



28 July 2021

MARKET UPDATE: AGFOOD CONFERENCE PRESENTATION

Ridley Corporation Limited (**Ridley**) (**ASX:RIC**) provides the following market update which will form part of the presentation to be delivered at the Pac Partners and Westpac Agfood Conference later today (see separate release).

Ridley considers that it is well placed to grow earnings and cash through:

- continued momentum in the underlying business segments;
- the ongoing delivery of the Growth Strategy;
- the expected returns from a capital reinvestment program to drive profitable growth (**Project Boost**).

Developments in the Growth Strategy include the reset of the aquafeed operating model (with the consolidation of all aquafeed production into the expanded Narangba Facility following the sale of the Westbury Facility) and the commencement of the supply chain rationalisation review, both expected to improve profitability in FY22.

Project Boost involves the commitment of \$15 million of additional capital expenditure across FY22 and FY23, with estimated annualised earnings of approximately \$9 million and an expected payback period of less than 3 years. Earnings from Project Boost are forecast to commence in FY23.

Ridley also advises that as a result of its focus on disciplined capital management and following receipt of the proceeds from the sale of the Westbury extrusion facility (with completion expected to occur in the next week), Ridley's net debt will be approximately \$30 million (1H 21: \$125.8m) with a leverage ratio of <0.5 x.

Ridley is developing a Capital Allocation Framework (see slide 10 of the conference presentation) which is designed to:

- maintain a strong balance sheet; and
- support shareholder returns.

As part of the Capital Allocation Framework, the Board currently intends to announce the resumption of dividend payments at the time of the announcement of its full year results, which is scheduled for 25 August 2021. Ridley will also provide further information on these initiatives at that time.

For further information please contact:

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