

Analyst

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Authorisation

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Aust. Agricultural Co (AAC)

More than meeting expectations

Recommendation

Buy (unchanged)

Price

\$1.355

Target (12 months)

\$1.90 (previously \$1.85)

GICS Sector

Food Beverage and Tobacco

Expected Return

Capital growth	40.2%
Dividend yield	0.0%
Total expected return	40.2%

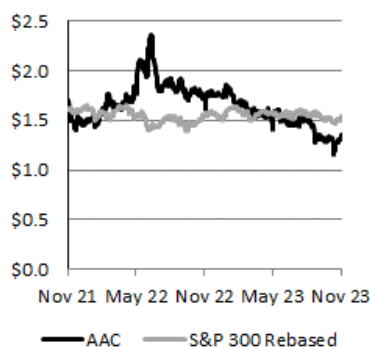
Company Data & Ratios

Enterprise value	\$1,311m
Market cap	\$817m
Issued capital	602.8m
Free float	35%
Avg. daily val. (52wk)	\$551,348
12 month price range	\$1.135-1.90

Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	1.32	1.49	1.72
Absolute (%)	2.08	-9.56	-21.66
Rel market (%)	1.96	-5.64	-19.94

Absolute Price



SOURCE: IRESS

1H24 results at a glance

AAC reported 1H24 Operating EBITDA ahead of our expectations at \$30.1m. Key operating statistics of the result included:

Operating results: Revenue of \$169.1m was up +5% YOY (vs. BPe \$151.5m). Operating EBITDA of \$3.1m was down -21% YOY (vs. BPe \$19.4m). Liveweight (lwt) sold was up +16% YOY, however, revenue per Kg lwt was down -10% YOY and EBITDA per Kg lwt sold was down -32%, reflecting lower live sales values (down -29% YOY). Statutory EBITDA loss of -\$124.9m, includes -\$175.5m unfavourable movement in herd values.

Cashflow and balance sheet: Lease adjusted operating cash outflow of -\$6.3m compares to a -\$1.2m outflow in 1H22. Net debt exited the period at \$410.6m and compares to net debt of \$386.7m at FY23 (and \$421.6m at 1H23). NTA exited at \$2.39ps and compares to \$2.57ps at FY23 (and \$2.33ps at 1H23) and reflected the impact of unfavourable cattle value movements in the period.

Outlook: No formal guidance. Most material aspects of qualitative outlook include the expansion of the Goonoo feedlots adding up to +12% in capacity and successful cropping trials over 6,000Ha of northern properties (which is consistent with AAC's plan to improve the productive capacity of the land assets).

We have raised our operating EBITDA forecasts by +38% in FY24e, +89% in FY25e and +76% in FY26e reflecting higher meat volumes, higher live pricing assumptions and lower production costs. Our NAV based target price lifts to \$1.90ps (prev. \$1.85ps) in light of the recent cattle price movement.

Investment view: Retain Buy rating

Our Buy rating is unchanged. AAC continues to demonstrate growth in through the cycle returns as the revenue shifts from cattle to meat. Importantly, with the expansion at Goonoo this is likely to remain a feature through FY25e. We view the 44% discount to NTA as excessive (and at the upper end of discounts we are seeing in other listed farming assets) particularly in light of the post balance date ~23% rally in cattle prices.

Earnings Forecast

Mar Year end	2023	2024e	2025e	2026e
Sales (\$m)	313.4	319.1	328.8	360.4
Operating EBITDA (\$m)	67.4	48.9	49.2	68.2
Operating NPAT (\$m)	17.4	(0.3)	(1.5)	11.3
Reported NPAT (\$m)	4.6	(90.8)	54.8	11.9
Operating EPS (¢ps)	2.9	(0.0)	(0.3)	1.9
EPS growth (%)	n.a.	n.a.	n.a.	n.a.
PER (x)	n.a.	n.a.	n.a.	n.a.
FCF Yield (%)	(1.6)	(2.0)	(2.9)	(0.6)
EV/EBITDA (x)	19.5	26.8	26.6	19.2
Dividend (¢ps)	0.0	0.0	0.0	0.0
Franking (%)	0.0	0.0	0.0	0.0
Yield (%)	0.0	0.0	0.0	0.0
ROE (%)	2.8	1.7	1.7	2.9

SOURCE: BELL POTTER SECURITIES ESTIMATES

1H24 at a glance

Result: AAC reported a stronger than expected operating result with Operating EBITDA down -21% YOY to \$30.1m (but ahead of our \$19.1m forecast). The stronger than expected result was driven by a better than market outcome on line pricing (+\$8.5m) and higher meat volumes (+14% ahead of expectations). Reported EBITDA of \$124.9m includes an unfavourable \$175.5m movement in herd values.

Figure 1 - AAC 1H24 Result overview																	
	2016	2017	2018	2019	2020	1H21	2H21	2021	1H22	2H22	2022	1H23	2H23	2023	1H24	1H24e	YOY
Meat sales (\$m)	428.2	383.0	332.7	236.5	229.6	99.7	97.2	196.9	100.5	103.3	203.8	120.2	120.8	241.0	129.8	124.1	8%
Volumes (m Kg cwt)	51.4	48.3	39.7	21.5	15.7	6.2	6.5	12.7	5.7	5.2	10.9	5.4	5.5	11.0	6.2	5.5	14%
Average price (\$/Kg cwt)	8.33	7.93	8.38	11.00	14.62	16.08	14.95	15.50	17.63	19.87	18.70	22.06	21.90	21.98	20.96	22.49	-5%
Live Sales (\$m)	61.1	63.7	47.0	117.8	104.5	41.1	24.4	65.5	40.5	27.0	67.5	41.4	27.0	68.4	35.3	25.5	-15%
Volumes (m Kg lwt)	22.6	18.0	13.2	46.2	34.2	13.0	6.4	19.4	10.9	6.4	17.3	10.1	6.1	16.2	12.1	11.2	20%
Average price (\$/Kg lwt)	2.70	3.54	3.56	2.55	3.06	3.16	3.81	3.38	3.72	4.22	3.90	4.10	4.43	4.22	2.92	2.27	-29%
Operating revenue	489.0	446.7	379.7	354.3	334.1	140.8	124.8	262.4	141.0	130.3	271.3	161.6	147.8	309.4	169.1	151.5	5%
...Revenue per Kg lwt (\$)	3.24	3.22	3.38	3.54	4.55	4.94	5.51	5.13	5.61	6.72	6.09	6.81	7.43	7.09	6.13	6.06	-10%
Carbon credits recognised - ACCU's											74,313			191,036			
Income through P&L											2.3			7.4			
Income per ACCU											30.5			38.5			
Operating EBITDA	14.8	45.0	13.6	(22.9)	15.2	23.5	0.9	24.4	30.0	19.9	49.9	38.3	29.1	67.4	30.1	19.4	-21%
...Operating EBITDA per Kg lwt (\$)	0.10	0.32	0.12	(0.23)	0.21	0.82	0.04	0.48	1.19	1.03	1.12	1.61	1.46	1.55	1.09	0.78	-32%
Unrealised gain on livestock	117.4	88.2	(48.9)	(159.8)	64.9	(8.5)	83.4	74.9	107.0	71.7	178.7	54.0	(72.3)	(18.3)	(155.0)	(239.9)	-387%
Reported EBITDA	132.2	133.2	(35.3)	(182.7)	80.1	15.0	84.3	99.3	137.0	91.6	228.6	92.3	(43.2)	49.1	(124.9)	(220.5)	-235%
Depreciation & Amortisation	(20.5)	(19.0)	(17.4)	(12.0)	(17.9)	(9.5)	(9.5)	(19.0)	(9.7)	(10.1)	(19.8)	(11.5)	(12.3)	(23.8)	(11.8)	(12.3)	3%
EBIT	111.7	114.2	(52.7)	(194.7)	62.2	5.5	74.8	80.3	127.3	81.5	208.8	80.8	(55.5)	25.3	(136.7)	(232.8)	-269%
Net Interest Income	(20.8)	(20.2)	(17.4)	(15.8)	(14.9)	(7.2)	(7.1)	(14.3)	(7.4)	(6.6)	(14.0)	(7.4)	(9.7)	(17.1)	(11.9)	(12.0)	60%
Pre-tax profit	90.9	94.0	(70.1)	(210.5)	47.3	(1.7)	67.7	66.0	119.9	74.8	194.7	73.4	(65.2)	8.2	(148.5)	(244.8)	-302%
Tax	(27.4)	(24.7)	20.3	61.5	(15.8)	0.4	(21.0)	(20.6)	(36.7)	(21.1)	(57.8)	(21.8)	18.2	(3.6)	43.0	33.9	-297%
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n.a.
NPAT	63.5	69.3	(49.8)	(149.0)	31.5	(1.3)	46.8	45.5	83.2	53.7	136.9	51.6	(47.0)	4.6	(105.5)	(210.9)	-305%
NRI's post tax	4.3	2.3	(52.8)	0.6	(0.2)	(0.4)	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n.a.
Reported NPAT	67.8	71.6	(102.5)	(148.4)	31.3	(1.7)	47.1	45.5	83.2	53.7	136.9	51.6	(47.0)	4.6	(105.5)	(210.9)	-305%
Operating EBITDA	14.8	39.3	(13.5)	(22.9)	15.2	23.5	0.9	24.4	30.0	19.9	49.9	38.3	29.1	67.4	30.1	19.4	-21%
Operating EBIT	(5.7)	20.3	(30.9)	(34.9)	(2.7)	14.0	(8.6)	5.4	20.3	9.8	30.1	26.8	16.8	43.6	18.3	7.1	-31%
Operating NPAT	(18.5)	3.6	(34.5)	(37.1)	(14.0)	4.6	(11.6)	(7.0)	8.3	3.5	11.8	13.8	3.7	17.4	3.0	(42.9)	-78%
Balance sheet and cashflow																	
Herd Value (\$m)	563.2	662.5	628.3	423.5	473.0	463.0	537.4	537.4	653.0	736.2	736.2	807.2	735.2	735.2	584.0		
Operating cashflow (\$m)	21.8	29.3	(39.9)	13.0	14.6	19.2	(6.0)	13.2	12.6	6.4	19.0	(1.2)	7.0	5.8	(6.3)		
Free cashflow (\$m)	2.2	0.6	(59.6)	(13.0)	(8.0)	14.1	(10.3)	3.8	8.9	(5.1)	3.9	(6.6)	(6.2)	(12.7)	(23.8)		
Net Debt (Cash) (\$m)	354.7	324.1	345.2	358.5	361.6	345.1	358.3	358.3	354.6	371.3	371.3	374.9	386.7	386.7	410.6		
Net debt/EBITDA (x)	24.0	8.2	(25.6)	(15.7)	23.8	10.7	14.7	14.7	11.5	8.4	7.4	5.5	7.9	5.7	3.5		
Net Debt/Equity (%)	40%	32%	35%	40%	43%	38%	34%	32%	31%	36%	36%	27%	35%	35%	28%		

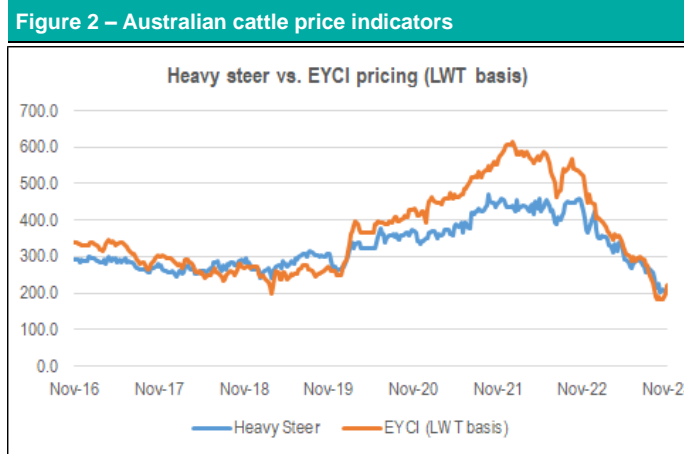
SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

NTA exited at \$2.39ps and compares to \$2.57ps at FY23 (and \$2.33ps at 1H23) and reflected the impact of unfavourable cattle value movements in the period. Herd valuation movements were the main driver of the downdraft in NTA, however, cattle values have since recovered somewhat post balance date (EYCI up ~23% post balance date).

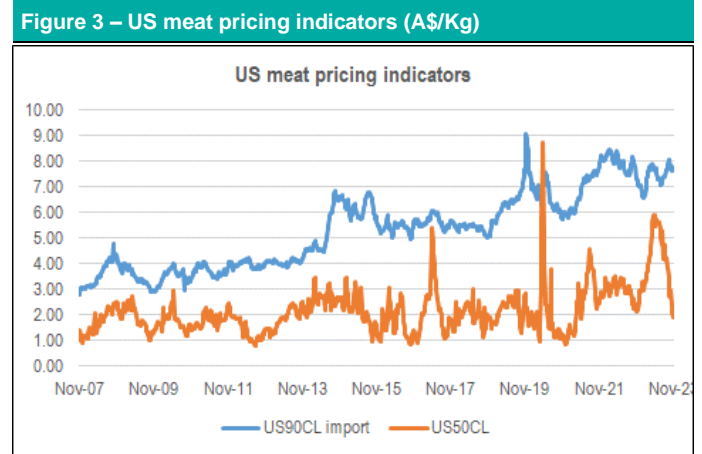
Liveweight sold was up +16% YOY and in large mitigate a 10% YOY reduction in revenue per Kg LWT. Volume growth was largely driven by a +14% YOY uplift in meat sales volumes, which follows a +9% uplift in feedlot cattle at end-2H23 (and a +15% YOY uplift in inductions). With the expansion at the Goonoo feedlot adding up to +14% to capacity we would expect volume growth to remain into FY25e. Production costs per Kg LWT were down 5.5% YOY to \$2.29/Kg and largely on the back of a +10% YOY uplift in liveweight produced (i.e. operating leverage on the pastoral cost structure).

AAC variable drivers

Cattle prices: The average EYCI value in 1H24e was down -45% YOY and historically there is 78% correlation between the AAC live cattle price received and the average EYCI. US90CL and US50CL import pricing have in general retained value through 1H24. FOB Export values ex-Australia have demonstrated mid-single digit YOY declines.



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

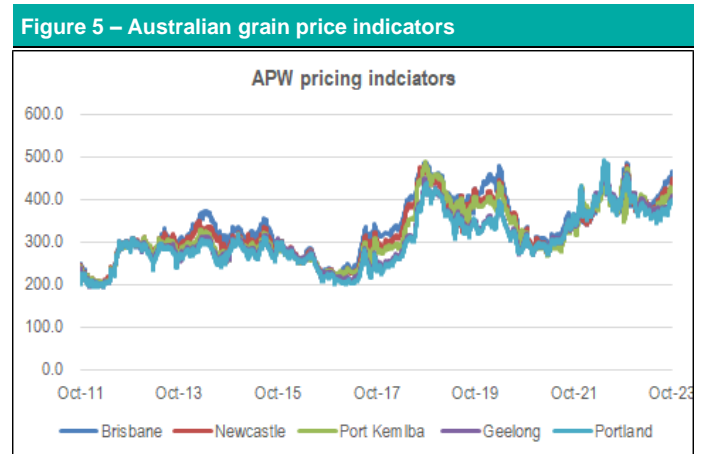


SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Grain prices: Northern grain prices have in general strengthened over 1H24.

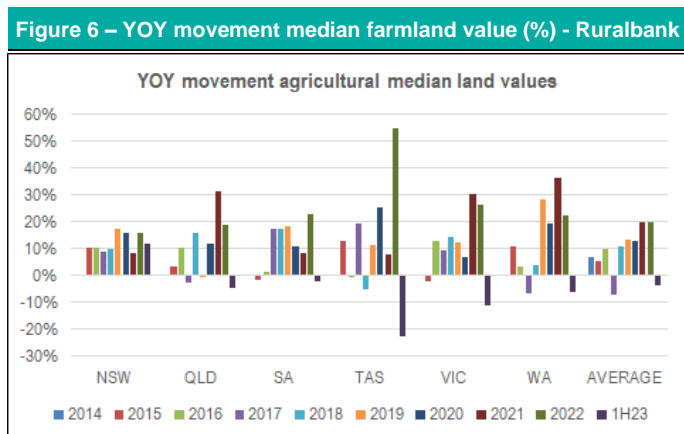


SOURCE: MLA DATA

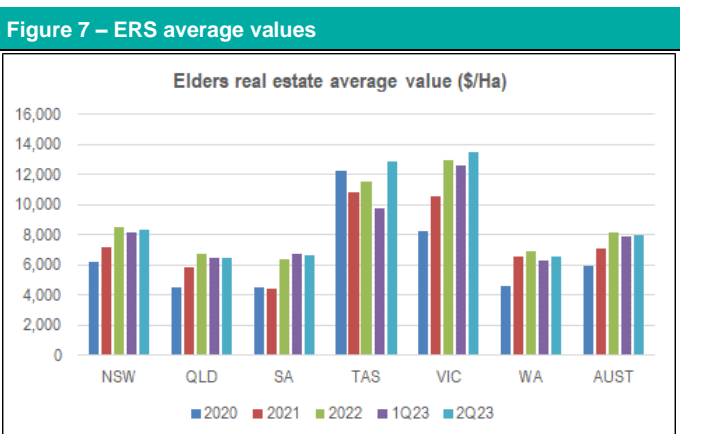


SOURCE: MLA DATA

Asset values: Both Ruralbank and Elders Real Estate market reports illustrate northern property values generally holding through 1HCY23.



SOURCE: RURALBANK



SOURCE: COMPANY DATA

AAC overview

BUSINESS OVERVIEW

AAC is a vertically integrated cattle and beef producer with operations that span the entire supply chain across genetics, nutrition, pastoral operations, feedlots and processing. AAC operates 18 owned cattle stations, 2 leased stations, 11 agisted properties, 2 feedlots, an abattoir as well as operating three fodder farms.

TARGET PRICE

Our target price for AAC is \$1.90ps. In determining our target price for AAC we have adjusted NAV to reflect: (1) an EYCI target consistent with current price levels and the flow through this has to herd valuations: and (2) an assumed discount for land values of ~15% to reflect a view that the market is applying discounts to agricultural land values following two years of 20%-plus gains.

RISKS

Key risks of an investment in AAC include but are not limited to:

COVID-19: The substantial impact of COVID-19 on the global and domestic economies together with the Saudi Arabia-Russia oil price war is creating enormous volatility and uncertainty in global share markets. The forecasts in the report may be subjected to significant changes if this situation continues for an extended period of time.

Adverse weather risk: Adverse weather conditions cause volatility in the agricultural sector. AAC has exposure to a number of natural events such as drought, flood, pestilence, disease, fire, temperature fluctuations, hail, rainfall and frost that are beyond its control.

Commodity price risk: The financial performance of AAC is influenced by variations in domestic and international prices paid for cattle and beef produced by AAC as well as the prices for cotton, grain crops and other commodities produced by AAC. Major factors that can influence demand and supply in the beef market and, therefore, the price of beef include: (1) the level of world cattle inventories; (2) consumers' preference for red meat protein (which may change) and the availability of other protein sources; (3) the rate of world economic development, and in particular, economic growth in Asian and Middle Eastern countries; (4) movements in exchange rate relativities between the currencies of the major cattle and beef export and import countries; and (5) competition from alternative food sources.

Trade risk: AAC products are exported to a number of countries each of which has separate regulatory regimes. These regimes often include factors such as quota limitations and other compliance issues, and may include the imposition of tariffs and free trade agreements which reduce AACs international competitiveness.

Water usage: AAC's operations are dependent on water for both the growth of pasture and crops as well as direct consumption by its cattle. In addition to rainfall, AAC sources water from bores which utilise water stored in sub-artesian and artesian basins and from rivers that flow through its properties. Depending on water availability, there is the potential that AAC will be unable to access as much water as it requires to sustain a herd sufficient to generate the current earnings base.

Execution risk: AAC has embarked on a strategy of moving its operations up the value chain into meat processing and branded meat sales. Failure to execute on this strategy or to attract sufficient third party volumes into its Northern Beef facility would likely impact the ability of AAC to meet the returns we are projecting.

Renewal of pastoral leases: Land held under pastoral leases and similar forms of Crown leasehold in Queensland and the Northern Territory comprise a substantial portion of the assets of the Company. The Northern Territory pastoral leases held by AAC have been granted in perpetuity. In the unlikely event that these are not renewed, AAC's business may be adversely affected.

Product liability: AAC produces consumable food products. Such products are potentially vulnerable to contamination. Such products may also be subject to processing and production defaults against specification. Product contamination (or a related extortion threat) may have a material adverse impact on the operating and financial performance of AAC.

Customer risk: The majority of AAC's production is sold under short-term contracts to customers in Australia, USA, Japan and Korea. Any change in trading terms with major partners would likely impact the financial performance of AAC.

Funding risk: AAC has a relatively high level of debt given its historical operating cash flow profile. Failure to secure refinancing of existing debt packages and or secure additional funding for potential capital expenditure or working capital investment may impede the performance of AAC.

Table 1 - Financial summary

Sept year end	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Profit & Loss (A\$m)									
Sales revenue	4253.1	4849.7	3660.9	5491.5	7868.3	8229.1	7507.0	7950.2	7855.1
... Change	#REF!	14.0%	(24.5%)	50.0%	43.3%	4.6%	(8.8%)	5.9%	(1.2%)
EBITDA	268.8	68.5	108.1	330.8	703.4	565.3	359.2	327.4	312.0
Deprec. & amort.	(153.2)	(142.4)	(109.5)	(107.1)	(117.3)	(116.9)	(115.4)	(112.5)	(109.8)
EBIT	115.6	(73.9)	(1.4)	223.7	586.1	448.4	243.8	214.9	202.2
Interest expense	(42.2)	(50.1)	(26.4)	(25.9)	(36.0)	(58.5)	(54.8)	(50.6)	(41.8)
Pre-tax profit	73.4	(124.0)	(27.8)	197.8	550.1	389.9	189.0	164.3	160.4
Tax expense	(3.1)	42.3	11.9	(58.5)	(169.7)	(121.0)	(57.3)	(49.3)	(48.1)
... tax rate	4.2%	34.1%	42.8%	29.6%	30.8%	31.0%	30.3%	30.0%	30.0%
Minorities	-	-	-	-	-	-	-	-	-
Net Profit	70.3	(81.7)	(15.9)	139.3	380.4	268.9	131.7	115.0	112.3
Abs. & extras	-	(31.3)	359.2	-	-	(19.2)	-	-	-
Reported Profit	70.3	(113.0)	343.3	139.3	380.4	249.7	131.7	115.0	112.3
Cashflow (A\$m)									
EBITDA	268.8	68.5	108.1	330.8	703.4	565.3	359.2	327.4	312.0
Tax Paid	(2.4)	(24.3)	(6.3)	-	(47.3)	(202.9)	(89.2)	(53.3)	(48.7)
Net Interest Expense	(42.4)	(48.9)	(40.1)	(26.1)	(36.0)	(59.4)	(56.6)	(52.7)	(46.2)
Change in Wkg Capital	(256.2)	(55.0)	127.8	(511.6)	(313.1)	46.7	263.9	63.4	35.6
Other	215.5	(76.5)	(192.5)	351.4	100.1	184.9	(225.2)	(87.1)	(30.5)
Operating Cash Flow	183.3	(136.2)	(3.0)	144.5	407.1	534.6	252.1	197.6	222.2
Capex	(141.9)	(83.6)	(77.7)	(54.6)	(80.8)	(66.3)	(50.0)	(50.0)	(50.0)
Div Paid	(52.6)	(18.3)	-	(34.3)	(76.5)	(120.8)	(92.0)	(42.6)	(40.4)
Free Cash Flow	(11.2)	(238.1)	(80.7)	55.6	249.8	347.5	110.1	105.0	131.8
Acquisitions	(1.9)	(13.8)	(1.7)	(26.2)	(5.7)	(49.2)	(35.0)	-	-
Disposals	17.2	2.8	198.2	25.8	3.6	1.3	122.6	-	-
Share Issues	-	-	-	-	(50.0)	-	-	-	-
Other	(237.9)	42.8	781.2	(415.2)	(138.6)	(132.0)	225.2	87.1	30.5
(Inc.)/dec. in net debt	(233.8)	(206.3)	897.0	(360.0)	59.1	167.6	423.0	192.2	162.3
Balance Sheet (A\$m)									
Cash & near cash	370.9	265.3	124.7	126.6	322.4	609.2	697.2	802.3	934.1
Receivables	528.1	624.0	260.6	510.7	630.2	620.6	566.1	599.6	592.4
Inventories	824.5	738.4	277.4	665.6	857.5	827.9	593.4	512.0	480.2
Other	152.9	280.0	121.7	235.3	423.8	331.6	206.0	206.0	206.0
Current assets	1,876.4	1,907.7	784.4	1,538.2	2,233.9	2,389.3	2,062.7	2,119.8	2,212.7
Fixed assets	1,514.3	1,335.2	678.2	668.1	663.8	639.1	613.8	591.4	571.7
Right of use assets	-	-	177.1	189.2	190.1	173.3	173.3	173.3	173.3
Intangibles	502.9	471.0	125.1	102.4	99.0	98.8	98.8	98.8	98.8
Other	81.10	161.70	414.40	388.80	348.30	291.60	291.60	291.60	291.60
Non current assets	2,098.3	1,967.9	1,217.7	1,159.3	1,111.1	1,029.5	1,004.2	981.8	962.1
Total assets	3,974.7	3,875.6	2,002.1	2,697.5	3,345.0	3,418.8	3,066.9	3,101.6	3,174.8
Creditors	408.9	363.7	153.4	280.1	278.4	285.9	260.8	276.2	272.9
Borrowings	537.9	633.2	213.9	575.8	712.5	831.7	496.8	409.6	379.1
Lease liabilities	-	-	26.9	31.7	37.8	38.0	38.0	38.0	38.0
Other	181.1	135.6	152.9	252.8	508.9	326.8	250.6	282.3	317.4
Current liabilities	1,127.9	1,132.5	520.2	1,108.7	1,499.8	1,444.4	1,008.1	968.2	969.5
Borrowings	762.9	768.3	150.0	150.0	150.0	150.0	150.0	150.0	150.0
Lease liabilities	-	-	204.9	210.1	203.5	186.9	186.9	186.9	186.9
Other	141.7	138.5	236.6	233.7	242.5	232.6	232.6	232.6	232.6
Non current liabilities	904.6	906.8	386.6	383.7	392.5	382.6	382.6	382.6	382.6
Total liabilities	2,032.5	2,039.3	906.8	1,492.4	1,892.3	1,827.0	1,390.7	1,350.8	1,352.1
Net assets	1,942.2	1,836.3	1,095.3	1,205.1	1,452.7	1,591.8	1,676.2	1,750.8	1,822.7
Share capital	1,344.5	1,347.9	572.8	570.6	516.6	527.1	527.1	527.1	527.1
Reserves	117.6	151.2	16.3	23.3	21.0	20.5	20.5	20.5	20.5
Retained earnings	480.1	337.2	506.2	611.2	915.1	1,044.2	1,128.6	1,203.2	1,275.1
Outside equity Interests	-	-	-	-	-	-	-	-	-
S/holders' funds	1,942.2	1,836.3	1,095.3	1,205.1	1,452.7	1,591.8	1,676.2	1,750.8	1,822.7
Net Debt (Cash)	929.9	1,136.2	239.2	599.2	540.1	372.5	(50.5)	(242.6)	(404.9)

Share price (\$)	7.55
Recommendation	Buy
Diluted issued capital (m)	224.3
Market cap (\$m)	1693.7
Enterprise value (\$m)	2685.3
Target price (\$)	9.55

Sept year end	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Valuation Ratios									
EPS (eps)	30.7	(35.7)	(6.9)	60.9	168.1	120.0	59.6	51.3	50.0
Change (%)	-	n.a.	n.a.	n.a.	176.2%	(28.6%)	(50.3%)	(14.0%)	(2.4%)
PE (x)	24.6	n.a.	(108.7)	12.4	4.5	6.3	12.7	14.7	15.1
EV/EBITDA (x)	9.99	39.20	24.84	8.12	3.82	4.75	7.48	8.20	8.61
EV/EBIT (x)	23.23	(36.34)	n.a.	12.00	4.58	5.99	10.93	12.50	13.28
EV/PBTDA (x)	5.62	27.12	14.53	4.55	2.11	2.81	4.81	5.40	5.64
***PBTDA is EBITDA less marketing interest. EV in this calculation utilises net debt (cash) ex-marketing book									
NTA (\$ps)	6.29	5.97	4.24	4.82	6.05	6.66	7.03	7.36	7.68
P/NTA (x)	1.20	1.27	1.78	1.57	1.25	1.13	1.07	1.03	0.98
Book Value (\$ps)	8.49	8.02	4.79	5.27	6.50	7.10	7.47	7.80	8.12
Price/Book (x)	0.89	0.94	1.58	1.43	1.16	1.06	1.01	0.97	0.93
DPS (¢)	16.0	-	7.0	18.0	54.0	54.0	22.0	18.0	18.0
Payout (%)	52%	0%	-101%	30%	32%	45%	37%	35%	36%
Yield (%)	2.1%	0.0%	0.9%	2.4%	7.2%	7.2%	2.9%	2.4%	2.4%
Franking (%)	100%	0%	100%	100%	100%	100%	100%	100%	100%
Performance Ratios									
EBITDA/sales (%)	6.3%	1.4%	3.0%	6.0%	8.9%	6.9%	4.8%	4.1%	4.0%
EBITA/sales (%)	2.7%	-1.5%	0.0%	4.1%	7.4%	5.4%	3.2%	2.7%	2.6%
OCF Realisation (%)	82%	(224%)	19%	104%	107%	199%	189%	172%	198%
FCF Realisation (%)	59%	n.a.	508%	65%	86%	174%	151%	128%	153%
ROE (%)	3.6%	(4.4%)	(1.5%)	11.6%	26.2%	16.9%	8.0%	6.6%	6.2%
ROIC (%)	4.3%	-2.5%	-0.1%	14.3%	30.9%	22.7%	13.7%	13.7%	13.8%
Asset Turn (years)	1.75	0.48	0.99	3.09	6.00	4.84	3.11	2.91	2.84
Capex/Depn (x)	0.93	0.59	0.71	0.51	0.69	0.57	0.43	0.44	0.46
Interest cover (x)	2.74	(1.48)	(0.05)	8.64	16.28	7.66	4.45	4.24	4.84
Net Debt/EBITDA (x)	3.46	16.59	2.21	1.81	0.77	0.66	(0.14)	(0.74)	(1.30)
Net debt/equity (%)	48%	62%	22%	50%	37%	23%	-3%	-14%	-22%
Segmental operating EBITDA (A\$m)									
Agribusiness	111.9	(93.7)	78.5	275.1	624.1	400.5	264.1	251.2	236.8
Agriprocessing	17.6	15.7	45.5	77.7	127.0	152.7	130.0	111.1	110.1
Other/Discontinued	170.1	175.5	-	-	-	-	-	-	-
Corporate	(30.8)	(29.0)	(15.9)	(22.0)	(47.7)	12.1	(34.9)	(34.9)	(34.9)
EBITDA	268.8	68.5	108.1	330.8	703.4	565.3	359.2	327.4	312.0
EC winter crop (mt)	16.8	8.5	12.2	32.6	31.3	29.2	20.8	18.4	18.4
EC summer crop (mt)	2.8	2.0	0.5	2.3	4.2	4.0	2.8	2.8	2.8
Adopted contestable EC (mt)	17.7	8.6	11.0	32.4	33.5	31.5	21.6	19.5	19.5
GNC receivals (mt)	6.8	3.1	4.2	16.5	16.3	13.9	9.0	9.0	9.0
GNC grain exports (mt)	2.7	0.3	1.3	7.9	9.2	8.3	4.8	4.0	3.7
Domestic outloads (mt)	5.6	5.8	5.1	5.0	6.4	6.4	5.5	5.5	5.5
EC grain sales (mt)	5.0	2.9	3.5	6.7	6.1	5.3	4.1	3.8	3.7
Offshore grain sales (mt)	1.9	4.2	4.3	3.4	3.5	3.7	4.0	5.0	5.0
Total grain sales (mt)	6.9	7.1	7.8	10.1	9.6	9.0	8.1	8.8	8.7
Carryout (mt)	2.3	1.5	0.7	4.3	4.9	3.9	2.6	2.1	2.0
Throughput (mt)	10.3	4.9	6.6	22.6	25.2	22.6	14.4	13.2	12.7
Crush volume (kt)	260	371	424	459	471	496	496	491	491
Crush margin (A\$/t)	130	102	81	164	255	381	321	291	291

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

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