Tax	93.0	88.3	
Average Capital Invested pre AASB 16	499.9	478.9	
ROIC %	18.6%	18.4%	

Cents per share	1H FY21	2H FY20	1H FY20
Dividend (fully franked)	7.5	6.7	7.3

Leverage

- Net debt increased $12.8M in the half due to the normal seasonal trade receivables working capital cycle
- Maturing debt facilities have been extended to Nov-23 and Nov-24 respectively. The total facility is $545M with $125M undrawn at Dec-20

Bank Debt Maturity Profile Pre & Post Refinance



Working Capital

- Working capital increased $37.5M due to seasonally stronger sales in December increasing receivables $63.1M offset by a $29.2M reduction in inventories

ROIC

- Capital returns measure introduced as part of capital management framework
- ROIC defined as: $\frac{\text{Underlying NOPAT pre AASB 16}}{\text{Average capital invested pre AASB 16}}$

Dividend

- Interim dividend based on the dividend policy announced at the AGM of 60%-80% of Underlying NPAT (post AASB 16 Leases). Interim dividend of 7.5 cps represents a payout ratio of 74.3% and is 0.2 cps higher than 1H FY20

1. Leverage ratio of syndicated debt facility is calculated on underlying results excluding AASB16 Lease accounting entries
2. Working capital adjusted for non-operating items including but not limited to interest accruals and proceeds from sale of assets - Refer to the Appendix for Working Capital details

CAPITAL MANAGEMENT FRAMEWORK

A disciplined approach to capital management

- Our core objective is to deliver consistent, predictable and reliable returns
- Our capital management framework aims to meet our capital needs and maximise total shareholder returns, while enabling Ingham's to take advantage of future growth opportunities while appropriately maintaining its asset base
- The principles underlying the development of our capital management framework:
  - Ensuring suitable investment to sustain business activities;
  - Maintaining a balance sheet that appropriately balances risk with opportunity;
  - Providing shareholders with fully franked dividends and seeking to increase dividends over time;
  - Retaining flexibility to take advantage of future growth opportunities; and
  - Ensuring that capital is deployed in a way to maximise value to shareholders.

CAPITAL MANAGEMENT FRAMEWORK

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 (post AASB 16)

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[4]

Key outcomes in 1H FY21

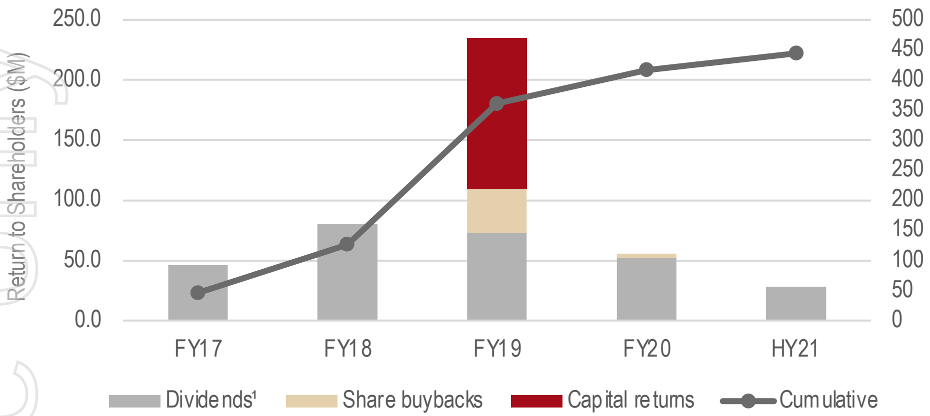
- Cashflow from operations pre AASB 16[3] of \$58.9M in 1H FY21 delivering a cash conversion ratio of 59.8%, down due to the impact of seasonal trade receivables at period end
- Sustaining capital[1] of \$7.1M or 26% of depreciation, below target due to prudent expenditure with COVID-19 disruptions and travel restrictions
- Growth and major project capex of \$24.4M including \$22.3M spend on new HatchTech hatcheries in VIC and WA
- Leverage (underlying pre AASB 16) of 1.7x within target range
- Interim dividend of 7.5 cps reflecting a payout ratio of 74% of Underlying NPAT (post AASB 16) within target range
- ROIC of 18.6% achieved at 1H FY21

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
3. Cashflow from operations as per slide 19 less AASB 16 lease payments (interest and principal)
4. Weighted Average Cost of Capital

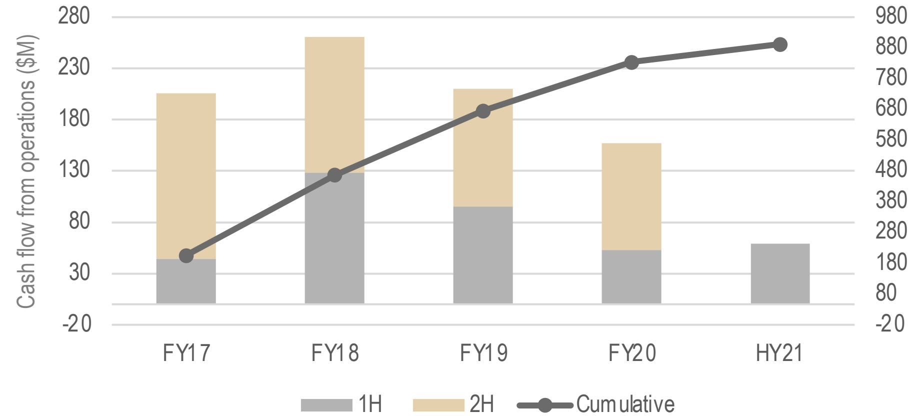
CAPITAL MANAGEMENT HISTORY

Significant cash generation with a history of solid returns to shareholders and continued investment in our business

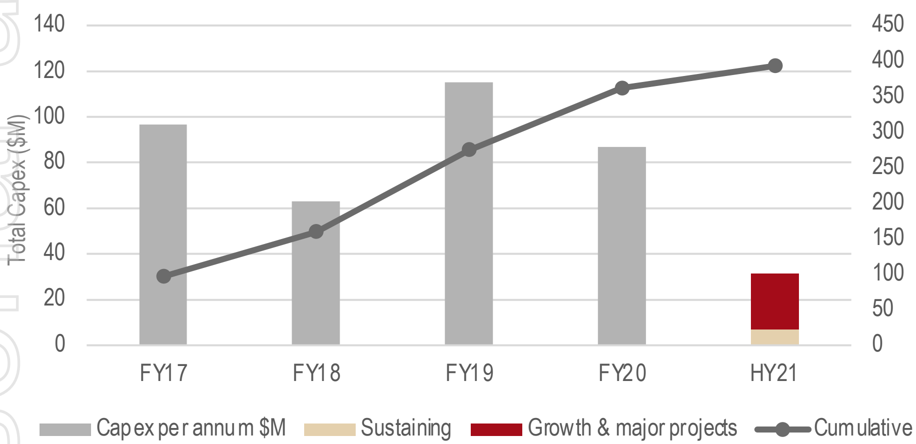
$444M returned to shareholders since IPO



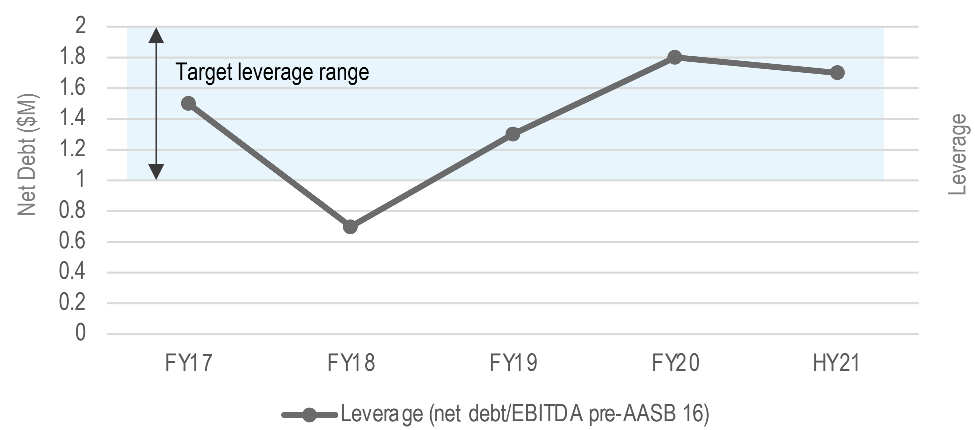
Cash flow from operations – pre AASB 16



Investment in sustaining and growing the business



Stable leverage inside target range



1. Dividends are included in the financial year to which the dividend relates noting that final dividends are paid in the following financial year

SEGMENT PERFORMANCE

Jim Leighton
Managing Director & CEO

Jonathan Gray
CEO New Zealand

AUSTRALIA

Market showing resilience with improving trading performance from strong volume growth

$M	1H FY21	1H FY20	Var	%
Core Poultry volumes (kt)	**190.9**	**183.6**	**7.3**	**4.0**
Total Poultry volumes (kt)	239.3	227.9	11.4	5.0
Feed volumes (kt)	126.0	145.9	(19.9)	(13.6)
Revenue	1,160.0	1,103.0	57.0	5.2
Statutory EBITDA	**182.8**	**174.4**	**8.4**	**4.8**
EBITDA % Revenue	*15.8%*	*15.8%*	*0.0*	
Underlying EBITDA	**185.6**	**178.2**	**7.4**	**4.2**
Underlying EBITDA % Revenue	*16.0%*	*16.2%*	*(0.2)*	
Underlying EBITDA – pre AASB16	**84.9**	**74.1**	**10.8**	**14.6**
Underlying EBITDA - pre AASB16 %	*7.3%*	*6.7%*	*0.6*	
Underlying Gross Profit – pre AASB16	**204.2**	**186.7**	**17.5**	**9.4**
Underlying Gross Profit – pre AASB16 %	*17.6%*	*16.9%*	*0.7*	

Highlights:

- Revenue growth of 5.2% despite ongoing COVID-19 environment. Total poultry revenue growth of 6.5% on 5.0% increase in total poultry volume
- Growth in Gross Profit pre AASB 16 supported by volume growth and improvements in operational efficiencies offset by increased SG&A from higher insurance and legal costs
- Good progress was made clearing excess frozen inventory from the COVID-19 shut downs
- The lease adjustment from AASB 16 is $3.4M at an EBITDA level representing lower lease costs as equipment rental expires
- **Retail:** Volatile due to changing COVID-19 restrictions but delivered solid result
- **QSR & Food Service:** Volume growth across both segments as they return to pre COVID-19 trading levels
- **Wholesale:** Solid performance in wholesale representing greater coverage across this channel
- **Export Poultry, By Products & External Feed:** Challenges due to partial export market closures with strong demand from pet food sector

NEW ZEALAND

Solid poultry sales volume and revenue growth, earnings impacted by reduced processing volume

$M	1H FY21	1H FY20	Var	%
Core Poultry volumes (kt)	**33.7**	**32.3**	**1.4**	**4.3**
Total Poultry volumes (kt)	40.1	38.7	1.4	3.6
Feed volumes (kt)	63.4	72.5	(9.1)	(12.6)
Revenue	203.0	200.5	2.5	1.2
Statutory EBITDA	**32.8**	**30.9**	**1.9**	**6.1**
EBITDA % Revenue	16.2%	15.4%	0.8	
Underlying EBITDA	**33.0**	**31.3**	**1.7**	**5.4**
Underlying EBITDA % Revenue	*16.3%*	*15.6%*	*0.7*	
Underlying EBITDA – pre AASB16	**15.8**	**17.6**	**(1.8)**	**(10.2)**
Underlying EBITDA - pre AASB16 %	7.8%	8.8%	(1.0)	
Underlying Gross Profit – pre AASB16	**47.3**	**50.1**	**(2.8)**	**(5.6)**
Underlying Gross Profit – pre AASB16 %	*23.3%*	*25.0%*	*(1.7)*	

Highlights:

- Total poultry revenue growth of 3.2% on 3.6% increase in volume
- Significant progress made reducing the surplus frozen inventory built during the level 4 COVID-19 hard lockdown. This reduction in surplus inventory had an unfavorable impact on net selling price and gross margin
- Underlying EBITDA pre AASB 16 was lower due to reduced processing numbers through Q1 following COVID-19 full lockdown in FY20
- **Retail:** Strong demand for frozen poultry and fresh tray packed, but soft demand for roast chicken
- **QSR:** Strong growth through this channel
- **Food Service**: Remains constrained due to absence of overseas visitors and COVID-19 restrictions
- **Export Poultry:** Growth from clearance of excess inventory to export markets
- **External Feed:** External dairy feed volumes down due to favorable pasture conditions

FEED MARKET UPDATE

Anne-Marie Mooney
Chief Agribusiness Officer

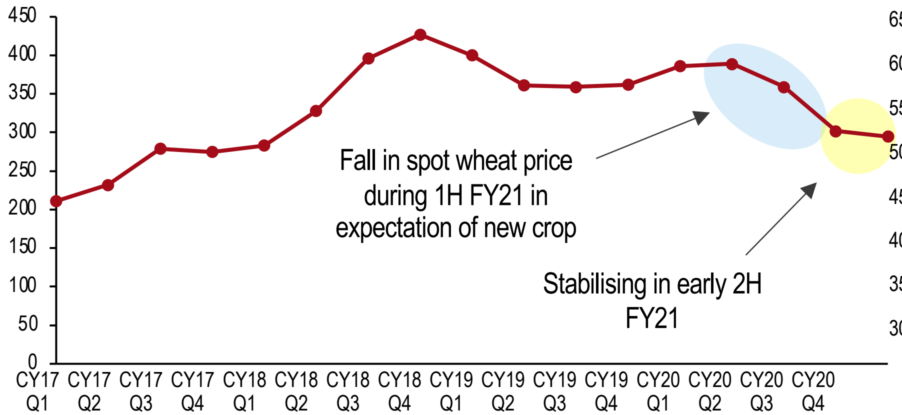
EXTERNAL FEED MARKET OBSERVATIONS

New crop wheat now fully harvested with initial easing in wheat pricing before stabilising in early 2021, while soymeal prices have increased

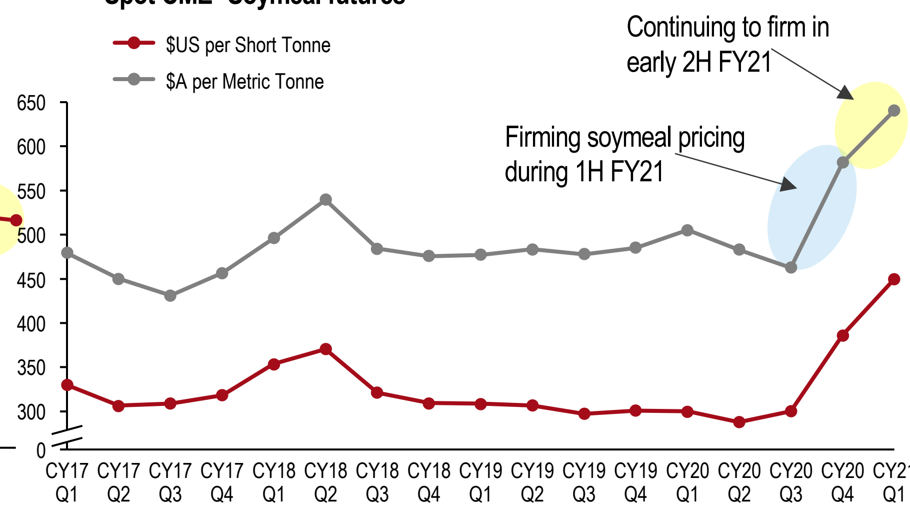
- **Delivered feed cost contains cereal grains, protein meals, vitamins and minerals. Feed cost also includes transport and milling cost**
- **Grain imported into New Zealand operations is purchased from the international market**

Spot wheat price[1] (as observed by Inghams)

$A per metric tonne



Spot CME[3] Soymeal futures



- Bumper wheat harvest in late 2020 of over 30m MT, reflected in wheat prices easing during 1H FY21 from historical highs for new crop
- However, prices have not reached anticipated lows, stabilising in Q1 CY21 due to strong international demand with exports expected to exceed 20m MT in FY21
- Strong international demand driven by the competitive relative pricing of Australian wheat against international commodity grain prices
- Domestic prices have varied by region, with QLD and WA holding firmer than southern NSW and VIC due to export demand
- Soymeal pricing has rallied significantly since Q3 CY20 and it continues to firm due to increased demand from China and political issues in South America and could remain high for the foreseeable future

1. Spot prices shown above are for illustrative purposes only. Ingham's 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. Q1 CY21 data to 15 February
3. Chicago Mercantile Exchange

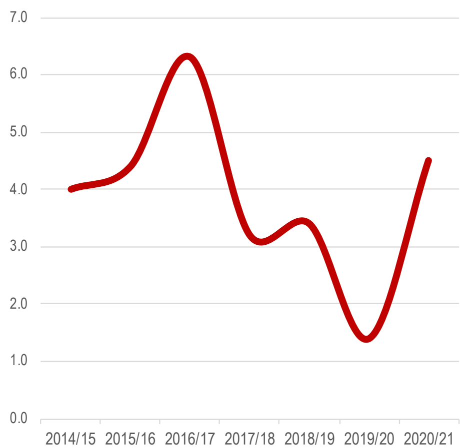
FEED COST OUTCOMES IN 1H FY21

INGHAM'S Nourish Our World

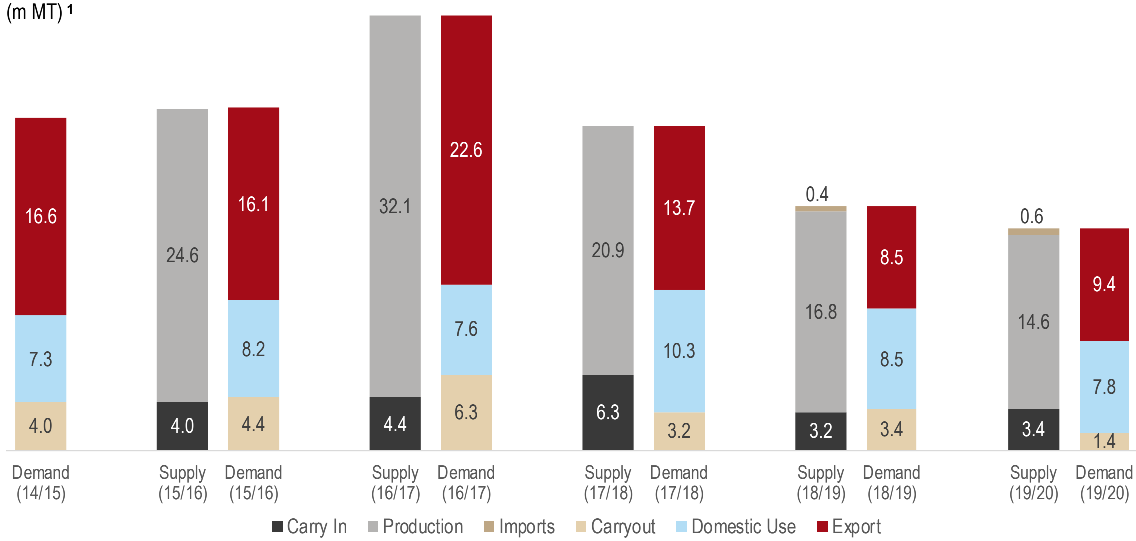
The end of a 3-year drought resulted in a deep low in domestic stock positions which combined with strong export demand, drove higher pricing to secure supply

- Lowest ending stock position in five years and close to a near run out position on wheat and grain stocks on the east coast
- 9.4m tonne of wheat exported compared with 8.5m tonne in the prior year impacting prices to secure supply for Ingham's operations
- Soymeal prices started to rally towards the end of 1H and this has continued into early 2H
- Ingham's remains forward covered between 3 and 9 months in line with procurement strategy

Ending Stocks vs. Domestic Use
(m MT) [1]



Australian Wheat Supply & Demand
(m MT) [1]



1. Ingham's market observed data

FEED COST EXPECTATION IN 2H FY21

New crop harvested with wheat prices easing and expected to fully flow through by Q4 FY21, slightly offset by higher soymeal pricing

- New crop harvest commenced in November, and is now largely complete
- Delivered prices reflect easing wheat prices however holding firmer than anticipated lows as outlined in slide 27
- Soymeal pricing expected to remain high and slightly offsetting the benefit of lower wheat prices
- Customer cost pass-through mechanisms, where applicable operate when costs increase and decrease
- Easing grain prices to fully flow through our poultry network to cost of sales by Q4 FY21 given our 3 – 9 months forward cover and poultry lifecycle

OUTLOOK

Jim Leighton
Managing Director & CEO

OUTLOOK

Strategic initiatives delivering operational momentum to support future growth

- Solid progress in the delivery of our first strategic pillar of ‘optimise the core’, enabling our future growth strategy
- The net impact of lower feed prices is expected to be modest during the second half, given the recent surge in international demand and our customer cost pass-through mechanisms
- Continued orderly reduction in surplus inventory from FY20
- Sale of Hamilton New Zealand feed mill expected to complete by the end of March 2021 - no material impact on future earnings
- Ongoing volatility remains in operating conditions and/or consumer behavior due to COVID-19
- Potential re-opening of additional export markets during second half
- 2H FY21 should experience normal seasonal influences

APPENDIX

SEGMENT RECONCILIATION

Items excluded from underlying results in the half

$M	Group 1H FY21	Group 1H FY20	Var	Australia 1H FY21	Australia 1H FY20	Var	NZ 1H FY21	NZ 1H FY20	Var
Statutory EBITDA	**215.6**	**205.3**	**10.3**	**182.8**	**174.4**	**8.4**	**32.8**	**30.9**	**1.9**
(Profit) / Loss on sale of assets		0.7		0.0	0.7		0.0	0.0	
Impairment of assets		2.0		0.0	2.0		0.0	0.0	
Restructuring	3.0	1.5		2.8	1.1		0.2	0.4	
Underlying EBITDA	**218.6**	**209.5**	**9.1**	**185.6**	**178.2**	**7.4**	**33.0**	**31.3**	**1.7**
AASB 16 leases	(117.9)	(117.8)		(100.7)	(104.1)		(17.2)	(13.7)	
Underlying EBITDA pre AASB 16	**100.7**	**91.7**	**9.0**	**84.9**	**74.1**	**10.8**	**15.8**	**17.6**	**(1.8)**

- Australia: AASB16 decreased in the period due to no new leases in the period, equipment leases expiring which have not been renewed which is reflected in the reduction of average lease term
- New Zealand: AASB16 increased in the period due to the addition of a Right-of-use grower contracts in New Zealand and the modification/extension of Cambridge Distribution centre

PROFIT & LOSS RECONCILIATION – 1H FY21

Profit & Loss $M	1H FY21 Statutory	Excluded from underlying	1H FY21 Underlying	AASB16 Leases	1H FY21 Underlying Pre AASB16	1H FY20 Underlying Pre AASB16 Revised [1]	Var	Var %
Core Poultry volume (kt)	224.6		224.6		224.6	215.9	8.7	4.0
By-Products volume (kt)	54.8		54.8		54.8	50.7	4.1	8.1
Total Poultry volume (kt)	279.4		279.4		279.4	266.6	12.8	4.8
Feed Volume (kt)	189.4		189.4		189.4	218.4	-29.0	-13.3
Core Poultry Revenue	1,231.2		1,231.2		1,231.2	1,160.7	70.5	6.1
By-Products Revenue	25.0		25.0		25.0	23.7	1.3	5.5
Total Poultry Revenue	1,256.2		1,256.2		1,256.2	1,184.4	71.8	6.1
Feed Revenue	106.8		106.8		106.8	119.1	-12.3	-10.3
Revenue	**1,363.0**		**1,363.0**		**1,363.0**	**1,303.5**	**59.5**	**4.6**
Cost of sales	-1,006.2		-1,006.2	-105.3	-1,111.5	-1,066.7	-44.8	4.2
Gross profit	**356.8**	**0.0**	**356.8**	**-105.3**	**251.5**	**236.8**	**14.7**	**6.2**
Gross profit %	*26.2%*		*26.2%*		*18.5%*	*18.2%*	0.3	
Distribution expense	-73.0		-73.0	-10.0	-83.0	-82.3	-0.7	0.9
Sales & admin	-68.4	3.0	-65.4	-2.6	-68.0	-63.0	-5.0	7.9
JV	0.2		0.2		0.2	0.2	0.0	0.0
EBITDA	**215.6**	**3.0**	**218.6**	**-117.9**	**100.7**	**91.7**	**9.0**	**9.8**
EBITDA %	*15.8%*		*16.0%*		*7.4%*	*7.0%*	0.4	
Depreciation	-132.4		-132.4	104.7	-27.7	-25.5	-2.2	8.6
Interest	-33.3		-33.3	26.0	-7.3	-6.9	-0.4	5.8
PBT	**49.9**	**3.0**	**52.9**	**12.8**	**65.7**	**59.3**	**6.4**	**10.8**
Tax	-14.6	-0.8	-15.4	-3.8	-19.2	-17.3	-1.9	11.0
NPAT	**35.3**	**2.2**	**37.5**	**9.0**	**46.5**	**42.0**	**4.5**	**10.7**

1. Refer to 1H FY20 Profit & Loss Reconciliation on slide 36

AASB16 LEASE IMPACT

$M Balance Sheet	Dec-20	AU	NZ	Jun-20	Dec-19
Working Capital & Provisions [(1)]					**4.1**
Land & Buildings	803.1	722.0	81.1	814.6	843.7
Growers	556.5	455.6	100.9	601.6	728.2
Equipment	9.2	6.9	2.3	13.0	13.5
Right-of-use Assets	**1,368.8**	**1,184.5**	**184.3**	**1,429.2**	**1,585.4**
Lease Liability	**(1,419.3)**	**(1,230.4)**	**(188.9)**	**(1,472.3)**	**(1,607.8)**
Capital Employed	**(50.5)**	**(45.9)**	**(4.6)**	**(43.1)**	**(18.3)**
Tax	13.8	12.2	1.6	10.0	5.5
Net assets	**(36.7)**	**(33.7)**	**(3.0)**	**(33.1)**	**(12.8)**

Ave. Term (years)	Total	AU	NZ
Land & Buildings	12.5	13.3	7.5
Growers	3.6	3.5	4.3
Equipment	1.0	1.0	2.4

- **Land and Buildings:** Ingham's has a large leased property portfolio. Right-of-use Assets $803.1M. Average term remaining on the portfolio is 12.5 years
- **Contract Growers:** $556.5M are classified as a 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 this standard. Average remaining term of contract grower leases is 3.6 years
- **Equipment/Fleet:** $9.2M in leases for equipment and vehicles are captured by the standard. The average remaining term of the equipment leases is 1.0 years

$M P&L Impact	1H FY21 Total	AU	NZ	1H FY20
Gross Profit	105.3	90.2	15.1	103.8
EBITDA	**117.9**	**100.7**	**17.2**	**117.8**
Depreciation	(104.7)	(89.0)	(15.7)	(105.5)
EBIT	**13.2**	**11.7**	**1.5**	**12.3**
Net finance expense	(26.0)	(23.1)	(2.9)	(30.6)
Tax expense	3.8	3.4	0.4	5.5
NPAT	**(9.0)**	**(8.0)**	**(1.0)**	**(12.8)**

1. Balances relating to AASB 16 in working capital and provision accounts have been rolled into Right-of-use Assets and Lease Liabilities from Jun-20

PROFIT & LOSS RECONCILIATION – 1H FY20

Profit & Loss $M	1H FY20 Statutory	Excluded from underlying	1H FY20 Underlying	AASB16 Leases	1H FY20 Underlying Pre AASB16 Reported	Less: reclass (1)	1H FY20 Underlying Pre AASB16 Revised
Core Poultry volume (kt)	215.9		215.9		215.9		215.9
By-Products volume (kt)	50.7		50.7		50.7		50.7
Total Poultry volume (kt)	266.6		266.6		266.6		266.6
Feed Volume (kt)	218.4		218.4		218.4		218.4
Core Poultry Revenue	1,160.7		1,160.7		1,160.7		1,160.7
By-Products Revenue	23.7		23.7		23.7		23.7
Total Poultry Revenue	1,184.4		1,184.4		1,184.4		1,184.4
Feed Revenue	119.1		119.1		119.1		119.1
Revenue	**1,303.5**		**1,303.5**		**1,303.5**		**1,303.5**
Cost of sales	-965.7		-965.7	-103.8	-1,069.5	2.8	-1,066.7
Gross profit	**337.8**	**0.0**	**337.8**	**-103.8**	**234.0**	**2.8**	**236.8**
Gross profit %	*25.9%*		*25.9%*		*18.0%*		*18.2%*
Distribution expense	-68.8		-68.8	-10.0	-78.8	-3.5	-82.3
Sales & admin	-63.9	4.2	-59.7	-4.0	-63.7	0.7	-63.0
JV	0.2		0.2		0.2		0.2
EBITDA	**205.3**	**4.2**	**209.5**	**-117.8**	**91.7**		**91.7**
EBITDA %	*15.7%*		*16.1%*		*7.0%*		*7.0%*
Depreciation	-131.0		-131.0	105.5	-25.5		-25.5
Interest	-37.5		-37.5	30.6	-6.9		-6.9
PBT	**36.8**	**4.2**	**41.0**	**18.3**	**59.3**	**0.0**	**59.3**
Tax	-10.6	-1.2	-11.8	-5.5	-17.3		-17.3
NPAT	**26.2**	**3.0**	**29.2**	**12.8**	**42.0**	**0.0**	**42.0**

1. Reclassification of export costs from Cost of sales to Distribution expense and staff shop costs from Sales & admin to Cost of sales

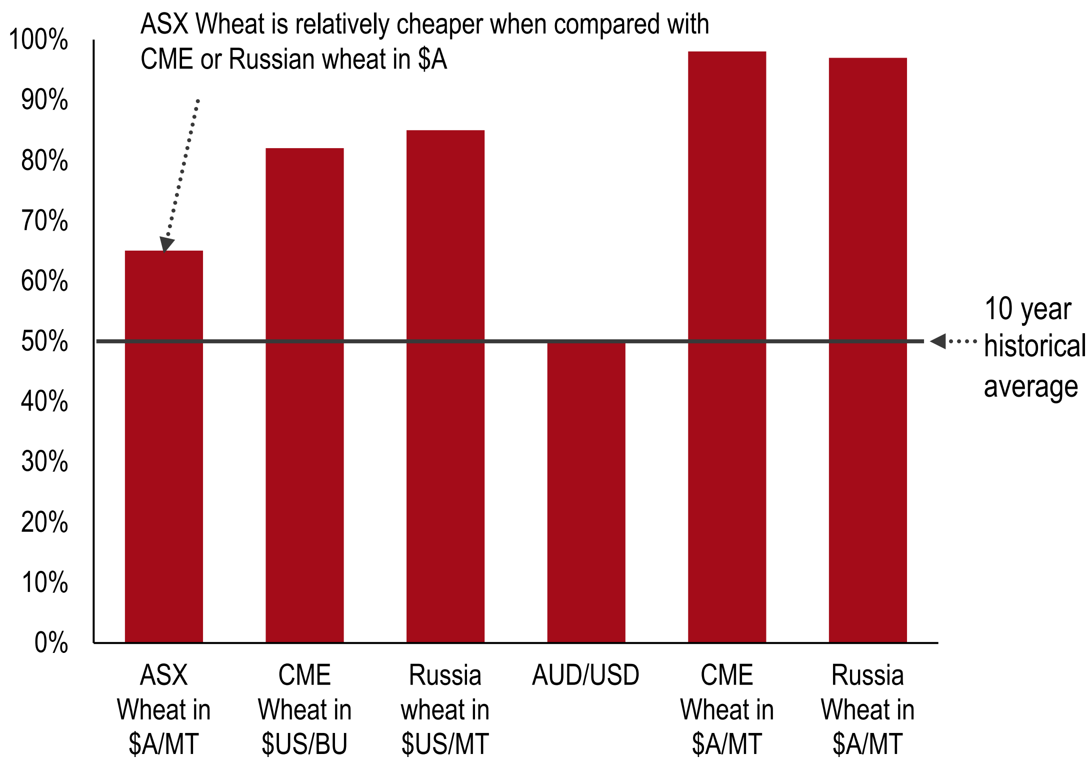
WORKING CAPITAL & PROVISIONS

$M	Dec-20	Jun-20	Var	Dec-19	Var
Processed Poultry	103.9	146.2	(42.3)	88.1	15.8
Feed	56.4	47.3	9.1	33.3	23.1
Other	41.8	38.3	3.5	39.0	2.8
Obsolescence Provision	(11.1)	(14.8)	3.7	(6.0)	(5.1)
Inventory	**191.0**	**217.0**	**(26.0)**	**154.4**	**36.6**
Biological Assets	**117.5**	**120.7**	**(3.2)**	**122.2**	**(4.7)**
Inventories	**308.5**	**337.7**	**(29.2)**	**276.6**	**31.9**
Trade Receivables	250.4	196.9	53.5	247.8	2.6
Provision for Doubtful Debts	(2.2)	(2.3)	0.1	(1.9)	(0.3)
Other receivables	4.0	4.2	(0.2)	4.2	(0.2)
Prepayments	13.8	3.8	10.0	14.0	(0.2)
Trade & Other Receivables	**266.0**	**202.6**	**63.4**	**264.1**	**1.9**
Non-current Receivables	**0.0**	**0.3**	**(0.3)**	**-**	**-**
Payables	**(404.7)**	**(406.4)**	**1.7**	**(387.5)**	**(17.2)**
Working Capital	**169.8**	**134.2**	**35.6**	**153.2**	**16.6**
Provisions	**(106.5)**	**(103.5)**	**(3.0)**	**(100.6)**	**(5.9)**
Working Capital & Provisions	**63.3**	**30.7**	**32.6**	**52.6**	**10.7**
Working Capital (Operating) [1]	**171.7**	**134.2**	**37.5**	**153.2**	**18.5**

1. Working capital adjusted for non-operating items including but not limited to interest accruals and proceeds from sale of assets. For Dec 20 this included $1.1M proceeds reflected as a deposit and $0.8M relating to non-operating interest accrual

INTERNATIONAL WHEAT MARKET IMPACTS

Current market vs 10 year historical averages



- Despite a near record domestic wheat harvest, strong demand internationally for Australian wheat is holding prices higher than anticipated due to:
    - Fall in production in some major exporting countries;
    - Dryness during the 2021-22 winter crop planting window in the United States, EU and Russian Federation; and
    - Increased global demand particularly from China.
- Australian wheat exports commentary is suggesting that exports could exceed 20m MT in 2020-21 – around double the prior year

DEFINITIONS

Certain non-IFRS information is referred to in this presentation. Defined below is what is included in each non-IFRS measure used throughout this presentation

- **EBITDA:** Earnings before Interest, Tax, Depreciation and Amortisation
- **EBIT:** Earnings before Interest and Tax
- **Gross Profit:** Revenue less cost of sales
- **Underlying Gross Profit pre AASB16:** Underlying Gross Profit excluding AASB16 leasing impacts
- **Underlying EBITDA:** Underlying EBITDA excluding 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 AASB16:** Underlying EBITDA excluding AASB16 leasing impacts
- **Underlying NPAT:** Net Profit After Tax excluding 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 AASB16:** Underlying NPAT excluding AASB16 leasing impacts after being tax effected
- **Earnings Per Share (EPS):** NPAT divided by the weighted average shares outstanding during the period
- **Net Debt:** Debt less cash and cash equivalents
- **LTM**: Last twelve months
- **PCP:** Prior corresponding period
- **Total Poultry:** includes core chicken and turkey products and by products
- **Core Poultry:** refers to chicken and turkey products for human consumption, excluding by-products
- **Cash Conversion ratio:** Cash Flow from Operations divided by EBITDA excluding non-cash items
- **Cash Conversion ratio pre AASB16:** Cash Flow from Operations less interest and principal of AASB16 divided by EBITDA excluding non-cash items less AASB16 P&L impact
- **Working Capital (Operating):** Working capital adjusted for non-operating items including but not limited to interest accruals and proceeds from sale of assets

INVESTOR ENQUIRIES

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